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CAUSE NO. 096-297222-18

EXXON MOBIL CORPORATION, *Petitioner.*	IN THE DISTRICT COURT OF TARRANT COUNTY, TEXAS 96th JUDICIAL DISTRICT

APPENDIX IN SUPPORT OF PETITION

PART 3 OF 3, EXHIBITS 61-103

Exhibit	Description	Page(s)
1	Seth Shulman, Union of Concerned Scientists & Climate Accountability Inst., Establishing Accountability for Climate Change Damages: Lessons from Tobacco Control (2012), http://www.ucsusa.org/sites/default/files/attach/2016/04/establishing-accountability-climate-change-damages-lessons-tobacco-control.pdf	App. 1 – App. 37
2	Alana Goodman, *Billionaire Democratic Donor Funding $10 Million Campaign to Impeach Trump Is Linked to National Lawsuits Against Oil Companies Through Memo to His Environmental Nonprofit Group*, Daily Mail (Nov. 14, 2017, 7:11 AM), http://www.dailymail.co.uk/news/article-5078897/Wealthy-Democratic-donor-linked-oil-company-lawsuits.html	App. 38 – App. 57
3	Email from Kenny Bruno to Lee Wasserman, Dir., Rockefeller Family Fund, et al. (Jan. 5, 2016, 4:42 PM), http://freebeacon.com/wp-content/uploads/2016/04/scan0003.pdf	App. 58 – App. 59

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4	Draft Agenda from ExxonKnew Strategy Meeting in Email from Kenny Bruno to Lee Wasserman et al. (Jan. 5, 2016, 4:42 PM), http://eidclimate.org/wp-content/uploads/2017/10/Rockefeller-ExxonKnew-Strategy-Meeting-Memo-Jan-2016.pdf	App. 60 – App. 62
5	Transcript of the AGs United for Clean Power Press Conference, held on Mar. 29, 2016, which was prepared by counsel based on a video recording of the event. The video recording is available at http://www.ag.ny.gov/press-release/ag-schneiderman-former-vice-president-al-gore-and-coalition-attorneys-general-across	App. 63 – App. 83
6	Email from Wendy Morgan, Chief of Public Protection, Office of the Vermont Attorney General, to Michael Meade, Dir., Intergovernmental Affairs Bureau, Office of the New York Attorney General (Mar. 18, 2016, 6:06 PM), http://eelegal.org/wp-content/uploads/2016/04/Development-of-Agenda.pdf	App. 84 – App. 94
7	Email from Lemuel Srolovic, Bureau Chief, Envtl Prot. Bureau, Office of the N. Y. Attorney Gen., to Matthew Pawa, President, Pawa Law Grp., P.C. (Mar. 30, 2016, 9:01 PM), http://www.washingtonexaminer.com/ny-atty-generalsought-to-keep-lawyers-role-in-climate-change-push-secret/article/2588874#	App. 95 – App. 96
8	Climate Change Coalition Common Interest Agreement (May 18, 2016)	App. 97 – App. 116
9	Brief of Texas et al. as Amici Curiae Supporting Plaintiffs, *Exxon Mobil Corp.* v. *Healey*, No. 4:16-CV-00469-K (N.D. Tex. Sept. 8, 2016) (No. 63-2)	App. 117 – App. 130

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10	Brief of Texas et al. as Amici Curiae Supporting Plaintiffs, *Exxon Mobil Corp.* v. *Healey*, No. 1:17-CV-02301-VEC (S.D.N.Y. Apr. 19, 2017) (No. 192-3)	App. 131 – App. 158
11	Order Authorizing Jurisdictional Discovery, *Exxon Mobil Corp.*, v. *Healey*, No. 4:16-CV-00469-K (N.D. Tex. Oct. 13, 2016) (No. 73)	App. 159 – App. 165
12	Order Transferring Case to the Southern District of New York, *Exxon Mobil Corp.*, v. *Healey*, No. 4:16-CV-00469-K (N.D. Tex. Mar. 29, 2017) (No. 180)	App. 166 – App. 178
13	*Competitive Enter. Inst.* v. *Attorney Gen.*, No. 5050-16, 2016 WL 6989406 (N.Y. Sup. Ct. Nov. 21, 2016)	App. 179 – App. 181
14	Excerpt of Transcript of Oral Argument, *Energy & Envtl. Legal Inst.* v. *Attorney Gen. of Vt.*, No. 558-9-16 (Mar. 28, 2017)	App. 182 – App. 196
15	Alana Goodman, *Memo Shows Secret Coordination Effort Against ExxonMobil by Climate Activists, Rockefeller Fund*, Wash. Free Beacon (Apr. 14, 2016, 5:00 PM), http://freebeacon.com/issues/memo-shows-secret-coordination-effort-exxonmobil-climate-activists-rockefeller-fund	App. 197 – App. 200
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17	Michael Bastasch, *Emails: Eco-Activists Plotted Oil Industry Lawsuits Before Anti-Exxon Stories Released*, Daily Caller (May 16, 2016, 1:10 PM), http://dailycaller.com/2016/05/16/emails-eco-activists-plotted-oil-industry-lawsuits-before-anti-exxon-stories-released	App. 204 – App. 206

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18	Letter from Lamar Smith, Chairman, House Comm. on Sci., Space, & Tech., et al. to Eric Schneiderman, Attorney Gen. of New York (May 18, 2016), https://science.house.gov/sites/republicans.science.house.gov/files/documents/05.18.16%20SST%20Letter%20to%20CA%20AG.pdf	App. 207 – App. 213
19	Press Release, Luther Strange, Ala. Attorney Gen., Attorney General Strange Leads Dear Colleague Letter to Fellow Attorneys General Opposing Use of Subpoenas to Enforce Their Climate Agenda Views (June 16, 2016), http://environblog.jenner.com/files/letter.pdf	App. 214 – App. 220
20	Katie Brown, *Activists Admit at Friendly Forum They've Been Working with NY AG on Climate RICO Campaign for over a Ye*ar, Energy in Depth (June 24, 2016, 7:17 AM), https://energyindepth.org/national/activists-admit-at-friendly-forum-theyve-been-working-with-ny-ag-on-climate-rico-campaign-for-over-a-year	App. 221 – App. 225
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22	Katie Brown, *Rockefellers: Not Only Did We Pay for #ExxonKnew, We Were the Ones Who Pulled in NY AG*, Energy in Depth (Dec. 7, 2016, 2:02 PM), https://energyindepth.org/national/rockefellers-not-only-did-we-pay-for-exxonknew-we-were-the-ones-who-pulled-in-ny-ag	App. 229 – App. 235
23	Katie Brown, *After Even Deeper Collusion With Schneiderman Revealed, #ExxonKnew Campaign Tries to Change the Subject*, Energy in Depth (Mar. 14, 2017), http://eidclimate.org/after-even-deeper-collusion-with-schneiderman-revealed-exxonknew-campaign-tries-to-change-the-subject	App. 236 – App. 240

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25	Excerpt of 2010 County of Marin Certificates, https://emma.msrb.org/EA427434-EA332238-EA728082.pdf	App. 246 – App. 266
26	Excerpt of 2010 Imperial Beach Tax Allocation Bond, https://emma.msrb.org/EP480808-EP374955-EP771885.pdf	App. 267 – App. 283
27	Excerpt of 2013 San Mateo Lease Revenue Bond, https://emma.msrb.org/ER684998-ER530978-ER933493.pdf	App. 284 – App. 312
28	Excerpt of 2013 Imperial Beach Tax Allocation Bond, https://emma.msrb.org/EP782507-EP606121-EP1007572.pdf	App. 313 – App. 337
29	Excerpt of 2014 Oakland Sewer Revenue Refunding Bond, https://emma.msrb.org/ER756774-EP610705-EP1012238.pdf	App. 338 – App. 358
30	Excerpt of 2014 San Mateo Lease Revenue Bond, https://emma.msrb.org/EA604100-EA472653-EA869138.pdf	App. 359 – App. 378
31	Excerpt of 2014 San Francisco Municipal Transportation Agency (SFMTA) Bond, https://emma.msrb.org/EA662296-EA518683-EA914892.pdf	App. 379 – App. 408
32	Excerpt of 2016 San Mateo Refunding Lease Revenue Bond, https://emma.msrb.org/EP904517-EP701084-EP1103033.pdf	App. 409 – App. 434

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33	Excerpt of 2017 San Francisco Municipal Transportation Agency (SFMTA) Bond, https://emma.msrb.org/ES1033088-ES807674-ES1208978.pdf	App. 435 – App. 472
34	Excerpt of 2017 Oakland General Obligation Bond, https://emma.msrb.org/ES1038046-ES811448-ES1212831.pdf	App. 473 – App. 493
35	Complaint, *City of Imperial Beach* v. *Chevron Corp.*, No. C17-01227 (Cal. Super. Ct. July 17, 2017	App. 494 – App. 601
36	Complaint, *Cty. of Marin* v. *Chevron Corp.*, No. CIV 1702586 (Cal. Super. Ct. July 17, 2017)	App. 602 – App. 713
37	Complaint, *Cty. of San Mateo* v. *Chevron Corp.*, No. 17CIV03222 (Cal. Super. Ct. July 17, 2017)	App. 714 – App. 824
38	Complaint, *State* v. *BP P.L.C.*, No, RG17875889 (Cal. Super. Ct. Sept. 19, 2017)	App. 825 – App. 869
39	Complaint, *State* v. *BP P.L.C.*, No. CGC-17-561370 (Cal. Super. Ct. Sept. 19, 2017)	App. 870 – App. 925
40	Complaint, *Cty. of Santa Cruz* v. *Chevron Corp.*, No. 17CV03242 (Cal. Super. Ct. Dec. 20, 2017)	App. 926 – App. 1061
41	Complaint, *City of Santa Cruz* v. *Chevron Corp.*, No. (Cal. Super. Ct. Dec. 20, 2017)	App. 1062 – App. 1193
42	Excerpt of Cty. of Marin Cmty. Dev. Agency, Fossil Free by 2033? A Vision for Marin's Communities, Environment and Economy (2006), https://www.marincounty.org/depts/cd/divisions/planning/sustainability/~/media/Files/Departments/CD/Planning/Sustainability/Initiatives/Fossil_Free_Plan_12907.pdf	App. 1194 – App. 1197

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43	Union of Concerned Scientists, Smoke, Mirrors & Hot Air: How ExxonMobil Uses Big Tobacco's Tactics to Manufacture Uncertainty on Climate Science (2007), http://www.ucsusa.org/sites/default/files/legacy/assets/documents/global_warming/exxon_report.pdf	App. 1198 – App. 1266
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46	Excerpt of Port of San Diego, Climate Action Plan (2013), https://www.portofsandiego.org/document/environment/climate-mitigation-and-adaptation-plan/documents-1/5515-port-of-san-diego-climate-action-plan/file.html	App. 1276 – App. 1280
47	Excerpt of S.F. Int'l Airport, 2012 SFO Climate Action Plan (2013), http://media.flysfo.com.s3.amazonaws.com/media/sfo/community-environment/2013-sfo-climate-action-plan.pdf	App. 1281 – App. 1289
48	Jamie Henn, *The Department of Justice Must Investigate ExxonMobil*, 350.org, (Oct. 30, 2015), https://350.org/THE-DEPARTMENT-OF-JUSTICE-MUST-INVESTIGATE-EXXONMOBIL	App. 1290 – App. 1296
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51	Joshua Sabatini & Jonah Owen Lamb, *Former SF political operatives charged with felony bribery, money laundering*, S.F. Examiner (Jan. 22, 2016, 11:17 AM), http://www.sfexaminer.com/local-federal-officials-to-announce-corruption-charges	App. 1309 – App. 1313
52	City of Oakland, 2013 Greenhouse Gas Emissions Inventory Report (2016), http://www2.oaklandnet.com/oakca1/groups/pwa/documents/report/oak059097.pdf	App. 1314 – App. 1318
53	Email from Peter Washburn, Policy Advisor, Envtl. Prot. Bureau of the N.Y. Attorney Gen., to Lemuel Srolovic, Bureau Chief, Envtl Prot. Bureau, Office of the N. Y. Attorney Gen.; Scot Kline, Assistant Attorney Gen., Office of the Vt. Attorney Gen. & Wendy Morgan, Chief of Pub. Prot., Office of the Vt. Attorney Gen. (Mar. 25, 2016, 11:49 AM), http://eelegal.org/wp-content/uploads/2016/04/Questionnaire-responses.pdf	App. 1319 – App. 1326
54	Press Release, Jeff Landry, La. Attorney Gen., Attorney General Jeff Landry Slams Al Gore's Coalition (Mar. 30, 2016), https://www.ag.state.la.us/Article/2207/5	App. 1327 – App. 1329
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57	NextGen American (@NextGenAmerica), Twitter (Apr. 21, 2016, 10:00 AM), https://twitter.com/NextGenAmerica/status/723194680653975554	App. 1337 – App. 1338
58	NextGen Climate NH (@NextGen_NH), Twitter (Apr. 21, 2016, 3:08 PM), https://twitter.com/NextGen_NH/status/723272314037501952	App. 1339 – App. 1340
59	*Environment: Climate and Energy*, Sustainable San Mateo Cty. (June 2016), http://www.sustainablesanmateo.org/home/indicators-report/environment/climate-and-energy	App. 1341 – App. 1344
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61	Dep't of Motor Vehicles, Estimated Vehicles Registered by County for the Period of January 1 Through December 31, 2016, https://www.dmv.ca.gov/portal/wcm/connect/add5eb07-c676-40b4-98b5-8011b059260a/est_fees_pd_by_county.pdf?MOD=AJPERES&CONVERT_TO=url&CACHEID=add5eb07-c676-40b4-98b5-8011b059260a	App. 1353 – App. 1354
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63	Excerpt of 2017 City of Santa Cruz Refunding Lease Revenue Bond, https://emma.msrb.org/EP990879-EP768263-EP1170021.pdf	App. 1363 – App. 1380

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65	Excerpt of Cal. Envtl. Prot. Agency, California Greenhouse Gas Emissions for 2000 to 2015 – Trends of Emissions and Other Indicators (June 6, 2017), https://www.arb.ca.gov/cc/inventory/pubs/reports/2000_2015/ghg_inventory_trends_00-15.pdf	App. 1390 – App. 1392
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68	Excerpt of S.F. Dep't of Env't, 2015 San Francisco Geographic Greenhouse Gas Emissions Inventory at a Glance (2017), https://sfenvironment.org/sites/default/files/fliers/files/sfe_cc_2015_community_inventory_report.pdf	App. 1402 – App. 1405
69	*NGO Letter of Support to State Attorneys General*, ExxonKnew, http://exxonknew.org/stateags/ (last visited Jan. 4, 2018)	App. 1406 – App. 1409
70	*The City Attorney About Us: Biography of Dennis Herrera*, City Attorney of S.F. https://www.sfcityattorney.org/aboutus/thecityattorney (last visited Jan. 4, 2018)	App. 1410 – App. 1419

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73	*City Administration*, City of Oakland Cal., http://www2.oaklandnet.com/government/o/CityAdministration/index.htm (last visited Jan. 4, 2017)	App. 1426 – App. 1429
74	*Director of Transportation*, SFMTA, https://www.sfmta.com/units/director-transportation (last visited Jan. 4, 2018)	App. 1430 – App. 1433
75	*Tom Steyer, Founder & President*, NextGen America, https://nextgenamerica.org/who-we-are/tom-steyer/(last visited Jan. 4, 2018)	App. 1434 – App. 1436
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77	Ken Silverstein, *Rockefeller Foundations Enlist Journalism in 'Moral' Crusade Against ExxonMobil*, Observer (Jan. 6, 2017, 12:30 PM), http://observer.com/2017/01/exxonmobil-rockefeller-foundation-deception	App. 1443 – App. 1452
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80	TomKat Charitable Trust, Form 990-PF Return of Private Foundation (2014)	App. 1462 – App. 1493
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82	Patt Morrison, *Tom Steyer's Green Ambitions*, L.A. Times (Jan. 20, 2015 7:26 PM), http://www.latimes.com/opinion/op-ed/la-oe-0121-morrison-steyer-20150121-column.html	App. 1498 – App. 1504
83	John McCormick & Bill Allison, *Billionaire Steyer Says There's 'No Limit' on His Spending Against Trump*, Bloomberg (Jan. 18, 2017 5:00 AM), https://www.bloomberg.com/news/articles/2017-01-18/billionaire-steyer-says-no-limit-on-his-spending-against-trump	App. 1505 – App. 1508
84	City of Santa Cruz, Climate Action Plan (2012), http://www.cityofsantacruz.com/home/showdocument?id=27824	App. 1509 – App. 1521
85	Cty. of Santa Cruz, Climate Action Strategy (2013), http://www.sccoplanning.com/Portals/2/County/Planning/policy/Climate%20Action%20Strategy/Climate%20Action%20Strategy.pdf?ver=2013-09-19-144013-903	App. 1522 – App. 1534

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86	Email from Matthew Pawa, President, Pawa Law Grp., P.C., to Scot Kline, Assistant Attorney Gen., Office of the Vt. Attorney Gen., (Jan. 20, 2016, 8:42 AM)	App. 1535 – App. 1536
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88	Ivan Penn, *California to Investigate Whether Exxon Mobil Lied About Climate-Change Risks*, L.A. Times (Jan. 20, 2016 3:00 AM), http://www.latimes.com/business/la-fi-exxon-global-warming-20160120-story.html	App, 1539 – App. 1541
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95	Email from Peter Washburn, Policy Advisor, Envtl. Prot. Bureau of the N.Y. Attorney Gen., to Allen Brooks et al. (Apr. 13, 2016, 3:31 PM)	App. 1564 – App. 1570
96	*City Manager*, City of Santa Cruz, http://www.cityofsantacruz.com/government/city-departments/city-manager (last visited Jan. 4, 2018)	App. 1571 – App. 1572
97	Email from Lemuel Srolovic, Bureau Chief, Envtl. Prot. Bureau, Office of the N. Y. Attorney Gen., to Peter Frumhoff, Dir. of Sci. & Policy, Union of Concerned Scientists (Mar. 30, 2016 1:27 PM)	App. 1573 – App. 1574
98	Memorandum of Law in Support of Respondent's Verified Answer and in Opposition to the Petition, *Energy & Env't Legal Inst.* v. *Attorney Gen. of N.Y.*, No. 101678/2016 (N.Y. Sup. Ct. Dec. 22, 2016) (NYSCEF No. 15)	App. 1575 – App. 1601
99	Excerpt of 2017 County of Santa Cruz Tax and Revenue Anticipation Note, https://emma.msrb.org/EP1003967-EP778253-EP1179969.pdf	App. 1602 – App. 1634
100	Excerpt of 2016 County of Santa Cruz Limited Obligation Improvement Bonds, https://emma.msrb.org/EP914121-EP708983-EP1110853.pdf	App. 1635 – App. 1657
101	*County Administrative Office*, County of Santa Cruz, http://www.co.santa-cruz.ca.us/Departments/CountyAdministrativeOffice.aspx (last visited Jan. 4, 2018)	App. 1658 – App. 1659
102	Excerpt of 2017 San Francisco General Obligation Bond, https://emma.msrb.org/ER1017638-ER797023-ER1198238.pdf	App. 1660 – App. 1682

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103	Bond Comparison Chart[1]	App. 1683 – App. 1687

[1] These charts were prepared by counsel based on a comparison of the six California tort complaints and municipal bond offerings issued by the City of Oakland, San Mateo County, the City of San Francisco, the City of Imperial Beach, the County and City of Santa Cruz, and Marin County between 1990 and 2017. Counsel identified these bonds through the Municipal Securities Rulemaking Board's website, the Electronic Municipal Market Access (EMMA), https://emma.msrb.org/. Using optical character recognition (OCR), counsel surveyed municipal securities issued by the relevant municipalities and any readily identifiable related entities.

Dated: January 8, 2018

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Exhibit 61

DEPARTMENT OF MOTOR VEHICLES
ESTIMATED VEHICLES REGISTERED BY COUNTY
FOR THE PERIOD OF JANUARY 1 THROUGH DECEMBER 31, 2016

COUNTIES	AUTOS	TRUCKS	TRLRS	M/C	TOTAL
ALAMEDA	1,065,332	181,484	57,523	34,185	1,338,524
ALPINE	2,169	776	399	73	3,417
AMADOR	29,423	15,518	11,024	2,220	58,185
BUTTE	128,646	54,297	46,268	7,581	236,792
CALAVERAS	38,033	20,470	16,129	3,052	77,684
COLUSA	12,791	8,258	8,340	507	29,896
CONTRA COSTA	835,183	151,888	63,320	27,938	1,078,329
DEL NORTE	14,619	7,032	5,450	850	27,951
EL DORADO	134,675	47,586	38,846	8,648	229,755
FRESNO	511,209	179,820	94,709	19,127	804,865
GLENN	16,525	10,306	9,428	858	37,117
HUMBOLDT	80,805	42,354	28,088	5,129	156,376
IMPERIAL	121,565	43,795	23,139	3,075	191,574
INYO	13,814	7,716	5,681	988	28,199
KERN	437,455	189,167	106,117	19,312	752,051
KINGS	68,026	27,207	15,066	2,803	113,102
LAKE	47,614	22,437	17,137	3,159	90,347
LASSEN	15,780	10,337	9,908	1,105	37,130
LOS ANGELES	6,481,351	1,103,918	300,306	165,275	8,050,850
MADERA	78,091	34,061	25,206	3,808	141,166
MARIN	198,071	31,985	11,670	7,588	249,314
MARIPOSA	13,877	7,765	6,116	1,051	28,809
MENDOCINO	60,393	33,220	21,128	3,958	118,699
MERCED	139,610	54,143	29,110	4,821	227,684
MODOC	5,112	4,229	4,053	237	13,631
MONO	9,139	4,276	3,403	651	17,469
MONTEREY	265,512	80,948	35,616	8,754	390,830
NAPA	96,818	30,902	16,857	4,278	148,855
NEVADA	72,305	29,628	25,830	5,740	133,503
ORANGE	2,303,011	413,661	118,689	65,762	2,901,123
PLACER	278,803	77,057	51,654	13,713	421,227
PLUMAS	14,952	9,159	8,185	1,038	33,334
RIVERSIDE	1,390,232	375,313	167,125	51,829	1,984,499
SACRAMENTO	951,840	221,756	106,171	33,385	1,313,152
SAN BENITO	38,119	15,650	8,452	2,459	64,680
SAN BERNARDINO	1,266,253	352,320	176,186	46,883	1,841,642
SAN DIEGO	2,215,741	473,340	180,931	90,305	2,960,317
SAN FRANCISCO	413,147	55,645	8,531	23,078	500,401
SAN JOAQUIN	427,138	131,045	85,208	15,496	658,887
SAN LUIS OBISPO	186,504	66,316	46,100	11,616	310,536
SAN MATEO	620,314	87,758	21,769	17,625	747,466
SANTA BARBARA	276,471	80,502	33,552	13,297	403,822
SANTA CLARA	1,382,217	197,675	66,106	41,348	1,687,346
SANTA CRUZ	180,188	51,923	20,824	10,771	263,706
SHASTA	109,463	51,207	50,310	7,995	218,975
SIERRA	2,588	1,644	1,229	165	5,626
SISKIYOU	30,781	18,691	15,675	1,998	67,145
SOLANO	291,731	72,621	37,984	13,393	415,729
SONOMA	346,403	112,946	57,949	18,176	535,474
STANISLAUS	306,623	111,180	65,504	12,447	495,754
SUTTER	56,091	24,466	19,695	2,354	102,606
TEHAMA	34,426	19,668	19,164	2,062	75,320
TRINITY	8,664	6,158	5,392	729	20,943
TULARE	228,683	99,968	52,006	9,113	389,770
TUOLUMNE	40,336	20,864	14,485	3,184	78,869
VENTURA	590,657	139,898	53,789	25,214	809,558
YOLO	119,215	36,833	25,154	4,419	185,621
YUBA	40,050	16,077	13,098	2,399	71,624
OUT OF STATE	99,953	35,456	75,816	4,083	215,308
* MISC. VEHICLES					128,631
2016 FEE PAID VEHICLE REGISTRATIONS	**25,244,537**	**5,812,320**	**2,642,600**	**893,107**	**34,721,195**
FEE EXEMPT VEHICLE REGISTRATIONS	213,381	289,192	72,865	13,930	589,368
2016 GRAND TOTAL	**25,457,918**	**6,101,512**	**2,715,465**	**907,037**	**35,310,563**
2015 COMPARISON	24,696,261	5,931,837	2,705,593	898,909	34,346,325
% CHANGE FROM PRIOR YEAR	3.1%	2.9%	0.4%	0.9%	2.8%

FOREIGN-BASED IRP VEHICLES (Vehicles based in other states which pay fees to operate in California) 1,543,511

Note: This report contains the ***estimated*** number of fee-paid vehicle registrations by county and should not be used for revenue projections.

* Misc. Vehicles include historical vehicles, spec/farm equipment, etc.

DMV Forecasting Unit (916) 657-8008

Exhibit 62

Part A –Request Seeking Records Related to October and November 2015 Meetings

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
FOIL160286_000001	Email	11/9/2015	Christina Harvey	Erin Suhr, Alvin Bragg, Lemuel Srolovic and Karla Sanchez	Following up on conversation re: company specific climate change information	Law Enforcement
FOIL160286_000002	Email	11/9/2015	Christina Harvey	Erin Suhr, Alvin Bragg, Lemuel Srolovic and Karla Sanchez	Following up on conversation re: company specific climate change information	Law Enforcement
FOIL160286_000003	Email	11/10/2015	Christina Harvey	Alvin Bragg, Lemuel Srolovic and Karla Sanchez	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement
FOIL160286_000004	Email	11/10/2015	Lemuel Srolovic	Christina Harvey, Alvin Bragg and Karla Sanchez	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement
FOIL160286_000005	Email	11/10/2015	Karla Sanchez	Lemuel Srolovic, Christina Harvey and Karla Sanchez	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement
FOIL160286_000006-000007	Email	11/10/2015	Alvin Bragg	Karla Sanchez, Lemuel Srolovic, Christina Harvey	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
FOIL160286_000008	Email	11/9/2015	Kristen Sageser	Christina Harvey and Siobhan Kennedy	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement
FOIL160286_000009	Email	11/9/2015	Christina Harvey	Kristen Sageser and Siobhan Kennedy	Following up on conversation re: company specific climate change information	Intra/Inter-Agency and Law Enforcement

Total	Intra/Inter-Agency	Law Enforcement
8	6	8

Part B – Request Seeking Records Related to February 2015 Meeting

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
FOIL160286_000010	Email	2/23/2015	Lemuel Srolovic	Joan Smith	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000011-000012	Email	2/13/2015	Lemuel Srolovic	Michael J. Myers	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000013-000014	Email	2/11/2015	Lemuel Srolovic	Jodi Feld and Mauricio Roma	Meeting re: activities of	Intra/Inter-Agency and

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
					specific companies regarding climate change	Law Enforcement
FOIL160286_000015-000016	Email	2/19/2015	Lemuel Srolovic	John Oleske, Michael J. Myers, Alvin Bragg and Steven Glassman	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000017-000018	Email	2/23/2015	Lemuel Srolovic	John Oleske, Michael J. Myers, Jodi Feld, Mauricio Roma and Guy Ben-Ishai	Sharing news article re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000019-000020	Email	2/21/2015	Lemuel Srolovic	Lemuel Srolovic	Sharing news article re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000021-000022	Email	2/19/2015	Lemuel Srolovic	Joan Smith	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000023-	Email	2/19/2015	Lemuel	Joan Smith	Meeting re:	Intra/Inter-

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
000024			Srolovic		activities of specific companies regarding climate change	Agency and Law Enforcement
FOIL160286_000025	Email	2/19/2015	Lemuel Srolovic	Joan Smith	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000026	Email	2/19/2015	Lee Wasserman	Lemuel Srolovic and Steven Glassman	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000027-000028	Email	2/11/2015	Jodi Feld	Lemuel Srolovic and Mauricio Roma	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000029-000030	Email	2/12/2015	Mauricio Roma	Jodi Feld and Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000031-000032	Email	2/11/2015	Lee Wasserman	Lemuel Srolovic	Meeting re: activities of	Law Enforcement

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
					specific companies regarding climate change	
FOIL160286_000033	Email	2/11/2015	Lee Wasserman	Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000034-000035	Email	2/11/2015	Lemuel Srolovic	Lee Wasserman	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000036-000037	Email	2/11/2015	Lemuel Srolovic	Lee Wasserman	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000038-000039	Email	2/21/2015	Lee Wasserman	Lemuel Srolovic and Steven Glassman	Sharing news article re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000040-000041	Email	2/22/2015	Lee Wasserman	Lemuel Srolovic and Steven	Sharing news article re:	Law Enforcement

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
				Glassman	activities of specific companies regarding climate change	
FOIL160286_000042-000043	Email	2/20/2015	Joan Smith	Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000044-000045	Email	2/19/2015	Lee Wasserman	Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000046-000047	Email	2/19/2015	Lee Wasserman	Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000048-000050	Email	2/23/2015	Lemuel Srolovic	Alan Belensz	Meeting re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000051	Email	2/19/2015	Lemuel Srolovic	Lee Wasserman	Meeting re: activities of	Law Enforcement

Bates Range	Document Type	Document Date	Author(s)	Recipient(s)	Subject	Exemption or Privilege
					specific companies regarding climate change	
FOIL160286_000052-000053	Email	2/19/2015	Lemuel Srolovic	Lee Wasserman and Steven Glassman	Meeting re: activities of specific companies regarding climate change	Law Enforcement
FOIL160286_000054-000055	Email	2/24/2015	Michael J. Myers	Alan Belensz and Lemuel Srolovic	Sharing news article re: activities of specific companies regarding climate change	Intra/Inter-Agency and Law Enforcement
FOIL160286_000056	Email	2/23/2015	Lee Wasserman	Lemuel Srolovic	Meeting re: activities of specific companies regarding climate change	Law Enforcement

Total	Intra/Inter-Agency	Law Enforcement
26	13	26

Grand Total (Part A & Part B)	Intra/Inter-Agency	Law Enforcement
34	19	34

Exhibit 63

NEW ISSUE - FULL BOOK-ENTRY

RATING: S&P: "AA"
See "RATING" herein.

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however, to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although, for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is required to be taken into account in determining certain income and earnings. See "TAX MATTERS."

$11,035,000
CITY OF SANTA CRUZ PUBLIC FINANCING AUTHORITY
2017 Refunding Lease Revenue Bonds

Dated: Date of Delivery **Due: November 1, as shown on inside cover**

General. The 2017 Refunding Lease Revenue Bonds (the "Bonds") are being issued by the City of Santa Cruz Public Financing Authority (the "Authority") pursuant to an Indenture of Trust dated as of April 1, 2017 (the "Indenture") between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee for the Bonds (the "Trustee").

Use of Proceeds. The proceeds of the Bonds will be used to (i) defease and refund three outstanding bond issues previously issued by the Authority and the City's lease payment obligations related thereto and (ii) pay the costs of issuing the Bonds. See "THE REFINANCING PLAN."

Security for the Bonds. Under the Indenture, the Bonds will be payable solely from and secured by Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of lease payments ("Lease Payments") to be made by the City pursuant to a First Amended and Restated Lease Agreement, dated as of April 1, 2017 (the "Lease"), between the Authority and the City, for the leasing of certain real property. Such Lease Payments are calculated to be sufficient to pay the principal of and interest on the Bonds when due. Lease Payments are payable from any source of legally available funds in each year the City has use and possession of the Leased Property (defined herein). Under the Lease, the City covenants to take such action as necessary to include the Lease Payments in its annual budgets and to make all necessary appropriations for such Lease Payments (subject to abatement under certain circumstances as described in this Official Statement). See "SECURITY FOR THE BONDS."

No Reserve Fund. Neither the City nor the Authority will create or maintain a reserve account or fund with respect to the Lease Payments or the Bonds. See "SECURITY FOR THE BONDS."

Bond Terms; Book-Entry Only. The Bonds will bear interest at the rates shown on the inside cover page, payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2017, and will be issued in fully-registered form without coupons in the denomination of $5,000 or any integral multiple of $5,000. The Bonds will be issued in book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Purchasers of the Bonds will not receive certificates representing their interests in the Bonds. Payments of the principal of and interest on the Bonds will be made to DTC, which is obligated in turn to remit such principal and interest to its DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS - General Provisions."

Redemption. The Bonds are subject to redemption prior to maturity. See "THE BONDS - Redemption."

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE COUNTY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS (INCLUDING ANY MEMBER OF THE AUTHORITY) IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

MATURITY SCHEDULE

(See inside cover)

THIS COVER PAGE CONTAINS INFORMATION FOR GENERAL REFERENCE ONLY. IT IS NOT A SUMMARY OF THE SECURITY OR TERMS OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING THE SECTION ENTITLED "CERTAIN RISK FACTORS," FOR A DISCUSSION OF CERTAIN FACTORS WHICH SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH IN THIS OFFICIAL STATEMENT, IN CONSIDERING THE INVESTMENT QUALITY OF THE BONDS. CAPITALIZED TERMS USED ON THIS COVER PAGE AND NOT OTHERWISE DEFINED SHALL HAVE THE MEANINGS SET FORTH IN THE INDENTURE.

The Bonds are offered when, as and if issued and received by the Underwriter and subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will also be passed upon for the Authority and the City by Jones Hall, A Professional Law Corporation, as Disclosure Counsel. Certain legal matters will be passed upon for the City and the Authority by the City Attorney, and for the Underwriter by Nossaman LLP, Irvine, California. It is anticipated that the Bonds will be delivered in book-entry form through the facilities of DTC on or about April 11, 2017.

PiperJaffray.

This Official Statement is dated March 22, 2017.

$11,035,000
CITY OF SANTA CRUZ PUBLIC FINANCING AUTHORITY
2017 Refunding Lease Revenue Bonds

MATURITY SCHEDULE

Base CUSIP†: 801752

Maturity (November 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP† Number
2017	$410,000	2.000%	0.830%	100.646	CG9
2018	540,000	3.000	1.100	102.922	CH7
2019	555,000	4.000	1.330	106.686	CJ3
2020	575,000	4.000	1.580	108.334	CK0
2021	605,000	4.000	1.780	109.672	CL8
2022	625,000	2.000	2.060	99.686	CM6
2023	635,000	5.000	2.240	116.739	CN4
2024	165,000	5.000	2.410	117.791	CP9
2024	500,000	2.250	2.410	98.900	DD5
2025	210,000	5.000	2.550	118.724	CQ7
2025	475,000	2.500	2.550	99.617	DE3
2026	700,000	5.000	2.670	119.535	CR5
2027	735,000	5.000	2.770	120.287	CS3
2028	765,000	5.000	2.910	118.875[C]	CT1
2029	470,000	3.000	3.250	97.438	CU8
2030	475,000	3.125	3.370	97.350	CV6
2031	500,000	3.250	3.450	97.725	CW4
2032	285,000	3.375	3.570	97.686	CX2
2033	335,000	3.500	3.640	98.269	CY0
2034	345,000	3.500	3.700	97.432	CZ7
2035	365,000	3.625	3.760	98.206	DA1
2036	375,000	3.625	3.800	97.598	DB9
2037	390,000	3.750	3.830	98.867	DC7

C: Priced to the first optional call date of November 1, 2027 at par.

† Copyright 2017, American Bankers Association. CUSIP data herein are provided by CUSIP Global Services, managed by Standard & Poor's Capital IQ, and are provided for convenience of reference only. Neither the Authority, the City nor the Underwriter assumes any responsibility for the accuracy of these CUSIP data.

CITY OF SANTA CRUZ PUBLIC FINANCING AUTHORITY
(SANTA CRUZ COUNTY, CALIFORNIA)

AUTHORITY BOARD/CITY COUNCIL

Cynthia Chase, *Chairperson/Mayor*
David Terrazas, *Vice Chairperson/Vice Mayor*
Sandy Brown, Director/*Council Member*
Chris Krohn, Director/*Council Member*
Cynthia Mathews, Director/*Council Member*
Richelle Noroyan, Director/*Council Member*
Martine Watkins, Director/*Council Member*

AUTHORITY/CITY OFFICIALS

Martín Bernal, *Director/City Manager*
Marcus Pimentel, *Director of Finance*
Anthony P. Condotti, *City Attorney*

BOND COUNSEL AND DISCLOSURE COUNSEL

Jones Hall, A Professional Law Corporation
San Francisco, California

MUNICIPAL ADVISOR

Public Financial Management, Inc.
San Francisco, California

VERIFICATION AGENT

Causey, Demgen & Moore P.C.
Denver, Colorado

TRUSTEE

The Bank of New York Mellon Trust Company, N.A.
San Francisco, California

REGIONAL MAP

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

No Offering May Be Made Except by this Official Statement. No dealer, broker, salesperson or other person has been authorized to give any information or to make any representations with respect to the Bonds other than as contained in this Official Statement, and if given or made, such other information or representation must not be relied upon as having been authorized.

No Unlawful Offers or Solicitations. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described in this Official Statement.

Use of this Official Statement. This Official Statement is submitted in connection with the sale of the Bonds referred to in this Official Statement and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not a contract with the purchasers of the Bonds.

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

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

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

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

Stabilization of Prices. In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

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 CITY 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 maintains a website. However, the information presented on the website is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

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OFFICIAL STATEMENT

$11,035,000
CITY OF SANTA CRUZ PUBLIC FINANCING AUTHORITY
2017 REFUNDING LEASE REVENUE BONDS

INTRODUCTION

*This Official Statement, including the cover page and appendices, is provided to furnish information in connection with the sale by the City of Santa Cruz Public Financing Authority (the "**Authority**") of the above-captioned 2017 Refunding Lease Revenue Bonds (the "**Bonds**"). This Introduction contains a brief summary of certain information contained in this Official Statement. It is not intended to be complete and is qualified by the more detailed information contained elsewhere in this Official Statement. Definitions of certain terms used in this Official Statement are set forth in "APPENDIX A - SUMMARY OF PRINCIPAL LEGAL DOCUMENTS."*

Authority for Issuance. The Authority is issuing the Bonds under the following legal authority:

(i) the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "**Bond Law**"),

(ii) a resolution adopted by the Board of Directors (the "**Board**") of the Authority on February 28, 2017 (the "**Authority Resolution**"), and a resolution adopted by the City Council (the "**City Council**") of the City of Santa Cruz (the "**City**") on February 28, 2017 (the "**City Resolution**"), and

(iii) an Indenture of Trust (the "**Indenture**"), dated as of April 1, 2017, between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "**Trustee**").

Purpose of the Bonds. The Bonds are being issued to provide funds to (i) defease and refund (a) all of the outstanding $6,880,000 original principal amount City of Santa Cruz Public Financing Authority 2007 Lease Revenue Bonds (Public Library and Water Department Project) (the "**2007 Bonds**"), (b) all of the outstanding $5,430,000 original principal amount City of Santa Cruz Public Financing Authority 2010 Refunding Lease Revenue Bonds (Bank Qualified) (the "**2010 Bonds**"), and (c) all of the outstanding $3,810,000 original principal amount City of Santa Cruz Public Financing Authority 2010 Refunding Lease Revenue Bonds, Series B (Bank Qualified) (the "**2010 Series B Bonds**," and, together with the 2007 Bonds and 2010 Bonds, the "**Refunded Bonds**"), together with related lease payment obligations of the City, and (ii) pay the costs of issuing the Bonds.

Form of Bonds; Book-Entry Only. The Bonds will be issued in fully registered form, registered in the name of The Depository Trust Company ("**DTC**"), or its nominee, which will act

as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing the Bonds that are purchased. See "THE BONDS - Book-Entry Only System" and "APPENDIX F - DTC AND THE BOOK-ENTRY ONLY SYSTEM."

Redemption. The Bonds are subject to redemption prior to their stated maturity dates. See "THE BONDS - Redemption."

Security for the Bonds and Pledge of Revenues. The Bonds will be payable solely from and secured by Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Lease Payments to be made by the City pursuant to a First Amended and Restated Lease Agreement, dated as of April 1, 2017, between the City and the Authority (the "**Lease**"). Pursuant to a First Amended and Restated Site Lease (the "**Site Lease**"), between the City, as lessor and the Authority, as lessee, the City will lease to the Authority certain real property and the improvements thereon (as described more herein, the "**Leased Property**"). Concurrently, the Authority will lease the Leased Property back to the City pursuant to the Lease. See "THE LEASED PROPERTY." Under the Lease, the City covenants to take such action as necessary to include the Lease Payments in its annual budgets and to make all necessary appropriations for such Lease Payments (subject to abatement under certain circumstances described in the Lease). See "SECURITY FOR THE BONDS."

Lease Payments payable by the City under the Lease are calculated to be sufficient to permit the Authority to pay the principal of, and interest on, the Bonds when due. However, under certain circumstances, Lease Payments may be abated under the Lease without constituting a default. See "SECURITY FOR THE BONDS – Abatement" and "CERTAIN RISK FACTORS – Abatement."

Pursuant to an Assignment Agreement, dated as of April 1, 2017 (the "**Assignment Agreement**"), between the Authority and the Trustee, the Authority has assigned to the Trustee for the benefit of the Owners of the Bonds, certain of the Authority's rights under the Lease, including its rights to receive Lease Payments for the purpose of securing the payment of debt service on the Bonds.

No Additional Obligations. Under the Indenture, the Authority covenants that no additional bonds, notes or other indebtedness will be issued or incurred which are payable out of the Revenues in whole or in part.

No Reserve Fund. Neither the City nor the Authority will create or maintain a debt service reserve account or fund with respect to the Lease Payments or for the Bonds.

Abatement. The Lease provides that the obligation of the City to pay Lease Payments will be subject to abatement by reason of (i) any damage or destruction such that there is substantial interference with the use and occupancy of all or any portion of the Leased Property, or (ii) a temporary taking of the Leased Property or a permanent taking of a portion of the Leased Property. However, to the extent proceeds of rental interruption insurance are available, Lease Payments (or a portion thereof) may be made from those sources. See "SECURITY FOR THE BONDS - Abatement" and "CERTAIN RISK FACTORS - Abatement."

Risks of Investment. An investment in the Bonds involves risk. See "CERTAIN RISK FACTORS" for a discussion of important investment considerations and other risk factors associated with the purchase of the Bonds. Any one or more of the risks discussed, and others, could lead to a decrease in the market value of the Bonds. Potential purchasers of the Bonds

are advised to review the entire Official Statement carefully and to conduct such due diligence and other review as they deem necessary and appropriate under the circumstances.

THE BONDS ARE SPECIAL OBLIGATIONS OF THE AUTHORITY PAYABLE SOLELY FROM AND SECURED BY A PLEDGE OF REVENUES AND CERTAIN FUNDS AND ACCOUNTS HELD UNDER THE INDENTURE. THE AUTHORITY HAS NO TAXING POWER. THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE DOES NOT CONSTITUTE AN OBLIGATION OF THE CITY FOR WHICH THE CITY IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE CITY HAS LEVIED OR PLEDGED ANY FORM OF TAXATION. NEITHER THE BONDS NOR THE OBLIGATION OF THE CITY TO MAKE LEASE PAYMENTS UNDER THE LEASE CONSTITUTES AN INDEBTEDNESS OF THE CITY, THE COUNTY, THE STATE OF CALIFORNIA (THE "STATE") OR ANY OF ITS POLITICAL SUBDIVISIONS (INCLUDING ANY MEMBER OF THE AUTHORITY) IN CONTRAVENTION OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATIONS.

CERTAIN RISK FACTORS

The following factors, along with other information in this Official Statement, should be considered by potential investors in evaluating the risks in the purchase of the Bonds. However, the following is not an exhaustive listing of risk factors and other considerations which may be relevant to an investment in the Bonds. There can be no assurance that other risk factors will not become evident at any future time.

Limited Obligations of the Authority

The Bonds are special obligations of the Authority and are payable solely from, and secured by, a pledge of Revenues and certain funds and accounts held under the Indenture. Revenues consist primarily of Lease Payments payable by the City under the Lease. If, for any reason, the Revenues collected under the Indenture are not sufficient to pay debt service on the Bonds, the Authority will not be obligated to utilize any other of its funds, other than moneys on deposit in the Bond Fund, and certain other funds and accounts established under the Indenture, to pay debt service on the Bonds. The Authority has no taxing power.

No Pledge of Taxes

General. The obligation of the City to pay the Lease Payments and Additional Rental Payments does not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation. The obligation of the City to pay Lease Payments and Additional Rental Payments does not constitute a debt or indebtedness of the Authority, the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory debt limitation or restriction.

Limitations on Taxes and Fees. Certain taxes, assessments, fees and charges presently imposed by the City could be subject to the voter approval requirements of Article XIIIC and Article XIIID of the State Constitution. Based upon the outcome of an election by the voters, such fees, charges, assessments and taxes might no longer be permitted to be imposed, or may be reduced or eliminated and new taxes, assessments fees and charges may not be approved. The City has assessed the potential impact on its financial condition of the provisions of Article XIIIC and Article XIIID of the State Constitution respecting the imposition and increase of taxes, fees, charges and assessments and does not believe that an election by the voters to reduce or eliminate the imposition of certain existing fees, charges, assessments and taxes would substantially affect its financial condition. However, the City believes that if the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to Article XIIIC and Article XIIID of the State Constitution are eliminated or substantially reduced, the financial condition of the City, including its General Fund, could be materially adversely affected.

Although the City does not currently anticipate that the provisions of Article XIIIC and Article XIIID of the State Constitution would adversely affect its ability to pay Lease Payments and its other obligations payable from the General Fund, no assurance can be given regarding the ultimate interpretation or effect of Article XIIIC and Article XIIID of the State Constitution on the City's finances. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS."

Additional Obligations of the City

The City has existing obligations payable from its General Fund. See "CITY FINANCIAL INFORMATION - Long-Term Obligations of General Fund." The City is permitted to enter into other obligations which constitute additional charges against its revenues without the consent of Owners of the Bonds. To the extent that additional obligations are incurred by the City, the funds available to pay Lease Payments may be decreased.

The Lease Payments and other payments due under the Lease (including payment of costs of repair and maintenance of the Leased Property, taxes and other governmental charges levied against the Leased Property) are payable from funds lawfully available to the City. If the amounts that the City is obligated to pay in a fiscal year exceed the City's revenues for such year, the City may choose to make some payments rather than making other payments, including Lease Payments and Additional Rental Payments, based on the perceived needs of the City. The same result could occur if, because of California Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues or is required to expend available revenues to preserve the public health, safety and welfare.

No Reserve Fund

Neither the City nor the Authority will create or maintain a debt service reserve account or fund with respect to the Lease Payments or for the Bonds.

Default

Whenever any event of default referred to in the Lease happens and continues, the Authority is authorized under the terms of the Lease to exercise any and all remedies available under law or granted under the Lease. See "APPENDIX A - Summary of Principal Legal Documents" for a detailed description of available remedies in the case of a default under the Lease. In the event of a default, there is no remedy of acceleration of the total Lease Payments due over the term of the Lease. The Trustee is not empowered to sell the Leased Property and use the proceeds of such sale to prepay the Bonds or pay debt service on the Bonds. The City will be liable only for Lease Payments on an annual basis and, in the event of a default, the Trustee would be required to seek a separate judgment each year for that year's defaulted Lease Payments. Any such suit for money damages would be subject to limitations on legal remedies against municipalities in California, including a limitation on enforcement of judgments against funds of a fiscal year other than the fiscal year in which the Lease Payments were due and against funds needed to serve the public welfare and interest.

Abatement

Under certain circumstances related to damage, destruction, condemnation or title defects which cause a substantial interference with the use and possession of the Leased Property, the City's obligation to make Lease Payments will be subject to full or partial abatement and could result in the Trustee having inadequate funds to pay the principal and interest on the Bonds as and when due. See "SECURITY FOR THE BONDS - Abatement" and "APPENDIX A - Summary of Principal Legal Documents."

Property Taxes

Levy and Collection. The City does not have any independent power to levy and collect property taxes. Any reduction in the tax rate or the implementation of any constitutional or legislative property tax decrease could reduce the City's property tax revenues, and accordingly, could have an adverse impact on the ability of the City to make Lease Payments. Likewise, delinquencies in the payment of property taxes could have an adverse effect on the City's ability to pay principal of and interest on the Bonds when due.

Reduction in Inflationary Rate. Article XIIIA of the California Constitution provides that the full cash value base of real property used in determining assessed 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. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS." 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%. Since Article XIIIA was approved, the annual adjustment for inflation has fallen below the 2% limitation in the certain years, and may do so again.

The City is unable to predict if any adjustments to the full cash value base of real property within the City, whether an increase or a reduction, will be realized in the future.

Appeals of Assessed Values. There are two types of appeals of assessed values that could adversely impact property tax revenues:

Proposition 8 Appeals. Most of the appeals that might be filed in the City would be based on Section 51 of the Revenue and Taxation Code, which requires that for each lien date the value of real property must 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.

Under California law, property owners may apply for a reduction of their property tax assessment by filing a written application, in form prescribed by the State Board of Equalization, with the appropriate county board of equalization or assessment appeals board. In most cases, the appeal is filed because the applicant believes that present market conditions (such as residential home prices) cause the property to be worth less than its current assessed value. These market-driven appeals are known as Proposition 8 appeals.

Any reduction in the assessment ultimately granted as a Proposition 8 appeal applies to the year for which application is made and during which the written application was filed. These reductions are often temporary and are adjusted back to their original values when market conditions improve. 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.

The County Assessor may also unilaterally reduce assessed values under Proposition 8. For example, the County Assessor reduced the assessed values of approximately 17,500 parcels on a County-wide basis under Proposition 8 in fiscal year 2009-10 (there is no City-specific Proposition 8 data available) and the Assessor reports that the same parcels maintained the same level of reductions in fiscal year 2010-11.

Base Year Appeals. A second type of assessment appeal is called a base year appeal, where the property owners challenge the original (basis) value of their property. 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.

No assurance can be given that property tax appeals in the future will not significantly reduce the City's property tax revenues.

Natural Calamities

General. From time to time, the City is subject to natural calamities, including, but not limited to, earthquake, flood, tsunami, or wildfire, that may adversely affect economic activity in the City, and which could have a negative impact on City finances. There can be no assurance that the occurrence of any natural calamity would not cause substantial interference to the Leased Property, or that the City would have insurance or other resources available to make repairs to the Leased Property in order to make Lease Payments under the Lease. See "- Abatement" above.

Seismic. The City is located in an area classified as Seismic Zone 4 by the Uniform Building Code. The area includes all of the greater San Francisco Bay Area and all of coastal California. The City is located in an area classified as Seismic Zone 4 by the Uniform Building Code. Seismic Zone 4 is the highest risk zone classification under the Uniform Building Code.

Within Santa Cruz County there are several active and potentially active faults. These include the San Andreas, San Gregorio, Zayante, Ben Lomond and Butano Faults, the Monterey Bay Fault Zone, as well as numerous fault complexes and branches of these major faults. The City lies within 15 miles of at least six major seismic faults and fault systems, placing it in an area of high seismic risk; however there is only one fault, the Ben Lomond Fault that actually passes through the city. The Ben Lomond Fault is not considered to have moved in historic time, however, and may be inactive. If there were to be an occurrence of severe seismic activity in the City, there could be substantial damage to and interference with the City's right to use and occupy all or a portion of the Leased Property, which could result in Lease Payments being subject to abatement. See "- Abatement" above. See "THE LEASED PROPERTY" for a description of the structural design of the Leased Property.

Currently, the City does not maintain earthquake insurance on the Leased Property, and is not required to do so under the Lease unless it is available at reasonable cost from reputable insurers in the judgment of the City.

Flood. There are several areas subject to flooding in the City. The San Lorenzo River runs through the downtown corridor and the majority of the downtown area is in the San Lorenzo floodplain; as a result, 18 floods, eight of which have been considered severe, have occurred over the last 10 decades. The San Lorenzo River Levee Project significantly reduced the risk of flooding in the downtown area. However, the downtown and beach areas are still designated as floodplains.

Flooding along the coast of the City may occur with the simultaneous occurrence of large waves and storm swells during the winter. Storm centers from the southwest produce the

type of storm pattern most commonly responsible for the majority of serious coastline flooding. The strong winds combined with high tides that create storm surges are also accompanied by heavy rains. When storms occur simultaneously with high tides, flood conditions including flooding at the mouth of the San Lorenzo River are exacerbated.

There are several smaller creeks in the City that are subject to periodic flooding. Flooding is a hazard on the lower reaches of Moore Creek where only shallow stream channels are present, the lower portion of Arana Gulch, north of Santa Cruz Yacht Harbor, and along portions of Branciforte and Carbonera creeks. In these areas there is minimal impact on public structures and facilities and only a few residential structures are within these flood zones. There can be no guarantee a flood in the future would not damage the Leased Property.

Wildfire. There are five wildland/urban interface areas within the City, including three areas designated as mutual threat zones. Mutual threat zones are defined as areas where a wildfire would threaten property within the Santa Cruz fire protection district as well as property covered by another fire protection service.

Tsunami. The City is located on the Monterey Bay. Several active and potentially active earthquake faults are located within or near Santa Cruz. Even a moderate earthquake occurring in or near any of the nearby faults could result in local source tsunamis from submarine land sliding in Monterey Bay. Additionally, distinct source tsunamis from the Cascadia Subduction Zone to the north, or tsunamis from elsewhere in the Pacific Ocean are also capable of causing significant destruction in the City, including to the Leased Property.

Limitations on Remedies Available to Bond Owners

The ability of the City to comply with its covenants under the Lease may be adversely affected by actions and events outside of the control of the City, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" above. Furthermore, any remedies available to the owners of the Bonds upon the occurrence of an event of default under the Lease or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Lease and the Indenture, the rights and obligations under the Bonds, the Lease and the Indenture may be subject to the following: the United States Bankruptcy Code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; usual equity principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Federal Constitution; and the reasonable and necessary exercise, in certain exceptional situations, of the police power inherent in the sovereignty of the State of California and its governmental bodies in the interest of serving a significant and legitimate public purpose.

Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

Impact of State Budget

A number of the City's revenues are collected and dispersed by the State (such as sales tax and motor-vehicle license fees) or allocated in accordance with State law (most importantly, property taxes). As a result, State budget decisions can have an impact on City finances. At various times, including recently, the State has experienced significant financial and budgetary stress. State budgets are affected by national and local economic conditions and other factors over which the City has no control. The State's financial condition and budget policies affect communities and local public agencies throughout the State. To the extent that the State budget process results in reduced revenues to the City, the City will be required to make adjustments to its budget.

For example, declining revenues and fiscal difficulties that arose in the State commencing in fiscal year 2008-09 led the State to undertake a number of budgeting strategies, which had subsequent impacts on local agencies within the State. These techniques included the issuance of IOUs in lieu of warrants (checks), the enactment of statutes deferring amounts owed to public schools, until a later date in the fiscal year, or even into the following fiscal year (known as statutory deferrals), trigger reductions, which were budget cutting measures that were implemented or could have been implemented if certain State budgeting goals were not met, among others, and the dissolution of local redevelopment agencies in part to make available additional funding for schools.

There can be no assurance the State will not experience financial and budgetary stress in the future, which may impact the finances of the City.

City Pension Benefit Liability

Many factors influence the amount of the City's pension benefit liability, including, without limitation, inflationary factors, changes in statutory provisions of applicable law, changes in the levels of benefits provided or in the contribution rate of the City, increases or decreases in the number of covered employees, changes in actuarial assumptions or methods and differences between actual and anticipated investment experience of CalPERS. Any of these factors could give rise to additional liability of the City to CalPERS as a result of which the City would be obligated to make additional payments to CalPERS over the amortization schedule for full funding of the City's obligations to CalPERS. The City expects its pension benefit liability to increase in future years as a result of the CalPERS Board-approved new investment return methodology.

Sanctuary City Status; Changes in Federal Law

On January 25, 2017, President Donald Trump issued "Executive Order – Enhancing Public Safety in the Interior of the United States," which aims to address certain immigration policies of the administration, including among other things sanctuary jurisdictions. The order states, in part, that the policy of the executive branch will be to "ensure that jurisdictions that fail to comply with applicable federal law do not receive federal funds, except as mandated by law." The City is a sanctuary jurisdiction. For the fiscal year ended June 30, 2016, the City reported intergovernmental revenues from federal sources to its General Fund of $356,561. There is uncertainty on the impact of this executive order on the City and other sanctuary jurisdictions, including with respect to reimbursement from the Federal Emergency Management Agency (FEMA) for otherwise eligible reimbursable expenses of the City. On January 31, 2017, the City and County of San Francisco filed a lawsuit in United States District Court – Northern District of

California challenging the President's executive order as unconstitutional. That case has not yet been resolved and other cases may be brought in the future.

There can be no assurance that the President will not execute executive orders in the future targeting sanctuary jurisdictions or that the federal government will not introduce or enact legislation that could negatively impact the City's General Fund or the marketability, liquidity or market price for the Bonds.

Loss of Tax-Exemption

As discussed under the caption "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued, as a result of future acts or omissions of the Authority or the City in violation of their respective covenants in the Lease and the Indenture. Should such an event of taxability occur, the Bonds are not subject to special redemption and will remain Outstanding until maturity or until redeemed under other provisions set forth in the Indenture.

Secondary Market for Bonds

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

PROFESSIONAL SERVICES

In connection with the issuance of the Bonds, all or a portion of the fees payable to Bond Counsel and Disclosure Counsel, the Underwriter and its counsel Nossaman LLP, the Municipal Advisor, the Verification Agent, and the Trustee, are contingent upon the issuance and delivery of the Bonds.

EXECUTION

The execution of this Official Statement and its delivery have been authorized by the Board of Directors of the Authority and the City Council of the City.

CITY OF SANTA CRUZ PUBLIC FINANCING AUTHORITY

By : /s/ Martín Bernal
Executive Director

CITY OF SANTA CRUZ

By : /s/ Martín Bernal
City Manager

Exhibit 64

DONATE

COMMUNITY GROUP ALLEGES CIVIL RIGHTS VIOLATIONS BY THE CITY AND PORT OF OAKLAND IN COMPLAINT TO FEDERAL GOVERNMENT

Growth of diesel-powered freight inflicts unequal impacts of asthma and other health problems on the historically black community of West Oakland

809

As recipients of federal funds, the City and Port of Oakland have an obligation under Title VI of the Civil Rights Act to avoid causing an unjustified unequal impact on the basis of race.

CHRIS JORDAN-BLOCH / EARTHJUS

> *The City and Port of Oakland have consistently ignored federal protections against discrimination, leading to toxic air and unhealthy burdens for West Oakland residents.*
>
> – Yana Garcia
> Attorney, Earthjustice

APRIL 5, 2017

Oakland, CA — The West Oakland Environmental Indicators Project has filed a complaint under the Civil Rights Act of 1964 describing a pattern of conduct by the City and Port of Oakland that inflicts unjustified and unequal impacts on the historically black community of West Oakland. For decades, the City and Port of Oakland have issued approvals to expand polluting freight activities in West Oakland while ignoring input from the community, betraying a deep disregard for the health of local families. That pattern continues to this day, causing West Oakland residents to suffer from diesel emissions that are up to 90 times higher than California's average.

The City of Oakland, home to one of the West Coast's major ports, is located across the Bay from San Francisco.

"I've lived on 7th Street for over twenty years. Our neighborhood has long endured unjust burdens of toxic pollution and jarring noise from the Port of Oakland," said **Margaret Gordon with the West Oakland Environmental Indicators Project**. "But at every opportunity the City of Oakland has chosen to put port expansion before our health and well-being. What's even more appalling is that city leaders have gone s far as to reject funding offers from state and local agencies to reduce the unhealtl fumes from the Port of Oakland that end up in our homes and our lungs."

Earthjustice is representing the West Oakland Environmental Indicators Project in the complaint.

CHRIS JORDAN-BLOCH / EARTHJUSTICE

^ Margaret Gordon, in West Oakland near the site of the new terminal. See photo feature ›

"We're filing this complaint because the City and Port of Oakland are violating foundational civil rights protections for West Oakland families," said **Yana Garcia, an associate attorney with Earthjustice who works on environmental justice issues**. "The City and Port of Oakland have consistently ignored federal protections against discrimination, leading to toxic air and unhealthy burdens for West Oakland residents. The City's discriminatory pattern continues to this day and is unacceptable, particularly when this administration is focusing significant resources on other parts of Oakland where the air is cleaner and the demographics look very different."

Filthy diesel-powered freight is harmful for the lungs and hearts of West Oakland residents, especially for children and seniors. Gasping asthma attacks send West Oakland residents to the emergency room at almost twice the Alameda County rate. Children are especially vulnerable to asthma, and living with terrible air quality can stunt their lung development.

The pollution in West Oakland's air cuts into not only quality of life, but also length of life. Air pollution also contributes to higher rates of heart failure and strokes in West Oakland by causing blood clotting and cell damage. According to the Alameda County Department of Public Health, residents in West Oakland can expect to live 9 years fewer than residents of other parts of Oakland.

WHAT YOU NEED TO KNOW ABOUT
TITLE VI OF THE CIVIL RIGHTS ACT OF 1964

READ THE EXPLAINER

As recipients of federal funds, the City and Port of Oakland have an obligation und Title VI of the Civil Rights Act to avoid causing an unjustified unequal impact on th

basis of race, and to consider the risk of unequal impacts before approving a project. If the Department of Transportation and the U.S. Environmental Protection Agency accept the complaint, they will initiate an investigation into the actions from the City and Port of Oakland affecting the community in West Oakland.

Since the closure of the Oakland Army Base in the late 1990s, the City of Oakland has been disingenuous about its plans to expand the polluting freight industry, and while it has had the opportunity to use measures to relieve the terrible impacts on West Oakland's air the City has consistently refused to do so. However, zero emissions electric vehicles and equipment to relieve community health problems are available and in use at other ports and freight hubs in California and the nation.

Instead, the City has manipulated its approval processes to circumvent or disregard the disproportionate and toxic burdens West Oakland faces as a result of the Port's extensive freight operations. In October 2016, the City of Oakland gave approval for developer Prologis to break ground on a massive warehouse at the Oakland Army Base without an air quality plan to lessen health harms for the community. That project is expected to bring a flood of new trucks rumbling through the area, with plans including 250,000 square feet for cargo, 55 trucks docks, and 78 truck trailer parking stalls.

West Oakland has a rich culture and history as a black community, and has been a hallmark of Oakland's historical narrative. As Oakland experiences dramatic changes in the demographic composition of many of its long-standing residents, the community of West Oakland remains a community of color. Roughly 49 percent of West Oakland residents today are Black, 17 percent are Latino, and nearly 13 percent identify as Asian.

Read the complaint.

CONTACTS

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Keith Rushing, Earthjustice, (202) 797-5236, (757) 897-2147

"There is absolutely no moral justification for us to destroy the potential of future generations just so that we can stay comfortable and resist change."

– REV. DR. TERRY GALLAGHER
Ordained Minister, United Church of Christ.

THE STORIES TO READ ON TITLE VI OF THE CIVIL RIGHTS ACT

EPA Opens Civil Rights Investigation Over Pesticide Use In Hawai`i

EPA Civil Rights Office Takes Steps to Enforce Civil Rights Laws

TAKE ACTION Congress is trying to gut the Clean Air Act

WHAT YOU NEED TO KNOW THIS WEEK

Trump's Consumer Advocate Nominee Often Fights Consumers

Menominee Tribe Takes Action to Protect Its Namesake River

'No New Parks' Bill Ignores the Will of the American People

ABOUT EARTHJUSTICE

Earthjustice is the premier nonprofit environmental law organization. We wield the power of law and the strength of partnership to protect people's health, to preserve magnificent places and wildlife, to advance clean energy, and to combat climate change. We are here because the earth needs a good lawyer.

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BBB ACCREDITED BUSINESS

Exhibit 65

California Greenhouse Gas Emissions for 2000 to 2015 – Trends of Emissions and Other Indicators

Overview

California's annual statewide greenhouse gas (GHG) emission inventory is an important tool for establishing historical emission trends and tracking California's progress in reducing GHGs. Most importantly, the GHG inventory is a critical piece, in addition to California Global Warming Solutions Act (AB 32) program data, in demonstrating the state's progress in achieving the statewide GHG targets established by AB 32 (reduce emissions to the 1990 levels by 2020) and Senate Bill 32 (SB 32) (reduce emissions to 40% below the 1990 levels by 2030).* The 2017 edition of the GHG inventory includes the emissions of the seven GHGs identified in AB 32[1] for years 2000 to 2015 and uses an inventory scope and framework consistent with international and national GHG inventory practices.[2] Other programs within ARB address additional climate pollutants not included in AB 32 or the GHG inventory; for example, the Short-Lived Climate Pollutant (SLCP) Strategy[3] includes black carbon and sulfuryl fluoride (SO_2F_2).

