

CONTINUING DISCLOSURE ANNUAL REPORT CITY OF BURLINGAME

FISCAL YEAR ENDING JUNE 30, 2017

**IN CONNECTION WITH THE FOLLOWING
CONTINUING DISCLOSURE OBLIGATIONS:**

\$9,805,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2010

\$10,615,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2012

\$10,030,000
BURLINGAME FINANCING AUTHORITY
Lease Revenue Bonds, Series 2012
(Burlingame Avenue Streetscape Improvement Project)

\$14,260,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds,
Series 2013

\$32,975,000
CITY OF BURLINGAME
Taxable Pension Obligation Bonds
2006 Series A

\$9,855,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2016

\$8,205,000
BURLINGAME FINANCING AUTHORITY
Lease Revenue Refunding Bonds, Series 2010

\$17,585,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds,
Series 2016

\$5,935,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds
Series 2011 (Bank Qualified)



CITY OF BURLINGAME
501 Primrose Road, Burlingame, CA 94010

**CITY OF BURLINGAME
AND THE
BURLINGAME FINANCING AUTHORITY**

**Governing Board
and
Mayor and City Council**

Ricardo Ortiz
Mayor

Michael Brownrigg
Vice Mayor

Emily Beach

Donna Colson

Ann Keighran

Authority Staff/City Staff

Lisa Goldman
City Manager

Carol Augustine
Finance Director and Treasurer

Fariba Ghahremani
Deputy Finance Director

Syed Murtuza
Director of Public Works

Kathleen Kane
City Attorney

Bond and Disclosure Counsel

Orrick, Herrington & Sutcliffe LLP
San Francisco, California

Trustee

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

\$32,975,000
CITY OF BURLINGAME
Taxable Pension Obligation Bonds, 2006 Series A

Maturity (June 1)	CUSIP
2021	12145RAL5
2036	12145RAM3

\$8,205,000
BURLINGAME FINANCING AUTHORITY
Lease Revenue Refunding Bonds, Series 2010

Maturity (June 1)	CUSIP
2018	121459CZ2
2019	121459DA6
2020	121459DB4
2021	121459DC2

\$9,805,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2010

Maturity (July 1)	CUSIP
2018	12145LAH7
2019	12145LAJ3
2020	12145LAK0
2021	12145LAL8
2025	12145LAM6
2030	12145LAN4
2038	12145LAP9

\$5,935,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds, Series 2011
(Bank Qualified)

Maturity (April 1)	CUSIP
2018	12145NDC1
2019	12145NDD9
2020	12145NDE7
2021	12145NDF4
2022	12145NDG2
2023	12145NDH0
2024	12145NDJ6
2025	12145NDK3
2026	12145NDL1
2027	12145NDM9
2028	12145NDN7

\$10,030,000
BURLINGAME FINANCING AUTHORITY
Lease Revenue Bonds, Series 2012
(Burlingame Avenue Streetscape Improvement Project)

Maturity (June 1)	CUSIP
2018	121459DJ7
2019	121459DK4
2020	121459DL2
2021	121459DM0
2022	121459DN8
2023	121459DP3
2024	121459DQ1
2025	121459DR9
2026	121459DS7
2027	121459DT5
2028	121459DU2
2029	121459DV0
2030	121459DW8
2031	121459DX6
2032	121459DY4
2037	121459DZ1
2042	121459EA5

\$10,615,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2012

Maturity (July 1)	CUSIP
2018	12145LAV6
2019	12145LAW4
2020	12145LAX2
2021	12145LAY0
2022	12145LAZ7
2023	12145LBA1
2024	12145LBB9
2025	12145LBC7
2026	12145LBD5
2027	12145LBE3
2028	12145LBF0
2029	12145LBG8
2032	12145LBH6
2038	12145LBJ2

