

# Continuing Disclosure Report

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## INTRODUCTION

RSG, Inc. (“RSG”) has prepared this Continuing Disclosure Report (“Report”) at the request of the Southern California Logistics Airport Authority (“SCLA” or “SCLAA”). It is our understanding that SCLA will employ this Report to substantiate the continuing viability of its nine (9) outstanding Tax Allocation Bonds (“Bonds”) issued since 2001. This Report outlines available tax increment generated within the Victor Valley Redevelopment Project Area (“Project Area”) as updated since the issuance of the Bonds.

SCLA is a Joint Powers Authority (“JPA”) that was originally comprised of the Victorville Redevelopment Agency and the City of Victorville. However, following the dissolution of redevelopment, the JPA composition was changed to include just the City of Victorville and the Victorville Water District as redevelopment agencies ceased to exist pursuant to State law as of February 1, 2012. SCLA is a successor in interest to the Victorville Valley Economic Development Authority (“VVEDA”) with respect to all of the rights and obligations associated with the development of the properties comprising the former George Air Force Base.

The following tables update the information presented in the original Fiscal Consultant Report (“FCR”) prepared for the Bonds and the exhibit numbers correspond to the exhibits of the FCR:

Exhibits 3A-B:	Historic Assessed Valuation and Tax Increment Receipts
Exhibit 5A:	New Development
Exhibits 7A-I:	Top Ten Taxpayers
Exhibit 9:	Assessment Appeals
Exhibits 10A-O:	Tax Increment Revenue Projections

Projected assessed values and tax increment revenues presented in this Report are based upon the following assumptions:

1. Historical growth trends;
2. Trended growth in valuation as permitted by Article XIII A of the California Constitution (“Proposition 13”);
3. Assessment and apportionment procedures of the County of San Bernardino (“County”); and
4. Guidelines related to Redevelopment dissolution provided by the California Department of Finance (“DOF”) and related anticipated legislation.

All tax increment revenue projections have been conservatively estimated to reduce the possibility of overstating future tax increment revenue. While precautions have been taken to assure the accuracy of the data used in the formulation of these projections, it cannot be ensured that projected valuations will be realized. Actual values may be affected by future events and conditions that cannot be controlled or predicted with certainty.

## **DISSOLUTION OF REDEVELOPMENT AGENCIES**

On December 29, 2011, the California Supreme Court upheld Assembly Bill (“AB”) x1 26, which dissolved redevelopment agencies in California. VVEDA is a JPA comprised of city governments (and not redevelopment agencies) with powers similar to redevelopment agencies under special legislation. As of the date of this Report, VVEDA is being treated as a former redevelopment agency/successor agency by DOF and is subject to all requirements pursuant to ABx1 26 and subsequent amending legislation AB 1484 and Senate Bill (“SB”) 107 (collectively, “Dissolution Law”). VVEDA has, and will continue, to comply with the requirements prescribed in ABx1 26, AB 1484, and SB 107.

The action to dissolve redevelopment agencies created significant changes to how tax increment is collected and distributed to former redevelopment agencies. For each dissolved redevelopment agency, a successor agency was created to oversee payment of all valid debts, including bond indebtedness. However, unlike redevelopment agencies, successor agencies are not allocated all tax increment in a project area. Instead, successor agencies create six-month schedules of debt called Recognized Obligation Payment Schedules (“ROPS”), and request funds in the amounts necessary to pay enforceable obligations. The actions of each successor agency are reviewed by and require approval from an oversight board and DOF.

All tax increment amounts for VVEDA are now collected by the San Bernardino County Auditor-Controller (“County Auditor-Controller”) and distributed pursuant to Health and Safety Code Section 34183. Priority is given to County and State administration fees and affected taxing agency (pass-through) payments followed by approved successor agency debts, including bond debt. However, taxing agency payments that were subordinated to bond issues remain subordinate. Additionally, Low and Moderate Income Housing Set Aside requirements no longer exist, and in fact are made illegal under Dissolution Law. Therefore, all remaining tax increment revenues generated within a redevelopment project area (housing and non-housing) can be used to satisfy bond debt obligations.

The Successor Agency to the Victor Valley Economic Development Authority (“Successor Agency”) will continue to pay outstanding debt obligations (obligations which include tax allocation bonds) until they are fully retired. Any tax increment revenues remaining after administrative costs, taxing agency pass-through payments, and enforceable obligations are distributed to affected taxing entities within the project area. In the event there is not enough tax increment revenue to cover all approved enforceable obligations, payment of tax allocation bond debt is given the highest priority and is paid before any other approved enforceable obligation or debt.

### Uneven Revenue Distribution

The Dissolution Law transferred the responsibility to calculate and determine the distribution of tax increment revenues from redevelopment agencies to county auditor-controllers. As a result, the Successor Agency receives tax increment revenue distributions from the County Auditor-Controller twice per year, in January and June.

Because San Bernardino County collects tax increment up to the end of each fiscal year (June 30) and it takes time to calculate the correct distributions, the distributions are uneven. The January distribution incorporates tax increment collected from the previous May to mid-December. The June distribution incorporates tax increment collected from mid-December to April.

Unfortunately for the Successor Agency, the larger (January) distribution is used to pay the smaller, interest-only debt service payments due June 1 of each year. The smaller (June) distribution is used, correspondingly, to pay the larger, principal and interest payments due December 1 of each year. Therefore, even when pledged tax increment exceeds the debt service obligations on an annual basis, there may be insufficient funds available for the December 1 payments.

While the Successor Agency uses the January distribution to cure defaults and replenish required bond reserves, the uneven revenue distribution results in a pendulum-like pattern of defaults each December with cures and bond reserve replenishments each June. If annual pledged tax increment exceeds annual debt service obligations, the overall pattern of this pendulum will be to cure the defaults and replenish the bond reserves. After all defaults are cured and required bond reserves replenished, the Successor Agency can avoid further occurrence of the pendulum by requesting that a revenue reserve be set aside from each January distribution of tax increment for the following December 1 debt service payments.

### Pledged Revenues Clarification for DOF

Prior to the June 2015 distribution, DOF approved the Successor Agency's requested estimate of tax increment pledged for the Bonds on each ROPS. However, in its determination letter for the June 2015 tax increment distribution (see Appendix 1, letter dated May 15, 2015), DOF denied the estimated amount of pledged tax increment for the Bonds. Instead, DOF approved the amount of debt service payments due for the non-housing Bonds on December 1, 2015, a slightly smaller amount. The actual amount of pledged tax increment available for distribution in June 2015 did not exceed either number. Although a default occurred on December 1, 2015, it was due to insufficient available tax increment revenues.

In an attempt to respond to DOF's changed approach, the Successor Agency, rather than listing an estimate of tax increment pledged for the Bonds as one item in its request for the January 2016 distribution, listed the June 1, 2016 debt service payment amount and the amounts needed to cure defaults and replenish required reserves as separate items. DOF denied the latter. The Successor Agency immediately filed a Meet and Confer request (the sole appeal process allowed by California Law relating to DOF decisions on ROPS) and conducted the Meet and Confer with DOF on November 30, 2015.

The Successor Agency provided DOF staff with all bond documents at the Meet and Confer and walked DOF staff through the requirements of the bond indentures for the bond issues. After the Meet and Confer, DOF requested and promptly received additional information from the Successor Agency. However, on December 17, 2015, DOF transmitted a letter to the Successor Agency approving the requested amounts for debt service, defaults and reserve requirements, but stipulated that the obligations be paid only “from former tax increment generated from the George Air Force Base (GAFB) Parcels,” i.e., the SCLA Area (see Appendix 2, letter dated December 17, 2015). In this determination letter, DOF stated that “the SCLAA bond documents reference a pledge of funds from three other sources,” but did not recognize that these other sources include the pledges of tax increment from the other VVEDA jurisdictions’ portions of the Project Area.

As mentioned previously, the June distributions are less than the December debt service obligations, so the defaults occurring on December 1, 2015 were not due to DOF’s determination. The January distributions, meanwhile, are greater than the June debt service obligations. Following DOF’s determination for the January 2016 distribution would result in drastic defaults and a missed opportunity to cure previous defaults and replenish required reserves.

Since DOF’s December 17, 2015 determination letter, encouraged by DOF’s promise to “continue to work with the [Successor] Agency to determine the sources of funding that should be used to fund the debt service,” the Successor Agency explained that the “three other sources” include the pledges of tax increment from the other VVEDA jurisdictions (see Appendix 3, letters dated January 21, 2016 and January 25, 2016).

Following these efforts, DOF and the Successor Agency, along with its bond counsel and legal counsel, held a conference call on February 8, 2016. They discussed the tax increment distribution and potential ramifications of limiting it to the GAFB parcels, which is inconsistent with the Bonds’ Indentures. The Successor Agency received an e-mail on February 9, 2016 from Justyn Howard, DOF’s Program Budget Manager, (see Appendix 4) as a follow up to the conference call stating:

As stated on the call, from information provided to DOF last month, it is DOF’s understanding that section 38 of the VVEDA JPA agreement authorizes SCLAA to pledge more former tax increment than generated only from the GAFB parcels. As such, the limitation of using only RPTTF generated in GAFB parcels for payment of ROPS line items 2, 18 and 19 [current debt service, default payments, and reserve replenishment], as stated on page one of the December 17, 2015 DOF ROPS determination letter, should be ignored.

The February 9, 2016 e-mail maintains the full amounts approved in the December 17, 2015 letter for the debt service, default payments, and reserve replenishment and allows the Successor Agency to use all of the tax increment pledged for the Bonds to pay these items. Based on the February 9, 2016 e-mail and the Successor Agency’s resolve to have tax increment distributed according to the Bonds’ Indentures and the VVEDA JPA Agreement, the tax increment revenue projections and debt service coverage in this Report rely on tax increment being distributed accordingly.

## GENERAL ASSUMPTIONS IN THE REVENUE PROJECTIONS

### Assessed Valuation

Exhibit 3A summarizes year-to-year changes in the Project Area's assessed values for the past five years (2011-12 through 2015-16) based upon the County Auditor-Controller's annual assessed value reports. Between FY 2011-12 and FY 2015-16, Project Area total assessed values for the Original Area, Amendment IV Area, and Amendment VIII Area have increased by 12.2%.

The increase in value over the last five years is the result of a recovery from the latest economic downturn, especially evident in assessed value growth since FY 2013-14 (10.6%). Over the past two years, the Project Area assessed valuation increased from approximately \$6.8 billion to more than \$7.5 billion.

Since FY 2011-12, the Original Area and the Amendment VIII areas experienced increases in assessed value of \$451.4 million and \$365.5 million (respectively) and the Amendment IV area experienced a reduction of \$3.5 million.

### Tax Increment Collection History

Exhibit 3A on the following pages presents a summary of tax increment revenue collections for fiscal years 2011-12 through 2015-16.

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Historic Assessed Value and Tax Increment Revenue Receipts										Exhibit 3A
Southern California Logistics Airport Authority - VVEDA Project Area										
Assessed Valuations	2011-12				% Growth of Combined Area Over Prior Year	2012-13				% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined		Original Area	Am. IV Area	Am. VIII Area	Combined	
Local Secured	4,101,725,810	91,670,116	1,869,566,602	6,062,962,528	-3%	4,066,558,173	90,809,262	1,863,687,572	6,021,055,007	-1%
Secured Utility	323,804,400	-	-	323,804,400		278,704,400	-	-	278,704,400	
Unsecured	268,607,621	200,800	32,218,780	301,027,201		286,393,811	190,354	31,231,627	317,815,792	
1997-98 Base Year (Per Original & Annual A/C Reports)	4,694,137,831	91,870,916	1,901,785,382	6,687,794,129		4,631,656,384	90,999,616	1,894,919,199	6,617,575,199	
	(1,783,833,921)	(24,956,814)	(1,901,785,382)	(3,710,576,117)		(1,783,833,921)	(24,956,814)	(1,894,919,199)	(3,703,709,934)	
Incremental Value	2,910,303,910	66,914,102	-	2,977,218,012		2,847,822,463	66,042,802	-	2,913,865,265	
Est Increment @1% <sup>1</sup>	29,103,039	669,141	-	29,772,180		28,478,225	660,428	-	29,138,653	
Actual Allocation Per County A/C <sup>2</sup>	29,103,479	669,142	-	29,772,621		28,478,395	660,427	-	29,138,822	
Actual Revenue Received <sup>3</sup>	29,236,044	440,343	124,556	29,800,944		29,901,323	718,914	179,967	30,800,204	
Distribution of Revenue Received										
Member Jurisdictions										
		% of Total				% of Total				
Low Mod Housing Fund	5,960,189	20.3%			Incl. in Totals Below <sup>4</sup>					
<b>SCLA</b>	<b>9,248,898</b>	31.5%			<b>9,792,007</b>	31.9%				
<b>Victorville</b>	<b>4,077,954</b>	13.9%			<b>8,553,441</b>	27.8%				
Apple Valley	1,310,427	4.5%			2,383,462	7.8%				
Hesperia	182,267	0.6%			341,220	1.1%				
County	473,785	1.6%			922,193	3.0%				
Adelanto	79,991	0.3%			298,829	1.0%				
<b>Subtotal</b>	<b>21,333,512</b>				<b>22,291,152</b>					
Administrative Cost Allowance	N/A				110,480	0.4%				
Pass Throughs to Affected Districts	8,070,416	27.4%			8,330,055	27.1%				
<b>Total</b>	<b>29,403,928</b>	<b>100.0%</b>			<b>30,731,687</b>	<b>100.0%</b>				

(Exhibit 3A continued on next page)





SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Historic Assessed Value and Tax Increment Revenue Receipts										Exhibit 3A (cont.)
Southern California Logistics Airport Authority - VVEDA Project Area										
Assessed Valuations	2013-14				% Growth of Combined Area Over Prior Year	2014-15				% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined		Original Area	Am. IV Area	Am. VIII Area	Combined	
Local Secured	4,170,168,495	89,292,737	1,944,349,534	6,203,810,766	2%	4,365,252,808	87,882,052	2,076,677,241	6,529,812,101	4%
Secured Utility	231,204,400	-	-	231,204,400		179,957,350	-	1,000	179,958,350	
Unsecured	314,713,032	175,951	31,160,212	346,049,195		313,930,737	162,749	27,179,876	341,273,362	
1997-98 Base Year (Per Original & Annual A/C Reports)	4,716,085,927	89,468,688	1,975,509,746	6,781,064,361		4,859,140,895	88,044,801	2,103,858,117	7,051,043,813	
Incremental Value	(1,783,833,921)	(24,956,814)	(1,975,509,746)	(3,784,300,481)		(1,783,833,921)	(24,956,814)	(1,990,232,379)	(3,799,023,114)	
Est Increment @1% <sup>1</sup>	29,322,520	645,119	-	29,967,639		30,753,070	630,880	1,136,257	32,520,207	
Actual Allocation Per County A/C <sup>2</sup>	29,322,523	645,118	-	29,967,641		30,753,077	630,879	1,136,257	32,520,213	
Actual Revenue Received	30,643,888	835,670	388,822	31,868,380		32,155,428	608,444	1,627,383	34,391,255	
Distribution of Revenue Received										
Member Jurisdictions	% of Total					% of Total				
Low Mod Housing Fund	Incl. in Totals Below <sup>4,5</sup>					Incl. in Jurisd. Totals Below <sup>4,5</sup>				
SCLA	9,128,850	30.3%				10,490,052	33.7%			
Victorville	8,646,370	28.7%				10,678,296	34.4%			
Apple Valley	2,288,782	7.6%				334,336	1.1%			
Hesperia	346,150	1.1%				-	0.0%			
County	835,701	2.8%				-	0.0%			
Adelanto	122,507	0.4%				-	0.0%			
Subtotal	21,368,359					21,502,683				
Administrative Cost Allowance	276,004	0.9%				263,315	0.8%			
Pass Throughs to Affected Districts	8,482,293	28.2%				9,316,823	30.0%			
Total	30,126,656	100.0%				31,082,822	100.0%			

(Exhibit 3A continued on next page)

## CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Historic Assessed Value and Tax Increment Revenue Receipts				Exhibit 3A (cont.)	
Southern California Logistics Airport Authority - VVEDA Project Area					
Assessed Valuations	2015-16				% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined	
Local Secured	4,630,949,815	88,292,763	2,236,262,847	6,955,505,425	6%
Secured Utility	176,945,350	-	1,000	176,946,350	
Unsecured	337,661,198	102,696	31,040,685	368,804,579	
	5,145,556,363	88,395,459	2,267,304,532	7,501,256,354	
1997-98 Base Year <i>(Per Original &amp; Annual A/C Reports)</i>	(1,783,833,921)	(24,956,814)	(1,990,232,379)	(3,799,023,114)	
Incremental Value	3,361,722,442	63,438,645	277,072,153	3,702,233,240	
Est Increment @1% <sup>1</sup>	33,617,224	634,386	2,770,722	37,022,332	
Actual Allocation Per County A/C <sup>2</sup>	33,619,537	634,385	2,770,714	37,024,636	
Actual Revenue Received	N/A	N/A	N/A	-	
Distribution of Revenue Received					
<i>Member Jurisdictions</i>					
Low Mod Housing Fund					
<b>SCLA</b>					
Victorville					
Apple Valley					
Hesperia					
County					
Adelanto					
<b>Subtotal</b>					
<i>Administrative Cost Allowance</i>					
<i>Pass Throughs to Affected Districts</i>					
<b>Total</b>					

Footnotes for Exhibit 3A:

1. "Est Increment @ 1%" is based on incremental value for the entire Project Area presented on the San Bernardino County Auditor-Controller annual report "PI163 Agency Net Valuations Report." Negative Incremental Value is assumed to lead to zero (0) incremental revenue.
2. Each year, San Bernardino County issues report "PI715R01 Redevelopment Agency Percentages" showing the tax increment for each Tax Rate Area. The "Actual Allocation Per County A/C" shows the VVEDA Project Area tax increment based on this report. The actual revenue received by the VVEDA Agencies is based on this report rather than report PI163. The County indicates that the difference in these two reports is related to corrections made to the tax roll during the fiscal year.
3. The Amendment VIII Area received supplemental revenue for the 2008-09, 2009-10, and 2010-11 fiscal years, respectively. This revenue was received by VVEDA in the 2011-12 fiscal year.
4. The action to dissolve redevelopment agencies eliminated the requirement in the Community Redevelopment Law to set-aside 20% of revenues for affordable housing (Housing Set Aside). As a result, the County Auditor-Controller now distributes all monies (housing and non-housing) to the Successor Agency for the Original, Amendment IV, and Amendment VIII areas. The amounts shown for each Member Jurisdiction in FY 2013-14 and afterwards reflect this change in the law and include housing and non-housing monies distributed to the Successor Agency.
5. Beginning in Fiscal Year 2013-14, the "Distribution of Revenue Received" shows distributions of tax increment revenue based on the period from May 1 to April 30. This change was made to reflect the County's distribution methodology more accurately. It should be noted that an Administrative Cost Allowance and the State Department of Finance's Recognized Obligation Payment Schedule process further differentiate the new distribution methodology from the previous methodology. Differences between actual revenue received and distributions to member jurisdictions include the County administrative fees and distributions denied by the Department of Finance.

Exhibit 3B presents the historic assessed value for the Victorville and SCLA portions of the Project Area.

<b>Historic Assessed Value - Victorville and SCLA Only</b>						<b>Exhibit 3B</b>
	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	
<b>Victorville</b>						
Total	3,941,882,515	3,888,421,066	4,016,737,597	4,256,459,586	4,552,456,020	
Base Year	2,213,035,907	2,127,706,982	2,216,153,979	2,216,157,006	2,216,157,006	
Increment	1,728,846,608	1,760,714,084	1,800,583,618	2,040,302,580	2,336,299,014	
<b>SCLA</b>						
Total	599,116,918	582,359,626	548,550,493	476,894,683	492,503,305	
Base Year	7,854,300	7,854,350	7,854,350	7,854,350	7,854,350	
Increment	591,262,618	574,505,276	540,696,143	469,040,333	484,648,955	

### Growth Assumptions

The assessed valuation forecast provided in the tax increment projections (shown in Exhibits 10A through 10O) detail assessed value for years 2015-16 and beyond. These projections incorporate a growth rate of 1.525% for FY 2016-17, in accordance with the California CPI set by the State Board of Equalization, 1% in FYs 2017-18 and 2018-19, and a 2% annual increase thereafter in the Project Area. This conservative approach reflects the recent frequency of State Board of Equalization inflation rates below 2% and an expected plateauing in the regional economy's growth.

The growth assumptions were established by RSG to account for the following factors that affect future tax increment collections.

#### **Article XIII A (Proposition 13) Inflationary Adjustments**

As enacted by Proposition 13 in 1978, Article XIII A of the State Constitution limits annual inflationary adjustments to property assessed values to a maximum of 2% annually. Each year, the State Board of Equalization establishes this annual increase based on the statewide consumer price index for the previous year (October to October). Since its passage in 1978, there have been nine previous occurrences when the inflationary adjustment was less than 2%. This occurred in fiscal years 1983-84, 1995-96, 1996-97, 1999-00, 2004-05, 2010-11, 2011-12, 2014-15, and 2015-16; the inflationary adjustments for these fiscal years were 1.00%, 1.19%, 1.11%, 1.853%, 1.867%, -0.237% (deflation), 0.753%, 0.454%, and 1.998%, respectively. Given how frequently this has occurred since fiscal year 2010-11, a 2% annual inflationary growth assumption is no longer conservative.

#### **County Administrative Charges**

The County charges an administrative fee for disbursing property tax increment revenues to successor agencies. This fee is based on actual cost, prorated among redevelopment project areas based on their respective assessed values. The County's administrative charges vary from year to year, but for VVEDA have so far consistently been between 1.00% and 1.25%.

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

In fiscal year 2013-14, the County charged VVEDA \$328,337 in administrative charges, which was approximately 1.05% of the gross tax increment collected in that year. In fiscal year 2014-15, the County charged VVEDA \$407,036 in administrative charges, approximately 1.23% of the gross tax increment collected in that year. The County charged \$428,397 in fiscal year 2015-16, approximately 1.15% of the gross tax increment collected.

**Changes in Value Due to New Construction**

Exhibit 5A presents a summary of finalized building permits with completed improvements that will result in an increase in the assessed value for the subject properties. The value of these improvements is anticipated to be reflected on the 2016-17 assessment roll. Exhibit 5A only covers the Victorville and SCLA portions of the Project Area and includes data for the entire 2015 calendar year.

<b>Building Permit Activity<sup>1</sup></b>			<b>Exhibit 5A</b>	
<b>Southern California Logistics Airport Authority - Victorville and SCLA Areas</b>				
Month	<b>Commercial &amp; Industrial</b>		<b>Residential</b>	
	# Permits	Valuation	# Permits	Valuation
Jan-15	0	\$0	0	\$0
Feb-15	0	\$0	8	\$2,167,825
Mar-15	0	\$0	14	\$4,153,118
Apr-15	1	\$484,652	1	\$258,920
May-15	5	\$1,223,894	0	\$0
Jun-15	2	\$201,290	2	\$285,894
Jul-15	2	\$255,258	8	\$1,936,949
Aug-15	4	\$2,186,624	2	\$451,806
Sep-15	2	\$569,180	10	\$2,673,495
Oct-15	1	\$1,011,962	1	\$234,203
Nov-15	5	\$1,682,844	9	\$2,463,287
Dec-15	0	\$0	0	\$0
	22	\$7,615,704	55	\$14,625,497
Total Value Added to 2016-17		\$22,241,201		
Total VVEDA 2015-16 Value		\$7,501,256,354		
Percentage Increase		0.30%		

<sup>1</sup> Excludes all permits less than \$50,000 in valuation

Sources: City of Victorville Development Department, San Bernardino County Auditor-Controller

An additional \$22.2 million in value is anticipated to be reflected on the 2016-17 assessment roll because of new construction in the Victorville and SCLA portions of the Project Area. This additional value represents an increase of 0.30% to the 2015-16 total assessed value of the Project Area. The permit activity in calendar year 2015 is less than that of calendar year 2014, reinforcing the expectation that value growth will continue to grow, but more slowly than in recent years.

New development is assessed on both construction costs and market conditions. Because building permit value is generally lower than construction costs, RSG conservatively utilized the total permit value of the improvements for the estimate of added value resulting from new development in the projection of future tax increment revenues.

## TAXING AGENCY PAYMENTS

### Payments Required by the Amended Redevelopment Plan

Section 703 of the Amended Redevelopment Plan (“Plan”) provides that the following taxing entities are excluded from the definition of “Tax Increment” pursuant to the Plan and therefore will receive 100% of their share of tax increment:

- Apple Valley Fire Protection District;
- Mojave Water Agency;
- Baldy Mesa County Water District;
- Mojave River County Water District;
- Apple Valley Park District; and
- Hesperia Park District.

The Baldy Mesa County Water District, the Mojave River County Water District, and the Apple Valley Park District have since been dissolved and their shares of Tax Increment have been shifted to the Victorville Water District, the Mojave Resource Conservation District, and the Town of Apple Valley, respectively.

The Plan also provides for the Cities of Victorville, Apple Valley, and Hesperia, as well as the County of San Bernardino to receive tax increment generated from application of their entities’ tax rate to the portion of the Project Area within their jurisdiction that exceeds 5.2935%. The revenue generated by the first 5.2935% of the jurisdiction’s tax rate was previously allocated to VVEDA, but is now included with residual revenue to be distributed to all taxing entities.

### CRL Section 33401 Payments

Prior to 1994, CRL Section 33401 allowed redevelopment agencies to pay to any other entity collecting property taxes within the redevelopment project area a portion of tax increment revenues to alleviate any financial burden related to the redevelopment project.

VVEDA entered into such agreements with the following entities:

- County Superintendent of Schools;
- Adelanto Elementary School District;

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- Victorville Elementary School District;
- Oro Grande Elementary School District;
- Victor Valley High School District;
- Apple Valley Unified School District;
- Hesperia Unified School District; and
- Victor Valley Community College District.

Pursuant to these agreements, the County Superintendent receives 100% of their share of tax increment revenue, and the other districts receive 32.5% of their share of tax increment revenue. Exhibit 6 below presents a summary of the pass through payments and tax increment distribution requirements.

<b>Summary of Agreement Terms</b>	<b>Exhibit 6</b>
<b>Southern California Logistics Airport Authority</b>	
<b>Pursuant to Section 703 of Plan</b>	
<i>Taxing Entities excluded from Tax Increment definition:</i> Apple Valley Fire Protection District (WF01) Mojave Water Agency (WY20) Baldy Mesa County Water District (WW05) Mojave River County Water District (VW02) Apple Valley Park District (VP01) Hesperia Park District (VP02)	
<i>Jurisdiction Member Share [Section 703(b)(1)(a)]</i> Victorville - Portion of 1% share in excess of 5.2935% Apple Valley - same Hesperia - same County of San Bernardino - same	
<b>Pursuant to School Pass Through Agreements</b>	
Tax Increment excludes over-ride rates, unitary utility revenue, State subventions (Homeowner) Low/mod is not deducted prior to calculation of payment  Districts get 32.5% of their share (except Supt of Schools)- may deposit into Dist Capital Fund held by VVEDA Supt of Schools gets 100% of their share If deposits not made within 30 Days of receipt, interest rate of 1% per 30 day period  Payments shall not be subordinate to VVEDA bonds & indebtedness	
<b>Pursuant to JPA Agreement</b>	
All GAFB generated Tax Increment for use on GAFB with understanding that Victorville will set aside 20% thereof for low/mod  97/98 & 98/99 increment be used on GAFB (no longer applicable)  20% of Each Part Jur TI allocated for low/mod - and allocated to each Member to be used in its own portion of the PA  Remaining Balance of Each Participating Jurisdictions' Tax Increment: 50% allocated for use in such Members Territory 50% allocated for use on GAFB parcels (SCLA) For Adelanto, 50% to SCLA and 25% to Adelanto territory; 25% to reimburse Authority and when paid off, this 25% goes to Adelanto	

### CRL Section 33607.5 Payments

The Amendment IV and Amendment VIII Areas are subject to statutory pass through payments required by CRL Section 33607.5. These payments are calculated in the tax increment projections included in Exhibits 10A through 10O.

### Adjustments For Negative Increment Values

The Tax Increment Projections shown in Exhibits 10A through 10O use the County Auditor-Controller Tax Rate Area (“TRA”) reports to allocate assessed values and increment values to member jurisdictions. In certain cases, when the assessed value of a TRA is below its base year value, it is the policy of the County Auditor-Controller to shift the difference to another TRA within the same project area. The net effect is that the sum of the increments of all the TRAs in a project area will be equal to the gross increment of the project area also reported by the County Auditor-Controller.

The projections in Exhibits 10A through 10O show the assessments by jurisdiction before adjustments but conservatively assume that negative increment value will not generate any pass through payments. Therefore, pass through payments will not be generated from any Project Area sub-areas when they do not have positive increment revenue in a given year. This occurs in the Adelanto, Apple Valley, and County Amendment VIII sub-areas (Exhibits 10L, 10M, and 10N, respectively).