California's GHG emissions have followed a declining trend since 2007. In 2015, emissions from routine emitting activities statewide were 1.5 million metric tons of CO_2 equivalent ($MMTCO_2e$) lower than 2014 levels**, representing an overall decrease of 10% since peak levels in 2004. During the 2000 to 2015*** period, per capita GHG emissions in California have continued to drop from a peak in 2001 of 14.0 tonnes per person to 11.3 tonnes per person in 2015, a 19% decrease.[4] Overall trends in the inventory also demonstrate that the carbon intensity of California's economy (the amount of carbon pollution per million dollars of gross domestic product (GDP)) is declining, representing a 33% decline since the 2001 peak, while the state's GDP has grown 37% during this period.[5]

* As part of the 2017 Climate Change Scoping Plan, to better track progress towards achieving our statewide GHG targets, ARB will be exploring how to structure a separate accounting framework that uses the GHG inventory, but incorporates GHG emissions related to land use conversion when biofuels are produced and supplied to California as a result of our Low Carbon Fuel Standard. ARB will also be exploring how flows of cap-and-trade program compliance instruments between California and Québec can be incorporated into such an accounting framework.

** The exceptional Aliso Canyon natural gas leak event released 1.96 $MMTCO_2e$ of unanticipated emissions in calendar year 2015 and an additional 0.52 $MMTCO_2e$ in 2016. These emissions will be mitigated in the future according to legal settlement and are presented alongside but tracked separately from routine inventory emissions.

***Consistent with the United National inventory protocol, recalculations are made to incorporate new methods or reflect updated data for all years from 2000 to 2014, to maintain a consistent inventory time series. Therefore, emission estimates for a given calendar year may be different between editions as methods are updated or if the data source agencies revise their data series. For example, in the 2014 inventory (published in 2016), total 2014 emissions were estimated to be 441.5 $MMTCO_2e$. Recalculation for the 2015 inventory revised the 2014 emissions to 441.9 $MMTCO_2e$, reflecting updated methods and information gained since 2016. Analyses of emission trends, including the emissions drop of 1.5 MMTCO2e between 2014 and 2015, are based on the recalculated numbers in the 2015 inventory (published in 2017). A description of the method updates can be found here: https://www.arb.ca.gov/cc/inventory/pubs/reports/2000_2015/ghg_inventory_00-15_method_update_document.pdf.

Figure 1. California Total and Per Capita GHG Emissions

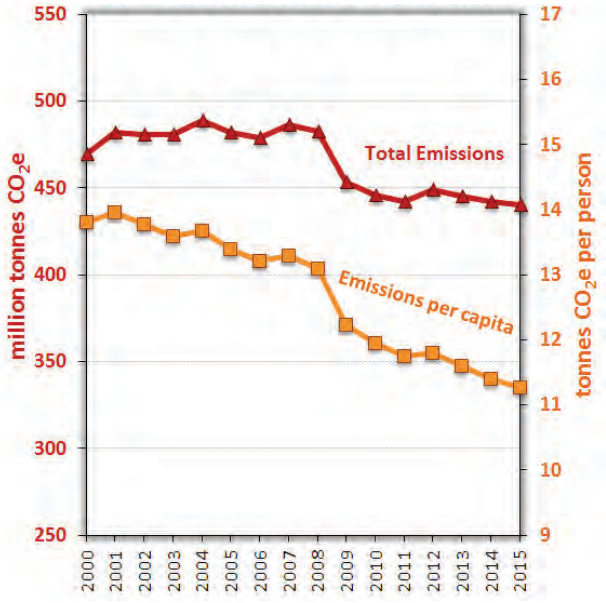


Figure 2. Carbon Intensity of California's Economy

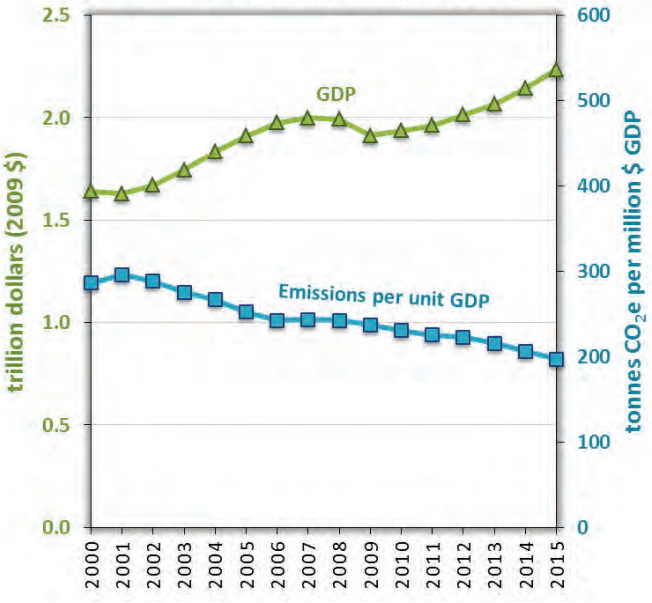


Figure 3 provides an overview of the emission trends by sector since 2000, while Figure 4 provides the relative breakdown of 2015 emissions by sector. Emissions in Figures 3 and 4 are organized by the categories in the Initial AB 32 Scoping Plan[6] and use the 100-year global warming potentials (GWPs) from the Intergovernmental Panel on Climate Change (IPCC) 4th Assessment Report (AR4)[2] consistent with current international GHG inventory practices. However, other ARB programs may use different GWP values. For example, the SLCP strategy uses a 20-year GWP because the SLCP has greater climate impact in the near-term compared to the longer-lived GHGs, such as CO_2.

Figure 3. Trends in California GHG Emissions*

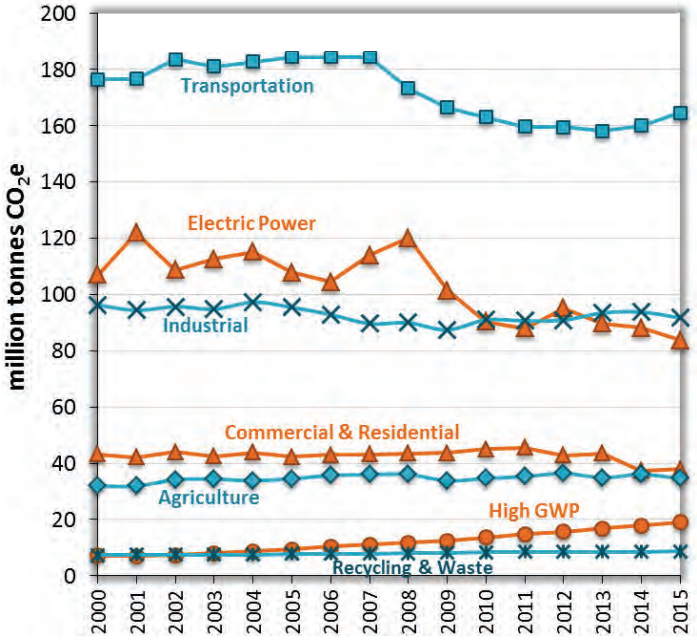


Figure 4. 2015 GHG Emissions by Sector*

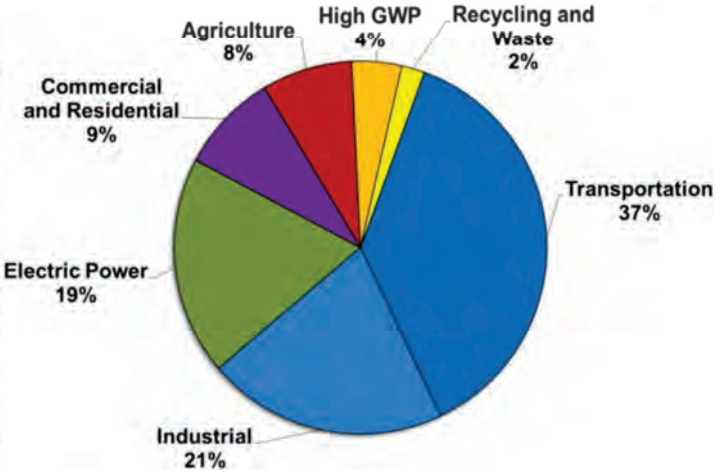


Exhibit 66

Last reviewed on June 6, 2017

California Greenhouse Gas Emission Inventory - 2017 Edition

2017 Edition of the GHG Emission Inventory Released (June 6, 2017)

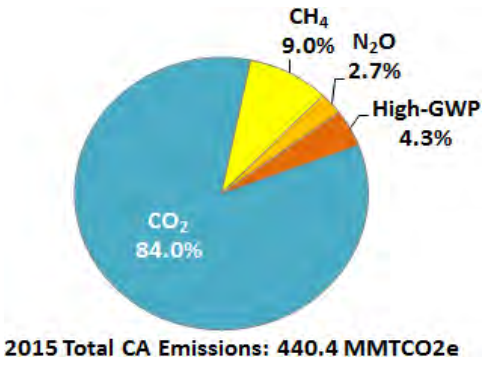
- GHG emissions from 2000 to 2015 are now available. Links to data and documentation can be found below.
- Carbon dioxide equivalent values are calculated using the IPCC's Fourth Assessment Report 100-year Global Warming Potential values. More information.

Background

California's annual statewide greenhouse gas (GHG) emission inventory is an important tool for establishing historical emission trends and tracking California's progress in reducing GHGs. In concert with data collected through various California Global Warming Solutions Act (AB 32) programs, the GHG inventory is a critical piece in demonstrating the state's progress in achieving the statewide GHG target. The inventory provides estimates of anthropogenic GHG emissions within California, as well as emissions associated with imported electricity; natural sources are not included in the inventory. The Air Resources Board (ARB) is responsible for maintaining and updating California's GHG Inventory per H&SC §39607.4.

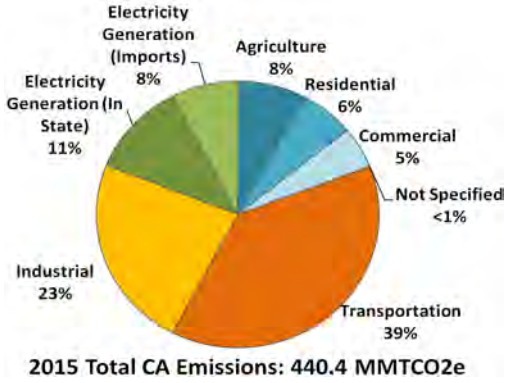
The inventory includes estimates for carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), and fluorinated gases with high global warming potentials (High-GWP) which includes hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulfur hexafluoride (SF_6), and nitrogen trifluoride (NF_3). It uses an inventory scope and framework consistent with international and national GHG inventory practices. An updated emission inventory is published annually to include additional years and improved estimation methods. Archives of all previous inventory data and documentation are available on the archive page.

Emissions by GHG



Click the graph for more information

Emissions by Economic Sector



Data Overv iew

Statewide emission estimates rely on state, regional or federal data sources, and on aggregated facility-specific emission reports from ARB's Mandatory GHG Reporting Program (MRR). Calculation methodologies are consistent with the 2006 IPCC guidelines. The current inventory uses 100-year global warming potential (GWP) values from the IPCC Fourth Assessment Report, consistent with current international and national GHG inventory practices. Full documentation of data sources and methods is available below or by using the detailed documentation index.

In preparation for each new edition of the inventory, recalculations are made to correct errors, incorporate new methodologies or, most commonly, to reflect changes in statistical data supplied by other agencies. Emission estimates are recalculated for all years to maintain a consistent time-series following IPCC recommendations for developing GHG inventories. Thus the new inventory may report a different emission level for an earlier year than previous inventory editions.

The California GHG inventory is categorized in three ways:

1. Scoping Plan; follows the categories identified in the AB 32 Scoping Plan.
2. Economic sectors; allows for comparison with other ARB emission inventories, which are similarly categorized.
3. IPCC process-oriented categories; follows the IPCC categorization to ensure comparability with international inventories.

The table below provides a crosswalk among the three categorization schemes

- Inventory Categorization Crosswalk [Excel-55 KB]

Inventory Documentation

Download Reports

- 2000-2015 Emissions Trends Report [PDF-1,380 KB]
- 2000-2015 Inventory Updates Documentation [PDF-341 KB] - documentation of updates made to the method, data, and assumptions since the previous edition.
- 2000-2015 Technical Support Document [coming soon] - a comprehensive documentation of methodology and data used for estimating GHG emissions. The 2000-2014 Technical Support Document can be found here.

Go To Detailed Documentation Index

- Interactive documentation index by IPCC category

Data Links

Download a Summary of the Inventory

- Scoping Plan Categorization PDF [152 KB] Excel [21 KB]
- Economic Sector Categorization PDF [191 KB] Excel [24 KB]
- IPCC Categorization PDF [216 KB] Excel [32 KB]

- Totals By Gas PDF [25 KB] Excel [15 KB]

Emission Summary Segregated by Gas

Categorization	CO_2 Only	CH_4 Only	N_2O Only	High-GWP Only
Scoping Plan	[PDF-80 KB]	[PDF-81 KB]	[PDF-80 KB]	[PDF-67 KB]
Economic Sector	[PDF-81 KB]	[PDF-146 KB]	[PDF-80 KB]	[PDF-67 KB]
IPCC Category	[PDF-92 KB]	[PDF-163 KB]	[PDF-97 KB]	[PDF-66 KB]

Download the Entire Inventory

- Scoping Plan Categorization [Excel-348 KB]
- Economic Sector Categorization [Excel-496 KB]
- IPCC Categorization [Excel-360 KB]

Download Fuel Combustion Data

NEW! Download fuel combustion activity data. [Excel-107 KB] - Download a detailed list of all fuel combustion data used to calculate the GHG emissions by sector and activity. The categorization in this workbook matches the "Economic Sector Categorization" inventory spreadsheet above.

Query the Inventory

Query the inventory by economic sector and/or by activity. This interactive query tool allows you to select a subset of the inventory, graph it or download it to your computer. Each value also contains links to detailed methodology pages. More details on the query tool's help page.

Guidance for W orking with GHG Inventory and MRR Data

The ARB Regulation for the Mandatory Reporting of GHG Emissions (MRR) is a primary data source for the statewide inventory but emissions are categorized differently in the two programs. Industrial cogeneration (also known as Combined Heat and Power, or CHP) represents the major categorization difference. The guidance document below provides instruction for working with and crosswalking between the two datasets. A spreadsheet provides GHG inventory industrial cogeneration emissions disaggregation to facilitate comparison with MRR data.

- Guidance for Working with the GHG Inventory and MRR Data Using Disaggregated Industrial Cogeneration Data [PDF-290 KB] [updated: June 6, 2017]
- 2011-2015 Industrial Cogeneration Breakout [Excel-46 KB] [updated: June 6, 2017]

Other Useful Links

Current Inventory Graphs & Plots

Archive - data and documentation for all past inventories

Original (1990-2004) Inventory

GHG emissions prior to 2000 are included in the 1990-2004 GHG Emission Inventory published in November 2007 (data available in the 1990 Level & Limit section of this site). This inventory provided

the basis for developing the 1990 statewide emission level and 2020 emission limit required by the Global Warming Solutions Act of 2006 (AB 32).

For general questions regarding California's Greenhouse Gas Emi ssion Inventory , please contact: Anny Huang , Manager , Emission Inventory Analysis Section, Phone: (916) 323-8475

Exhibit 67

Ad Place your ad here. Click triangle to begin. ?

Commentary | Fossil fuel industry should pay for rising sea level

IMPERIAL BEACH, CA: April 21, 2017 | The city of Imperial Beach has filed lawsuits against oil and coal corporations for property damage costs associated with climate change. (Howard Lipin/San Diego Union-Tribune)

By **SERGE DEDINA**

JULY 20, 2017, 1:30 PM

This week, the city of Imperial Beach filed a lawsuit against many of the biggest oil, gas and coal companies in America. We did so because we do not believe our residents and businesses should have to shoulder the costs of doing what is necessary to minimize or avoid the impacts of rising seas and more frequent coastal flooding.

Like many other coastal communities, rising seas are threatening our beaches and parks, roads, water and sewage infrastructure, homes and businesses. The latest peer-reviewed science shows that sea level rise is accelerating and that the time for coastal communities to act is now.

But the science also shows that this is not natural: Increased coastal flooding and rising seas are happening primarily because of carbon dioxide (CO_2) and methane pollution from burning fossil fuels — oil, gas and coal.

What's more, this is not news. The fossil fuel industry has known for nearly 50 years that CO_2 pollution from its products would cause the air and oceans to warm and sea levels to rise.

For example, in 1968, the industry's trade association, the American Petroleum Institute, commissioned a study that confirmed the role of fossil fuels in rising atmospheric CO_2 levels and noted that continuing along that path could lead to "severe" environmental damage.

Ten years later, an Exxon scientist told the company's management committee that "there is general scientific agreement that the most likely manner in which mankind is influencing the global climate is through carbon dioxide release from the burning of fossil fuels" and that we only have a "window of five to 10 years before the need for hard decisions regarding changes in energy strategy might become critical."

It does not appear that Exxon or its industry colleagues used that 10-year window to reduce their CO_2 emissions and minimize the impacts on others. Nor did they use it to identify and implement alternative energy strategies that they knew would help prevent the damage. And they certainly did not warn the public or policymakers about the threat.

Instead, they embarked on a multimillion-dollar campaign, taken straight from the tobacco industry's playbook, to sow uncertainty around both the science and the impacts to put off regulation of their CO_2 pollution for as long as possible.

Now here we are, decades later, faced with rising seas and mounting cost projections to protect our residents and businesses.

A vulnerability assessment commissioned by the city and released in September 2016 identified multiple neighborhoods that would be at risk even if seas rose only 1.6 feet. In addition, 90 percent of Seacoast Drive would be affected, both Bayside and Westview Elementary Schools would be exposed to routine tidal flooding, and wastewater and stormwater treatment facilities would be impacted.

That's with just 1.6 feet of sea level rise. Scientists project that seas could rise as much as 6 feet or more before the end of the century. And we have already seen the future due to increased coastal flooding, excessive year-round beach erosion and record king tides that put our portion of the Bayshore Bikeway underwater.

While Imperial Beach has historically been the lowest-income coastal community in San Diego County, over the past several years we have made tremendous investments that have spurred both residential and retail development, improved our roads and created new parks. Together with private-sector and nonprofit partners, we are successfully building an inclusive, family and business friendly community.

My fellow City Council members and I want to ensure that we can continue along this path. However, we will not be able to if we are required to divert scarce resources from those projects to protect against rising seas. We

are already incurring tremendous costs from coastal flooding that keeps the south end of Seacoast Drive covered in water most of the winter.

The hard-working, taxpaying residents and businesses in our communities should not have to foot the bill for the very real costs of sea level rise caused by the fossil fuel companies' pollution. For decades, those companies have known this would happen, yet they spent tens of millions of dollars on denial and deception to shift the costs of dealing with it to Imperial Beach and other coastal communities.

It is my responsibility as mayor of Imperial Beach to stand up for our community, to protect the investments we have made, and ensure that we continue to thrive long into the future. That is just what I am doing by filing this lawsuit.

Dedina *is the mayor of Imperial Beach.*

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This article is related to: Floods and Flooding, Imperial Beach

Exhibit 68

2015 SAN FRANCISCO GEOGRAPHIC GREENHOUSE GAS EMISSIONS INVENTORY AT A GLANCE

By San Francisco Department of Environment, Climate Program

Published October 2017

For more information contact:

| Wendy Goodfriend, Climate Program Manager, wendy.goodfriend@sfgov.org

| Brian Reyes, Climate and Sustainability Analyst, brian.reyes@sfgov.org

| Silvia Pac, Climate and Sustainability Analyst, silvia.pacyurrita@sfgov.org

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Commercial....10
Transportation....12
Landfilled Organics....15
Municipal....17

EMISSIONS OVERVIEW

EMISSIONS TRENDS

In 2015, San Francisco's community-wide greenhouse gas (GHG) emissions, or carbon footprint, totaled 4.4 million $mtCO_2e$ (Fig.1). The four sectors tracked in the 2015 inventory include:

- The Residential sector accounted for 19% of the city's carbon footprint, with 72% of emissions from natural gas and 28% from electricity (Fig. 2).
- The Commercial sector accounted for 27 % of the city's carbon footprint, with 45% of emissions from natural gas, 55% from electricity, and 5% from steam
- The Transportation sector accounted for 46% of the city's carbon footprint, with most emissions coming from passenger vehicles (91%) and the remaining from public transportation.
- The Landfilled Organics sector accounted for 5% of the city's carbon footprint[1].
- The Municipal sector, including facilities and fleet, accounted for a little less than 3% of the city's carbon footprint, with nearly all emissions from natural gas and vehicle fuel use.

In 2015, San Francisco successfully reduced emissions 28% below 1990 levels from 6.2 million to 4.4 million $mtCO_2e$ (Fig. 1). Declines occurred across all five sectors tracked:

- The Residential sector declined 41%
- The Commercial sector declined 36%
- The Transportation sector declined 8%
- The Landfilled Organics sector declined 55%
- The Municipal sector declined 21%

Emission reductions were achieved even though San Francisco's population increased 19% during the same time period. In 2015, San Francisco's emissions per capita was 5.1 $mtCO_2e$ compared to 8.6 $mtCO_2e$ in 1990, a 38% decline.

[1] Emissions from Landfilled Organics, previously known as the Waste sector, occur when disposed organics break down (decompose) in a landfill and produce methane.

Exhibit 69

NGO Letter of Support to State Attorneys General

The letter:

Thanks to the Pulitzer Prize-nominated investigations by the Los Angeles Times and InsideClimate News, the public now knows that fossil fuel companies like Exxon knew about the consequences of burning fossil fuels and climate change for nearly half a century. Instead of sounding the alarm however, these companies spent decades and millions of dollars distorting the truth.

The dire climate warnings Exxon ignored and denied have come to be. The National Oceanic and Atmospheric Administration (NOAA) once again declared the past year to be the hottest year in recorded history As a result, NOAA says the United States faced extreme drought, flooding, wildfires, and severe storms which killed 155 people and are estimated to have caused more than $1 billion in economic losses in 2015 alone. Not to mention the thousands of families who had to start over after losing their homes, businesses, or both.

The corporate greed and climate denial by fossil fuel companies has cost the world a generation of opportunity to change course and address what Exxon's own scientists called the "catastrophic" consequences of climate change.

The undersigned organizations firmly support U.S. state attorneys general for investigating corporations like Exxon for their possible past and ongoing climate fraud that is destroying our planet.

The signers:

Greenpeace USA
350.org
Corporate Accountability International
ClimateTruth.org
CREDO
Public Citizen
Climate Hawks Vote

Franciscan Action Network
Environmental Action
SumOfUs
Government Accountability Project
Sierra Club
MoveOn.org
Environment America
NextGen Climate
Presente.org

Additional resources:

#ExxonKnew Editorials

LA Times – House GOP members pursue an objectionable defense of fossil fuels

Boston Globe – Congressional bullying on behalf of Big Oil

Washington Post – Exxon-Mobil is abusing the first amendment

Alaska Dispatch-News – If Alaska has shifted policy on global warming, good

San Antonio Express-News – Irony in Smith's latest subpoenas

Essential #ExxonKnew Investigation News Articles

Bloomberg – Can ExxonMobil Be Found Liable for Misleading the Public on Climate Change?

Huffington Post – House Republicans Will Investigate Their Ability To Investigate Investigations

New York Times – Exxon Mobil Fraud Inquiry Said to Focus More on Future Than Past

Policy Papers

Massachusetts AG Subpoena Response

New York AG Subpoena Response

Abrams Institute at Yale Law School Letter Objects to Science Advocacy Organization Subpoenas

Exhibit 70

CITY ATTORNEY OF SAN FRANCISCO

DENNIS J. HERRERA, CITY ATTORNEY

The City Attorney

The team challenging California's Prop 8 at an Aug. 4, 2010 news conference: (L to R) attorneys Therese M. Stewart, David Boies, Ted Olson, Dennis Herrera; and co-plaintiff Paul Katami.

Biography of Dennis Herrera

The first Latino ever elected as San Francisco City Attorney, Dennis Herrera leads an office that has spearheaded cases of national importance on civil rights, affordable healthcare and environmental protection while remaining a tough and effective advocate for San Francisco's neighborhoods, working families and underprivileged.

Originally from New York, Herrera earned his bachelor's degree from Villanova University in Pennsylvania and his juris doctor from the George Washington University School of Law in Washington, D.C.

After moving to San Francisco in 1988, Herrera became actively engaged with neighborhood issues and local politics, joining community organizations and local Democratic clubs, and working on several campaigns. In 1990, he was appointed to the Waterfront Plan Advisory Board and later served on the Finance Committee for the

California Democratic Party. Herrera was also heavily involved in the 1992 Clinton-Gore presidential campaign.

When President Clinton took office in 1993, he appointed Herrera to the U.S. Maritime Administration. He returned home to San Francisco in 1996, after accepting a partnership with a maritime law firm.

Herrera quickly resumed his involvement in local government when then-Mayor Willie Brown appointed Herrera to the San Francisco Transportation Commission, and later to the San Francisco Police Commission. He was voted the President of the Police Commission after just one year of service.

In 2001, Herrera ran for City Attorney on a pledge to defend the integrity of public institutions, to expand neighborhood protection efforts, and to enhance local government's accountability to its residents and taxpayers. He was elected in a December 2001 runoff election with 52 percent of the vote. Herrera has continued to follow through on his campaign commitments, while also pursuing public interest litigation cases that have helped earn the office a reputation as one of the most "talented city law departments in the nation."

In his role as San Francisco's advocate, Herrera filed the first ever government lawsuit to challenge the constitutionality of state marriage laws that discriminate against gay and lesbian couples, and his office was centrally involved in the nearly decade-long battle that successfully won marriage equality in California.

Most recently, Herrera filed a federal lawsuit against President Donald Trump and his administration for his executive order directing enforcement action against sanctuary cities and threatening to withhold federal funding from these cities. The suit claims that the order is unconstitutional and exceeds the president's power.

On major consumer protection cases, Herrera and his team have brought marketplace scofflaws to justice, winning millions in restitution for victims and taxpayers, protecting honest competitors who play by the rules, and securing injunctions to end unlawful practices. Herrera has consistently taken an activist approach to his City Attorney's role: not only serving city government clients, but using the power of law to make a difference in the lives of the people his office serves.

Herrera and his wife, Anne, live in San Francisco's historic Dogpatch neighborhood, with their son, Declan.

Major Profiles of Herrera and His Office

- *New York Times*: "Ban on Gay Marriage Led Lawyers to Shift Role" by Adam Liptak, March 18, 2013
- *San Francisco Magazine*: "The Marrying Kind: The other man—and the untold story—behind San Francisco's audacious fight to legalize gay marriage" by Susan Kostal, June 1, 2008
- *San Francisco Chronicle*: "Representing S.F.: Straight family-man Herrera an improbable gay rights defender" by Suzanne Herel, December 22, 2004
- *Los Angeles Times*: "Activism Defines S.F. City Attorney's Office" by Lee Romney, March 23, 2004

Authored by Dennis Herrera

PUBLISHED OP-EDS

- "Controversy in San Francisco highlights importance of Pope Francis, synod on family" by Dennis Herrera, National Catholic Reporter, March 6, 2015
- "On Democracy: An unjust ruling on term limits needs appeal" by Dennis Herrera, San Francisco Chronicle, July 28, 2010 http://www.sfgate.com/opinion/openforum/article/An-unjust-ruling-on-term-limits-needs-appeal-3179816.php
- Herrera responds to Guardian story on police cases by Dennis Herrera, originally published in the San Francisco Bay Guardian. The job of the City Attorney is to defend the City in all civil litigation. That isn't about protecting bad conduct, Herrera argues. It's about protecting our tax dollars, and the many good and worthy things they make possible. (April 15, 2009)
- High stakes of stimulus spending demands critical accountability by Dennis Herrera, originally published in the San Francisco Examiner, March 30, 2009. What's at stake in the $787 billion federal economic stimulus package President Obama signed into law is whether government can be a force for progress. That's the

motivation behind the City Attorney's Stimulus Spending Task Force (March 30, 2009)

- The Public Sector Case for Marriage Equality by Dennis Herrera, originally published in the California Journal of Politics and Policy, UCBerkeley: Five years after San Francisco became the first government in history to sue to invalidate marriage laws that discriminate against gay and lesbian couples, a remarkable public sector consensus — representing more than 17.2 million Californians — has emerged against Proposition 8. (March 2, 2009)
- Defending a vibrant and independent judiciary by Dennis Herrera, originally published in the Bar Association of San Francisco's Bulletin: With the 2008 presidential campaign underway, it is up to the legal community to defend the independence of our judiciary from political attacks on so-called "activist judges." Such cynical attacks undermine the legitimacy of a co-equal branch of government. (July 2007)
- Enfeebling the judiciary by Dennis Herrera, originally published in the San Francisco Chronicle: When politicians attack "activist judges," it's a bully tactic intended to enfeeble a co-equal branch of government. A vibrant, independent judiciary must fulfill its obligation to enforce a Constitution that protects us all – and resist being cowed by the executive or legislative branches. (Jan. 25, 2007)
- 'Quality of life' is a progressive value by Dennis Herrera, originally published in the San Francisco Chronicle: In recent years, "quality of life" has come to be viewed as a set of issues strictly related to homelessness. But that overstates the detriment of a single problem and understates the multitude of other ways we can effectively improve our societal well being. "Quality of life" is a progressive value that shouldn't be so narrowly defined. (Sept. 18, 2006)
- Protect the bay — and a neighborhood by Dennis Herrera, originally published in the San Francisco Chronicle: At a critical moment for environmental protection in the San Francisco Bay Area, the Regional Water Quality Control Board should reject a staff-proposed permit that would allow Mirant Corporation's Potrero Power Plant to continue polluting San Francisco Bay until 2011. (May 10, 2006)
- Save the Dam by Dennis Herrera, originally published in the San Francisco Bay Guardian: Why plans to drain Hetch Hetchy Reservoir for the purpose of restoring the granite valley to what it was nearly a century ago are not only misguided, they

are a serious threat to the very real imperatives of environmental justice right here in San Francisco. (Aug. 17, 2005)

- The 'New' New Federalism by Dennis Herrera, originally published in the San Francisco Chronicle: How expanding spheres of local responsibility envisioned by Ronald Reagan's New Federalism gave rise to a generation of progressive public-sector legal activists — and why Reagan's GOP heirs should let it flourish. (Jan. 3, 2005)
- Republicans' Attacks on Probity of Federal Judiciary Are Un-American by Dennis Herrera, originally published in The Daily Journal: Politically-motivated attacks on the so-called "activist judiciary" are seeking to undermine the legitimacy of a co-equal branch of government. (Nov. 22, 2004)
- Bailout Makes the Case for Public Power by Dennis Herrera, originally published in the San Francisco Chronicle: Far from the wild-eyed, socialistic power-grab routinely portrayed by PG&E's well-funded political campaigns over the years, public power is a civic principle firmly enshrined in San Francisco's City Charter. (Dec. 19, 2003)
- The Other PUC Battle by Dennis Herrera, originally published in the San Francisco Bay Guardian: It may lack the headlines of our local PUC with the controversial appointments made by then-acting Mayor Chris Daly, but the PG&E bankruptcy bailout before the state PUC deserves to be the biggest show in town. (Nov. 19, 2003)
- Insurers must comply with Prop. 103 by John Russo, Dennis Herrera & Rocky Delgadillo, originally published in the Alameda Times-Star, Oakland Tribune and Daily Journals: The city attorneys of Oakland, San Francisco and Los Angeles take on unfair and discriminatory auto insurance industry practices that amount to little more than "ZIP Code profiling" (July 5, 2003)
- You've Gotta Give Them Hope by Dennis Herrera, originally published in the San Francisco Chronicle: In the wake of the U.S. Supreme Court's landmark ruling in Lawrence v. Texas, Harvey Milk's signature campaign line says as much about a remarkable leader as it does about an extraordinary city. (June 27, 2003)
- Don't Let the NRA Gun Down Civil Justice by Dennis Herrera, originally published in the San Francisco Chronicle: Despite the stated intent of the NRA's gun liability ban, excluding gun victims from civil redress isn't "protection of lawful commerce" — it's political payback at the expense of public health and safety. (May 9, 2003)

- Taking Water Pollution By Storm by Dennis Herrera, originally published in Windows on the Waterfront: San Francisco has its own winter woes with pollution from storm water runoff — but few common purposes could be more important than a cleaner environment and a healthier regional ecosystem for all of us. (Feb.-Mar. 2003)
- Why Shaq is Not Funny by Dennis Herrera, originally published in the San Francisco Examiner: What's the difference between from trash talk and an ethnic slur? One is acceptable in the spirit of competition, the other is antithetical to it — like Shaquille O'Neal's mockery of Houston Rockets' center Yao Ming, a Chinese national. (Jan. 16, 2003)
- "PG&E's Not Insolvent—It's Just Greedy" by Nettie Hoge and Dennis Herrera, originally published in the San Francisco Chronicle: The public has an enormous stake in the hydroelectric system that has been developed with its money, and the system shouldn't be stolen by PG&E in its quest for windfall profits. (Jan. 25, 2002)

NOTABLE SPEECHES

- "Latino Power": Keynote Address to the La Raza Lawyers of Sacramento (PDF) Prepared Remarks for City Attorney Dennis Herrera: La Raza Lawyers of Sacramento 2005 Swearing-In Ceremony & Lunch Banquet, Radisson Hotel, Sacramento, California (June 22, 2005)
- "Your Obsolescence: 2005 Commencement Address to Golden Gate University Law School Graduates" (PDF) Prepared remarks for City Attorney Dennis Herrera: commencement address to graduating law students of Golden Gate University School of Law, at the Nob Hill Masonic Center, 1111 California Street in San Francisco, California (May 13, 2005)
- "Accepting the American Jewish Committee's 2004 Judge Learned Hand Human Relations Award," Prepared Remarks for City Attorney Dennis Herrera to the American Jewish Committee, at St. Francis Hotel, Colonial Room 335 Powell Street, Union Square San Francisco, California (January 27, 2005)
- "Blowing the Whistle on E-RATE Fraud (PDF) Prepared Testimony for City Attorney Dennis Herrera, U.S. House of Representatives, Committee on Energy and Commerce, Oversight and Investigations Subcommittee, 2123 Rayburn House Office Building, Washington D.C. 20515 (July 22, 2004)

- Commencement Address to Political Science Graduates of San Francisco State University's Class of 2004 (PDF) Prepared Remarks for City Attorney Dennis Herrera to the SFSU Political Science Department's Honors and Awards Ceremony and Reception, at the University Club, San Francisco State University (May 28, 2004)
- Sunshine Training Introduction (PDF) Prepared Remarks of City Attorney Dennis Herrera, City Attorney's Annual Sunshine Training, Herbst Theater, San Francisco (May 3, 2004)
- "Public Prosecution: Using §17200 to Police The Marketplace" (PDF) Prepared Remarks for City Attorney Dennis Herrera to the California Bar's Antitrust & Unfair Competition Section Program on §17200, Omni San Francisco Hotel, San Francisco (May 7, 2004)
- "Together, We Really Can" (PDF) Prepared Remarks of City Attorney Dennis Herrera at the SFSOS Luncheon, GAP Headquarters, Ground Floor, 2 Folsom Street, San Francisco (April 15, 2004)
- "Fighting Elder Abuse" (PDF) Prepared Remarks of City Attorney Dennis Herrera, Joint Press Conference on Elder Abuse, San Francisco City Hall East Entrance (Feb. 11, 2003)
- "We've Gotta Give Them Hope" (PDF) Prepared Remarks of City Attorney Dennis Herrera, Human Rights Campaign Federal Club, Bucheon Gallery, San Francisco (Dec. 9, 2002)
- "Remembering Robert Barnes" (PDF) Prepared Remarks of City Attorney Dennis Herrera, Robert Barnes Memorial Service, North Light Court, San Francisco City Hall (Aug. 26, 2002)
- "First Inaugural Address" (PDF) Prepared Remarks of City Attorney Dennis Herrera, Inauguration of the City Attorney, Board of Supervisors Chambers, San Francisco City Hall (Jan. 8, 2002)

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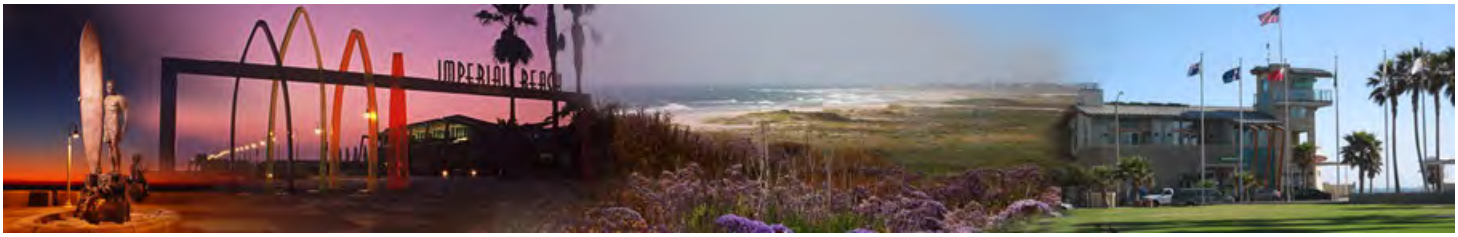
Exhibit 71

IMPERIAL BEACH California



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City Manager
Community Development
Human Resources

City Manager

The City Manager is appointed by the City Council as the Chief Administrative Officer of the City responsible for all aspects of day-to-day operations of the city in accordance with City Council directives and policies. An Assistant City Manager assists the City Manager with day-to-day operations, special projects, and other community services, including recreation services, and senior services. The Assistant City Manager also serves as the City's Personnel Administrator, and performs other special project duties as assigned by the City Manager.

Message from the City Manager

Welcome to the most authentic beach community in Southern California! We are classic Southern California from the nearly perfect climate to the historic wooden pier Imperial Beach encompasses everything that made Southern California famous. What makes us different is that we have been able to maintain the laid-back comfortable lifestyle that allows our residents to enjoy the very best California has to offer. As you visit our community you will immediately feel at home and the warm welcome you receive will make you want to return again to the "Most Southwesterly City" in the United States.

Bring your beach gear, surf boards, boogie boards and plenty of sun tan lotion and enjoy Imperial Beach. Grab a bite to eat in one of our many restaurants and spend a night or two in accommodations ranging from beach cottages to first class hotels. You can learn more about our business community by contacting the Imperial Beach Chamber of Commerce or exploring online.

Imperial Beach is more than just sunshine and sand. The City is home to the Tijuana Estuary which is home to exotic birds and many species of wildlife. The Estuary is just one example of the importance our community places on environmental preservation and sustainability. The City is also known for sand castle building exhibits, public art and the most incredible sunsets imaginable. There is something for everyone in Imperial Beach and we can't wait to share it with you.

Search Go

CONTACT US

Email
citymanager@imperialbeachca.gov

General Information
1 (619) 423-8615

Andy Hall, City Manager
1 (619) 423-8615

Fax
1 (619) 628-1395

- Marine Safety
- Public Safety
- Public Works
- San Diego County Sheriffs Department

Imperial Beach Redevelopment Agency Successor Agency

Imperial Beach Housing Authority

We have a top notch municipal workforce in place to serve the community. If you have any questions, comments or suggestions for making Imperial Beach an even better community, your input is welcome and my contact information is included on this page. Thank you for visiting our website to learn more about one of the few remaining genuine beach communities in California.

Exhibit 72

Responsibilities of the County Administrator

The role of the office of county administrator is set forth in the Administrator's Ordinance Chapter 2.08, Marin County Code. Section 2.08.040 states the county administrator shall have the following powers, duties and responsibilities:

- Generally advise, assist, act as agent for, and be responsible to the board of supervisors for the proper and efficient administration of the affairs of the county, and enforce ordinances, orders or regulations established by the board.
- Administer, supervise, direct and control the administration of all county offices, departments and institutions, elective or appointive, in such matters that are the concern and responsibility of the board of supervisors.
- Be responsible for the coordination of the work of all county offices, departments and institutions, elective or appointive, and shall resolve all interdepartmental problems and disputes.
- Make such studies and investigations as the administrator believes necessary or desirable and make any study or investigation the board requests. All county officers and departments shall assist in the preparation of such studies as directed by the administrator.
- Make recommendations to the board of supervisors that the administrator believes will result in greater efficiency and/or economy in the administration of county affairs and may require reports from any officer, department head or institutional head for this purpose.
- Maintain and direct all central administrative services, including insurance, supervise preparation of the agenda, the county's legislative advocacy program and control and assignment of extra help.
- Before the board of supervisors makes any administrative appointment to a county office, department or institution, the county administrator shall recommend one or more qualified persons for the position. The administrator may recommend that the board suspend or remove any person holding an administrative position in cases where the board has the power to appoint and remove. Whenever the administrator makes such a recommendation, the person involved will have the right to be heard by the board at a public meeting.
- Represent the county in its intergovernmental relationships.
- Recommend a long-term plan of capital improvements with accompanying financial plans.
- Recommend an annual county budget and exercise continuous budgetary control after the adoption of the budget. All departmental budgets shall be reviewed by the county administrator prior to submission to the board of supervisors. All requests for appropriations and transfers shall be reviewed by the county administrator and none shall be approved or disapproved by the board of supervisors until the administrator makes a recommendation to the board. The administrator may at any time recommend to the board of supervisors such budgetary and other expenditure controls that the administrator believes to be necessary and desirable.
- Attend all meetings of the board of supervisors and may participate in the discussion of any matter, but the administrator shall have no vote.
- In conjunction with the county personnel commission, direct the establishment and enforcement of personnel policies and practices including personnel classification and pay plan. The administrator shall review all requests for positions and classifications or reclassifications and none shall be approved or disapproved by the board of supervisors until the administrator has made a recommendation thereon.
- Make and enforce such rules and regulations as the administrator deems necessary to effectuate his/her duties hereunder.
- Perform such other services and duties as the board supervisors may direct and shall have the duty of keeping the board of supervisors fully advised of any and all matters which may be pertinent to the discharge of their responsibilities.
- Act as the clerk of the board of supervisors.
- Act as a deputy purchasing agent solely for the purpose of entering into and executing contracts for professional services. (Ord. 3331 § 1, 2001: Ord. 3196 § 2, 1995: Ord. 1398 § 4, 1964: Ord. 1182 (part), 1962: Ord. 788 § 4, 1962).

Exhibit 73

510-444-CITY
TTY 238-3254

Sabrina Landreth
City Administrator

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About Us

Mission and Goals
Executive Profile
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Our Services

Animal Services
Budget Office
Citizens' Police Review Board
Cannabis Regulatory Commission
Community Policing Advisory Board
Contracts and Compliance
Economic & Workforce Development
Safety and Services Act of 2014 (Measure Z)
Nuisance Abatement
Privacy Advisory Commission
Project Implementation
Public Ethics Commission
Police Commission
Special Permits

Our Organization

City Clerk
Community and Economic Development
Finance and Management
Fire Department
Housing & Community Development
Human Resources
Human Services
Information Technology
Oakland Museum
Parks and Recreation
Police Department
Public Library
Public Works
Race and Equity

Our Upcoming Events

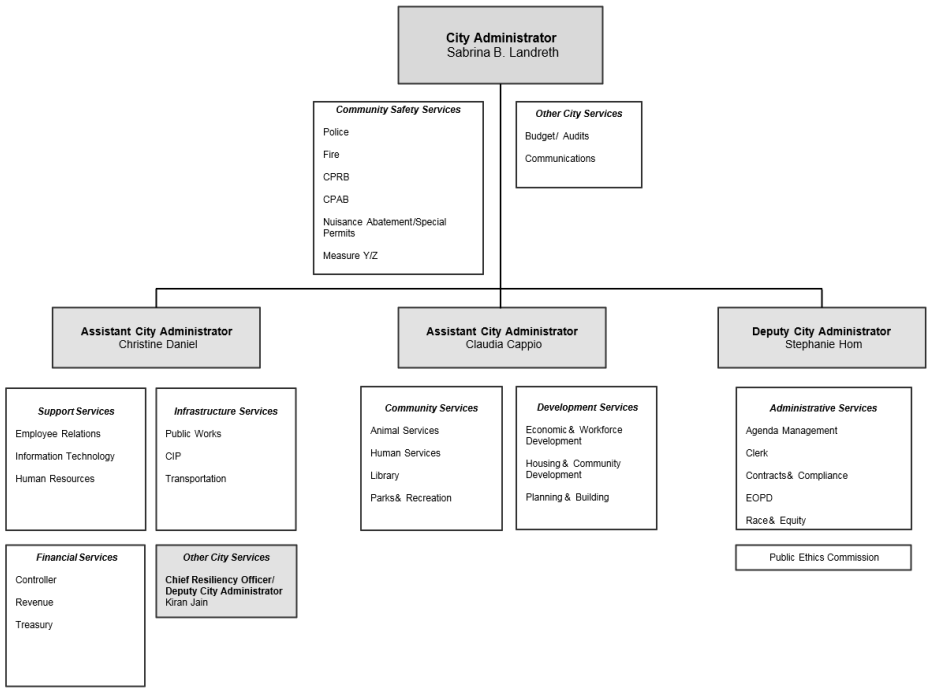
Welcome

The City of Oakland is governed by a "strong Mayor" form of government. The Mayor oversees the Executive Branch of government. The City Administrator is responsible for the day-to-day operations of City agencies and departments.

Appointed by the Mayor, the City Administrator directs City agencies and departments to ensure the goals and policy directives of the Mayor and City Council are implemented.

In addition to overseeing the City agencies and departments, the City Administrator's Office provides direct services through 10 divisions and work units.

The initial organizational chart below reflects the City Administrator's Office functional oversight assignments of citywide departments and operations. This new structure is primarily organized around city service areas, focusing on advancing effective service delivery to residents as well as providing policy support to the Mayor and City Council.



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City Administrator's W eekly Report

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Monday, December 25, 2017

Christmas Day Holiday
City offices closed. Parking holiday. more »

Monday, January 1, 2018

New Year's Day Holiday
City offices closed. Parking holiday. more »

Monday, January 15, 2018

Dr. Martin Luther King Jr. Day Holiday
City offices closed. Parking holiday. more »

Monday, February 19, 2018

Presidents' Day Holiday
City offices closed. Parking holiday. more »

Monday, May 28, 2018

Memorial Day Holiday
City offices closed. Parking holiday. more »

The City Administrator's Weekly Report is a tool for the Administration to report out the week's highlights to the Mayor, City Council, the General Public and Local Media. The Weekly Report serves as a news briefing, and includes important City news, updates on key initiatives and projects and a listing of upcoming City-sponsored meetings and events. The Weekly Report is issued every Friday throughout the year, with breaks during the legislative recess in August, the week of the Thanksgiving holiday and the last two weeks of December.

- Weekly Report, December 1, 2017
- Weekly Report, November 17, 2017
- Weekly Report, November 10, 2017
- Weekly Report, November 3, 2017
- Weekly Report, October 27, 2017
- Weekly Report, October 20, 2017
- Weekly Report, October 13, 2017
- Weekly Report, October 6, 2017
- Weekly Report, September 29, 2017
- Weekly Report, September 22, 2017
- Weekly Report, September 15, 2017
- Weekly Report, September 8, 2017
- Weekly Report, July 28, 2017
- Weekly Report, July 21, 2017
- Weekly Report, July 14, 2017
- Weekly Report, July 7, 2017
- Weekly Report, June 30, 2017
- Weekly Report, June 23, 2017
- Weekly Report, June 16, 2017
- Weekly Report, June 9, 2017
- Weekly Report, June 2, 2017
- Weekly Report, May 26, 2017
- Weekly Report, May 19, 2017
- Weekly Report, May 12, 2017
- Weekly Report, May 5, 2017
- Weekly Report, April 28, 2017
- Weekly Report, April 21, 2017
- Weekly Report, April 14, 2017
- Weekly Report, April 7, 2017
- Weekly Report, March 31, 2017
- Weekly Report, March 24, 2017
- Weekly Report, March 17, 2017
- Weekly Report, March 10, 2017
- Weekly Report, March 3, 2017
- Weekly Report, February 24, 2017
- Weekly Report, February 17, 2017
- Weekly Report, February 10, 2017
- Weekly Report, February 3, 2017
- Weekly Report, January 27, 2017
- Weekly Report, January 20, 2017
- Weekly Report, January 13, 2017
- Weekly Report, January 6, 2017

Click here to view the 2016 issues of the City Administrator's Weekly Report.

Click here to view the 2015 issues of the City Administrator's Weekly Report.

Click here to view the 2014 issues of the City Administrator's Weekly Report.

Click here to view the 2013 issues of the City Administrator's Weekly Report.

Click here to view the 2012 issues of the City Administrator's Weekly Report.

Click here to view the 2011 issues of the City Administrator's Weekly Report.

Info Memos

Subscribe for Updates

- 2018 Info Memo Sewer Service Charge Increase, 10/30/17
- Homelessness, 9/1/17
- Information Memo Status Report on Executive Order 2017-1, 6/27/17
- FY 2017-19 Budget Development Questions Responses #5, 6/21/17
- FY 2017-19 Budget Questions/Responses #3, 5/24/17

- Cannabis App Info Memo, 5/23/17
- FY 2017-19 Budget Questions/Responses #2, 5/12/17
- 2017 Pothole Blitz, 4/25/17
- Federal Actions Impacting City Budget, 4/10/17
- FY 2017-19 Budget Development Questions/Responses #1, 3/24/17
- Winter Storms and Potholes, 3/14/17
- Post 31st Avenue Fire Follow-up, 12/29/16
- 2017 Sewer Service Charge Increase Based on Consumer Price Index, 12/15/16
- Mosswood Recreation Center, 11/29/16
- 2018 ACTC Comprehensive Investment Plan Call for Projects, 11/2/16
- GASB 43/45 Report, 10/28/16
- City Hall Fire Alarm Replacement, 10/10/16
- Unpaid Leave Questions, 8/2/16
- 2016 Pothole Blitz, 6/8/16
- Rate Increases for Zero Waste Services, 6/1/16
- Follow-up Information from JPMorgan, 2/23/16
- Smart Oakland Project, 1/11/16
- Citywide Impact Fee Update, 12/18/15
- El Niño Preparations, 12/4/15

Click here to view previously issued Information Memos

Economic Stimulus

The City was very involved in the American Recovery and Reinvestment Act. For information about the success of this program in Oakland, visit the City's Stimulus website.

City Administrator's Office T icket Distribution

City Policy on Distribution of Passes and Tickets - Resolution No. 82032

JPA Agreement

JPA 802 Forms

City Administrator's JPA Ticket Distribution Logs

2017 Ticket Distribution

2016 Ticket Distribution

2015 Ticket Distribution

2014 Ticket Distribution

2013 Ticket Distribution

2012 Ticket Distribution

2011 Ticket Distribution

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Exhibit 74

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Alerts UPDATE: Delay at Market and 8th has cleared. #FMarket, 6, 7, 9/9R, & 21 resuming regular service. (More: 16 in last 24hrs) (/tweets/sfmta_muni)

Director of Transportation

Under Director Reiskin's leadership, the SFMTA works together to plan, build, operate, regulate and maintain the transportation network, with our partners, to connect communities.

Executive Leadership Team

Sonali Bose (/sonali-bose)
Director of Finance and Information Technology

Kate Breen (/kate-breen)
Government Affairs Manager

Donald Ellison (/donald-ellison)
Director of Human Resources

John Funghi (/node/158301)
Central Subway Program

John Haley (/john-haley)
Director of Transit

Siew-Chin Yeong (/siew-chin-yeong)
Director of Capital Programs and Construction

Melvyn Henry (/melvyn-henry)
Chief Safety Officer

Tom Maguire (/node/148111)
Director of Sustainable Streets

Candace Sue (/candace-sue)
Director of Communications

Kate Toran (/node/132931)
Director of Taxis and Accessible Services

Public Records Request

The San Francisco Municipal Transportation Agency (SFMTA) and its governing body, the San Francisco Municipal Transportation Agency Board of Directors, are committed to providing members of the public their full rights to access public records in the possession of the SFMTA.

Public Records Request Policy and Procedures (/public-records-requests)

Oversees

Capital Programs & Construction

The Capital Programs and Construction Division works closely with our contractors on various projects throughout the city to both enhance the safety and reliability of our transit system and to improve the transit system for future generations of San Franciscans.

Siew-Chin Yeong
Director of Capital Programs & Construction

(/node/2597)

Central Subway Program

The Central Subway Program is responsible for the Central Subway Project, a construction project to extend the T Third Line to Chinatown.

John Funghi

Central Subway Program

(/node/12075)

Communications and Marketing Division

The Communications and Marketing Division is responsible for all aspects of internal and external communications including community outreach, public relations, social media, marketing, creative services and the SFMTA public website. It also manages the SFMTA's historic photography archive.

Candace Sue

Director of Communications and Marketing

(/node/2675)

Finance & Information Technology

The Finance & Information Technology Division ensures financial stability and effective resource utilization to maximize the financial, technological and physical ability and capacity of the SFMTA to support the SFMTA's Strategic Plan.

Sonali Bose

Director of Finance and Information Technology

(/node/2829)

Government Affairs

The Government Affairs Division is responsible for coordinating, developing, advancing and monitoring the SFMTA's legislative, regulatory and policy interests at the local, state and federal levels.

Kate Breen

Government Affairs Director

(/node/12105)

Human Resources

The Division of Human Resources enables the SFMTA to accomplish its goals by supplying necessary support services that include recruitment, hiring, employment and labor relations, payroll, organizational development and training, employee wellness, equal employment opportunity and workers'...

Donald Ellison

Director of Human Resources

(/node/12106)

Sustainable Streets

The Sustainable Streets Division of the SFMTA provides multimodal transportation planning, engineering and operational improvements to San Francisco's transportation system to support sustainable community and economic development.

Tom Maguire

Director of Sustainable Streets

(/node/2616)

System Safety

The System Safety Division ensures a safe environment for customers, employees and the citizens of the City and County of San Francisco by establishing and maintaining a safety program that attains optimum levels of safety and environmental compliance.

Melvyn Henry

Director of System Safety

(/node/12073)

Taxis & Accessible Services

The Taxis and Accessible Services Division (TAS) represents a combination of two distinct functions of the SFMTA that substantially overlap in the regulation of the taxi mode of transportation. The TAS manages the regulation of the San Francisco taxi industry, and the accessible transportation...

Kate Toran

Director Taxi and Accessible Services

(/node/2601)

Transit

San Francisco's Municipal Railway, universally known as Muni, provides safe, reliable, clean, accessible and convenient public transportation to virtually anywhere in San Francisco...

John Haley
Director of Transit (Muni)
(/node/2619)

Equal Employment Opportunity (EEO)

Here at the SFMTA, employees are our most valuable resource. We are an equal employment opportunity employer. The SFMTA is dedicated to remove barriers that have operated to preclude employment opportunities for all applicants and employees. Overall, equal employment opportunity is a shared...

Virginia Harmon
Senior Manager Contracts & Procurement, DBE Liaison Officer/EEO Officer
(/node/12107)

Ed Reiskin
Director of Transportation
(/node/861)

MEMBERS

Kate Breen
Government Affairs Director
(/node/1061)

Tom Maguire
Director of Sustainable Streets
(/node/12067)

Melvyn Henry
Director of System Safety
(/node/12072)

Exhibit 75

Tom Steyer, Founder & President

Tom Steyer is a business leader and philanthropist who believes we have a moral responsibility to give back and help ensure that every family shares the benefits of economic opportunity, education, and a healthy climate.

In 2010, Tom Steyer (https://www.linkedin.com/in/tomsteyer/) and his wife, Kat Taylor, pledged to contribute most of their wealth (https://givingpledge.org/Pledger.aspx?id=296) to charitable causes during their lifetimes. That same year, Tom worked to defeat Proposition 23, an attempt by the oil industry to roll back California's historic plan to reduce pollution and address climate change.

In 2012, Tom led a campaign to invest hundreds of millions of dollars in California schools annually by closing a corporate tax loophole. To date, Proposition 39 has put nearly a billion dollars into California schools and clean energy projects, saving millions of dollars in annual energy costs.

Tom founded a successful California business, which he left to work full-time on nonprofit (http://thenextgeneration.org/about/people/tom-steyer) and advocacy efforts (http://www.hamiltonproject.org/people/tomsteyer). He served as President of NextGen Climate, an organization he founded in 2013 to prevent climate disaster and promote prosperity for all Americans. In 2017 NextGen Climate expanded their progressive fight to include immigration, health care, prosperity, and equality — as NextGen America.

Tom's dedication to public service is greatly inspired by his wife, Kat, the co-CEO of Beneficial State Bank (https://www.beneficialstatebank.com/bios-tom-steyer) in Oakland. They founded this nonprofit community bank in 2007 to provide loans to people and small businesses shut out by the traditional banking system. Unlike most banks, by statute Beneficial State Bank invests any profits back into the community.

Tom and Kat live in San Francisco and have four children.

Learn more about Tom Steyer:

- Follow Tom Steyer on Twitter (https://twitter.com/tomsteyer)
- Tom Steyer on Facebook (https://www.facebook.com/officialtomsteyer/)
- Tom Steyer on Huffington Post (http://www.huffingtonpost.com/author/tom-steyer)
- Tom Steyer | Medium (https://medium.com/@Tom_Steyer)
- Tom Steyer | YouTube (https://youtube.com/c/TomSteyer)

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(https://www.linkedin.com/company/3656623/)

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Exhibit 76

Our story

NextGen America acts politically to prevent climate disaster, promote prosperity, and protect the fundamental rights of every American.

Since our founding as NextGen Climate in 2013, we've worked to fight climate change by advancing the transition to a clean energy economy. We've supported candidates who support climate action. We've fought to halt the Keystone XL pipeline and registered more than 1 million voters nationwide.

Now, the same values that drive our work on climate are under unprecedented attack from all directions.

We're proud to step up the fight for immigrant rights, affordable health care, prosperity, and equality.

Our founder

Tom Steyer is a business leader and philanthropist who believes we have a moral responsibility to give back and help ensure that every family shares the benefits of economic opportunity, education, and a healthy climate.

read more > (/about-us/tom-steyer/)

Join our team

If you're collaborative, flexible and driven, we may be looking for you. Explore our openings below if you're ready to take on our country's biggest challenges.

SAN FRANCISCO

Administration and Facilities Assistant

learn more > (?job=964389)

Attorney

learn more > (?job=953414)

Deputy National Organizing Directors

learn more > (?job=937104)

Editor | Motion Graphic designer

learn more > (?job=964441)

Press Secretary - Bilingual (Spanish/English)

learn more > (?job=889034)

CALIFORNIA

Cities Organizing Program Director

learn more > (?job=931199)

Field Organizer, Youth Organizing Program

learn more > (?job=929864)

NextGen Rising Fellowship Spring 2018

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Regional Campus Organizing Director

learn more > (?job=930905)

Summer Law and Policy Internship: Climate and Energy

learn more > (?job=842363)

Summer Law and Policy Internship: Progressive Policy

learn more > (?job=842376)

FLORIDA

NextGen Rising Fellowship Spring 2018

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Regional Campus Organizing Director

learn more > (?job=931023)

MICHIGAN

Field Organizer, Youth Organizing Program

learn more > (?job=826676)

NextGen Rising Fellowship Spring 2018

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Regional Campus Organizing Director

learn more > (?job=931026)

NEVADA

Field Organizer, Youth Organizing Program

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NextGen Rising Fellowship Spring 2018

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PENNSYLVANIA

Cities Organizing Program Director

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NextGen Rising Fellowship Spring 2018

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Regional Campus Organizing Director

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VIRGINIA

NextGen Rising Fellowship Spring 2018

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Regional Field Organizer

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WISCONSIN

Campus Organizing Director

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Field Organizer, Youth Organizing Program

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NextGen Rising Fellowship Spring 2018

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Regional Campus Organizing Director

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Exhibit 77

Rockefeller Foundations Enlist Journalism in 'Moral' Crusade Against ExxonMobil

Media squeals when corporations sponsor self-serving reporting but lap it up when agenda squares

By Ken Silverstein • 01/06/17 12:30pm

Rex Tillerson, chairman and CEO of ExxonMobil and Donald Trump's pick for secretary of state. Flickr Creative Commons

When corporations and right-wing business groups fund think tanks and non-profits they are invariably called out, quite rightly, for trying to buy and shape media coverage. Journalists tend to dismiss the paid-for studies and reports as tainted and, if they cite them at all, flag said studies and reports with consumer warnings about their problematic origins.

No industry has been more criticized for seeking to influence the media than oil and gas, and no single company more targeted than ExxonMobil. The company's CEO, Rex Tillerson, is of course Donald Trump's nominee to be secretary of state, and ExxonMobil is the world's largest oil company.

An NPR story last year thrashed the company for "pouring millions and millions of dollars" into dozens of groups, "some of which were transparently industry front groups, and some of which

were right-wing economics advocacy groups, that themselves spent decades in various degrees of climate denial."

However, when liberal advocacy groups and foundations fund journalism directly, there's less discussion about potential conflicts of interests or the integrity of the work product — and especially if the journalism embraces a beloved cause like climate change and attacks a popular villain like the fossil fuel industry.

A case in point is how two Rockefeller family foundations have been involved in an advocacy campaign that accuses ExxonMobil of covering up what it knew about climate change in order to maximize its profits while endangering the American public. Part of the campaign has been to bring legal action against the company, on the grounds that it acted similarly to tobacco companies that hid the link between smoking and cancer. Meanwhile, Rockefeller foundations have funded journalism enterprises that have produced stories that overlap with the advocacy agenda.

For the most part, the Rockefellers have not only avoided criticism but have had their liberal do-gooder brand polished by, among others, the New York Times, the Washington Post, the New Yorker, the New York Review of Books and NPR (whose funders include the Rockefeller Foundation). And while the Rockefellers have portrayed their fight as one purely driven by ethics and virtue, crusading against climate change hasn't been bad for foundation business either.

(Note: Not all individual members of the 200-plus Rockefeller family have endorsed the campaign, but I'm using "the Rockefellers" for shorthand at times in this story because many of them have and two of their foundations have funded and supported the Exxon campaign.)

Back in 2014, the Rockefeller Brothers Fund was showered with commendations after announcing that it would no longer invest its $818 million portfolio in fossil fuels. The divestment decision, which was seen as a role model and has since been embraced by other large foundations, was portrayed as a profoundly moral one. “It became increasingly uncomfortable to be fighting global warming on the one hand [through charitable grants] and then investing in businesses that cause global warming,” Fund president Stephen Heintz said.

Earlier this year, the Rockefeller Family Fund announced it would dump its ExxonMobil stock, referring to the company’s “morally reprehensible conduct” in suppressing information about global warming. This, too, was greeted with lavish praise and seen as a sign of enhanced Rockefeller benevolence because family patriarch John D. Rockefeller founded Standard Oil, of which ExxonMobil is the largest direct descendant.

Valerie Rockefeller Wayne. Screenshot

In 2015 Valerie Rockefeller Wayne, chair of the Rockefeller Brothers Fund, explained the divestment to The Guardian: “We all have a moral obligation. Our family in particular – the money that is for our grant-making, and what we are doing now, and that helps fund our lifestyles came from dirty fuel sources.”

It’s all quite heartwarming, yet there are a few reasons to be at least a little bit skeptical. First, the two foundations took these steps almost a century and a half after Standard Oil was created. Family members have made a lot of money in the meanwhile and it seems pretty late in the day to win plaudits for dropping fossil fuel investments.

It's also unlikely that divestment will have any adverse impact on family members' lifestyles—the Rockefellers are the 23rd richest family in the U.S. with a fortune of $11 billion, according to Forbes—or on their foundations' bottom line. Oil prices had already started dropping when the announcement was made in 2014 and have generally plunged since, tanking the shares of energy stocks. As an industry, energy stocks were the worst performers of 2015. ExxonMobil's share price has dropped by more than 10 percent in the past two years.