\$14,260,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds, Series 2013

Maturity (July 1)	CUSIP
2018	12145NDT4
2019	12145NDU1
2020	12145NDV9
2021	12145NDW7
2022	12145NDX5
2023	12145NDY3
2024	12145NDZ0
2025	12145NEA4
2026	12145NEB2
2027	12145NEC0
2028	12145NED8
2029	12145NEE6

\$9,855,000
BURLINGAME FINANCING AUTHORITY
Storm Drainage Revenue Bonds, Series 2016

Maturity (July 1)	CUSIP
2018	12145LBM5
2019	12145LBN3
2020	12145LBP8
2021	12145LBQ6
2022	12145LBR4
2023	12145LBS2
2024	12145LBT0
2025	12145LBU7
2026	12145LBV5
2027	12145LBW3
2028	12145LBX1
2029	12145LBY9
2030	12145LBZ6
2031	12145LCA0
2032	12145LCB8
2033	12145LCC6
2034	12145LCD4
2035	12145LCE2
2036	12145LCF9
2038	12145LCG7

\$17,585,000
BURLINGAME FINANCING AUTHORITY
Water and Wastewater Revenue Refunding Bonds, Series 2016

Maturity (April 1)	CUSIP
2018	12145NEG1
2019	12145NEH9
2020	12145NEJ5
2021	12145NEK2
2022	12145NEL0
2023	12145NEM8
2024	12145NEN6
2025	12145NEP1
2026	12145NEQ9
2027	12145NER7
2028	12145NES5
2029	12145NET3
2030	12145NEU0
2031	12145NEV8

**CONTINUING DISCLOSURE ANNUAL REPORT
FOR FISCAL YEAR ENDING JUNE 30, 2017**

This Continuing Disclosure Annual Report has been prepared to satisfy the obligations of the City of Burlingame, California (the “City”), as provided under those certain continuing disclosure undertakings executed by the City in connection with each of the issuances listed on the cover page hereof (each, a “Disclosure Certificate”).

This Continuing Disclosure Annual Report includes the City’s continuing disclosure undertakings for the following bonds: Part I: Lease Revenue Bonds and Pension Obligation Bonds; Part II: Water and Wastewater Revenue Bonds; and Part III: Storm Drainage Revenue Bonds.

PART I - LEASE REVENUE AND PENSION OBLIGATION BONDS

The following information is being provided as required by the Disclosure Certificates relating to the Lease Revenue and Pension Obligation Bonds:

1. The audited financial statements of the City for the fiscal year ending June 30, 2017 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated September 19, 2006, relating to the Taxable Pension Obligation Bonds, 2006 Series A, (ii) the Official Statement, dated September 15, 2010, relating to the Lease Revenue Refunding Bonds, Series 2010, and (iii) the Official Statement, dated November 8, 2012, relating to the Lease Revenue Bonds, Series 2012 (Burlingame Avenue Streetscape Improvement Project):

I.A. General Fund Comparison of Budgeted and Actual Revenue, Expenditures, and Fund Balances

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A.

The General Fund Comparison of Budgeted and Actual Revenue, Expenditures, and Fund Balances for the for the fiscal year ended June 30, 2017 can be found on page 118 of the City’s audited financial statements attached hereto as Appendix A.

I.B. General Fund Revenue, Expenditures and Fund Balances

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the General Fund Revenue, Expenditures and Fund Balance for the fiscal year ended June 30, 2017 can be found on page 34 of the City’s audited financial statements attached hereto as Appendix A.

I.C. General Fund Comparative Balance Sheet

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the General Fund Balance Sheet for the fiscal year ended June 30, 2017 can be found on page 32 of the City's audited financial statements attached hereto as Appendix A.

I.D. Tax Revenues by Source

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A summary of the Tax Revenue by Source for the fiscal year ended June 30, 2017 can be found on page 34 of the City's audited financial statements attached hereto as Appendix A.