## **TOP TEN TAXPAYERS**

Utilizing the County’s FY 2015-16 Secured and Unsecured Assessment Rolls, the top ten largest taxpayers within the Project Area have been identified and are listed on Exhibits 7A through 7I. These exhibits include the top ten taxpayers for the following areas:

- Entire VVEDA Project Area;
- Victorville and SCLA portions only;
- Amendment VIII Area only; and
- Each individual member jurisdiction’s portion (with the original area and added areas combined for Adelanto, Apple Valley, Victorville, and San Bernardino County)

Each table is accompanied by a short description of the changes to the assessed value of the top ten taxpayers and the percentage of total assessed value.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

**Total Project Area**

The FY 2015-16 top ten taxpayers’ total assessed value in Exhibit 7A (below) encompasses \$841.1 million, or 11.19% of the total Project Area assessed value (and 22.65% of *incremental* assessed value).

The FY 2015-16 top ten taxpayers value is slightly higher than the 2014-15 top ten taxpayers’ total assessed value, which was \$820.8 million of the total Project Area valuation (shown in Exhibit 7A in the FY 2014-15 Continuing Disclosure Report). Moreover, as a percentage, the FY 2015-16 value (at 11.19%) is slightly lower than that of 2014-15, which was 11.78%. The higher assessed value for the top ten taxpayers and lower percentage of total assessed value indicates a strengthening and increasingly diverse source of tax revenues.

It should be noted that the value attributed to the three parcels owned by the High Desert Power Plant Trust (“HDPP”), which is the top taxpayer in the Project Area, is assessed by the State Board of Equalization (“SBE”) and is considered unitary value. According to SBE, the FY 2015-16 valuation for the HDPP is \$176.9 million, a decline of \$3.0 million from its FY 2014-15 valuation of \$179.9 million.

The other nine top ten taxpayers saw an overall increase in assessed value since last year. Some taxpayers own less value in fiscal year 2015-16 than in the previous year because they sold property to other entities. Most notable in this regard is Riverside Cement Co. which sold 36 of its properties.

2015-16 Top Ten Secured & Unsecured Taxpayers					Exhibit 7A	
Victor Valley Redevelopment Agency - Combined						
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	% of Increment	
1 High Desert Power Trust	3	Industrial	\$ 176,851,000	2.35%	4.76%	
2 Riverside Cement Co.	3	Industrial and Unsecured	176,764,463	2.35%	4.76%	
3 The American Bottling Co.	3	Industrial and Unsecured	102,125,363	1.36%	2.75%	
4 Stirling Capital Investments	20	Industrial and Vacant Land	80,997,503	1.08%	2.18%	
5 Wal-Mart Stores, Inc.	22	Commercial, Vacant Land, and Unsecured	79,234,865	1.05%	2.13%	
6 Cemex Construction Materials Pacific	25	Industrial and Vacant Land	63,675,473	0.85%	1.71%	
7 General Electric Co.	5	Industrial and Unsecured	45,138,191	0.60%	1.22%	
8 Apple Valley Ranchos Water Co.	8	Public Facilities and Vacant Land	43,954,592	0.59%	1.18%	
9 Victor Valley Hospital Real Estate, LLC	3	Hospital and Unsecured	39,384,719	0.52%	1.06%	
10 Target Corp.	5	Commercial, Vacant Land, and Unsecured	32,938,902	0.44%	0.89%	
97			\$ 841,065,071	11.19%	22.65%	
Total Project Area Assessed Value			\$ 7,513,052,115			
Incremental Project Area Assessed Value			\$ 3,714,029,001			

Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls; State Board of Equalization

Note: Total values vary from those in Exhibit 3A because Exhibit 3A uses data from the County Auditor-Controller while Exhibit 7A uses data from the County Assessor. These departments release their data at different times.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Combined Victorville and SCLA Areas

As shown in Exhibit 7B below, the FY 2015-16 top ten taxpayers in the Victorville and SCLA Areas combined represent \$641.6 million, or 12.66% of the combined areas' values.

As with the total project area, the Victorville and SCLA areas combined show a higher assessed value for the top ten taxpayers and a lower percentage of total assessed value compared to the previous fiscal year (shown in Exhibit 7B in the FY 2014-15 Continuing Disclosure Report). The FY 2014-15 top ten taxpayer value was \$626.6 million, or 13.36% of the combined areas' value. These changes match those of the total project area: a stronger and more diverse property tax base. HDPP remains the #1 taxpayer within the combined Victorville and SCLA Areas.

<b>2015-16 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7B</b>
<b>Victor Valley Redevelopment Agency - Combined Victorville and SCLA Areas</b>					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total	
1 High Desert Power Trust	3	Industrial	\$ 176,851,000	3.49%	
2 The American Bottling Co.	3	Industrial and Unsecured	102,125,363	2.02%	
3 Stirling Capital Investments	20	Industrial and Vacant Land	80,997,503	1.60%	
4 Wal-Mart Stores, Inc.	17	Commercial, Vacant Land, and Unsecured	65,206,629	1.29%	
5 Cemex Construction Materials Pacific	9	Industrial and Vacant Land	63,040,329	1.24%	
6 General Electric Co.	5	Industrial and Unsecured	45,138,191	0.89%	
7 Victor Valley Hospital Real Estate, LLC	3	Hospital and Unsecured	39,384,719	0.78%	
8 Plastipak Packaging, Inc.	1	Unsecured	28,304,545	0.56%	
9 Federal Express Corp.	3	Unsecured	20,593,925	0.41%	
10 Bear Valley Partners	14	Commercial and Vacant Land	19,975,661	0.39%	
	75		\$ 641,617,865	12.66%	
		<b>Total Project Area Assessed Value</b>	<b>\$ 5,066,799,110</b>		

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls; State Board of Equalization*

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Amendment VIII Added Area (Combined)

As shown in Exhibit 7C, the top ten taxpayers in the Amendment VIII area represent \$109.2 million of value, or 4.83% of the total Amendment VIII area's value. Both figures are slightly lower than for the FY 2014-15 top ten taxpayers' list, which had a value of \$113.9 million and made up 5.51% of the Amendment VIII area total assessed value last year (shown in Exhibit 7C in the FY 2014-15 Continuing Disclosure Report). While the top ten taxpayers experienced a decline in value, the assessed value of the Amendment VIII area as a whole increased almost 10%, from approximately \$2.07 billion to approximately \$2.26 billion.

2015-16 Top Ten Secured & Unsecured Taxpayers					Exhibit 7C
Victor Valley Redevelopment Agency - Amendment VIII Added Area (Combined)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Wilmington Victorville, LLC	2	Commercial	\$ 18,161,086	0.80%
2	VNF Properties	4	Commerical and Vacant Land	18,108,474	0.80%
3	NHP Sterling, LLC	3	Multi-Family Housing and Hospital	17,816,059	0.79%
4	Dr. Prem Reddy Family Foundation	28	Vacant Land	9,679,781	0.43%
5	JSAK Victorville Partners, LP	2	Hotel and Vacant Land	9,450,198	0.42%
6	Walton California, LLC	15	Vacant Land	8,435,414	0.37%
7	HD Development of Maryland, Inc.	1	Commercial	8,174,581	0.36%
8	Prime A Investments, LLC	296	Residential and Vacant Land	6,515,981	0.29%
9	Ryu Real Estate Holdings, LP	3	Commercial	6,510,700	0.29%
10	Knolls West Post Acute Hospital	1	Hospital	6,323,876	0.28%
		355		\$ 109,176,150	4.83%
			<b>Total Project Area Assessed Value</b>	<b>\$ 2,262,080,923</b>	

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls*

*Note: Total values vary from those in Exhibit 3A because Exhibit 3A uses data from the County Auditor-Controller while Exhibit 7C uses data from the County Assessor. These departments release their data at different times.*

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Victorville Area (Original, IV, VIII)

In the Victorville areas, the top ten taxpayers represent \$293.5 million of value, or 6.43% of the total Victorville area's value, shown in Exhibit 7D. The value and the percentage are higher than in FY 2014-15, when the top ten taxpayers' assessed value of \$259.5 million contributed 6.21% to the area's total assessed value (shown in Exhibit 7D in the FY 2014-15 Continuing Disclosure Report). While slightly more concentrated among the top ten taxpayers, the Victorville Areas' assessed value remained relatively diverse as it grew relative to the previous fiscal year.

2015-16 Top Ten Secured & Unsecured Taxpayers					Exhibit 7D
Victor Valley Redevelopment Agency - Victorville Area (Original, IV, VIII)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value
1	Wal-Mart Stores, Inc.	17	Commercial, Vacant Land, and Unsecured	\$ 65,206,629	1.43%
2	Cemex Construction Materials Pacific	9	Industrial and Vacant Land	63,040,329	1.38%
3	Victor Valley Hospital Real Estate, LLC	3	Hospital and Unsecured	39,384,719	0.86%
4	Bear Valley Partners	14	Commercial and Vacant Land	19,975,661	0.44%
5	14374 Borego Road, LLC	1	Multi-Family Residential	19,467,603	0.43%
6	Wilmington Victorville, LLC	2	Commercial	18,161,086	0.40%
7	VNF Properties	4	Commercial and Vacant Land	18,108,474	0.40%
8	NHP Sterling, LLC	3	Multi-Family Housing and Hospital	17,816,059	0.39%
9	Victorian 124, LP	1	Multi-Family Housing	17,462,504	0.38%
10	Dr. Prem Reddy Family Foundation	11	Vacant Land	14,838,978	0.33%
		65		\$ 293,462,042	6.43%
			Total Project Area Assessed Value	\$ 4,565,309,622	

Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

SCLA Original Area

In the SCLA area, the FY 2015-16 top ten taxpayers make up approximately \$482.1 million of the SCLA Original Area value, shown in Exhibit 7E, which is approximately 2% less than the top ten taxpayers' assessed value reported in Exhibit 7E in the FY 2014-15 Continuing Disclosure Report. The percentage of value held by the FY 2015-16 top ten taxpayers, 96.13%, is slightly lower than the 96.73% reported in the FY 2014-15 Continuing Disclosure Report. The SCLA Original Area experienced a slight decline in total assessed value and continues to have a very non-diverse property tax base.

It important to note that two of the FY 2015-16 top ten taxpayers in the SCLA Original Area (Plastipak Packaging, Inc. and Federal Express Corp.) only have unsecured property value in the area and that the top taxpayer is HDPP.

<b>2015-16 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7E</b>
<b>Victor Valley Redevelopment Agency - SCLA Original Area</b>					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value	
1 High Desert Power Trust	3	Industrial	\$ 176,851,000	35.27%	
2 The American Bottling Co.	2	Industrial and Unsecured	102,008,324	20.34%	
3 Stirling Capital Investments	20	Industrial and Vacant Land	80,997,503	16.15%	
4 General Electric Co.	4	Industrial and Unsecured	45,130,353	9.00%	
5 Plastipak Packaging, Inc.	1	Unsecured	28,304,545	5.64%	
6 Federal Express Corp.	3	Unsecured	20,593,925	4.11%	
7 Leading Edge Aviation Services, Inc.	4	Airport Related and Unsecured	13,158,447	2.62%	
8 Southern California Aviation, LLC	5	Airport Related and Unsecured	5,570,651	1.11%	
9 The Boeing Company, Inc	4	Airport Related	5,190,207	1.03%	
10 Pacific Aerospace Resources & Technology	5	Airport Related	4,273,974	0.85%	
	48		\$ 482,078,929	96.13%	
	<b>Total Project Area Assessed Value</b>		\$ 501,489,488		

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls; State Board of Equalization*

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Hesperia Original Area

In the Hesperia area, the top ten taxpayers provided \$8.9 million of value, or 3.67% of the area's total value, shown in Exhibit 7F. This represents an increase in value and a decrease in percentage of total value from FY 2014-15, when the top ten taxpayers' provided \$8.6 million, or 3.92% of the area's total assessed value (shown in Exhibit 7F in the FY 2014-15 Continuing Disclosure Report). The prevalence of single family residential property owners among the top ten taxpayers reflects the project area's relative lack of commercial development.

<b>2015-16 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7F</b>
<b>Victor Valley Redevelopment Agency - Hesperia Original Area</b>					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value
1	Graham, Roger F. Trust	1	Industrial	\$ 3,633,148	1.49%
2	Inland Group, LLC	2	Commercial	1,219,018	0.50%
3	Dorghalli, Rami	1	Commercial	768,458	0.32%
4	Karle, Samuel D. III	3	Single Family Residential	597,547	0.25%
5	Bigbee, Michael J.	1	Commercial	501,513	0.21%
6	Rodriguez, Sergio	2	Single Family Residential	484,772	0.20%
7	Vergara, Norberto	4	Single Family Residential	469,997	0.19%
8	Chavez, Ruben J	2	Single Family Residential	420,000	0.17%
9	Hernandez, Rafael	2	Single Family Residential	415,000	0.17%
10	Hane, Jerald D & Sheryl J Family Trust	2	Single Family Residential	406,000	0.17%
		20		\$ 8,915,453	3.67%
			<b>Total Project Area Assessed Value</b>	<b>\$ 243,177,095</b>	

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls*

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Apple Valley Area (Original, VIII)

The top ten taxpayers in the Apple Valley areas contributed \$150.5 million of value, or 14.80% of the total assessed value in the Apple Valley areas, shown in Exhibit 7G. Both value and the percentage of total value decreased from last year. In FY 2014-15, the top ten taxpayers' contributed \$150.6 million, or 15.59% of the total assessed value in the Apple Valley areas (shown in Exhibit 7G in the FY 2014-15 Continuing Disclosure Report). As in the Amendment VIII Added Area (see Exhibit 7C), even though the Apple Valley areas' top ten taxpayers declined slightly in value, the areas as a whole experienced value growth, in this case of approximately 5% since the previous fiscal year.