Meanwhile, the Rockefeller Brothers Fund didn't drop fossil fuel investments entirely and has said it would only do it—and ramp up promised investments in renewables—on a phased-in basis. Heintz has said it would only fulfill the pledgewhen it figured out how it could be done "without causing harm to the overall performance of [our] investment portfolio" (The fund still has about $24 million in fossil fuel investments, which represents 3.1 percent of the endowment—when the process started, 6.6 percent of the endowment was invested in fossil fuels. The fund has invested $100 millionin alternative energy sources over the same period).

Beyond that, charities, not just corporations, deserve scrutiny when it comes to their donations. The Rockefellers are a powerful family, and historically they haven't been shy about throwing money around to promote a political agenda that has not always been altruistic.

Way back at the turn of the 20th century, John D. Rockefeller recognized the value of family branding and political engineering and spent lavishly to soften his Robber Baron image. "Not even God himself can stop me from giving my money to the University of Chicago," he wrote, and his investment paid off as the school's academics duly trotted out studies proving the virtues of the

"free market" and the inevitability and ultimately proper capitalist distribution of income that made the few rich and the many poor.

"I have no sympathy…for the Tillerson gang at Exxon, but the Big Green foundations operate in pretty much the same way."
– Jeffrey St. Clair

Back in the 1990s, the Rockefeller Family Fund was run by a man named Donald Ross, who was close to the Democratic Party and who sought to shape the environmental movement's agenda to match up with Bill Clinton's administration. The Fund also held a number of surprising holdings with oil and gas companies, mining companies and timber firms. Indeed, the Fund was simultaneously running a campaign — unsuccessful in the end — to protect ancient forests in the Pacific Northwestand holding a strong position in timber firms stripping the region like Weyerhaeuser and Boise Cascade.

"I have no sympathy at all for the Tillerson gang at Exxon, but the Big Green foundations operate in pretty much the same way when it comes to public relations," Jeffrey St. Clair, the editor of CounterPunch and a longtime environmental activist, told the Observer. "It's not their style to give money away without expecting something in return."

The Rockefeller Family Foundation (which has an endowment of about $130 million) has long targeted the oil industry and honed in on ExxonMobil last January during a meeting at its Manhattan offices. The agenda was to "establish in the public's mind that Exxon is a corrupt institution that has pushed humanity (and all creation) toward climate chaos and grave harm" and to "delegitimize" Exxon as a political actor. The ultimate goal would include "getting discovery" from ExxonMobil through legal action brought by public officials, thus "creating scandal" around the country.

Participants at the meeting included activist groups like Greenpeace and Public Citizen, and trial lawyers who have won judgments against the industry before, like Sharon Eubanks, the federal government's lead counsel in its racketeering case against Philip Morris, and Matt Pawa, a litigator who had won a $236 million verdict against ExxonMobil in 2013 for contaminating New Hampshire's groundwater.

But to be successful, the advocacy campaign needed to strike a chord in the media, and its key themes were covered by InsideClimate News, "an independent, not-for-profit, non-partisan news organization" that covers energy issues "plus the territory in between where law, policy and public opinion are shaped."

Back in 2013, it won a Pulitzer Prize, which are awarded by Columbia University, for an investigation into a million-gallon spill of Canadian tar sands oil into the Kalamazoo River. It was nominated again in 2016 for a series called "Exxon: The Road Not Taken," which argued that the company had suppressed the danger of climate change for decades. (It didn't win, but Columbia gave it its John B. Oakes Award for Distinguished Environmental Journalism.)

The Rockefeller Brothers Fund is one ofInsideClimate News' biggest funders, but it says it knew nothing about the ExxonMobil series until it was published.

The advocacy campaign's argument was also amplified by the Columbia Journalism School and its dean, Steve Coll, a well-regarded, Pulitzer Prize-winning journalist who had previously been a top editor at the Washington Post, head of the New America Foundation and the author of several bestselling books.

Steve Coll speaks at an event about "ExxonMobil and American Power" in Kansas City in 2013. YouTube

Rockefeller family foundations donated more than $1 million to the New America Foundation after Coll was appointed to run it in 2007. His salary there quintupled over five years to $320,730, nonprofit disclosure forms show. During Coll's years at the New America Foundation he wrote Private Empire, a sharply critical corporate biography of ExxonMobil. (I liked it and spoke to Coll when he was researching the book because I'd written extensively about ExxonMobil's sleazy deals with the corrupt dictatorship of Equatorial Guinea, which he covered.)

When private companies give money to think tanks, it's pretty apparent that it's part of a lobbying or media campaign. For example, Google CEO Eric Schmidt chaired New America's board and his company is one of its largest donors. The think tank also had company-paid Google Scholars, as the Washington Post noted in a story titled "Google, once disdainful of lobbying, now a master of Washington influence." With their lavish endowments and extensive political agendas, one assumes that foundations were also looking to win influence when they donate to think tanks.

In 2012, Coll left New America and the following year signed on at Columbia. The two Rockefeller foundations donated a combined $300,000 to Columbia in 2013 and 2014, which helped underwrite a partnership between the university's Energy & Environmental Reporting Project and the Los Angeles Times. They teamed up on a series that covered much of the same ground as the InsideClimateNews series and that also was nominated for a Pulitzer Prize. The stories (written by the students who took part in the fellowship) initially failed to disclose — until after ExxonMobil protested — that the Rockefeller family had donated to the Project, along with other liberal foundations like the Energy Foundation, Open Society Foundations and the Tellus Mater Foundation.

"We supported public interest journalism to better understand how the fossil fuel industry was dealing with the reality of climate science internally and publicly," Lee Wasserman, director of the Rockefeller Family Fund — and the convener of the January meeting at its offices which laid out the Exxon campaign—told Reuters when its funding was exposed.

After these series were published, New York Attorney General Eric Schneiderman dutifully launched an investigation of ExxonMobil and the state has issued subpoenas seeking records of the company's climate research for the past 40 years. Other state attorneys general have also announced investigations of ExxonMobil and several members of Congress called on the Department of Justice to investigate the company using the Racketeer Influenced and Corrupt Organizations Act (RICO), which was designed to prosecute mob activity and was also employed to investigate tobacco companies in the 1990s.

The company has launched an aggressive counterattack against the Rockefeller foundations for organizing what ExxonMobil calls a "conspiracy" against it. It has gotten a Texas judge to approve subpoenas for foundation communication with its campaign allies. Texas Congressman Lamar Smith, who receives significant political donations from ExxonMobil, has sent a letter to Rockefeller funds with subpoenas for similar internal files.

Alan Jeffers, an ExxonMobil spokesman, has accused the Rockefeller family of financing journalism and seeking to prompt legal action against the company. In an email, he criticized late exposure of Rockefeller funding for the reporting and accused activists and the media of using "cherry-picked statements attributed to various company employees to wrongly suggest definitive conclusions were reached by company researchers at the early stages of scientific investigation of the potential for climate change…To suggest that we had reached definitive conclusions, decades

before the world's experts and while climate science was in an early stage of development, is not credible."

Jeffers suggested that Rockefeller funding for Columbia and InsideClimateNewsweighted the reportorial scales and produced predetermined findings that supported the foundations' advocacy agenda.

Attorneys general like Eric Schneiderman may have been deceived by a Los Angeles Times story about ExxonMobil. Twitter

InsideClimate News says all of its work is independent of donors and Stacy Feldman, the group's executive editor, has issued a statement saying that ExxonMobil has never specified anything "inaccurate or misleading in the series, nor has it requested any corrections."

Steve Coll told me that the Columbia/Los Angeles Times series was not an initiative of the Rockefellers but grew out of his reporting of Private Empire. "It was entirely my idea, there was reporting left on the table from the book that had to do with what ExxonMobil knew about climate change and when it knew it," he told me. "I then went out and raised the money for it after I got to Columbia. We gave them updates about the project, but the journalism component was totally independent and Rockefeller had no input or editorial control."

Coll stood by the series' findings, which he said were fair and deeply reported. He acknowledged that working with foundations that have advocacy positions created an "appearance problem," that he said is the topic of an ongoing conversation within journalism, including at Columbia. "Foundation funding is something of a new frontier and there are uncomfortable aspects to it," he said. "We're working on a new policy at Columbia to provide to donors, laying out the need for editorial independence and disclosure requirements."

Heintz told the Observer that the Rockefeller Brothers Fund and the Rockefeller Family Fund are distinct institutions that share office space but have different boards and operate independently. He said they didn't coordinate their funding of the journalism projects.

His fund has given InsideClimate Newsgrants of $800,000 over the four years since it was founded, money Heinz said was for general support, not to attack ExxonMobil. The fund gave $100,000 over two years to Columbia's Graduate School of Journalism postgraduate fellowship programs, which was used to support the Energy and Environmental Reporting project.

"We knew because of their proposal that they'd be looking at what the oil companies knew and when they knew it, and that they'd be looking at Exxon but we had no input into their work," Heinz said. "We didn't know that InsideClimate News and Columbia were working on similar investigations.

The difference between foundation funding and corporate funding, he said, is the profit motive. "Their aim is to make money and that's a very different starting point than philanthropy," he said. "Exxon has far greater financial resources than we have and in addition they are able to lobby, which we're prohibited from doing."

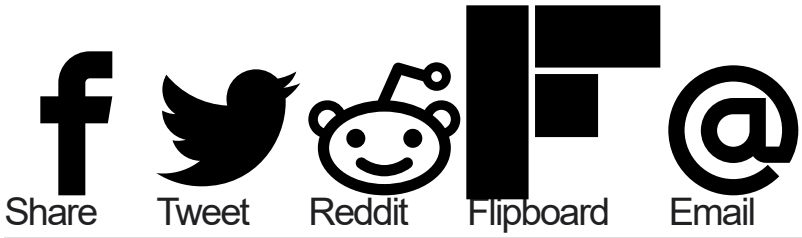
I'm not attacking the integrity of the reporting on ExxonMobil. And I'm in no position to, since I've received foundation and nonprofit backing for my own work — which supported a lot of critical work about the energy industry, including a book called The Secret World of Oil, which was backed by George Soros' Open Society Foundations and includes quite a bit of criticism of ExxonMobil.

But all of this points to a problem in journalism because almost no one funds investigations anymore, except foundations and non-profits. Corporations always have an agenda when they dispense money to shape public opinion. But so do foundations and private donors. It's hard to argue that it's only a problem when you disagree with the point of view being promoted.

Exhibit 78

CBS NEWS December 2, 2016, 7:04 AM

Rockefeller descendants speak out against company to which they owe their prosperity



Only on "CBS This Morning," members of the Rockefeller family are giving their first TV interviews about a public falling out with ExxonMobil. The energy giant is one of the successors to Standard Oil, founded by John D. Rockefeller. But some of his descendants are now criticizing ExxonMobil's record on climate change.

According to Forbes, the Rockefellers are the 23rd richest family in the U.S. with a fortune of $11 billion, reports CBS News correspondent Don Dahler. Today, much of that wealth goes toward philanthropy through organizations like the Rockefeller Brothers Fund and the Rockefeller Family Fund, both of which backed reports that suggest ExxonMobil knew more than it was letting on about the threat of global warming.

"If the board of ExxonMobil is not answering your calls, this is your opportunity. What would you say directly to them?" Dahler asked David Kaiser, president of the Rockefeller Family Fund.

"If I was talking to the board of ExxonMobil, I would say that right now, their company seems to be morally bankrupt," Kaiser said.

Fifth-generation descendants of John D. Rockefeller are speaking out against the company to which they owe their prosperity. Kaiser is the grandson of former Chase bank chairman David Rockefeller. Valerie Rockefeller Wayne is the daughter of former Sen. Jay Rockefeller.

"Because the source of the family wealth is fossil fuels, we feel an enormous moral responsibility for our children, for everyone -- to move forward," Wayne said.

They're doing that by looking back.

The charities they run funded investigations that appeared in the Los Angeles Times and InsideClimate News. The reports suggest "Exxon had been at the forefront of climate change research" since the late 1970s and knew the burning of fossil fuels "would warm the planet and could eventually endanger humanity," even while the company downplayed the science in a

David Kaiser, president of the Rockefeller Family Fund, and Valerie Rockefeller Wayne, trustee and chair of Rockefeller Brothers Fund CBS NEWS

series of newspaper ads and television interviews.

“This is complicated. Don’t believe statements that say it’s clear that things are warming. It’s not clear,” Frank Sprow told CBS News in a 2000 interview while he was ExxonMobil vice president.

Exxon Mobil accuses the Rockefellers of conspiring against the corporation.

In a phone call with CBS News, a company official described it as a “coordinated campaign … to vilify the company.” A spokesman initially sent us a statement saying the reports were “funded and then promoted by activists,” claiming they’re “not credible and have been widely discredited.” The company later retracted that statement, telling us they “don’t have a comment.”

“The company has taken the unusual step of publicly criticizing you and the family funds, calling you conspirators. This has gotten personal,” Dahler said to Kaiser.

“Well, you know it’s really very silly. … For something to count as a conspiracy it can’t just have been done in concert with other people, it also has to be illegal and we haven’t done anything illegal,” Kaiser responded.

Kaiser said a large majority of the family supports their efforts. But not everyone is on board.

“These family funds do not speak on behalf of all 200 family members,” said Ariana Rockefeller, Kaiser’s cousin.

Rockefeller insists all sides should be working together on solutions for climate change.

“I don’t think denouncing a family legacy is the best way to go about doing this,” she said.

Ariana Rockefeller CBS NEWS

Still, Kaiser and Wayne said it's important to learn what the company has done to clear up the debate over what to do next.

"What we would hope from Exxon is that they would admit what they've done -- these decades of denial -- and continue what they've started in a very small way to do now, which is to look at alternatives and we really hope they become an industry leader," Wayne said. "They can set the tone for the industry in doing more, but the truth has to come out."

New York and Massachusetts have announced fraud investigations to determine if ExxonMobil misled the public about its research on climate change. Exxon has launched a vigorous defense, suing the attorneys general of both states in federal court alleging a "conspiracy" with what it claims are "politically motivated investigations."

ExxonMobil now acknowledges the risk of climate change and reports spending billions of dollars to find ways to lower greenhouse gas emissions.

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Exhibit 79

Confirmed: Rockefellers Admit Funding Pay-to-Play Attack "Journalism" Against Exxon

2:02pm EST December 2, 2016

by Katie Brown, PhD
katie@energyindepth.org, Washington, D.C.

Tweet

After over a year of continuous denial, two members of the Rockefeller family appeared this morning on national TV to own up to the fact that they specifically paid the Columbia School of Journalism and InsideClimate News to write hit pieces on ExxonMobil, in what can only be characterized as a pay-to-play attack on the company.

A segment that aired on CBS This Morning with Charlie Rose featured interviews with David Kaiser of the Rockefeller Family Fund and Valerie Rockefeller Wayne of the Rockefeller Brothers Fund, reporting:

> **"The charities [the Rockefellers] run funded investigations that appeared in the Los Angeles Times and InsideClimate News."**

In yet another sign that the Rockefellers have suddenly decided to embrace their bankrolling of #ExxonKnew publically, NPR published a column over the weekend by Marcelo Gleiser who even attributed the hit pieces to the Rockefeller Family Fund, not InsideClimate or Columbia. As Gleiser put it,

> **"The investigative report from the RFF is quite clear in its findings."**

This admission is especially striking considering that the Rockefeller foundations that are bankrolling this campaign – primarily the Rockefeller Brothers Fund and the Rockefeller Family Fund – have maintained that they have "hands-off" relationships with InsideClimate and Columbia, and therefore didn't exercise any editorial control over the results of their Exxon climate "investigations." As Lee Wasserman of the Rockefeller Family Fund said in an interview with *Reuters* last March,

> "**No specific company was targeted in our push to drive better public understanding and better climate policy**."

That same month, InsideClimate News reported:

> "Rockefeller Family Fund Director Lee Wasserman said the charity supports public interest journalism, including InsideClimate News, but **keeps at arm's length from the work being done**.
>
> '**We first learned about it when everybody else read about it**,' Wasserman said. 'The **information that was unearthed was stunning** and struck us as beyond the pale of what a corporation interested in protecting the public interest would do. … As a matter of good governance, we felt it imperative to sever our tie with the corporation.'"

And, of course, InsideClimate's website claims: "Donors who support our award-winning environmental journalism do not have access to our editorial process or decision-making."

The Columbia School of Journalism has also denied that the Rockefellers had any say in what they've been up to. In fact, the Columbia Journalism Review interviewed Dean of the Columbia Graduate School of Journalism, Steve Coll, and reported the exchange this way:

> "**Both the [*Los Angeles*] *Times* and Coll have reiterated that the project's funders had a hands-off relationship with its journalism**…In addressing those complaints in his written response to Exxon Mobil, Coll mentioned the energy giant's support of Columbia University research in other fields: 'You therefore understand that the issue is not who provided funding for this or any other Columbia University project, but whether the work is done independent of the funders…**The fact is that this reporting was not subject to any influence or control by the funders,** the *Times* maintained full editorial control over all that it chose to publish, and your letter provides no information to doubt that this is so.'" (emphasis added)

Coll went on to explain,

> "It's similar to the ethics that had to be managed in the days when this kind of work was supported by commercial advertising," Coll says. "[Advertisers] were very financially

> important to the newspaper, but the publisher and the editor in the newsroom figured out how to build a wall between the advertisers and the work. And that's exactly what we have to do here: **We have to build a wall between the funders and the work. That's what I'm responsible for**." (emphasis added)

Failure to disclose

The Rockefellers haven't always been so forthcoming about their involvement in these hit pieces. In fact, when the Columbia stories appeared in the *Los Angeles Times* last year, there was no mention whatsoever that the Columbia School of Journalism was funded by Rockefellers. Only after Energy In Depth and other news outlets called them out did the outlet quietly add a correction noting the funding source, but that happened several months after the stories were published.

It wasn't just an oversight by the *LA Times*, either. Even the website of the Columbia Energy and Environment Reporting Fellowship did not originally disclose its Rockefeller funding according to an archived copy of the page. But once again, after they were called out, the fellowship's website was quietly updated to include its financial connections to the Rockefeller Family Fund and other #ExxonKnew organizations.

After this disclosure problem came to light, the Columbia Journalism Review reported that it raises ethical questions, specifically about funding sources for non-profit organizations that produce what many might mistake for objective reporting. As the CJR explains,

> "But the practice also **raises questions of balance** in what subjects get reported, as well as **appropriate disclosure of the outside funders and their political leanings**. In the case of Columbia, The Energy and Environmental Reporting Project is **funded in part by a group of philanthropic organizations, at least one with a clear advocacy bent** on the issue. The **names of the funders were not listed** on the two articles when they were published by the Los Angeles Times, though they were **later added online**." (emphasis added)

Some have even suggested that the Columbia School of Journalism stands to lose its once sterling reputation in the wake of this scandal.

Forced to come clean?

Considering all the things that the #ExxonKnew campaign has tried to keep hidden, owning up to bankrolling the entire #ExxonKnew effort was likely not in the original plan. But since they've been exposed to this great extent, they've pretty much had to come clean. That's why they're appearing on CBS This Morning and writing columns like the one that appeared in *New York Review of Books* in which, Lee Wasserman of Rockefeller Family Fund admitted that his organization "paid for a team of independent reporters from Columbia University's Graduate School of Journalism to try and determine what Exxon and other oil and gas companies had really known about climate science, and when."

This new strategy has put the spotlight on the family and revealed dissent among their ranks by those in the Rockefeller family that feel the campaign against Exxon is "deeply misguided." In the CBS segment today, Ariana Rockefeller of the Rockefeller Foundation (which is the flagship foundation and is separate from Rockefeller Family Fund and Rockefeller Brothers Fund) said the Rockefellers bankrolling #ExxonKnew "do not speak on behalf of all 200 family members." She also told the *New*

York Times Rockefeller Brothers Fund and Rockefeller Family Fund's efforts are "counterproductive to our goal of protecting the environment by undermining Exxon's ongoing good work in clean and renewable energy."

The Rockefeller's decision to come clean as the masterminds behind the #ExxonKnew campaign has not had the effect they had hoped for. It has exposed a deep rift within their family and raised serious ethical questions about editorial control in non-profit journalism. In an interestingly timed email, InsideClimate News announced it is seeking donations "to ensure that our award-winning nonprofit news organization remains **fiercely independent** and courageously persistent." (emphasis added) That 'fierce independence' apparently doesn't apply when the Rockefellers are signing the checks.

Exhibit 80

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Form **990-PF**

Department of the Treasury
Internal Revenue Service

Return of Private Foundation

or Section 4947(a)(1) Trust Treated as Private Foundation

▶ **Do not enter social security numbers on this form as it may be made public.**
▶ **Information about Form 990-PF and its instructions is at *www.irs.gov/form990pf*.**

OMB No 1545-0052

2014

Open to Public Inspection

For calendar year 2014, or tax year beginning 01-01-2014 , and ending 12-31-2014

Name of foundation
TOMKAT CHARITABLE TRUST

A Employer identification number
38-6866542

Number and street (or P O box number if mail is not delivered to street address)
111 SUTTER STREET 10TH FLOOR

Room/suite

B Telephone number (see instructions)
(415) 956-9588

City or town, state or province, country, and ZIP or foreign postal code
SAN FRANCISCO, CA 94104

C If exemption application is pending, check here ▶ ☐

G Check all that apply ☐ Initial return ☐ Initial return of a former public charity ☐ Final return ☐ Amended return ☑ Address change ☐ Name change

D 1. Foreign organizations, check here ▶ ☐

2. Foreign organizations meeting the 85% test, check here and attach computation ▶ ☐

H Check type of organization ☑ Section 501(c)(3) exempt private foundation ☐ Section 4947(a)(1) nonexempt charitable trust ☐ Other taxable private foundation

E If private foundation status was terminated under section 507(b)(1)(A), check here ▶ ☐

I Fair market value of all assets at end of year *(from Part II, col. (c), line 16)* ▶$ 132,420,554

J Accounting method ☐ Cash ☑ Accrual ☐ Other (specify) _____
(Part I, column (d) must be on cash basis.)

F If the foundation is in a 60-month termination under section 507(b)(1)(B), check here ▶ ☐

Part I **Analysis of Revenue and Expenses** *(The total of amounts in columns (b), (c), and (d) may not necessarily equal the amounts in column (a) (see instructions))*

		(a) Revenue and expenses per books	(b) Net investment income	(c) Adjusted net income	(d) Disbursements for charitable purposes (cash basis only)
Revenue	1 Contributions, gifts, grants, etc , received (attach schedule)	6,618,138			
	2 Check ▶ ☐ if the foundation is **not** required to attach Sch B				
	3 Interest on savings and temporary cash investments	44,478	44,478		
	4 Dividends and interest from securities	15,106	15,106		
	5a Gross rents				
	b Net rental income or (loss) _____				
	6a Net gain or (loss) from sale of assets not on line 10	529			
	b Gross sales price for all assets on line 6a _____				
	7 Capital gain net income (from Part IV, line 2)		9,510,157		
	8 Net short-term capital gain				
	9 Income modifications				
	10a Gross sales less returns and allowances				
	b Less Cost of goods sold				
	c Gross profit or (loss) (attach schedule)				
	11 Other income (attach schedule)	42,490	1,521,058		
	12 **Total.** Add lines 1 through 11	6,720,741	11,090,799		
Operating and Administrative Expenses	13 Compensation of officers, directors, trustees, etc	166,716	0		166,716
	14 Other employee salaries and wages	38,164	0		38,164
	15 Pension plans, employee benefits	62,298	0		56,017
	16a Legal fees (attach schedule)	115,609	57,804		55,874
	b Accounting fees (attach schedule)	144,426	72,213		72,213
	c Other professional fees (attach schedule)	66,527	0		66,527
	17 Interest				
	18 Taxes (attach schedule) (see instructions)	74,994	43,728		10
	19 Depreciation (attach schedule) and depletion				
	20 Occupancy				
	21 Travel, conferences, and meetings	38,408	0		38,408
	22 Printing and publications				
	23 Other expenses (attach schedule)	58,054	2,052,517		34,376
	24 **Total operating and administrative expenses.** Add lines 13 through 23	765,196	2,226,262		528,305
	25 Contributions, gifts, grants paid	21,369,706			28,530,057
	26 **Total expenses and disbursements.** Add lines 24 and 25	22,134,902	2,226,262		29,058,362
	27 Subtract line 26 from line 12				
	a **Excess of revenue over expenses and disbursements**	-15,414,161			
	b **Net investment income** (if negative, enter -0-)		8,864,537		
	c **Adjusted net income** (if negative, enter -0-)				

Part II Balance Sheets	Attached schedules and amounts in the description column should be for end-of-year amounts only (See instructions)	Beginning of year (a) Book Value	End of year (b) Book Value	End of year (c) Fair Market Value
Assets	1 Cash—non-interest-bearing			
	2 Savings and temporary cash investments	26,942,960	25,274,865	25,274,865
	3 Accounts receivable ▶ 65,000			
	Less allowance for doubtful accounts ▶		65,000	65,000
	4 Pledges receivable ▶			
	Less allowance for doubtful accounts ▶			
	5 Grants receivable			
	6 Receivables due from officers, directors, trustees, and other disqualified persons (attach schedule) (see instructions)			
	7 Other notes and loans receivable (attach schedule) ▶ 1,977,335			
	Less allowance for doubtful accounts ▶ 0	0	1,977,335	1,977,335
	8 Inventories for sale or use			
	9 Prepaid expenses and deferred charges			
	10a Investments—U S and state government obligations (attach schedule)			
	b Investments—corporate stock (attach schedule)	0	9,175	9,175
	c Investments—corporate bonds (attach schedule)			
	11 Investments—land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	12 Investments—mortgage loans			
	13 Investments—other (attach schedule)	124,166,070	105,094,179	105,094,179
	14 Land, buildings, and equipment basis ▶			
	Less accumulated depreciation (attach schedule) ▶			
	15 Other assets (describe ▶)			
	16 **Total assets** (to be completed by all filers—see the instructions Also, see page 1, item I)	151,109,030	132,420,554	132,420,554
Liabilities	17 Accounts payable and accrued expenses	31,400	39,611	
	18 Grants payable	8,685,351	1,525,000	
	19 Deferred revenue			
	20 Loans from officers, directors, trustees, and other disqualified persons			
	21 Mortgages and other notes payable (attach schedule)			
	22 Other liabilities (describe ▶)			
	23 **Total liabilities** (add lines 17 through 22)	8,716,751	1,564,611	
Net Assets or Fund Balances	**Foundations that follow SFAS 117, check here ▶ ☑ and complete lines 24 through 26 and lines 30 and 31.**			
	24 Unrestricted	142,392,279	130,855,943	
	25 Temporarily restricted			
	26 Permanently restricted			
	Foundations that do not follow SFAS 117, check here ▶ ☐ and complete lines 27 through 31.			
	27 Capital stock, trust principal, or current funds			
	28 Paid-in or capital surplus, or land, bldg , and equipment fund			
	29 Retained earnings, accumulated income, endowment, or other funds			
	30 **Total net assets or fund balances** (see instructions)	142,392,279	130,855,943	
	31 **Total liabilities and net assets/fund balances** (see instructions)	151,109,030	132,420,554	

Part III Analysis of Changes in Net Assets or Fund Balances

1	Total net assets or fund balances at beginning of year—Part II, column (a), line 30 (must agree with end-of-year figure reported on prior year's return)	1	142,392,279
2	Enter amount from Part I, line 27a	2	-15,414,161
3	Other increases not included in line 2 (itemize) ▶	3	3,877,825
4	Add lines 1, 2, and 3	4	130,855,943
5	Decreases not included in line 2 (itemize) ▶	5	0
6	Total net assets or fund balances at end of year (line 4 minus line 5)—Part II, column (b), line 30	6	130,855,943

Part IV Capital Gains and Losses for Tax on Investment Income

	(a) List and describe the kind(s) of property sold (e g , real estate, 2-story brick warehouse, or common stock, 200 shs MLC Co)	(b) How acquired P—Purchase D—Donation	(c) Date acquired (mo , day, yr)	(d) Date sold (mo , day, yr)
1 a	PARTNERSHIP GAIN (LOSS)	P		
b	PORTFOLIO GAIN (LOSS)	P		
c	SALE OF PARTNERSHIP INTERESTS	P		
d				
e				

	(e) Gross sales price	(f) Depreciation allowed (or allowable)	(g) Cost or other basis plus expense of sale	(h) Gain or (loss) (e) plus (f) minus (g)
a				6,107,170
b				529
c				3,402,458
d				
e				

	Complete only for assets showing gain in column (h) and owned by the foundation on 12/31/69			(l) Gains (Col (h) gain minus col (k), but not less than -0-) or Losses (from col (h))
	(i) F M V as of 12/31/69	(j) Adjusted basis as of 12/31/69	(k) Excess of col (i) over col (j), if any	
a				6,107,170
b				529
c				3,402,458
d				
e				

2	Capital gain net income or (net capital loss) { If gain, also enter in Part I, line 7 / If (loss), enter -0- in Part I, line 7 }	2	9,510,157
3	Net short-term capital gain or (loss) as defined in sections 1222(5) and (6) If gain, also enter in Part I, line 8, column (c) (see instructions) If (loss), enter -0- in Part I, line 8	3	

Part V Qualification Under Section 4940(e) for Reduced Tax on Net Investment Income

(For optional use by domestic private foundations subject to the section 4940(a) tax on net investment income)

If section 4940(d)(2) applies, leave this part blank

Was the foundation liable for the section 4942 tax on the distributable amount of any year in the base period? ☐ Yes ☑ No
If "Yes," the foundation does not qualify under section 4940(e) Do not complete this part

1 Enter the appropriate amount in each column for each year, see instructions before making any entries

(a) Base period years Calendar year (or tax year beginning in)	(b) Adjusted qualifying distributions	(c) Net value of noncharitable-use assets	(d) Distribution ratio (col (b) divided by col (c))
2013	36,005,462	124,017,918	0 290325
2012	27,798,968	176,142,183	0 157821
2011	10,872,603	198,612,845	0 054743
2010	5,580,440	206,987,132	0 026960
2009	5,545,966	184,087,913	0 030127

2	**Total** of line 1, column (d)	2	0 559976
3	Average distribution ratio for the 5-year base period—divide the total on line 2 by 5, or by the number of years the foundation has been in existence if less than 5 years	3	0 111995
4	Enter the net value of noncharitable-use assets for 2014 from Part X, line 5	4	108,233,218
5	Multiply line 4 by line 3	5	12,121,579
6	Enter 1% of net investment income (1% of Part I, line 27b)	6	88,645
7	Add lines 5 and 6	7	12,210,224
8	Enter qualifying distributions from Part XII, line 4	8	29,058,362

If line 8 is equal to or greater than line 7, check the box in Part VI, line 1b, and complete that part using a 1% tax rate See the Part VI instructions

Part VI Excise Tax Based on Investment Income (Section 4940(a), 4940(b), 4940(e), or 4948—see page 18 of the instructions)

1a	Exempt operating foundations described in section 4940(d)(2), check here ▶ ☐ and enter "N/A" on line 1. Date of ruling or determination letter _____ **(attach copy of letter if necessary–see instructions)**		
b	Domestic foundations that meet the section 4940(e) requirements in Part V, check here ▶ ☑ and enter 1% of Part I, line 27b	1	88,645
c	All other domestic foundations enter 2% of line 27b Exempt foreign organizations enter 4% of Part I, line 12, col (b)		
2	Tax under section 511 (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	2	0
3	Add lines 1 and 2	3	88,645
4	Subtitle A (income) tax (domestic section 4947(a)(1) trusts and taxable foundations only Others enter -0-)	4	0
5	**Tax based on investment income.** Subtract line 4 from line 3 If zero or less, enter -0-	5	88,645
6	Credits/Payments		
a	2014 estimated tax payments and 2013 overpayment credited to 2014 — 6a: 225,231		
b	Exempt foreign organizations—tax withheld at source — 6b:		
c	Tax paid with application for extension of time to file (Form 8868) — 6c:		
d	Backup withholding erroneously withheld — 6d:		
7	Total credits and payments Add lines 6a through 6d	7	225,231
8	Enter any **penalty** for underpayment of estimated tax Check here ☐ if Form 2220 is attached	8	
9	**Tax due.** If the total of lines 5 and 8 is more than line 7, enter **amount owed** ▶	9	
10	**Overpayment.** If line 7 is more than the total of lines 5 and 8, enter the **amount overpaid** ▶	10	136,586
11	Enter the amount of line 10 to be **Credited to 2015 estimated tax** ▶ 136,586 **Refunded** ▶	11	0

Part VII-A Statements Regarding Activities

			Yes	No
1a	During the tax year, did the foundation attempt to influence any national, state, or local legislation or did it participate or intervene in any political campaign?	1a		No
b	Did it spend more than $100 during the year (either directly or indirectly) for political purposes (see Instructions for definition)?	1b		No
	*If the answer is "Yes" to **1a** or **1b,** attach a detailed description of the activities and copies of any materials published or distributed by the foundation in connection with the activities.*			
c	Did the foundation file **Form 1120-POL** for this year?	1c		No
d	Enter the amount (if any) of tax on political expenditures (section 4955) imposed during the year **(1)** On the foundation ▶ $ 0 **(2)** On foundation managers ▶ $ 0			
e	Enter the reimbursement (if any) paid by the foundation during the year for political expenditure tax imposed on foundation managers ▶ $ 0			
2	Has the foundation engaged in any activities that have not previously been reported to the IRS? *If "Yes," attach a detailed description of the activities.*	2		No
3	Has the foundation made any changes, not previously reported to the IRS, in its governing instrument, articles of incorporation, or bylaws, or other similar instruments? *If "Yes," attach a conformed copy of the changes*	3		No
4a	Did the foundation have unrelated business gross income of $1,000 or more during the year?	4a	Yes	
b	If "Yes," has it filed a tax return on **Form 990-T** for this year?	4b	Yes	
5	Was there a liquidation, termination, dissolution, or substantial contraction during the year? *If "Yes," attach the statement required by General Instruction T.*	5		No
6	Are the requirements of section 508(e) (relating to sections 4941 through 4945) satisfied either • By language in the governing instrument, or • By state legislation that effectively amends the governing instrument so that no mandatory directions that conflict with the state law remain in the governing instrument?	6	Yes	
7	Did the foundation have at least $5,000 in assets at any time during the year? *If "Yes," complete Part II, col. (c), and Part XV.*	7	Yes	
8a	Enter the states to which the foundation reports or with which it is registered (see instructions) ▶ CA			
b	If the answer is "Yes" to line 7, has the foundation furnished a copy of Form 990-PF to the Attorney General (or designate) of each state as required by General Instruction G? *If "No," attach explanation .*	8b	Yes	
9	Is the foundation claiming status as a private operating foundation within the meaning of section 4942(j)(3) or 4942(j)(5) for calendar year 2014 or the taxable year beginning in 2014 (see instructions for Part XIV)? *If "Yes," complete Part XIV*	9		No
10	Did any persons become substantial contributors during the tax year? *If "Yes," attach a schedule listing their names and addresses.*	10		No

Part VII-A Statements Regarding Activities *(continued)*

11	At any time during the year, did the foundation, directly or indirectly, own a controlled entity within the meaning of section 512(b)(13)? If "Yes," attach schedule (see instructions)	11	Yes	
12	Did the foundation make a distribution to a donor advised fund over which the foundation or a disqualified person had advisory privileges? If "Yes," attach statement (see instructions)	12		No
13	Did the foundation comply with the public inspection requirements for its annual returns and exemption application?	13	Yes	

Website address ▶ N/A

14 The books are in care of ▶ THE TRUSTEE Telephone no ▶ (415) 956-9588

Located at ▶ ONE MARITIME PLAZA 5TH FLOOR SAN FRANCISCO CA ZIP+4 ▶ 94111

15 Section 4947(a)(1) nonexempt charitable trusts filing Form 990-PF in lieu of **Form 1041** —Check here ▶ ☐ and enter the amount of tax-exempt interest received or accrued during the year ▶ **15**

16	At any time during calendar year 2014, did the foundation have an interest in or a signature or other authority over a bank, securities, or other financial account in a foreign country?	16		No

See instructions for exceptions and filing requirements for FinCEN Form 114, Report of Foreign Bank and Financial Accounts (FBAR) If "Yes", enter the name of the foreign country ▶

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required

	File Form 4720 if any item is checked in the "Yes" column, unless an exception applies.		Yes	No
1a	During the year did the foundation (either directly or indirectly)			
	(1) Engage in the sale or exchange, or leasing of property with a disqualified person? ☐ Yes ☑ No			
	(2) Borrow money from, lend money to, or otherwise extend credit to (or accept it from) a disqualified person? ☐ Yes ☑ No			
	(3) Furnish goods, services, or facilities to (or accept them from) a disqualified person? ☑ Yes ☐ No			
	(4) Pay compensation to, or pay or reimburse the expenses of, a disqualified person? ☐ Yes ☑ No			
	(5) Transfer any income or assets to a disqualified person (or make any of either available for the benefit or use of a disqualified person)? ☐ Yes ☑ No			
	(6) Agree to pay money or property to a government official? (**Exception.** Check "No" if the foundation agreed to make a grant to or to employ the official for a period after termination of government service, if terminating within 90 days) ☐ Yes ☑ No			
b	If any answer is "Yes" to 1a(1)–(6), did **any** of the acts fail to qualify under the exceptions described in Regulations section 53 4941(d)-3 or in a current notice regarding disaster assistance (see instructions)?	1b		No
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	Did the foundation engage in a prior year in any of the acts described in 1a, other than excepted acts, that were not corrected before the first day of the tax year beginning in 2014?	1c		No
2	Taxes on failure to distribute income (section 4942) (does not apply for years the foundation was a private operating foundation defined in section 4942(j)(3) or 4942(j)(5))			
a	At the end of tax year 2014, did the foundation have any undistributed income (lines 6d and 6e, Part XIII) for tax year(s) beginning before 2014? ☐ Yes ☑ No			
	If "Yes," list the years ▶ 20____, 20____, 20____, 20____			
b	Are there any years listed in 2a for which the foundation is **not** applying the provisions of section 4942(a)(2) (relating to incorrect valuation of assets) to the year's undistributed income? (If applying section 4942(a)(2) to **all** years listed, answer "No" and attach statement—see instructions)	2b		
c	If the provisions of section 4942(a)(2) are being applied to **any** of the years listed in 2a, list the years here ▶ 20____, 20____, 20____, 20____			
3a	Did the foundation hold more than a 2% direct or indirect interest in any business enterprise at any time during the year? ☑ Yes ☐ No			
b	If "Yes," did it have excess business holdings in 2014 as a result of **(1)** any purchase by the foundation or disqualified persons after May 26, 1969, **(2)** the lapse of the 5-year period (or longer period approved by the Commissioner under section 4943(c)(7)) to dispose of holdings acquired by gift or bequest, or **(3)** the lapse of the 10-, 15-, or 20-year first phase holding period? *(Use Schedule C, Form 4720, to determine if the foundation had excess business holdings in 2014.)*	3b		No
4a	Did the foundation invest during the year any amount in a manner that would jeopardize its charitable purposes?	4a		No
b	Did the foundation make any investment in a prior year (but after December 31, 1969) that could jeopardize its charitable purpose that had not been removed from jeopardy before the first day of the tax year beginning in 2014?	4b		No

Part VII-B Statements Regarding Activities for Which Form 4720 May Be Required *(continued)*

5a	During the year did the foundation pay or incur any amount to			
	(1) Carry on propaganda, or otherwise attempt to influence legislation (section 4945(e))? ☐ Yes ☑ No			
	(2) Influence the outcome of any specific public election (see section 4955), or to carry on, directly or indirectly, any voter registration drive? ☐ Yes ☑ No			
	(3) Provide a grant to an individual for travel, study, or other similar purposes? ☐ Yes ☑ No			
	(4) Provide a grant to an organization other than a charitable, etc , organization described in section 4945(d)(4)(A)? (see instructions) ☑ Yes ☐ No			
	(5) Provide for any purpose other than religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals? ☐ Yes ☑ No			
b	If any answer is "Yes" to 5a(1)–(5), did **any** of the transactions fail to qualify under the exceptions described in Regulations section 53 4945 or in a current notice regarding disaster assistance (see instructions)?	**5b**		**No**
	Organizations relying on a current notice regarding disaster assistance check here ▶ ☐			
c	If the answer is "Yes" to question 5a(4), does the foundation claim exemption from the tax because it maintained expenditure responsibility for the grant? ☑ Yes ☐ No			
	If "Yes," attach the statement required by Regulations section 53.4945–5(d).			
6a	Did the foundation, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract? ☐ Yes ☑ No			
b	Did the foundation, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	**6b**		**No**
	If "Yes" to 6b, file Form 8870.			
7a	At any time during the tax year, was the foundation a party to a prohibited tax shelter transaction? ☐ Yes ☑ No			
b	If yes, did the foundation receive any proceeds or have any net income attributable to the transaction?	**7b**		

Part VIII Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors

1 List all officers, directors, trustees, foundation managers and their compensation (see instructions).

(a) Name and address	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation **(If not paid, enter -0-)**	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
KATHRYN HALL ONE MARITIME PLAZA 5TH FLOOR SAN FRANCISCO,CA 94111	TRUSTEE 5 00	0	0	0
ERIN EISENBERG ONE MARITIME PLAZA 5TH FLOOR SAN FRANCISCO,CA 94111	DIRECTOR RESEARCH (THRU 6/2014) 20 00	71,494	30,290	0
EMILY BIRCHFIELD ONE MARITIME PLAZA 5TH FLOOR SAN FRANCISCO,CA 94111	PROGRAMMERS ASSISTANT 40 00	66,753	25,565	0
MIKHAILA FENDOR ONE MARITIME PLAZA 5TH FLOOR SAN FRANCISCO,CA 94111	PROGRAMMERS ASSISTANT (FROM 6/2014) 40 00	28,469	4,505	0

2 Compensation of five highest-paid employees (other than those included on line 1—see instructions). If none, enter "NONE."

(a) Name and address of each employee paid more than $50,000	**(b)** Title, and average hours per week devoted to position	**(c)** Compensation	**(d)** Contributions to employee benefit plans and deferred compensation	**(e)** Expense account, other allowances
NONE				

Total number of other employees paid over $50,000 ▶ 0

Part VIII **Information About Officers, Directors, Trustees, Foundation Managers, Highly Paid Employees, and Contractors *(continued)***

3 Five highest-paid independent contractors for professional services (see instructions). If none, enter "NONE".

(a) Name and address of each person paid more than $50,000	**(b)** Type of service	**(c)** Compensation
FARELLA BRAUN & MARTEL 235 MONTGOMERY STREET FLOOR 31 SAN FRANCISCO,CA 94104	LEGAL	114,070
PAMELA COVINGTON ONE MARITIME PLAZA 11TH FLOOR SAN FRANCISCO,CA 94111	ACCOUNTING	84,025
Total number of others receiving over $50,000 for professional services. ▶		0

Part IX-A **Summary of Direct Charitable Activities**

List the foundation's four largest direct charitable activities during the tax year Include relevant statistical information such as the number of organizations and other beneficiaries served, conferences convened, research papers produced, etc	Expenses
1	
2	
3	
4	

Part IX-B **Summary of Program-Related Investments** (see instructions)

Describe the two largest program-related investments made by the foundation during the tax year on lines 1 and 2	Amount
1	
2	
All other program-related investments See instructions **3**	
Total. Add lines 1 through 3 ▶	0

Part X **Minimum Investment Return** (All domestic foundations must complete this part. Foreign foundations, see instructions.)

1	Fair market value of assets not used (or held for use) directly in carrying out charitable, etc , purposes			
a	Average monthly fair market value of securities		1a	0
b	Average of monthly cash balances		1b	2,735,751
c	Fair market value of all other assets (see instructions)		1c	107,145,689
d	**Total** (add lines 1a, b, and c)		1d	109,881,440
e	Reduction claimed for blockage or other factors reported on lines 1a and 1c (attach detailed explanation)	1e 0		
2	Acquisition indebtedness applicable to line 1 assets		2	0
3	Subtract line 2 from line 1d		3	109,881,440
4	Cash deemed held for charitable activities Enter 1 1/2% of line 3 (for greater amount, see instructions)		4	1,648,222
5	**Net value of noncharitable-use assets.** Subtract line 4 from line 3 Enter here and on Part V, line 4		5	108,233,218
6	**Minimum investment return.** Enter 5% of line 5		6	5,411,661

Part XI **Distributable Amount** (see instructions) (Section 4942(j)(3) and (j)(5) private operating foundations and certain foreign organizations check here ▶ ☐ and do not complete this part.)

1	Minimum investment return from Part X, line 6		1	5,411,661
2a	Tax on investment income for 2014 from Part VI, line 5	2a 88,645		
b	Income tax for 2014 (This does not include the tax from Part VI)	2b		
c	Add lines 2a and 2b		2c	88,645
3	Distributable amount before adjustments Subtract line 2c from line 1		3	5,323,016
4	Recoveries of amounts treated as qualifying distributions		4	0
5	Add lines 3 and 4		5	5,323,016
6	Deduction from distributable amount (see instructions)		6	0
7	**Distributable amount** as adjusted Subtract line 6 from line 5 Enter here and on Part XIII, line 1		7	5,323,016

Part XII **Qualifying Distributions** (see instructions)

1	Amounts paid (including administrative expenses) to accomplish charitable, etc , purposes		
a	Expenses, contributions, gifts, etc —total from Part I, column (d), line 26	1a	29,058,362
b	Program-related investments—total from Part IX-B	1b	0
2	Amounts paid to acquire assets used (or held for use) directly in carrying out charitable, etc , purposes	2	
3	Amounts set aside for specific charitable projects that satisfy the		
a	Suitability test (prior IRS approval required)	3a	
b	Cash distribution test (attach the required schedule)	3b	
4	**Qualifying distributions.** Add lines 1a through 3b Enter here and on Part V, line 8, and Part XIII, line 4	4	29,058,362
5	Foundations that qualify under section 4940(e) for the reduced rate of tax on net investment income Enter 1% of Part I, line 27b (see instructions)	5	88,645
6	**Adjusted qualifying distributions.** Subtract line 5 from line 4	6	28,969,717

Note: The amount on line 6 will be used in Part V, column (b), in subsequent years when calculating whether the foundation qualifies for the section 4940(e) reduction of tax in those years

Part XIII Undistributed Income (see instructions)

	(a) Corpus	(b) Years prior to 2013	(c) 2013	(d) 2014
1 Distributable amount for 2014 from Part XI, line 7				5,323,016
2 Undistributed income, if any, as of the end of 2014				
a Enter amount for 2013 only			0	
b Total for prior years 20___, 20___, 20___		0		
3 Excess distributions carryover, if any, to 2014				
a From 2009				
b From 2010				
c From 2011				
d From 2012 11,545,761				
e From 2013 30,035,956				
f **Total** of lines 3a through e	41,581,717			
4 Qualifying distributions for 2014 from Part XII, line 4 ▶ $ 29,058,362				
a Applied to 2013, but not more than line 2a			0	
b Applied to undistributed income of prior years (Election required—see instructions)		0		
c Treated as distributions out of corpus (Election required—see instructions)	0			
d Applied to 2014 distributable amount				5,323,016
e Remaining amount distributed out of corpus	23,735,346			
5 Excess distributions carryover applied to 2014	0			0
(If an amount appears in column (d), the same amount must be shown in column (a).)				
6 **Enter the net total of each column as indicated below:**				
a Corpus Add lines 3f, 4c, and 4e Subtract line 5	65,317,063			
b Prior years' undistributed income Subtract line 4b from line 2b		0		
c Enter the amount of prior years' undistributed income for which a notice of deficiency has been issued, or on which the section 4942(a) tax has been previously assessed		0		
d Subtract line 6c from line 6b Taxable amount —see instructions		0		
e Undistributed income for 2013 Subtract line 4a from line 2a Taxable amount—see instructions			0	
f Undistributed income for 2014 Subtract lines 4d and 5 from line 1 This amount must be distributed in 2015				0
7 Amounts treated as distributions out of corpus to satisfy requirements imposed by section 170(b)(1)(F) or 4942(g)(3) (Election may be required - see instructions)	0			
8 Excess distributions carryover from 2009 not applied on line 5 or line 7 (see instructions)	0			
9 **Excess distributions carryover to 2015.** Subtract lines 7 and 8 from line 6a	65,317,063			
10 Analysis of line 9				
a Excess from 2010				
b Excess from 2011				
c Excess from 2012 11,545,761				
d Excess from 2013 30,035,956				
e Excess from 2014 23,735,346				

Part XIV Private Operating Foundations (see instructions and Part VII-A, question 9)

1a If the foundation has received a ruling or determination letter that it is a private operating foundation, and the ruling is effective for 2014, enter the date of the ruling. . . . . ▶

b Check box to indicate whether the organization is a private operating foundation described in section ☐ 4942(j)(3) or ☐ 4942(j)(5)

	Tax year	Prior 3 years			(e) Total
	(a) 2014	(b) 2013	(c) 2012	(d) 2011	
2a Enter the lesser of the adjusted net income from Part I or the minimum investment return from Part X for each year listed					
b 85% of line 2a					
c Qualifying distributions from Part XII, line 4 for each year listed					
d Amounts included in line 2c not used directly for active conduct of exempt activities					
e Qualifying distributions made directly for active conduct of exempt activities Subtract line 2d from line 2c					
3 Complete 3a, b, or c for the alternative test relied upon					
a "Assets" alternative test—enter					
(1) Value of all assets					
(2) Value of assets qualifying under section 4942(j)(3)(B)(i)					
b "Endowment" alternative test— enter 2/3 of minimum investment return shown in Part X, line 6 for each year listed. . .					
c "Support" alternative test—enter					
(1) Total support other than gross investment income (interest, dividends, rents, payments on securities loans (section 512(a)(5)), or royalties)					
(2) Support from general public and 5 or more exempt organizations as provided in section 4942(j)(3)(B)(iii). . . .					
(3) Largest amount of support from an exempt organization					
(4) Gross investment income					

Part XV Supplementary Information (Complete this part only if the organization had $5,000 or more in assets at any time during the year—see instructions.)

1 Information Regarding Foundation Managers:

a List any managers of the foundation who have contributed more than 2% of the total contributions received by the foundation before the close of any tax year (but only if they have contributed more than $5,000) (See section 507(d)(2))

b List any managers of the foundation who own 10% or more of the stock of a corporation (or an equally large portion of the ownership of a partnership or other entity) of which the foundation has a 10% or greater interest

2 Information Regarding Contribution, Grant, Gift, Loan, Scholarship, etc., Programs:

Check here ▶☑ if the foundation only makes contributions to preselected charitable organizations and does not accept unsolicited requests for funds If the foundation makes gifts, grants, etc (see instructions) to individuals or organizations under other conditions, complete items 2a, b, c, and d

a The name, address, and telephone number or email address of the person to whom applications should be addressed

b The form in which applications should be submitted and information and materials they should include

c Any submission deadlines

d Any restrictions or limitations on awards, such as by geographical areas, charitable fields, kinds of institutions, or other factors

Part XV Supplementary Information (continued)

3 Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year* See Additional Data Table				
Total . . . . . ▶ **3a**				28,530,057
b *Approved for future payment* See Additional Data Table				
Total . . . . . ▶ **3b**				1,525,000

Part XVI-A Analysis of Income-Producing Activities

Enter gross amounts unless otherwise indicated	Unrelated business income		Excluded by section 512, 513, or 514		(e) Related or exempt function income (See instructions)
	(a) Business code	(b) Amount	(c) Exclusion code	(d) Amount	
1 Program service revenue					
a					
b					
c					
d					
e					
f					
g Fees and contracts from government agencies					
2 Membership dues and assessments					
3 Interest on savings and temporary cash investments			14	44,478	
4 Dividends and interest from securities			14	15,106	
5 Net rental income or (loss) from real estate					
a Debt-financed property					
b Not debt-financed property					
6 Net rental income or (loss) from personal property					
7 Other investment income			14	42,490	
8 Gain or (loss) from sales of assets other than inventory			14	529	
9 Net income or (loss) from special events					
10 Gross profit or (loss) from sales of inventory					
11 Other revenue a					
b					
c					
d					
e					
12 Subtotal Add columns (b), (d), and (e)		0		102,603	0
13 **Total.** Add line 12, columns (b), (d), and (e)				13	102,603

(See worksheet in line 13 instructions to verify calculations)

Part XVI-B Relationship of Activities to the Accomplishment of Exempt Purposes

Line No. ▼	Explain below how each activity for which income is reported in column (e) of Part XVI-A contributed importantly to the accomplishment of the foundation's exempt purposes (other than by providing funds for such purposes) (See instructions)

Part XVII Information Regarding Transfers To and Transactions and Relationships With Noncharitable Exempt Organizations

		Yes	No
1	Did the organization directly or indirectly engage in any of the following with any other organization described in section 501(c) of the Code (other than section 501(c)(3) organizations) or in section 527, relating to political organizations?		
a	Transfers from the reporting foundation to a noncharitable exempt organization of		
	(1) Cash	1a(1)		No
	(2) Other assets	1a(2)		No
b	Other transactions		
	(1) Sales of assets to a noncharitable exempt organization	1b(1)		No
	(2) Purchases of assets from a noncharitable exempt organization	1b(2)		No
	(3) Rental of facilities, equipment, or other assets	1b(3)		No
	(4) Reimbursement arrangements	1b(4)		No
	(5) Loans or loan guarantees	1b(5)		No
	(6) Performance of services or membership or fundraising solicitations	1b(6)		No
c	Sharing of facilities, equipment, mailing lists, other assets, or paid employees	1c		No

d If the answer to any of the above is "Yes," complete the following schedule Column **(b)** should always show the fair market value of the goods, other assets, or services given by the reporting foundation If the foundation received less than fair market value in any transaction or sharing arrangement, show in column **(d)** the value of the goods, other assets, or services received

(a) Line No	(b) Amount involved	(c) Name of noncharitable exempt organization	(d) Description of transfers, transactions, and sharing arrangements

2a Is the foundation directly or indirectly affiliated with, or related to, one or more tax-exempt organizations described in section 501(c) of the Code (other than section 501(c)(3)) or in section 527? ☐ Yes ☑ No

b If "Yes," complete the following schedule

(a) Name of organization	(b) Type of organization	(c) Description of relationship

Sign Here

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete Declaration of preparer (other than taxpayer) is based on all information of which preparer has any knowledge

****** | 2015-09-30 | ******

Signature of officer or trustee | Date | Title

May the IRS discuss this return with the preparer shown below (see instr)? ☑ Yes ☐ No

Paid Preparer Use Only

Print/Type preparer's name	Preparer's Signature	Date	Check if self-employed ▶ ☐	PTIN
JOAN S MCMAHON				P00966494

Firm's name ▶ DELOITTE TAX LLP

Firm's EIN ▶ 86-1065772

Firm's address ▶ 555 MISSION STREET SAN FRANCISCO, CA 941052230

Phone no (415) 783-4000

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
11 FUND 1200 G STREET NW STE 400 WASHINGTON,DC 20005		PC	SAVINGS PROGRAM FOR SF SCHOOLS	20,000
3500RG 20 JAY STREET STE 1010 BROOKLYN,NY 11201		PC	OPERATING SUPPORT	250,000
ADVANCED ENERGY ECONOMIC INSTITUTE 1000 VERMONT AVE NW 3RD FLOOR WASHINGTON,DC 20005		PC	QUANTIFY ADVANCED ENERGY EMPLOYMENT	1,138,500
ASPEN GLOBAL CHANGE INSTITUTE 104 MIDLAND AVE UNIT 205 BASALT,CO 81621		PC	SUPPORT ZERO CARBON ENERGY POLICY, NATURAL GAS AND ENERGY INNOVATION	500,000
B LAB 8 WALNUT AVE BERWYN,PA 19312		PC	OPERATING SUPPORT	250,000
CENTER FOR AMERICAN PROGRESS 1333 H STREET NW 10TH FLOOR WASHINGTON,DC 20005		PC	CLIMATE PROGRESS REPORT	615,000
CENTER FOR ECOLITERACY 2150 ALLSTON WAY STE 270 BERKELEY,CA 94704		PC	OPERATING SUPPORT	1,275,000
CENTER FOR FOOD SAFETY 660 PENNSYLVANIA AVE SE STE 302 WASHINGTON,DC 20003		PC	OPERATING SUPPORT	100,000
ECOTRUST 721 NW 9TH AVE STE 200 PORTLAND,OR 97209		PC	NATIONAL CAPITAL FUND	550,000
ENVIRONMENTAL ADVOCATES OF NY 353 HAMILTON STREET ALBANY,NY 10010		PC	NY CLIMATE ACTION INITIATIVE	50,000
FOOD AND ENVIRONMENT REPORTING NETWORK 1133 BROADWAY STE 706 NEW YORK,NY 10010		PC	OPERATING SUPPORT	50,000
FOODCORPS 281 PARK AVE SOUTH NEW YORK,NY 10010		PC	HEALTHY FOOD PROGRAM FOR KIDS	125,000
HARVARD UNIVERSITY 1350 MASSACHUSETTS AVE CAMBRIDGE,MA 02138		PC	100 WATTS PROGRAM / TOMKAT INNOVATION FUND AT SEAS	1,400,000
HEYDEY INSTITUTE PO BOX 9145 BERKELEY,CA 94706		PC	A SEA FORAGER'S GUIDE TO NO CAL COAST	7,000
INTERNATIONAL COUNCIL ON CLEAN TRANSPORT ONE POST STREET STE 2700 SAN FRANCISCO,CA 94104		PC	REGIONAL CARBON FUEL SUPPLY ANALYSIS	50,000
Total . . . . . ▶ **3a**				28,530,057

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
INTERNATIONAL LIVING FUTURE INSTITUTE 721 NW 9TH AVE STE 195 PORTLAND,OR 97209		PC	NET ZERO ENERGY, JUST LABEL PROJECT	100,000
NATURAL RESOURCES DEFENSE COUNCIL 40 WEST 20TH STREET NEW YORK,NY 10011		PC	CREATE CARBON POLLUTION STANDARDS	1,000,000
NEW VENTURE FUND 1201 CONNECTICUT AVE NY STE 200 WASHINGTON,DC 20036		PC	ATHABASCA CHIPEWYAN FIRST NATION	500,000
OAKLAND SCHOOLS FOUNDATION PO BOX 27148 OAKLAND,CA 94602		PC	OPERATING SUPPORT	120,000
ONE PACIFICCOAST FOUNDATION 1428 WEBSTER STREET STE 101 OAKLAND,CA 94612		SO I	OPERATING SUPPORT	7,500,000
OREGON FOOD BANK 7900 NE 33RD DRIVE PORTLAND,OR 97211		PC	OPERATING SUPPORT	10,000
PACIFIC INSTITUTE 432 IVY STREET SAN FRANCISCO,CA 94102		PC	REPORT ON RISKS AT INTERSECTION OF OIL & GAS PRODUCTION, FOOD, AGRICULTURE, WATER IN CA	75,000
PRBO CONSERVATION SCIENCE 3820 CYPRESS DRIVE STE 11 PETALUMA,CA 94954		PC	TOMKAT RANCH FIELD SITE	369,206
ROCKY MOUNTAIN INSTITUTE 1820 FOLSOM STREET BOULDER,CO 80302		PC	CREATION OF WHITE-STEYER IMPACT STUDIO	500,000
SAN FRANCISCO FOOD BANK 900 PENNSYLVANIA AVENUE SAN FRANCISCO,CA 94107		PC	OPERATING SUPPORT	10,000
SLOW FOOD USA 1000 DEAN STREET STE 222 BROOKLYN,NY 11238		PC	SLOW MEAT PROGRAM	25,000
SUSTAINABILTY ACCOUNTING STANDARDS BOARD 75 BROADWAY SAN FRANCISCO,CA 94111		PC	OPERATING SUPPORT	1,000,000
SUSTAINABLE MARKETS FOUNDATION 45 W 36TH STREET 6TH FLOOR NEW YORK,NY 10018		PC	MOTHERS OUT FRONT, CIVIL EATS	45,000
TCNG 351 CALIFORNIA STREET SAN FRANCISCO,CA 94104		PC	OPERATING SUPPORT	3,000,000
THE ENERGY FOUNDATION 301 BATTERY STREET FLOOR 5 SAN FRANCISCO,CA 94111		PC	OPERATING SUPPORT	250,000
Total . . . . . ▶ **3a**				28,530,057

Form 990PF Part XV Line 3 - Grants and Contributions Paid During the Year or Approved for Future Payment

Recipient Name and address (home or business)	If recipient is an individual, show any relationship to any foundation manager or substantial contributor	Foundation status of recipient	Purpose of grant or contribution	Amount
a *Paid during the year*				
THE LAND INSTITUTE 2440 EAST WATER WELL ROAD SALINA,KS 67401		PC	OPERATING SUPPORT	100,000
TOMKAT RANCH EDUCATIONAL FOUNDATION PO BOX 726 PESCADERO,CA 94060		POF	ADOPT PWC TMM FEASILIBITY STUDY / APPRENTICESHIP PROGRAM	100,000
UNIVERSTIY FOOD BANK 1413 NE 50TH STREET SEATTLE,WA 98105		PC	OEPRATING SUPPORT	10,000
YALE UNIVERSITY PO BOX 2038 NEW HAVEN,CT 06521		PC	OPERATING SUPPORT	7,435,351
Total . . . . . ▶ **3a**				28,530,057

efile GRAPHIC print - DO NOT PROCESS	As Filed Data -	DLN: 93491285008135

TY 2014 Accounting Fees Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
ACCOUNTING	144,426	72,213		72,213

Note: To capture the full content of this document, please select landscape mode (11" x 8.5") when printing.

TY 2014 Expenditure Responsibility Statement

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Grantee's Name	Grantee's Address	Grant Date	Grant Amount	Grant Purpose	Amount Expended By Grantee	Any Diversion By Grantee?	Dates of Reports By Grantee	Date of Verification	Results of Verification
TOMKAT RANCH EDUCATIONAL FOUNDATION	PO BOX 726 PESCADERO, CA 94060	2014-09-08	550,000	ADOPT PWC TMM FEASIBILITY STUDY / APPRENTICESHIP PROGRAM	100,000	NONE	DECEMBER 2014		THE GRANTOR HAS NO REASON TO DOUBT THE ACCURACY OR RELIABILITY OF THE REPORT FROM THE GRANTEE, THEREFORE NO INDEPENDENT VERIFICATION OF THE REPORT WAS MADE

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TY 2014 Investments Corporate Stock Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Name of Stock	End of Year Book Value	End of Year Fair Market Value
CORPORATE STOCK	9,175	9,175

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TY 2014 Investments - Other Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Category/ Item	Listed at Cost or FMV	Book Value	End of Year Fair Market Value
LIMITED PARTNERSHIPS	AT COST	105,094,179	105,094,179

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TY 2014 Legal Fees Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
LEGAL	115,609	57,804		55,874

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TY 2014 Other Expenses Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Description	Revenue and Expenses per Books	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
POSTAGE AND DELIVERY	156	0		156
FROM PARTNERSHIPS	0	2,028,839		0
MEMEBERSHIPS	15,000	0		15,000
OFFICE SUPPLIES	452	0		452
SUBSCRIPTIONS	1,438	0		1,438
TELEPHONE	3,306	0		3,306
INTERNET HOSTING	458	0		458
INSURANCE	21,480	10,740		10,740
BANK SERVICE CHARGES	102	0		102
INVESTMENT MANAGEMENT FEES	12,938	12,938		0
COMPUTER & TECH	2,101	0		2,101
OTHER EXPENSES	623	0		623

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TY 2014 Other Income Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Description	Revenue And Expenses Per Books	Net Investment Income	Adjusted Net Income
OTHER INCOME	42,490	42,490	42,490

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TY 2014 Other Increases Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Description	Amount
UNREALIZED GAIN	3,877,825

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TY 2014 Other Professional Fees Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
OTHER PROFESSIONAL FEES	66,527	0		66,527

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TY 2014 Taxes Schedule

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Category	Amount	Net Investment Income	Adjusted Net Income	Disbursements for Charitable Purposes
TAX PROVISION	74,994	0		0
FOREIGN TAXES PAID	0	43,728		0
CALIFORNIA TAXES	0	0		10

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TY 2014
TransfersToControlledEntities

Name: TOMKAT CHARITABLE TRUST

EIN: 38-6866542

Name	US / Foreign Address	EIN	Description	Amount
BRIGHTPATH CAPITAL PARTNERS LP	ONE KAISER PLAZA SUITE 650 OAKLAND, CA 94612	27-4260647	CONTRIBUTIONS	7,475,000
EMERGING IMPACT FUND LP	111 SUTTER STREET 10TH FLOOR SAN FRANCISCO, CA 94104	80-0908913	CONTRIBUTIONS	1,144,367
Total				8,619,367

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Schedule B (Form 990, 990-EZ, or 990-PF)
Department of the Treasury
Internal Revenue Service

Schedule of Contributors

▶ Attach to Form 990, 990-EZ, or 990-PF.
▶ Information about Schedule B (Form 990, 990-EZ, or 990-PF) and its instructions is at www.irs.gov/form990.