I.E. Taxable Transactions by Type of Business

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

A history of taxable sales in the City for the calendar year 2015 and preliminary taxable sales for the calendar year 2016 are shown below:

CITY OF BURLINGAME
Taxable Transactions by Type of Business
For Calendar Year 2015 and 2016
(Amounts in Thousands)

<u>Type of Business</u>	<u>2015</u>	<u>2016⁽¹⁾</u>
Auto and Transportation	416,853	412,785
Building and Construction	62,295	52,424
Business and Industry	150,610	133,013
Food and Drug	43,889	44,509
Fuel and Service Stations	43,275	38,266
General Consumer Goods	170,886	166,984
Restaurants and Hotels	180,568	194,137
Transfers & Unidentified	903	(21)
TOTAL	<u><u>1,069,279</u></u>	<u><u>1,042,097</u></u>

(1) Preliminary and subject to change.

I.F. Assessed Valuations

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The following table sets forth assessed valuations for fiscal years 2016-17 and 2017-18.

CITY OF BURLINGAME
Assessed Valuations

	<u>Local Secured</u>	<u>Utility</u>	<u>Unsecured</u>	<u>Total</u>	<u>% Change</u>
2016-17	9,378,077,970	2,763,435	329,144,159	9,709,855,564	7.67%
2017-18	10,015,772,431	2,763,435	338,411,794	10,356,947,660	6.66%

Source: San Mateo County.

I.G. Largest Taxpayers

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The following table sets forth the largest taxpayers located within the City in terms of their assessed value for Fiscal Year 2017-18.

**CITY OF BURLINGAME
LARGEST TAXPAYERS (SECURED ROLL)
FISCAL YEAR ENDING 2018**

	<u>Property Owner</u>	<u>Primary Land Use</u>	2017-18 <u>Assessed Valuation</u>	% of <u>Total (1)</u>
1.	HMC Burlingame Hotels LLC	Hotel	\$ 220,369,212	2.20%
2.	EQR-Northpark LP	Apartments	122,951,500	1.23
3.	Inland Amer Lodging Burlingame LLC	Hotel	112,663,423	1.12
4.	Burlingame Bay LLC	Office Building	91,800,000	0.92
5.	MNCVAD Harvest One Bay LLC	Office Building	72,420,000	0.72
6.	Burlingame Point LLC	Undeveloped	49,395,973	0.49
7.	EQR Skyline Terrace LP	Apartments	47,009,865	0.47
8.	Romel Chicago LLC	Apartments	41,386,500	0.41
9.	Green Banker LLC	Office Building	38,897,826	0.39
10.	DCT Rollins Road LLC	Industrial	38,041,489	0.38
11.	Sunrise BG Sr Liv Propco LLC, Lessee	Assisted Living Facility	32,730,000	0.33
12.	Bit Holdings Seventy Three Inc.	Industrial	31,620,000	0.32
13.	BW RRI II LLC	Hotel	31,398,027	0.31
14.	Harbor View Hotels Inc.	Hotel	30,703,388	0.31
15.	Terrapin 1250 Bayshore	Hotel	30,233,522	0.30
16.	Safeway Inc., Lessee	Supermarket	29,917,182	0.30
17.	ECRPA LLC	Office Building	28,500,000	0.28
18.	Waterfront Plaza Properties LLC	Office Building	27,030,000	0.27
19.	Burlingame Properties LP	Auto Dealership	26,530,385	0.26
20.	Upsky SF Airport Hotel LLC	Hotel	<u>25,263,484</u>	<u>0.25</u>
			\$1,128,861,776	11.27%

(1) 2017-18 Local Secured Assessed Valuation: \$10,015,772,431

I.H. Secured Tax Charges and Delinquencies

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The total tax levies and year-end delinquencies for fiscal year 2016-17 are set forth in the following table. Information relating to the amount of property tax levies and collection allocable to the general fund for the fiscal year ended June 30, 2017 can be found on page 159 of the City’s audited financial statements attached hereto as Appendix A.