2015-16 Top Ten Secured & Unsecured Taxpayers					Exhibit 7G
Victor Valley Redevelopment Agency - Apple Valley Area (Original, VIII)					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value	
1 Apple Valley Ranchos Water Co.	7	Public Facilities and Vacant Land	\$ 43,953,655	4.32%	
2 Lewis Group	34	Commercial and Vacant Land	27,055,303	2.66%	
3 Target Corp.	2	Commercial, Vacant Land, and Unsecured	22,079,273	2.17%	
4 Wal-Mart Stores, Inc.	5	Commercial, Vacant Land, and Unsecured	14,028,236	1.38%	
5 MHC Los Ranchos, LP	3	Mobile Home Park	12,221,941	1.20%	
6 ABS CA-O, LLC	1	Commercial	7,377,197	0.73%	
7 Lakritz Family Partnership	5	Medical Office	6,829,529	0.67%	
8 Corwin Medical Center, LP	2	Medical Office	6,780,512	0.67%	
9 Ross, Carl E. Living Trust 5/23/91	22	Vacant Land	5,116,890	0.50%	
10 FGFW IV, LLC	1	Vacant Land	5,063,050	0.50%	
	82		\$ 150,505,586	14.80%	
		Total Project Area Assessed Value	\$ 1,017,232,664		

Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

San Bernardino County Area (Original, IV, VIII)

The top ten taxpayers in the San Bernardino County areas had \$213.8 million of value, or 44.85% of the San Bernardino County areas' assessed value, shown in Exhibit 7H. This is a slight increase in value and decrease in percentage from last year. In FY 2014-15, the top ten taxpayers' had \$211.3 million, or 45.93% of the total assessed value in the San Bernardino County areas (shown in Exhibit 7H in the FY 2014-15 Continuing Disclosure Report).

<b>2015-16 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7H</b>
<b>Victor Valley Redevelopment Agency - San Bernardino County Area (Original, IV, VIII)</b>					
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value	
1 Riverside Cement Co.	3	Industrial and Unsecured	\$ 176,764,463	37.08%	
2 Calportland Co.	26	Industrial and Vacant Land	10,627,854	2.23%	
3 Dr. Prem Reddy Family Foundation	24	Vacant Land	7,707,672	1.62%	
4 Cutting Edge Concrete SVCS, Inc.	4	Unsecured	5,392,900	1.13%	
5 Arakelian Enterprises, Inc.	1	Unsecured	3,330,909	0.70%	
6 Professional Equities International	16	Vacant Land	2,514,113	0.53%	
7 Seasons Land Corp.	62	Single Family Residential and Vacant Land	2,134,847	0.45%	
8 Ross, Carl E. Living Trust 5/23/91	22	Vacant Land	1,988,000	0.42%	
9 Dora Land, Inc.	17	Single Family Residential and Vacant Land	1,746,862	0.37%	
10 A W Properties West, LLC	8	Vacant Land	1,609,000	0.34%	
	183		\$ 213,816,620	44.85%	
		Total Project Area Assessed Value	\$ 476,698,519		

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls*

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Adelanto Area (IV, VIII)

In Adelanto, the top ten taxpayers provided \$29.9 million of value, or 4.22% of the areas' total assessed value, shown in Exhibit 7H. Compared to FY 2014-15, the value held by the top ten taxpayers and the percentage of the Adelanto areas' total assessed value are lower. In the previous fiscal year, the top ten taxpayers' value was \$32.4 million, or 5.10% of the Adelanto Area's total assessed value (shown in Exhibit 7H in the FY 2014-15 Continuing Disclosure Report).

2015-16 Top Ten Secured & Unsecured Taxpayers					Exhibit 7I
Victor Valley Redevelopment Agency - Adelanto Area (IV, VIII)					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Value
1	Adelanto Plaza, LLC	2	Commercial	\$ 5,030,385	0.71%
2	Mojave and 395, LLC	1	Vacant Land	3,600,000	0.51%
3	Overhead Investment Company, LLC	26	Vacant Land	3,418,726	0.48%
4	Headlands Realty Corp.	11	Vacant Land	3,120,222	0.44%
5	Mountain Quail Properties, LLC	19	Single Family Residential	2,919,149	0.41%
6	Mohrekesh, Ozzie Trust 2/21/06	5	Vacant Land	2,686,500	0.38%
7	Lewis Group	12	Commercial and Vacant Land	2,679,000	0.38%
8	Gateway Plaza Group, LLC	3	Vacant Land	2,245,040	0.32%
9	Adelanto Seneca Land, LLC	1	Vacant Land	2,148,064	0.30%
10	Joe Massolo & Sons Co, Inc.	1	Commercial	2,062,141	0.29%
		81		\$ 29,909,227	4.22%
	Total Project Area Assessed Value			\$ 709,144,727	

*Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls*

**ASSESSMENT APPEALS**

Property taxpayers that wish to dispute the value of their property may file an assessment appeal with the County Clerk of the Board of Supervisors. Property taxpayers must file appeals to receive any reductions, as the Assessor does not intend to re-assess property values automatically within the next year.

Exhibit 9 summarizes the assessment appeal history of the Project Area as of December 18, 2015.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

<b>Assessment Appeal History</b>						<b>EXHIBIT 9</b>
<b>Southern California Logistics Airport Authority - VVEDA Project Area</b>						
	2011-12	2012-13	2013-14	2014-15	2015-16*	5 Year Total
Project Area Total Assessed Value	\$6,687,794,129	\$6,617,575,199	\$6,781,064,361	\$7,051,043,813	\$7,501,256,354	N/A
<b>All Appeals</b>						
Total Number of Appeals <sup>1</sup>	418	333	313	252	95	1,411
Total Requested Reduction of All Appeals	\$236,440,653	\$205,101,786	\$174,003,306	\$237,128,215	\$66,507,683	\$919,181,643
Number of Withdrawn / Denied Appeals	254	233	175	62	5	729
Number of Stipulated (Successful) Appeals	162	99	120	0	1	382
Total Number of Finalized Appeals	416	332	295	62	6	1,111
Rate of Successful Appeals <sup>2</sup>	38.9%	29.8%	40.7%	0.0%	16.7%	34.4%
Number of Appeals Pending Decisions	2	1	18	190	89	300
<b>Appeals With Stipulated (Successful) Decisions</b>						
Requested Reduction Amount	\$127,183,764	\$125,591,951	\$48,075,892	\$0	\$177,354	\$301,028,961
Granted Reduction Amount	\$75,589,280	\$59,855,572	\$31,886,099	\$0	\$170,891	\$167,501,842
Total Granted Reduction Amount versus Requested Reduction Amount <sup>3</sup>	59.4%	47.7%	66.3%	0.0%	96.4%	55.6%
Average % of Reduction (of each appeal) versus Requested Reduction (of each appeal) <sup>4</sup>	201.7%	69.5%	77.8%	0.0%	96.4%	106.4%
Granted Reduction As % of Total Assessed Value <sup>4</sup>	1.1%	0.9%	0.5%	0.0%	0.0%	N/A
<b>Appeals Pending Decision</b>						
Total Assessed Value of Pending Appeals	\$7,658,496	\$1,839,393	\$19,482,971	\$379,281,067	\$121,922,254	\$530,184,181
Requested Reduction Amount	\$5,206,568	\$1,729,030	\$12,163,704	\$187,191,240	\$63,217,369	\$269,507,911
Requested Reduction As % of Project Area Assessed Value <sup>5</sup>	0.08%	0.03%	0.2%	2.7%	0.8%	N/A
<p>* The number of appeals for 2015-16 may increase as the County Board of Appeals is still entering appeals into its database as of December 18, 2015.</p> <p><sup>1</sup> Total appeals filed from 2011 through 2015 - Appeals where the applicant requested a higher value than the current assessed value were excluded because of potential flaws in the data.</p> <p><sup>2</sup> The number of stipulated appeals versus the total number of finalized appeals.</p> <p><sup>3</sup> The total value of all granted reductions versus the total value of all requested reductions.</p> <p><sup>4</sup> The granted reduction amount versus the total project area assessed value.</p> <p><sup>5</sup> The pending requested reduction amount versus the total project area assessed value.</p> <p>Source: San Bernardino County Assessor's Office and San Bernardino County Auditor-Controller</p>						

Over the past five years, 382 of the 1,411 (34.4%) appeals filed and completely adjudicated in the VVEDA Project Area were granted. There are 89 unresolved appeals in the Project Area for FY 2015-16<sup>1</sup> and 190 unresolved appeals for FY 2014-15. It is important to note that a high number of pending appeals in the previous two fiscal years has been the norm in other years and other counties. Typically, almost all appeals filed for a given fiscal year are resolved by the third year thereafter. The Project Area has many fewer pending appeals currently compared to recent years.

The unresolved appeals in FY 2015-16 create a potential loss of \$63.2 million (0.8% of the Project Area Assessed Value). In FY 2014-15, the unresolved appeals could lead to a loss of \$187.2 million (2.7% of the Project Area Assessed Value in that year).

It is important to note that in every year with a significant number of appeals completely adjudicated, the total granted reduction amount is less than 67% of the requested reduction

<sup>1</sup> The San Bernardino County Clerk of the Board had not completed entering in the information for all appeals filed for the 2015-16 year into its database by the time this report was prepared. It is expected that the number of pending appeals will be higher in 2015-16 than is noted in Exhibit 9.

amount. Moreover, granted reductions have not exceeded 1.1% of total assessed value in any of the previous five years. The effect of successful tax appeals has not been included in the tax increment projections presented in Exhibits 10A through 10O because the outcome cannot be accurately predicted, either in terms of the number of appeals granted or the actual reduction in value, and the impact of appeals is generally less than 1%.

#### Proposition 8 Decline in Value Appeal and Recovery

Proposition 8 amended Article XIII A allowing the Assessor to lower assessments of properties temporarily if there is a decline in value. Accordingly, Section 51(b) of the California Revenue and Taxation Code states that the Assessor may place a value on the tax roll lower than the compounded base assessment value, if the full cash value of real property has been reduced by damage, destruction, depreciation, obsolescence, removal of property, or other factors causing a decline in the value. Reductions in value pursuant to Section 51(b), commonly referred to as Proposition 8 appeals, can be achieved either by formal appeal or administratively by Assessor staff appraising the property. A reduced full cash value placed on the tax roll does not change the base assessment value. The future impact of a parcel subject to a Proposition 8 appeal is dependent upon a change in the conditions that caused the drop in value.

Following the economic decline of the Great Recession, the County Assessor decided to automatically review the property values of any home or condominium acquired after June 2001 and in May of 2009 notified those property owners whose property values had declined below market value that their property values were being temporarily reduced. This led to a strong decline in total assessed value.

The number of appeals filed has continued to decline since peaking in FYs 2010-11 and 2011-12. During the recovery from the Great Recession as property market values rise, the County Assessor can return assessed values up to the maximum allowed according to Article XIII A, which applies the appropriate annual inflation rates to the base assessment value. In effect, this allows property values to rise more quickly than 2% per year for a short period and likely accounts for some of the rapid value growth in recent years. Once property values are returned to their maximum allowed values, their further growth is limited by the Board of Equalization's inflation rates.

#### Top Ten Taxpayer Appeals

##### Victorville Area

In 2014, four of the top ten taxpayers in the Victorville portion of the Project Area filed 17 of the unresolved appeals shown in Exhibit 9. These appeals included the following:

- Cemex Construction Materials Pacific filed two appeals requesting a reduction of \$26.5 million;
- The Dr. Prem Reddy Family Foundation filed 11 appeals to request a reduction of \$8.0 million;
- Bear Valley Partners filed three appeals requesting a reduction of \$5.5 million; and

- Wilmington Victorville, LLC filed one appeal to request a reduction of \$2.0 million.

These amounts equal 0.6%, 0.2%, 0.1%, and .05%, respectively, of the assessed value in the Victorville portion of the Project Area. Even if the full requested appeal amount were granted, Cemex Construction Materials Pacific, Bear Valley Partners, and Wilmington Victorville, LLC would remain on the list of top ten taxpayers for FY 2014-15 (they ranked #1, #4, and #5 last year, respectively). If granted, the appeals filed by the Dr. Prem Reddy Family Foundation would remove them from last year's list as the Foundation was #10 on the top ten list.

In 2015, two of the top ten taxpayers filed four pending appeals. Wal-Mart Stores, Inc., which saw a large increase in their assessed value since the previous year, filed two appeals for \$9.1 million. Bear Valley Partners filed two appeals for \$4.3 million. Both taxpayers would remain in the top ten list even if their appeals were granted.

#### **County Area**

Three of the top ten taxpayers in the San Bernardino County portion of the Project Area filed 29 of the unresolved appeals from FY 2014-15 shown in Exhibit 9. The Dr. Prem Reddy Family Foundation, which was the second largest taxpayer in the County portion, filed 24 of these appeals to request a reduction of \$2.7 million, representing less than 0.6% of the total assessed value in the County's portion of the Project Area. If the appeals for 2014 were granted, the Dr. Prem Reddy Family Foundation would not drop from the top ten taxpayer list for the County portion.

Arakelian Enterprises, Inc. filed one pending appeal in 2014 to request a \$1.4 million reduction. The Carl E. Ross Living Trust filed four unresolved appeals in 2014 requesting a reduction of \$939,000. Even if the appeals were granted, both of these taxpayers would remain in the list of top ten taxpayers.

#### **Apple Valley Area**

Three of the top ten taxpayers in the Apple Valley portion of the Project Area represent 15 of the unresolved appeals shown in Exhibit 9.

Lewis Group, which owns Apple Valley Commons, filed five of these appeals in 2014 with a total requested reduction of \$2.2 million. Target Corporation filed one appeal in 2013 and one in 2014, requesting a \$2.2 million reduction and a reduction of \$1.3 million, respectively. The Carl E. Ross Living Trust filed an appeal in 2014 to request a \$1.0 million reduction. If granted, these requested reductions, each of which represent less than 0.3% of the Apple Valley portion's assessed value, would not remove any of the taxpayers from the FY 2014-15 list of top ten taxpayers.

#### **Adelanto Area**

One of the top ten taxpayers in the Adelanto portion of the Project Area represents 26 of the unresolved appeals shown in Exhibit 9. Overhead Investment Company, LLC filed these appeals in 2015, requesting a total reduction of \$1.1 million in assessed value, less than 0.2% of the total assessed value in the Adelanto portion of the Project Area.

**Hesperia Area**

The only unresolved appeals filed within the Hesperia portion of the Project Area were filed by the Roger F. Graham Trust. This taxpayer filed one appeal in 2014 and one in 2015, requesting reductions of \$1.4 million and \$1.5 million, respectively. In 2015, this represents 0.6% of the total assessed value in the Hesperia portion and, if granted, would not drop this taxpayer from the list of top ten taxpayers.

**SCLA Area**

The three parcels owned by the High Desert Power Plant Trust (“HDPP”), the second top taxpayer in the Project Area, are assessed by the SBE (rather than the County Assessor). The assessed value of these parcels is considered State-assessed unitary value. The HDPP was granted an assessment reduction in FY 2014-15 by the SBE that resulted in a valuation of \$179.9 million, a decline of \$51.2 million from its FY 2013-14 valuation of \$231.1 million. In FY 2015-16, the SBE granted a reduction for HDPP resulting in a valuation of \$176.9 million. These reductions are not shown in Exhibit 9 as they are not County assessment appeals, but rather SBE assessment reductions.