OMB No 1545-0047

2014

Name of the organization
TOMKAT CHARITABLE TRUST

Employer identification number
38-6866542

Organization type (check one)

Filers of:	Section:
Form 990 or 990-EZ	☐ 501(c)( ) (enter number) organization
	☐ 4947(a)(1) nonexempt charitable trust **not** treated as a private foundation
	☐ 527 political organization
Form 990-PF	☑ 501(c)(3) exempt private foundation
	☐ 4947(a)(1) nonexempt charitable trust treated as a private foundation
	☐ 501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule.**
Note. Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule See instructions

General Rule

☑ For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, contributions totaling $5,000 or more (in money or other property) from any one contributor Complete Parts I and II See instructions for determining a contributor's total contributions

Special Rules

☐ For an organization described in section 501(c)(3) filing Form 990 or 990-EZ that met the 33 1/3% support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi), that checked Schedule A (Form 990 or 990-EZ), Part II, line 13, 16a, or 16b, and that received from any one contributor, during the year, total contributions of the greater of **(1)** $5,000 or **(2)** 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1 Complete Parts I and II

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than $1,000 *exclusively* for religious, charitable, scientific, literary, or educational purposes, or for the prevention of cruelty to children or animals Complete Parts I, II, and III

☐ For an organization described in section 501(c)(7), (8), or (10) filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions *exclusively* for religious, charitable, etc , purposes, but no such contributions totaled more than $1,000 If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc , purpose Do not complete any of the parts unless the **General Rule** applies to this organization because it received *nonexclusively* religious, charitable, etc , contributions totaling $5,000 or more during the year . . . . . ▶ $ _____

Caution. An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2, of its Form 990, or check the box on line H of its Form 990-EZ or on its Form 990PF, Part I, line 2, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF)

Name of organization
TOMKAT CHARITABLE TRUST

Employer identification number
38-6866542

Part I **Contributors** (see instructions) Use duplicate copies of Part I if additional space is needed

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	THOMAS STEYER KATHRYN TAYLOR 111 SUTTER STREET FLOOR 10 SAN FRANCISCO, CA 94105	$ 6,618,138	Person ☐ Payroll ☐ Noncash ☑ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)
		$	Person ☐ Payroll ☐ Noncash ☐ (Complete Part II for noncash contributions)

Name of organization
TOMKAT CHARITABLE TRUST

Employer identification number
38-6866542

Part II Noncash Property (see instructions) Use duplicate copies of Part II if additional space is needed

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	VARIOUS PARTNERSHIP INTERESTS	$ 6,618,138	2014-07-01

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
		$	

Name of organization
TOMKAT CHARITABLE TRUST

Employer identification number
38-6866542

Part III ***Exclusively*** **religious, charitable, etc., contributions to organizations described in section 501(c)(7), (8), or (10) that total more than $1,000 for the year from any one contributor.** Complete columns **(a)** through **(e) and** the following line entry For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc , contributions of **$1,000 or less** for the year (Enter this information once See instructions) ▶ $ _____
Use duplicate copies of Part III if additional space is needed

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
____			

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
____			

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
____			

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
____			

(e) Transfer of gift

Transferee's name, address, and ZIP 4	Relationship of transferor to transferee

Exhibit 81

The Washington Post

Politics

Tom Steyer's staff answers questions about his investments and his career change

By Tom Hamburger June 9, 2014

Billionaire Tom Steyer, a retired hedge fund executive turned environmental activist who is positioning himself as the left's answer to the Koch brothers, declined requests for an interview as The Washington Post was preparing an article on his conversion. His staff agreed to respond only to written questions.

Below are some of the questions and answers. The responses were provided to The Post in e-mails from Steyer spokeswoman Heather Wong. The exchanges have been edited slightly for clarity.

Q. How does Tom Steyer square his past decisions to invest in fossil fuels with his current perspective that it is a moral imperative to disinvest from certain energy stocks? Doesn't that tension have the potential to undercut his role as a messenger on environmental causes?

A. As he has stated before, Tom spent 25 years investing in every sector of the economy. As he discussed — including in the recent debate challenge to the Koch Brothers — he had his version of a "Paul on the road to Damascus" moment and came to the decision that he could no longer in good conscience continue [to] stay at a company that by definition was invested in virtually every sector of the economy. Tom stepped down from his business in 2012 and made a commitment to dedicate himself full time to take action on what he feels is the defining issue for the next generation — and has committed to giving away the bulk of his financial blessings to philanthropy and public interest causes. Here is the Koch Debate Challenge as an fyi.

Has Tom Steyer divested all of his fossil-fuel energy holdings? We may have missed it, but we did not see any sales show up in Securities and Exchange Commission disclosures. Can you point them out to us or explain?

As confirmed by Farallon Capital Management's current ADV filing with the SEC, Tom does not have an ownership stake in Farallon Capital Management, which reflects the fact that when Tom left Farallon he sold his management stake and directed that his investment holdings be divested from Farallon's tar-sands and coal-related financial positions. Moreover, since

directing Farallon to divest the coal and tar-sands holdings, Tom expanded the divestment directive to include all of his fossil fuel energy holdings and as of this month he will be divested out of fossil fuels all together.

Why did Tom Steyer decide initially to direct that his portfolio be divested only from tar-sands and coal companies — and not all fossil fuels, as he later decided?

Divesting out of all these fossil fuel positions in an 18-month time period by any objective measure is incredibly fast and by definition means that the priority was to get out of positions regardless of the financial implications. Tom publicly identified coal and tar sands as those are the fossil fuels that are having a specific impact on climate and where the battle for our kids is being fought — he then expanded his divestment at the beginning of this year because he felt it was simply the right thing to do.

Tom Steyer has endorsed energy divestment programs of the sort proposed or enacted at Stanford and other academic institutions. What proportion of Farallon's investments are related to academic institutions? How did the university divestment/disinvestment movement affect him and his business decision-making while at Farallon? Did it have an effect in his thinking about climate change as a top issue? Did it affect his personal investment decisions? How do those divestment standards apply to his own portfolio? Specifically, what is ruled "out" and "in" as "ecologically unsustainable" — oil and coal? Oil, coal, tar sands? Gas? Hydraulic fracturing?

Tom's fossil fuel divestment screen focuses on companies that mine, explore or produce hydrocarbons usable to generate energy, including but not limited to tar sands, oil, coal, natural gas and companies that operate pipelines that carry tar-sands crude. Per the above — and as Tom has discussed over the last several years — as the science made clear that climate change constitutes an existential crisis for our world, and especially for the world our kids will live in, he came to the conclusion that in good conscience he needed to step aside from being at a fund and commit himself, and his resources, to working to find a solution. Those solutions include various actions, ranging from political activity to supporting AEE's [Advanced Energy Economy's] efforts to organize and promote clean-energy jobs to his foundation's Risky Business project that focuses on the economic impact of climate, to supporting divestment to One Pacific Coast Bank, the community development bank that makes capital accessible to historically underserved communities, to the Too Small To Fail initiative (focusing on supporting children, co-chaired by Secretary [Hillary Rodham] Clinton), and extensive charitable giving through TomKat Charitable Trust. Tom has talked about the moral standing universities and colleges can have when they stand up on issues. You may have it, but here is Tom's letter to Middlebury College.

Tom Steyer has said his investments need to be wound down. We note that in some hedge funds, it can take a decade or more to wind down a top executive's holdings and assure a payout commensurate with the executive's role in the firm. What is the status of Tom's wind-down? Does it apply to his retirement and other payout agreements with Farallon? Does he receive management fees or incentive compensation such as carried interest?

Tom sold his management stake and has retained an investment relationship with Farallon comprised of his fossil-fuel-free investment holdings. After resigning on 12/31/12, Tom was no longer entitled to and does not receive any management fees or incentive compensation. [Incentive compensation is carried interest.]

We note that Farallon has recently held a stake in a number of oil, gas and pipeline companies, including a large investment in Kinder Morgan, an oil and gas pipeline outfit that plans to expand its own Trans Mountain pipeline to transport oil from Alberta to refineries and shipping terminals in the U.S. and Canada. Did Tom Steyer personally approve or review that investment while at Farallon? Does Steyer now favor or oppose the Trans Mountain pipeline? In mid-2013, Steyer said his divestment of Kinder Morgan investments would be complete by the end of the year. Did that happen? Can you show us evidence of the sale?

As Tom said in his letter to Senator [David] Vitter [of Louisiana] he would donate 100% of his personal profits from Farallon Capital's investments in Kinder Morgan. As can be found in Farallon's SEC Form 13-F filings, Farallon has completely divested itself of its Kinder Morgan holdings and Tom's personal profits — valued at around $1.7 million — are being placed in a fund to assist the victims of wildfires.

Carol D. Leonnig and Rosalind S. Helderman contributed to this report.

3 Comments

Tom Hamburger covers the intersection of money and politics for The Washington Post. Follow @thamburger

Exhibit 82

TOPICS

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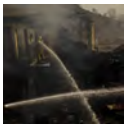
Essential California: California's worst fire season prompts an uncomfortable question



Multimillion-dollar homes in the Montecito area are reduced to ashes by the Thomas fire

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COLUMN OP-ED

Tom Steyer's green ambitions

By PATT MORRISON
JAN 20, 2015 | 7:26 PM

Feedback

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LOS ANGELES, CA.-JULY 29, 2014: President of NextGen Climate [illegible] California politics. (Los Angeles Times)

Gov. Jerry Brown's inauguration speech this month was as green as the decor in the ornate Assembly chamber where he gave it. And it left Tom Steyer tickled pink. The philanthropist put millions into the 2014 elections, primarily through his NextGen Climate Action super PAC. His candidates mostly lost, but he has no regrets. Steyer has worked on political campaigns since the 1970s, including Democrat Walter Mondale's 1984 presidential bid, but his formidable political voice comes from the billions he made as a hedge fund manager. He's long invested in greener California politics, and making climate disaster a politically crucial national issue is his

Cause One — like the TV spot NextGen ran during coverage of Tuesday's State of the Union speech.

Your name has come up as a possible candidate for Barbara Boxer's Senate seat. Are you going to run?

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You spent nearly $75 million in the 2014 midterms. What did you get for that?

Our mission is to prevent climate disaster and preserve American prosperity. In the states we were in, we made climate a first-tier issue maybe for the first time ever. Candidates on both sides had to address the issue. It was in all the debates and all the papers. We believe turnout in places where we were on the ground was better than in 2010.

Did you create single-issue climate voters?

We probably have 350,000 people across different states who said they would be climate voters. In addition we worked hard to explain why climate is a first-tier issue, both by going door to door and doing field work — presenting arguments in south Florida about why rising oceans affect people there. We tried to make it a local, human issue.

Is an election campaign the best way to do that?

We believe the way social change occurs in the United States, over the last 200 years, is the democratic process. We want to be part of that process.

Feedback

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outspending the other guy the sine qua non now?
politics if you're also a big part of it?

We agree that Citizens United is a very bad decision. We don't believe outspending your opponent is the way to go since we don't believe we will ever be outspending our opponents! If you see what the other side, the fossil fuel industry, spent to maintain the dirty energy status quo in Congress in the past two years, it's a multiple of what we spent. We don't believe in hiding our heads in the sand. We have to figure out how to be effective within the process, even though there are parts of it we disagree with

Still, some critics call you a hypocrite about money in politics.

What we are doing is very different from the so-called dark money groups. We are committed to using our resources openly and transparently. All of our electoral efforts are conducted through our super PAC, which discloses and reports its donors and expenditures, unlike some of the groups on the other side.

You're looked upon as the counter to the Koch brothers. Is that what you are?

We are very different from the Koch brothers. We're doing something we think is right and important. They may believe what they're doing is right but it definitely redounds to their benefit. Second, we're trying really hard to be transparent — they're not transparent. We feel we're going to win because we have the facts and right on our side. You don't have to outspend somebody if that's true.

Feedback

You want climate to be something every candidate has to address in the 2016 race. How do you do that?

It's important to show that it has resonance with voters they have to get. The people who care most about this statistically are the so-called rising American electorate and in particular young millennials. They have very low turnout patterns but care a lot about this issue. Other people in the so-called rising American electorate — people of color, single women — care

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What did you learn in 2014 about making that ha

The most powerful thing in politics is voter-to-voter contact. People take in ideas and formulate opinions by contact with other people they perceive to be trustworthy — other voters, people from their communities.

Where does the public opinion battle stand?

Somewhere between two-thirds and 70% of the public agrees with us. I think the days of the climate deniers are over. To deny basic science is to risk the trust of the general public. People who used to be deniers are now what I call agnostics; they're saying, "I'm not a scientist, I'm

not qualified to answer that question." However, that will be a very short-term answer because it's kind of dopey.

For example, you're not a doctor, but you have an opinion about the Affordable Care Act. You're not a PhD in political science but you have an opinion about foreign affairs. The public is with us. The issue is not changing their minds, it's making it important to them.

So politicians' minds have to be changed by the voters?

Yes. People can force them to move by voting, which is what I hope happens, or [climate change] events will change voting patterns and the behavior of elected officials. I'm hoping we don't delay long enough that events happen that put us in a tough place.

Feedback

The Keystone XL pipeline is on Congress' agenda. Won't someone extract the oil it would carry, regardless?

No. What's really going on is a gigantic mining operation. They are trying to take that operation from the current 2 million barrels a day to 9 million a day. Keystone XL is 800,000 a day. They're trying to build five pipelines. There was never a point where they could go from 2 million to 9 million barrels without Keystone XL. If they could have, why didn't they just do it, and stop fighting in the United States?

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That oil has to stay in the ground.

Is there a prospect of some breakthrough in energy technology that will render fossil fuel obsolete, as fossil fuel itself did to, say, whale oil?

I sure as heck hope! I harken back to the AIDS crisis; we were looking for a silver bullet. We came up with a whole host of [treatments] in the "cocktail." It may be that we never get the [climate] silver bullet, but we get the cocktail — innumerable advances in innumerable places that get us to a very prosperous society, and we're not creating this catastrophe for ourselves.

Whatever the U.S. may do, won't developing countries say, "Fossil fuel is how you got rich; why can't we?"

We're going to have to walk the walk. We're not going to do this on our own, but I don't think they can do it without us. We can bring technology, finance, scientific credibility to all of this. [It's] the greatest opportunity of our lifetime as a country, to lead the world in doing the most important right thing.

This interview was conducted by phone and email. It has been edited and condensed.

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Feedback

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Exhibit 83

Billionaire Steyer Says There's 'No Limit' on His Spending Against Trump

By John McCormick and Bill Allison
January 18, 2017, 5:00 AM EST

- Environmental activist spent $87 million on 2016 election
- Steyer opposes Trump's picks for EPA and State Department

Trump Transition: Inauguration and First 100 Days

Tom Steyer, the billionaire environmental activist who spent at least $87 million on the 2016 election, said he can't begin to estimate how much of his fortune he'll put toward fighting Donald Trump's presidency.

"If you ask me can I put a limit on how much I value the health, the safety, the employment and the civil liberties of Americans, there's no limit to what I think that's worth," Steyer, a Democrat, said in an interview Tuesday.

Tom Steyer Photographer: David Paul Morris/Bloomberg

Steyer, the biggest individual political donor in last year's election, channels most of his money through a network of groups known as NextGen Climate. He's already combating the president-

elect's cabinet picks and trying to pressure the incoming administration not to roll back environmental regulations.

Trump, who has called climate change a hoax invented by the Chinese to weaken the U.S. economy, has raised concerns among conservationists that he'd roll back environmental protections. He walked back some of his campaign rhetoric, including a promise to abandon the international climate accord reached in 2015 in Paris, in a November interview with The New York Times.

"We don't know how much of their campaign rhetoric they're going to try to put into action," said Steyer. "But this is the most broad-based and dangerous attack on American values certainly that I have ever experienced in my lifetime and much more than I have ever imagined would happen while I'm alive."

Concerns deepened when Trump announced his picks of Rex Tillerson, the former chief executive of Exxon Mobil Corp., to be his secretary of state, and Scott Pruitt, a longtime opponent of environmental regulations, to head the Environmental Protection Agency. Pruitt, who has led lawsuits against the agency he's been tapped to head, is an "extreme and dangerous choice," Steyer said.

Steyer helped create the NextGen Climate network in 2012 after leaving Farallon Capital Management, the hedge fund he co-founded, to devote himself to conservation. In 2016, the group focused on mobilizing young voters around climate change policies. Steyer didn't rule out using the courts as a way to challenge the Trump administration on environmental matters. "The judicial branch did not disappear," he said.

Still, despite Trump's policies, the shift toward cleaner energy isn't likely to be reversed, because the industry is already firmly established, Steyer said.

Use of renewable energy should outpace fossil fuels, he said, "unless they try to change the rules to somehow advantage dirty energy over clean energy. The industrial logic is in place and I think it's unstoppable over time."

In 2016, NextGen spent $7.1 million supporting Hillary Clinton and opposing Trump, Federal Election Commission records show. One of the super-PAC's biggest expenditures was $13.2 million that it transferred to its affiliate, NextGen California Action Committee, which spent nearly all of that money on ads attacking Trump.

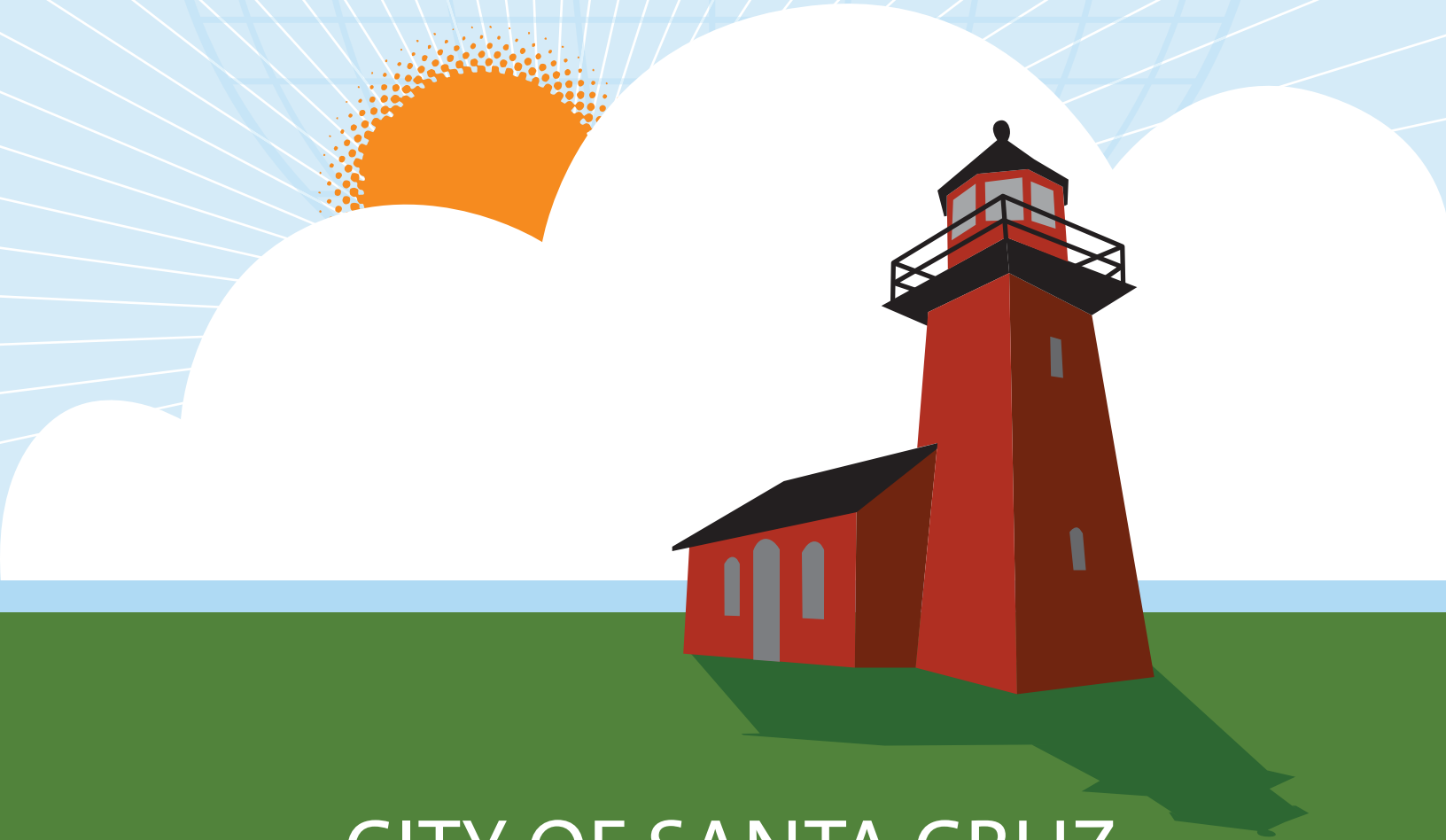
One of the ads was in Spanish and highlighting Trump's controversial statements on immigrants. It ended with Steyer himself urging Latinos to vote, fueling speculation that he is seeking to boost his political profile ahead of a possible 2018 bid for California governor.

For now, Steyer said, he hasn't made a decision to run, and his focus remains on NextGen's environmental protection goals.

"We think this administration is threatening every single part of that mission statement," he said.

Exhibit 84

CLIMATE ACTION PLAN



CITY OF SANTA CRUZ

JUNE 2012

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Special thanks to Mayors Reilly, Coonerty, Mathews, and Rotkin

Dedicated to the children of 2050, may we succeed in meeting our responsibilities to your future….

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"Warming of the climate system is unequivocal..."

–International Panel on Climate Change, 4th Assessment Report

ACRONYMS

ADU accessory dwelling unit
AMBAG Association of Monterey Bay Area Governments
ARRA American Recovery and Reinvestment Act of 2009
CAC Climate Action Compact
CAP Climate Action Plan
CARB California Air Resources Board
CAT climate action team
CATP Climate Action Teams Program
CCES Central Coast Energy Services
CenSEPS Center for Sustainable Energy and Power Systems
CEQA California Environmental Quality Act
CERF Coastal Energy Research Facility
CO_2 carbon dioxide
CO_2e carbon dioxide equivalent
CUWCC California Urban Water Conservation Council
EECS Energy Efficiency Conservation Strategy
EIR Environmental Impact Report
EV electric vehicles
GBP Monterey Bay Area Green Business Program
GHG greenhouse gas
GWC Green Wave Campaign
ICLEI Local Governments for Sustainability
IPCC Intergovernmental Panel on Climate Change
IWP Integrated Water Plan
kWh kilowatt hour
LED light emitting diode
LEED Leadership in Environmental and Energy Design
LGOP Local Government Operations Protocol
MOU Memorandum of Understanding
MPO metropolitan planning organization
MTS Master Transportation Study
MWh megawatt hour
NEPA National Environmental Policy Act
PACE Property Assessed Clean Energy
PCW post-consumer waste
PPA Power Purchase Agreements
PPM Parts per million
REC Renewable Energy Committee
ROI Return on Investment
RTC Santa Cruz County Regional Transportation Commission
SCCAT Santa Cruz Climate Action Taskforce
SCCS Santa Cruz City School District
SCS Sustainable Community Strategy
SCWD Santa Cruz Water Department
scwd2 Santa Cruz Water Department and Soquel Creek Water District joint effort to study the feasibility of desalination
SHW solar hot water
Solar PV solar photo voltaic
SOV single occupancy vehicle
SqCWD Soquel Creek Water District
SVJV Silicon Valley Joint Venture
SWRO seawater reverse osmosis
TPWC Transportation and Public Works Commission
TWG Desalination Project Technical Working Group
UCSC University of California, Santa Cruz
VMT vehicle miles traveled

INTRODUCTION

Thousands of leading international climate scientists agree that human activities are the primary contributor to the changing climate. The addition of carbon dioxide, the main greenhouse gas, into the atmosphere through burning oil, natural gas and coal along with the depletion of our dense forests and wetlands, which act as natural carbon dioxide sinks, lead to an unnaturally high concentration of greenhouse gases (GHG) that in turn intensify the natural greenhouse effect on earth.

If humanity continues burning fossil-fuels at the current rate, we will exhaust the reserves over the next few centuries and CO2 will rise to levels of over 1,500 ppm. Unless we make serious efforts now to curb our dependence on fossil fuels, the current and next generation will find themselves in a race between an exhausting fuel resource ("peak oil") and an ever rising concentration of CO2 within the atmosphere. The question is not "can we find another energy option?" but "how can we make a successful transition to a future in which energy will be more scarce and expensive?"

For over two decades, Santa Cruz has taken steps that have the effect of reducing and responding to climate change. In June 2007, the City Council conditionally accepted a set of draft General Plan goals and policies on climate change; including reducing community-wide greenhouse gas emissions thirty percent by 2020, reducing them eighty percent by 2050 (compared to 1990 levels), and for all new buildings to be emissions neutral by 2030.

This Climate Action Plan outlines the actions the City and its partners may take to meet State land use requirements pertaining to climate change, achieve the policies identified in the General Plan 2030, and accomplish the GHG reduction goals set by City Council. It is comprised of nine chapters. The first two chapters describe global climate change issues and Santa Cruz's contribution of greenhouse gases, calculated within the 2008 GHG Inventory. The 2008 Inventory also quantifies the Baseline Emissions Inventory and sets the goals for 2020 and 2050. Chapter Three outlines how the Climate Action Plan was developed and describes the numerous local partners that are helping to implement the actions. Chapters Four through Eight describe measures and actions for various emissions sectors (building energy use, transportation, waste and water) as well as programs to expand renewable energy use and sustainable living practices throughout the community. Chapter Nine describes how the Climate Action Plan will be implemented.

The Climate Action Plan is not a dictate intended to limit future development or economic growth within Santa Cruz. The Climate Action Plan is a strategy for Santa Cruz to grow in a sustainable way that meets GHG reduction goals while continuing to allow for the public and private development and redevelopment that will keep Santa Cruz a vibrant and livable community.

Sustainability in Santa Cruz– environmental stewardship in synchrony with community prosperity.

2 GREENHOUSE GAS EMISSIONS

Background & Methodology

The first step in establishing a Climate Action Plan is to quantify the past and current greenhouse gas emissions from the municipality and from the various community sources (transportation, residential homes, business and industry) within the City. This information identifies key emissions sectors, helps focus reduction strategies, and sets initial levels from which to track program success. The City of Santa Cruz has used resources and technical expertise from several key organizations to accurately quantify our past and present GHG emissions.

Technical Support and Resources

Local Governments for Sustainability (ICLEI) is an international organization that assists local governments in reaching their goals of sustainability and climate change mitigation. The Climate Action Program staff has worked closely with ICLEI as one of the 500 members (including 130 California members) representing the United States in the Cities for Climate Protection campaign, an internationally recognized program that provides the framework and tools necessary for communities to track and reduce their GHG emissions.

The tools offered to local governments by ICLEI include useful software that organize energy use data and help calculate emissions savings available from hundreds of different projects, upgrades and programs (icleiusa.org).

The Local Government Operations Protocol (LGOP) was produced through the partnerships of many organizations including ICLEI USA, the California Air Resources Board, the California Climate Action Registry, as well as many local municipalities, and serves as a guideline for proper data collection and analysis. The LGOP contains methodologies for calculating the emissions of the six main greenhouse gases: carbon dioxide, sulfur hexafluoride, nitrous oxide, methane, hydrofluorocarbons, and perfluorocarbons. Unless noted, all of the emissions reports in this Climate Action Plan were produced using the LGOP.

AMBAG 2005 Municipal and Community GHG Emissions Reports The Association of Monterey Bay Area Governments (AMBAG) received funding to generate 2005 GHG emissions inventories for all municipalities within their service area. The inventories were completed and submitted to each municipality in early 2011. The data within the inventory they generated for the City correlates well with the 2005 Santa Cruz staff completed inventory and as such, assisted the City by establishing a process for quantifying transportation emissions which had not previously been established. There are some discrepancies

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between the City and AMBAG inventories. Specifically, the AMBAG inventory includes emissions from energy use by the University of California, Santa Cruz which are not part of the City emissions study. The AMBAG inventory also includes Waste Scope 1 and Waste Scope 3 emissions from the landfill which are addressed in detail later in this chapter. The City has updated our four GHG inventories using the standard transportation emissions calculation method developed by AMBAG. Our 1996, 2000, 2005 & 2008 emissions reports are now finalized and the AMBAG third party analysis supports our results.

Emissions Sectors

Throughout this document, municipal, community, and City will be referred to when discussing both emissions and actions. The municipal sector will include all municipal operations that allow for the day-to-day operation of City services. Community or community-wide refers to all activity within the City limits including all municipal, residential, commercial, waste, industrial, and transportation emissions. Community-wide may also be interchanged with City-wide. The transportation sector quantifies all vehicle traffic (except miles traveled on the UCSC campus) within the City limits on both local roads and highways. Note, UCSC has developed a GHG inventory for the Campus and is actively pursuing reduction programs.

Data Sources

Raw data used to calculate municipal emissions come from within the City's various departments. Energy use, fuel use, and various other metrics are tracked on specific computer programs or from hardcopy sources. All waste data used to calculate the associated community emissions (tons disposed, coverage of landfill gas capture system, etc.) are provided internally by the City Resource Recovery Facility staff. Residential, commercial, and industrial emissions from electricity and natural gas use are calculated from energy use data provided by PG&E. In the fall of 2010, AMBAG initiated a program to complete GHG emissions inventories for all member municipalities. As a component of that process, AMBAG selected and implemented a protocol to calculate transportation emissions for highway miles that was different than previously completed by the City. To be consistent with regional municipalities, the Climate Action Program staff has adopted the model defined by AMBAG.

Carbon Dioxide Equivalent

Most emissions will be reported as metric tons of carbon dioxide equivalent (tons CO_2e) in order to simplify how emissions are categorized, since there are many types of greenhouse gases emitted through the consumption of fossil fuels and the anaerobic digestion of waste. For example, when electricity is generated, CO_2 (carbon dioxide), CH_4 (methane), NOx (nitrous oxides) and other greenhouse gases are emitted all with their own unique heat-trapping abilities called Global Warming Potential (GWP). Carbon dioxide has a GWP of exactly one (since it is the baseline unit to which all other greenhouse gases are compared). Methane's GWP is 21 since it traps 21 times more heat than CO_2; therefore, every ton of methane emitted is equivalent to 21 tons of CO_2e. Nitrous oxides have a GWP of roughly 310. If one ton of methane and one ton of nitrous oxides are emitted, this is the same as saying 331 tons CO_2e are emitted ([1 ton CH_4 x 21]+[1 ton NOx x 310] = 331 tons CO_2e).

Community Greenhouse Gas Emissions Baseline

A baseline greenhouse gas emissions inventory sets the initial levels of emissions from which all reduction goals will be based. The Climate Action Program staff completed a baseline inventory from activities in 1996. Although the international standard for a baseline inventory is 1990, the City of Santa Cruz did not have enough historical data for that year. California State agencies have recommended using a one percent annual growth rate in emissions to back calculate 1990 emissions levels. The City has used this calculation (Table 2.1) to set reduction goals of 30% below 1990 levels by 2020, and 80% below by 2050[12].

Figure 2.1 depicts 1996 emissions for all sectors excluding Scope 1 waste emissions which cannot be reduced further (see next paragraph), from all activities within Santa Cruz City limits. It is organized into sectors and reported in metric tons of carbon dioxide equivalent (CO_2e). The industrial/ commercial and residential sectors include emissions from the generation of electricity used at the site and the onsite combustion of natural gas for cooking and space and water heating. The local traffic sector includes all vehicle use within the City limits on local roads, highway

12 1996 emissions are used as the Santa Cruz baseline because earlier data are unavailable, State and county emissions data suggest that emissions between 1990 and 1996 rose approximately 1% annually.

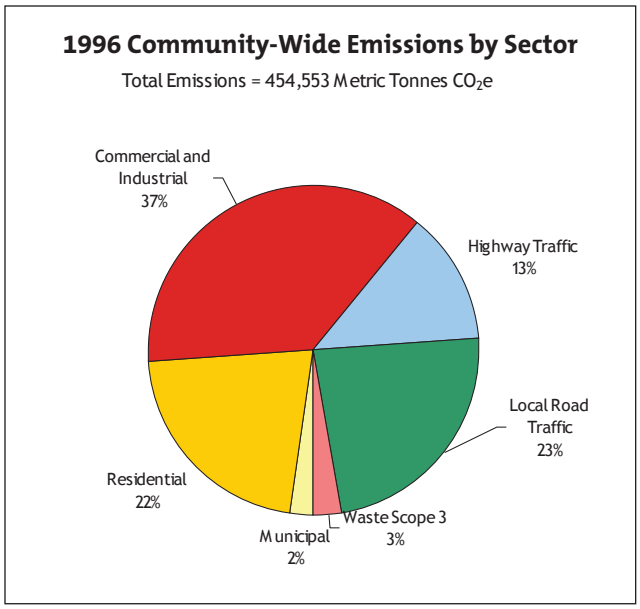

Figure 2.1 1996 Community Emissions

traffic accounts for vehicle emissions on State highways within City limits. Municipal operations, including all public services such as street lighting, City vehicle use, heating and lighting of public facilities, water treatment and delivery, and the treatment of most of the county's wastewater in 1996, account for only 2% of the total community emissions.

The only sector of emissions that was inventoried but not reported here is Scope 1 waste emissions. These are the greenhouse gases that escape the landfill facility every year though the anaerobic digestion of organic waste buried in the landfill. Currently, the State guidance for calculating Scope 1 emissions numbers makes the assumption that 25% of this "fugitive" methane cannot be captured. Climate Action Program staff believes that this assumption leads to erroneous results. The City's landfill has a gas capture system that catches most of the fugitive methane and burns it in an onsite generator to create millions of kWh of electricity. As the City has improved the methane capture system, resulting in greater volumes of methane captured, the amount of fugitive emissions calculated using a static assumption of 25% loss (Scope 1) also increases. Therefore, while Scope 1 landfill gas reporting is necessary for State protocol, these data do not provide information that can lead to additional reduction strategies and are therefore not a primary concern and not included in the baseline emissions inventory.

Waste Scope 3 emissions are the future emissions associated with the waste disposed by our community in the given year. In other words, Waste Scope 3 emissions will someday become Waste Scope 1 emissions once the waste decomposes and is released as methane. Since Scope 3 emissions quantify current waste generation practices, these data are of greater concern for the Climate Action Plan and are an important benchmark from which to quantify waste reduction actions.

Using State guidelines[13] to extrapolate 1990 GHG emissions, we have estimated (Table 2.1) that the Santa Cruz community emitted 427,280 tons of CO_2e in 1990. This emissions value will be used as our baseline from which to measure success in meeting city and state reduction goals and ensure that the city meets State guidelines for calculating emissions reductions. This estimate is more accurate than what most municipalities can calculate because the City was able to complete a 1996 emissions inventory (using printed PG&E records) from which to base 1990 estimates rather than using 2005 values. The Climate Action Program has adopted a 2020 reduction objective of 299,096 tons CO_2e for the community and 6,683 tons for the municipality. 2030 reduction goals

Table 2.1 **Baseline Emissions & Future Reduction Goals by Sector**

Community Sector	1990 est.	2008	2020 Objectives	2030 Objectives
Municipal	9,548	10,261	6,683	5,614
Residential	92,783	76,805	64,948	54,556
Commercial/Industrial	157,628	93,304	110,339	92,685
Transportation	154,973	160,762	108,481	91,124
Waste (Scope 3)	12,349	10,189	8,644	7,261
Total	427,280	351,321	299,096	251,241

1990 numbers were estimated using a State recommended growth factor of one percent annually.

[13] California Air Board 2011 guidelines.

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are also defined to correctly support the 2030 General Plan implementation and will require future updates to the CAP Chart of Implementation Actions (Appendix A) to ensure that the City invests in success and addresses unmet goals.

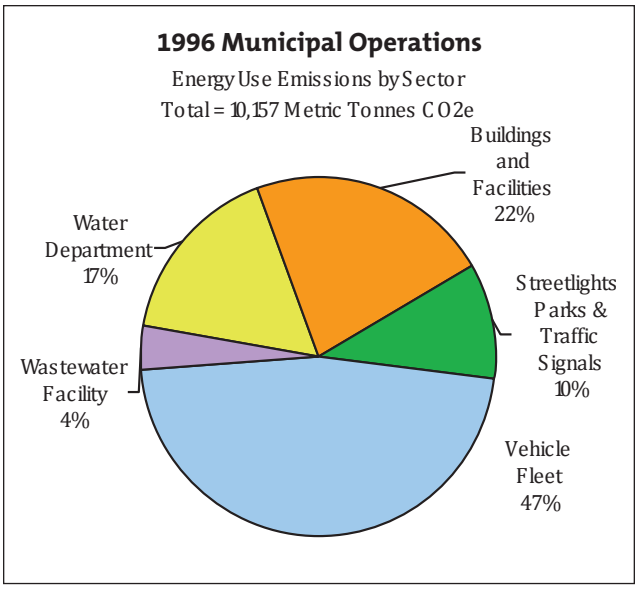
It is important to note that there was a significant decline in emissions from industry between 1996 and 2000 due to a loss in manufacturing. The decline was the result of a loss of large industry including Wrigley's, Lipton and Salz Tannery and was not entirely the result of efficiency measures taken by that sector. Since loss of industry is not a prudent climate reduction strategy and industry as a sector has already met their 2020 reduction goals, the City will continue to work with business and industry to increase efficiency of local businesses to help us meet our community wide objectives and support our business communities continued efforts to be more sustainable and competitive. If Santa Cruz is successful in encouraging new energy intensive manufacturing or other industry to locate within the City, increases in emissions for this sector will occur. Every effort will be made to ensure that new and current businesses are as energy efficient as possible, along with other measures the community takes to make Santa Cruz a sustainable community. As stated throughout the CAP, the Santa Cruz GHG reduction strategy is to reduce overall carbon emissions while fostering a robust economy. Current and expanded programs in this plan will encourage businesses that locate within Santa Cruz to be more energy efficient than businesses located elsewhere.

Table 2.1 defines the baseline emissions for 1990 and sets reduction goals for 2020 (30%) and 2030 (41%) for all sectors of the Santa Cruz community. As noted in the table, 1996 emissions for the commercial/industrial sector included emissions for industry that no longer exists. Thus, the 2020 reduction goals for commercial are greater than current values. Additional commercial reductions will support the community wide reduction efforts and enable the community to select the most cost effective measures first.

The 1990 community emissions baseline value for Santa Cruz, from which all reduction goals are based, is 427,280 tons CO_2e annually.

Sub-Sectors of Municipal Emissions

A close inspection of municipal emissions by sector is necessary as State regulations will soon go into effect that will require strict reporting of these emissions. Climate Action Program staff has reported municipal emissions by sectors just as the community-wide emissions. Figure 2.2 depicts 1996 and 2008 emissions associated with the operation of all City services by sector. The majority of emissions in 1996, 4,266 tons, came from the vehicle fleet, which includes refuse collection trucks, police and fire vehicles, and vehicles used for City business. The second largest source of municipal emissions was the lighting and heating



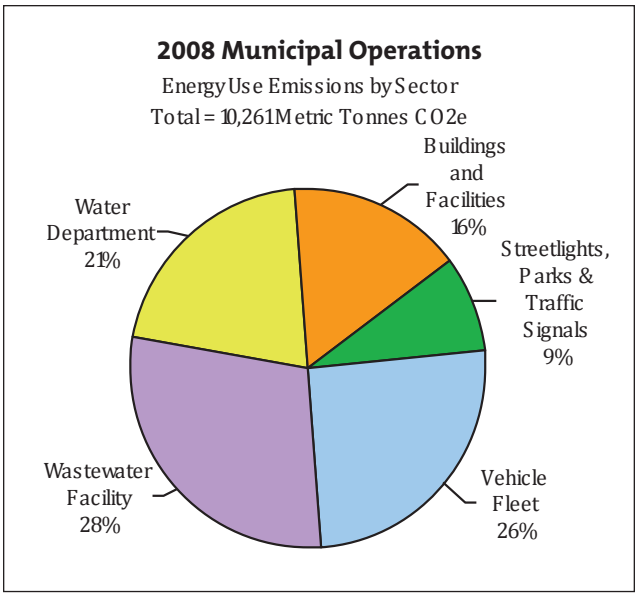


Figure 2.2 Municipal emissions by sector 1996 and 2008

of all public buildings including City Hall, libraries, fire stations, and community centers. The pumping, treatment, and distribution of water and wastewater made up approximately 20% of municipal emissions. In 2008 overall municipal emissions were similar but emissions by sector were different. The City has made great progress at reducing emissions from the vehicle fleet and has achieved reductions from lighting and buildings. Water and wastewater have increased the level of service and treatment which has led to increases in emissions for those sectors.

In 1996, the City emitted 10,157 tons of CO_2e and therefore has a 2020 annual emissions target of 6,683 tons CO_2e.

Emissions goals for municipal operations could be set evenly (i.e. 30% reductions) among departments and operations. Reductions from some operations, however, will be easier and less expensive than others. Therefore a process to determine the most cost effective actions has been established (see Municipal Energy Management Office and Energy Efficiency Conservation Strategy in Ch 4). Chapter 4 also outlines some of the programs and procedures that will help to prioritize actions throughout all municipal operations necessary to reduce overall emissions to below 6,683 tons.

We have done our best to provide the community with an accurate picture of our energy use and GHG emissions using the ever-changing tools and resources available. City staff made use of emissions reporting methods as they improved over the course of conducting the inventories.

Tracking Community Greenhouse Gas Emissions

Climate Action Program staff has not only inventoried emissions from the baseline year of 1996, but also from calendar years 2000, 2005, and 2008. These three other inventories have been performed in order to track emissions over long periods and provide a measure of how we have been performing in our efforts to become a more sustainable community. Table 2.2 summarizes the emissions from all community sectors for all years mentioned. The table also includes how much each sector has changed since 1996. As discussed in the City of Santa Cruz 2008 Greenhouse Gas Emissions Inventory, there are inherent errors, assumptions, and confounding factors associated with completing a GHG inventory, and due to the methods used to calculate these values, some values are less precise than others. Regardless, at a macro level, these values help to direct attention and action necessary to move towards the 2020 objectives. In the end, individual sector emissions can vary from the established goals as long as Santa Cruz as a whole meets our community-wide GHG reduction goal (299,096 tons).

Since 1996, the residential and commercial/industry sectors have made significant reductions in their emissions and should be applauded. Residents reduced home energy use by 22%. Local businesses and industries have reduced emissions 3% since 2000, most likely as a result of investments in energy efficient equipment as well as participation in local energy efficiency programs that provide subsidized ret-

Table 2.2 **Santa Cruz Community-Wide GHG Emissions (Tons CO_2e)**

	1990 est.	1996	2000	2005	2008	% change from 1996	2020 Emissions Objective
Municipal	9,548	10,157	10,231	10,239	10,261	1%	6,683
Residential	92,783	98,705	87,605	67,812	76,805	-22%	64,948
Commercial Industrial	157,628	167,689	95,769	79,900	93,304	-44%	110,339
Transportation	154,973	164,865	175,555	169,715	160,762	-2%	108,481
Waste (Scope 3)	12,349	13,137	15,751	11,088	10,189	-22%	8,644
Total	351,321	454,553	384,912	338,754	351,321	-23%	299,096

1990 estimates are caluculated using state guidance of assuming 1% annual emissions growth between 1990 and 2000. ***Note:** Commercial GHG reductions between 1996 and 2000 were primarily due to the loss of manufacturing industry in Santa Cruz.

rofitting of commercial lighting and replacement of inefficient appliances. The 22% reduction in Waste Scope 3 emissions is the direct result of a significant reduction in waste put into the landfill, an excellent example of a community-wide reduction effort with programs and leadership by the City. The transportation sector has achieved reductions in emissions since 1996 of 2%. Currently, transportation emissions remain highly dependent on fuel price and the economy. While the municipal emissions do not appear to have changed at all, the reality is that the City has invested in many energy efficiency, renewable energy, and resource conservation measures that have significantly reduced GHGs. At the same time, the mandated upgrade in the Wastewater Treatment Facility[14] and the 31% increase in GHG per unit of energy provided by PG&E[15] have led to a net 1% gain in our overall footprint.

Figure 2.3 tracks community emissions by sector for the four inventory years. Notice that the large drop in commercial/industrial emissions from 1996 to 2000 is included in calculating goals and reductions. The drop in transportation emissions from 2005 to 2008 is noticeable here and is most likely due to recent economic conditions that have caused residents to drive less to save money. The bright red section of this graph (dark grey at top of last column) represents the reductions that must be achieved in order for the community to reach our 30% reduction below 1996 levels by 2020 goal.

Figure 2.4 depicts temporally representative trends in emissions for all inventory years in relation to our 2020 goals. As the figure suggests, community wide emissions reductions are on track. The purpose of this Climate Action Plan is to provide a guide to

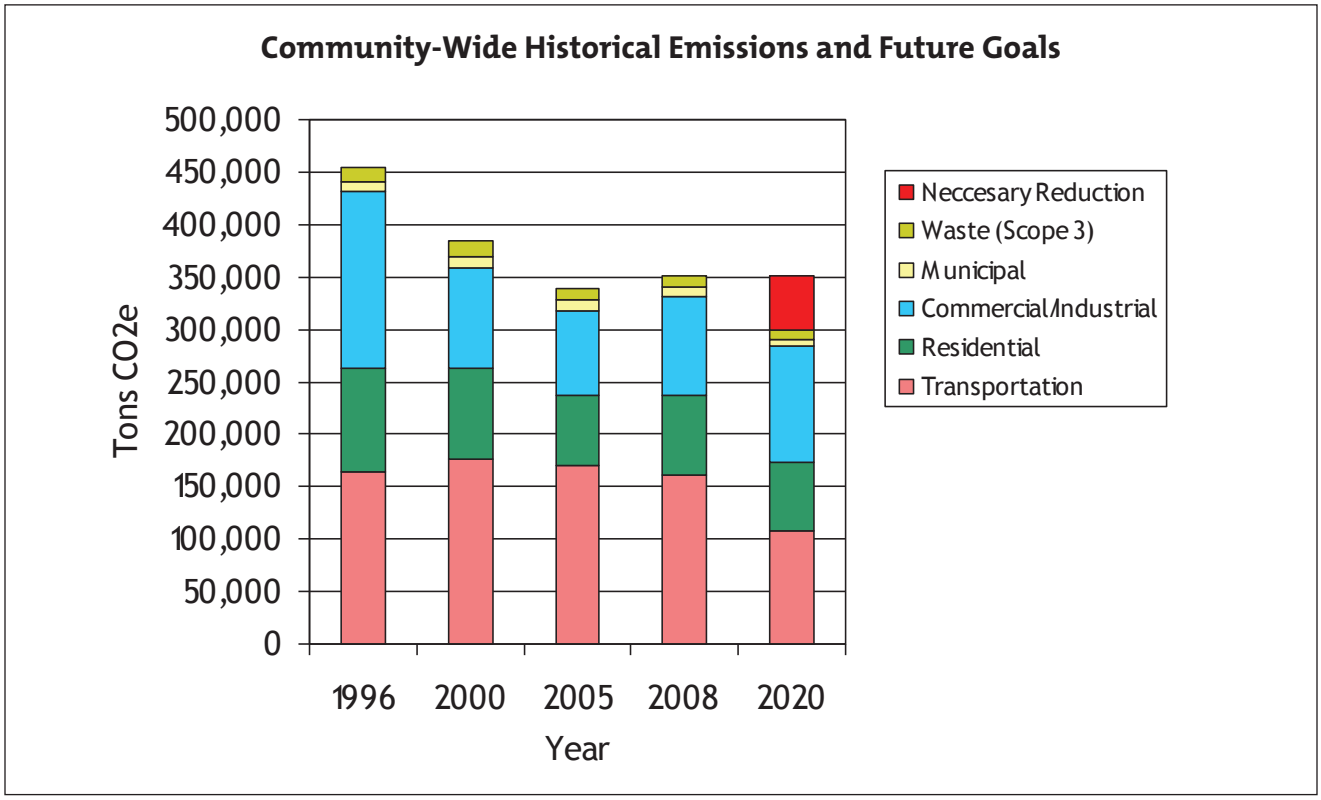


Figure 2.3 Community-Wide GHG Emissions and 2020 Reduction Goal

14 In 1999, the City upgraded the Wastewater Treatment Facility from primary to advanced secondary (a much higher level of treatment to protect coastal water quality) which increased energy use threefold for that facility.

15 While municipal energy use fell between 2005 and 2008, the carbon content of every kWh of electricity produced by PG&E increased by 31% (due in part to several years of drought leading to lower hydro-electric power generation), causing CO_2e emissions from electricity use to increase in 2008 for the municipal, commercial and residential sectors.

achieve the reductions through various programs, incentives, partnerships, and innovations all geared towards reducing greenhouse gas emissions. The Santa Cruz community has already demonstrated their intent to conserve resources and reduce GHG emissions through a variety of actions. None of these individual actions has undermined lifestyles or livelihoods, but in most cases has improved both. Together, Santa Cruz is more than capable of meeting our GHG emissions goals (2020 and 2050). Accomplishing these goals while at the same time supporting our quality of life and improving our local economy is our GHG reduction strategy.

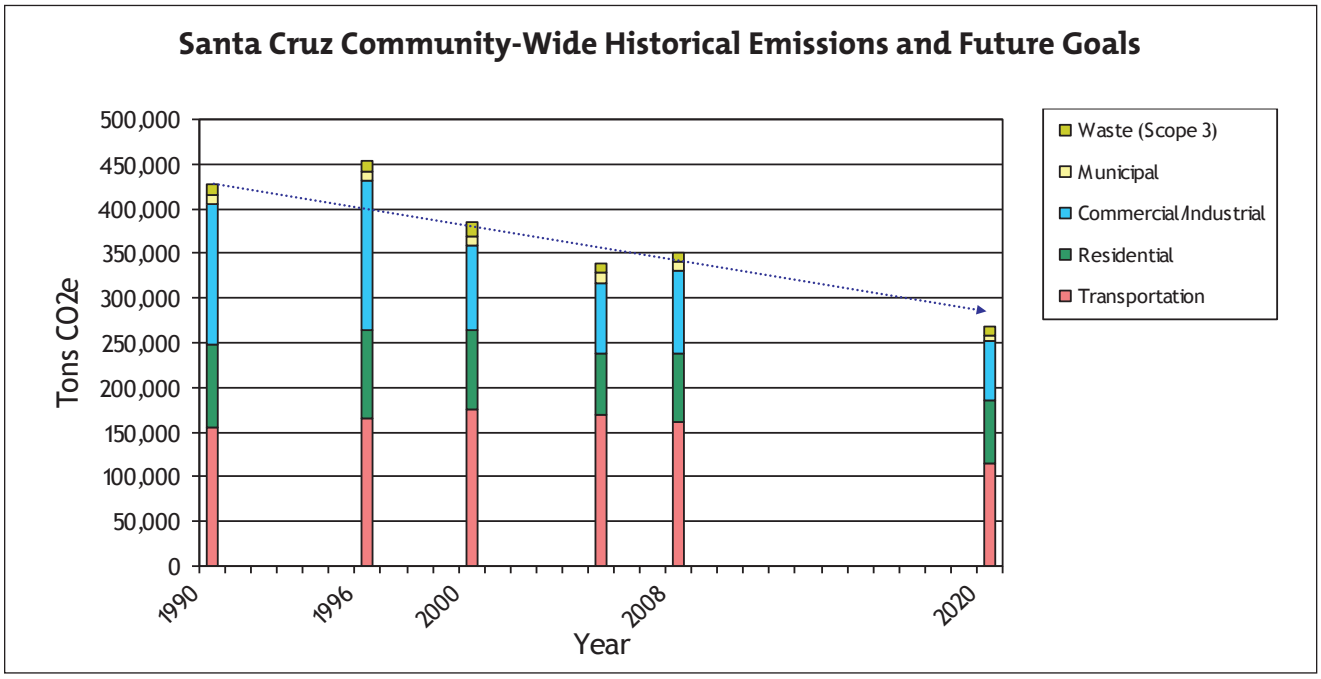


Figure 2.4 Annual emissions - trajectory towards 2020 goals

Exhibit 85

County of Santa Cruz

Climate Action Strategy

Photo courtesy of Devcon Construction

Photo courtesy of Square One Productions

Photo courtesy of Richard Masoner/Cyclelicious

Photo courtesy of Santa Cruz Sentinel, January 11, 2010

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Green Communities Program

Executive Summary

Californians are already experiencing impacts from climate change (California Natural Resources Agency, 2009), and a wide variety of impacts are likely to be felt with increasing magnitude as the concentration of greenhouse gases (GHGs) in the atmosphere continues to rise (City of Santa Cruz, 2011). The first portion of this Climate Action Strategy (CAS) reports the results of the GHG emissions inventory for Santa Cruz County, proposes targets for GHG reduction, and outlines strategies and implementing actions to achieve the targets. The second portion focuses on vulnerability assessment and strategies for adapting to the types of impacts that are likely to occur in Santa Cruz County. The CAS incorporates input from the local community and non- governmental agencies that are working to mitigate and respond to climate change.

GHG emissions inventories were prepared for County government operations and for community activities for 2005 and updated for 2009. Total emissions for government operations in 2009 were approximately 34,000 metric tons of CO_2 equivalent (CO_2e), a decrease of 12 percent from 2005. Total emissions for community activities were approximately 1,030,000 metric tons in 2009, a decrease of more than 50 percent from 2005. The dramatic decrease in community emissions reflects the closure of the Davenport cement plant, which accounted for approximately 90 percent of the commercial/industrial emissions in 2005. The inventories indicate that 70 percent of the community emissions in 2009 were generated by the transportation sector. A separate, simplified inventory of GHG emissions from agricultural activity was prepared for 2011. Agricultural emissions other than electricity emissions were in the range of 17,000 metric tons of CO_2e. This represents, at most, two percent of GHG emissions countywide (2009 data).

State legislation requires California to reduce GHG emissions to 1990 levels by 2020. Based on our 2005 community emissions inventory, 1990 emissions levels for Santa Cruz County were estimated. Santa Cruz County has already met the target for 2020 due to the closing of the Davenport cement plant. The State has also set a long-term reduction target for 2050, which is 80 percent below 1990 levels. This CAS incorporates the two state targets and sets an interim target for 2035. A “business as usual” estimate of future emissions is used to gauge the amount of effort required to meet the reduction targets.

GHG reduction strategies are proposed for the three sectors with the highest emissions: transportation, energy, and solid waste. The amount of emissions reductions that can be expected from each strategy is estimated. Calculations indicate that the emissions targets for 2035 and 2050 can be met, but that a sustained commitment to full implementation of the strategies will be required. The largest reduction will come from state and federal standards for fuel efficiency and vehicle emissions and from the California renewable energy portfolio standard (58 percent), followed by a cleaner energy supply from Community Choice Aggregation (CCA) if that type of regional energy authority is formed (22 percent), energy efficiency (9 percent), transportation and land use planning (5 percent), green business (3 percent), and electric vehicles (3 percent). If a CCA is not feasible the gap may be closed with greater reductions from other strategies, including a method to provide incentives for local renewable power and energy conservation similar to what a CCA would provide. Priority for implementation will be a function of the estimated potential for emissions reduction, cost to implement, and co-benefits of each strategy.

A plan for monitoring the implementation of emissions reduction is introduced, which includes identifying the group with responsibility for implementation, periodic reporting, and a recommendation for updating the GHG emissions inventories every five years.

A vulnerability assessment was prepared to identify the conditions that may occur in Santa Cruz County as a result of the various components of climate change (increasing temperature, rising sea level, and shifts in the

precipitation regime) and the locations, infrastructure and economic sectors that are particularly vulnerable to negative impacts.

The assessment identifies the coastal areas that are most susceptible to increased flooding, storm surge, beach and coastal bluff erosion from winter storms. Winter storm damage may become more frequent than in the past as a result of heightened sea levels persisting longer as sea level rises (Cayan et al., 2008; Cloern et al., 2011), and precipitation that is concentrated in fewer months each year (Flint, L.E., and Flint, A.L., 2012). The analysis is based on 16–66 inches (42–167 cm.) of sea level rise by 2100, as forecast by the National Academy of Sciences (National Research Council, 2012). Inundation, rising groundwater, and increased saltwater intrusion into groundwater will also affect low-lying areas. The systems that will be most affected are residential coastal property, wastewater treatment infrastructure, coastal roads and bridges, beaches, coastal and wetland ecosystems, and water supply from coastal wells.

The vulnerability assessment also identifies potential effects of precipitation changes and increased temperature of between 3.6–7.2 degrees Fahrenheit (2–4 degrees Celsius) (Flint, L.E., and Flint, A.L., 2012) on water supply, wildfire, biodiversity, and public health. Particular attention is given to the significant decrease in redwood habitat that may occur, especially if the current trend of decreasing coastal fog continues (Flint, L.E., and Flint, A.L., 2012).

Tourism and agriculture, two top revenue producing and job generating sectors of the local economy, are closely tied to the climate and are therefore vulnerable to climate change. Tourism relies on beaches, coastal attractions, redwoods, and vulnerable infrastructure for access to and around the coast. Agriculture will be affected by increases in temperature, changing pest patterns, changing fog dynamics, and increased potential for both flood and drought.

A risk analysis was performed to determine which impacts from climate change present the greatest risk to people and to the natural and built environments. In the short to intermediate term (2010–2050) water shortage was identified as the largest risk. In the intermediate to long term (2050–2100) rising water table, coastal bluff erosion, and increased flooding and landslides join water shortage as the greatest risks.

Eight “climate adaptation goals” are articulated as a guide for evaluating adaptation strategies. Specific adaptation strategies are proposed that include new actions as well as acknowledgement of existing plans and programs, which, while not explicitly about climate change, address the salient issues. Some proposed strategies emphasize avoidance of hazards while others focus on future planning efforts and specific engineering solutions to protect existing development. However, all emphasize building connections among people and among organizations to accomplish the climate adaptation goals in a framework of partnership.

It is expected that this CAS will be modified periodically as scientific research progresses, new information becomes available and new ideas and priorities are brought forward as more people become involved in responding to climate change in Santa Cruz County.

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2.0 Greenhouse Gas Emissions Inventories and Emissions Reduction Targets

Greenhouse gas emissions inventories are tools for estimating and documenting the sources of emissions and the relative amount of emissions produced by different activities, referred to as sectors. The inventories direct us toward the actions that will be most effective at reducing emissions for the unique circumstances of Santa Cruz County. Inventories also provide the accurate baseline of emissions that is necessary for setting an emissions reduction target and for measuring progress over time.

Inventories of emissions from County government operations and from community activities were originally prepared for 2005, which is a commonly accepted baseline year in California (California Air Resources Board, 2008). An update of each inventory has been prepared for 2009, the latest year in which a complete data set is available. Preparing the inventories involved close coordination with staff from the County General Services and Public Works Departments, and numerous contacts with other County, regional and state agencies during the data gathering and analysis process.

It must be noted that GHG inventory results should not be considered absolute amounts of emissions, particularly for the community inventory, because the inventories do not include all possible emissions and the emissions that are counted have been estimated to varying degrees of accuracy. Emissions that are not included are those that are very difficult to measure accurately, such as emissions from rural propane use. However, the inventories do give a reasonably accurate picture of the relative amounts of emissions being generated by different activities, in a manner that can be tracked over time to measure trends in overall emissions.

Lastly, it is important to recognize that a large portion of GHGs produced around the world are connected to producing goods for export. Some of those goods are consumed in Santa Cruz County, but the emissions from their production and transport are not captured in our local inventory. It is useful to keep those externalized emissions in mind as we develop our response to climate change as there are strategies, such as encouraging "buy local" principles for consumption of local goods. These involve generally lower GHG emissions associated with production and transport, which can begin to address those external emissions.

2.1 Government Operations Inventory

Table 2-1 and the accompanying graph (Figure 2-1) provide a summary of the GHG emissions inventories for Santa Cruz County government operations in 2005 and 2009. In 2005, total emissions were about 39,000 metric tons of carbon dioxide equivalent (CO_2e), falling to about 34,000 metric tons CO_2e in 2009. Even with an efficient landfill gas collection system, the largest contribution of GHG emissions in the government operations inventory is from the decomposition of solid waste that is releasing methane into the atmosphere as it decomposes in the Buena Vista Landfill and the Ben Lomond Transfer Station. The next three highest sectors, employee commute, buildings and facilities, and vehicle fleet, produce fairly similar levels of emissions. The County, largely through the General Services Department and Department of Public Works, has a number of successful programs in place that are operating to moderate GHG emissions (see Appendix A).

While County government operations are the activities over which the Board of Supervisors has the most direct influence, they represent a very small portion of the overall emissions generated in the unincorporated area. For comparison, approximately four percent of the total community emissions in 2009 were attributable to the

County's own operations. This draws the focus of emissions reduction activity to the community inventory, and particularly to the transportation sector.

Table 2-1:
Government Operations Emissions by Sector

Sector	Metric Tons CO_2e Emitted		Percent Change from 2005 Baseline
	Year 2005	Year 2009	
Solid Waste Facilities	20,261	18,335	-10%
Employee Commute	6,928	5,370[(1)]	-22%[(1)]
Buildings and Facilities	5,525	5,847	6%
Vehicle Fleet	5,253	3,673	-30%
Wastewater Treatment Facilities	848	941	11%
Public Lighting	62	69	11%
Water Delivery	24	32	33%
Total	**38,901**	**34,267**	**-12%**

Note:
(1) The reduction in emissions from the employee commute is largely due to a reduction in employees between 2005 and 2009.
Source: County of Santa Cruz, 2012.

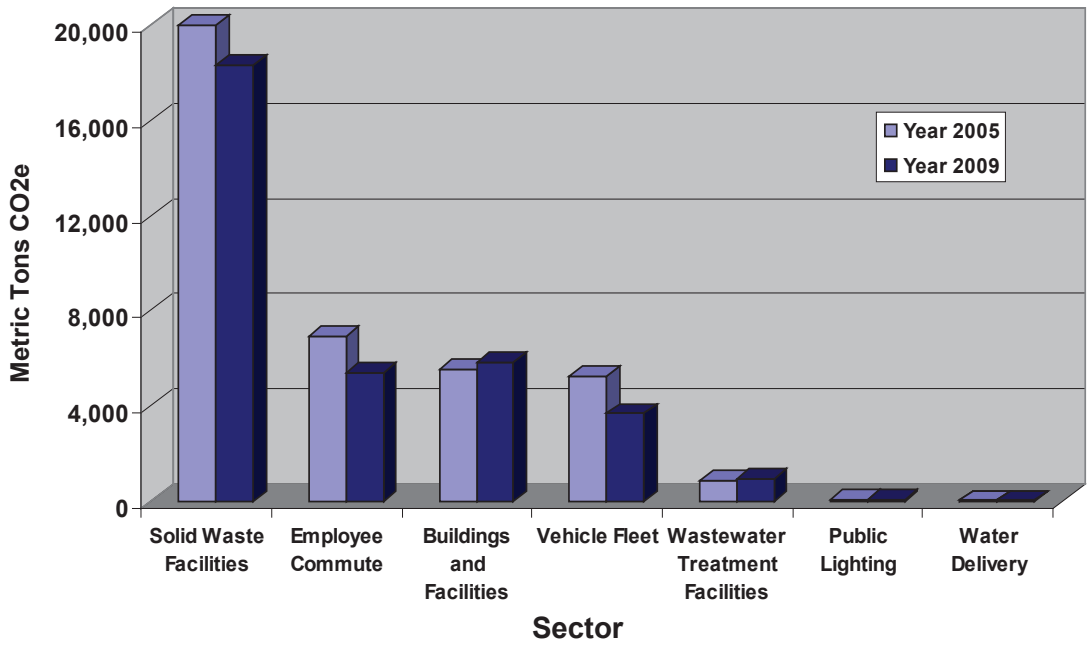

Figure 2-1: Government Operations Emissions by Sector

Source: County of Santa Cruz, 2012.