**CITY OF BURLINGAME
Secured Tax Charges and Delinquencies**

Fiscal Year	Secured Tax Charge⁽¹⁾	Amount Delinquent June 30	Percent Delinquent June 30
2015-16	\$103,444,984.60	\$459,159.42	0.44%
2016-17	110,334,444.40	448,933.29	0.41

⁽¹⁾ All taxes collected by the County within the City. Includes special charges.

Source: California Municipal Statistics, Inc.

I.I. Transient Occupancy Taxes

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

Because of the City's location near San Francisco International Airport, transient occupancy taxes have historically provided one of the largest single revenue sources for the City's General Fund. Sometimes referred to as a hotel tax, this tax is imposed on occupants for the privilege of occupying rooms in hotels, motels, inns and other taxed properties. As of January 1, 2010, the City's transient occupancy tax rate increased from 10% to 12%. In fiscal years 2015, 2016 and 2017, the transient occupancy taxes totaled \$23,698,396, \$26,092,240, and \$26,262,930, respectively. For 2017, the City received 26,262,930 in transient occupancy taxes (approximately 38.60% of General Fund revenues.) The following table lists as of June 30, 2017, the major hotels located within the City and their room totals:

CITY OF BURLINGAME
Major Hotel Room Totals
June 30, 2017

<u>Hotel</u>	<u>Number of Rooms</u>
Hyatt	789
Marriott	688
Hilton	400
Doubletree	393
Embassy Suites	340
Crowne Plaza	309
Red Roof	213
Holiday Inn Express	146
Hilton Garden	132
Bay Landing	130
Vagabond	90
Hampton Inn	<u>77</u>
Total	3,707

Source: City of Burlingame.

I.J. Market Value of Investments

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Taxable Pension Obligation Bonds, 2006 Series A, Lease Revenue Refunding Bonds, Series 2010, and Lease Revenue Bonds, Series 2012.

The market value of the City's investment portfolio as of June 30, 2017 is set forth below. Additional information relating to the City's investment can be found under Note 3 of the City's audited financial statements attached hereto as Appendix A.

**CITY OF BURLINGAME
Market Value of Investments
June 30, 2017**

	<u>Market Value</u>	<u>Percent of Portfolio</u>	<u>Days to Maturity</u>
Local Agency Investment Fund & County Pool	\$ 53,418,868	36.58%	Less than 1 Year
U.S. Treasury Notes/Bonds	21,968,967	15.04	1-5 Years
Federal Agencies	35,776,434	24.50	1-5 Years
Certificates of Deposit	11,438,763	7.83	1-5 Years
Commercial paper	4,383,302	3.00	Less than 1 Year
Corporate Notes	<u>19,056,019</u>	<u>13.05</u>	1-5 Years
TOTAL	\$146,042,353	100.00%	

Source: The City of Burlingame.

PART II - WATER AND WASTEWATER REVENUE BONDS

The following information is being provided as required by the Disclosure Certificates relating to the Water and Wastewater Revenue Bonds:

1. The audited financial statements of the City for the Fiscal Year ending June 30, 2017 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated November 22, 2011, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2011, (ii) the Official Statement, dated May 16, 2013, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2013, and (iii) the Official Statement, dated June 14, 2016, relating to the Water and Wastewater Revenue Refunding Bonds, Series 2016:

II.A. Outstanding Indebtedness

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A summary of the Outstanding Indebtedness of the City for the fiscal year ended June 30, 2017 can be found under [Note 6] of the City's audited financial statements attached hereto as Appendix A.

II.B. Number of Connections by User

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The following table shows the number of connections by user category for the previous 5 years.

CITY OF BURLINGAME
Number of Connections by User
(As of June 30)

Use Category	2013	2014	2015	2016	2017
Single Family Residential	6,838	6,835	6,837	6,840	6,835
Multi-Family Residential	738	739	739	740	740
Commercial/Industrial	853	855	857	855	852
Institutional	166	90	89	81	82
Irrigation/Other	566	643	661	678	680
Total	9,161	9,161	9,183	9,194	9,189

Source: City of Burlingame.