In addition, two of the other top ten taxpayers in the SCLA Area filed appeals still unresolved. The American Bottling Company, the second largest taxpayer in the SCLA portion of the Project Area, filed two of the unresolved appeals in 2014, requesting a reduction of \$55.1 million. The request represents 11.0% of the SCLA Area’s assessed value. General Electric Co., the fourth largest taxpayer in the SCLA Area, filed two appeals in 2014 and two appeals in 2015 for reductions of \$15.5 million and \$22.7 million, respectively. These requests represent 3.1% and 4.5% of the SCLA Area’s assessed value.

If granted, none of these appeals would remove either taxpayer from the list of top ten taxpayers for either fiscal year. Since 2011, these two taxpayers have had four appeals denied and one approved. The approved appeal (in 2012) entailed a reduction in assessed value of \$4.3 million.

**TAX INCREMENT REVENUE PROJECTIONS**

Exhibits 10A through 10O present the tax increment revenue projections for the Project Area based upon the assumptions described in this Report.

As discussed earlier in the Report, the Low and Moderate Income Housing Set Aside requirements no longer exist and are made illegal under Dissolution Law. Therefore, all remaining tax increment revenues generated within a project area (housing and non-housing) can be used to satisfy outstanding bond debt obligations.

Exhibit 10A shows the debt coverage ratio related to the combined housing and non-housing bond debt service obligations. The tax increment revenue projections shown in Exhibit 10A also account for the ABx1 26 changes, showing both housing and non-housing bonds secured by a single stream of revenue. This change is only shown in Exhibit 10A.

## CONTINUING DISCLOSURE REPORT

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

As shown in prior years' continuing disclosure reports, Exhibits 10B and 10C reflect the debt service coverage ratios separately for the non-housing and housing pledge of tax increment revenue related to their respective bonds. In addition, Exhibits 10B-O reflect the Total Pledged Revenue as net of housing and pass through payments, the same methodology used in previously prepared continuing disclosure reports.

For the 2016-17 year, the State Board of Equalization established the inflationary growth rate to be 1.525%. Therefore, to estimate the revenue forecast conservatively, the following tables assume 1.525% growth for FY 2016-17, in accordance with the established growth rate, 1% in FYs 2017-18 and 2018-19, and a 2% annual increase thereafter.

These projections are conservative with regard to value growth, but assume that the revenues pledged for the Bonds are allowed to be used for that purpose. The Successor Agency continues to coordinate with DOF to explain the pledged revenues as clearly as possible so that DOF approves their use to pay debt service on the Bonds.

CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Combined Housing and Non-Housing Tax Increment Projections										Exhibit 10A
Southern California Logistics Airport Authority - VVEDA Project Area (Including Amendment IV and VIII Areas)										
Fiscal Year	Estimated Gross Tax Increment	Pass Through Payments	Net Revenue to Victorville <sup>1</sup>	Net Revenue to SCLA <sup>1</sup>	Net Revenue to Other Member Jurisdictions <sup>1</sup>	Total Pledge Revenue (Victorville + SCLA) <sup>1</sup>	Total Debt Service Obligations Non-Housing Bonds <sup>2</sup>	Total Debt Service Obligations Housing Bonds <sup>2</sup>	Coverage (using Total Pledge Revenue)	Remaining Revenue Net of Debt & Pass Thru Obligations
2015-16	37,244,744	(10,097,588)	10,754,862	12,114,686	4,277,609	22,869,547	17,985,190	3,524,169	1.06	1,360,188
2016-17*	38,332,443	(10,373,673)	11,134,744	12,435,812	4,388,215	23,570,555	17,981,682	3,519,126	1.10	2,069,747
2017-18	39,058,790	(10,558,127)	11,380,126	12,650,160	4,470,376	24,030,286	17,975,837	3,521,824	1.12	2,532,625
2018-19	39,792,399	(10,744,425)	11,627,480	12,866,653	4,553,841	24,494,133	17,972,478	3,516,914	1.14	3,004,742
2019-20	41,274,291	(11,142,194)	12,072,343	13,293,244	4,766,510	25,365,587	17,961,065	3,519,266	1.18	3,885,255
2020-21	42,785,821	(11,595,990)	12,489,575	13,704,331	4,995,925	26,193,905	17,956,703	3,514,018	1.22	4,723,185
2021-22	44,327,581	(12,061,205)	12,914,829	14,122,468	5,229,079	27,037,297	17,946,988	3,516,116	1.26	5,574,192
2022-23	45,900,176	(12,535,701)	13,348,339	14,548,980	5,467,156	27,897,319	17,941,292	3,515,285	1.30	6,440,742
2023-24	47,504,223	(13,023,050)	13,790,323	14,982,340	5,708,510	28,772,663	17,929,891	3,510,968	1.34	7,331,804
2024-25	49,140,351	(13,525,436)	14,240,990	15,421,723	5,952,203	29,662,713	17,921,479	3,508,080	1.38	8,233,154
2025-26	50,809,202	(14,037,869)	14,700,541	15,869,893	6,200,898	30,570,434	17,915,858	3,506,953	1.43	9,147,624
2026-27	52,511,430	(14,560,552)	15,169,177	16,327,027	6,454,674	31,496,204	17,906,831	3,507,338	1.47	10,082,035
2027-28	54,247,702	(15,093,687)	15,647,097	16,793,303	6,713,615	32,440,400	17,893,539	3,504,100	1.52	11,042,761
2028-29	56,018,700	(15,637,486)	16,134,499	17,268,905	6,977,810	33,403,404	17,883,535	3,501,284	1.56	12,018,585
2029-30	57,825,118	(16,192,160)	16,631,585	17,754,019	7,247,354	34,385,604	17,875,410	3,498,596	1.61	13,011,597
2030-31	59,667,664	(16,824,979)	17,119,001	18,215,310	7,508,374	35,334,311	17,859,898	3,496,540	1.65	13,977,874
2031-32	61,547,061	(17,470,454)	17,616,125	18,685,826	7,774,655	36,301,951	17,836,344	3,499,725	1.70	14,965,882
2032-33	63,464,046	(18,128,839)	18,123,154	19,165,753	8,046,299	37,288,907	17,816,855	3,491,700	1.75	15,980,352
2033-34	65,419,370	(18,800,392)	18,640,291	19,655,279	8,323,409	38,295,570	17,797,313	3,487,264	1.80	17,010,994
2034-35	67,413,801	(19,485,375)	19,167,743	20,154,595	8,606,089	39,322,337	17,785,241	3,487,151	1.85	18,049,945
2035-36	69,448,121	(20,184,107)	19,705,718	20,663,873	8,894,424	40,369,591	17,763,843	3,485,960	1.90	19,119,788
2036-37	71,523,127	(20,899,424)	20,254,430	21,182,031	9,187,242	41,436,461	17,746,169	3,478,551	1.95	20,211,741
2037-38	73,639,633	(21,629,047)	20,814,096	21,710,553	9,485,938	42,524,648	17,724,790	3,474,648	2.01	21,325,211
2038-39	75,798,470	(22,373,263)	21,384,936	22,249,644	9,790,626	43,634,581	17,707,268	3,473,708	2.06	22,453,606
2039-40	78,000,483	(23,132,363)	21,967,177	22,799,518	10,101,425	44,766,695	17,681,444	3,465,468	2.12	23,619,784
2040-41	80,246,536	(23,906,645)	22,561,048	23,360,389	10,418,455	45,921,437	17,659,858	3,464,511	2.17	24,797,068
2041-42	82,537,511	(24,696,412)	23,166,782	23,932,478	10,741,839	47,099,260	17,634,709	3,460,298	2.23	26,004,253
2042-43	84,874,305	(25,501,975)	23,784,618	24,516,008	11,071,703	48,300,626	17,608,145	3,452,563	2.29	27,239,919
2043-44	87,257,834	(26,323,650)	24,414,799	25,111,209	11,408,177	49,526,008	17,582,060	3,450,765	2.35	28,493,183
2044-45	89,689,035	(27,161,758)	25,057,573	25,718,314	11,751,390	50,775,887	18,085,000	-	2.81	32,690,887
2045-46	92,168,859	(28,016,627)	25,713,193	26,337,562	12,101,478	52,050,754	18,085,000	-	2.88	33,965,754
2046-47	94,698,280	(28,888,595)	26,381,916	26,969,194	12,458,576	53,351,109	18,085,000	-	2.95	35,266,109
2047-48	97,278,289	(29,778,001)	27,064,005	27,613,458	12,822,825	54,677,463	18,085,000	-	3.02	36,592,463
2048-49	99,909,899	(30,685,196)	27,758,914	28,270,608	13,195,180	56,029,523	18,085,000	-	3.10	37,944,523
2049-50	102,594,141	(31,610,535)	28,467,501	28,940,901	13,575,203	57,408,403	18,085,000	-	3.17	39,323,403
2050-51	105,332,067	(32,554,380)	29,190,260	29,624,600	13,962,826	58,814,861	18,085,000	-	3.25	40,729,861
2051-52	108,124,752	(33,517,103)	29,927,474	30,321,973	14,358,202	60,249,448	-	-	-	60,249,448

<sup>1</sup> Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mod housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RPTTF), are available and can be pledged to pay housing and non-housing bond debt service.

<sup>2</sup> Debt service payments are grouped by fiscal year and not bond year

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.





CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Non-Housing Tax Increment Projections											Exhibit 10B
Southern California Logistics Airport Authority - VVEDA Project Area (Including Amendment IV and VIII Areas)											
Fiscal Year	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside	Pass Through Payments	Non-Housing Revenue to Victorville <sup>1</sup>	Non-Housing Revenue to SCLA <sup>1</sup>	Non-Housing Revenue to Other Member Jurisdictions <sup>1</sup>	Total Non-Housing Pledge Revenue (Victorville + SCLA)	Total Debt Service Obligations by Fiscal Year <sup>2</sup>	Coverage (using Total Pledge Revenue)	Remaining Revenue Net of Debt & Pass Thru Obligations	
20%											
2015-16	37,244,744	(7,448,949)	(10,097,588)	6,115,489	11,145,388	2,437,331	17,260,877	17,985,190	0.96	(724,313)	
2016-17*	38,332,443	(7,666,489)	(10,373,673)	6,335,697	11,456,207	2,500,376	17,791,905	17,981,682	0.99	(189,777)	
2017-18	39,058,790	(7,811,758)	(10,558,127)	6,477,745	11,663,695	2,547,465	18,141,440	17,975,837	1.01	165,603	
2018-19	39,792,399	(7,958,480)	(10,744,425)	6,620,923	11,873,257	2,595,313	18,494,181	17,972,478	1.03	521,703	
2019-20	41,274,291	(8,254,858)	(11,142,194)	6,876,548	12,285,850	2,714,841	19,162,398	17,961,065	1.07	1,201,333	
2020-21	42,785,821	(8,557,164)	(11,595,990)	7,106,428	12,682,659	2,843,579	19,789,087	17,956,703	1.10	1,832,385	
2021-22	44,327,581	(8,865,516)	(12,061,205)	7,340,739	13,086,233	2,973,888	20,426,972	17,946,988	1.14	2,479,983	
2022-23	45,900,176	(9,180,035)	(12,535,701)	7,579,607	13,497,889	3,106,944	21,077,496	17,941,292	1.17	3,136,204	
2023-24	47,504,223	(9,500,845)	(13,023,050)	7,823,150	13,916,097	3,241,081	21,739,247	17,929,891	1.21	3,809,356	
2024-25	49,140,351	(9,828,070)	(13,525,436)	8,071,482	14,340,024	3,375,338	22,411,507	17,921,479	1.25	4,490,028	
2025-26	50,809,202	(10,161,840)	(14,037,869)	8,324,715	14,772,430	3,512,347	23,097,145	17,915,858	1.29	5,181,287	
2026-27	52,511,430	(10,502,286)	(14,560,552)	8,582,956	15,213,484	3,652,152	23,796,441	17,906,831	1.33	5,889,609	
2027-28	54,247,702	(10,849,540)	(15,093,687)	8,846,316	15,663,360	3,794,799	24,509,676	17,893,539	1.37	6,616,137	
2028-29	56,018,700	(11,203,740)	(15,637,486)	9,114,904	16,122,232	3,940,338	25,237,137	17,883,535	1.41	7,353,602	
2029-30	57,825,118	(11,565,024)	(16,192,160)	9,388,831	16,590,282	4,088,821	25,979,113	17,875,410	1.45	8,103,703	
2030-31	59,667,664	(11,933,533)	(16,824,979)	9,648,652	17,034,168	4,226,332	26,682,820	17,859,898	1.49	8,822,922	
2031-32	61,547,061	(12,309,412)	(17,470,454)	9,913,650	17,486,931	4,366,613	27,400,582	17,836,344	1.54	9,564,238	
2032-33	63,464,046	(12,692,809)	(18,128,839)	10,183,933	17,948,750	4,509,715	28,132,683	17,816,855	1.58	10,315,828	
2033-34	65,419,370	(13,083,874)	(18,800,392)	10,459,607	18,419,805	4,655,693	28,879,411	17,797,313	1.62	11,082,099	
2034-35	67,413,801	(13,482,760)	(19,485,375)	10,740,781	18,900,281	4,804,604	29,641,062	17,785,241	1.67	11,855,821	
2035-36	69,448,121	(13,889,624)	(20,184,107)	11,027,568	19,390,342	4,956,480	30,417,910	17,763,843	1.71	12,654,068	
2036-37	71,523,127	(14,304,625)	(20,899,424)	11,320,080	19,888,900	5,110,098	31,208,980	17,746,169	1.76	13,462,811	
2037-38	73,639,633	(14,727,927)	(21,629,047)	11,618,434	20,397,428	5,266,798	32,015,862	17,724,790	1.81	14,291,072	
2038-39	75,798,470	(15,159,694)	(22,373,263)	11,922,746	20,916,127	5,426,640	32,838,873	17,707,268	1.85	15,131,606	
2039-40	78,000,483	(15,600,097)	(23,132,363)	12,233,137	21,445,200	5,589,686	33,678,337	17,681,444	1.90	15,996,894	
2040-41	80,246,536	(16,049,307)	(23,906,645)	12,549,730	21,984,854	5,756,000	34,534,584	17,659,858	1.96	16,874,727	
2041-42	82,537,511	(16,507,502)	(24,696,412)	12,872,648	22,535,302	5,925,646	35,407,950	17,634,709	2.01	17,773,241	
2042-43	84,874,305	(16,974,861)	(25,501,975)	13,202,019	23,096,758	6,098,691	36,298,777	17,608,145	2.06	18,690,632	
2043-44	87,257,834	(17,451,567)	(26,323,650)	13,537,972	23,669,444	6,275,202	37,207,416	17,582,060	2.12	19,625,356	
2044-45	89,689,035	(17,937,807)	(27,161,758)	13,880,639	24,253,583	6,455,248	38,134,222	18,085,000	2.11	20,049,222	
2045-46	92,168,859	(18,433,772)	(28,016,627)	14,230,155	24,849,405	6,638,899	39,079,561	18,085,000	2.16	20,994,561	
2046-47	94,698,280	(18,939,656)	(28,888,595)	14,586,658	25,457,144	6,826,228	40,043,802	18,085,000	2.21	21,958,802	
2047-48	97,278,289	(19,455,658)	(29,778,001)	14,950,287	26,077,037	7,017,306	41,027,324	18,085,000	2.27	22,942,324	
2048-49	99,909,899	(19,981,980)	(30,685,196)	15,320,823	26,709,328	7,212,571	42,030,152	18,085,000	2.32	23,945,152	
2049-50	102,594,141	(20,518,828)	(31,610,535)	15,698,672	27,354,265	7,411,840	43,052,938	18,085,000	2.38	24,967,938	
2050-51	105,332,067	(21,066,413)	(32,554,380)	16,084,078	28,012,101	7,615,094	44,096,180	18,085,000	2.44	26,011,180	
2051-52	108,124,752	(21,624,950)	(33,517,103)	16,477,193	28,683,094	7,822,413	45,160,286	-	-	45,160,286	

<sup>1</sup> Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mod housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RPTTF), are available and can be pledged to pay housing and non-housing bond debt service.