2.2 Community Inventory

Table 2-2 and the accompanying figure (Figure 2-2) provide a summary of community-wide GHG emissions in 2005 and 2009. The community inventory includes greenhouse gas emissions from the use of electricity and natural gas in residences and businesses in the unincorporated portions of Santa Cruz County. It also includes emissions from vehicles traveling on local roads and state highways in the unincorporated portions of the County. In 2005, Santa Cruz County's total community-wide GHG emissions were about 1.9 million metric tons of CO_2e. Emissions from the Davenport cement plant accounted for about half this total. The 2009 emissions inventory shows a very dramatic reduction in the commercial and industrial sector, which reflects the closure of the cement plant in Davenport. The 2009 inventory shows less dramatic changes in other sectors, including reductions in the transportation and solid waste sectors and an increase in the residential sector.

The 2009 inventory shows the vast majority (60 percent) of community emissions in 2009 come from the transportation sector, which points to fuel use and Vehicle Miles Traveled (VMT) as very significant contributors to our local emissions picture. VMT decreased slightly between 2005 and 2009, probably due to the poor economy and higher fuel prices. According the California Employment Development Department, the annual unemployment rate in Santa Cruz County increased from 6.3 percent in 2005 to 11.3 percent in 2009. The second largest contributor is the residential sector, which indicates that home energy use is also a significant factor. The increase in emissions from residential energy use between 2005 and 2009 is largely attributable to the higher emissions factor of the electrical power supplied by Pacific Gas & Electric (PG&E) in 2009. The emissions factor reflects GHG emissions resulting from generation of electricity delivered by PG&E. A higher emissions factor indicates a power mix (coal, natural gas, nuclear, renewables) with a higher percentage of fossil fuel sources. Even though the emissions factor can have a dramatic effect on the County inventory, it is solely controlled by PG&E.

Lastly, the 28 percent decrease in emissions from the solid waste sector reflects less waste generation, greater waste diversion, decomposition of existing waste, and continued operation of an efficient landfill gas collection system that currently captures 85 percent of landfill gas produced.

Table 2-2: Community Emissions by Sector			
Sector	Metric Tons CO_2e Emitted		Percent Change from 2005 Baseline
	Year 2005	Year 2009	
Transportation	555,458	481,787	-13%
Residential	173,336	189,658	9%
Commercial and Industrial	1,158,119	101,588[1]	-91%[2]
Solid Waste	20,124	18,245	-9%
Total	**1,907,037**	**791,278**	**-59%**

Notes:

(1) This much lower number reflects the cessation of manufacturing at the Davenport cement plant. See emissions inventories in Appendix G.

(2) A complete explanation of the change in the commercial/industrial sector is hampered by an inability to completely subtract the contribution from the cement plant from the 2005 inventory. Almost all of the emissions from the cement plant consisted of stack emissions, with a portion of emissions resulting from electricity use (conveyor belt, etc.), which appears to have been a large amount of electricity relative to other electricity use in this sector. While stack emissions are known and can be eliminated, electricity data in this sector is not detailed enough to effectively eliminate use attributable to the cement plant. However, based on known economic conditions it is assumed that this sector as a whole, not counting the cement plant, still experienced some emission reduction between 2005 and 2009, probably due to the economic downturn.

Source: County of Santa Cruz, 2012.

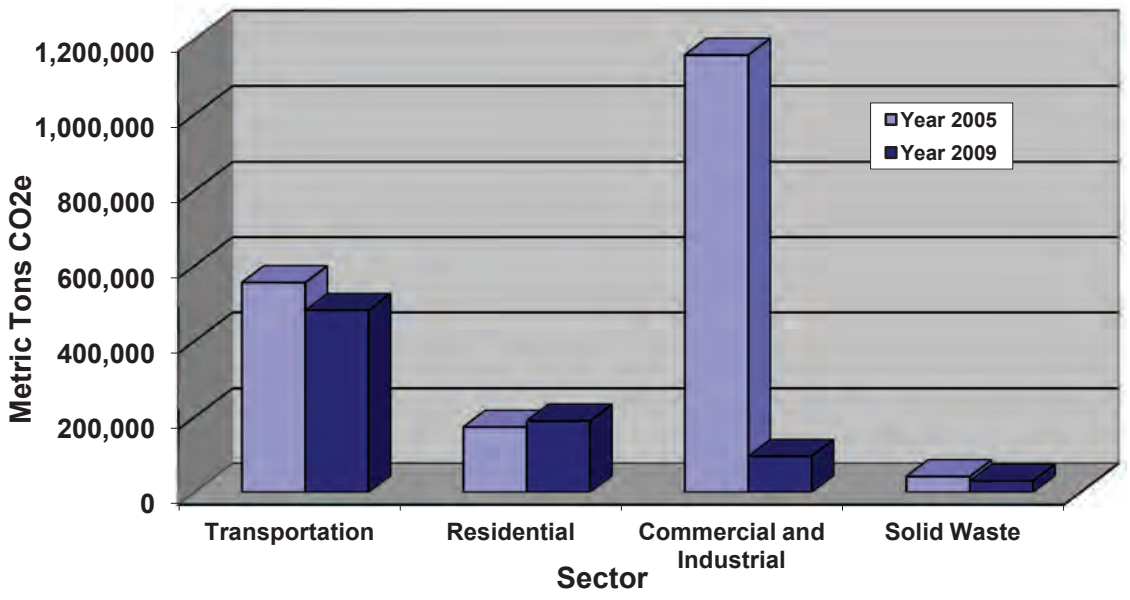

Figure 2-2: Community Emissions by Sector

Source: County of Santa Cruz, 2012.

2.3 Forestry and Agriculture

2.3.1 Forestry

According to the State "Climate Change Scoping Plan" (California Air Resources Board, 2008) California's forests remove approximately 5 million net metric tons of CO_2e from the atmosphere annually. This occurs because there is more CO_2 removed from the air by tree growth than there is emitted by wildfires, wood combustion, wood decomposition, land conversion and other forestry related emissions. This sequestration, or "carbon sink", is a valuable ecosystem service provided by forests. The143,000 acres of redwood and redwood-Douglas fir forests and 19,900 acres of oak woodland in Santa Cruz County (Mackenzie, A., J. McGraw, and M. Freeman, 2011) contribute to this service. Forest lands in the County currently store around 56 million metric tons CO_2e (Mader, Steve, 2007). . State-wide, carbon sequestration by forests is supported by sustainable management practices administered by California's Board of Forestry and Fire Protection as well as initiatives of other state agencies to conserve biodiversity, provide recreation, and promote sustainable forest management. Santa Cruz County is well positioned in terms of local forest practice, rural development policies that conserve timber, and conservation efforts to maintain the carbon sequestration benefits of forest lands in the County. About one quarter of county land area, or about 77,000 acres, is in conservation status and 71,000 acres are reserved timberlands (Mackenzie, A., J. McGraw, and M. Freeman, 2011).

The urban forest provides a diverse array of benefits to human communities. It produces oxygen and removes carbon dioxide, gaseous pollutants, and particulate matter from the air. In addition to improving air and water quality, community trees provide numerous social and economic benefits by providing shade and reducing wind speed. Trees adjacent to buildings reduce air conditioning and heating costs. Urban trees may also reduce the incidence and severity of respiratory disease, asthma, low-level ozone respiratory ailments, and heat-related illnesses (Maas, J., Verheij, R.A., Groenewegen, P.P., de Vries, S., and Spreeuwenberg, P., 2006). Access to parks and green spaces encourages outdoor activity, which can lead to weight loss and reduced health problems associated with obesity. Although urban trees do not sequester nearly as much carbon as our "rural" and mountain forests (McPherson, E. Gregory, Nowak, David J. Rowntree, Rowan A,, 1994) they provide a plethora of major co-benefits. Preserving and encouraging more urban trees during the development permit process is important, and a related action has been included in Strategy E-4.

2.3.2 Agriculture

Santa Cruz County ranks in the top third of California counties for agricultural production. Working farmland, timberland, and rangelands generate over $491 million in annual revenues and employ 8,000 people. Santa Cruz County has some of the most productive cultivated farmland in the state, thanks to a mild Mediterranean climate, exceptionally fertile soil, and consumer demand for high-value crops like berries. The agricultural sector, not including timberland, occupies 8.5 percent of Santa Cruz's land area, or 24,324 acres, and is one of the highest revenue sectors. Figure 2-3 provides crop type in acres for the entire county with the exception of timberland for 2011.

Emissions from agricultural activities come from electricity use for water pumps, fuel for equipment, and excess nitrogen from fertilizer. Electricity use for pumps is already included in the commercial/industrial sector of the community inventory because the PG&E data is aggregated and does not separate out agricultural electricity and natural gas use. Data on agricultural fuel and fertilizer use is not available in a format that can be used in an emissions inventory. Because of a lack of available data there is no baseline or tracking mechanism for total agricultural emissions at this time. For these reason agricultural emissions are addressed separately from the community emissions inventory. However, by using information from published crop reports and studies, rough estimates of emissions from agricultural fuel and fertilizer use have been calculated for many crops, as shown in Table 2-3. These results should only be used for rough comparison to the overall community emissions.

Exhibit 86

From: Matt Pawa <mp@pawalaw.com>
Sent: Wednesday, January 20, 2016 8:42 AM
To: Kline, Scot
Subject: [Redacted]

Scot - FYI. http://www.latimes.com/business/la-fi-exxon-global-warming-20160120-story.html?cid=dlvr.it&dlvrit=52116

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Exhibit 87

From: Kline, Scot
Sent: Wednesday, January 20, 2016 9:03 AM
To: Matt Pawa
Subject: [Redacted]

[Redacted]

-----Original Message-----
From: Matt Pawa [mailto:mp@pawalaw.com]
Sent: Wednesday, January 20, 2016 8:42 AM
To: Kline, Scot <scot.kline@vermont.gov>
Subject: [Redacted]

Scot - FYI. http://www.latimes.com/business/la-fi-exxon-global-warming-20160120-story.html?cid=dlvr.it&dlvrit=52116

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Exhibit 88

California to investigate whether Exxon Mobil lied about climate-change risks

Exxon Mobil, which operates a refinery in Torrance, above, has issued statements denying news reports that it suppressed climate-change research. (Christina House / For The Times)

By **Ivan Penn**

JANUARY 20, 2016, 3:00 AM

California Atty. Gen. Kamala D. Harris is investigating whether Exxon Mobil Corp. repeatedly lied to the public and its shareholders about the risk to its business from climate change — and whether such actions could amount to securities fraud and violations of environmental laws.

Harris' office is reviewing what Exxon Mobil knew about global warming and what the company told investors, a person close to the investigation said.

The move follows published reports, based on internal company documents, suggesting that during the 1980s and 1990s the company, then known as Exxon, used climate research as part of its planning and other business practices but simultaneously argued publicly that climate-change science was not clear cut.

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Those documents were cited in stories by reporters for Columbia University Energy and Environmental Reporting Fellowship, published in partnership with the Los Angeles Times. The nonprofit InsideClimate News also published several stories based on the documents.

Shortly after the news reports, Harris' office launched the investigation in response to the findings, the person said. New York's attorney general also is investigating the oil company as a result of the published reports.

Exxon Mobil did not respond to several requests for comment made by telephone and email.

A spokesman for Harris declined to confirm the investigation.

U.S. Rep. Ted Lieu (D-Torrance), who has called on federal authorities to investigate Exxon Mobil, praised Harris' decision.

Lieu said the investigation means that any damages won from Exxon Mobil could benefit Californians.

"I commend ... Harris for taking this action," he said.

Lieu said he has sent letters to U.S. Atty. Gen. Loretta Lynch and the U.S. Securities and Exchange Commission calling for federal investigations of securities fraud and violations of racketeering, consumer protection, truth in advertising, public health, shareholder protection or other laws.

Lieu said he hopes the decision by Harris, representing a state with the eighth-largest economy in the world, will prompt other states and the Justice Department to investigate.

"I think this action will be taken very seriously by Exxon Mobil," Lieu said.

Richard Keil, an Exxon Mobil spokesman, previously said that the company denies any wrongdoing in regard to the climate-change reports.

"We unequivocally reject allegations that Exxon Mobil suppressed climate change research contained in media reports," Keil said in a statement issued in response to the letters sent in October by Lieu and Mark DeSaulnier (D-Concord). Keil issued a statement with the same quote in early November when the New York investigation became public.

Exxon Mobil continues to face calls from several current and former U.S. lawmakers for criminal investigations based on the media reports. They include Hillary Clinton, Bernie Sanders and Al Gore.

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·nia's investigation.

f issues, according to the person familiar with the matter.

Legal experts say the SEC requires that companies disclose the risks of climate change to their business operations but that the agency has taken almost no action to enforce it.

The moves by California and New York are seen as a step to fill that void.

Exxon Mobil already has received a subpoena for documents dating from 1977 from the office of Eric Schneiderman, New York's attorney general.

Schneiderman has at his disposal New York's Martin Act, a law that gives the state's attorney general broad power to prosecute companies for financial fraud.

Unlike federal securities law, the New York statute does not require the state to prove that a company intended to defraud — only that it misrepresented relevant information or withheld it from investors.

The law applies to any company doing business in the state.

ivan.penn@latimes.com

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A version of this article appeared in print on January 20, 2016, in the News section of the Los Angeles Times with the headline "State investigates Exxon Mobil on climate change - Kamala Harris wants to know whether the oil company lied to investors about risks."
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This article is related to: Business, Environmental Science, Kamala Harris, U.S. Securities and Exchange Commission, Mark DeSaulnier, Columbia University, U.S. Department of Justice

Exhibit 89

From: Matt Pawa <mp@pawalaw.com>
Sent: Monday, February 15, 2016 10:09 AM
To: Kline, Scot
Subject: [Redacted]

Scot - from today's LA Times: http://www.latimes.com/opinion/op-ed/la-oe-rockefeller-goodwin-oil-stock-global-warming-20160215-story.html

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Exhibit 90

Op-Ed A Rockefeller explains: Why I lost faith in Exxon Mobil, and donated my shares

Gas prices are displayed at an Exxon gas station in Woodbridge, Va. on Jan. 5. (Saul Loeb / AFP/Getty Images)

By **Neva Rockefeller Goodwin**

FEBRUARY 15, 2016, 5:00 AM

My great-grandfather, John D. Rockefeller Sr., created the Standard Oil Company and I inherited shares in the companies it spun off, including Exxon Mobil. But this year I donated those shares to the nonprofit Rockefeller Family Fund's Environmental program, which sold them and is using the $400,000 proceeds to fight global warming.

I lost faith in Exxon Mobil's future value. A prime reason is that Exxon's valuation is based largely on the immense untapped reserves of oil and gas it owns. And yet if future generations are to inherit a livable world, most of those reserves must stay in the ground.

“

After it was revealed that tobacco companies knew smoking caused cancer even as they funded hack scientists to deny it, they had to pay billions in fines and damages.

Cynics may say that foreknowledge of the dire consequences won't stop humanity from using this fossil fuel. I would answer that Exxon Mobil may not have any choice in the matter. The company bases its growth and stability projections on increasing its sale of fossil fuels to developing countries. And yet those are the places that will be hurt first and worst by climate change — indeed, many are already suffering the effects. As those nations confront ecological harm and consequent economic damage — in some cases even possible economic collapse — will they really provide Exxon Mobil with the growth it forecasts?

In shareholder resolutions and meetings with company representatives over the last 15 years, I and other members of my family have argued that it is shortsighted for Exxon to insist on remaining “an oil and gas company” — rather than evolving into an energy company prepared to transition to a post-carbon economy. I thought the company was being foolish. But we now know it was worse: it was being deceitful, in a way that is almost unimaginably heartless to future generations.

Reporting by two publications, working independently of each other — InsideClimate News and the Los Angeles Times — has shown that, starting in the late 1970s, Exxon's scientists were leaders both in understanding the role of carbon emissions in global warming and in projecting its effects. By the mid-1980s, however, the company took a different public stance. It began to finance think tanks and researchers who cast doubt on the reliability of climate science.

Internally, though, the company continued to accept the validity of the science it had helped pioneer. In the midst of its denial campaign, for instance, Exxon projected business opportunities presented by global warming: As polar sea ice melted, there would be new possibilities for oil drilling in the Arctic. At the same time, Exxon scientists warned the company of more dire climate change implications — for the planet and corporate revenue. These findings were given to the company's management, but not released to shareholders or to securities regulators.

Way back in 1982 Exxon Mobil's environmental affairs office printed a primer on climate change marked “not to be distributed externally.” It laid out for company leaders the reality that major reductions in fossil fuel combustion would be required to avert “potentially catastrophic events.” Since then globally catastrophic events have become virtually certain. We already feel the oncoming wave in storms, flooding, droughts, hunger, human immiseration and migration. How different things might be if Exxon and others had begun to pivot away from fossil fuels 34 years

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As the enormity of the effects of its lies becomes more evident, Exxon Mobil is positioned to supplant Big Tobacco as global Public Enemy No. 1. This is not good for a company's bottom line. The attorneys general in New York and California have launched investigations into whether Exxon defrauded its shareholders by hiding what it knew about climate change.

Such investigations, with their legal power of discovery, are likely to unearth even more about what the company knew and when it knew it. That, in turn, likely will lead to lawsuits. After it was revealed that tobacco companies knew smoking caused cancer even as they funded hack scientists to deny it, they had to pay billions in fines and damages. Exxon could face much worse.

Even before Exxon Mobil feels the loss in spending power among its expected developing country clients, public anger is likely to find other ways to take the company down. Just when Exxon's stock price will begin to reflect these realities is hard to predict. But I'm glad that the recipients of my Exxon stock sold it immediately.

Neva Rockefeller Goodwin, an economist, is the co-director of the Global Development and Environment Institute at Tufts University.

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A version of this article appeared in print on February 15, 2016, in the Opinion section of the Los Angeles Times with the headline "Giving up on Exxon Mobil - My inherited shares have been sold, and the proceeds will help fight global warming." — Today's paper | Subscribe

This article is related to: Commentary, Opinion, Environmental Science, Shareholders, Global Warming, Climate Change, Exxon Mobil Corporation

Exhibit 91

Confidential Review Draft – 20 March 2016

Potential State Causes of Action Against Major Carbon Producers: Scientific, Legal and Historical Perspectives

25 April 2016
Harvard Law School, Cambridge MA

Co-organized by Harvard Law School and the Union of Concerned Scientists

Meeting Objectives:

- Create a 'safe space' for a frank exchange of approaches, ideas, strategies, and questions pertaining to potential state causes of action against major carbon producers and the cultural context in which such cases might be brought.
- Share legal and scientific information having an important bearing on potential investigations and lawsuits.
- Surface and consider key concerns, obstacles, or information gaps that may need to be addressed for investigations and lawsuits to proceed.
- Establish trusted and productive networks to support ongoing development of these ideas.

Meeting Agenda:

12-12:30: meet, mingle, lunch

12:30-1:00: Welcome and introductions (moderator: Goho)
- Professor Richard Lazarus, Harvard Law School
- Ken Kimmell, President, Union of Concerned Scientists

1:00-2:00 Introductory/overview panel (moderator: Frumhoff)
- The question of climate responsibility Naomi Oreskes, Harvard
- Lessons from tobacco litigation: Sharon Eubanks, Bordas & Bordas
- The case for state-based investigations and litigation: tbd
- Key legal issues: Shaun Goho, Harvard Law School

Open Discussion (15 min)

2:00-3:00 Attributing Impacts to Climate Change and Carbon Producers

- Extreme weather and climate change: Phil Mote, Oregon State
- Sea level rise and coastal flooding: Ben Strauss, Climate Central
- Tracing impacts to carbon producers Peter Frumhoff, UCS
- Climate harms from a legal perspective Carroll Muffett, CIEL

Open Discussion (20 min)

3:00-3:20 Break

3:20-4:20 State Causes of Action

- Public nuisance claims: Harvard, tbd.
- Consumer protection claims: UCLA
- Key obstacles & opportunities to address them Ken Kimmell, UCS

Panel Discussion (30 min) (additional participants tbd)

4:20–5:15 Open Discussion (include messaging/communication/public dimension; process for ongoing expert input and dialogue;)

5:15: Wrap up and next steps

5:30: Adjourn

Continued information dialogue over dinner in Harvard Square, location tbd

Exhibit 92

From: Matt Pawa <mp@pawalaw.com>
Sent: Thursday, March 31, 2016 5:31 PM
To: Matt Pawa
Subject: FW: NY Times: West Antarctic Ice Sheet Could Begin Disintegration Within Decades, Inundating Coastal Cities

AG Folks - I have started an email list to pass along information that may be of interest to AGs on the issue of our time: climate change. I will use this list rather sparingly given that we all receive way too many emails. If you prefer not to receive these emails let me know and my office will remove you.

You may have seen this article in the NY Times today. http://www.nytimes.com/2016/03/31/science/global-warming-antarctica-ice-sheet-sea-level-rise.html?_r=0
Without exaggeration, it is the single most frightening thing I have read on climate change in the 20 years I have been studying and tracking the issue. In essence, new research shows there is a much more serious risk of the West Antarctic Ice Sheet beginning to disintegrate this century than scientists previously had thought. Sea levels could begin inundating coastal cities within decades as opposed to the centuries or millennia previously considered to be the applicable timeframe. I commend this article to you as essential reading.

Best regards,
Matt

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Exhibit 93

SCIENCE

Climate Model Predicts West Antarctic Ice Sheet Could Melt Rapidly

By JUSTIN GILLIS MARCH 30, 2016

1357

A view from a NASA airplane of large icebergs that have broken from the calving side of Thwaites Glacier in Antarctica in November 2014. A disaster scenario of West Antarctic ice sheet

4 REMAINING
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For half a century, climate scientists have seen the West Antarctic ice sheet, a remnant of the last ice age, as a sword of Damocles hanging over human civilization.

The great ice sheet, larger than Mexico, is thought to be potentially vulnerable to disintegration from a relatively small amount of global warming, and capable of raising the sea level by 12 feet or more should it break up. But researchers long assumed the worst effects would take hundreds — if not thousands — of years to occur.

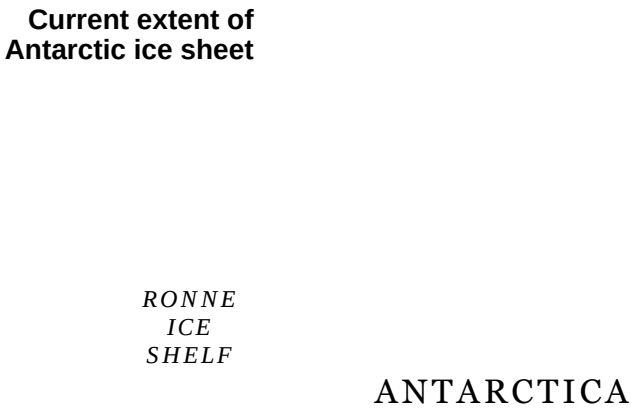
Now, new research suggests the disaster scenario could play out much sooner.

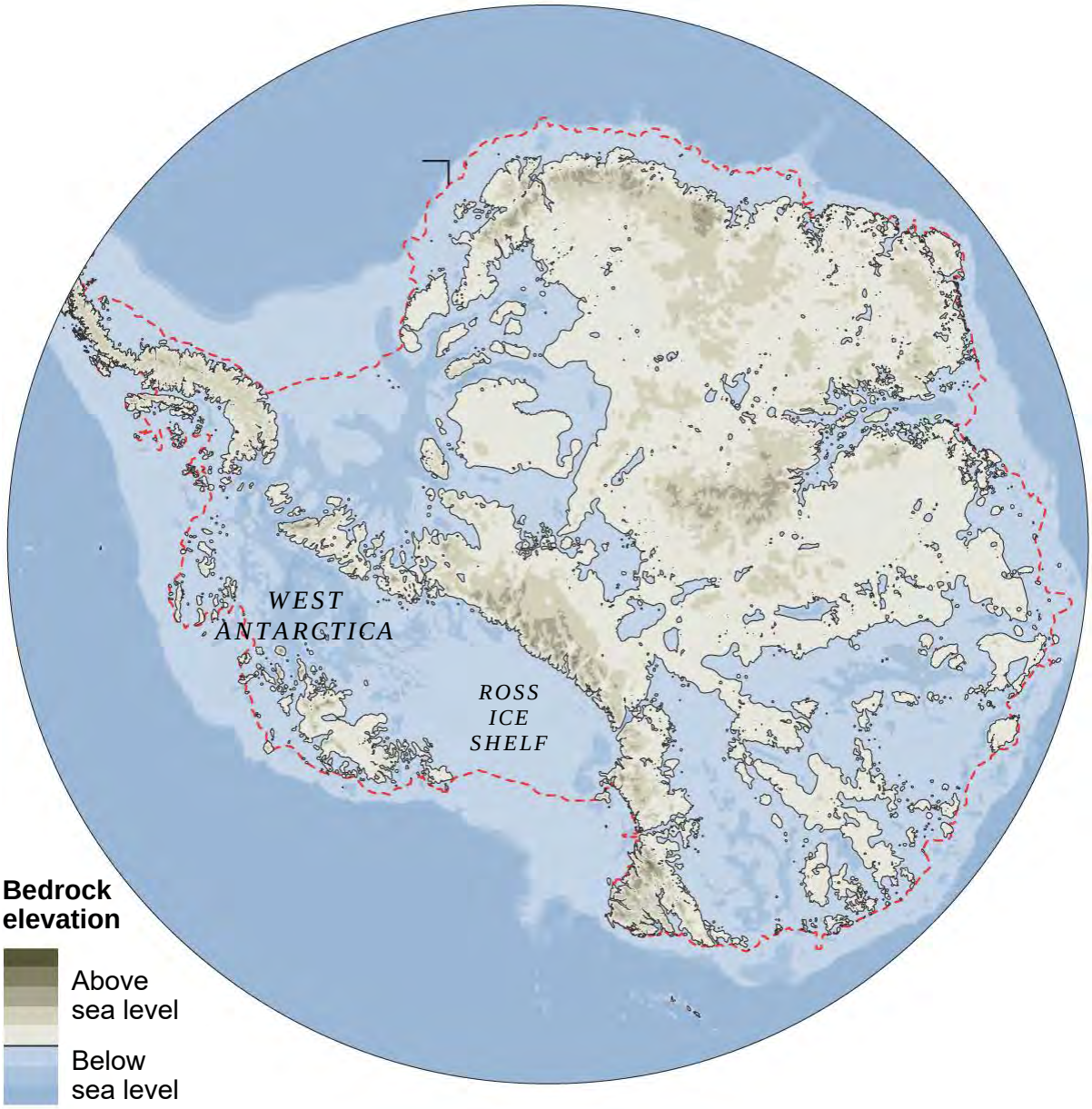
Continued high emissions of heat-trapping gases could launch a disintegration of the ice sheet within decades, according to a study published Wednesday, heaving enough water into the ocean to raise the sea level as much as three feet by the end of this century.

With ice melting in other regions, too, the total rise of the sea could reach five or six feet by 2100, the researchers found. That is roughly twice the increase reported as a plausible worst-case scenario by a United Nations panel just three years ago, and so high it would likely provoke a profound crisis within the lifetimes of children being born today.

Under the Ice Sheet

The vast West Antarctic ice sheet sits on bedrock that dips thousands of feet below sea level. New computer simulations suggest that the warming atmosphere and ocean could attack the ice sheet from above and below, causing sea levels to rise much faster than previously thought.





Sources: Nature; Annual Review of Earth and Planetary Sciences; British Antarctic Survey; Bedmap2

By The New York Times

The situation would grow far worse beyond 2100, the researchers found, with the rise of the sea exceeding a pace of a foot per decade by the middle of the 22nd century. Scientists had documented such rates of increase in the geologic past, when far larger ice sheets were collapsing, but most of them had long assumed it would be impossible to reach rates so extreme with the smaller ice sheets of today.

“We are not saying this is definitely going to happen,” said David Pollard, a researcher at Pennsylvania State University and a co-author of the new paper. “But I think we are pointing out that there’s a danger, and it should receive a lot more attention.”

The long-term effect would likely be to drown the world's coastlines, including many of its great cities.

New York City is nearly 400 years old; in the worst-case scenario conjured by the research, its chances of surviving another 400 years in anything like its present form would appear to be remote. Miami, New Orleans, London, Venice, Shanghai, Hong Kong and Sydney, Australia, are all just as vulnerable as New York, or more so.

Short Answers to Hard Questions About Climate Change

The issue can be overwhelming. The science is complicated. We get it. This is your cheat sheet.

In principle, coastal defenses could be built to protect the densest cities, but experts believe it will be impossible to do that along all 95,000 miles of the American coastline, meaning that immense areas will most likely have to be abandoned to the rising sea.

The new research, published by the journal Nature, is based on improvements in a computerized model of Antarctica and its complex

landscape of rocks and glaciers, meant to capture factors newly recognized as imperiling the stability of the ice.

The new version of the model allowed the scientists, for the first time, to reproduce high sea levels of the past, such as a climatic period about 125,000 years ago when the seas rose to levels 20 to 30 feet higher than today.

That gave them greater confidence in the model's ability to project the future sea level, though they acknowledged that they do not yet have an answer that could be called definitive.

Another view of icebergs calving from Thwaites Glacier in Antarctica in 2014. Researchers found that total rise of the sea could reach five or six feet by 2100. Jim Yungel/NASA

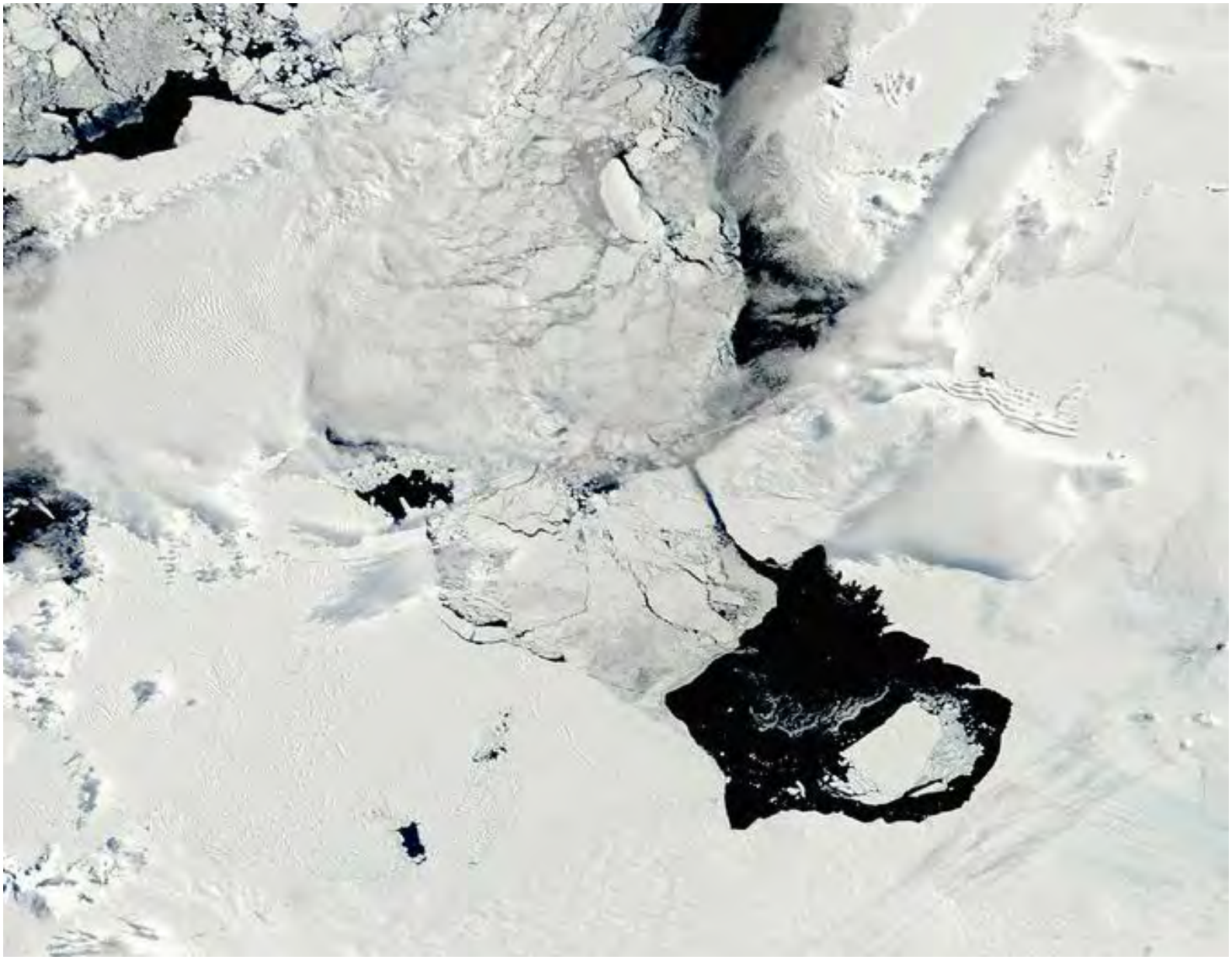
"You could think of all sorts of ways that we might duck this one," said Richard B. Alley, a leading expert on glacial ice at Pennsylvania State University. "I'm hopeful that will happen. But given what we know, I don't think we can tell people that we're confident of that."

Dr. Alley was not an author of the new paper, though it is based in part on his ideas about the stability of glacial ice. Several other scientists not

involved in the paper described it as significant, with some of them characterizing it as a milestone in the analysis of huge ice sheets and the risks they pose in a warming world.

But those same scientists emphasized that it was a single paper, and unlikely to be the last word on the fate of West Antarctica. The effort to include the newly recognized factors imperiling the ice is still crude, with years of work likely needed to improve the models.

Peter U. Clark of Oregon State University helped lead the last effort by a United Nations panel to assess the risks of sea level rise; he was not involved in the new paper. He emphasized that the research, like much previous work, highlighted the urgency of bringing emissions of carbon dioxide and other greenhouse gases under control.



A large iceberg separated from Antarctica's Pine Island Glacier in November 2013. The new model, for the first time, successfully reproduced high sea levels of the past. NASA, via Corbis

Dr. Clark described the new work as "a really important paper that adds to the growing recognition that in the absence of rapid and strong mitigation of carbon emissions, we are in store for a large sea level rise at rates that may be even faster than has been considered."

It was his panel that had estimated an upper limit of three feet or so on the likely sea level rise in the 21st century, while specifically warning that a better understanding of the vulnerability of Antarctic ice could change that estimate.

The new research is the work of two scientists who have been at the forefront of ice-sheet modeling for years. They are Robert M. DeConto of the University of Massachusetts, Amherst, and Dr. Pollard, who is a colleague of Dr. Alley's at Penn State.

In a lengthy interview on Monday, Dr. DeConto recounted years of frustration. The computer program he had built in a long-running collaboration with Dr. Pollard showed increasing sophistication in its ability to explain the behavior of ice sheets, but it had some trouble analyzing the past.

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Unless global temperatures were raised to unrealistic levels, the model

would not melt enough ice to reproduce the high sea levels known to have occurred in previous periods when either the atmosphere or the ocean was warmer. The ability to reproduce past events is considered a stringent test of the merits of any geological model.

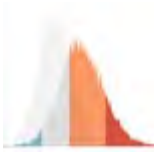
“We knew something was missing,” Dr. DeConto said.

The new idea came from Dr. Alley. He urged his colleagues to consider what would happen as a warming climate attacked huge shelves of floating ice that help to protect and buttress the West Antarctic ice sheet.

Smaller, nearby ice shelves have already started to disintegrate, most spectacularly in 2002, when an ice shelf the size of Rhode Island, the Larsen B shelf, broke apart in two weeks.

The West Antarctic ice sheet sits in a sort of deep bowl that extends far below sea level, and if it loses its protective fringes of floating ice, the result is likely to be the formation of vast, sheer cliffs of ice facing the sea. These will be so high they will become unstable in places, Dr. Alley said in an interview, and the warming atmosphere is likely to encourage melting on their surface in the summer that would weaken them further.

MORE REPORTING ON CLIMATE CHANGE



It’s Not Your Imagination. Sur
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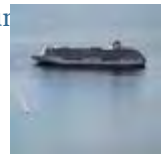
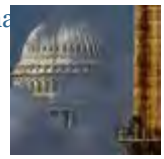


With More Ships in the Ar
Disaster Rise JULY 23, 2017

If You Fix This, You Fix a Big
Climate Puzzle
JULY 13, 2017

An Iceberg the Size of Dela
Broke Away From
Antarctica JUNE 09, 2017

The Paris Agreement on Clima
Is Official. Now What?
NOV. 03, 2016



Most Republicans Say The
Action, Poll Finds
JAN. 31, 2015

The result, Dr. Alley suspected, might be a rapid shrinkage as the unstable cliffs collapsed into the water. Something like this seems to be happening

already at several glaciers, including at least two in Greenland, but on a far smaller scale than may be possible in West Antarctica.

When Dr. DeConto and Dr. Pollard, drawing on prior work by J. N. Bassis and C. C. Walker, devised some equations to capture this "ice-cliff instability," their model produced striking results. In contrast to many prior attempts, it suddenly had no difficulty recreating the high sea levels of past warm periods.

The obvious next step was to ask the model what might happen if human society continues to warm the planet by pouring huge amounts of greenhouse gases into the atmosphere.

The answer the scientists got is described in their paper in the dry language of science, but it could easily serve as the plot device of a Hollywood disaster movie. They found that West Antarctica, which is already showing disturbing signs of instability, would start to break apart by the 2050s.

Vulnerable parts of the higher, colder ice sheet of East Antarctica would eventually fall apart, too, and the result by the year 2500 would be 43 feet of sea level rise from Antarctica alone, with still more water coming from elsewhere, the computer estimated. In some areas, the shoreline would be likely to move inland by miles.

The paper published Wednesday does contain some good news. A far more stringent effort to limit emissions of greenhouse gases would stand a fairly good chance of saving West Antarctica from collapse, the scientists found. That aspect of their paper contrasts with other recent studies postulating that a gradual disintegration of West Antarctica may have already become unstoppable.

But the recent climate deal negotiated in Paris would not reduce emissions nearly enough to achieve that goal. That deal is to be formally signed by world leaders in a ceremony in New York next month, in a United Nations building that stands directly by the rising water.

Like the Science Times page on Facebook.

A version of this article appears in print on March 31, 2016, on Page A1 of the New York edition with the headline: Ice-Sheet Melt Seen Harming Cities by 2100. Order Reprints | Today's Paper | Subscribe

Exhibit 94

From: Matt Pawa <mp@pawalaw.com>
Sent: Wednesday, April 13, 2016 1:18 PM
To: Matt Pawa
Subject: Climate News

AG Folks - Inside Climate News has today published a new report on the oil industry's early knowledge of the global warming problem. This report is based upon research done by the Center for International Environmental Law (FYI I am on CIEL's Board of Trustees). See links below.

http://insideclimatenews.org/news/13042016/climate-change-global-warming-oil-industry-radar-1960s-exxon-api-co2-fossil-fuels

https://www.smokeandfumes.org/#/

Best regards,

Matt

This email list is for Attorneys General and staff to receive occasional information on global warming and in particular on industry's knowledge, statements and actions on the issue over the years. If you want to be removed from this email list, just let me know.

Matt Pawa
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1280 Centre Street, Suite 230
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(617) 641-9550 x202
(617) 641-9551 facsimile
http://pawalaw.com/

This private communication may be confidential or privileged. If you are not the intended recipient, any disclosure, distribution, or use of information herein or attached is prohibited.

Exhibit 95

From:	Peter Washburn <Peter.Washburn@ag.ny.gov>
Sent:	Wednesday, April 13, 2016 3:31 PM
To:	Allen Brooks; Amy Winn; William Grantham; Christopher Courchesne; Dennis Ragen; Elizabeth Wilkins; Greg Schultz; James Gignac; Jerry Reid; John Daniel; Josh Auerbach; Karen Olson; Laura Watson; Leslie Seffern; Linda Singer; Matthew Levine; Melissa Hoffer; Paul Garrahan; Ralph Durstein; Rhodes Ritenour; Robert Snook; Kline, Scot; Tam Ormiston; Tania Maestas; Tannis Fox; Tim Nord; Morgan, Wendy
Cc:	Lemuel Srolovic; Monica Wagner; John Oleske; Michael J. Myers; Mandy DeRoche
Subject:	RE: Heads up

[Redacted]

http://insideclimatenews.org/news/13042016/climate-change-global-warming-oil-industry-radar-1960s-exxon-api-co2-fossil-fuels

CO2's Role in Global Warming Has Been on the Oil Industry's Radar Since the 1960s

By Neela Banerjee, John H. Cushman Jr., David Hasemyer and Lisa Song

The oil industry's leading pollution-control consultants advised the American Petroleum Institute in 1968 that carbon dioxide from burning fossil fuels deserved as much concern as the smog and soot that had commanded attention for decades.

Carbon dioxide was "the only air pollutant which has been proven to be of global importance to man's environment on the basis of a long period of scientific investigation," two scientists from the Stanford Research Institute (SRI) told the API.

This paper, along with scores of other publications, shows that the risks of climate change were being discussed in the inner circles of the oil industry earlier than previously documented. The records, unearthed from archives by a Washington, D.C. environmental law organization, the Center for International Environmental Law (CIEL), reveal that the carbon dioxide question—an obscure corner of research for much of the 20th century—had been closely studied since the 1950s by some oil company researchers.

By the 1960s, the CO2 problem was gaining wider scientific recognition, especially as President Lyndon B. Johnson's science advisers and leading experts brought it to the attention of the White House in 1965.

"If CO2 levels continue to rise at present rates, it is likely that noticeable increases in temperature could occur," SRI scientists Elmer Robinson and R.C. Robbins wrote in their 1968 paper to API.

"Changes in temperature on the world-wide scale could cause major changes in the earth's atmosphere over the next several hundred years including change in the polar ice caps."

Ten years later, the world's leading oil company, Exxon, would launch an ambitious in-house research program into the emerging science of climate change, as detailed by InsideClimate News last year in an investigative series. Beginning in 1978, Exxon researchers hoped their work would identify the risks climate change posed to the company's business and earn it a seat at the table when policymakers moved to limit CO2 emissions, according to internal documents. By the late 1980s, the company and its allies would instead challenge the scientific basis for strong action on climate change.

In a new series of articles, ICN begins to examine how the industry confronted pollution concerns during the infancy of climate research in the mid-20th century. It is based on hundreds of public documents assembled by CIEL, along with others gathered by ICN.

The documents trace early academic research into rising carbon dioxide levels. They show how the oil industry monitored that published work, and help explain the beginnings of its own research. They also show how industry's reaction to mid-century regulation to curtail other forms of air pollution, such as smog, helped shape its approach toward the risks of carbon dioxide.

The documents reveal a deep and persistent interest by industry in the CO2 issue, according to Carroll Muffett, a lawyer who is president of CIEL. If it is shown that oil companies knew fossil fuels posed dangers to the public, he said, the industry might become vulnerable to product liability complaints.

"From a products liability perspective, these documents raise potential claims that oil companies failed to warn consumers about a potentially serious risk linked to their products," he said.

Muffett's institute, an advocacy group that provides policy research and legal counsel on energy and environmental matters, is releasing its findings just as several state attorneys general have begun investigating how much oil companies knew about climate change and what they decided to do with their knowledge.

"Once the companies learned this science, they can't unlearn it," Muffett said. "Everything they did after this is done against the backdrop of the information they have from at least the 1950s onward.

"This to me is a critical point," he said. "When Exxon and other companies are funding climate change denial in later stages and focusing on uncertainties, how does what they are saying now compare with what they knew at a much earlier stage?"

Exxon has responded that its scientists at the time found that "many important questions about climate change remained unanswered and more research was needed." A spokesman for API did not respond to requests for comment.

Pollution Concerns Begin Rising

By the late 1940s, industrial pollution from the wartime surge and post-war boom began alarming the public. In particular, smog increasingly plagued Los Angeles, garnering the attention of the press and new pollution-control agencies. The sky turned a pale yellow, residents routinely became nauseous and their eyes burned, children were forced to play indoors, and acres of crops withered.

By the early 1950s, new science pointed to the oil industry as a major culprit, showing that nitrogen oxide emissions and uncombusted hydrocarbons from car tailpipes and refineries formed smog when exposed to sunlight.

As new agencies spawned new regulations, API and similar organizations set up a task force called the Smoke and Fumes Committee to monitor air pollution research and to commission projects by a handful of key consultants, including SRI. Originally affiliated with Stanford University, it was the industry's main pollution consultant, and eventually became an independent firm in 1970.

The work of the Smoke and Fumes Committee armed the industry for a prolonged struggle against what it considered overzealous regulation, which was based on what the oil companies and SRI called flawed science.

Meanwhile, a growing number of academics had turned their attention to rising CO2 concentrations in the atmosphere, tracing where the gas came from and the role that certain "sinks," such as the oceans and forests, played in absorbing it.

Roger Revelle, the director of the Scripps Institution of Oceanography, and his colleague Hans E. Suess published a landmark paper in 1957 about increasing CO2 emissions and the role of the oceans in absorbing some of it. The media, including The New York Times and Time magazine, sporadically wrote stories about increasing CO2 in the atmosphere.

Scripps scientist Charles David Keeling installed machines at the Mauna Loa Observatory in Hawaii to measure carbon dioxide levels on a regular basis.

The years between 1957, when Revelle first concluded that the oceans would not absorb all industrial CO2 emissions, and 1960, when Keeling accurately measured atmospheric concentrations and showed that they were definitely increasing, ushered in a new age of expanding climate research.

Already, some oil company scientists were conducting basic CO2 research, including several with Humble Oil, which eventually became part of Exxon.

By then, it was generally accepted that the burning of fossil fuels had released significant quantities of additional CO2 into the atmosphere, with some studies putting manmade emissions at 13 percent above natural levels since the Industrial Revolution began.

Humble's researchers studied the fingerprints of fossil fuel emissions in the wood of growing trees. Only a small fraction of the CO2 from fossil fuels showed up. Deciphering what was happening to the rest—mostly absorption into the oceans—was a major focus of research into the carbon cycle then.

As Humble's scientists explored issues like whether the varying climate in wet and dry conditions might influence the rate of carbon uptake by trees, their work intertwined with the rapidly evolving field of climate studies.

A paper by independent scientists in 1958 determined that Revelle and Suess had probably underestimated how much CO2 would build up by the year 2000. The rise could be enough, they noted in passing, to have considerable implications for planetary warming.

A Presidential Spotlight

The report by Robinson and Robbins to API in 1968 was an unusually plainspoken assessment of the risks of CO2 emissions within the walls of industry. It is significant not as original research, but as confirmation that the industry recognized a consensus reaching the highest levels of government.

"It seems ironic," the report said, "that given this picture of the likely result of massive CO2 emissions so little concern is given to CO2 as an important air pollutant."

The SRI report emerged after the carbon dioxide problem had caught the attention of the White House.

Acting on a warning from his science advisers, Johnson became the first president to publicly mention rising CO2 levels as a problem on par with smog or bomb test fallout. In a message to Congress in February 1965, he declared: "Air pollution is no longer confined to isolated places. This generation has altered the composition of

ıe atmosphere on a global scale through radioactive materials and a steady increase in carbon dioxide through ıe burning of fossil fuels."

RI's report was mostly based on a paper, "Atmospheric Carbon Dioxide," that was part of a volume prepared y the President's Science Advisory Committee (PSAC) in November 1965.

hat 20-page paper, written by Revelle, Keeling and three other top climate scientists, was submitted to the resident at a time when environmental concerns were just blossoming into a policy priority. It said that the ıtest science suggested the increase in CO2 "may be sufficient to produce measurable and perhaps marked hanges in climate." Citing a growing body of published research, it discussed the implications for melting olar ice and rising sea levels in the centuries to come.

hat SRI was inserting carbon dioxide into a report mainly about conventional pollutants like smog suggests ıdustry had to deal with this new aspect of pollution now that even the president was pointing it out.

At the point where these issues are matters of public debate, industry has to be looking at them," Muffett said.

ı the SRI report's section on CO2, Robinson and Robbins identified it as "the most commonly emitted air ollutant." Still, they noted that CO2 was so ubiquitous that regulators didn't even consider it to be pollution.

This is perhaps fortunate for our present mode of living, centered as it is around carbon combustion," they rote. "However, this seeming necessity, the CO2 emission, is the only air pollutant which has been proven to e of global importance to man's environment on the basis of a long period of scientific investigation."

he report also dealt with other uncertainties, such as a possible cooling effect caused by an increase in articulate matter. It noted that the long-term trend of particulate pollution could neutralize warming caused by :O2, but on balance said "the prospect for the future must be of serious concern."

Although there are other possible sources for the additional CO2 now being observed in the atmosphere, none eems to fit the presently observed situation as well as the fossil fuel emanation theory," the authors wrote.

he SRI paper explored in detail the possible rates of emission, how concentrations might increase and how ıuch temperatures might rise.

he finding—which matched Revelle's—that about half the CO2 emitted seemed to stay in the atmosphere was onfirmed later by more sophisticated research. It helped explain why emissions over decades of increased eliance on fossil fuels would lead to a doubling of atmospheric CO2 concentrations from pre-industrial times.

RI also said that unlike local pollutants such as smog, carbon dioxide would last a long time in the global tmosphere. "The natural scavenging processes for removing CO2 from the atmosphere are not sufficient to ıaintain a stable equilibrium in the atmosphere in the presence of this increase in emissions."

he paper said that better models were needed to estimate more accurately how the increased atmospheric CO2 ıight boost global temperatures. (The Revelle report had predicted in 1965 that better models might come long in just a few years.)

RI also repeated Revelle's assertions that if the earth's temperatures rose substantially, it could lead to ignificant risks for the planet.

It is clear that we are unsure as to what our long-lived pollutants are doing to our environment; however, there eems to be no doubt that the potential damage to our environment could be severe," SRI said.

The assessment's frank tone contrasted with the more measured rhetoric Robinson and industry representatives would use in later public reports.

In a paper presented at the World Petroleum Congress in Moscow in June 1971, Robinson wrote that increasing carbon dioxide levels might pose a serious problem. He also said estimating the impact rising CO2 could have on global temperatures would be difficult because of the complexity of atmospheric science.

The simple conclusion that an increase in absorbed radiation would provide a significantly warmer atmosphere and perhaps would melt the ice caps does not seem to be justified," Robinson wrote.

The National Petroleum Council, an advisory body including top officials of many oil companies, submitted a report to the government in 1972 entitled "Environmental Conservation." The NPC report cited the work of Robinson and Robbins but hewed to a more cautious line, quoting from a review of the emerging research written by the American Association for the Advancement of Sciences.

If at the end of this century, the average temperature has continued to rise and, in addition, measurement shows that the amount of atmospheric carbon dioxide has also increased, this will add validity to the idea that carbon dioxide is a determining factor in causing climate change," the NPC report said.

It continued to say that it would take until at least 2000 to decide whether global temperatures were rising significantly.

If indications at that time are that major changes are required," it said, "society can meet that requirement as it has met its challenges throughout history by developing alternative social or technological solutions."

But this seemed to evade what was becoming increasingly clear to atmospheric scientists: If the problem of global warming emerged as their calculations suggested, it meant shifting away from fossil fuels.

In one footnote, the petroleum council cited not only the work of Robinson, but also a paper by an official at the Federal Bureau of Land Management, Eugene K. Peterson, who had written a comprehensive overview of climate science and its ecological implications for the journal Environmental Science and Technology in 1969.

Peterson cited projections of increases in the atmospheric concentration of CO2, and early estimates of the resulting temperature rise. He also speculated on side effects such as acute water shortages, increased forest fires, and impacts on fisheries.

And he concluded that if current estimates proved to be correct, the time would eventually arrive —"if it has not already been reached"—that "additional CO2 input through the burning of fossil fuels should cease."

The increasing blanket of CO2 in the atmosphere, he warned, "could prove to have such an effect upon the environment that it will be a major limiting factor for several centuries upon both industrial development and world population."

It would be several more years before a National Academy of Sciences review panel chaired by Revelle would sound a similar warning in 1977—catching the attention of an Exxon employee, Henry Shaw, who helped lead the company's broad climate research in the decade that followed.

But the industry as a whole was already on notice.

'art II – In the 1940s and 1950s, the oil industry questioned research that pointed to fossil fuel emissions as the ıain ingredients of smog, a record that reads like an early draft of its later approach to climate change.

[Redacted]

Exhibit 96

- City Manager
+ Climate Action Program
Commission for the Prevention of Violence Against Women
+ Community Relations
+ Special Event Permits

City Manager

Martín Bernal, City Manager
809 Center Street, Room 10
Santa Cruz, California 95060
831-420-5010
Fax: 831-420-5011
email

Suzanne Haberman, Executive Assistant to the City Manager
email

The City Manager is appointed by and reports directly to the City Council. The City Manager is responsible for the overall administration of the City and for seeing that City Council policies are carried out. The duties of the City Manager include coordinating the work of all City departments and advising the City Council on matters relative to the operation of those departments; preparing the annual budget and administering the budget after it is adopted by Council; appointing all department heads (except the City Clerk and the City Attorney) and serving as the final administrative authority on personnel matters.

The City Manager and his/her staff also handle special projects and Council assignments which do not fall within the jurisdiction of any other City department. The Special Events Office, Community Relations Office and the Commission for the Prevention of Violence Against Women are part of the City Manager's Office.

Tina Shull, Assistant City Manager
email

Susie O'Hara, Principal Management Analyst
email

Eileen Cross, Main media contact
email

Kathy Agnone, Special Event Permit Coordinator
email

Hearing-impaired individuals should use California Relay Service:
1-800-735-2929, then 831-420-5040.

NEWS

City, County of Santa Cruz Go to Court to Hold Largest Fossil Fuel Corporations Accountable for Contributions to Climate Change
(Santa Cruz, CA) - The City of Santa Cruz and Santa Cruz County today joined a growing chorus of communities that are standing up for their residents and businesses as they face mounting financial, environmental, and public health costs tied to global warming.
12/20/2017 10:30:00 AM

City of Santa Cruz Releases Housing Report
Santa Cruz Voices On Housing chronicles information gleaned through in-depth community engagement process
11/29/2017 10:30:00 AM

City Releases 2017 Annual Report
The 2017 Annual Report offers a summary of recent City accomplishments, while highlighting City Council's goals for the coming year.
10/27/2017 9:41:40 AM

More News

EVENTS

Downtown Santa Cruz Farmers' Market
12/27/2017 1:00 PM - 5:00 PM

Downtown Santa Cruz Farmers' Market
01/03/2018 1:00 PM - 5:00 PM

Santa Cruz Antique Faire
01/10/2018 9:00 AM - 5:00 PM

More Events

Exhibit 97

From: Lemuel Srolovic
To: Peter C. Frumhoff Ph. D.
Subject: Fwd: EM Statement on Yesterday"s AG Climate Confab
Date: Wednesday, March 30, 2016 1:27:05 PM

Here's Exxon's statement.

Sent from my iPhone

Begin forwarded message:

> **From:** Alan Belensz <Alan.Belensz@ag.ny.gov>
> **Date:** March 30, 2016 at 12:42:21 PM EDT
> **To:** Lemuel Srolovic <Lemuel.Srolovic@ag.ny.gov>, Mandy DeRoche <Mandy.DeRoche@ag.ny.gov>, John Oleske <John.Oleske@ag.ny.gov>
> **Subject: EM Statement on Yesterday's AG Climate Confab**
>
> http://www.exxonmobilperspectives.com/2016/03/29/exxonmobil-responds-to-state-ags/?sf23338460=1

Exhibit 98

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

In the matter of:

ENERGY & ENVIRONMENT
LEGAL INSTITUTE

Petitioners,

-against-

THE ATTORNEY GENERAL OF NEW YORK

Respondent,

For a judgment pursuant to Article 78
of the Civil Practice Law and Rules.

Index No. 101678/2016

Hon. Nancy M. Bannon

MEMORANDUM OF LAW IN SUPPORT OF RESPONDENT'S VERIFIED ANSWER AND IN OPPOSITION TO THE PETITION

ERIC T. SCHNEIDERMAN
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ABIGAIL ROSNER
Assistant Attorney General
Of Counsel

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PRELIMINARY STATEMENT

Respondent, the Attorney General of the State of New York, submits this Memorandum of Law in support of his verified answer and in opposition to the verified petition of Petitioner Energy & Environment Legal Institute ("E&E"), a nonprofit organization focused on public policy research and litigation with offices in Washington, D.C. Petitioner alleges that the Office of the Attorney General ("OAG") violated New York's Freedom of Information Law, Public Officers Law Article 6 ("FOIL"), by withholding certain of its records.

FOIL provides for the release of certain agency records upon request but, as relevant here, contains exceptions for: (a) records the release of which would interfere with law enforcement investigations; (b) inter-agency and intra-agency materials (subject to certain exceptions that are not relevant here); and (c) records that are exempted from disclosure by other statutes, such as records reflecting attorney work product and attorney-client communications. Here, E&E submitted two FOIL requests to the OAG on March 30, 2016 and May 5, 2016, respectively, seeking in large part records related to OAG's ongoing investigation into whether ExxonMobil Corporation's ("Exxon") statements to New York investors and consumers concerning climate change violated New York state consumer, business, and securities fraud laws. E&E's March Request sought records as related to Attorney General Schneiderman's "investigation into whether ExxonMobil committed fraud by lying to investors and the public about the risks of climate change." (Petition, Ex. 1, p. 3.) The May Request likewise referred to ongoing investigations by the Attorney General for potential violations of state laws, including the Martin Act, Gen. Bus. Law article 23-A, related to "climate." (Petition, Ex. 5, p. 3.)

OAG performed diligent searches in response to both FOIL requests, which yielded 522 documents responsive to the March Request and 68 documents responsive to the May Request.

The OAG Records Access Officer determined that 41 of the 522 responsive records to the March Request and 7 of the 68 responsive records to the May Request were subject to disclosure. Not surprisingly, given E&E's own acknowledgment that it was seeking records related to OAG's ongoing investigation about possible violations of state law, the Records Access Officer determined that 481 of the 522 responsive documents and 61 of the 68 responsive documents were exempt from disclosure pursuant to FOIL §§ 87(2)(a), (g), or (e) because their release would interfere with a law enforcement investigation, or because they were inter-agency or intra-agency communications, or because they were attorney work product or attorney-client communications. Indeed, the vast majority of the responsive documents for both requests were properly withheld for more than one recognized FOIL exception. The Records Access Officer's determinations were subsequently upheld by OAG's Records Appeals Officer.

In this Article 78 proceeding, E&E claims that: (1) FOIL's exception for disclosures that would interfere with a law enforcement investigation is not available here because, in E&E's opinion, OAG's investigation is illegitimate and political in nature; (2) the inter-agency or intra-agency materials exception has somehow been waived because, without E&E offering a shred of evidence in support of its speculation, "*it seems* likely that records responsive to petitioner's request would have been shared . . . [with] outside parties. . ." (Petition, ¶ 11) (emphasis added); and (3) any attorney-client communication exception is not available because purportedly no attorney-client relationship exists. E&E's claims are wholly without merit for the reasons set forth herein.

To assist the Court in its resolution of E&E's claims, OAG also submits an Exemption/Privilege Log, identifying each and every document withheld and the reasons for such withholding, which is annexed as Exhibit G to the affirmation of OAG's Records Review

Officer, Assistant Attorney General Michael Jerry. Additionally, OAG will make the withheld responsive records available to the Court for an *in camera* inspection, should the Court deem it necessary.

STATEMENT OF FACTS

I. BACKGROUND

The OAG is the chief law enforcement agency for the State of New York. *See* Exec. Law § 63. The Executive Law directs OAG, *inter alia*, to prosecute instances of "repeated fraudulent or illegal acts" or instances of "persistent fraud or illegality in the carrying on [and] conducting or transaction of business." Exec. Law § 63(12). Also, the Martin Act vests the Attorney General with broad authority to investigate allegations of financial fraud and to bring civil and criminal actions. Gen. Bus. Law §§ 352-359-h. Similarly, Article 22-A of the General Business Law vests the Attorney General with broad authority to bring suit to enjoin acts of consumer fraud and deception. Gen. Bus. Law § 349.

Pursuant to these statutory authorities, in 2015, OAG began investigating whether public statements that ExxonMobil Corporation ("Exxon") made to its investors and consumers violated New York business, securities, and consumer fraud laws, *i.e.*, Executive Law § 63(12) and General Business Law §§ 349 and 352-359-h. Affirmation of Lemuel M. Srolovic, Environmental Protection Bureau Chief, dated December 22, 2016, ¶ 3 ("Srolovic Aff."). Before OAG began its investigation, Exxon had made numerous public statements to New York investors and consumers concerning its purported understanding of the causes, course, and business and financial impact of climate change. Apparent contradictions between some of those statements and internal company documents that became publicly available in early 2015 suggested that Exxon may not have accurately portrayed the company's own conclusions or

beliefs on these topics in statements to investors and consumers. (*Id.*) If it determines that Exxon violated General Business Law §§ 349 and/or 352-359-h and/or Executive Law § 63(12), or any other applicable laws, OAG would bring enforcement litigation, if it is unable to resolve these violations with Exxon through alternative means. (*Id.* ¶ 4.)

As part of its ongoing investigation, OAG attorneys and staff members have generated a substantial number of documents that reflect their legal research, analysis, legal theories and/or strategy. (*Id*. ¶ 5.) Such materials include, but are not limited to, memoranda, electronic and hard copy correspondence, and drafts of legal briefs, some of which were prepared for anticipated litigation. (*Id.*) OAG attorneys and staff members involved with the investigation frequently communicate with each other by electronic mail to share their ideas, opinions, legal research, analysis, and legal strategy, as well as what information OAG has already obtained and what information it is seeking. (*Id.* ¶ 6.)

Additionally, OAG attorneys and staff members communicate electronically with organizations and individuals outside OAG that have information. (*Id.* ¶ 7.) Depending on their merit or veracity, such communications can assist OAG in developing its investigative strategy and particular areas of focus, and in determining what information and documents it will seek from Exxon. (*Id.*) OAG attorneys also communicate with Exxon's attorneys, by electronic and hard correspondence, to discuss OAG's areas of particular focus in the investigation. (*Id.* ¶ 8.) Finally, OAG engaged in numerous confidential communications with an attorney outside the OAG, who has provided legal advice, during the beginning stages of the investigation and who has previously represented other states in this field, although OAG has not retained this attorney. (*Id.* ¶ 9.)

Disclosure of these documents would interfere with OAG's ongoing investigation because the information contained therein could be used by Exxon or third parties to thwart or otherwise interfere with the remainder of the investigation contrary to the purposes of FOIL. *See Fink v. Lefkowitz*, 47 N.Y.2d 567, 572 (1979); Srolovic Aff. ¶¶ 5-8.

A. E&E's March 30, 2016 FOIL Request

On March 30, 2016, E&E submitted a FOIL request seeking:

> copies of all emails, including attachments, sent to or from (including also as cc: or bcc:) New York Attorney General Eric Schneiderman, New York State Office of the Attorney General Environmental Protection Bureau's Deputy Bureau Chief Lisa Burianek, and/or the New York State Office of the Attorney General Environmental Protection Bureau's Deputy Bureau Chief [sic] Lemuel Srolovic, which correspondence uses <u>any</u> of the following terms, <u>anywhere</u> in the email, including in the body, To, From, cc: and/or bcc: or Subject fields:
>
> a) steve.coll@columbia.edu
> b) thomasgwatkins@yahoo.com
> c) scott.dodd@gmail.com
> d) ssc2136@columbia.edu
> e) ktoulon@bloomberg.net
> f) alflip63@yahoo.com
> g) myh7@columbia.edu
> h) dmcdermott@brunswickgroup.com
> i) 'ExxonMobil'
> j) 'Columbia Journalism School'
> k) 'CJS'
> l) 'Steve Coll'
> m) 'Sheila Coronel'
> n) 'Marguerite Holloway'
> o) 'Rockefeller'
>
> Time period covered: responsive records will be dated from January 1, 2015 through December 31, 2015.