II.C. Historical Water Consumption

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The following table represents a five fiscal year history of water consumption by user category.

**CITY OF BURLINGAME
WATER SYSTEM
Historical Water Consumption
(In Millions of Gallons)**

<u>Use Category</u>	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>2016/17 Pct. of Total</u>
Single Family Residential	625.5	629.1	523.2	425.0	462.9	42.3%
Multi-Family Residential	256.9	254.9	230.0	216.5	224.9	20.6%
Commercial	286.7	284.4	271.7	162.1	167.3	15.3%
Industrial	85.4	75.9	60.4	159.3	156.1	14.3%
Institutional	42.4	42.3	34.7	18.3	22.0	2.0%
Irrigation/Other	83.2	87.7	64.9	71.0	60.5	5.5%
Total Annual Consumption	1,380.1	1,374.3	1,184.9	1,052.2	1,093.7	
Average Per Day	3.8	3.76	3.25	2.88	3.00	
Pct. Change from Prior Year	1.47%	(0.42%)	(13.78%)	(11.20%)	3.94%	

Source: City of Burlingame.

II.D. 4 Year History of Water Rates and Approved Rates

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The table below represents a history of water rates and rates as of January 1, 2018.

**CITY OF BURLINGAME
WATER SYSTEM
4 Year History of Water Rates and Rates as of January 1, 2018
(Bi-Monthly Rates)**

	2014 (1/1/14 – 12/31/14)	2015 (1/1/15 – 12/31/15)	2016 (1/1/16 – 12/31/16)	2017 (1/1/17 – 12/31/17)	Current
Bi-Monthly Meter Charge					
5/8" & 3/4"	\$ 77.56	\$ 83.60	\$ 83.60	\$ 72.72	\$ 78.17
1"	131.88	142.16	142.16	121.20	130.28
1 1/2"	256.04	276.00	276.00	242.40	260.57
2"	411.16	443.24	443.24	387.84	419.91
3"	775.84	836.34	836.34	727.20	781.70
4"	1,295.64	1,396.68	1,396.68	1,212.00	1,302.83
6"	2,583.48	2,784.98	2,784.98	2,424.00	2,605.67
8"	4,135.14	4,457.68	4,457.68	3,878.40	4,169.07

Source: City of Burlingame.

II.E. Tiered Rate Charges

The following information is being provided in connection with the Disclosure Certificates for the following bond issue: Water and Wastewater Revenue Refunding Bonds, Series 2013 and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The adopted consumption rates included a tiered rate structure for single-family residential customers as set forth below:

**CITY OF BURLINGAME
WATER SYSTEM
Tiered Rate Charges
(Bi-Monthly Rates)**

	2017 (1/1/17 – 12/31/17)	<u>Current</u>
Single Family Residential		
Tier 1 – 0 to 4,000 gallons	8.47	9.11
Tier 2 – 4,001 to 8,000 gallons	9.50	10.21
Tier 3 – 8,001 to 16,000 gallons	10.54	11.33
Tier 4 – 16,001 to 24,000 gallons	11.58	12.45
Tier 5 – 24,001 gallons and above	12.61	13.56
All other customer classifications	9.92	10.66
San Mateo County Unincorporated	Same as Single Family Residential	

Per 1,000 gallons.

Beginning from 1/1/13 for Single-Family residential and 1/1/17 for San Mateo County Unincorporated customers are billed according to a tiered rate structure.

Source: City of Burlingame.

II.F. Water Fund Statement of Net Position

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Net Position of the Water Fund for the fiscal year ended June 30, 2017 can be found on page 38 of the City's audited financial statements attached hereto as Appendix A.

II.G. Water Fund Statement of Revenues, Expenses and Changes in Fund Net Position

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Revenues, Expenses and Changes in Fund Net Position of the Water Fund for the fiscal year ended June 30, 2017 can be found on page 40 of the City's audited financial statements attached hereto as Appendix A.