<sup>2</sup> Debt service payments are grouped by fiscal year and not bond year

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.



Housing Set-Aside Tax Increment Projections									
Southern California Logistics Airport Authority - VVEDA Project Area (Including Amendment IV and VIII Areas)									
Fiscal Year	Estimated Gross Tax Increment	Total Housing Set-Aside 20%	Housing Revenue to Victorville <sup>1</sup>	Housing Revenue to SCLA <sup>1</sup>	Housing Revenue to Other Member Jurisdictions <sup>1</sup>	Total Housing Pledge Revenue (Victorville + SCLA)	Total Debt Service Obligations by Fiscal Year <sup>2</sup>	Coverage (using Total Pledge Revenue)	Remaining Revenue After Debt Service
2015-16	37,244,744	(7,448,949)	4,639,372	969,298	1,840,279	5,608,670	3,524,169	1.59	2,084,501
2016-17*	38,332,443	(7,666,489)	4,799,046	979,604	1,887,838	5,778,650	3,519,126	1.64	2,259,524
2017-18	39,058,790	(7,811,758)	4,902,381	986,465	1,922,911	5,888,847	3,521,824	1.67	2,367,022
2018-19	39,792,399	(7,958,480)	5,006,557	993,395	1,958,528	5,999,952	3,516,914	1.71	2,483,038
2019-20	41,274,291	(8,254,858)	5,195,795	1,007,394	2,051,670	6,203,188	3,519,266	1.76	2,683,922
2020-21	42,785,821	(8,557,164)	5,383,146	1,021,672	2,152,346	6,404,818	3,514,018	1.82	2,890,800
2021-22	44,327,581	(8,865,516)	5,574,089	1,036,236	2,255,191	6,610,325	3,516,116	1.88	3,094,209
2022-23	45,900,176	(9,180,035)	5,768,732	1,051,091	2,360,212	6,819,823	3,515,285	1.94	3,304,538
2023-24	47,504,223	(9,500,845)	5,967,173	1,066,243	2,467,428	7,033,416	3,510,968	2.00	3,522,449
2024-25	49,140,351	(9,828,070)	6,169,508	1,081,698	2,576,864	7,251,206	3,508,080	2.07	3,743,126
2025-26	50,809,202	(10,161,840)	6,375,827	1,097,463	2,688,551	7,473,289	3,506,953	2.13	3,966,337
2026-27	52,511,430	(10,502,286)	6,586,221	1,113,542	2,802,523	7,699,763	3,507,338	2.20	4,192,426
2027-28	54,247,702	(10,849,540)	6,800,780	1,129,944	2,918,817	7,930,724	3,504,100	2.26	4,426,624
2028-29	56,018,700	(11,203,740)	7,019,594	1,146,673	3,037,473	8,166,267	3,501,284	2.33	4,664,984
2029-30	57,825,118	(11,565,024)	7,242,754	1,163,737	3,158,533	8,406,491	3,498,596	2.40	4,907,894
2030-31	59,667,664	(11,933,533)	7,470,350	1,181,142	3,282,041	8,651,492	3,496,540	2.47	5,154,952
2031-32	61,547,061	(12,309,412)	7,702,474	1,198,895	3,408,043	8,901,369	3,499,725	2.54	5,401,644
2032-33	63,464,046	(12,692,809)	7,939,221	1,217,003	3,536,585	9,156,224	3,491,700	2.62	5,664,524
2033-34	65,419,370	(13,083,874)	8,180,684	1,235,474	3,667,716	9,416,158	3,487,264	2.70	5,928,895
2034-35	67,413,801	(13,482,760)	8,426,962	1,254,314	3,801,485	9,681,275	3,487,151	2.78	6,194,124
2035-36	69,448,121	(13,889,624)	8,678,150	1,273,531	3,937,944	9,951,681	3,485,960	2.85	6,465,721
2036-37	71,523,127	(14,304,625)	8,934,350	1,293,132	4,077,144	10,227,481	3,478,551	2.94	6,748,930
2037-38	73,639,633	(14,727,927)	9,195,662	1,313,125	4,219,140	10,508,786	3,474,648	3.02	7,034,139
2038-39	75,798,470	(15,159,694)	9,462,190	1,333,517	4,363,986	10,795,708	3,473,708	3.11	7,322,000
2039-40	78,000,483	(15,600,097)	9,734,040	1,354,318	4,511,739	11,088,358	3,465,468	3.20	7,622,890
2040-41	80,246,536	(16,049,307)	10,011,318	1,375,535	4,662,454	11,386,853	3,464,511	3.29	7,922,342
2041-42	82,537,511	(16,507,502)	10,294,134	1,397,176	4,816,192	11,691,310	3,460,298	3.38	8,231,012
2042-43	84,874,305	(16,974,861)	10,582,599	1,419,250	4,973,012	12,001,849	3,452,563	3.48	8,549,287
2043-44	87,257,834	(17,451,567)	10,876,827	1,441,765	5,132,974	12,318,593	3,450,765	3.57	8,867,828
2044-45	89,689,035	(17,937,807)	11,176,934	1,464,731	5,296,142	12,641,665	-	-	12,641,665
2045-46	92,168,859	(18,433,772)	11,483,037	1,488,156	5,462,578	12,971,194	-	-	12,971,194
2046-47	94,698,280	(18,939,656)	11,795,258	1,512,050	5,632,348	13,307,308	-	-	13,307,308
2047-48	97,278,289	(19,455,658)	12,113,718	1,536,421	5,805,519	13,650,139	-	-	13,650,139
2048-49	99,909,899	(19,981,980)	12,438,091	1,561,280	5,982,609	13,999,371	-	-	13,999,371
2049-50	102,594,141	(20,518,828)	12,768,829	1,586,636	6,163,363	14,355,465	-	-	14,355,465
2050-51	105,332,067	(21,066,413)	13,106,182	1,612,499	6,347,732	14,718,681	-	-	14,718,681
2051-52	108,124,752	(21,624,950)	13,450,282	1,638,880	6,535,789	15,089,161	-	-	15,089,161

<sup>1</sup> Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low/mod housing fund therefore those monies, which are deposited into the Redevelopment Property Tax Trust Fund (RPTTF), are available and can be pledged to pay housing and non-housing bond debt service.

<sup>2</sup> Debt service payments are grouped by fiscal year and not bond year

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.





CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10D
Southern California Logistics Airport Authority - Victorville Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Increased Value Due to New Development	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 28.29%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>				<b>1,168,446,878</b>							
2015-16	3,040,832,945	141,122,703	22,241,201	3,204,196,849	2,035,749,971	20,357,500	(4,071,500)	(5,758,637)	5,263,681	5,263,681	
2016-17*	3,109,446,848	141,122,703		3,250,569,551	2,082,122,673	20,821,227	(4,164,245)	(5,889,814)	5,383,583	5,383,583	
2017-18	3,140,541,317	141,122,703		3,281,664,020	2,113,217,142	21,132,171	(4,226,434)	(5,977,773)	5,463,982	5,463,982	
2018-19	3,171,946,730	141,122,703		3,313,069,433	2,144,622,555	21,446,226	(4,289,245)	(6,066,611)	5,545,185	5,545,185	
2019-20	3,235,385,665	141,122,703		3,376,508,368	2,208,061,490	22,080,615	(4,416,123)	(6,246,064)	5,709,214	5,709,214	
2020-21	3,300,093,378	141,122,703		3,441,216,081	2,272,769,203	22,727,692	(4,545,538)	(6,429,107)	5,876,523	5,876,523	
2021-22	3,366,095,246	141,122,703		3,507,217,949	2,338,771,071	23,387,711	(4,677,542)	(6,615,810)	6,047,179	6,047,179	
2022-23	3,433,417,150	141,122,703		3,574,539,853	2,406,092,975	24,060,930	(4,812,186)	(6,806,247)	6,221,248	6,221,248	
2023-24	3,502,085,493	141,122,703		3,643,208,196	2,474,761,318	24,747,613	(4,949,523)	(7,000,493)	6,398,799	6,398,799	
2024-25	3,572,127,203	141,122,703		3,713,249,906	2,544,803,028	25,448,030	(5,089,606)	(7,198,624)	6,579,900	6,579,900	
2025-26	3,643,569,747	141,122,703		3,784,692,450	2,616,245,572	26,162,456	(5,232,491)	(7,400,717)	6,764,624	6,764,624	
2026-27	3,716,441,142	141,122,703		3,857,563,845	2,689,116,967	26,891,170	(5,378,234)	(7,606,852)	6,953,042	6,953,042	
2027-28	3,790,769,965	141,122,703		3,931,892,668	2,763,445,790	27,634,458	(5,526,892)	(7,817,110)	7,145,228	7,145,228	
2028-29	3,866,585,364	141,122,703		4,007,708,067	2,839,261,189	28,392,612	(5,678,522)	(8,031,574)	7,341,258	7,341,258	
2029-30	3,943,917,072	141,122,703		4,085,039,775	2,916,592,897	29,165,929	(5,833,186)	(8,250,326)	7,541,209	7,541,209	
2030-31	4,022,795,413	141,122,703		4,163,918,116	2,995,471,238	29,954,712	(5,990,942)	(8,473,453)	7,745,158	7,745,158	
2031-32	4,103,251,321	141,122,703		4,244,374,024	3,075,927,146	30,759,271	(6,151,854)	(8,701,044)	7,953,187	7,953,187	
2032-33	4,185,316,348	141,122,703		4,326,439,051	3,157,992,173	31,579,922	(6,315,984)	(8,933,185)	8,165,376	8,165,376	
2033-34	4,269,022,675	141,122,703		4,410,145,378	3,241,698,500	32,416,985	(6,483,397)	(9,169,970)	8,381,809	8,381,809	
2034-35	4,354,403,128	141,122,703		4,495,525,831	3,327,078,953	33,270,790	(6,654,158)	(9,411,490)	8,602,571	8,602,571	
2035-36	4,441,491,191	141,122,703		4,582,613,894	3,414,167,016	34,141,670	(6,828,334)	(9,657,841)	8,827,747	8,827,747	
2036-37	4,530,321,015	141,122,703		4,671,443,718	3,502,996,840	35,029,968	(7,005,994)	(9,909,119)	9,057,428	9,057,428	
2037-38	4,620,927,435	141,122,703		4,762,050,138	3,593,603,260	35,936,033	(7,187,207)	(10,165,422)	9,291,702	9,291,702	
2038-39	4,713,345,984	141,122,703		4,854,468,687	3,686,021,809	36,860,218	(7,372,044)	(10,426,852)	9,530,661	9,530,661	
2039-40	4,807,612,903	141,122,703		4,948,735,606	3,780,288,728	37,802,887	(7,560,577)	(10,693,510)	9,774,400	9,774,400	
2040-41	4,903,765,161	141,122,703		5,044,887,864	3,876,440,986	38,764,410	(7,752,882)	(10,965,501)	10,023,014	10,023,014	
2041-42	5,001,840,465	141,122,703		5,142,963,168	3,974,516,290	39,745,163	(7,949,033)	(11,242,932)	10,276,599	10,276,599	
2042-43	5,101,877,274	141,122,703		5,242,999,977	4,074,553,099	40,745,531	(8,149,106)	(11,525,911)	10,535,257	10,535,257	
2043-44	5,203,914,819	141,122,703		5,345,037,522	4,176,590,644	41,765,906	(8,353,181)	(11,814,551)	10,799,087	10,799,087	
2044-45	5,307,993,116	141,122,703		5,449,115,819	4,280,668,941	42,806,689	(8,561,338)	(12,108,963)	11,068,194	11,068,194	
2045-46	5,414,152,978	141,122,703		5,555,275,681	4,386,828,803	43,868,288	(8,773,658)	(12,409,263)	11,342,684	11,342,684	
2046-47	5,522,436,038	141,122,703		5,663,558,741	4,495,111,863	44,951,119	(8,990,224)	(12,715,569)	11,622,663	11,622,663	
2047-48	5,632,884,758	141,122,703		5,774,007,461	4,605,560,583	46,055,606	(9,211,121)	(13,028,001)	11,908,242	11,908,242	
2048-49	5,745,542,454	141,122,703		5,886,665,157	4,718,218,279	47,182,183	(9,436,437)	(13,346,682)	12,199,532	12,199,532	
2049-50	5,860,453,303	141,122,703		6,001,576,006	4,833,129,128	48,331,291	(9,666,258)	(13,671,737)	12,496,648	12,496,648	
2050-51	5,977,662,369	141,122,703		6,118,785,072	4,950,338,194	49,503,382	(9,900,676)	(14,003,293)	12,799,706	12,799,706	
2051-52	6,097,215,616	141,122,703		6,238,338,319	5,069,891,441	50,698,914	(10,139,783)	(14,341,479)	13,108,826	13,108,826	

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.