(Petition, Ex. 1, pp. 1-2) (emphasis in original). In the March Request, E&E described the records sought as related to Attorney General Schneiderman's "investigation into whether ExxonMobil committed fraud by lying to investors and the public about the risks of climate change." (Petition, Ex. 1, p. 3.)

The March Request was referred to the OAG Records Access Officer and was assigned the tracking number "160197." Affirmation of Michael Jerry, Assistant Attorney General, dated December 22, 2016, ¶ 4 ("Jerry Aff."). The Records Access Officer directed the Information Technology staff to search the OAG-maintained email accounts of Attorney General Schneiderman, Environmental Protection Bureau Chief Lemuel Srolovic, and Environmental Protection Deputy Bureau Chief Lisa Burianek for any for any emails including attachments thereto that (a) were either from or to Attorney General Scheiderman, Bureau Chief Srolovic, or AAG Burianek (either as the principal addressee or as a cc or bcc); and (b) included in the subject line, address, or text of the email any one or more of the key terms listed in the Request. Jerry Aff. ¶ 7.

The search produced 522 responsive documents. (*Id.* ¶ 8.) After reviewing the responsive documents, the Records Access Officer determined that 41 documents were subject to disclosure and that—pursuant to FOIL §§ 87(2)(a), (g), and (e)—481[1] of the responsive documents were exempt from disclosure. On September 2, 2016, the Records Access Officer electronically transmitted to E&E copies of 41 documents (numbered 160197-1 through 160197-128 and totaling 128 pages) that were responsive to the Request and subject to disclosure.[2] (*Id.* ¶ 10.) The Records Access Officer also stated in writing that "other records responsive to [the] request are exempt from disclosure and have been withheld for one or more of the following reasons": (1) the responsive records constituted confidential attorney-client communications or attorney work product, both of which are exempt from disclosure pursuant to FOIL § 87(a)(2); (2) were

[1] Of the 481 documents that were withheld, four of those documents that are responsive but were mistakenly not previously provided to E&E are annexed as Exhibit H to the Jerry Affirmation. Personal cellular telephone numbers have been redacted. None of the documents has anything to do with the matters that E&E has indicated are the subjects of its interest.

[2] E&E did not challenge on appeal and has not attempted to challenge in this proceeding certain limited redactions that OAG made pursuant to FOIL §§ 87(2)(b) and (g) to prevent unwarranted invasions of personal privacy and to protect the confidentiality of intra-agency communications.

compiled for law-enforcement purposes and are exempt from disclosure pursuant to FOIL §87(2)(e); and (3) were inter-agency or intra-agency materials, which are exempt from disclosure pursuant to FOIL§ 87(2)(g). (*Id.* ¶ 11 and Ex. A to Jerry Aff.) By letter dated September 8, 2016 (Petition, Ex. 3), E&E administratively appealed this determination, as discussed below in Section C.

B. E&E's May 5, 2016 FOIL Request

On May 5, 2016, E&E submitted an additional FOIL request seeking:

> copies of all text messages and emails, including attachments, 1) sent to or from any of four OAG officials (including also as cc: or bcc:), Operations Director *Christina Harvey*, Executive Deputy Attorney General for Social Justice *Alvin Bragg*, Executive Deputy Attorney General for Economic Justice *Karla Sanchez*, and Environmental Protection Bureau Chief *Lem Srolovic*, 2) which correspondence is to or from, or uses *any* of the following, *anywhere* including e.g., in the email body, To, From, cc: and/or bcc: or Subject fields:
>
> a) Pawa (including but not limited to e.g., mp@pawalaw.com)
> b) any @pawalaw.com email address
> c) Frumhoff (including but not limited to e.g., PFrumhoff@ucsusa.org)
> d) any @ucsusa.org email address
> e) Eubanks
>
> Responsive records will be dated from [March 30, 2016][3] through the date you process this request, inclusive.

(Petition, Ex. 5, pp. 1-2.) (emphasis in original). In the May request, E&E claimed that Attorney General Schneiderman has used the Racketeer Influenced and Corrupt Organizations Act ("RICO"), the Martin Act, and other related laws to "investigate those who engage in public debate regarding the accuracy of claims made to promote the 'climate' agenda, or claims made regarding renewable energy." (*Id.* p. 3.) In its petition, E&E asserts that both of its requests seek

[3] The initial May request contained a typographical error and E&E submitted an amended request, correcting the requested time-frame for responsive records to March 30, 2016 until the date the request was processed. *See* Petition, ¶ 17, n.1 and Jerry Aff. ¶ 15 and Ex. C to Jerry Aff.

records "related to the Attorney General's decision" "to investigate those who disagree with him on climate change." (Petition ¶¶ 4, 17.)

The May request was referred to the OAG's Records Access Officer and was assigned the tracking number "160288." Jerry Aff. ¶ 13. The Records Access Officer directed[4] the Information Technology staff to search the OAG-maintained email accounts of Environmental Protection Bureau Chief Lemuel Srolovic, Operations Director Christina Harvey, Executive Deputy Attorney General for Social Justice Alvin Bragg, and Executive Deputy Attorney General for Economic Justice Karla Sanchez for any emails including attachments thereto that (a) was either from or to Bureau Chief Srolovic, EDAG Bragg, EDAG Sanchez, or Operations Director Harvey (either as the principal addressee or as a cc or bcc) and (b) included in the subject line, address, or text of the email any one or more of the key terms listed in the Request. (*Id.* ¶ 16)

The search produced 68 responsive documents. (*Id.* ¶ 17.) After reviewing the responsive documents, the Records Access Officer determined that 7 documents were subject to disclosure and that—pursuant to FOIL §§ 87(2)(a), (g), and (e) —61 of the responsive documents were exempt from disclosure. (*Id.*) On September 2, 2016, the Records Access Officer electronically responded to the May Request, producing to E&E copies of 7 documents (numbered 160288-1 through 160288-58 and totaling 58 pages).[5] (*Id.* ¶ 19.) The Records Access Officer also electronically sent E&E a cover letter indicating that "other records responsive to [the] request are exempt from disclosure and have been withheld for one or more of the following reasons":

[4] The May Request sought a search of text messages sent to or from Operations Director Harvey, EDAG Bragg, EDAG Sanchez, or Bureau Chief Srolovic containing any of the keywords identified in the Request. As part of the OAG's diligent search, the custodians confimed that there were no responsive records. Jerry Aff. ¶ 16, n. 1.

[5]E&E has not appealed and has therefore waived any challenge to the appropriate redaction of certain limited information from the records that were produced in response to the May request. *See also* n. [1] *supra.*

(1) the responsive records constituted confidential attorney-client communications or attorney work product, both of which are exempt from disclosure pursuant to FOIL § 87(a)(2); (2) the records were compiled for law-enforcement purposes and are exempt from disclosure pursuant to FOIL § 87(2)(e); and (3) the records were inter-agency or intra-agency materials, which are exempt from disclosure pursuant to FOIL § 87(2)(g). (*Id.* ¶ 20 and Ex. D.) By letter dated September 8, 2016, E&E administratively appealed the determination, as discussed below in Section C. (*Id.* ¶ 21.)

C. E&E's Appeals of FOIL Responses to the March and May Requests to the Records Appeals Officer

By letters dated September 8, 2016, E&E administratively appealed the Records Access Officer's determinations for the March and May FOIL Requests to the OAG's Records Appeals Officer, Kathryn Sheingold, Assistant Solicitor General. (Petition, Exs. 3 and 7, respectively.) Both appeals asserted that the FOIL responses were deficient because, *inter alia*, the Records Access Officer did not provide information as to how the exceptions applied to the withheld documents. (*Id.*) Specifically, E&E claimed that: (1) the OAG must identify the client in any communication withheld pursuant to attorney-client privilege to justify invoking the exception; (2) any work product privilege would be waived if such documents were shared with parties outside the OAG; and (3) insufficient information was provided to justify withholding documents pursuant to either the law enforcement or inter-agency or intra-agency exceptions. (Petition, Ex. 3 at 3-7 and Ex. 7 at 3-6.)

By letters dated September 22, 2016 and September 23, 2016, Ms. Sheingold sustained the Records Access Officer's determinations for FOIL Requests 160197 and 160288, respectively. (Jerry Aff. ¶¶ 12, 21 and Exs. B and E). Ms. Sheingold explained that because the OAG is currently investigating Exxon, responsive records were properly withheld pursuant to the

law enforcement exemption, as these records would reveal, *inter alia*, "areas of investigative concern" and "the nature of the OAG's strategy." (Jerry Aff., Ex. B at 2 and Ex. E at 2.) Moreover, disclosure of these records would result in "identifying potential witnesses" and "notifying individuals and entities with relevant information of what the OAG has already received and thereby giving them the opportunity to destroy or conceal that in their possession not already produced." (*Id.*) Ms. Sheingold further explained that many of the responsive documents were also intra-agency documents because the communications were between OAG employees only, and that some of these OAG-only documents also constituted attorney work product. (Jerry Aff., Ex. B at 3 and Ex. E at 2.) Additionally, some responsive records constituted confidential communications between an attorney and OAG as a prospective client and accordingly, were withheld as confidential attorney-client communications. (*Id.*) Finally, Ms. Sheingold stated that the OAG is under no obligation to "provide an estimate of the number of responsive records" or to "explain with particularity how an exception applies to any discrete record withheld." (Jerry Aff., Ex. B at 3 and Ex. E at 3.)

II. THE ARTICLE 78 PROCEEDING

On October 6, 2016, E&E commenced this Article 78 proceeding, challenging the OAG's determinations with respect to the two FOIL Requests at issue. E&E does not challenge the sufficiency or scope of the search that OAG conducted, nor does it challenge OAG's withholding of certain responsive records on the grounds that the records are attorney work product exempt from disclosure pursuant to FOIL § 87(2)(a).

E&E claims instead that OAG is not engaged in a "legitimate" investigation of Exxon and therefore cannot make use of FOIL's law enforcement exemption. (Petition, ¶ 15.) Additionally, E&E argues that OAG has somehow waived the inter-agency and intra-agency

materials exception because "*it seems likely* that records responsive to petitioner's request would have been shared . . . [with] . . . outside parties." (Petition, ¶ 11) (emphasis added). E&E does not offer a shred of evidence in support of its speculation. E&E further posits, without any factual support, that responsive records could not properly be withheld pursuant to FOIL § 87(2)(a), which shields attorney-client communications from disclosure, because "no attorney-client relationship exists between the Attorney General and outside parties" or "because sharing of material outside of any attorney-client relationship would waive the privilege." (Petition ¶¶ 15, 29.)

E&E's claims are baseless. As set forth herein, the OAG is engaged in an ongoing investigation of Exxon, which E&E acknowledged in both of its requests and the petition, and therefore, the disclosure of any related documents that would interfere with this investigation are shielded from disclosure pursuant to FOIL's law enforcement exception. Moreover, only 16 responsive records constituting attorney-client communications were withheld as exempt pursuant to FOIL § 87(2)(a) and all 16 are also properly withheld pursuant to the law enforcement exception. (Jerry Aff. ¶ 23.) The vast majority of the responsive records constitute communications between OAG-only employees and therefore, were properly withheld pursuant to FOIL § 87(2)(g). Finally, because E&E does not challenge the 133 withheld records that are exempt pursuant to the attorney work product exemption pursuant to FOIL § 87(2)(a), these responsive records are not therefore at issue, and in any event, any challenge to the work product exemptions would have been meritless. Accordingly, E&E's claims are without merit and should be dismissed.

ARGUMENT

Judicial review of an agency's response to a FOIL request considers "whether the determination was affected by an error of law." *Matter of Thomas v. Condon*, 128 A.D.3d 528, 529 (1st Dep't 2015) (internal quotation marks omitted). *See also Matter of New York Comm. for Occupational Safety & Health v. Bloomberg*, 72 A.D.3d 153, 158 (1st Dep't 2010) (explaining that the "arbitrary and capricious" standard that is generally used when reviewing agency actions is inapplicable to FOIL-related challenges and the court must "presume that all records of a public agency are open to public inspection, and must require the agency to bear the burden of showing that the records fall squarely within an exemption to disclosure").

It is well-established that "[a]ll government records are presumptively open for public inspection unless specifically exempted from disclosure as provided in the Public Officers Law." *Fappiano v. New York City Police Dep't*, 95 N.Y.2d 738, 746 (2001) (citing FOIL § 87(2) and *Matter of Gould v. New York City Police Dep't*, 89 N.Y.2d 267 (1996)). A "record" is "any information kept, held, filed, produced or reproduced by, with or for an agency." FOIL § 86(4).

The OAG, as a state governmental agency, is subject to FOIL's requirements. After receiving a FOIL request, OAG's records access officer must "conduct a 'diligent search' of the records in its possession responsive to the request" and "state, in writing, the reason for the denial of access" to records withheld pursuant to a FOIL exception. *Matter of West Harlem Bus. Group v. Empire State Dev. Corp.*, 13 N.Y.3d 882, 884 (2009) (internal citations omitted). Then, upon administrative appeal, the agency's appeal officer must explain in writing to the person requesting the records the reasons for continued denial. *Id*. at 884-85; FOIL § 89(4)(a).

A party may seek judicial review of an administrative FOIL appeal in an Article 78 proceeding, wherein the agency must show "that the requested material falls squarely within a

FOIL exemption by articulating a particularized and specific justification for denying access." *Capital Newspapers Div. of Hearst Corp. v. Burns*, 67 N.Y.2d 562, 566 (1986). *See also Matter of Town of Waterford v. New York State Dep't of Envtl. Conservation*, 18 N.Y.3d 652, 657 (2012) and *Matter of Bass Pro, Inc. v. Megna*, 69 A.D.3d 1040, 1041 (3d Dep't 2010). Courts have held that an agency satisfies this burden by providing the documents to the Supreme Court for an *in camera* inspection. *Kaufman v. New York State Dep't of Envtl. Conservation*, 289 A.D.2d 826, 827 (3d Dep't 2001). *See also M. Farbman & Sons, Inc. v. New York City Health & Hosps. Corp.*, 62 N.Y.2d 75, 83 (1984) (explaining that the "proper procedure for reaching a determination [of whether the agency satisfied its burden] is the *in camera* inspection ordered by Special Term") and *Matter of Mazzone v. New York State Dep't of Transp.*, 95 A.D.3d 1423, 1425 (3d Dep't 2012). Indeed, where disclosing the "underlying facts" in the responsive records to demonstrate that the records were properly withheld pursuant to a FOIL exemption "would effectively subvert the purpose of the [FOIL] exemptions which is to preserve the confidentiality of this information," an *in camera* inspection is appropriate. *Nalo v. Sullivan*, 125 A.D.2d 311, 312 (2d Dep't 1986).

Moreover, courts have found that they need not consider the sufficiency of the agency's administrative response when the agency submits the withheld records and a corresponding privilege log to the Supreme Court for review. *Matter of Moody's Corp. & Subsidiaries v. New York State Dep't of Taxation and Fin.*, 141 A.D.3d 997, 999 (3d Dep't 2016) ("[T]here is no reason for us to consider petitioner's claims with regard to the adequacy of the administrative responses because, by submitting the documents and the log for Supreme Court's review, the Department properly responded to petitioner's challenge pursuant to CPLR article 78.") and *Kaufman*, 289 A.D.2d at 827 (finding that "[w]hether or not respondent provided . . . a full

written explanation at the administrative level is academic, since it satisfied its burden in the CPLR article 78 proceeding by supplying all of the requested documents to Supreme Court") (internal citations omitted).

I. OAG PROPERLY WITHHELD RESPONSIVE RECORDS PURSUANT TO THREE FOIL EXEMPTIONS.

A. Responsive Records were Properly Withheld Pursuant to the Law Enforcement Exception in FOIL § 87(2)(e)

Records that are "compiled for law enforcement purposes" are excepted from disclosure if the disclosure of such records would, *inter alia*, "interfere with law enforcement investigations or judicial proceedings." FOIL § 87(2)(e). Indeed, the "purpose of [FOIL] is not to enable persons to use agency records to frustrate pending or threatened investigations nor to use that information to construct a defense to impede a prosecution." *Fink*, 47 N.Y.2d at 572. Therefore, records that were "compiled with law enforcement purposes in mind . . . are exempt from disclosure if their release would enable individuals to frustrate pending or prospective investigations or to use that information to impede a prosecution." *Matter of Madeiros v. New York State Educ. Dep't.*, 133 A.D.3d 962, 965 (3d Dep't 2015) (internal quotation marks and citations omitted).

In *Matter of Madeiros*, the Third Department concluded that the State Education Department properly redacted documents pursuant to the law enforcement exception, noting that "[i]nasmuch as the redacted portions would indeed reveal to 'unscrupulous [providers] the path that an audit is likely to take and alert[ ] them to items to which investigators are instructed to pay particular attention,' we agree . . . that they are 'compilations of investigative techniques exempt from disclosure.'" *Madeiros*, 133 A.D.3d at 965 (citations omitted) (alteration in original). Similarly, in *James, Hoyer, Newcomer, Smiljanich & Yanchunis P.A. v. New York*, the

New York County Supreme Court held that certain records associated with OAG's investigation of student loan lenders were properly withheld by OAG pursuant to the law enforcement exception, even though OAG had settled with the requesting entity. No. 114184/2009, 2010 N.Y. Misc. LEXIS 1045, *** 19 (Sup. Ct. N.Y. Cnty., Mar. 31, 2010). The court explained that the requested records should not be disclosed, finding that disclosure could reveal OAG's investigative strategy and could therefore be misused by current or future targets to stymie detection and prosecution. *Id*; s*ee also Lesher v. Hynes*, 19 N.Y.3d 57, 67-68 (2012) (upholding denial of access to records relating to a pending criminal investigation because "the correspondence was 'replete with information about the crimes committed,' and so its release posed an obvious risk of prematurely tipping the [government's] hand").

As set forth in the Srolovic Affirmation, OAG has been conducting an investigation of Exxon since 2015, pursuant to its role as the chief law enforcement agency of New York, and its broad authority to investigate potential violations of New York's business, securities, and consumer fraud statutes. *See* N.Y. Exec. Law § 63(12), N.Y. Gen. Bus. Law §§ 349, and 352-359-h; Srolovic Aff. ¶ 2. Moreover, if it determines that Exxon has violated any of these laws, OAG anticipates bringing enforcement litigation, if the OAG is unable to resolve these violations with Exxon. (Srolovic Aff. ¶ 3.)

In the course of its investigation, OAG has compiled a substantial number of records, reflecting OAG attorneys' legal research and analysis, their ideas and opinions concerning the investigation, the information OAG has already obtained and the information it is seeking. (*Id.* ¶ 5.) Additionally, OAG attorneys and staff members communicate with outside organizations and individuals to obtain information relevant to the investigation that OAG considers when formulating its overall investigative strategy. (*Id.* ¶ 7.) Finally, OAG communicates directly with

Exxon attorneys and these communications reflect OAG's areas of particular focus in its investigation. (*Id.* ¶ 8.).

Because the foregoing records were compiled pursuant to OAG's broad law enforcement authority and because the investigation is ongoing, disclosure of these documents would interfere with the investigation and impair OAG's law enforcement functions. (*Id.* ¶¶ 5-8) By disclosing these records, there is an "obvious risk of prematurely tipping the [OAG's] hand." *Lesher,* 19 N.Y.3d at 67-68.

E&E baselessly claims that OAG is not engaged in a "legitimate law enforcement investigation" and that unspecified public records and records disclosed by Attorneys General of other states purportedly show that OAG's investigation of Exxon is a part of a "political coalition pursuing political dissent and free speech by both corporations and individuals." (Petition, ¶¶ 15, 29.) E&E offers no legal or factual support for its claim. It cites no statutory or other authority for the proposition that FOIL § 87(2)(e) does not apply when a FOIL requester questions the genuineness of the investigation. Moreover, even if that exception existed, there is no factual basis to support such an exception here. E&E claims that two documents that it is has received from other state Attorneys General "but withheld by New York further demonstrate the impropriety of the Attorney General's response." (Petition, ¶ 22 and n. 3.) These documents do not bear on the applicability of the statutory exception at all, and the suggestion that they were wrongfully withheld by OAG is utterly without merit. E&E requested responsive records from January 1, 2015 through December 31, 2015 for the March Request, (Petition, Ex. 1) and responsive records from March 30, 2016 through May 5, 2016 for the May Request. (Petition, Ex. 5, Jerry Aff. ¶ 15 and Ex. C to the Jerry Aff.) The documents that E&E cites are dated March

21, 2016 and March 24, 2016 and therefore, are not responsive because they do not fall within either requested date range. (Jerry Aff. ¶ 24 and Ex. F to the Jerry Aff.)

E&E also misplaces its reliance on certain email correspondence, which was produced in the OAG's response to the May Request. (Petition, ¶ 21.) E&E claims that in the correspondence, OAG suggested that "one of the activists mislead a reporter about whether the activist had in fact briefed several attorneys general and other activists on March 29, 2016 about investigating opponents of the climate agenda." (*Id.*) Contrary to E&E's characterization, there was no suggestion whatsoever to mislead anyone – rather, the suggestion was to maintain the confidentiality of the discussion, which is consistent with an appropriate effort to maintain the confidentiality of a confidential investigation. In any event, the correspondence is not probative to whether OAG properly withheld responsive documents.

Because OAG is currently engaged in a lawful investigation of Exxon pursuant to New York statutory authority, responsive records, which were compiled pursuant to this investigation, and whose release would interfere with that investigation, are excepted from disclosure pursuant to FOIL§ 87(2)(e).

B. Responsive Intra-Agency Documents Were Properly Withheld Pursuant to FOIL § 87(2)(g).

Inter-agency and intra-agency materials are excepted from disclosure, unless the materials are "statistical or factual tabulations or data," "instructions to staff that affect the public," "final agency policy or determinations," or "external audits." FOIL§ 87(2)(g). *See Gould*, 89 N.Y.2d at 276 ("under a plain reading of section 87 (2) (g), the exemption for intra-agency material does not apply as long as the material falls within any one of the provision's four enumerated exceptions").

Here, the vast majority of the responsive records were electronic communications exclusively between OAG-employees that are not statistical or factual data, instructions to staff, which affect the public, final agency policy or determinations, or external audits. (Jerry Aff. ¶¶ 11, 20.) While many communications are brief, these communications are still properly withheld pursuant to the intra-agency exemption, as the exemption does not require that the communications be "formal, lengthy or profound policy discussions." *New York Times Co. v. City of New York Fire Dep't*, 4 N.Y.3d 477, 488 (2005).

C. Privileged Documents Exempted by State Statute - FOIL § 87(2)(a)

An agency may withhold records that "are specifically exempted from disclosure by state or federal statute." FOIL § 87(2)(a).

i. Attorney-Client Communication

CPLR § 4503(a) protects attorney-client communications from disclosure and accordingly, such communications are exempt from disclosure under FOIL. *See also Matter of Morgan v. New York State Dep't of Envtl. Conservation*, 9 A.D.3d 586, 587 (3d Dep't 2004). The purpose of the attorney-client privilege is to "encourage full and frank communication between attorneys and their clients." *Upjohn Co. v. United Sates*, 449 U.S. 383, 389 (1981). It is well-settled that "preliminary discussions between an attorney and a prospective client are subject to the attorney client privilege." *Fierro v. Gallucci*, No. 06-CV-5189, 2007 U.S. Dist. LEXIS 89296, * 17 (E.D.N.Y. Dec. 4, 2007). *See also Newmarkets Partners, LLC v. Sal. Oppenheim Jr. & Cie. S.C.A.*, 258 F.R.D. 95, 100 (S.D.N.Y. 2009) (explaining that an "attorney-client relationship can arise prior to formal engagement"). The attorney-client privilege may still apply even if the attorney is not retained. *See United States v. Dennis*, 843 F.2d 652, 656 (2d Cir. 1988) ("initial statements made while Pilgrim intended to employ Gerace were privileged

even though the employment was not accepted") and *Newmarkets,* 258 F.R.D. at 100 ("privilege may attach to a prospective client's 'initial statements' to an attorney who is not ultimately hired").

Here, OAG attorneys and staff members communicated with an attorney outside the OAG during the initial stages of the OAG's investigation. Srolovic Aff. ¶ 9. Although the OAG has not retained this attorney, such communications provided legal advice and were "reasonably understood . . . to be confidential." *Dennis*, 843 F.2d at 657; Srolovic Aff. ¶ 9. Disclosure of these communications would hamper OAG's investigation and would discourage "full and frank communication" in the course of seeking legal advice – contrary to the purposes of FOIL. *See Upjohn,* 449 U.S. at 389 and *Fierro,* 2007 U.S. Dist. LEXIS 89296 at * 17.

Additionally, several documents withheld from the May Request are also shielded from disclosure because these documents contain litigation hold notices. *See* Exhibit G to Jerry Aff. It is well-settled that litigation hold notices "are not discoverable" as their contents are "protected under attorney-client privilege or the work-product doctrine." *Major Tours, Inc. v. Colorel*, No. 05-3091, 2009 U.S. Dist. LEXIS 68128, *6-7 (D.N.J. Aug. 4, 2009) (collecting cases). *See also Gordon v. City of New York*, No. 14 Civ. 6115, 2016 U.S. Dist. LEXIS 91035, *4-5 (S.D.N.Y. July 13, 2016) (finding that "communications concerning the preservation and collection of documents relevant to this case . . . are work product" and "[a]bsent a showing of compelling need," the documents "need not be produced").

Therefore, these documents, which are protected by the attorney-client privilege, are exempt from disclosure under FOIL.

ii. Attorney Work Product

Although it appears that E&E does not assert a claim related to records withheld as attorney work product, even assuming that it did, any such challenge would have been meritless. CPLR § 3101(c) provides that the "work product of an attorney shall not be obtainable." Because "attorney work product is privileged under the CPLR [it is] therefore exempt from disclosure under FOIL." *Matter of Carvel v. Office of New York State Attorney General*, No. 103915-2011, 2012 N.Y. Slip Op 32651(U), at *8 (Sup. Ct. N.Y. Cnty. Oct. 11, 2012). *See also Morgan*, 9 A.D.3d at 587.

Attorney work product includes "materials which are uniquely the product of a lawyer's learning and professional skills, such as materials which reflect his legal research, analysis, conclusions, legal theory, or strategy." *Acwoo Int'l Steel Corp. v. Frenkel & Co.*, 165 A.D.2d 752, 752 (1st Dep't 1990) (internal quotation marks, citation, and alteration omitted). "Such material may consist of interviews, statements, memoranda, correspondence, briefs, mental impressions, personal beliefs, and countless other tangible and intangible things." *Id.* (internal quotation marks and citations omitted).

Here, as part of its investigation, OAG attorneys have generated a significant amount of material reflecting their legal research, analysis, conclusions, and legal theories or strategies. Srolovic Aff. ¶ 5. These documents, which are privileged under CPLR § 3101(c), are exempt from disclosure pursuant to FOIL. *See James*, 2010 N.Y. Misc. LEXIS 1045, *** 37 (finding records that were "prepared in response to an ongoing governmental investigation" were exempt as attorney work product).

CONCLUSION

For the foregoing reasons, the Office of the Attorney General's determinations upholding the withholding of responsive records pursuant to FOIL§§ 87(2)(a), (e), and (g) should be affirmed. The Petition should be denied in in its entirety and the Article 78 proceeding should be dismissed.[6]

Dated: New York, New York
December 22, 2016

Respectfully submitted,

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Attorney for Respondent
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[6] E&E demands attorneys' fees pursuant to FOIL § 89(4)(c), which authorizes the Court to award reasonable attorneys' fees where the requester has "substantially prevailed" and "the agency had no reasonable basis for denying access." At this stage in the proceedings, the claim for fees is not ripe and OAG reserves its rights and defenses to address this issue at the appropriate time.

Exhibit 99

NEW ISSUE – BOOK-ENTRY

RATINGS

Standard & Poor's: SP-1+

Moody's: MIG 1

(See "CONCLUDING INFORMATION - Ratings" herein)

In the opinion of Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, and, assuming compliance by the County with the covenants described herein, interest on the Notes is excluded pursuant to section 103(a) of the Internal Revenue Code of 1986 from the gross income of the owners thereof for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax. It is also the opinion of Bond Counsel that under existing law interest on the Notes is exempt from personal income taxes of the State of California. See "TAX MATTERS" herein.

$47,000,000
COUNTY OF SANTA CRUZ, CALIFORNIA
2017-2018 TAX AND REVENUE ANTICIPATION NOTES

Dated: June 29, 2017 **Due: June 28, 2018**

The cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Notes are not subject to prepayment prior to their maturity date.

Interest Rate	Yield	CUSIP
3.00%	0.87%	801818DT9

The Notes are by statute a general obligation of the County of Santa Cruz (the "County") payable from unrestricted taxes, income, revenue, cash receipts and other moneys of the County received or accrued to the Fiscal Year 2017/18 and legally available for payment thereof pursuant to the Resolution (as defined herein). The Notes and interest thereon are secured by a pledge of Unrestricted Revenues received by the County during certain periods in Fiscal Year 2017/18 ("Pledged Revenues") and, if such amounts are insufficient to permit the deposit into the Repayment Account of the full amount of the Pledged Revenues required to be deposited therein in any such period, available Unrestricted Revenues that have not been deposited previously into the Note Repayment Account, as more particularly described herein. As provided in Article 7.6, Chapter 4, Part 1, Division 2, Title 5, Sections 53850 *et seq.* of the California Government Code (the "Act"), the Notes and the interest thereon will be a lien and charge against, and will be payable from the first moneys received by the County constituting Pledged Moneys. See "SOURCES OF PAYMENT FOR THE NOTES" and "RISK FACTORS" herein.

The Notes are offered when, as and if issued and received by the Underwriter, subject to the approval as to their legality by Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel. Certain legal matters will be passed upon for the County by its Disclosure Counsel, Norton Rose Fulbright US LLP, Los Angeles, California and by Dana McRae, County Counsel. It is anticipated that the Notes, in book-entry form, will be available for delivery through the facilities of The Depository Trust Company, New York, New York on or about June 29, 2017 (see "APPENDIX E - THE BOOK-ENTRY SYSTEM" herein).

The date of the Official Statement is June 6, 2017.

Citigroup

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Notes.

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 Notes will, under any circumstances, create any implication that there has been no change in the affairs of the County or any other parties described in this Official Statement.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the County, any press release and any oral statement made with the approval of an authorized officer of the County or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations in connection with the offer or sale of the Notes other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the County or the Municipal Advisor. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Notes by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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 information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Notes referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the Notes, the Resolution or other documents, are made subject to the provisions of such documents 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 County Clerk of the Board for further information. See "INTRODUCTION - Summaries Not Definitive."

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

Notes are Exempt from Securities Laws Registration. The issuance, sale and delivery of the Notes has 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 execution, sale and delivery of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(l2) of the Securities Exchange Act of 1934.

Stabilization of Prices. In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Notes at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Notes to certain dealers and others at prices lower than the public offering price set forth on the cover page hereof and said public offering price may be changed from time to time by the Underwriter.

County Website. The County maintains a website. The information on such website is not part of this Official Statement and is not intended to be relied on by investors with respect to the Notes unless specifically set forth or incorporated herein.

CUSIP® is a registered trademark of the American Bankers Association. CUSIP data on the cover page hereof is provided by CUSIP Global Services, operated by S&P Capital IQ on behalf of the American Bankers Association. The CUSIP number has been assigned by an independent company not affiliated with the County or the Municipal Advisor and is included solely for the convenience of the holders of the Notes. The County and the Municipal Advisor are not responsible for the selection or use of the CUSIP number, and no representation is made as to its correctness on the Notes or as indicated above.

COUNTY OF SANTA CRUZ, CALIFORNIA

BOARD OF SUPERVISORS

John Leopold, *Supervisor, 1st District*
Zach Friend, *Supervisor, 2nd District*
Ryan Coonerty, *Supervisor, 3rd District*
Greg Caput, *Supervisor, 4th District*
Bruce McPherson, *Supervisor, 5th District*

COUNTY KEY ADMINISTRATIVE PERSONNEL

Susan A. Mauriello, *County Administrative Officer*
Edith Driscoll, *Auditor-Controller-Treasurer-Tax Collector*
Sean Saldavia, *Assessor-Recorder*
Dana McRae, *County Counsel*
Carlos Palacios, *Assistant County Administrative Officer*

PROFESSIONAL SERVICES

Bond Counsel
Rutan & Tucker, LLP
Costa Mesa, California

Municipal Advisor
Harrell & Company Advisors, LLC
Orange, California

Disclosure Counsel
Norton Rose Fulbright US LLP
Los Angeles, California

Paying Agent
County of Santa Cruz Auditor-Controller-Treasurer-Tax Collector

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APPENDIX E - THE BOOK-ENTRY SYSTEM

OFFICIAL STATEMENT
$47,000,000
COUNTY OF SANTA CRUZ, CALIFORNIA
2017-2018 TAX AND REVENUE ANTICIPATION NOTES

This Official Statement, which includes the cover page and appendices (the "Official Statement"), is provided to furnish certain information concerning the County of Santa Cruz, California (the "County") 2017-2018 Tax and Revenue Anticipation Notes (the "Notes") issued in the aggregate principal amount of $47,000,000.

INTRODUCTION

This Introduction contains only a brief description of this issue and does not purport to be complete. The Introduction is subject in all respects to more complete information in the entire Official Statement and the offering of the Notes to potential investors is made only by means of the entire Official Statement and the documents summarized herein. Potential investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. (See "RISK FACTORS" herein).

The County

The County was incorporated in 1850. It has a general law form of government (see "COUNTY OF SANTA CRUZ - Government Organization" herein). It is located on the coast of California, between the San Francisco Bay area and the Monterey Bay Peninsula, 65 miles south of San Francisco (see "COUNTY OF SANTA CRUZ" herein).

Security and Sources of Repayment

The Notes are authorized by and being issued in accordance with the Act and a Resolution adopted by the County Board of Supervisors on May 23, 2017 (the "Resolution"). Pursuant to California Law, the Notes and the interest thereon are general obligations of the County payable from unrestricted taxes, income, revenue, cash receipts and other moneys of the County received or attributable to the 2017/18 Fiscal Year and lawfully available therefor (see "SOURCES OF PAYMENT FOR THE NOTES" herein).

The obligation of the County to pay the Notes and interest thereon does not constitute an obligation for which the County is obligated to levy or pledge any specific or special tax. The Notes are general obligations of the County that do not exceed any constitutional or statutory debt limitation or restriction.

Purpose

The Notes are being issued to provide funds to help meet current County General Fund expenditures for the Fiscal Year of the County ending June 30, 2018 including current expenses, capital expenditures and the discharge of other obligations or indebtedness of the County.

Professional Services

Harrell & Company Advisors, LLC, Orange, California, (the "Municipal Advisor,") advised the County as to the financial structure and certain other financial matters relating to the Notes. Certain legal matters will be passed on for the County by Dana McRae, County Counsel, and by Norton Rose Fulbright US LLP, Los Angeles, California, Disclosure Counsel. Fees payable to Bond Counsel, Disclosure Counsel and the Municipal Advisor are contingent upon the sale and delivery of the Notes.

Offering of the Notes

The Notes are offered, when, as and if issued, subject to the approval as to their legality by Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel. Such opinion, and certain tax consequences incident to the ownership of the Notes, including certain exceptions to the tax treatment of interest, are described more fully under the heading "TAX MATTERS" herein. It is anticipated that the Notes will be available in book-entry form for delivery through the facilities of The Depository Trust Company ("DTC") on or about June 29, 2017.

Summaries Not Definitive

The summaries and references contained herein with respect to the Resolution, the Notes and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Notes are qualified in their entirety by reference to the form thereof included in the Resolution. Copies of these documents described herein may be obtained from the Auditor-Controller-Treasurer-Tax Collector of the County at Government Center, 701 Ocean Street, Santa Cruz, California 95060, telephone (831) 454-2500.

RISK FACTORS

The purchase of the Notes involves investment risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and/or interest on the Notes. Such risk factors include, but are not limited to, the following matters.

County's Note Payments and Other Payments

The Notes, in accordance with the Act, are general obligations of the County payable from the taxes, income, revenue, cash receipts and other moneys of the County attributable to Fiscal Year 2017/18 and legally available for payment thereof. Pursuant to the Act, the principal of and interest on the Notes may not exceed 85 percent of the estimated amount of the then uncollected taxes, income, revenue, cash receipts and other moneys which will be available for the payment of such principal and interest.

Constitutional Limitations on Taxes and Appropriations

State Initiative Measures Generally. Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Voters have exercised this power through the adoption of Proposition 13 ("Article XIIIA") and similar measures, the most recent of which were approved as Propositions 22 and 26 in the general election held on November 2, 2010.

Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the County. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cashflow problems in the payment of outstanding obligations such as the Notes.

Article XIIIA. Article XIIIA of the California Constitution limits the taxing powers of California public agencies. Article XIIIA provides that the maximum ad valorem tax on real property cannot exceed 1% of the "full cash value" of the property, and effectively prohibits the levying of any other ad valorem property tax except for taxes above that level required to pay debt service on voter-approved general obligation bonds. "Full cash value" is defined as "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." The "full cash value" is subject to annual adjustment to reflect inflation at a rate not to exceed 2% or a reduction in the consumer price index or comparable local data. 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. There may also be declines in valuations if the California Consumer Price Index is negative.

The foregoing limitation does not apply to ad valorem taxes or special assessments to pay the interest and prepayment charges on any indebtedness approved by the voters before July 1, 1978 or any bonded indebtedness for the acquisition or improvement of real property approved by two-thirds of votes cast by the voters voting on the proposition.

In the general election held November 4, 1986, voters of the State of California approved two measures, Propositions 58 and 60, which further amend the terms "purchase" and "change of ownership," for purposes of determining full cash value of property under Article XIIIA, to 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. Proposition 60 amends Article XIIIA to permit the Legislature to allow persons over age 55 who sell their residence and buy or build another of equal or lesser value within two years in the same city, to transfer the old residence's assessed value to the new residence. In the March 26, 1996 general election, voters approved Proposition 193, which extends the parents-children exception to

the reappraisal of assessed value. Proposition 193 amended Article XIIIA so that grandparents may transfer to their grandchildren whose parents are deceased, their principal residences, and the first $1,000,000 of other property without a reappraisal of assessed value.

Because the Revenue and Taxation Code does not distinguish between positive and negative changes in the California Consumer Price Index used for purposes of the inflation factor, there was a decrease of 0.237% in 2009/10 – applied to the 2010/11 tax roll – reflecting the actual change in the California Consumer Price Index, as reported by the State Department of Finance. For each fiscal year since Article XIIIA has become effective (the 1978/79 Fiscal Year), the annual increase for inflation has been at least 2% except in 10 fiscal years (including for the future Fiscal Year 2016/17) as shown below:

Tax Roll	Percentage	Tax Roll	Percentage
1981/82	1.000%	2010/11	(0.237)%
1995/96	1.190	2011/12	0.753
1996/97	1.110	2014/15	0.454
1998/99	1.853	2015/16	1.998
2004/05	1.867	2016/17	1.525

Proposition 8 Adjustments. Proposition 8, approved in 1978, 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 based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. The State Board of Equalization has approved this reassessment formula and such formula has been used by county assessors statewide. The County has seen Proposition 8 reductions from the maximum amount that could be assessed on property since 2009. See "FINANCIAL INFORMATION - Taxable Property and Assessed Valuation" herein.

Article XIIIB. On November 6, 1979, California voters approved Proposition 4, or the Gann Initiative, which added Article XIIIB to the California Constitution. Article XIIIB limits the annual appropriations of the State and any city, county, city and county, school district, authority or other political subdivision of the State. 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 public agencies.

Appropriations subject to Article XIIIB include generally the proceeds of taxes levied by or for the entity and the proceeds of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance and disability insurance funds. "Proceeds of taxes" include, but are not limited to, all tax revenues, certain State subventions, and the proceeds to an entity of government, from (1) regulatory licenses, user charges and user fees, to the extent that such charges and fees exceed the costs reasonably borne in providing the regulation, product or service, and (2) the investment of tax revenues. Article XIIIB includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules within the next two subsequent fiscal years.

In the June 1990 election, the voters approved Proposition 111 amending the method of calculation of State and local appropriations limits. Proposition 111 made several changes to Article XIIIB. First, the term "change in the cost of living" was redefined as the change in the California per capita personal income ("CPCPI") for the preceding year. Previously, the lower of the CPCPI or the United States Consumer Price Index was used. Second, the appropriations limit for the fiscal year was recomputed by adjusting the 1986/87 limit by the CPCPI for the three subsequent years. Third and lastly, Proposition 111 excluded

appropriations for "qualified capital outlay for fiscal 1990/91 as defined by the legislature" from proceeds of taxes.

Section 7910 of the Government Code requires the County to adopt a formal appropriations limit for each fiscal year. The County's appropriations limit for 2016/17 is $478,413,281. The County's appropriations subject to the limit for 2016/17 are $117,195,656.

Proposition 62. Proposition 62 was a statutory initiative adopted in the November 1986 general election. Proposition 62 added Sections 53720 to 53730, inclusive, to the California Government Code. It confirmed the distinction between a general tax and special tax, established by the State Supreme Court in 1982 in *City and County of San Francisco v. Farrell*, by defining a general tax as one imposed for general governmental purposes and a special tax as one imposed for specific purposes. Proposition 62 further provided that no local government or district may impose (i) a general tax without prior approval of the electorate by majority vote or (ii) a special tax without such prior approval by two-thirds vote. It further provided that if any such tax is imposed without such prior written approval, the amount thereof must be withheld from the levying entity's allocation of annual property taxes for each year that the tax is collected. By its terms, Proposition 62 applies only to general and special taxes imposed on or after August 1, 1985. Proposition 62 was generally upheld in *Santa Clara County Local Transportation Authority v. Guardino*, a California Supreme Court decision filed September 28, 1995.

Proposition 218. 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 California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments shall be deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (i) the ad valorem property tax imposed pursuant to Article XIII and Article XIIIA of the California Constitution, (ii) any special tax receiving a two-thirds vote pursuant to Section 4 of Article XIIIA the California Constitution, and (iii) assessments, fees, and charges for property related services as provided in Article XIIID. Proposition 218 added voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairment of contracts.

Proposition 218 provides that, effective July 1, 1997, fees that are charged "as an incident of property ownership" may not "exceed the funds required to provide the property related services" and may only be charged for services that are "immediately available to the owner of the property."

In November 2012, voters in the County approved an increase in the transient occupancy tax rate from 9.5% to 11%.

In June 2014, voters in the County approved Measure F, a parcel tax of $8.50 on all improved parcels within the unincorporated area of the County outside of recreation and park districts.

In November 2014, voters in the County approved Measure K, the imposition of a tax on the gross sales of medical marijuana businesses in the unincorporated County of up to 10%, with 7% being levied in the initial year. In November 2016, voters in the County approved Measure E, expanding the tax to apply to all cannabis-related businesses.

In November 2016, voters in the County approved Measure D, the imposition of a sales and use tax of one-half cent, for a period of 30 years for transportation related expenditures. Local jurisdictions, such as the County, will share in 30% of the sales tax for local transportation purposes, with the remainder allocated for regional transportation projects.

The County does not expect the application of Proposition 218 will have a material adverse impact on its ability to pay the Notes when due.

Proposition 1A. Proposition 1A ("Proposition 1A"), proposed by the Legislature in connection with the 2004/05 Budget Act and approved by the voters in November 2004, restricts State authority to reduce major local tax revenues such as the tax shifts permitted to take place in Fiscal Years 2004/05 and 2005/06. Proposition 1A provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature.

Proposition 1A provides, however, that beginning in Fiscal Year 2008/09, the State may shift to schools and community colleges up to 8% of local government property tax revenues, which amount must be repaid, with interest, within three years, if the Governor proclaims that the shift is needed due to a severe state financial hardship, the shift is approved by two-thirds of both houses and certain other conditions are met. Such a shift may not occur more than twice in any 10-year period. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

For Fiscal Year 2009/10, 8% of the County's property tax revenues were diverted to the State as a result of a Proposition 1A suspension. The County participated in a Proposition 1A Securitization Program (the "Program") sponsored by the California Statewide Communities Development Authority. The Program allowed the County to exchange its anticipated State property tax receivable for cash.

Proposition 1A also provides that if the State reduces the vehicle license fee rate below 0.65% of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

Proposition 22. On November 2, 2010, voters in the State approved Proposition 22. Proposition 22, known as the "Local Taxpayer, Public Safety, and Transportation Protection Act of 2010," eliminates or reduces the State's authority to (i) temporarily shift property taxes from cities, counties and special districts to schools, (ii) use vehicle license fee revenues to reimburse local governments for State-mandated costs (the State will have to use other revenues to reimburse local governments), (iii) redirect property tax increment from redevelopment agencies to any other local government, (iv) use State fuel tax revenues to pay debt service on State transportation bonds, or (v) borrow or change the distribution of State fuel tax revenues.

Proposition 26. On November 2, 2010, voters in the State also approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) a fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not expect the provisions of Proposition 26 to materially impede its ability to pay the Notes when due.

Future Initiatives. From time to time other initiative measures could be adopted, affecting the ability of the County to increase revenues and appropriations.

Enforceability of Remedies

In addition to the limitations on remedies contained in the Resolution, the rights of the owners of the Notes are subject to the limitations on legal remedies against counties in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Additionally, enforceability of the rights and remedies of the owners of the Notes, and the obligations incurred by the County, may become subject to bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditors' rights generally, now or hereafter in effect; equitable principles which may limit the specific enforcement under State law of certain remedies; the exercise by the United States of America of the powers delegated to it by the Constitution; the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose; and the limitations on remedies against counties in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the owners of the Notes to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights.

The Note proceeds and the amounts to be set aside in the Repayment Account are expected to be invested in the County Treasurer's investment pool. Should the County file for Chapter 9 bankruptcy, a court might hold that the Owners do not have a valid and prior lien on the Unrestricted Revenues or on amounts set aside in the Repayment Account held in the County Treasurer's investment pool. While the County Treasurer's practice is to maintain separate records for Unrestricted Revenues and amounts set aside in the Repayment Account held in the investment pool, if the Owners cannot "trace" such funds, they may not be available in a bankruptcy for payment of principal and interest on the Notes. There can be no assurance that the Owners will be able to successfully "trace" such funds in the County Treasurer's investment pool in the future.

State Budget

Information regarding the State Budget is regularly available at various State-maintained websites. The Proposed Fiscal Year 2017/18 State Budget further described below may be found at the website of the Department of Finance, www.dof.ca.gov, under the heading "California Budget." Additionally, an analysis of the State's Budgets is posted by the Office of the Legislative Analyst (the "LAO") at www.lao.ca.gov. The information referred to is prepared by the respective State agency maintaining each website and not by the County, and the County takes no responsibility for the continued accuracy of the internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

State Budget. Information about the State budget and State spending is available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance, www.dof.ca.gov, under the heading "California Budget." An impartial analysis of the budget is posted by the Office of the Legislative Analyst ("LAO") at www.lao.ca.gov. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, www.treasurer.ca.gov. *None of the websites or webpages referenced above is in any way incorporated into this Official Statement. They are cited for informational purposes only. The County makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.*

According to the State Constitution, the Governor of the State (the "Governor") is required to propose a budget to the State Legislature (the "Legislature") by no later than January 10 of each year, and a final budget must be adopted by the vote of each house of the Legislature no later than June 15, although this deadline has been routinely breached in the past. The State budget becomes law upon the signature of the Governor, who may veto specific items of expenditure.

The State budget must be adopted by a majority vote of each house of the Legislature. Voters of the State passed Proposition 25 in November 2010, which provides that there will be no appropriation from the current budget or future budget to pay any salary or reimbursement for travel or living expenses for members of the Legislature for the period during which the budget was presented late to the Governor.

Proposed 2017-18 State Budget. On January 10, 2017 Governor Brown released his 2017-18 Proposed State Budget (the "2017-18 Proposed Budget") which sets forth a $179.5-billion spending plan and seeks to resolve a projected $1.6 billion deficit resulting from slower-than-expected growth in public school funding and the rolling back of a series of one-time expenses. The 2017-18 Proposed Budget, however, does not take into account the possible repeal of the Affordable Care Act (the "ACA.") which could have a significant impact on the State which currently receives federal subsidies to Medi-Cal in excess of $16 billion.

To close the projected deficit, the 2017-18 Proposed Budget includes $3.2 billion in remedial budgetary measures designed to reduce State general fund spending in a variety of areas. The Proposed Budget would lower, by $1.7 billion, the existing appropriations for K-14 school districts for Fiscal Years 2015-16 and 2016-17, which, as a result of the drop in State revenues, are projected to over-appropriate the minimum funding guarantee. As a result, the 2017-18 Proposed Budget also shifts, on a one-time basis (i) $310 million of previously appropriated discretionary K-12 school district funding from the 2015-16 fiscal year to the 2016-17 Fiscal Year, and (ii) $859.1 million in Local Control Funding Formula payments to K-12 school districts from June 2017 to July 2017. Other significant remedial measures include eliminating a $400 million set aside for affordable housing and $300 million in previously approved funding for the replacement and renovation of State office buildings.

Assuming the implementation of these measures, the 2017-18 Proposed Budget projects, for Fiscal Year 2016-17, total general fund revenues and transfers of $118.8 billion and total expenditures of $122.8 billion. The State is projected to end the 2016-17 Fiscal Year with total available reserves of $7.7 billion, including

$980 million in the traditional general fund reserve and $6.7 billion in the Rainy Day Fund. For Fiscal Year 2017-18, the 2017-18 Proposed Budget projects total general fund revenues of $124 billion and authorizes expenditures of $122.5 billion. The State is projected to end the 2017-18 fiscal year with total available reserves of $8.8 billion, including $980 million in the traditional general fund reserve and $7.9 billion in the State's Rainy Day Fund.

The 2017-18 Proposed Budget allocates $154.6 billion for all health and human services programs, approximately the same amount as in the 2016-17 Fiscal Year; approximately $18.1 billion on the State's roads and highways and transit agencies; and includes a transportation funding package that would generate a further $1.8 billion in the first year, with revenues ultimately rising to about $4.2 billion annually. Under the 2017-18 Proposed Budget, the State would allocate $178 million in drought relief and $2.2 billion from cap-and-trade auctions on high-speed rail, light rail systems and other energy efficiency programs. The 2017-18 Proposed Budget also allocates $14.6 billion from the State's General Fund to higher education, including financial aid, so that California community colleges would receive a total of approximately $121 million in excess of the amount received in the 2016-17 Fiscal Year. The 2017-18 Proposed Budget also provides that K-12 schools would receive $73.5 billion in the 2017-18 Fiscal Year under the State's minimum funding guarantee, an increase of approximately 3 percent from the 2016-17 Fiscal Year, and provides for an amount spent per K-12 student averaging $15,216, an increase of $394 per student from the 2016-17 Fiscal Year.

Significant features of the 2017-18 Proposed Budget pertaining to counties also include the following:

- CalWORKs - The 2017-18 Proposed Budget recognizes that, as a result of the Affordable Care Act, county costs and responsibilities for indigent health care continue to decrease as indigent care costs previously paid by counties shift to the state. Due to the realignment of distributions to capture and redirect savings counties are experiencing due to the implementation of federal health care reform, net savings are being redirected for county CalWORKs expenditures, which reduce General Fund spending on the CalWORKs program. County savings are estimated to be $585.9 million in fiscal year 2016-17 and $546.2 million in fiscal year 2017-18.

- Coordinated Care Initiative (CCI) - This program allows persons eligible for both Medicare and Medi-Cal to receive medical supports and home and community-based services through a single health plan. The pilot program was implemented through a federal demonstration project and currently operates in seven California counties - Los Angeles, Orange, Riverside, San Bernardino, San Diego, San Mateo and Santa Clara. As part of CCI, the state assumed bargaining responsibilities for In-Home Supportive Services ("IHSS") in these seven counties. The 2017-18 Proposed Budget estimates that the CCI will no longer be cost-effective, even with the recent enactment of an allowable managed care tax. Therefore, pursuant to the provisions of current law, the program will be discontinued in fiscal year 2017-18. The Administration is prepared to work with counties to mitigate, to the extent possible, the impact of returning a share of the fiscal responsibility for IHSS to counties.

- County Medi-Cal Administration - County workers conduct Medi-Cal eligibility work on behalf of the State and Medi-Cal caseload continues to grow. The 2017-18 Proposed Budget maintains the augmentation to counties of $655.3 million ($217.1 million General Fund) in fiscal year 2017-18, as was provided in fiscal year 2016-17, to administer the program. As the eligibility system continues to achieve greater stabilization, the State is in the initial process of developing a new Medi-Cal county administration budgeting methodology. The 2017-18 Proposed Budget continues to include $1.5 million ($731,000 General Fund) to make recommendations for a new methodology.

- Drug Medi-Cal Organized Delivery System - In August 2015, the federal Centers for Medicare and Medicaid Services approved the waiver necessary to begin implementation of the Drug Medi-Cal Organized Delivery System pilot program. The 2017-18 Proposed Budget includes $661.9 million ($141.6 million General Fund) in fiscal year 2017-18 for increased services for the pilot program.

- Child Welfare Digital Services - The 2017-18 Proposed Budget includes $175.9 million ($88 million General Fund) to support an increase in activity for the Child Welfare Services New System case management project, including increased funding for county engagement as individual digital services are designed, developed, and implemented.

- Statewide Automated Welfare Systems - The 2017-18 Proposed Budget includes $38.5 million ($7.5 million General Fund) for migration of 39 counties using the Consortium IV system to the LEADER Replacement System. The first year of funding for migration activities will be available after the county consortia negotiations are complete and the Department of Finance and the Department of Technology have reviewed and approved detailed project documents.

- County Indigent Health Savings - The 2017-18 Proposed Budget includes a one-time General Fund decrease of $265.9 million resulting from additional county savings related to federal health care reform. Actual statewide indigent health savings in 2014-15 were higher than previously estimated. Pursuant to current law, these additional county savings are redirected to the CalWORKs program to offset General Fund costs.

- Post Release Community Supervision - The 2017-18 Proposed Budget includes $11 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post Release Community Supervision as a result of the implementation of court-ordered measures and Proposition 57.

- Traffic Safety - The 2017-18 Proposed Budget includes total funding of $18.1 billion for all programs administered within the Traffic Safety Administration Agency. In addition, the shared revenues budget in the General Government area allocates over $1.6 billion in fuel excise tax to cities and counties for local streets and roads (including $200 million from the Governor's transportation package).

- Local Streets and Roads - Approximately $11.4 billion in revenues to be allocated by the State Controller to cities and counties for local road maintenance according to existing statutory formulas, and over $2.2 billion in state-local partnership grants. In addition, the 2017-18 Proposed Budget includes $52.7 million General Fund for the Office of Emergency Services to provide assistance to counties through the California Disaster Assistance Act, which can be used to aid local agencies in the removal of dead or dying trees that threaten public safety.

The complete Proposed 2017-18 State Budget is available from the California Department of Finance website at www.dof.ca.gov. The County does not take any responsibility for the continued accuracy of this internet address or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated in this Official Statement by such reference. The information referred to above should not be relied upon in making an investment decision with respect to the Notes.

May Revision to the 2017-18 Proposed State Budget. On May 11, 2017, Governor Brown released the May Revision to the Proposed 2017-18 Budget (the "May Revision"). Under the May Revision, the $5.8 billion revenue shortfall forecast in the Proposed 2017-18 Budget is reflected as a $3.3 billion shortfall, based primarily on higher capital gains. The State's modestly improved fiscal outlook allows the May Revision to advance several key priorities, including increasing funding for schools – a total funding of $92.3 billion ($54.2 billion General Fund and $38.1 billion other funds) for all K-12 education programs and $1.4 billion in fiscal year 2017-18 to continue implementation of the Local Control Funding Formula to 97 percent complete. This increased funding eliminates the deferral of funding that was included in the Proposed 2017-18 Budget. For K-12 schools, funding levels will increase by about $4,058 per student in 2017-18 over 2011-12 levels, an increase designed to correct historical inequities in school district funding, with $1.4 billion in new funding to continue implementation of the Local Control Funding Formula. While the Proposed 2017-18 State Budget proposed almost $290 million in discretionary one-time Proposition 98 funding for school districts, charter schools, and county offices of education, the May Revision proposes

almost $750 million in additional funds, providing more than $1 billion in one-time discretionary funding to schools in fiscal year 2017-18. For higher education, the May Revision continues to provide each university system and the community colleges with annual General Fund growth and while the Proposed 2017-18 Budget called for a one-year delay in providing rate increases to child care providers that were reflected in the 2016-17 Budget, the May Revision proposes to restore this funding and maintain the $500 million child care package from the 2016 Budget.

The May Revision also includes funding for (i) the rising State minimum wage, which is scheduled to increase to $11 per hour in 2018 and to $15 per hour over time; (ii) the expansion of health care coverage to undocumented children and the millions of Californians covered under the federal Affordable Care Act (iii) the provision of preventative dental benefits to adults covered by Medi-Cal; (iii) a cost-of-living adjustment for Supplemental Security Income/State Supplementary Payment recipients; (iv) the repeal of the maximum family grant rule in CalWORKs, which denied aid to children who were born while their parents were receiving aid; (iv) an Earned Income Tax Credit to assist working families. The May Revision also recognizes that the State must continue to plan and save for tougher budget times ahead as a result of the Federal government contemplating actions such as defunding health care for millions of Californians, eliminating the deductibility of state taxes and zeroing out funding for organizations like Planned Parenthood that could create budget challenges for the State.

In addition, Proposition 2 establishes a constitutional goal of having 10 percent of tax revenues in the Rainy Day Fund. The May Revision recognizes that by the end of fiscal year 2017-18, the State's Rainy Day Fund will have a total balance of $8.5 billion (66 percent of the constitutional target). While a full Rainy Day Fund might not eliminate the need for further spending reductions in case of a recession or major federal policy changes that trigger a budget crisis, saving now will allow the state to spend from its Rainy Day Fund later to soften the magnitude and length of any necessary cuts.

Significant features of the May Revision affecting counties include:

- Maintaining County Fiscal Health - Under current law, with the end of the Coordinated Care Initiative, county realignment funds would experience an increase in annual In-Home Support Services ("IHSS") costs of approximately $600 million. The May Revision mitigates this increase in county costs by contributing $400 million from the General Fund and then smaller amounts in future years as realignment revenues grow.

- Improving California's Transportation System - In the spring of 2017, the State Legislature and the Governor agreed on a transportation funding package known as the Road Repair and Accountability Act of 2017 (SB 1) which returns the gas tax's purchasing power to 1994 levels and will provide $54 billion in new funding over the next decade, split evenly between state and local funding. The May Revision enhances oversight of Caltrans and allows the state and local governments to implement the SB 1 plan in a cost-effective manner without delay. Additional transportation features include (i) focusing on "fix-it-first" investments to repair neighborhood roads and state highways and bridges; making key investments in trade and commute corridors to support continued economic growth and implement a sustainable freight strategy; (iii) matching locally generated funds for high-priority transportation projects; and (iv) investing in passenger rail and public transit modernization and improvement.

- Reducing Pension Liabilities - The May Revision proposes a $6 billion supplemental payment to CalPERS with a loan from the Surplus Money Investment Fund – a step that will save the state $11 billion over the next two decades while continuing to reduce unfunded liabilities and stabilize state contribution rates. The General Fund share of the repayment will come from Proposition 2's revenues dedicated to reducing debts and long-term liabilities.

- County Savings from Implementation of Health Care Reforms - County Savings are estimated to be $585 million in fiscal year 2016-17, and $688 million in fiscal year 2017-18, higher than the

estimates in the Proposed 2017-18 Budget. A portion of these additional General Fund savings will be directed to offset increased county IHSS savings.

- Post-release Community Supervision - The May revision includes $15.4 million General Fund for county probation departments to supervise the temporary increase in the average daily population of offenders on Post release Community Supervision as a result of the implementation of court-ordered measures and Proposition 57.

- Community Based Transitional Housing Program - The May Revision broadens the purposes for which funds allocated to this program under the 2016-17 Budget ($25 million) may be used to support transitional housing in furtherance of the programs goals.

Ongoing State Budget Risks. State financial difficulties may affect the amount and timing of payments to or for the benefit of cities and counties of funds provided by the State. From time to time, some of the State's budget solutions may increase the financial stress of cities, counties and other local governments because they (1) decrease local revenues (particularly the property tax, road improvement funding, public safety or other categorical funded initiatives) or (2) directly or indirectly increase demand for local programs (such as public safety or indigent health programs). There can be no assurances that the State's financial difficulties will not materially adversely affect the financial condition of the County.

The financial condition of the State is subject to a number of other risks in the future, including particularly potential significant increases in required state contributions to the Public Employees' Retirement System, increased financial obligations related to other post-employment benefits, and increased debt service.

There can be no assurances that, as a result of the current or any future State financial stress, the State will not significantly reduce or delay revenues to local governments (including the County) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. For example, in Fiscal Years 2008/09 and 2009/10 the State either deferred payments or issued IOU's which could not immediately be cashed (see "RISK FACTORS - CONSTITUTIONAL LIMITATION ON TAXES AND APPROPRIATIONS - Proposition 1A" herein). No prediction can be made by the County as to what measures the State will adopt to respond to the current or potential future financial difficulties. The County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on the County's finances and operations or what actions will be taken in the future by the State Legislature and Governor to deal with changing State revenues and expenditures. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the County has no control. There can be no assurances that State actions to respond to State financial difficulties will not adversely affect the financial condition of the County.

Natural Hazards

The County has adopted a Natural Hazards Mitigation Plan. This plan includes a hazard analysis for earthquake, flood, landslide and fire risk, and is required to comply with Federal Emergency Management Agency ("FEMA") requirements for disaster relief funding. If such events described below occurred during Fiscal Year 2017/18, the County's emergency response to such an event may add unanticipated expenditures to the General Fund budget in Fiscal Year 2017/18, some or all of which may not be reimbursed by federal or state disaster funding, and, if reimbursed, may not be received by the County in a timely manner. This could lead to reduced ability by the County to make payments on the Notes. For example, during winter 2017, the County experienced significant storm damage due to fallen trees and failed roads as a result of above-average, prolonged rainfall. The County declared an emergency on February 7, 2017 and is eligible for disaster relief funding from the State and FEMA. Repair cost of the damage is estimated to be in excess of $100 million and the repair effort will be over a period of several years. The County expects its share of the damage repair cost will be funded by the increased State-wide gas tax and Measure D funding, with no expected impact on the General Fund budget at this time.

Seismic Conditions. The County, like most areas of California, is subject to unpredictable seismic activity. The occurrence of seismic activity in the County could result in substantial damage to properties in the County, which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their property taxes.

According to the Public Safety and Noise Element of the County's General Plan, the County is located in a seismically active region and could be impacted by a major earthquake originating from the numerous faults in the area. Surface rupture, ground shaking and liquefaction are the primary seismic risk to Santa Cruz County from a major earthquake along the San Andreas fault or within the Butano, Sargent, Zayante and Corralitos fault zones. Slope instability could result in landslides during ground shaking in some portions of the County. In particular, the epicenter of the 7.1 magnitude Loma Prieta earthquake, which struck in 1989, was located approximately 10 miles east-northeast of the City of Santa Cruz. In Santa Cruz County, 674 dwelling units, 32 mobile homes and 310 businesses were destroyed in the earthquake, with an estimate of $274 million in damages. Repair of infrastructure was financed in part by a voter-approved one-half cent sales tax levied over six years.

Landslides. There are areas of the County that are mountainous and prone to localized landslides during periods of heavy or prolonged rain. Several such landslides occurred during winter 2017 as a result of above-average rainfall. For a time, these slides impacted travel on State Highways 9, 152, and 126 and various local roads, but most notably impacted travel on State Highway 17, the primary transportation corridor between the County and the San Francisco Bay Area.

Wildfire Conditions. The County includes areas where there is high or extreme danger of wildfires during dry months and during periods of prolonged drought. In May 2008, 35 residences and several outbuildings were lost and 4,270 acres were burned in the Summit fire. In June 2008, 3 residences and several outbuildings were lost and 520 acres were burned in the Martin fire.