II.H. Water System Debt Service Coverage

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A calculation of the Water System Debt Service Coverage for the fiscal year ended June 30, 2017 can be found on page 85 of the City's audited financial statements attached hereto as Appendix A.

II.I. Wastewater System Bi-Monthly Meter Charge

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The City's wastewater rates for the fiscal years 2013 through 2017 and rates as of January 1, 2018 are as set forth below:

**CITY OF BURLINGAME
WASTEWATER SYSTEM
Bi-Monthly Meter Charge**

	<u>2012/13</u>	<u>2013/14</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2016/17</u>	<u>Current</u>
Single Family/Duplex ^(a)	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25	\$ 12.25
Multi-family ^(a)	11.45	11.45	11.45	11.45	11.45	11.45
Light Commercial ^(b)	13.53	13.53	13.53	13.53	13.53	13.53
Moderate Commercial ^(b)	21.97	21.97	21.97	21.97	21.97	21.97
Food Related ^(b)	32.59	32.59	32.59	32.59	32.59	32.59
Hospital ^(b)	21.97	21.97	21.97	21.97	21.97	21.97
Institutional ^(b)	4.80	4.80	4.80	4.80	4.80	4.80
% Change	0%	0%	0%	0%	0%	0%

^(a) Per thousand gallons of average winter (January-April) water consumption over the last 3 years.

^(b) Per thousand gallons of average water consumption.

Source: City of Burlingame.

II.J. Wastewater System Sewer Connection Fees

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The City's current connection fees are set forth below:

**CITY OF BURLINGAME
WASTEWATER SYSTEM
Sewer Connection Fees
(As of January 1, 2018)**

<u>Land Use</u>	<u>Connection Fees</u>
Single-Family and Duplex	\$255/unit
Multi-Family	195/unit
Commercial/Retail	407/TSF
Office	88/TSF
Warehouse	114/TSF
Restaurant	1,006/TSF
Hotel with Restaurant	642/room
Hotel without Restaurant	397/room

TSF = Thousand Square Feet
Source: City of Burlingame

II.K. Sewer Fund Statement of Net Position

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Net Position of the Sewer Fund for the fiscal year ended June 30, 2017 can be found on page 38 of the City’s audited financial statements attached hereto as Appendix A.

II.L. Sewer Fund Statement of Revenues, Expenses and Changes in Fund Net Position

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

The Statement of Revenues, Expenses and changes in Fund Net Position of the Sewer Fund for the fiscal year ended June 30, 2017 can be found on page 40 of the City’s audited financial statements attached hereto as Appendix A.

II.M. Wastewater System Debt Service Coverage

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Water and Wastewater Revenue Refunding Bonds, Series 2011, Water and Wastewater Revenue Refunding Bonds, Series 2013, and Water and Wastewater Revenue Refunding Bonds, Series 2016.

A calculation of the Wastewater System Debt Service Coverage for the fiscal year ended June 30, 2017 can be found on page 86 of the City’s audited financial statements attached hereto as Appendix A.

PART III - STORM DRAINAGE REVENUE BONDS

The following information is being provided as required by the Disclosure Certificates relating to the Storm Drainage Revenue Bonds:

1. The audited financial statements of the City for the Fiscal Year ending June 30, 2017 are included herein as Appendix A.

2. The following is an update to information contained in (i) the Official Statement, dated August 3, 2010, relating to the Storm Drainage Revenue Bonds, Series 2010, (ii) the Official Statement, dated December 6, 2012, relating to the Storm Drainage Revenue Bonds, Series 2012, and (iii) the Official Statement, dated February 17, 2016, relating to the Storm Drainage Revenue Bonds, Series 2016:

III.A. Fees Paid by Largest Fee Payers

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2010, Storm Drainage Revenue Bonds, Series 2012, and Storm Drainage Revenue Bonds, Series 2016.