Tax Increment Projections								Exhibit 10E
Southern California Logistics Airport Authority - SCLA Area								
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 26.51%	Net Revenue to SCLA 100%
<b>BY</b>			<b>7,854,350</b>					
2015-16	337,909,215	154,594,090	492,503,305	484,648,955	4,846,490	(969,298)	(1,284,624)	2,592,568
2016-17*	343,062,331	154,594,090	497,656,421	489,802,071	4,898,021	(979,604)	(1,298,283)	2,620,134
2017-18	346,492,954	154,594,090	501,087,044	493,232,694	4,932,327	(986,465)	(1,307,376)	2,638,485
2018-19	349,957,883	154,594,090	504,551,973	496,697,623	4,966,976	(993,395)	(1,316,560)	2,657,020
2019-20	356,957,041	154,594,090	511,551,131	503,696,781	5,036,968	(1,007,394)	(1,335,113)	2,694,462
2020-21	364,096,182	154,594,090	518,690,272	510,835,922	5,108,359	(1,021,672)	(1,354,036)	2,732,652
2021-22	371,378,105	154,594,090	525,972,195	518,117,845	5,181,178	(1,036,236)	(1,373,338)	2,771,605
2022-23	378,805,668	154,594,090	533,399,758	525,545,408	5,255,454	(1,051,091)	(1,393,025)	2,811,338
2023-24	386,381,781	154,594,090	540,975,871	533,121,521	5,331,215	(1,066,243)	(1,413,107)	2,851,865
2024-25	394,109,417	154,594,090	548,703,507	540,849,157	5,408,492	(1,081,698)	(1,433,590)	2,893,203
2025-26	401,991,605	154,594,090	556,585,695	548,731,345	5,487,313	(1,097,463)	(1,454,483)	2,935,368
2026-27	410,031,437	154,594,090	564,625,527	556,771,177	5,567,712	(1,113,542)	(1,475,793)	2,978,376
2027-28	418,232,066	154,594,090	572,826,156	564,971,806	5,649,718	(1,129,944)	(1,497,530)	3,022,245
2028-29	426,596,707	154,594,090	581,190,797	573,336,447	5,733,364	(1,146,673)	(1,519,701)	3,066,990
2029-30	435,128,641	154,594,090	589,722,731	581,868,381	5,818,684	(1,163,737)	(1,542,316)	3,112,631
2030-31	443,831,214	154,594,090	598,425,304	590,570,954	5,905,710	(1,181,142)	(1,565,384)	3,159,184
2031-32	452,707,838	154,594,090	607,301,928	607,301,928	5,994,476	(1,198,895)	(1,588,912)	3,206,668
2032-33	461,761,995	154,594,090	616,356,085	608,501,735	6,085,017	(1,217,003)	(1,612,912)	3,255,102
2033-34	470,997,235	154,594,090	625,591,325	617,736,975	6,177,370	(1,235,474)	(1,637,391)	3,304,505
2034-35	480,417,180	154,594,090	635,011,270	627,156,920	6,271,569	(1,254,314)	(1,662,360)	3,354,896
2035-36	490,025,523	154,594,090	644,619,613	636,765,263	6,367,653	(1,273,531)	(1,687,828)	3,406,294
2036-37	499,826,034	154,594,090	654,420,124	646,565,774	6,465,658	(1,293,132)	(1,713,805)	3,458,721
2037-38	509,822,554	154,594,090	664,416,644	656,562,294	6,565,623	(1,313,125)	(1,740,302)	3,512,196
2038-39	520,019,005	154,594,090	674,613,095	666,758,745	6,667,587	(1,333,517)	(1,767,329)	3,566,741
2039-40	530,419,386	154,594,090	685,013,476	677,159,126	6,771,591	(1,354,318)	(1,794,897)	3,622,376
2040-41	541,027,773	154,594,090	695,621,863	687,767,513	6,877,675	(1,375,535)	(1,823,016)	3,679,124
2041-42	551,848,329	154,594,090	706,442,419	698,588,069	6,985,881	(1,397,176)	(1,851,697)	3,737,008
2042-43	562,885,295	154,594,090	717,479,385	709,625,035	7,096,250	(1,419,250)	(1,880,952)	3,796,048
2043-44	574,143,001	154,594,090	728,737,091	720,882,741	7,208,827	(1,441,765)	(1,910,792)	3,856,270
2044-45	585,625,861	154,594,090	740,219,951	732,365,601	7,323,656	(1,464,731)	(1,941,229)	3,917,696
2045-46	597,338,379	154,594,090	751,932,469	744,078,119	7,440,781	(1,488,156)	(1,972,274)	3,980,351
2046-47	609,285,146	154,594,090	763,879,236	756,024,886	7,560,249	(1,512,050)	(2,003,941)	4,044,259
2047-48	621,470,849	154,594,090	776,064,939	768,210,589	7,682,106	(1,536,421)	(2,036,240)	4,109,444
2048-49	633,900,266	154,594,090	788,494,356	780,640,006	7,806,400	(1,561,280)	(2,069,186)	4,175,934
2049-50	646,578,271	154,594,090	801,172,361	793,318,011	7,933,180	(1,586,636)	(2,102,791)	4,243,753
2050-51	659,509,837	154,594,090	814,103,927	806,249,577	8,062,496	(1,612,499)	(2,137,067)	4,312,929
2051-52	672,700,033	154,594,090	827,294,123	819,439,773	8,194,398	(1,638,880)	(2,172,030)	4,383,488

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.

Tax Increment Projections										Exhibit 10F
Southern California Logistics Airport Authority - San Bernardino County Area										
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside	Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA	
					1%	20%	26.42%	50%	50%	
<b>BY</b>			<b>49,387,466</b>							
2015-16	213,018,415	9,365,804	222,384,219	172,996,753	1,729,968	(345,994)	(456,973)	463,500	463,500	
2016-17*	216,266,946	9,365,804	225,632,750	176,245,284	1,762,453	(352,491)	(465,555)	472,204	472,204	
2017-18	218,429,615	9,365,804	227,795,419	178,407,953	1,784,080	(356,816)	(471,267)	477,998	477,998	
2018-19	220,613,911	9,365,804	229,979,715	180,592,249	1,805,922	(361,184)	(477,037)	483,850	483,850	
2019-20	225,026,190	9,365,804	234,391,994	185,004,528	1,850,045	(370,009)	(488,692)	495,672	495,672	
2020-21	229,526,713	9,365,804	238,892,517	189,505,051	1,895,051	(379,010)	(500,580)	507,730	507,730	
2021-22	234,117,248	9,365,804	243,483,052	194,095,586	1,940,956	(388,191)	(512,706)	520,029	520,029	
2022-23	238,799,593	9,365,804	248,165,397	198,777,931	1,987,779	(397,556)	(525,075)	532,574	532,574	
2023-24	243,575,585	9,365,804	252,941,389	203,553,923	2,035,539	(407,108)	(537,691)	545,370	545,370	
2024-25	248,447,096	9,365,804	257,812,900	208,425,434	2,084,254	(416,851)	(550,559)	558,422	558,422	
2025-26	253,416,038	9,365,804	262,781,842	213,394,376	2,133,944	(426,789)	(563,684)	571,735	571,735	
2026-27	258,484,359	9,365,804	267,850,163	218,462,697	2,184,627	(436,925)	(577,072)	585,315	585,315	
2027-28	263,654,046	9,365,804	273,019,850	223,632,384	2,236,324	(447,265)	(590,728)	599,165	599,165	
2028-29	268,927,127	9,365,804	278,292,931	228,905,465	2,289,055	(457,811)	(604,657)	613,293	613,293	
2029-30	274,305,670	9,365,804	283,671,474	234,284,008	2,342,840	(468,568)	(618,865)	627,704	627,704	
2030-31	279,791,783	9,365,804	289,157,587	239,770,121	2,397,701	(479,540)	(633,356)	642,402	642,402	
2031-32	285,387,619	9,365,804	294,753,423	245,365,957	2,453,660	(490,732)	(648,138)	657,395	657,395	
2032-33	291,095,371	9,365,804	300,461,175	251,073,709	2,510,737	(502,147)	(663,215)	672,687	672,687	
2033-34	296,917,278	9,365,804	306,283,082	256,895,616	2,568,956	(513,791)	(678,594)	688,286	688,286	
2034-35	302,855,624	9,365,804	312,221,428	262,833,962	2,628,340	(525,668)	(694,280)	704,196	704,196	
2035-36	308,912,736	9,365,804	318,278,540	268,891,074	2,688,911	(537,782)	(710,280)	720,424	720,424	
2036-37	315,090,991	9,365,804	324,456,795	275,069,329	2,750,693	(550,139)	(726,600)	736,977	736,977	
2037-38	321,392,811	9,365,804	330,758,615	281,371,149	2,813,711	(562,742)	(743,246)	753,862	753,862	
2038-39	327,820,667	9,365,804	337,186,471	287,799,005	2,877,990	(575,598)	(760,225)	771,083	771,083	
2039-40	334,377,081	9,365,804	343,742,885	294,355,419	2,943,554	(588,711)	(777,544)	788,650	788,650	
2040-41	341,064,622	9,365,804	350,430,426	301,042,960	3,010,430	(602,086)	(795,209)	806,567	806,567	
2041-42	347,885,915	9,365,804	357,251,719	307,864,253	3,078,643	(615,729)	(813,228)	824,843	824,843	
2042-43	354,843,633	9,365,804	364,209,437	314,821,971	3,148,220	(629,644)	(831,607)	843,484	843,484	
2043-44	361,940,506	9,365,804	371,306,310	321,918,844	3,219,188	(643,838)	(850,353)	862,499	862,499	
2044-45	369,179,316	9,365,804	378,545,120	329,157,654	3,291,577	(658,315)	(869,475)	881,893	881,893	
2045-46	376,562,902	9,365,804	385,928,706	336,541,240	3,365,412	(673,082)	(888,979)	901,676	901,676	
2046-47	384,094,160	9,365,804	393,459,964	344,072,498	3,440,725	(688,145)	(908,873)	921,854	921,854	
2047-48	391,776,043	9,365,804	401,141,847	351,754,381	3,517,544	(703,509)	(929,164)	942,435	942,435	
2048-49	399,611,564	9,365,804	408,977,368	359,589,902	3,595,899	(719,180)	(949,862)	963,429	963,429	
2049-50	407,603,795	9,365,804	416,969,599	367,582,133	3,675,821	(735,164)	(970,974)	984,842	984,842	
2050-51	415,755,871	9,365,804	425,121,675	375,734,209	3,757,342	(751,468)	(992,507)	1,006,683	1,006,683	
2051-52	424,070,989	9,365,804	433,436,793	384,049,327	3,840,493	(768,099)	(1,014,472)	1,028,961	1,028,961	

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.

Tax Increment Projections									Exhibit 10G
Southern California Logistics Airport Authority - Apple Valley Area									
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside	Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA
					1%	20%	27.24%	50%	50%
<b>BY</b>			<b>436,031,342</b>						
2015-16	974,371,275	31,384,128	1,005,755,403	569,724,061	5,697,241	(1,139,448)	(1,551,836)	1,502,978	1,502,978
2016-17*	989,230,437	31,384,128	1,020,614,565	584,583,223	5,845,832	(1,169,166)	(1,592,310)	1,542,178	1,542,178
2017-18	999,122,741	31,384,128	1,030,506,869	594,475,527	5,944,755	(1,188,951)	(1,619,255)	1,568,275	1,568,275
2018-19	1,009,113,969	31,384,128	1,040,498,097	604,466,755	6,044,668	(1,208,934)	(1,646,469)	1,594,632	1,594,632
2019-20	1,029,296,248	31,384,128	1,060,680,376	624,649,034	6,246,490	(1,249,298)	(1,701,443)	1,647,875	1,647,875
2020-21	1,049,882,173	31,384,128	1,081,266,301	645,234,959	6,452,350	(1,290,470)	(1,757,515)	1,702,182	1,702,182
2021-22	1,070,879,817	31,384,128	1,102,263,945	666,232,603	6,662,326	(1,332,465)	(1,814,710)	1,757,576	1,757,576
2022-23	1,092,297,413	31,384,128	1,123,681,541	687,650,199	6,876,502	(1,375,300)	(1,873,048)	1,814,077	1,814,077
2023-24	1,114,143,361	31,384,128	1,145,527,489	709,496,147	7,094,961	(1,418,992)	(1,932,553)	1,871,708	1,871,708
2024-25	1,136,426,228	31,384,128	1,167,810,356	731,779,014	7,317,790	(1,463,558)	(1,993,247)	1,930,492	1,930,492
2025-26	1,159,154,753	31,384,128	1,190,538,881	754,507,539	7,545,075	(1,509,015)	(2,055,156)	1,990,452	1,990,452
2026-27	1,182,337,848	31,384,128	1,213,721,976	777,690,634	7,776,906	(1,555,381)	(2,118,303)	2,051,611	2,051,611
2027-28	1,205,984,605	31,384,128	1,237,368,733	801,337,391	8,013,374	(1,602,675)	(2,182,713)	2,113,993	2,113,993
2028-29	1,230,104,297	31,384,128	1,261,488,425	825,457,083	8,254,571	(1,650,914)	(2,248,411)	2,177,623	2,177,623
2029-30	1,254,706,383	31,384,128	1,286,090,511	850,059,169	8,500,592	(1,700,118)	(2,315,423)	2,242,525	2,242,525
2030-31	1,279,800,511	31,384,128	1,311,184,639	875,153,297	8,751,533	(1,750,307)	(2,383,776)	2,308,725	2,308,725
2031-32	1,305,396,521	31,384,128	1,336,780,649	900,749,307	9,007,493	(1,801,499)	(2,453,495)	2,376,250	2,376,250
2032-33	1,331,504,451	31,384,128	1,362,888,579	926,857,237	9,268,572	(1,853,714)	(2,524,609)	2,445,124	2,445,124
2033-34	1,358,134,540	31,384,128	1,389,518,668	953,487,326	9,534,873	(1,906,975)	(2,597,145)	2,515,377	2,515,377
2034-35	1,385,297,231	31,384,128	1,416,681,359	980,650,017	9,806,500	(1,961,300)	(2,671,132)	2,587,034	2,587,034
2035-36	1,413,003,176	31,384,128	1,444,387,304	1,008,355,962	10,083,560	(2,016,712)	(2,746,598)	2,660,125	2,660,125
2036-37	1,441,263,239	31,384,128	1,472,647,367	1,036,616,025	10,366,160	(2,073,232)	(2,823,574)	2,734,677	2,734,677
2037-38	1,470,088,504	31,384,128	1,501,472,632	1,065,441,290	10,654,413	(2,130,883)	(2,902,089)	2,810,720	2,810,720
2038-39	1,499,490,274	31,384,128	1,530,874,402	1,094,843,060	10,948,431	(2,189,686)	(2,982,175)	2,888,285	2,888,285
2039-40	1,529,480,080	31,384,128	1,560,864,208	1,124,832,866	11,248,329	(2,249,666)	(3,063,862)	2,967,400	2,967,400
2040-41	1,560,069,681	31,384,128	1,591,453,809	1,155,422,467	11,554,225	(2,310,845)	(3,147,184)	3,048,098	3,048,098
2041-42	1,591,271,075	31,384,128	1,622,655,203	1,186,623,861	11,866,239	(2,373,248)	(3,232,171)	3,130,410	3,130,410
2042-43	1,623,096,496	31,384,128	1,654,480,624	1,218,449,282	12,184,493	(2,436,899)	(3,318,858)	3,214,368	3,214,368
2043-44	1,655,558,426	31,384,128	1,686,942,554	1,250,911,212	12,509,112	(2,501,822)	(3,407,279)	3,300,005	3,300,005
2044-45	1,688,669,595	31,384,128	1,720,053,723	1,284,022,381	12,840,224	(2,568,045)	(3,497,469)	3,387,355	3,387,355
2045-46	1,722,442,987	31,384,128	1,753,827,115	1,317,795,773	13,177,958	(2,635,592)	(3,589,462)	3,476,452	3,476,452
2046-47	1,756,891,846	31,384,128	1,788,275,974	1,352,244,632	13,522,446	(2,704,489)	(3,683,295)	3,567,331	3,567,331
2047-48	1,792,029,683	31,384,128	1,823,413,811	1,387,382,469	13,873,825	(2,774,765)	(3,779,005)	3,660,027	3,660,027
2048-49	1,827,870,277	31,384,128	1,859,254,405	1,423,223,063	14,232,231	(2,846,446)	(3,876,629)	3,754,578	3,754,578
2049-50	1,864,427,682	31,384,128	1,895,811,810	1,459,780,468	14,597,805	(2,919,561)	(3,976,205)	3,851,019	3,851,019
2050-51	1,901,716,236	31,384,128	1,933,100,364	1,497,069,022	14,970,690	(2,994,138)	(4,077,773)	3,949,389	3,949,389
2051-52	1,939,750,561	31,384,128	1,971,134,689	1,535,103,347	15,351,033	(3,070,207)	(4,181,373)	4,049,727	4,049,727