Flooding and Tsunamis. Portions of the County are located in a 100-year flood plain. A flood occurred in 1995 when storm water breached the protective levees of the Pajaro River, and flooded approximately 3,280 acres adjacent to the river. Portions of the County are located along the Pacific Ocean. The County could be subject to impacts from tsunamis in the event of an earthquake occurring off-shore.

TAX MATTERS

Tax Exemption

The Internal Revenue Code of 1986 (the "Code") imposes certain requirements that must be met subsequent to the issuance and delivery of the Notes for interest thereon to be and remain excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. Noncompliance with such requirements could cause the interest on the Notes to be included in the gross income of the owners thereof for federal income tax purposes retroactive to the date of issuance of the Notes. The County has covenanted to maintain the exclusion of the interest on the Notes from the gross income of the owners thereof for federal income tax purposes.

In the opinion of Rutan & Tucker, LLP, Costa Mesa, California, Bond Counsel, under existing statutes, regulations, rulings and court decisions, interest on the Notes is exempt from personal income taxes of the State of California and, assuming compliance with the covenants mentioned herein, interest on the Notes is excluded pursuant to section 103(a) of the Code from the gross income of the owners thereof for federal income tax purposes. In the further opinion of Bond Counsel, under existing statutes, regulations, rulings and court decisions, the Notes are not "specified private activity bonds" within the meaning of section 57(a)(5) of the Code and, therefore, interest on the Notes will not be treated as an item of tax preference for purposes of computing the alternative minimum tax imposed by section 55 of the Code. Receipt or accrual of interest on Notes owned by a corporation may affect the computation of its alternative minimum taxable

income. A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by section 55 of the Code will be computed.

Pursuant to the Resolution and the "Tax Certificate Pertaining to Arbitrage and Other Matters under Sections 103 and 141-150 of the Internal Revenue Code of 1986" to be delivered by the County in connection with the issuance of the Notes, the County will make representations relevant to the determination of, and will make certain covenants regarding or affecting, the exclusion of interest on the Notes from the gross income of the owners thereof for federal income tax purposes. In reaching its opinions described in the immediately preceding paragraph, Bond Counsel will assume the accuracy of such representations and the present and future compliance by the County with such covenants.

Except as stated in this section above, Bond Counsel will express no opinion as to any federal or state tax consequences of the receipt of interest on, or the ownership or disposition of, the Notes. Furthermore, Bond Counsel will express no opinion as to any federal, state or local tax law consequences with respect to the Notes, or the interest thereon, if any action is taken with respect to the Notes or the proceeds thereof predicated or permitted upon the advice or approval of other counsel. Bond Counsel has not undertaken to advise in the future whether any events after the date of issuance of the Notes may affect the tax status of interest on the Notes or the tax consequences of the ownership of the Notes.

Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "Service") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the Service. The Service has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Notes is commenced, under current procedures the Service is likely to treat the County as the "taxpayer," and the noteholders would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Notes, the County may have different or conflicting interest from the noteholders. Public awareness of any future audit of the Notes could adversely affect the value and liquidity of the Notes during the pendency of the audit, regardless of its ultimate outcome.

Existing law may change to reduce or eliminate the benefit to noteholders of the exemption of interest on the Notes from personal income taxation by the State of California or of the exclusion of the interest on the Notes from the gross income of the owners thereof for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Notes. Prospective purchasers of the Notes should consult with their own tax advisors with respect to any proposed or future changes in tax law.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix D.

Tax Accounting Treatment of Bond Premium and Original Issue Discount on Notes

Notice 94-84, 1994-2 C.B. 559, states that the Service is studying whether the stated interest portion of the payment at maturity on a short-term debt obligation (such as the Notes), that matures not more than one year from the date of issue, bears a stated fixed rate of interest and is described in section 103(a) of the Code, is (i) qualified stated interest that is excluded from the stated redemption price at maturity of the obligation (within the meaning of section 1273 of the Code) but is excluded from gross income pursuant to section 103(a) of the Code, or (ii) is not qualified stated interest and, therefore, is included by the taxpayer in the stated redemption price at maturity of the obligation, creating or increasing (as to that taxpayer) original issue discount on the obligation that is excluded from gross income pursuant to section 103(a) of the Code. Notice 94-84 states that until the Service provides further guidance with respect to tax-exempt short-term debt obligations, a taxpayer holding such obligations may treat the stated interest payable at maturity either as qualified stated interest or as included in the stated redemption price at maturity of the obligation. However, the taxpayer must treat the amounts to be paid at maturity on all tax-exempt short-

term debt obligations in a consistent manner. Notice 94-84 does not address various aspects necessary to the application of the latter method (including, for example, the treatment of a holder acquiring its Note other than in the original public offering or at a price other than the original offering price). Each person considering acquiring the Notes should consult its own tax advisor with respect to the tax consequences of ownership of and of the election between the choices of treatment of the stated interest payable at maturity on the Notes.

To the extent that a purchaser of a Note acquires that Note at a price in excess of its "stated redemption price at maturity" (within the meaning of section 1273(a)(2) of the Code), such excess will constitute "bond premium" under the Code. Section 171 of the Code, and the Treasury Regulations promulgated thereunder, provide generally that bond premium on a tax-exempt obligation must be amortized over the remaining term of the obligation (or a shorter period in the case of certain callable obligations); the amount of premium so amortized will reduce the owner's basis in such obligation for federal income tax purposes, but such amortized premium will not be deductible for federal income tax purposes. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of the obligation. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser's yield to maturity. The rate and timing of the amortization of the bond premium and the corresponding basis reduction may result in an owner realizing a taxable gain when its Note is sold or disposed of for an amount equal to or in some circumstances even less than the original cost of the Note to the owner.

The excess, if any, of the stated redemption price at maturity of Notes of a maturity over the initial offering price to the public of the Notes of that maturity is "original issue discount." Original issue discount accruing on a Note is treated as interest excluded from the gross income of the owner thereof for federal income tax purposes and is exempt from California personal income tax to the same extent as would be stated interest on that Note. Original issue discount on any Note purchased at such initial offering price and pursuant to such initial offering will accrue on a semiannual basis over the term of the Note on the basis of a constant yield method and, within each semiannual period, will accrue on a ratable daily basis. The amount of original issue discount on such a Note accruing during each period is added to the adjusted basis of such Note to determine taxable gain upon disposition (including sale, redemption or payment on maturity) of such Note. The Code includes certain provisions relating to the accrual of original issue discount in the case of purchasers of Notes who purchase such Notes other than at the initial offering price and pursuant to the initial offering.

Persons considering the purchase of Notes with original issue discount or initial bond premium should consult with their own tax advisors with respect to the determination of original issue discount or amortizable bond premium on such Notes for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of such Notes.

Other Tax Consequences

Although interest on the Notes may be exempt from California personal income tax and excluded from the gross income of the owners thereof for federal income tax purposes, an owner's federal, state or local tax liability may be otherwise affected by the ownership or disposition of the Notes. The nature and extent of these other tax consequences will depend upon the owner's other items of income or deduction. Without limiting the generality of the foregoing, prospective purchasers of the Notes should be aware that (i) section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Notes and the Code contains additional limitations on interest deductions applicable to financial institutions that own tax-exempt obligations (such as the Notes), (ii) with respect to insurance companies subject to the tax imposed by section 831 of the Code, section 832(b)(5)(B)(i) reduces the deduction for loss reserves by 15% of the sum of certain items, including interest on the Notes, (iii) interest on the Notes earned by certain foreign corporations doing business in the United States could be subject to a branch profits tax imposed by section 884 of the Code, (iv) passive investment income, including interest on the Notes, may be subject to federal income taxation under section 1375 of the Code for Subchapter S corporations that have Subchapter C earnings and profits at the close of the taxable year if greater than 25%

of the gross receipts of such Subchapter S corporation is passive investment income, (v) section 86 of the Code requires recipients of certain Social Security and certain Railroad Retirement benefits to take into account, in determining the taxability of such benefits, receipts or accruals of interest on the Notes and (vi) under section 32(i) of the Code, receipt of investment income, including interest on the Notes, may disqualify the recipient thereof from obtaining the earned income credit. Bond Counsel will express no opinion regarding any such other tax consequences.

LEGAL MATTERS

Approval of Legal Proceedings

Rutan & Tucker, LLP, Costa Mesa, California, as Bond Counsel, will render an opinion which states that the Notes are valid and binding obligations of the County and are enforceable in accordance with their terms. The legal opinion of Bond Counsel will be subject to the effect of bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and to the exercise of judicial discretion in accordance with general principles of equity.

The County has no knowledge of any fact or other information which would indicate that the Resolution or the Notes are not so enforceable against the County, except to the extent such enforcement is limited by principles of equity and by state and federal laws relating to bankruptcy, reorganization, moratorium or creditors' rights generally.

Certain legal matters will be passed on for the County by County Counsel and by Norton Rose Fulbright US LLP, Los Angeles, California, as Disclosure Counsel. Fees payable to Bond Counsel and Disclosure Counsel are contingent upon the sale and delivery of the Notes.

Absence of Litigation

The County will furnish a certificate dated the date of delivery of the Notes that there is no pending or known threatened litigation restraining or enjoining the execution or delivery of the Resolution or the sale or delivery of the Notes or in any manner questioning the proceedings and authority under which the Notes are to be delivered or affecting the validity thereof.

There are a number of lawsuits and claims pending against the County. The County does not believe that any of these proceedings will have a material adverse impact on the ability of the County to repay the Notes.

CONCLUDING INFORMATION

Ratings

Standard & Poor's and Moody's have assigned the rating of "SP-1+" and "MIG 1" respectively to the Notes. Such rating reflects only the views of the rating agency and any desired explanation of the significance of such rating should be obtained from the rating agency. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. Except as otherwise required in the Continuing Disclosure Certificate, the County undertakes no responsibility either to bring to the attention of the owners of the Notes any downward revision or withdrawal of any rating obtained or to oppose any such revision or withdrawal. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Notes. A rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Underwriting

The Notes were sold to Citigroup Global Markets Inc. (the "Purchaser") at a purchase price of $47,977,600.00 representing the aggregate principal amount of the Notes plus an original issue premium of $989,350.00, less an underwriter's discount of $11,750.00. The Notes may be offered and sold by the Purchaser to certain dealers and others at prices lower than such public offering prices and such public offering prices may be changed, from time to time, by the Purchaser.

The Municipal Advisor

The material contained in this Official Statement was prepared by the County with the assistance of the Municipal Advisor, who advised the County as to the financial structure and certain other financial matters relating to the Notes. The information set forth herein has been obtained by the County from sources which are believed to be reliable. Such information is not guaranteed by the Municipal Advisor as to accuracy or completeness, nor has it been independently verified by the Municipal Advisor. Fees paid to the Municipal Advisor are contingent upon the sale and delivery of the Notes.

Continuing Disclosure

The County will covenant to provide notices of the occurrence of certain enumerated events in accordance with Rule 15c2-12 of the Securities Exchange Act of 1934. The notices will be filed by the County on the Electronic Municipal Market Access Website ("EMMA") operated by the Municipal Securities Rulemaking Board (www.emma.msrb.org). The specific nature of the notices of enumerated events and certain other terms of the continuing disclosure obligation are included in "APPENDIX C - FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants will be made in order to assist the Purchaser in complying with the Rule.

The County believes it has complied in all material respects with any undertaking made pursuant to the Rule in the previous five years.

References

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the County and the purchasers or Owners of any of the Notes.

Execution

The execution of this Official Statement by the Auditor-Controller-Treasurer-Tax Collector has been duly authorized by the County of Santa Cruz.

COUNTY OF SANTA CRUZ

By: /s/ Edith Driscoll
Auditor-Controller-Treasurer-Tax Collector

COUNTY OF SANTA CRUZ
NOTES TO BASIC FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2016

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County of Santa Cruz (County) was established by an act of the State Legislature of California in 1850 and is governed by a five-member elected Board of Supervisors (the Board). The Board is responsible for the legislative and executive control of the County. The County provides various services on a countywide basis including law and justice, education, detention, social, health, hospital, fire protection, road construction, road maintenance, transportation, park and recreation facilities, elections and records, communications, planning, zoning, and tax collection.

As required by generally accepted accounting principles in the United States (GAAP), the accompanying basic financial statements present the County (the primary government) and its component units. Component units are legally separate entities for which the Board is considered to be financially accountable. Component units are entities that meet any one of the following tests:

1. The Board appoints the voting majority of the board and:
   - is able to impose its will on the component unit and/or
   - is in a relationship of financial benefit or burden with the component unit
2. The component unit is fiscally dependent upon the County.
3. The financial statements of the County would be misleading if data from the component unit were omitted.

The basic financial statements include both blended and discretely presented component units. The blended component units, although legally separate entities, are, in substance, part of the County's operations and so data from these units are combined with data of the primary government. The discretely presented component unit is reported in a separate column in the Government-Wide Financial Statements since it does not have a shared governing body nor is it of exclusive or almost exclusive benefit to the primary government.

Blended Component Units

The following entities serve citizens of the County and provide for the construction and maintenance of County parks and recreation, police protection, mosquito abatement, fire protection, street lighting, roads, flood control, sewer, and refuse disposal districts. They are reported as if they were part of the primary government because they are governed by the Board. The Board establishes the work program and adopts the budget. Administrative services are provided by various departments of the County.

Santa Cruz Flood Control and Water Conservation District – Zone 7

Santa Cruz Flood Control and Water Conservation District – Zone 7 (Zone 7) was established to provide funding for the local share of proposed Army Corps of Engineers flood control projects on the Pajaro River, Salsipuedes Creek, and Corralitos Creek. Zone 7 is governed by a seven-member board consisting of the Board and two additional members, one appointed by the City of Watsonville and another appointed by the Pajaro Valley Water Management Agency. Administrative services are provided by the County's Department of Public Works. Complete financial statements may be obtained from the Department of Public Works at 701 Ocean Street, Room 410, Santa Cruz, CA 95060.

NOTE 10 - LONG-TERM DEBT

The following is a summary of long-term liabilities transactions for the year ended June 30, 2016:

	Balance July 1, 2015	Debt Issued or Trandferred In	Debt Retired or Transferred Out	Balance June 30, 2016	Due in One Year	Due in More Than One Year
Governmental Activities Debt:						
1996 Refunding Certificates of Participation	$ 14,690,000	$ -	$ (905,000)	$ 13,785,000	$ 955,000	$ 12,830,000
2002 Refunding Certificates of Participation	1,895,000	-	(65,000)	1,830,000	70,000	1,760,000
2002 Unamortized bond premium	73,631	-	(4,208)	69,423	4,208	65,215
Subtotal	1,968,631	-	(69,208)	1,899,423	74,208	1,825,215
2005 Refunding Certificates of Participation	4,805,000	-	(700,000)	4,105,000	735,000	3,370,000
2005 Unamortized bond discount	(23,860)	-	4,339	(19,521)	(4,339)	(15,182)
Subtotal	4,781,140	-	(695,661)	4,085,479	730,661	3,354,818
1999 Local Agency Revenue Bonds	165,000	-	(30,000)	135,000	30,000	105,000
2004 Certificates of Participation	12,945,000	-	(12,945,000)	-	-	-
2004 Unamortized bond premium	12,319	-	(12,319)	-	-	-
Subtotal	12,957,319	-	(12,957,319)	-	-	-
2006 Certificates of Participation	6,300,000	-	(400,000)	5,900,000	410,000	5,490,000
2006 Unamortized bond discount	(44,933)	-	2,090	(42,843)	(2,090)	(40,753)
Subtotal	6,255,067	-	(397,910)	5,857,157	407,910	5,449,247
2008 Certificates of Participation	2,690,000	-	(360,000)	2,330,000	375,000	1,955,000
2008 Unamortized bond premium	57,940	-	(6,816)	51,124	6,816	44,308
Subtotal	2,747,940	-	(366,816)	2,381,124	381,816	1,999,308
2011 Certificates of Participation	5,310,000	-	(155,000)	5,155,000	160,000	4,995,000
2011 Unamortized bond discount	(3,940)	-	188	(3,752)	(188)	(3,564)
Subtotal	5,306,060	-	(154,812)	5,151,248	159,812	4,991,436
2012 Lease Revenue Refunding Bond, Series A	1,706,327	-	(64,166)	1,642,161	66,542	1,575,619
2012 Unamortized bond discount	(15,948)	-	839	(15,109)	(839)	(14,270)
Subtotal	1,690,379	-	(63,327)	1,627,052	65,703	1,561,349
2014 Refunding Certificates of Participation	6,005,000	-	(250,000)	5,755,000	255,000	5,500,000
2014 Unamortized bond premium	281,168	-	(16,539)	264,629	16,539	248,090
Subtotal	6,286,168	-	(266,539)	6,019,629	271,539	5,748,090
2014 Lease Revenue Bonds	11,810,000	-	(11,810,000)	-	-	-
2014 Unamortized bond premium	514,514	-	(514,514)	-	-	-
Subtotal	12,324,514	-	(12,324,514)	-	-	-
2014 Lease Revenue Bonds	-	5,065,000	(170,000)	4,895,000	175,000	4,720,000
2014 Unamortized bond premium	-	220,377	(11,019)	209,358	11,019	198,339
Subtotal	-	5,285,377	(181,019)	5,104,358	186,019	4,918,339
2015 Refunding Certificates of Participation	-	13,770,000	(1,465,000)	12,305,000	1,390,000	10,915,000
2015 Lease Revenue Bonds	-	9,945,000	(180,000)	9,765,000	235,000	9,530,000
2015 Unamortized bond premium	-	60,130	(2,004)	58,126	2,004	56,122
Subtotal	-	10,005,130	(182,004)	9,823,126	237,004	9,586,122
California Energy Resources Conservation and Development Commission	98,456	-	(40,788)	57,668	42,027	15,641
Subtotal bonds and loans payable	69,270,674	29,060,507	(30,099,917)	68,231,264	4,931,699	63,299,565
OPEB Liability	110,390,529	7,957,976	-	118,348,505	-	118,348,505
Compensated absences	22,079,397	18,367,320	(17,928,426)	22,518,291	18,284,808	4,233,483
Capital leases	4,731,155	69,281	(454,679)	4,345,757	442,721	3,903,036
Total governmental activities	$ 206,471,755	$ 55,455,084	$ (48,483,022)	$ 213,443,817	$ 23,659,228	$ 189,784,589

NOTE 10 - LONG-TERM DEBT (Continued)

	Balance July 1, 2015	Debt Issued or Transferred In	Debt Retired or Transferred Out	Balance June 30, 2016	Due in One Year	Due in More Than One Year
Governmental Activities Debt, Continued:						
Internal Service Funds						
Compensated absences	$ 4,317,682	$ 3,474,094	$ (3,124,378)	$ 4,667,398	$ 3,362,989	$ 1,304,409
Estimated claims	38,986,910	12,049,811	(12,032,593)	39,004,128	7,874,488	31,129,640
Capital leases	2,799,600	9,516	(415,624)	2,393,492	436,612	1,956,880
Total Internal Service Funds	$ 46,104,192	$ 15,533,421	$ (15,572,595)	$ 46,065,018	$ 11,674,089	$ 34,390,929
Total Government-Wide Activities						
Compensated absences	$ 26,397,079	$ 21,841,414	$ (21,052,804)	$ 27,185,689	$ 21,647,797	$ 5,537,892
Estimated claims	38,986,910	12,049,811	(12,032,593)	39,004,128	7,874,488	31,129,640
Other long-term liabilities:						
Bonds and loans payable	69,270,674	29,060,507	(30,099,917)	68,231,264	4,931,699	63,299,565
Capital leases	7,530,755	78,797	(870,303)	6,739,249	879,333	5,859,916
Subtotal other long-term liabilities	76,801,429	29,139,304	(30,970,220)	74,970,513	5,811,032	69,159,481
OPEB liability	110,390,529	7,957,976	-	118,348,505	-	118,348,505
Total Government-Wide Activities	$ 252,575,947	$ 70,988,505	$ (64,055,617)	$ 259,508,835	$ 35,333,317	$ 224,175,518
Business-Type Activities						
Enterprise Funds						
2014 Lease Revenue Bonds	$ -	$ 6,745,000	$ (225,000)	$ 6,520,000	$ 235,000	$ 6,285,000
2014 Unamortized bond premium	-	294,138	(14,707)	279,431	14,707	264,724
Subtotal Bonds Payable	-	7,039,138	(239,707)	6,799,431	249,707	6,549,724
Loans payable						
Septic Tank Maintenance CSA 12	208,606	-	(132,332)	76,274	15,984	60,290
Davenport Sanitation District	240,358	-	(29,918)	210,440	30,709	179,731
Subtotal Loans Payable	448,964	-	(162,250)	286,714	46,693	240,021
Total Bonds and Loans Payable	$ 448,964	$ 7,039,138	$ (401,957)	$ 7,086,145	$ 296,400	$ 6,789,745
Postclosure Liability						
Enterprise Fund - County Disposal Sites CSA 9	5,842,849	255,460	-	6,098,309	-	6,098,309
Capital Leases	653	5,140	(1,179)	4,614	1,142	3,472
Total Business-Type Activities	$ 6,292,466	$ 7,299,738	$ (403,136)	$ 13,189,068	$ 297,542	$ 12,891,526
Component Unit - Santa Cruz County Sanitation District						
2005 Wastewater Revenue Refunding Bonds	$ 3,070,000	$ -	$ (890,000)	$ 2,180,000	$ 940,000	$ 1,240,000
2005 Unamortized bond premium	18,900	-	(2,235)	16,665	2,235	14,430
2004 Limited Obligation Refunding Improvement Bonds	330,000	-	(75,000)	255,000	80,000	175,000
2009 State Water Resources Control Board Loan	10,836,924	-	(519,390)	10,317,534	532,374	9,785,160
Loans payable	6,088,299	-	(1,484,347)	4,603,952	1,508,192	3,095,760
Total Component Unit	$ 20,344,123	$ -	$ (2,970,972)	$ 17,373,151	$ 3,062,801	$ 14,310,350

NOTE 10 - LONG-TERM DEBT (Continued)

Descriptions of the long-term liabilities at June 30, 2016, are as follows:

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2016
Governmental Activities:					
Financing Authorities					
Refunding Certificates of Participation					
1996 Issue (financed construction of the County Emeline Avenue Health Services building and an infirmary in the County Medium Security Detention Facility)					
Collateral: Health Services Administration Building/Jail Infirmary					
Serial certificates	9/1/97-9/1/26	4.00-5.65%	$190,000-$1,065,000	$ 20,955,000	$ 9,885,000
Term bonds	3/1/21-9/1/23	5.60%	$1,230,000-$1,370,000	3,900,000	3,900,000
				Total 1996 Issue	13,785,000
2002 Issue (refinanced road improvements, a detention facility, a library, equipment, purchase of parkland and construction of a transfer station and financed an animal services authority facility)					
Collateral: Polo Grounds Park/Ben Lomond Transfer Station					
Serial certificates	8/1/03-8/1/22	4.00-5.25%	$50,000-$730,000	$ 4,380,000	570,000
Term bonds	8/1/23-8/1/32	5.25%	$100,000-$155,000	1,260,000	1,260,000
Unamortized bond premium				126,230	69,423
				Total 2002 Issue	1,899,423
2005 Issue (defeased 1995A Lease Revenue Refunding Bonds and financed construction of and improvements to the Santa Cruz County Water Street and Roundtree Lane detention facility)					
Collateral: Water Street Detention Facility/Rountree Lane Detention Facility					
Serial certificates	8/1/05-8/1/20	2.75-4.25%	$500,000-$910,000	$ 10,580,000	4,105,000
Unamortized bond discount				(67,249)	(19,521)
				Total 2005 Issue	4,085,479
2014 Issue (defeased 2001 Series B Lease Revenue Bonds and refinanced existing leases)					
Collateral: Water Street Detention Facility/Blaine Street Women's Detention Facility					
Serial certificates	8/1/05-8/1/20	3.00-4.25%	$280,000-$485,000	$ 6,285,000	5,755,000
Unamortized bond premium				297,707	264,629
				Total 2014 Issue	6,019,629
2015 Issue (defeased 2004 Lease Revenue Bonds and refinanced existing leases)					
Collateral: Main Administrative Building and Main Courts Building					
Serial certificates	6/1/16-6/1/25	1.14-3.97%	$185,000-$1,520,000	$ 8,890,000	7,425,000
Term bonds	6/1/22-6/1/24	3.68%	$1,570,000-$1,685,000	4,880,000	4,880,000
				Total 2015 Issue	12,305,000
				Total Refunding Certificates of Participation	37,780,000
				Net Premiums/(Discounts)	314,531
				Total including Premiums/(Discounts)	$ 38,094,531
Lease Revenue Bonds					
2014 Lease Revenue Bonds (financed capital improvements including financial system and additional module at County's Buena Vista sanitary landfill)					
Collateral: Behavior Health Center and Buena Vista Gatehouse					
Serial bonds	8/1/15-8/1/34	3.00-5.00%	$170,000-$360,000	$ 5,065,000	$ 4,895,000
Unamortized bond premium				220,377	209,358
				Total 2014 Issue	$ 5,104,358
2015 Lease Revenue Bonds (financed capital improvements for various Santa Cruz County facilities and the Farm to Table Project)					
Collateral: Main Administrative Building and Main Courts Building					
Serial bonds	6/1/16-6/1/35	2.00-4.00%	$180,000-$395,000	$ 6,115,000	$ 5,935,000
Term bonds	6/1/36-6/1/40	4.00%	$400,000-$470,000	2,170,000	2,170,000
Term bonds	6/1/41-6/1/45	4.00%	$305,000-$360,000	1,660,000	1,660,000
Unamortized bond premium				60,130	58,126
				Total 2015 Issue	$ 9,823,126
				Total Lease Revenue Bonds	14,660,000
				Net Premiums/(Discounts)	267,484
				Total including Premiums/(Discounts)	$ 14,927,484

NOTE 10 - LONG-TERM DEBT (Continued)

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 30-Jun-15
Governmental Activities, Continued:					
Financing Authorities, Continued					
Lease Revenue Refunding Bonds					
2012 Series A (refinanced construction and equipment costs for the Santa Cruz County Consolidated Emergency Communications Center)					
Collateral: Behavoir Health Center and Buena Vista Gatehouse					
Serial bonds	6/15/13-6/15/30	2.00-5.00%	$115,000-$225,000	$ 1,402,135	$ 1,159,731
Term bonds	6/15/31-6/15/34	5.00%		482,430	482,430
Unamortized Bond Premium				18,465	(15,109)
					$ 1,627,052
Local Agency Revenue Bonds					
1999 Issue (defeased 1992 Place de Mer and 1993 Sand Dollar Beach Districts bonds and financed construction of the Sunset Beach Water Main Extension Project)					
Local obligation bonds	9/2/00-9/2/19	4.00-5.50%	$20,000-$85,000	$ 895,000	$ 135,000
Certificates of Participation					
2006 Series Issue (financed improvements to Watsonville Courthouse and Buena Vista Landfill)					
Collateral: Water Street Detention Facility/Rountree Lane Detention Facility					
Serial certificates	8/1/07-8/1/28	3.50-4.625%	$180,000-$410,000	$ 6,225,000	$ 3,125,000
Term certificates	8/1/29-8/1/32	4.50%		1,265,000	1,265,000
Term certificates	8/1/33-8/1/36	4.625%		1,510,000	1,510,000
Unamortized bond discount				(62,698)	(42,843)
				Total 2006 Issue	$ 5,857,157
2008 Series Issue (finance purchase of computer software systems for various County departments)					
Collateral: Water Street Detention Facility/Rountree Lane Detention Facility					
Serial certificates	8/1/09-8/1/23	3.00-4.30%	$215,000-$405,000	$ 4,625,000	$ 2,330,000
Unamortized bond premium				102,244	51,124
				Total 2008 Issue	$ 2,381,124
2011 Series Issue (financed improvements to Veteran's Building and Main Jail roof)					
Collateral: Human Services Department Application Center					
Serial certificates	8/1/12-8/1/21	2.00-4.00%	$145,000-$340,000	$ 1,495,000	$ 1,045,000
Term certificates	8/1/22-8/1/26	4.25%		1,080,000	1,080,000
Term certificates	8/1/27-8/1/31	4.625%		1,340,000	1,340,000
Term certificates	8/1/32-8/1/36	5.00%		1,690,000	1,690,000
Unamortized bond discount				(4,692)	(3,752)
				Total 2011 Issue	5,151,248
				Total Certificates of Participation	13,385,000
				Net Premiums/(Discounts)	4,529
				Total including Premiums/(Discounts)	$ 13,389,529
California Energy Resources Conservation and Development Commission	2013-2018	3.00%	$16,642-$21,172	172,837	$ 57,668

NOTE 10 - LONG-TERM DEBT (Continued)

Type of Indebtedness (Purpose)	Maturity	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at June 30, 2016
Governmental Activities, Continued:					
Capital leases					
Energy efficient infrastructure	2008 - 2027	3.62%	$135,989 - $220,635	$ 5,989,594	$ 4,047,331
Elections equipment	2014 - 2017	6.82%	$47,874 - $56,225	263,175	103,801
Parks, Open Space & Cultural Services					
Mower	2013 - 2018	4.34%	$11,796 - $12,307	56,626	23,100
Copy Machines	2012 - 2020	6.70% - 12.54%	$9,979 - $97,904	501,403	197,271
Phone System	2014 - 2020	5.25%	$405,100 - $529,301	3,302,148	2,367,746
			Total Governmental Activities		**$ 74,970,513**
Business-Type Activities:					
Enterprise Fund - County Disposal Site CSA 9C					
2014 Lease Revenue Bonds (financed capital improvements including financial system and additional module at County's Buena Vista sanitary landfill)					
Collateral: Behavior Health Center and Buena Vista Gatehouse					
Serial bonds	8/1/15-8/1/34	3.00-5.00%	$225,000-$480,000	$ 6,745,000	$ 6,520,000
Unamortized bond premium				294,138	279,431
				Total 2014 Issue	$ 6,799,431
Enterprise Fund - Davenport Sanitation District					
California State Department of Water Resources (upgrade existing water facilities)	1/1/88-1/1/22	2.50%	$4,550-$10,575	250,000	$ 59,510
California Technology, Trade & Commerce Agency (fund sanitation system improvements)	2/28/95-7/1/24	2.75%	$3,550-$4,817	310,691	114,632
California State Water Resources Control Board - revolving loan (fund sewer reconstruction project)	5/31/01-5/31/20	2.60%	$5,940-$9,429	151,547	36,298
Enterprise Fund - Septic Tank Maintenance CSA 12					
California State Water Resources Control Board	4/23/10-4/23/29	2.60%	$10,753-$17,512	277,467	76,274
				Subtotal Loans	286,714
				Total Lease Revenue Bonds and Loans	6,806,714
				Net Premiums/(Discounts)	279,431
				Total including Premiums/(Discounts)	$ 7,086,145
Copy Machine	3/7/16-12/7/19	11.17%	$259.2-$391.75	5,140	$ 4,614
Landfill postclosure					6,098,309
			Total Business-Type Activities		**$ 13,189,068**
Component Unit - Santa Cruz County Sanitation District (SCCSD)					
2005 Wastewater Revenue Refunding Bonds (financed the SCCSD's share of the improvements to the City of Santa Cruz sewer treatment facility)					
Serial bonds	9/1/05-9/1/19	2.80-5.0%	$140,000-$940,000	$ 9,335,000	$ 2,180,000
Unamortized bond premium				41,252	16,665
					2,196,665
2004 Issue Limited Obligation Refunding Improvement Bonds - Freedom Boulevard Sewer Assessment District (financed construction of sewer facility)					
Serial bonds	9/2/05-9/2/18	1.85-5.25%	$55,000-$90,000	$ 950,000	255,000
Loans payable - City of Santa Cruz (construct treatment plant expansion)	2000-2019	1.60%	$717,884-$1,563,340	$ 7,532,957	4,603,952
2009 State Water Resources Control Board Loan	2013-2032	2.50%	$630,445-$959,296	$ 11,981,910	10,317,534
Total Component Unit					$ 17,373,151

NOTE 10 - LONG-TERM DEBT (Continued)

A. Governmental Activities

At June 30, 2016, annual debt service requirements of governmental activities to maturity are as follows:

Financing Authorities

Year Ending June 30,	Refunding Certificates of Participation Principal	Refunding Certificates of Participation Interest	Lease Revenue Bonds Principal	Lease Revenue Bonds Interest	Lease Revenue Refunding Bonds Principal	Lease Revenue Refunding Bonds Interest
2017	$ 3,405,000	$ 1,601,221	$ 410,000	$ 557,944	$ 66,542	$ 70,365
2018	3,535,000	1,481,467	420,000	543,794	66,542	68,535
2019	3,665,000	1,349,811	440,000	529,194	68,919	66,539
2020	3,830,000	1,202,177	455,000	513,994	71,295	64,385
2021	3,995,000	1,041,845	475,000	498,194	73,672	62,068
2022-2026	14,155,000	2,932,058	2,620,000	2,207,144	413,511	266,132
2027-2031	4,405,000	541,094	3,145,000	1,645,687	510,948	168,045
2032-2036	790,000	26,450	3,265,000	1,023,925	370,732	37,786
2037-2041	-	-	2,075,000	512,800	-	-
2042-2046	-	-	1,355,000	138,200	-	-
Total	$ 37,780,000	$ 10,176,123	$ 14,660,000	$ 8,170,876	$ 1,642,161	$ 803,855

Year Ending June 30,	Local Agency Revenue Bonds Principal	Local Agency Revenue Bonds Interest	Certificates of Participation Principal	Certificates of Participation Interest
2017	$ 30,000	$ 6,600	$ 945,000	$ 569,373
2018	35,000	4,813	735,000	536,778
2019	35,000	2,888	760,000	506,878
2020	35,000	963	585,000	479,856
2021	-	-	615,000	455,478
2022-2026	-	-	2,890,000	1,886,581
2027-2031	-	-	2,700,000	1,306,298
2032-2036	-	-	3,380,000	605,638
2037-2041	-	-	775,000	18,616
Total	$ 135,000	$ 15,264	$ 13,385,000	$ 6,365,496

NOTE 10 - LONG-TERM DEBT (Continued)

A. Governmental Activities (Continued)

Financing Authorities (Continued)

The Refunding Certificates of Participation, Lease Revenue Refunding Bonds, Certificates of Participation, and Lease Revenue Bonds retirements and related interest payments are paid from revenues from the General Fund. The Local Agency Revenue Bonds retirements and related interest payments are paid from revenues generated from property owners' assessments.

Defeasance of Bonds

On July 30, 2015, The County of Santa Cruz Financing Authorities issued $13,770,000 2015 Series A Taxable Lease Revenue Refunding, with interest rates ranging from 1.142% to 3.973%. The proceeds of the bonds were used to (i) refund $12,945,000 of the outstanding 2004 Certificates of Participation bond, (ii) refinance existing lease, (iii) fund a reserve for the certificates and (iv) pay the costs incurred in connection with the execution and delivery of the certificates.

As a result of the advanced refunding, the County Financing Authorities decreased its total debt service payments by $807,092, resulting in an economic gain of $667,487.

The 2015 Series A taxable bonds of $13,770,000 were issued to refund the County's outstanding 2004 Certificate of Participation which had a total principal outstanding of $12,945,000. The reacquisition price exceeded the net carrying amount of the old debt by $825,000 resulting in a deferred loss of refunding. This loss on refunding will be amortized over the remaining life of the refunded bonds.

Energy Resources Conservation and Development Commission Loan

In December 2012, the County entered into a loan agreement with the Energy Resources Conservation and Development Commission in the amount of $172,837. The loan bears an annual interest rate of 3% due semi-annually and matures on December 22, 2017. For the current year, principal and interest paid on the loan was $43,445. The outstanding balance of the loan is $57,668.

B. Business-Type Activities

At June 30, 2016, annual debt service requirements of business-type activities to maturity are as follows:

	Lease Revenue Bonds		Loans Payable	
Year Ending June 30,	Principal	Interest	Principal	Interest
2017	$ 235,000	$ 264,100	$ 46,693	$ 6,718
2018	240,000	254,600	47,919	5,652
2019	250,000	244,800	49,177	4,557
2020	260,000	234,600	50,459	3,434
2021	270,000	224,000	34,207	2,285
2022-2026	1,540,000	931,350	58,259	2,727
2027-2031	1,905,000	561,863	-	-
2032-2036	1,820,000	149,000	-	-
Total	$ 6,520,000	$ 2,864,313	$ 286,714	$ 25,373

Loans payable principal and interest are paid from various enterprise fund revenues.

NOTE 10 - LONG-TERM DEBT (Continued)

C. Component Unit

At June 30, 2016, annual debt service requirements of the District to maturity are as follows:

Year Ending June 30,	2004 Limited Obligation Refunding Improvement Bonds		2005 Wastewater Revenue Refunding Bonds		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	$ 80,000	$ 11,123	$ 940,000	$ 84,100	$ 2,040,566	$ 325,593
2018	85,000	6,914	535,000	47,225	2,078,103	288,056
2019	90,000	2,363	565,000	19,725	2,122,666	243,494
2020	-	-	140,000	2,800	573,309	217,004
2021	-	-	-	-	587,642	202,671
2022-2026	-	-	-	-	3,166,059	785,505
2027-2031	-	-	-	-	3,582,105	369,459
2032-2036	-	-	-	-	771,036	19,276
Total	$ 255,000	$ 20,400	$ 2,180,000	$ 153,850	$ 14,921,486	$ 2,451,058

During 2005, the District issued $9,335,000 of 2005 Wastewater Revenue Refunding Bonds which refunded the 1977 Sewer Revenue Bonds, Series A, and the 1994 Certificates of Participation issued for the wastewater treatment plant. The bonds are obligations of the District, and are payable from and secured by a pledge of net revenues.

During 2004, the District issued Limited Obligation Refunding Improvement Bonds to refinance the 1994 Freedom Boulevard Sewer Special Assessment bonds, pay costs related to the issuance of the bonds and to make a deposit to a Reserve Fund.

Loans Payable

The City of Santa Cruz loan represents 47% of a State Water Resources Control Board loan for which the District has an agreement to participate in the repayment. The total loan proceeds made available in fiscal year 1998/1999 was approximately $48 million, of which the District's share was 47% or approximately $24.4 million of the original principal amount. These funds were used to construct the treatment plant expansion of which the District has capacity rights. On December 12, 2013, the City refunded the existing $2.7 million 2005 Wastewater Bonds and $16.0 million in State Revolving Funds, and issued $18.7 million in 2013 Wastewater Revenue Refunding Bonds. The amount of the District's portion outstanding as of June 30, 2016, is $4,603,952.

During 2009, the District entered into a Project Finance Agreement (Agreement) with the State Water Resources Control Board (SWRCB) to finance the Aptos Transmission Main Relocation Project. Under this Agreement, the SWRCB has agreed to loan the District a total of $16,725,699. As of June 30, 2016, the District has received a total of $11,981,910 in loan disbursements pursuant to this Agreement. Pursuant to the Agreement, the interest rate is 2.5% and the District has begun making payments to repay the loan in the 2013/2014 fiscal year.

D. Legal Debt Limit

The County's legal annual debt service limit as of June 30, 2016, is $503,700,654. The County's legal debt service limit is 1.25% of the total full cash valuation of all real and personal property within the County.

NOTE 10 - LONG-TERM DEBT (Continued)

E. Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years. The County has hired a consultant to perform calculations of excess investment earnings on various bonds and financings, and it is anticipated that the County will be determined to be in compliance with arbitrage regulations.

F. Prior Period Adjustment

$7,039,138 of the 2014 Lease Revenue Bond was used for County Disposal Sites CSA 9C and is expected to be repaid from fund resources. This amount was erroneously reported in the Financing Authorities Fund in prior years. The Long-Term Debt Note was changed to include the 2014 Lease Revenue Bond in both Governmental and Business-Type Activities. Prior period adjustments were recorded to properly report the debt on the Statement of Net Position for County Disposal Sites CSA 9C. See note 21 for more details.

NOTE 11 - PLEDGE OF FUTURE REVENUES

2014 Lease Revenue Bonds

The bonds are payable from and secured by a pledge of revenues and certain funds and accounts established and held by the Trustee under the Indenture. Revenues, as defined in the Indenture, means (i) all lease payments and other amounts paid, or caused to be paid, by the County, and received by the Financing Authority pursuant to the Lease Agreement (but not additional payments), and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Indenture (other than the Rebate Fund) to repay $11,810,000 in lease revenue bonds issued during April 2014. Proceeds from the bonds provided funds to finance capital improvements, including the County's new financial management system software and an additional module at the County's Buena Vista sanitary landfill, to fund capitalized interest for a portion of the bonds, to satisfy the Reserve Requirement for the bonds and to pay the costs of issuance of the bonds. Annual principal and interest payments on the bonds continue through 2034. Total principal and interest paid for the current year were $871,463.

2012A Lease Revenue Refunding Bonds

The revenues of the Santa Cruz Regional 911 (Regional 911) were pledged to repay $3,965,000 in lease revenue refunding bonds issued in May 2012. The Regional 911 was formed in a Joint Powers Authority Agreement with the cities of Santa Cruz, Watsonville, and Capitola, and the County. Proceeds from the bonds provided funds to refinance an existing lease and to fund equipment purchases. The bonds were payable from use payments paid to the Regional 911 by the different governmental agencies. Annual principal and interest payments on the bonds continue through 2034 and are expected to require less than 12 percent of revenues. The total principal and interest remaining to be paid on the bonds is $5,146,263. Pursuant to the Joint Powers Authority Agreement, the County is responsible for 47.53% of the total liability, or $2,446,019. Total principal and interest paid for the current year and total customer revenues were $286,419 and $6,481,656 respectively. The County paid $136,135 of the current year principal and interest. The Bonds were refunded on May 15, 2012.

Exhibit 100

NEW ISSUE – BOOK-ENTRY **NOT RATED**

(See "CONCLUDING INFORMATION - No Rating on the Bonds; Secondary Market" herein)

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, although for the purpose of computing the alternative minimum tax imposed on certain corporations, such interest is taken into account in determining certain income and earnings. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See "LEGAL MATTERS - Tax Matters" herein.

SANTA CRUZ COUNTY **STATE OF CALIFORNIA**

$815,000
COUNTY OF SANTA CRUZ
LIMITED OBLIGATION IMPROVEMENT BONDS
ASSESSMENT DISTRICT NO. 15-01
(ORCHARD DRIVE SEWER EXTENSION PROJECT)

Dated: Date of Delivery **Due: September 2 as Shown on the Inside Front Cover.**

The cover page contains certain information for quick reference only. It is not a summary of the issue. Investors must read the entire Official Statement to obtain information essential to the making of an informed investment decision. Investment in the Bonds involves risks. See "RISK FACTORS" herein for a discussion of special risk factors that should be considered in evaluating the investment quality of the Bonds.

The County of Santa Cruz Limited Obligation Improvement Bonds, Assessment District No. 15-01 (Orchard Drive Sewer Extension Project) (the "Bonds") are being issued by the County of Santa Cruz (the "County") pursuant to a Fiscal Agent Agreement, dated as of February 1, 2016 (the "Fiscal Agent Agreement"), by and between the County and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent") to: (i) finance the construction of sewer improvements, (ii) pay costs related to the issuance of the Bonds, (iii) capitalize interest on the Bonds through September 2, 2016 and (iv) make a deposit to a Reserve Fund for the Bonds.

The Bonds are being issued pursuant to provisions of the Improvement Bond Act of 1915, being Division 10 of the California Streets and Highways Code (the "Bond Law"). The Bonds are payable from assessments levied pursuant to the Municipal Improvement Act of 1913 (Division 12 of the California Streets and Highways Code) (the "1913 Act"). See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS" herein.

Interest on the Bonds is payable semiannually on September 2 and March 2 each year, commencing September 2, 2016 (each, an "Interest Payment Date"), until maturity. The Bonds are subject to optional, sinking fund and extraordinary redemption as described herein. See "THE BONDS - Redemption" herein.

The Bonds are offered when, as and if issued subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel and certain other conditions. Certain legal matters will be passed on for the County by the County Counsel and by Jones Hall, A Professional Law Corporation, San Francisco, California, Disclosure Counsel. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of The Depository Trust Company, on or about February 23, 2016.

The date of this Official Statement is February 10, 2016.

$815,000
COUNTY OF SANTA CRUZ
LIMITED OBLIGATION IMPROVEMENT BONDS
ASSESSMENT DISTRICT NO. 15-01
(ORCHARD DRIVE SEWER EXTENSION PROJECT)

MATURITY SCHEDULE

(Base CUSIP®† 80182L)

$280,000 Serial Bonds

Maturity Date September 2	Principal Amount	Interest Rate	Reoffering Yield	Reoffering Price	CUSIP®†
2017	$20,000	2.00%	1.04%	101.448	ED3
2020	20,000	2.00	1.66	101.476	EG6
2021	20,000	2.00	1.76	101.258	EH4
2022	20,000	2.00	1.95	100.304	EJ0
2023	20,000	2.00	2.16	98.893	EK7
2024	20,000	2.375	2.38	99.961	EL5
2025	20,000	2.50	2.52	99.831	EM3
2026	20,000	2.625	2.68	99.498	EN1
2027	20,000	2.75	2.81	99.412	EP6
2028	25,000	2.875	2.95	99.218	EQ4
2029	25,000	3.00	3.02	99.778	ER2
2030	25,000	3.00	3.09	98.952	ES0
2031	25,000	3.125	3.18	99.329	ET8

$40,000 2.00% Term Bond maturing September 2, 2019, Yield 1.40%, Price 102.056 CUSIP®† EF8

$140,000 3.25% Term Bond maturing September 2, 2036, Yield 3.47%, Price 96.788 CUSIP®† EY7

$165,000 3.60% Term Bond maturing September 2, 2041, Yield 3.73%, Price 97.870 CUSIP®† FD2

$190,000 3.625% Term Bond maturing September 2, 2046, Yield 3.78%, Price 97.206 CUSIP®† FJ9

† Copyright 2016, American Bankers Association. CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services Bureau, operated by Standard & Poor's. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP numbers have been assigned by an independent company not affiliated with the County and are included solely for the convenience of the holders of the Bonds. None of the County, the Municipal Advisor or the Underwriter takes any responsibility for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the Bonds.

Effective Date. This Official Statement speaks only as of its date, and the information and expressions of opinion contained in this Official Statement are subject to change without notice. Neither the delivery of this Official Statement nor any sale of the Bonds will, under any circumstances, create any implication that there has been no change in the affairs of the County or any other parties described in this Official Statement.

Estimates and Forecasts. When used in this Official Statement and in any continuing disclosure by the County, any press release and any oral statement made with the approval of an authorized officer of the County or any other entity described or referenced herein, the words or phrases "will likely result," "are expected to," "will continue," "is anticipated," "estimate," "project," "forecast," "expect," "intend" and similar expressions identify "forward-looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the County to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and if given or made, such other information or representation must not be relied upon as having been authorized by the County, the Municipal Advisor or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

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 information and expressions of opinions herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County. All summaries of the Bonds, the Fiscal Agent Agreement or other documents, are made subject to the provisions of such documents 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 Auditor-Controller-Treasurer-Tax Collector for further information. See "INTRODUCTION - Summary Not Definitive."

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

Bonds are Exempt from Securities Laws Registration. The issuance, sale and delivery of the Bonds has 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 execution, sale and delivery of municipal securities provided under Section 3(a)(2) of the Securities Act of 1933 and Section 3(a)(l2) of the Securities Exchange Act of 1934.

Stabilization of Prices. In connection with this offering, the Underwriter may overallot or effect transactions which stabilize or maintain the market price of the Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside cover page hereof and said public offering prices may be changed from time to time by the Underwriter.

County Website. The County maintains a website. The information on such website is not part of this Official Statement and is not intended to be relied on by investors with respect to the Bonds unless specifically set forth or incorporated herein.

COUNTY OF SANTA CRUZ, CALIFORNIA

BOARD OF SUPERVISORS

John Leopold, *Supervisor, 1st District*
Zach Friend, *Supervisor, 2nd District*
Ryan Coonerty, *Supervisor, 3rd District*
Greg Caput, *Supervisor, 4th District*
Bruce McPherson, *Supervisor, 5th District*

COUNTY STAFF

Susan A. Mauriello, *County Administrative Officer*
Edith Driscoll, *Auditor-Controller-Treasurer-Tax Collector*
Carlos Palacios, *Assistant County Administrative Officer*
John Presleigh, *Director of Public Works*
Dana McRae, *County Counsel*

PROFESSIONAL SERVICES

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

Municipal Advisor
Harrell & Company Advisors, LLC
Orange, California

Assessment Engineer
Bowman & Williams
Santa Cruz, California

Fiscal Agent
The Bank of New York Mellon Trust Company, N.A.
Los Angeles, California

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SANTA CRUZ COUNTY LOCATION MAP

OFFICIAL STATEMENT

$815,000

COUNTY OF SANTA CRUZ

LIMITED OBLIGATION IMPROVEMENT BONDS

ASSESSMENT DISTRICT NO. 15-01

(ORCHARD DRIVE SEWER EXTENSION PROJECT)

This Official Statement which includes the cover page and appendices (the "Official Statement") is provided to furnish certain information concerning the sale of the County of Santa Cruz Limited Obligation Improvement Bonds, Assessment District No. 15-01 (Orchard Drive Sewer Extension Project) (the "Bonds").

INTRODUCTION

The description and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for the complete details of all terms and conditions. All statements herein are qualified in their entirety by reference to each document. All capitalized terms used in this Official Statement and not otherwise defined herein have the same meaning as in the Fiscal Agent Agreement (defined below).

The County

The County was incorporated in 1850. It has a general law form of government. It is located on the coast of California, between the San Francisco Bay area and the Monterey Bay Peninsula, 74 miles south of San Francisco.

For further information concerning the County, see "APPENDIX A - COUNTY OF SANTA CRUZ INFORMATION STATEMENT" herein.

The District

Assessment District No. 15-01 (the "District") was created by the County pursuant to proceedings taken under the Municipal Improvement Act of 1913 (Division 12 of the Streets and Highways Code) (the "1913 Act"). The District includes a total of 27 parcels, of which 23 parcels are subject to the Assessments (as defined below) securing the Bonds. See "THE DISTRICT" herein. As of the Closing Date, the Assessments total $816,500, $1,500 more than the par amount of the Bonds.

Security and Sources of Repayment for the Bonds

The Bonds will be issued under the Fiscal Agent Agreement, dated as of February 1, 2016 (the "Fiscal Agent Agreement"), between the County and The Bank of New York Mellon Trust Company, N.A., Los Angeles, California, as fiscal agent (the "Fiscal Agent") (see "APPENDIX B - SUMMARY OF THE FISCAL AGENT AGREEMENT" herein) and pursuant to the Act.

The Bonds are limited obligations of the County secured by a first lien on the unpaid assessments (the "Assessments") levied by the County on the parcels in the District with unpaid assessments (the "Assessment Parcels") pursuant to the 1913 Act and the funds pledged therefor under the Fiscal Agent Agreement. Assessments levied on the property in the District are estimated to be sufficient, if paid

timely, to pay the aggregate amount of the principal and interest on the Bonds. See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS" herein.

The County has covenanted to cause foreclosure proceedings to be commenced and prosecuted against Assessment Parcels with delinquent installments of Assessments under certain circumstances. For a more detailed description of the foreclosure covenant see "SOURCES OF PAYMENT FOR THE BONDS - Repayment of the Bonds - Foreclosure Covenant."

The Bonds are special obligations of the County payable solely from the unpaid Assessments and other assets pledged therefor under the Fiscal Agent Agreement. The Bonds do not constitute a debt or liability of the County, the State of California or of any political subdivision thereof, other than the County to the limited extent described herein. The County shall only be obligated to pay the principal of the Bonds, and the interest thereon, from the funds described herein, and neither the faith and credit nor the taxing power of the County or the State of California or any political subdivision thereof is pledged to the payment of the principal of or the interest on the Bonds, except to the limited extent described herein. See "SOURCES OF PAYMENT FOR THE BONDS" and "RISK FACTORS" herein.

Purpose

Proceeds from the Bonds will be used to (i) finance the construction of public improvements of benefit to property within the District, (ii) pay costs related to the issuance of the Bonds, (iii) capitalize interest on the Bonds through September 2, 2016 and (iv) make a deposit to a Reserve Fund for the Bonds (see "THE FINANCING PLAN - Estimated Uses of Funds" herein).

Property Values

The County has relied on the assessed valuations of the County Assessor for the valuations for the 23 Assessment Parcels presented in this Official Statement. See "RISK FACTORS" and "THE DISTRICT - Assessed Values."

Summary Not Definitive

The summaries and references contained herein with respect to the Fiscal Agent Agreement and other statutes or documents do not purport to be comprehensive or definitive and are qualified by reference to each such document or statute, and references to the Bonds are qualified in their entirety by reference to the form thereof included in the Fiscal Agent Agreement. Capitalized terms used herein and not defined shall have the meaning set forth in the Fiscal Agent Agreement. Copies of the documents described herein are available for inspection during the period of initial offering of the Bonds at the offices of the Municipal Advisor, Harrell & Company Advisors, LLC, 333 City Boulevard West, Suite 1430, Orange, California 92868, telephone (714) 939-1464. Copies of these documents may be obtained after delivery of the Bonds from the Auditor-Controller-Treasurer-Tax Collector, County of Santa Cruz, 701 Ocean Street, Santa Cruz, California 95060.

RISK FACTORS

General

BEFORE PURCHASING ANY OF THE BONDS, ALL PROSPECTIVE INVESTORS AND THEIR PROFESSIONAL ADVISORS SHOULD CAREFULLY CONSIDER, AMONG OTHER THINGS, THE FOLLOWING RISK FACTORS, WHICH ARE NOT MEANT TO BE AN EXHAUSTIVE LISTING OF ALL RISKS ASSOCIATED WITH THE PURCHASE OF THE BONDS. MOREOVER, THE ORDER OF PRESENTATION OF THE RISK FACTORS DOES NOT NECESSARILY REFLECT THE ORDER OF THEIR IMPORTANCE.

The purchase of the Bonds involves investment risk. If a risk factor materializes to a sufficient degree, it could delay or prevent payment of principal of and/or interest on the Bonds. Such risk factors include, but are not limited to, the following matters.

Debt service on the Bonds is payable from installment payments of principal and interest on unpaid Assessments on the Assessment Parcels. The principal of the Assessments is the aggregate of the amounts of the individual Assessments levied against the Assessment Parcels. The individual Assessment on a parcel will be paid in annual installments, together with interest on the unpaid balance, unless the unpaid balance is subsequently prepaid. The annual installments of principal and interest with respect to an Assessment Parcel will be collected on the County tax roll at the same time and in the same manner as general real property taxes are collected. The annual installments of principal and interest with the respect to all Assessment Parcels were, at the time of initial levy of the Assessments, equal in the aggregate to the annual debt service on the Bonds.

Payment of the Assessment Not a Personal Obligation

The owners of Assessment Parcels are not personally liable for the payment of the Assessment or the Assessment installments. Rather, an assessment is a lien only on an Assessment Parcel. Accordingly, if the value of an Assessment Parcel is not sufficient to fully secure the assessment on it, the County has no recourse against the owner.

No County Obligation to Pay Debt Service

IF ASSESSMENT INSTALLMENT COLLECTIONS ARE INSUFFICIENT, THE ONLY AMOUNTS AVAILABLE TO PAY DEBT SERVICE ON THE BONDS WILL BE THE AMOUNT ON DEPOSIT FROM TIME TO TIME IN THE RESERVE FUND, AND IF SO ADVANCED WILL REDUCE THE RESERVE FUND BY THE AMOUNT OF THE FUNDS ADVANCED.

OWNERS OF BONDS MAY NOT RELY UPON THE COUNTY TO ADVANCE FUNDS TO PAY DEBT SERVICE ON THE BONDS FOLLOWING DEPLETION OF THE RESERVE FUND EVEN IF THE COUNTY MAY HAVE PREVIOUSLY DONE SO OR MAY DO SO CONTEMPORANEOUSLY WITH RESPECT TO OTHER BONDS OR OBLIGATIONS.

Risks of Real Estate Secured Investments Generally

The Bond Owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions (including as a result of an economic downturn similar to that experienced in 2007 to about 2011), such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property in the event of sale or foreclosure; (ii) changes in real estate tax rate and other operating expenses, governmental rules (including, without limitation, laws

relating to hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that the individual homeowners will pay the Assessments in the future or that they will be able to pay such Assessments on a timely basis. See "Bankruptcy" below, for a discussion of certain limitations on the County's ability to pursue judicial proceedings with respect to delinquent parcels

Risks Related to Declines in Home Values

Homes within the District were likely affected by the decline in market value along with the rest of the State during the recent economic crisis. Future declines in home values could result in property owner unwillingness or inability to pay mortgage payments, as well as *ad valorem* property taxes and Assessments, when due. Under such circumstances, bankruptcies could occur. Bankruptcy by homeowners with delinquent Assessments would delay the commencement and completion of foreclosure proceedings to collect delinquent Assessments. See "Bankruptcy."

Valuation of Property in the District

The value of the land within the District is a critical factor in determining the investment quality of the Bonds. If there is a default in the payment of the Assessments, the County's only remedy is to commence foreclosure proceedings on the delinquent property in an attempt to obtain funds to pay the delinquent Assessment. Further, reductions in assessed value indicating a decline in market value (as described below) may affect the willingness or ability of taxpayers to pay their Assessments prior to delinquency.

Assessed Value. The County has relied on the assessed valuations of the 2015/16 County Assessor's rolls for the valuations for all of the property within the District presented in this Official Statement.

Article XIIIA. Pursuant to the California voter initiative process, on June 6, 1978, California voters approved Proposition 13 which added Article XIIIA to the California Constitution. This amendment imposed certain limitations on taxes that may be levied against real property to 1% of the full cash value of the property, adjusted annually for inflation at a rate not exceeding 2% annually. Full cash value is determined as of the 1975/76 assessment year, upon change in ownership (acquisition) or when newly constructed. 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.

Reduction in Inflationary Rate. The annual inflationary adjustment, while limited to 2%, is determined annually and may not exceed the percentage change in the California Consumer Price Index (CCPI).

Because the Revenue and Taxation Code does not distinguish between positive and negative changes in the CCPI used for purposes of the inflation factor, there was a decrease of 0.237% in 2009/10 – applied to the 2010/11 tax roll – reflecting the actual change in the CCPI, as reported by the State Department of Finance. For each fiscal year since Article XIIIA has become effective (the 1978/79 fiscal year), the annual increase for inflation has been at least 2% except in nine fiscal years (including for the upcoming Fiscal Year 2015/16) as shown below:

Tax Roll	Percentage
1981/82	1.000%
1995/96	1.190
1996/97	1.110
1998/99	1.853
2004/05	1.867
2010/11	(0.237)
2011/12	0.753
2014/15	0.454
2015/16	1.998

Proposition 8 Adjustments. Proposition 8, approved in 1978, 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 based on Proposition 8 do not establish new base year values, and the property may be reassessed as of the following lien date up to the lower of the then-current fair market value or the factored base year value. While the assessed value may be reduced by the County Assessor as a result of Proposition 8, the assessed value has no bearing on the calculation of the Assessments, only on the calculation of *ad valorem* taxes.

The County cannot guarantee that reductions in assessed value will not occur in future years.

Value-to-Lien Ratios. Value-to-lien ratios have traditionally been used in land-secured bond issues as a measure of the "collateral" supporting the willingness of property owners to pay their special taxes and assessments (and, in effect, their general property taxes as well). The value-to-lien ratio is mathematically a fraction, the numerator of which is the value of the property (usually a market value as determined by an appraiser) and the denominator of which is the "lien" of the assessments or special taxes. A value-to-lien ratio should not, however, be viewed as a guarantee of credit-worthiness. Land values are more volatile in the early stages of a development, and are especially sensitive to economic cycles. A downturn of the economy, such as the recent economic crisis, may depress land values and hence the value-to-lien ratios, thereby increasing risk to investors and lenders. Further, the value-to-lien ratio cited for a bond issue is based on the aggregate value of all parcels in the District. Individual parcels in an assessment district may fall above or below the average, sometimes even below a 1:1 ratio. (With a ratio below 1:1, the property is worth less than the debt on it.) See "THE DISTRICT - Assessment Parcels" for information on individual parcels' values. Although judicial foreclosure proceedings can be initiated rapidly, the process can take several years to complete, and the bankruptcy courts may impede the foreclosure action. Finally, local agencies may form overlapping community facilities districts or assessment districts. Debt issuance by another entity can dilute value-to-lien ratios. See "THE DISTRICT - Direct and Overlapping Debt."

The values shown in Table No. 2 and discussed under the heading "THE DISTRICT - Assessment Parcels" are based on the County-determined assessed values of property in the District derived from the Fiscal Year 2015/16 County Assessor's assessed valuation of land and improvements, which may or may not be reflective of such property's fair market value or what a property could be sold for at judicial foreclosure. Note particularly in this regard the subsections under this caption "RISK FACTORS" which discuss matters relating to value of a parcel and the discussions under the caption "THE DISTRICT" with respect to lien to value ratios. The County has not undertaken to provide an appraisal of properties within the District.

Factors Affecting Parcel Value and Aggregate Values

Prospective purchasers of the Bonds should not assume that the land could be sold for its original sales price or its fair market value at a foreclosure sale for delinquent Assessments. The future value of the land can be expected to fluctuate due to many different, not fully predictable, real estate related investment risk factors, including, but not limited to: general tax law changes related to real estate, changes in competition, general area employment base changes, population changes, changes in real estate related interest rates affecting general purchasing power, changes in allowed zoning uses and density, natural disasters such as floods, earthquakes, fires, landslides, and similar factors.

The facts and circumstances concerning the values of the Assessment Parcels that are of importance are not confined to those relating to individual Assessment Parcel values because the Bonds are not individually secured by particular Assessment Parcels. The Bonds are secured by all of the unpaid Assessments on all of the Assessment Parcels within the District. Therefore factors which affect all of the Assessment Parcels should be considered. The following are some of the factors which may affect the market for and value of particular Assessment Parcels individually, as well as the market for and value of all Assessment Parcels.

Hazardous Substances

One of the most serious risks in terms of the potential reduction in the value of the Assessment Parcels is a claim with regard to a hazardous substance. In general, the owners and operators of Assessment Parcels may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner or operator is obligated to remedy a hazardous substance condition 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 Assessment Parcels be affected by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller.

The property values set forth in this Official Statement do not take into account the possible reduction in value of any of the Assessment Parcels by reason of the possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. It is possible that environmental liabilities currently exist of which the County is unaware.

Further, it is possible that liabilities may arise in the future with respect to any of the Assessment Parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but that has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently on the parcel of a substance not presently classified as hazardous but that may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of Assessment Parcels that is realizable upon a delinquency.

Geologic, Topographic and Climatic Conditions

The value of the Assessment Parcels in the District 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 the Assessment Parcels 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 wildfires, droughts and tornadoes. It can be expected that one or more of such

conditions may occur and may result in damage to improvements of varying seriousness, that the damage may entail significant repair or replacement costs and that repair or replacement may never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Assessment Parcels may well depreciate or disappear.

The District, like most areas of California, may be subject to unpredictable seismic activity. The occurrence of seismic activity in the District could result in substantial damage to properties in the District, which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Assessments.

The District may be subject to unpredictable climatic conditions, such as flood, droughts and destructive storms. The occurrence of climatic activity of this type in the District could result in substantial damage to properties in the District, which, in turn, could substantially reduce the value of such properties and could affect the ability or willingness of the property owners to pay their Assessments.

Legal Requirements

Other events which may affect the value of an Assessment Parcel include changes in the law or application of the law. Such changes may include, without limitation, local growth control initiatives, local utility connection moratoriums, and local application of statewide tax and governmental spending limitation measures. See "Proposition 218" and "Ballot Initiatives and Legislative Matters" herein.

Other Possible Claims Upon the Value of an Assessment Parcel

The sufficiency of tax or foreclosure sale proceeds to cover delinquent amounts may also depend on the value of any prior or parity liens and similar claims. While the Assessments are secured by the Assessments Parcels, this security only extends to the value thereof that is not subject to priority and parity liens and similar claims relative to the Assessments.

Other governmental obligations, including taxes, assessments, special taxes or other charges, may be authorized and undertaken or issued in the future may become obligations of one or more of the Assessment Parcels and may be secured by liens on a parity with the liens of the Assessments securing the Bonds.