The following table sets forth the fees paid by the largest fee payers for Fiscal Year 2016-17.

CITY OF BURLINGAME Fees Paid By Largest Fee Payers Fiscal Year Ending 2017

<u>Entity</u>	<u>Storm Drain Fee</u>	<u>% of Total</u>
1. MILLS PENINSULA	\$37,814	1.3%
2. PAULS ROLLINS ROAD LLC	26,123	0.9%
3. SAN MATEO UNION HIGH SCH DIST	23,662	0.8%
4. STATE OF CALIFORNIA	20,544	0.7%
5. EQR-NORTHPARK LP	20,064	0.7%
6. CITY OF BURLINGAME	18,774	0.7%
7. SISTERS OF MERCY	18,443	0.7%
8. MERCY HIGH SCHOOL BURLINGAME	17,529	0.6%
9. HMC BURLINGAME HOTEL LLC	17,528	0.6%
10. HMM SFO INC	17,512	0.6%
11. BAY PARK PLAZA ASSOCIATES	17,346	0.6%
12. VANGUARD REAL ESTATE HOLDINGS LLC	16,252	0.6%
13. STATE OF CALIFORNIA	14,085	0.5%
14. SEVEN SPRINGS L P	12,671	0.4%
15. PUBLIC STORAGE INC	11,143	0.4%
16. CALIF TEACHERS ASSOCIATION	10,513	0.4%
17. CRP BAHP SFO	9,657	0.3%
18. 99 OLD BAYSHORE LLC	9,283	0.3%
19. 1633 BAYSHORE ASSOCIATES LLC	9,147	0.3%
20. GUITTARD CHOCOLATE CO	9,078	0.3%
21. ONE BAY PLAZA ASSOC LLC	9,067	0.3%
22. CITY OF BURLINGAME CITY PARK	8,798	0.3%
23. 350 BEACH ROAD LLC	8,468	0.3%
24. SANDRA & JEFFREY DAVIS LP	7,731	0.3%
25. HARBOR VIEW HOTELS INC	<u>7,590</u>	<u>0.3%</u>
Total Top 10 Fee Payers	\$217,993	7.7%
Total Top 25 Fee Payers	\$378,822	13.4%
Total Parcels (8,651)		

Debt Service Coverage

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2010, Storm Drainage Revenue Bonds, Series 2012, and Storm Drainage Revenue Bonds, Series 2016.

The following table sets forth the debt service coverage for the Storm Drainage Revenue Bonds for the fiscal year ended June 30, 2017. Debt Service on the Bonds represents debt service paid on January 1, 2017 and July 1, 2017.

<u>Bond Year</u>	<u>Storm Drain Fees</u> ⁽¹⁾	<u>2010 Bond Debt Service</u> ⁽²⁾	<u>2012 Bond Debt Service</u>	<u>2016 Bond Debt Service</u>	<u>Total Net Debt Service</u>	<u>Debt Service Coverage</u>
2017	\$2,795,522	\$616,622	\$624,899	\$647,546	\$1,889,067	1.48x

⁽¹⁾ Based on Storm Drainage Fees collected through Fiscal Year 2016-17.

⁽²⁾ Net of Refundable Credit. Refundable Credit was reduced as a result of the federal sequestration.

III.B. Assessed Valuations

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2016.

The assessed valuation of the City can be found under Section I.F. Assessed Valuations as set forth herein.

III.C. Largest Taxpayers

The following information is being provided in connection with the Disclosure Certificates for the following bond issues: Storm Drainage Revenue Bonds, Series 2016.

The largest taxpayers in the City can be found under Section I.F. Assessed Valuations as set forth herein.

Dated: December 19, 2017

CITY OF BURLINGAME

/s/ Carol Augustine

Finance Director and Treasurer

APPENDIX A

**AUDITED FINANCIAL STATEMENTS
OF THE CITY OF BURLINGAME
FOR FISCAL YEAR ENDING JUNE 30, 2017**

(See Attachment)