The lien of the Assessments is subordinate to all fixed special assessment liens previously imposed upon the parcels in the District, but has priority over all private liens and over all fixed special assessment liens which may thereafter be creased against the parcels in the District. This lien is co-equal to and independent of the lien of general property taxes, including, without limitation, special taxes levied under the Mello-Roos Community Facilities Act of 1982 (being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California,) whenever created against the property. There are currently no special tax liens imposed upon the Assessment Parcels.

The imposition of additional liens on a parity with the Assessments may reduce the ability or willingness of the landowners to pay the assessment installments and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent assessment installments or the principal of and interest on the Bonds when due.

Risks Related to Availability of Mortgage Loans

Recent events in the United States and world-wide capital markets have adversely affected the availability of mortgage loans to homeowners, including potential buyers of homes within the District. Any such unavailability could hinder the ability of the current homeowners to resell their homes.

Foreclosure and Sale Proceedings

The Board of Supervisors is obligated, under certain conditions set forth in the Fiscal Agent Agreement, to institute foreclosure and sale proceedings against Assessment Parcels which have delinquent assessment installments. See "SOURCES OF PAYMENT FOR THE BONDS - Repayment of the Bonds - Foreclosure Covenant" herein.

Foreclosure proceedings are instituted by the bringing of an action in the superior court of the county in which the Assessment Parcel lies, naming the owner and other interested persons as defendants. The action is prosecuted in the same manner as other civil actions. Upon judgment of foreclosure the Assessment Parcel may be offered for sale at a minimum price. The initially established minimum price will be sufficient to cover the amount of the delinquent installments and unpaid interest together with penalties, costs, fees and charges and the costs of execution and sale. The buyer in a foreclosure sale takes the parcel subject to the remaining assessment installments and regular taxes.

However, in the event an Assessment Parcel does not sell for the minimum price the court may modify its judgment and reduce or eliminate the minimum price. In order to do so, however, written notice of a hearing on the matter of reducing or eliminating the minimum price is required to be given to the owners of the Bonds.

If at the hearing the court determines that such a sale will not result in an ultimate loss to the owners of the Bonds, or if the owners of 75% of the outstanding Bonds by principal amount consent and the sale will not result in an ultimate loss to the non-consenting owners of Bonds, the court may reduce or eliminate the minimum price at which an Assessment Parcel may be sold. Further, if the owners of 75% of the outstanding Bonds by principal amount consent, the court may reduce or eliminate the minimum price at which an Assessment Parcel may be sold even if sale below the minimum price will result in an ultimate loss to non-consenting owners of Bonds, provided that the court makes certain additional determinations specified by statute including the reasonable unavailability of any other remedy acceptable to the owners of 75% or more of the outstanding Bonds by principal amount. Upon sale of the Assessment Parcel for less than the minimum price the remaining unpaid balance of the assessment on the Assessment Parcel will be reduced by the difference between the minimum price and the sale price. By such a reduction the aggregate principal amount of the outstanding Bonds may further exceed the aggregate principal amount of the unpaid Assessments.

Further, foreclosure proceedings may be limited in certain cases. See "Bankruptcy" and "FDIC/Federal Government Interests in Properties" herein.

Depletion of Reserve Fund

Upon the issuance of the Bonds, the Reserve Fund will contain an amount equal to $45,752.50 the initial Reserve Requirement. Whenever there are insufficient funds in the Redemption Fund to pay the next maturing installment of principal and interest on the Bonds, the amounts necessary to make up the deficiency, to the extent available, will be transferred from the Redemption Fund to the Fiscal Agent for deposit in the Redemption Fund. Amounts so transferred will be reimbursed to the Reserve Fund if, and when, available from the payments of delinquent installments and from the proceeds of redemption or sale of delinquent parcels which caused the withdrawal.

The Reserve Requirement is subject to reduction if, and when, the unpaid balance of the Assessment on an Assessment Parcel is prepaid. Upon prepayment of an Assessment, there will be a mandatory redemption of a corresponding principal amount of Bonds (see "THE BONDS - Redemption" herein). The Reserve Requirement will be reduced to the Reserve Requirement following such mandatory redemption. A reduction in the Reserve Requirement caused by prepayment of an assessment and the mandatory redemption of Bonds is a permanent reduction.

The Reserve Fund may be invested, and the investment earnings may be retained in the Reserve Fund, to the extent necessary to maintain the amount therein at the Reserve Requirement. No sources of funds other than such investment earnings and any recoveries of delinquent Assessments are available to replenish deficiencies in the Reserve Fund. Accordingly, there is no assurance that the amount in the Reserve Fund will, at any particular time, be sufficient to pay, when due, debt service on the Bonds nor that the Reserve Fund will be fully reimbursed for any amounts expended for debt service.

Prepayment of Assessments

There is rarely a uniform relationship between the relative value of Assessment Parcels and the proportionate share of debt service on the Bonds to be borne by such Assessment Parcels.

One of the factors that may affect a significant change in the relationship between the aggregate Assessment Parcel values and the assessment is the prepayment before final bond maturity of the remaining balance of the Assessments on particular Assessment Parcels. Should the Assessments on Assessment Parcels having a relatively high ratio of assessed value to assessment be prepaid, the security for the Bonds, as evidenced by the ratio of the aggregate remaining Assessment Parcel values to the remaining outstanding Bonds, will be reduced.

Bankruptcy

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the County to foreclose the lien of a delinquent unpaid Assessments pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SOURCES OF PAYMENT FOR THE BONDS - Repayment of the Bonds." In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Although a bankruptcy proceeding would not cause the Assessments to become extinguished, the amount of any Assessment lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a person or entity with an interest in the applicable property could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Assessment installments not being paid in full.

The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel's approving legal opinion) will be qualified, as to the enforceability of the various legal instruments, by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

Moreover, the ability of the County to commence and prosecute enforcement proceedings may be limited by bankruptcy, insolvency and other laws generally affecting creditors' rights (such as the Soldiers' and Sailors' Relief Act of 1940) and by the laws of the State relating to judicial foreclosure.

FDIC/Federal Government Interests in Properties

Unless the United States Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the County wishes to foreclose on the parcel as a result of delinquent Assessments, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Assessments and preserve the

federal government's mortgage interest. In *Rust v. Johnson* 597 F.2d 174 (9th Cir. 1979), the United States Court of Appeal, Ninth Circuit, held that FNMA (Fannie Mae) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by Fannie Mae constitutes an exercise of state power over property of the United States.

FDIC. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the County to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Assessments may be limited. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property's value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution's affairs, unless abandonment of the FDIC's interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent that the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC's consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC's consent.

The Policy Statement states that the FDIC generally will not pay non-*ad valorem* taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent that it purports to secure the payment of any such amounts.

The County is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Assessments on a parcel within the District, if the FDIC has or obtains an interest, although prohibiting the lien of the Assessments from being foreclosed at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Fannie Mae or Freddie Mac. If a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, or a private deed of trust secured by a parcel of taxable property is owned by a federal government entity or federal government-sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Assessments may be limited.

Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of taxable property but does not pay taxes and assessments levied on the parcel (including Assessments), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the County wishes to foreclose on the parcel as a result of delinquent Assessments, the

property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Assessments and preserve the federal government's mortgage interest.

No investigation has been made as to whether any governmental entity or government-sponsored entity currently owns or has an interest in any property in the District.

Loss of Tax Exemption

As discussed under the caption "LEGAL MATTERS - Tax Matters" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were executed and delivered as a result of future acts or omissions of the County in violation of its covenants contained in the Fiscal Agent Agreement. Should such an event of taxability occur, the Bonds are not subject to special redemption or any increase in interest rate and will remain outstanding until maturity.

In addition, Congress has considered in the past, is currently considering and may consider in the future, legislative proposals, including some that carry retroactive effective dates, that, if enacted, would alter or eliminate the exclusion from gross income for federal income tax purposes of interest on municipal bonds, such as the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. The County can provide no assurance that federal tax law will not change while the Bonds are outstanding or that any such changes will not adversely affect the exclusion of the interest on the Bonds from gross income for federal income tax purposes. If the exclusion of the interest on the Bonds from gross income for federal income tax purposes were amended or eliminated, it is likely that the market price for the Bonds would be adversely impacted.

IRS Audit of Tax-Exempt Bond Issues

The Internal Revenue 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 Bonds will be selected for audit by the Internal Revenue Service. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of similar bonds).

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Fiscal Agent Agreement.

Proposition 218

Under the California Constitution, the power of initiative is reserved to the voters for the purpose of enacting statutes and constitutional amendments. Any such initiative may affect the collection of fees, taxes and other types of revenue by local agencies such as the County. Subject to overriding federal constitutional principles, such collection may be materially and adversely affected by voter-approved initiatives, possibly to the extent of creating cash flow problems in the payment of outstanding obligations such as the Bonds.

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 California Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments shall be deemed to be either general taxes or special taxes. No local government may impose, extend or increase any general tax unless and until such tax is submitted to the

electorate and approved by a majority vote. No local government may impose, extend or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote.

Proposition 218 also provides that no tax, assessment, fee or charge shall be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (i) the *ad valorem* property tax imposed pursuant to Article XIII and Article XIIIA of the California Constitution, (ii) any special tax receiving a two-thirds vote pursuant to the California Constitution, and (iii) assessments, fees and charges for property related services as provided in Proposition 218. Proposition 218 then goes on to add voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings.

Proposition 218 also provides that the constitutional initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local taxes, assessments, fees and charges. This provision with respect to the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218. However, on July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code 5854, which states:

> Section 3 of Article XIIIC of the California Constitution, as adopted at the November 5, 1996 general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protection by Section 10 of Article I of the United States Constitution.

As a result, although no court has yet considered the relationship between Section 5854 and Article XIIIC, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce the Assessments if such reduction would interfere with the timely retirement of the Bonds.

Like its antecedents, Proposition 218 is likely to undergo both judicial and legislative scrutiny before its impact on the District and its obligations can be determined. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law. The County is not able to predict the outcome of any such examination.

The foregoing discussion of Proposition 218 should not be considered an exhaustive or authoritative treatment of the issues. The County does not expect to be in a position to control the consideration or disposition of these issues and cannot predict the timing or outcome of any judicial or legislative activity in this regard. Interim rulings, final decisions, legislative proposals and legislative enactments may all affect the impact of Proposition 218 on the Bonds as well as the market for the Bonds. Legislative and court calendar delays and other factors may prolong any uncertainty regarding the effects of Proposition 218.

Ballot Initiatives and Legislative Measures

Proposition 218 was adopted pursuant to a measure qualified for the ballot pursuant to California's constitutional initiative process and the State Legislature has in the past enacted legislation which has altered the spending limitations or established minimum funding provisions for particular activities. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the State Legislature. The adoption of any such initiative or enactment of legislation might place limitations on the ability of the State, the County or local districts to increase revenues or to increase appropriations or on the ability of a property owner to complete the development of the property.

Limited Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Although the County has committed to provide certain statutorily-required financial and operating information, there can be no assurance that such information will be available to Bondholders on a timely basis. The failure to provide the required annual financial information does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of credit rating for the Bonds or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Limitations on Remedies

Remedies available to the owners of the Bonds may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds. See "Other Possible Claims Upon the Value of an Assessment Parcel," "No Acceleration Provision" and "FDIC/Federal Government Interests in Properties" herein.

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

LEGAL MATTERS

Enforceability of Remedies

The remedies available to the Fiscal Agent and the Owners of the Bonds upon an event of default under the Fiscal Agent Agreement, or any other document described herein are in many respects dependent upon regulatory and judicial actions which are often subject to discretion and delay. Under existing law and judicial decisions, the remedies provided for under such documents may not be readily available or may be limited. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified to the extent that the enforceability of certain legal rights related to the Fiscal Agent Agreement is subject to limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally and by equitable remedies and proceedings generally.

Approval of Legal Proceedings

Jones Hall, A Professional Law Corporation, San Francisco, California, as Bond Counsel, will render an opinion which states that the Fiscal Agent Agreement and the Bonds are valid and binding obligations of the County and are enforceable in accordance with their terms. The legal opinions of Bond Counsel will be subject to the effect of bankruptcy, insolvency, moratorium and other similar laws affecting creditors' rights and to the exercise of judicial discretion in accordance with general principles of equity.

Certain legal matters will be passed on for the County by Dana McRae, County Counsel, and by Jones Hall, A Professional Law Corporation, San Francisco, California, as Disclosure Counsel to the County.

Tax Matters

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, provided, however, that, for the purpose of computing the alternative minimum tax imposed on corporations (as defined for federal income tax purposes), such interest is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the County comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") that must be satisfied subsequent to the issuance of the Bonds. The County has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of such interest in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public (excluding bond houses and brokers) at which a Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. *De minimis* original issue discount and original issue premium is disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates).

The amount of original issue discount accruing during each period is added to the adjusted basis of such Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the Bonds who purchase the Bonds after the initial offering of a substantial amount of such maturity. Owners of such Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering, the allowance of a deduction for any loss on a sale or other disposition, and the treatment of accrued original issue discount on such Bonds under federal individual and corporate alternative minimum taxes.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the Bond (said term being the shorter of the Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a Bond is amortized each year over the term to maturity of the Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized Bond premium is not deductible for federal income tax purposes. Owners of premium Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such Bonds.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from California personal income taxes.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding any federal or state tax consequences arising with respect to the Bonds other than as expressly described above.

The complete text of the final opinion that Bond Counsel expects to deliver upon the issuance of the Bonds is set forth in "APPENDIX D - PROPOSED FORM OF OPINION OF BOND COUNSEL."

Absence of Litigation

To the knowledge of the County, there is not now known to be pending or threatened any litigation restraining or enjoining the execution or delivery of the Fiscal Agent Agreement, or the sale or delivery of the Bonds or in any manner questioning the proceedings and authority under which the Fiscal Agent Agreement is to be executed or delivered or the Bonds are to be delivered or affecting the validity thereof.

Execution

The execution of this Official Statement by the Assistant County Administrative Officer has been duly authorized by the County of Santa Cruz.

COUNTY OF SANTA CRUZ

By: /s/ Carlos Palacios
Assistant County Administrative Officer

Exhibit 101

County Administrative Office

Carlos J. Palacios
County Administrative Officer

701 Ocean Street, Room 520
Santa Cruz, CA 95060
Information: (831) 454-2100
Fax: (831) 454-3420

The County Administrative Office is responsible for the preparation and supervision of the County's budget, legislative analysis, contract and grant administration, intergovernmental relations, supervision of non-elected department heads, and oversight of all departmental functions. The County Administrative Officer is responsible for management, review, and recommendations related to the Board of Supervisor's weekly meeting agendas.

The County Administration Officer is also the ex-officio Clerk of the Board, Director of Emergency Services, Executive Director of the Public Finance Authority, Executive Director of the Santa Cruz County Redevelopment Successor Agency, and a member of the Santa Cruz Regional 911 Joint Powers Authority (JPA) Board and the Animal Services Authority Board of Directors. The County Administrative Office also administers activities related to tourism promotion, including activities associated with the countywide Tourism Marketing District. The CAO also oversees the Homeless Action Partnership Strategic Plan, as well as Economic Development and Cannabis Licensing activities.

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Exhibit 102

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS: Moody's: Aa1
S&P: AA+
Fitch: AA+
(See "Ratings" herein)

In the opinion of Norton Rose Fulbright US LLP, Los Angeles, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, under existing statutes, regulations, rulings and court decisions, and subject to the matters described in "TAX MATTERS" herein, interest on the Bonds is excluded from the gross income of the owners thereof for federal income tax purposes and is not included in the federal alternative minimum tax for individuals or, except as described herein, corporations. It is also the opinion of Co-Bond Counsel that under existing law interest on the Bonds is exempt from personal income taxes of the State of California. See "TAX MATTERS" herein, including a discussion of the federal alternative minimum tax consequences for corporations. The Bonds will not be designated as "qualified tax-exempt obligations" for financial institutions.

$173,120,000
CITY AND COUNTY OF SAN FRANCISCO
TAX-EXEMPT GENERAL OBLIGATION BONDS
(PUBLIC HEALTH AND SAFETY, 2016),
SERIES 2017A

Dated: Date of Delivery **Due: June 15, as shown in the inside cover**

The City and County of San Francisco Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016), Series 2017A (the "Bonds") are being issued under the Government Code of the State of California and the Charter of the City and County of San Francisco (the "City"). The issuance of the Bonds has been authorized by certain resolutions adopted by the Board of Supervisors of the City and duly approved by the Mayor of the City, as described under "THE BONDS – Authority for Issuance; Purposes." The proceeds of the Bonds will be used to finance certain public health and safety improvements and related costs as described herein, and to pay certain costs related to the issuance of the Bonds. See "PLAN OF FINANCE" and "SOURCES AND USES OF FUNDS."

The Bonds will be dated and bear interest from their date of delivery until paid in full at the rates shown in the maturity schedule on the inside cover hereof. Interest on the Bonds will be payable on June 15 and December 15 of each year, commencing June 15, 2017. Principal will be paid at maturity as shown on the inside cover. See "THE BONDS – Payment of Interest and Principal." The Bonds will be issued only in fully registered form without coupons, and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"). Individual purchases of the Bonds will be made in book-entry form only, in denominations of $5,000 or any integral multiple thereof. Payments of principal of and interest on the Bonds will be made by the City Treasurer, as paying agent, to DTC, which in turn is required to remit such principal and interest to the DTC Participants for subsequent disbursement to the beneficial owners of the Bonds. See "THE BONDS – Form and Registration."

The Bonds will be subject to redemption prior to maturity, as described herein. See "THE BONDS – Redemption."

The Board of Supervisors has the power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property subject to taxation by the City (except certain property which is taxable at limited rates) for the payment of the Bonds and the interest thereon when due. See "SECURITY FOR THE BONDS."

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or the terms of the Bonds. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE

(See Inside Cover)

The Bonds are offered when, as and if issued by the City and accepted by the initial purchaser, subject to the approval of legality by Norton Rose Fulbright US LLP, Los Angeles, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel, and certain other conditions. Certain legal matters will be passed upon for the City by its City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel. It is expected that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about February 1, 2017.

Dated: January 18, 2017.

MATURITY SCHEDULE
(Base CUSIP† Number: 797646)

$173,120,000
2017A Serial Bonds

Maturity Date (June 15)	Principal Amount	Interest Rate	Price/Yield	CUSIP† Suffix
2017	$47,360,000	2.00%	0.74%	U38
2018	4,310,000	5.00	0.89	U46
2019	4,525,000	5.00	1.07	U53
2020	4,750,000	5.00	1.25	U61
2021	4,990,000	5.00	1.40	U79
2022	5,240,000	5.00	1.57	U87
2023	5,500,000	5.00	1.71	U95
2024	5,775,000	5.00	1.86	V29
2025	6,065,000	5.00	1.99 (c)	V37
2026	6,365,000	4.00	2.11 (c)	V45
2027	6,620,000	4.00	2.19 (c)	V52
2028	6,885,000	4.00	2.27 (c)	V60
2029	7,160,000	4.00	2.37 (c)	V78
2030	7,445,000	3.00	100.00	V86
2031	7,670,000	3.00	3.07	V94
2032	7,900,000	3.00	3.14	W28
2033	8,140,000	4.00	3.00 (c)	W36
2034	8,465,000	4.00	3.06 (c)	W44
2035	8,800,000	4.00	3.11 (c)	W51
2036	9,155,000	4.00	3.15 (c)	W69

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by Standard and Poor's Financial Services LLC on behalf of the American Bankers Association. CUSIP numbers are provided for convenience of reference only. Neither the City nor the initial purchaser take any responsibility for the accuracy of such numbers.

(c) Yield calculated to the first optional redemption date of June 15, 2024 at par.

No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representation other than those contained herein and, if given or made, such other information or representation must not be relied upon as having been authorized by the City. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, by any person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

The information set forth herein other than that provided by the City, although obtained from sources which are believed to be reliable, is not guaranteed as to accuracy or completeness. The information and expressions of opinion herein are subject to change without notice and neither delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof.

The City maintains a website. The information presented on such website is ***not*** incorporated by reference as part of this Official Statement and should not be relied upon in making investment decisions with respect to the Bonds. Various other websites referred to in this Official Statement also are not incorporated herein by such references.

This Official Statement is not to be construed as a contract with the initial purchaser of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of facts.

The issuance and sale of the Bonds have not been registered under the Securities Act of 1933 in reliance upon the exemption provided thereunder by Section 3(a)(2) for the issuance and sale of municipal securities.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT LEVELS ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

CITY AND COUNTY OF SAN FRANCISCO

MAYOR

Edwin M. Lee

BOARD OF SUPERVISORS

London Breed, *Board President*, *District 5*

Sandar Fewer, *District 1*
Mark Farrell, *District 2*
Aaron Peskin, *District 3*
Katy Tang, *District 4*
Jane Kim, *District 6*
Norman Yee, *District 7*
Jeff Sheehy, *District 8*
Hillary Ronen, *District 9*
Malia Cohen, *District 10*
Ahsha Safai, *District 11*

CITY ATTORNEY

Dennis J. Herrera

CITY TREASURER

José Cisneros

OTHER CITY AND COUNTY OFFICIALS

Naomi M. Kelly, *City Administrator*
Benjamin Rosenfield, *Controller*
Nadia Sesay, *Director of Public Finance*

PROFESSIONAL SERVICES

Paying Agent and Registrar

Treasurer of the City and County of San Francisco

Co-Bond Counsel

Norton Rose Fulbright US LLP
Los Angeles, California

Curls Bartling P.C.
Oakland, California

Co-Financial Advisors

KNN Public Finance, LLC
Oakland, California

Sperry Capital Inc.
Sausalito, California

Disclosure Counsel

Hawkins Delafield & Wood LLP
San Francisco, California

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OFFICIAL STATEMENT

$173,120,000
CITY AND COUNTY OF SAN FRANCISCO
TAX-EXEMPT GENERAL OBLIGATION BONDS
(PUBLIC HEALTH AND SAFETY, 2016),
SERIES 2017A

INTRODUCTION

This Official Statement, including the cover page and the appendices hereto, is provided to furnish information in connection with the public offering by the City and County of San Francisco (the "City") of its City and County of San Francisco Tax-Exempt General Obligation Bonds (Public Health and Safety, 2016), Series 2017A (the "Bonds"). The Board of Supervisors of the City has the power and is obligated to levy ad valorem taxes without limitation as to rate or amount upon all property subject to taxation by the City (except certain property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds when due. See "SECURITY FOR THE BONDS" herein.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. Except as required by the Continuing Disclosure Certificate to be executed by the City with respect to the Bonds, the City has no obligation to update the information in this Official Statement. See "CONTINUING DISCLOSURE" and APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" herein.

Quotations from and summaries and explanations of the Bonds, the resolutions providing for the issuance and payment of the Bonds, and provisions of the constitution and statutes of the State of California (the "State"), the charter of the City (the "Charter") and City ordinances, and other documents described herein, do not purport to be complete, and reference is made to said laws and documents for the complete provisions thereof. Copies of those documents and information concerning the Bonds are available from the City through the Office of Public Finance, 1 Dr. Carlton B. Goodlett Place, Room 336, San Francisco, California 94102-4682. Reference is made herein to various other documents, reports, websites, etc., which were either prepared by parties other than the City, or were not prepared, reviewed and approved by the City with a view towards making an offering of public securities, and such materials are therefore not incorporated herein by such references nor deemed a part of this Official Statement.

THE CITY AND COUNTY OF SAN FRANCISCO

The City is the economic and cultural center of the San Francisco Bay Area and northern California. The limits of the City encompass over 93 square miles, of which 49 square miles are land, with the balance consisting of tidelands and a portion of the San Francisco Bay (the "Bay"). The City is located at the northern tip of the San Francisco Peninsula, bounded by the Pacific Ocean to the west, the Bay and the San Francisco-Oakland Bay Bridge to the east, the entrance to the Bay and the Golden Gate Bridge to the north, and San Mateo County to the south. Silicon Valley is about a 40-minute drive to the south, and the wine country is about an hour's drive to the north. The City's population in fiscal year 2014-15 was approximately 864,400.

The San Francisco Bay Area consists of the nine counties contiguous to the Bay: Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Solano and Sonoma Counties (collectively, the "Bay Area"). The economy of the Bay Area includes a wide range of industries, supplying local needs as well as the needs of national and international markets. Major business sectors in the Bay Area include retail, entertainment and the arts, conventions and tourism, service businesses, banking, professional and financial

services, corporate headquarters, international and wholesale trade, multimedia and advertising, biotechnology and higher education.

The City is a major convention and tourist destination. According to the San Francisco Travel Association, a nonprofit membership organization, during the calendar year 2014, approximately 18.01 million people visited the City and spent an estimated $10.67 billion during their stay. The City is also a leading center for financial activity in the State and is the headquarters of the Twelfth Federal Reserve District, the Eleventh District Federal Home Loan Bank, and the San Francisco Regional Office of Thrift Supervision.

The City benefits from a highly skilled, educated and professional labor force. The per-capita personal income of the City for fiscal year 2015-16 was $95,815. The San Francisco Unified School District operates 16 transitional kindergarten schools, 72 elementary and K-8 school sites, 12 middle schools, 18 senior high schools (including two continuation schools and an independent study school), and 46 State-funded preschool sites, and sponsors 13 independent charter schools. Higher education institutions located in the City include the University of San Francisco, California State University – San Francisco, University of California – San Francisco (a medical school and health science campus), the University of California Hastings College of the Law, the University of the Pacific's School of Dentistry, Golden Gate University, City College of San Francisco (a public community college), the Art Institute of California – San Francisco, the San Francisco Conservatory of Music, the California Culinary Academy, and the Academy of Art University.

San Francisco International Airport ("SFO"), located 14 miles south of downtown San Francisco in an unincorporated area of San Mateo County and owned and operated by the City, is the principal commercial service airport for the Bay Area and one of the nation's principal gateways for Pacific traffic. In fiscal year 2015-16, SFO serviced approximately 51.4 million passengers and handled 451,501 metric tons of cargo. The City is also served by the Bay Area Rapid Transit District (electric rail commuter service linking the City with the East Bay and the San Francisco Peninsula, including SFO), Caltrain (a conventional commuter rail line linking the City with the San Francisco Peninsula), and bus and ferry services between the City and residential areas to the north, east and south of the City. San Francisco Municipal Railway, operated by the City, provides bus and streetcar service within the City. The Port of San Francisco (the "Port"), which administers 7.5 miles of Bay waterfront held in "public trust" by the Port on behalf of the people of the State, promotes a balance of maritime-related commerce, fishing, recreational, industrial and commercial activities and natural resource protection.

The City is governed by a Board of Supervisors elected from eleven districts to serve four-year terms, and a Mayor who serves as chief executive officer, elected citywide to a four-year term. Edwin M. Lee is the 43rd and current Mayor of the City, having been elected by the voters of the City to his current term on November 3, 2015. The City's adopted budget for fiscal years 2016-17 and 2017-18 totals $9.59 billion and $9.72 billion, respectively. The General Fund portion of each year's adopted budget is $4.86 billion in fiscal year 2016-17 and $5.09 billion in fiscal year 2017-18, with the balance being allocated to all other funds, including enterprise fund departments, such as SFO, the San Francisco Municipal Transportation Agency, the Port Commission and the San Francisco Public Utilities Commission. The City employed 31,342 full-time-equivalent employees at the end of fiscal year 2015-16. According to the Controller of the City (the "Controller"), the fiscal year 2016-17 total net assessed valuation of taxable property in the City is approximately $211.5 billion.

More detailed information about the City's governance, organization and finances may be found in APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES" and in APPENDIX B – "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

SECURITY FOR THE BONDS

General

The Board of Supervisors of the City has the power and is obligated, and under the Resolution has covenanted, to levy *ad valorem* taxes without limitation as to rate or amount upon all property subject to taxation by the City (except certain property which is taxable at limited rates) for the payment of the principal of and interest on the Bonds when due.

Factors Affecting Property Tax Security for the Bonds

The annual property tax rate for repayment of the Bonds will be based on the total assessed value of taxable property in the City and the scheduled debt service on the Bonds in each year, less any other lawfully available funds applied by the City for repayment of the Bonds. Fluctuations in the annual debt service on the Bonds, the assessed value of taxable property in the City, and the availability of such other funds in any year, may cause the annual property tax rate applicable to the Bonds to fluctuate. Issuance by the City of additional authorized bonds payable from *ad valorem* property taxes may cause the overall property tax rate to increase.

Discussed below are certain factors that may affect the City's ability to levy and collect sufficient taxes to pay scheduled debt service on the Bonds each year. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES" for additional information on these factors.

Total Assessed Value of Taxable Property in the City. The greater the assessed value of taxable property in the City, the lower the tax rate necessary to generate taxes sufficient to pay scheduled debt service on bonds. The total net assessed valuation of taxable property in the City in fiscal year 2016-17 is approximately $211.5 billion. During economic downturns, declining real estate values, increased foreclosures, and increases in requests submitted to the Assessor and the Assessment Appeals Board for reductions in assessed value have generally caused a reduction in the assessed value of some properties in the City. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – PROPERTY TAXATION – Assessed Valuations, Tax Rates and Tax Delinquencies."

Natural and economic forces can affect the assessed value of taxable property in the City. The City is located in a seismically active region, and damage from an earthquake in or near the City could cause moderate to extensive or total damage to taxable property. See "Seismic Risks" below. Other natural or man-made disasters, such as flood, fire, toxic dumping or acts of terrorism, could also cause a reduction in the assessed value of taxable property within the City. Economic and market forces, such as a downturn in the Bay Area's economy generally, can also affect assessed values, particularly as these forces might reverberate in the residential housing and commercial property markets. In addition, the total assessed value can be reduced through the reclassification of taxable property to a class exempt from taxation, whether by ownership or use (such as exemptions for property owned by State and local agencies and property used for qualified educational, hospital, charitable or religious purposes).

Concentration of Taxable Property Ownership. The more property (by assessed value) owned by any single assessee, the more exposure of tax collections to weakness in that taxpayer's financial situation and ability or willingness to pay property taxes. As of July 1, 2016, no single assessee owned more than 0.51% of the total taxable property in the City. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – PROPERTY TAXATION – Tax Levy and Collection."

Property Tax Rates. One factor in the ability of taxpayers to pay additional taxes for general obligation bonds is the cumulative rate of tax. The total tax rate per $100 of assessed value (including the basic countywide 1% rate required by statute) is discussed further in APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – PROPERTY TAXATION – Assessed Valuations, Tax Rates and Tax Delinquencies."

Debt Burden on Owners of Taxable Property in the City. Another measure of the debt burden on local taxpayers is total debt as a percentage of taxable property value. Issuance of general obligation bonds by the City is limited under Section 9.106 of the Charter to 3.00% of the assessed value of all taxable real and personal property located within the City's boundaries. For purposes of this provision of the Charter, the City calculates its debt limit on the basis of total assessed valuation net of non-reimbursable and homeowner exemptions. On this basis, the City's gross general obligation debt limit for fiscal year 2016-17 is approximately $6.35 billion, based on a net assessed valuation of approximately $211.5 billion. As of December 15, 2016, the City had outstanding approximately $2.01 billion in aggregate principal amount of general obligation bonds, which equals approximately 0.95% of the net assessed valuation for fiscal year 2016-17. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – CAPITAL FINANCING AND BONDS."

Additional Debt; Authorized but Unissued Bonds. Issuance of additional authorized bonds can cause the overall property tax rate to increase. As of December 15, 2016, the City had voter approval to issue up to $1.62 billion in additional aggregate principal amount of new bonds payable from *ad valorem* property taxes. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – CAPITAL FINANCING AND BONDS – General Obligation Bonds." In addition, the City expects that it will propose further bond measures to the voters from time to time to help meet its capital needs. The City's most recent adopted ten-year capital plan sets forth $32 billion of capital needs. See APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES – CAPITAL FINANCING AND BONDS – Capital Plan."

City Long-Term Challenges

The following discussion highlights certain long-term challenges facing the City and is not meant to be an exhaustive discussion of challenges facing the City. Notwithstanding the City's strong economic and financial performance during the recent recovery and despite significant City initiatives to improve public transportation systems, expand access to healthcare and modernize parks and libraries, the City faces several long-term financial challenges and risks described below.

Significant capital investments are proposed in the City's adopted ten-year capital plan. However identified funding resources are below those necessary to maintain and enhance the City's physical infrastructure. As a result, over $10 billion in capital needs are deferred from the capital plan's ten-year horizon. Over two-thirds of these unfunded needs relate to the City's transportation and waterfront infrastructure, where state of good repair investment has lagged for decades. Mayor Edwin Lee has convened a taskforce to recommend funding mechanisms and strategies to bridge a portion of the gaps in the City's transportation needs, but it is likely that significant funding gaps will remain even assuming the identification of significant new funding resources.

In addition, the City faces long term challenges with respect to the management of pension and post-employment retirement obligations. The City has taken significant steps to address long-term unfunded liabilities for employee pension and other post-employment benefits, including retiree health obligations, yet significant liabilities remain. In recent years, the City and voters have adopted significant changes that should mitigate these unfunded liabilities over time, including adoption of lower-cost benefit tiers, increases to employee and employer contribution requirements, and establishment of a trust fund to set-aside funding for future retiree health costs. The financial benefit from these changes will phase in over time, however, leaving ongoing financial challenges for the City in the shorter term. Further, the size of these liabilities is based on a

number of assumptions, including but not limited to assumed investment returns and actuarial assumptions. It is possible that actual results will differ materially from current assumptions, and such changes in investment returns or other actuarial assumptions could increase budgetary pressures on the City.

Lastly, while the City has adopted a number of measures to better position the City's operating budget for future economic downturns, these measures may not be sufficient. Economic stabilization reserves have grown significantly during the last four fiscal years and now exceed pre-recession peaks, but remain below adopted target levels of 10% of discretionary General Fund revenues.

There is no assurance that other challenges not discussed in this Official Statement may become material to investors in the future. For more information, see APPENDIX A – "CITY AND COUNTY OF SAN FRANCISCO ORGANIZATION AND FINANCES" and in APPENDIX B – "COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE CITY AND COUNTY OF SAN FRANCISCO FOR THE FISCAL YEAR ENDED JUNE 30, 2016."

Seismic Risks

The City is located in a seismically active region. Active earthquake faults underlie both the City and the surrounding Bay Area, including the San Andreas Fault, which passes about three miles to the southeast of the City's border, and the Hayward Fault, which runs under Oakland, Berkeley and other cities on the east side of San Francisco Bay, about 10 miles away. Significant seismic events include the 1989 Loma Prieta earthquake, centered about 60 miles south of the City, which registered 6.9 on the Richter scale of earthquake intensity. That earthquake caused fires, building collapses, and structural damage to buildings and highways in the City and surrounding areas. The San Francisco-Oakland Bay Bridge, the only east-west vehicle access into the City, was closed for a month for repairs, and several highways in the City were permanently closed and eventually removed. On August 24, 2014, the San Francisco Bay Area experienced a 6.0 earthquake centered near Napa along the West Napa Fault. The City did not suffer any material damage as a result of this earthquake.

In March 2015, the Working Group on California Earthquake Probabilities (a collaborative effort of the U.S. Geological Survey (U.S.G.S.), the California Geological Survey, and the Southern California Earthquake Center) reported that there is a 72% chance that one or more quakes of about magnitude 6.7 or larger will occur in the San Francisco Bay Area before the year 2045. Such earthquakes may be very destructive. In addition to the potential damage to City-owned buildings and facilities (on which the City does not generally carry earthquake insurance), due to the importance of San Francisco as a tourist destination and regional hub of commercial, retail and entertainment activity, a major earthquake anywhere in the Bay Area may cause significant temporary and possibly long-term harm to the City's economy, tax receipts, and residential and business real property values.

In early 2016, the Port Commission of the City and County of San Francisco commissioned an earthquake vulnerability study of the Northern Waterfront Seawall. The Seawall was constructed over 100 years ago and sits on reclaimed land, rendering it vulnerable to seismic risk. The Seawall provides flood and wave protection to downtown San Francisco, and stabilizes hundreds of acres of filled land. Preliminary findings of the study indicate that a strong earthquake may cause most of the Seawall to settle and move outward toward the Bay, which would significantly increase earthquake damage and disruption along the waterfront. The Port Commission estimates that seismic retrofitting of the Seawall could cost as much as $3 billion, with another $2 billion or more needed to prepare the Seawall for rising sea levels. The study estimates that approximately $1.6 billion in Port assets and $2.1 billion of rents, business income, and wages are at risk from major damage to the Seawall.

Risk of Sea Level Changes and Flooding

In May 2009, the California Climate Change Center released a final paper, for informational purposes only, which was funded by the California Energy Commission, the California Environmental Protection Agency, the Metropolitan Transportation Commission, the California Department of Transportation and the California Ocean Protection Council. The title of the paper is "The Impacts of Sea-Level Rise on the California Coast." The paper posits that increases in sea level will be a significant consequence of climate change over the next century. The paper evaluated the population, infrastructure, and property at risk from projected sea-level rise if no actions are taken to protect the coast. The paper concluded that significant property is at risk of flooding from 100-year flood events as a result of a 1.4 meter sea level rise. The paper further estimates that the replacement value of this property totals nearly $100 billion (in 2000 dollars). Two-thirds of this at-risk property is concentrated in San Francisco Bay, indicating that this region is particularly vulnerable to impacts associated with sea-level rise due to extensive development on the margins of the Bay. A wide range of critical infrastructure, such as roads, hospitals, schools, emergency facilities, wastewater treatment plants, power plants, and wetlands is also vulnerable. Continued development in vulnerable areas will put additional assets at risk and raise protection costs.

The City is unable to predict whether sea-level rise or other impacts of climate change or flooding from a major storm will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect on the business operations or financial condition of the City and the local economy.

Other Events

Seismic events, wildfires, tsunamis, and other natural or man-made events such as cybersecurity breaches may damage City infrastructure and adversely impact the City's ability to provide municipal services. For example, in November 2016, the SFMTA was subjected to a ransomware attack which disrupted some of the SFMTA's internal computer systems but did not impact any of the critical transportation systems. Therefore, the attack did not interrupt Muni services nor did it compromise customer privacy or transaction information. The SFMTA, however, took the precaution of turning off the ticket machines and faregates in the Muni Metro subway stations from Friday, November 25 until the morning of Sunday, November 27. While the City takes prudent measures to prevent cyberattacks, no assurance can be given that the City will not be the target of future cybersecurity attacks that could adversely impact the City's operations.

As another example, in August 2013, a massive wildfire in Tuolumne County and the Stanislaus National Forest burned over 257,135 acres (the "Rim Fire"), which area included portions of the City's Hetch Hetchy Project. The Hetch Hetchy Project is comprised of dams (including O'Shaughnessy Dam), reservoirs (including Hetch Hetchy Reservoir which supplies 85% of San Francisco's drinking water), hydroelectric generator and transmission facilities and water transmission facilities. Hetch Hetchy facilities affected by the Rim Fire included two power generating stations and the southern edge of the Hetch Hetchy Reservoir. There was no impact to drinking water quality. The City's hydroelectric power generation system was interrupted by the fire, forcing the San Francisco Public Utilities Commission to spend approximately $1.6 million buying power on the open market and using existing banked energy with PG&E. The Rim Fire inflicted approximately $40 million in damage to parts of the City's water and power infrastructure located in the region. In September 2010, a Pacific Gas and Electric Company ("PG&E") high pressure natural gas transmission pipeline exploded in San Bruno, California, with catastrophic results. There are numerous gas transmission and distribution pipelines owned, operated and maintained by PG&E throughout the City.

TAX MATTERS

Tax Exemption

The delivery of the Bonds is subject to the opinion of Co-Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61

of the Internal Revenue Code of 1986, as amended to the date of such opinion (the "Code"), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals or, except as hereinafter described, corporations. The delivery of the Bonds is also subject to the delivery of the opinion of Co-Bond Counsel, based upon existing provisions of the laws of the State of California, that interest on the Bonds is exempt from personal income taxes of the State of California. A form of Co-Bond Counsel's opinions is reproduced as APPENDIX F. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

Interest on the Bonds owned by a corporation will be included in such corporation's adjusted current earnings for purposes of calculating the federal alternative minimum taxable income of such corporation, other than an S corporation, a qualified mutual fund, a real estate investment trust, a real estate mortgage investment conduit, or a financial asset securitization investment trust ("FASIT"). A corporation's alternative minimum taxable income is the basis on which the alternative minimum tax imposed by Section 55 of the Code will be computed.

In rendering the foregoing opinions, Co-Bond Counsel will rely upon representations and certifications of the City made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the City with the provisions of the Resolution subsequent to the issuance of the Bonds. The Resolution contains covenants by the City with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage "profits" from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Co-Bond Counsel's opinion is not a guarantee of a result, but represents their legal judgment based upon their review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the City described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Co-Bond Counsel, and Co-Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the City as the "taxpayer," and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the City may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Co-Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative

action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Tax Accounting Treatment of Discount and Premium on Certain Bonds

The initial public offering price of certain Bonds (the "Discount Bonds") may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under "Tax Exemption." Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the alternative minimum taxable income of a corporation, for purposes of calculating a corporation's alternative minimum tax imposed by Section 55 of the Code, and the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The initial public offering price of certain Bonds (the "Premium Bonds") may be greater than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Premium Bond (assuming that a substantial amount of the Premium Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes premium to the initial purchaser of such Premium Bonds. The basis for federal income tax purposes of a Premium Bond in the hands of such initial purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

OTHER LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax status of the interest on the Bonds (see "TAX MATTERS" herein) are subject to the legal opinions of Norton Rose Fulbright US LLP, Los Angeles, California, and Curls Bartling P.C., Oakland, California, Co-Bond Counsel to the City. The signed legal opinions of Co-Bond Counsel, dated and premised on facts existing and law in effect as of the date of original delivery of the Bonds, will be delivered to the initial purchaser of the Bonds at the time of original delivery of the Bonds.

The proposed forms of the legal opinion of Co-Bond Counsel are set forth in APPENDIX F hereto. The text of the legal opinions to be delivered may vary if necessary to reflect facts and law on the date of delivery. The opinions will speak only as of their date, and subsequent distributions of them by recirculation of this Official Statement or otherwise will create no implication that Co-Bond Counsel have reviewed or express any opinion concerning any of the matters referred to in the respective opinions subsequent to their date. In rendering their opinions, Co-Bond Counsel will rely upon certificates and representations of facts to be contained in the transcript of proceedings for the Bonds, which Co-Bond Counsel will not have independently verified.

Co-Bond Counsel undertake no responsibility for the accuracy, completeness or fairness of this Official Statement.

Certain legal matters will be passed upon for the City by the City Attorney and by Hawkins Delafield & Wood LLP, San Francisco, California, Disclosure Counsel.

Hawkins Delafield & Wood LLP has served as disclosure counsel to the City and in such capacity has advised the City with respect to applicable securities laws and participated with responsible City officials and staff in conferences and meetings where information contained in this Official Statement was reviewed for accuracy and completeness. Disclosure Counsel is not responsible for the accuracy or completeness of the statements or information presented in this Official Statement and has not undertaken to independently verify any of such statements or information. Rather, the City is solely responsible for the accuracy and completeness of the statements and information contained in this Official Statement. Upon the delivery of the Bonds, Disclosure Counsel will deliver a letter to the City which advises the City, subject to the assumptions, exclusions, qualifications and limitations set forth therein, that no facts came to attention of such firm which caused them to believe that this Official Statement as of its date and as of the date of delivery of the Bonds contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. No purchaser or holder of the Bonds, or other person or party other than the City, will be entitled to or may rely on such letter or Hawkins Delafield & Wood LLP's having acted in the role of disclosure counsel to the City.

PROFESSIONALS INVOLVED IN THE OFFERING

KNN Public Finance, LLC, Oakland, California and Sperry Capital Inc., Sausalito, California, have served as Co-Financial Advisors to the City with respect to the sale of the Bonds. The Co-Financial Advisors have assisted the City in the City's review and preparation of this Official Statement and in other matters relating to the planning, structuring, and sale of the Bonds. The Co-Financial Advisors have not independently verified any of the data contained herein nor conducted a detailed investigation of the affairs of the City to determine the accuracy or completeness of this Official Statement and assume no responsibility for the accuracy or completeness of any of the information contained herein. The Co-Financial Advisors, Co-Bond

Counsel and Disclosure Counsel will all receive compensation from the City for services rendered in connection with the Bonds contingent upon the sale and delivery of the Bonds. The City Treasurer is acting as paying agent and registrar with respect to the Bonds.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, the ability of the City to levy the ad valorem tax required to pay debt service on the Bonds, the corporate existence of the City, or the entitlement to their respective offices of the officers of the City who will execute and deliver the Bonds and other documents and certificates in connection therewith. The City will furnish to the initial purchaser of the Bonds a certificate of the City as to the foregoing as of the time of the original delivery of the Bonds.

CONTINUING DISCLOSURE

The City has covenanted for the benefit of the holders and beneficial owners of the Bonds to provide certain financial information and operating data relating to the City (the "Annual Report") not later than 270 days after the end of the City's fiscal year (which currently ends on June 30), commencing with the report for fiscal year 2016-17, which is due not later than March 27, 2018, and to provide notices of the occurrence of certain enumerated events. The Annual Report will be filed by the City with the Municipal Securities Rulemaking Board ("MSRB"). The notices of enumerated events will be filed by the City with the MSRB. The specific nature of the information to be contained in the Annual Report or the notices of enumerated events is summarized in APPENDIX D – "FORM OF CONTINUING DISCLOSURE CERTIFICATE." These covenants have been made in order to assist the purchaser of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5). The ratings on certain obligations of the City were upgraded by Fitch Ratings on March 28, 2013. Under certain continuing disclosure undertakings of the City, the City was required to file a notice of such upgrade with the Electronic Municipal Market Access system of the MSRB by April 11, 2013. The City filed such notice on May 17, 2013.

The City may, from time to time, but is not obligated to, post its Comprehensive Annual Financial Report and other financial information on the City Controller's web site at www. sfgov.org/controller.

RATINGS

Moody's Investors Service, Inc. ("Moody's"), S&P Global Ratings ("S&P"), and Fitch Ratings ("Fitch"), have assigned municipal bond ratings of "Aa1," "AA+," and "AA+," respectively, to the Bonds. Certain information not included in this Official Statement was supplied by the City to the rating agencies to be considered in evaluating the Bonds. The ratings reflect only the views of each rating agency, and any explanation of the significance of any rating may be obtained only from the respective credit rating agencies: Moody's, at www.moodys.com; S&P, at www.spratings.com; and Fitch, at www.fitchratings.com. The information presented on the website of each rating agency is not incorporated by reference as part of this Official Statement. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision. No assurance can be given that any rating issued by a rating agency will be retained for any given period of time or that the same will not be revised or withdrawn entirely by such rating agency, if in its judgment circumstances so warrant. Any such revision or withdrawal of the ratings obtained may have an adverse effect on the market price or marketability of the Bonds. The City undertakes no responsibility to oppose any such downward revision, suspension or withdrawal.

SALE OF THE BONDS

The Bonds were sold at competitive bid on January 18, 2017. The Bonds were awarded to Raymond James & Associates, Inc. (the "Purchaser"), which submitted the lowest true interest cost bid, at a purchase price of $184,187,405.70 (the "Purchase Price"). Under the terms of its bid, the Purchaser will be obligated to purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to the approval of certain legal matters by Co-Bond Counsel, and certain other conditions to be satisfied by the City.

The Purchaser provided the reoffering prices or yields set forth on the inside cover of this Official Statement and the City takes no responsibility for the accuracy of those reoffering prices or yields. Based on the reoffering prices, the Purchase Price reflects the par amount of the Bonds, plus a net original issue premium of $11,820,477.70, and less an underwriting discount (or "spread") of $753,072.00. The Purchaser may offer and sell Bonds to certain dealers and others at yields that differ from those stated on the inside cover. The offering prices or yields may be changed from time to time by the Purchaser

MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the City and the initial purchaser or owners and beneficial owners of any of the Bonds.

The preparation and distribution of this Official Statement have been duly authorized by the Board of Supervisors of the City.

CITY AND COUNTY OF SAN FRANCISCO

By: /s/ Benjamin Rosenfield
Controller

APPENDIX D

FORM OF CONTINUING DISCLOSURE CERTIFICATE

$173,120,000
CITY AND COUNTY OF SAN FRANCISCO
GENERAL OBLIGATION BONDS
(PUBLIC HEALTH AND SAFETY, 2016),
SERIES 2017A

This Continuing Disclosure Certificate (the "Disclosure Certificate") is executed and delivered by the City and County of San Francisco (the "City") in connection with the issuance of the bonds captioned above (the "Bonds"). The Bonds are issued pursuant to Resolution No. 514-16 and Resolution No. 515-16, both adopted by the Board of Supervisors of the City on December 6, 2016, and duly approved by the Mayor of the City on December 16, 2016 (together, the "Resolution"). The City 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 Underwriters in complying with Securities and Exchange Commission Rule 15c2-12(b)(5).

SECTION 2. Definitions. The following capitalized terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which: (a) has or shares the power, directly or indirectly, to make investment decisions concerning ownership of any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries) including, but not limited to, the power to vote or consent with respect to any Bonds or to dispose of ownership of any Bonds; or (b) is treated as the owner of any Bonds for federal income tax purposes.

"Dissemination Agent" shall mean the City, acting in its capacity as Dissemination Agent under this Disclosure Certificate, or any successor Dissemination Agent designated in writing by the City and which has filed with the City a written acceptance of such designation.

"Holder" shall mean either the registered owners of the Bonds, or, if the Bonds are registered in the name of The Depository Trust Company or another recognized depository, any applicable participant in such depository system.

"Listed Events" shall mean any of the events listed in Section 5(a) and 5(b) of this Disclosure Certificate.

"MSRB" shall mean the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB currently located at *http://emma.msrb.org*.

"Participating Underwriter" shall mean any of the original underwriters or purchasers of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

SECTION 3. Provision of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, not later than 270 days after the end of the City's fiscal year (which is June 30), commencing with the report for the 2016-17 Fiscal Year (which is due not later than March 27, 2018), provide to the MSRB an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. If the Dissemination Agent is not the City, the City shall provide the Annual Report to the Dissemination Agent not later than 15 days prior to said date. The Annual Report must be submitted in electronic format and accompanied by such identifying information as is prescribed by the MSRB, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; *provided*, that if the audited financial statements of the City are not available by the date required above for the filing of the Annual Report, the City shall submit unaudited financial statements and submit the audited financial statements as soon as they are available. If the City's Fiscal Year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(e).

(b) If the City is unable to provide to the MSRB an Annual Report by the date required in subsection (a), the City shall send a notice to the MSRB in substantially the form attached as Exhibit A.

(c) The Dissemination Agent shall (if the Dissemination Agent is other than the City), file a report with the City certifying the date that the Annual Report was provided to the MSRB pursuant to this Disclosure Certificate.

SECTION 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following information, as required by the Rule:

(a) the audited general purpose financial statements of the City prepared in accordance with generally accepted accounting principles applicable to governmental entities;

(b) a summary of budgeted general fund revenues and appropriations;

(c) a summary of the assessed valuation of taxable property in the City;

(d) a summary of the *ad valorem* property tax levy and delinquency rate;

(e) a schedule of aggregate annual debt service on tax-supported indebtedness of the City; and

(f) summary of outstanding and authorized but unissued tax-supported indebtedness of the City.

Any or all of the items listed above may be set forth in a document or set of documents, or may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which are available to the public on the MSRB website. If the document included by reference is a final official statement, it must be available from the MSRB. The City shall clearly identify each such other document so included by reference.

SECTION 5. Reporting of Significant Events.

(a) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 1-9 with respect to the Bonds not later than ten business days after the occurrence of the event:

1. Principal and interest payment delinquencies;
2. Unscheduled draws on debt service reserves reflecting financial difficulties;
3. Unscheduled draws on credit enhancements reflecting financial difficulties;
4. Substitution of credit or liquidity providers, or their failure to perform;
5. Issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB) or adverse tax opinions;
6. Tender offers;
7. Defeasances;
8. Rating changes; or
9. Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under State or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) The City shall give, or cause to be given, notice of the occurrence of any of the following events numbered 10-16 with respect to the Bonds not later than ten business days after the occurrence of the event, if material:

10. Unless described in paragraph 5(a)(5), other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
11. Modifications to rights of Bond holders;
12. Unscheduled or contingent Bond calls;
13. Release, substitution, or sale of property securing repayment of the Bonds;
14. Non-payment related defaults;
15. The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms; or
16. Appointment of a successor or additional trustee or the change of name of a trustee.

(c) The City shall give, or cause to be given, in a timely manner, notice of a failure to provide the annual financial information on or before the date specified in Section 3, as provided in Section 3(b).

(d) Whenever the City obtains knowledge of the occurrence of a Listed Event described in Section 5(b), the City shall determine if such event would be material under applicable federal securities laws.

(e) If the City learns of the occurrence of a Listed Event described in Section 5(a), or determines that knowledge of a Listed Event described in Section 5(b) would be material under

applicable federal securities laws, the City shall within ten business days of occurrence file a notice of such occurrence with the MSRB in electronic format, accompanied by such identifying information as is prescribed by the MSRB. Notwithstanding the foregoing, notice of the Listed Event described in subsection 5(b)(12) 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 pursuant to the Resolution.

SECTION 6. Termination of Reporting Obligation. The City'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 City shall give notice of such termination in the same manner as for a Listed Event under Section 5(e).

SECTION 7. Dissemination Agent. The City may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate.

SECTION 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend or waive this Disclosure Certificate or any provision of this Disclosure Certificate, provided that the following conditions are satisfied:

(a) If the amendment or waiver relates to the provisions of Sections 3(a), 3(b), 4, 5(a) or 5(b), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds or the type of business conducted;

(b) The undertaking, as amended or taking into account such waiver, would, in the opinion of the City Attorney or nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the owners of a majority in aggregate principal amount of the Bonds or (ii) does not, in the opinion of the City Attorney or nationally recognized bond counsel, materially impair the interests of the Holders.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the City shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the City. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements: (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5; and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

SECTION 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City 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 City 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 City 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 10. Remedies. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, any Participating Underwriter, Holder or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate to cause the City to comply with its obligations under this Disclosure Certificate; provided that any such action may be instituted only in a federal or state court located in the City and County of San Francisco, State of California, and that the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

SECTION 11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Date: February 1, 2017.

CITY AND COUNTY OF SAN FRANCISCO

_____

Benjamin Rosenfield
Controller

Approved as to form:

DENNIS J. HERRERA
CITY ATTORNEY

By: _____
Deputy City Attorney

CONTINUING DISCLOSURE CERTIFICATE EXHIBIT A

FORM OF NOTICE TO THE
MUNICIPAL SECURITIES RULEMAKING BOARD
OF FAILURE TO FILE ANNUAL REPORT

Name of City: CITY AND COUNTY OF SAN FRANCISCO

Name of Bond Issue: CITY AND COUNTY OF SAN FRANCISCO TAX-EXEMPT GENERAL OBLIGATION BONDS
(PUBLIC HEALTH AND SAFETY, 2016) SERIES 2017A

Date of Issuance: February 1, 2017

NOTICE IS HEREBY GIVEN to the Municipal Securities Rulemaking Board that the City has not provided an Annual Report with respect to the above-named Bonds as required by Section 3 of the Continuing Disclosure Certificate of the City and County of San Francisco, dated February 1, 2017. The City anticipates that the Annual Report will be filed by _____.

Dated:_____

CITY AND COUNTY OF SAN FRANCISCO

By: [to be signed only if filed]
Title: _____

Exhibit 103

Comparing Statements in Municipal Bond Offerings Against Core Municipality-Related Climate Change Allegations in Tort Complaints

City of Oakland		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Over 30	Over $2 billion
Core Municipality-Related Climate Change Allegations	**Lack of Comparable Climate Change Disclosures in Sample Municipal Bond**	
✓ Defendants' "massive fossil fuel production . . . ***causes a gravely dangerous rate of global warming***" and "cause[s] ***ongoing and increasingly severe sea level rise harms to Oakland*** . . . ." (¶ 55) ✓ "[B]y 2050, a ***'100-year flood'*** in the Oakland vicinity is ***expected to occur*** . . . once every 2.3 years . . . and by 2100. . . once per week." (¶ 86) ✓ Oakland is projected to have up to "***66 inches of sea level rise by 2100***," which, along with flooding, will imminently threaten Oakland's sewer system and threaten property with a "total ***replacement cost of between $22 and $38 billion***." (¶ 87)	"The ***City is unable to predict when*** seismic events, fires or other natural events, such as ***sea rise or other impacts of climate change or flooding from a major storm,*** could occur, when they may occur, and, ***if any such events occur, whether they will have a material adverse effect*** on the business operations or financial condition of the City or the local economy." (2017 Oakland General Obligation Bonds A-48–49 (2017))	

San Mateo County		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Over 50	Over $2 billion
Core Municipality-Related Climate Change Allegations	**Lack of Comparable Climate Change Disclosures in Sample Municipal Bond**	
✓ County is *"**particularly vulnerable to sea level rise*** and changes in salinity, temperature, and runoff" due to its "topography, geography, and land use patterns . . . ." The County will experience "***a higher rate of sea rise*** . . . than the global mean." (¶ 68) ✓ ***County predicts*** "extreme sea level rise events equivalent to a 1% annual-chance flood of 42-inches" over expected sea level changes will "***inundate thousands of acres of County land, breach flood protection infrastructure and swamp San Francisco International Airport*** . . . ." (¶ 70) ✓ Along with current weather and climate changes, the "***County is at an increased risk of suffering extreme injuries in the future***," such as a "***93% chance that the County experiences a devastating three-foot flood before the year 2050, and a 50% chance that such a flood occurs before 2030*** ." (¶ 170)	"The County is ***unable to predict whether sea-level rise or other impacts of climate change*** or flooding from a major storm ***will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect*** on the business operations or financial condition of the County and the local economy." (2016 San Mateo Refunding Lease Revenue Bond 74 (2016); 2014 San Mateo Lease Revenue Bond 71 (2014))	

These charts were prepared by counsel based on a comparison of the six California tort complaints and municipal bond offerings issued by the City of Oakland, San Mateo County, the City of San Francisco, the City of Imperial Beach, the County and City of Santa Cruz, and Marin County between 1990 and 2017. Counsel identified these bonds through the Municipal Securities Rulemaking Board's website, the Electronic Municipal Market Access (EMMA), https://emma.msrb.org/. Using optical character recognition (OCR), counsel surveyed municipal securities issued by the relevant municipalities and any readily identifiable related entities.

Comparing Statements in Municipal Bond Offerings Against Core Municipality-Related Climate Change Allegations in Tort Complaints

City of San Francisco		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Over 150	Over $18 billion

Core Municipality-Related Climate Change Allegations	Lack of Comparable Climate Change Disclosures in Sample Municipal Bond
✓ "***Global warming-induced sea level rise is already causing flooding of low-lying areas of San Francisco***, increased shoreline erosion, and salt water impacts to San Francisco's water treatment system. The rapidly rising sea level along the Pacific coast and in San Francisco Bay, moreover, poses an ***imminent threat of catastrophic*** **storm surge flooding** because any storm would be superimposed on a higher sea level." (¶ 1) ✓ The threat of sea-level rise "is becoming more dire every day as global warming reaches ever more dangerous levels and ***sea level rise accelerates***." "***Nearer-term risks include 0.3 to as much as 0.8 feet of additional sea level rise by 2030*** . . . ." (¶¶ 1, 8) ✓ "San Francisco is planning to fortify its Seawall to protect itself from sea level rise. . . . Short-term seawall upgrades are expected to ***cost more than $500 million***. Long-term upgrades . . . [are expected to] ***cost $5 billion***." (¶ 89(a))	"The City is ***unable to predict whether sea-level rise or other impacts of climate change*** or flooding from a major storm ***will occur, when they may occur, and if any such events occur, whether they will have a material adverse effect*** on the business operations or financial condition of the City and the local economy." (2017 San Francisco General Obligation Bond 12 (2017))

City of Imperial Beach		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Under 5	Over $60 million

Core Municipality-Related Climate Change Allegations	Lack of Comparable Climate Change Disclosures in Sample Municipal Bond
✓ The City has and will experience "***additional, significant, and dangerous sea level rise" due to "unabated" GHG emissions***. (¶ 168) ✓ "Economic vulnerability associated with erosion's impact on real property is valued at ***over $106 million***. ***Coastal flooding will impact*** 1,538 parcels, and cause ***over $38 million in damages***, primarily to residential and commercial buildings." (¶ 170(a))	Boilerplate disclosure that "earthquake . . . , flood, fire, or other natural disaster, could cause a reduction in the Tax Revenues securing the Bonds." (2013 Imperial Beach Tax Allocation Bond 50 (2013))

Comparing Statements in Municipal Bond Offerings Against Core Municipality-Related Climate Change Allegations in Tort Complaints

County and City of Santa Cruz		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Over 80	Over $1 billion

Core Municipality-Related Climate Change Allegations	Lack of Comparable Climate Change Disclosures in Sample Municipal Bond
✓ Santa Cruz's "hydrologic regime is shifting toward . . . ***more frequent and severe drought, more extreme precipitation events, more frequent and severe heatwaves, and more frequent and severe wildfires.***" (County Complaint ¶ 83; City Complaint ¶ 82)	The County discloses that portions of the county "are located in a 100-year flood plain" and where there is "high or extreme danger of wildfires" without tying this to climate change. (2017 County of Santa Cruz Tax & Revenue Anticipation Note 68 (2017))
✓ The county warns that "there is **a 98% chance that the County experiences a devastating three-foot flood before the year 2050**, and ***a 22% chance that such a flood occurs before 2030.*** . . . With 0.3 feet of sea level rise, anticipated by 2030, ***the County will endure extensive coastal flooding***," which will affect private residences, roads and highways, the sewer system, and emergency services buildings, among other facilities. (County Complaint ¶¶ 210-11)	County property values "can be adversely affected by a variety of . . . factors includ[ing] . . . earth movements, landslides and floods and climatic conditions such as wildfires, droughts and tornadoes" and some areas within the County "***may be subject to unpredictable climatic conditions***, such as flood, droughts and destructive storms." (2016 County of Santa Cruz Limited Obligation Improvement Bond 26–27 (2016))
✓ The City warns that the "***increased flooding and severe storm events*** associated with climate change will result in significant structural and financial losses in the City's low-lying downtown." (City Complaint ¶ 210)	City bond has boilerplate, "From time to time, the City is subject to natural calamities, including, but not limited to, earthquake, flood, tsunami, or wildfire . . . which could have a negative impact on City finances." (2017 City of Santa Cruz Public Refunding Lease Revenue Bond 52 (2017))

Comparing Statements in Municipal Bond Offerings Against Core Municipality-Related Climate Change Allegations in Tort Complaints

Marin County		
Bond Type	**Approximate Number of Bonds**	**Approximate Total Value**
Without Climate-Related References	Under 10	Over $150 million

Core Municipality-Related Climate Change Allegations	**Lack of Comparable Climate Change Disclosures in Sample Municipal Bond**
✓ "Marin County anticipates a 1% annual-chance flood of at least three feet to occur in any given year. Such an event, ***even with the minimum anticipated sea level rise, would inundate thousands of additional acres of County land***." **(**¶ 70) ✓ "[T]here is a ***99% risk*** that the County experiences a ***devastating three-foot flood before the year 2050***, and a ***47% chance*** that such a flood occurs ***before 2030***. Within the ***next 15 years***, the County's Bay-adjacent coast ***will endure multiple, significant impacts from sea level rise***. The San Rafael and Southern Marin shoreline communities are most at risk from tidal and storm surge flooding. ***Regular tidal flooding will adversely impact*** San Rafael east of US Highway 101, Bayfront Belvedere and Tiburon, Greenbrae, Waldo Point, and Paradise Cay. Storm surge flooding could impact North Novato at Gnoss Field, Black Point on the Petaluma River, lower Santa Venetia, Belvedere around the lagoon, Bayfront Corte Madera, Bayfront Mill Valley, Marinship in Sausalito, Tamalpais Valley, and Almonte, in addition to the communities vulnerable to tidal flooding." (¶¶ 170–71)	Warns of "the complete or partial destruction of taxable property caused by natural or manmade disaster[s], such as earthquake, flood, fire, terrorist activities, [and] toxic dumping . . . ." (2010 County of Marin Certificates 37 (2010))