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.



Tax Increment Projections										Exhibit 10H
Southern California Logistics Airport Authority - Hesperia Area										
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside	Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA	
					1%	20%	30.16%	50%	50%	
<b>BY</b>			<b>122,113,885</b>							
2015-16	241,763,315	1,194,473	242,957,788	120,843,903	1,208,439	(241,688)	(364,495)	301,128	301,128	
2016-17*	245,450,206	1,194,473	246,644,679	124,530,794	1,245,308	(249,062)	(375,616)	310,315	310,315	
2017-18	247,904,708	1,194,473	249,099,181	126,985,296	1,269,853	(253,971)	(383,019)	316,431	316,431	
2018-19	250,383,755	1,194,473	251,578,228	129,464,343	1,294,643	(258,929)	(390,497)	322,609	322,609	
2019-20	255,391,430	1,194,473	256,585,903	134,472,018	1,344,720	(268,944)	(405,601)	335,087	335,087	
2020-21	260,499,258	1,194,473	261,693,731	139,579,846	1,395,798	(279,160)	(421,008)	347,816	347,816	
2021-22	265,709,244	1,194,473	266,903,717	144,789,832	1,447,898	(289,580)	(436,722)	360,798	360,798	
2022-23	271,023,428	1,194,473	272,217,901	150,104,016	1,501,040	(300,208)	(452,751)	374,040	374,040	
2023-24	276,443,897	1,194,473	277,638,370	155,524,485	1,555,245	(311,049)	(469,101)	387,548	387,548	
2024-25	281,972,775	1,194,473	283,167,248	161,053,363	1,610,534	(322,107)	(485,777)	401,325	401,325	
2025-26	287,612,230	1,194,473	288,806,703	166,692,818	1,666,928	(333,386)	(502,787)	415,378	415,378	
2026-27	293,364,475	1,194,473	294,558,948	172,445,063	1,724,451	(344,890)	(520,137)	429,712	429,712	
2027-28	299,231,765	1,194,473	300,426,238	178,312,353	1,783,124	(356,625)	(537,835)	444,332	444,332	
2028-29	305,216,400	1,194,473	306,410,873	184,296,988	1,842,970	(368,594)	(555,886)	459,245	459,245	
2029-30	311,320,728	1,194,473	312,515,201	190,401,316	1,904,013	(380,803)	(574,298)	474,456	474,456	
2030-31	317,547,142	1,194,473	318,741,615	196,627,730	1,966,277	(393,255)	(593,078)	489,972	489,972	
2031-32	323,898,085	1,194,473	325,092,558	202,978,673	2,029,787	(405,957)	(612,234)	505,798	505,798	
2032-33	330,376,047	1,194,473	331,570,520	209,456,635	2,094,566	(418,913)	(631,774)	521,940	521,940	
2033-34	336,983,568	1,194,473	338,178,041	216,064,156	2,160,642	(432,128)	(651,703)	538,405	538,405	
2034-35	343,723,239	1,194,473	344,917,712	222,803,827	2,228,038	(445,608)	(672,032)	555,199	555,199	
2035-36	350,597,704	1,194,473	351,792,177	229,678,292	2,296,783	(459,357)	(692,767)	572,330	572,330	
2036-37	357,609,658	1,194,473	358,804,131	236,690,246	2,366,902	(473,380)	(713,917)	589,803	589,803	
2037-38	364,761,851	1,194,473	365,956,324	243,842,439	2,438,424	(487,685)	(735,490)	607,625	607,625	
2038-39	372,057,088	1,194,473	373,251,561	251,137,676	2,511,377	(502,275)	(757,494)	625,804	625,804	
2039-40	379,498,230	1,194,473	380,692,703	258,578,818	2,585,788	(517,158)	(779,938)	644,346	644,346	
2040-41	387,088,195	1,194,473	388,282,668	266,168,783	2,661,688	(532,338)	(802,832)	663,259	663,259	
2041-42	394,829,959	1,194,473	396,024,432	273,910,547	2,739,105	(547,821)	(826,183)	682,551	682,551	
2042-43	402,726,558	1,194,473	403,921,031	281,807,146	2,818,071	(563,614)	(850,001)	702,228	702,228	
2043-44	410,781,089	1,194,473	411,975,562	289,861,677	2,898,617	(579,723)	(874,295)	722,299	722,299	
2044-45	418,996,711	1,194,473	420,191,184	298,077,299	2,980,773	(596,155)	(899,076)	742,771	742,771	
2045-46	427,376,645	1,194,473	428,571,118	306,457,233	3,064,572	(612,914)	(924,352)	763,653	763,653	
2046-47	435,924,178	1,194,473	437,118,651	315,004,766	3,150,048	(630,010)	(950,133)	784,953	784,953	
2047-48	444,642,661	1,194,473	445,837,134	323,723,249	3,237,232	(647,446)	(976,430)	806,678	806,678	
2048-49	453,535,515	1,194,473	454,729,988	332,616,103	3,326,161	(665,232)	(1,003,253)	828,838	828,838	
2049-50	462,606,225	1,194,473	463,800,698	341,686,813	3,416,868	(683,374)	(1,030,613)	851,441	851,441	
2050-51	471,858,349	1,194,473	473,052,822	350,938,937	3,509,389	(701,878)	(1,058,519)	874,496	874,496	
2051-52	481,295,516	1,194,473	482,489,989	360,376,104	3,603,761	(720,752)	(1,086,984)	898,012	898,012	

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.

Tax Increment Projections										Exhibit 101
Southern California Logistics Airport Authority - Adelanto Amendment IV Area										
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue To VVEDA Reimbursement 25%	Net Revenue to Member Jurisdiction 25%	Net Revenue to SCLA 50%
<b>BY</b>			<b>14,452,309</b>							
2015-16	54,591,149	102,696	54,693,845	40,241,536	402,415	(80,483)	(80,483)	60,362	60,362	120,725
2016-17*	55,423,664	102,696	55,526,360	41,074,051	410,741	(82,148)	(82,148)	61,611	61,611	123,222
2017-18	55,977,901	102,696	56,080,597	41,628,288	416,283	(83,257)	(83,257)	62,442	62,442	124,885
2018-19	56,537,680	102,696	56,640,376	42,188,067	421,881	(84,376)	(84,376)	63,282	63,282	126,564
2019-20	57,668,433	102,696	57,771,129	43,318,820	433,188	(86,638)	(86,638)	64,978	64,978	129,956
2020-21	58,821,802	102,696	58,924,498	44,472,189	444,722	(88,944)	(88,944)	66,708	66,708	133,417
2021-22	59,998,238	102,696	60,100,934	45,648,625	456,486	(91,297)	(91,297)	68,473	68,473	136,946
2022-23	61,198,203	102,696	61,300,899	46,848,590	468,486	(93,697)	(93,697)	70,273	70,273	140,546
2023-24	62,422,167	102,696	62,524,863	48,072,554	480,726	(96,145)	(96,145)	72,109	72,109	144,218
2024-25	63,670,610	102,696	63,773,306	49,320,997	493,210	(98,642)	(98,642)	73,981	73,981	147,963
2025-26	64,944,022	102,696	65,046,718	50,594,409	505,944	(101,189)	(101,189)	75,892	75,892	151,783
2026-27	66,242,903	102,696	66,345,599	51,893,290	518,933	(103,787)	(103,787)	77,840	77,840	155,680
2027-28	67,567,761	102,696	67,670,457	53,218,148	532,181	(106,436)	(106,436)	79,827	79,827	159,654
2028-29	68,919,116	102,696	69,021,812	54,569,503	545,695	(109,139)	(109,139)	81,854	81,854	163,709
2029-30	70,297,498	102,696	70,400,194	55,947,885	559,479	(111,896)	(111,896)	83,922	83,922	167,844
2030-31	71,703,448	102,696	71,806,144	57,353,835	573,538	(114,708)	(114,708)	85,637	85,637	171,274
2031-32	73,137,517	102,696	73,240,213	58,787,904	587,879	(117,576)	(120,757)	87,387	87,387	174,773
2032-33	74,600,268	102,696	74,702,964	60,250,655	602,507	(120,501)	(125,320)	89,171	89,171	178,342
2033-34	76,092,273	102,696	76,194,969	61,742,660	617,427	(123,485)	(129,975)	90,991	90,991	181,983
2034-35	77,614,118	102,696	77,716,814	63,264,505	632,645	(126,529)	(134,724)	92,848	92,848	185,696
2035-36	79,166,401	102,696	79,269,097	64,816,788	648,168	(129,634)	(139,615)	94,730	94,730	189,460
2036-37	80,749,729	102,696	80,852,425	66,400,116	664,001	(132,800)	(147,215)	95,996	95,996	191,993
2037-38	82,364,723	102,696	82,467,419	68,015,110	680,151	(136,030)	(154,967)	97,288	97,288	194,577
2038-39	84,012,018	102,696	84,114,714	69,662,405	696,624	(139,325)	(162,874)	98,606	98,606	197,213
2039-40	85,692,258	102,696	85,794,954	71,342,645	713,426	(142,685)	(170,939)	99,950	99,950	199,901
2040-41	87,406,103	102,696	87,508,799	73,056,490	730,565	(146,113)	(179,166)	101,322	101,322	202,643
2041-42	89,154,225	102,696	89,256,921	74,804,612	748,046	(149,609)	(187,557)	102,720	102,720	205,440
2042-43	90,937,310	102,696	91,040,006	76,587,697	765,877	(153,175)	(196,115)	104,147	104,147	208,293
2043-44	92,756,056	102,696	92,858,752	78,406,443	784,064	(156,813)	(204,845)	105,602	105,602	211,203
2044-45	94,611,177	102,696	94,713,873	80,261,564	802,616	(160,523)	(213,750)	107,086	107,086	214,171
2045-46	96,503,401	102,696	96,606,097	82,153,788	821,538	(164,308)	(222,833)	108,599	108,599	217,199
2046-47	98,433,469	102,696	98,536,165	84,083,856	840,839	(168,168)	(232,097)	110,143	110,143	220,287
2047-48	100,402,138	102,696	100,504,834	86,052,525	860,525	(172,105)	(241,547)	111,718	111,718	223,437
2048-49	102,410,181	102,696	102,512,877	88,060,568	880,606	(176,121)	(251,185)	113,325	113,325	226,650
2049-50	104,458,385	102,696	104,561,081	90,108,772	901,088	(180,218)	(261,017)	114,963	114,963	229,927
2050-51	106,547,552	102,696	106,650,248	92,197,939	921,979	(184,396)	(271,045)	116,635	116,635	233,269
2051-52	108,678,503	102,696	108,781,199	94,328,890	943,289	(188,658)	(281,273)	118,339	118,339	236,679

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.





Tax Increment Projections									Exhibit 10J
Southern California Logistics Airport Authority - San Bernardino County Amendment IV Area									
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment	Low & Moderate Income Housing Set-Aside	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA
					1%	20%		50%	50%
<b>BY</b>			<b>9,132,464</b>						
2015-16	25,465,629	0	25,465,629	16,333,165	163,332	(32,666)	(32,666)	48,999	48,999
2016-17*	25,853,980	0	25,853,980	16,721,516	167,215	(33,443)	(33,443)	50,165	50,165
2017-18	26,112,520	0	26,112,520	16,980,056	169,801	(33,960)	(33,960)	50,940	50,940
2018-19	26,373,645	0	26,373,645	17,241,181	172,412	(34,482)	(34,482)	51,724	51,724
2019-20	26,901,118	0	26,901,118	17,768,654	177,687	(35,537)	(35,537)	53,306	53,306
2020-21	27,439,140	0	27,439,140	18,306,676	183,067	(36,613)	(35,192)	55,631	55,631
2021-22	27,987,923	0	27,987,923	18,855,459	188,555	(37,711)	(37,212)	56,816	56,816
2022-23	28,547,681	0	28,547,681	19,415,217	194,152	(38,830)	(39,272)	58,025	58,025
2023-24	29,118,635	0	29,118,635	19,986,171	199,862	(39,972)	(41,373)	59,258	59,258
2024-25	29,701,008	0	29,701,008	20,568,544	205,685	(41,137)	(43,516)	60,516	60,516
2025-26	30,295,028	0	30,295,028	21,162,564	211,626	(42,325)	(45,702)	61,799	61,799
2026-27	30,900,928	0	30,900,928	21,768,464	217,685	(43,537)	(47,932)	63,108	63,108
2027-28	31,518,947	0	31,518,947	22,386,483	223,865	(44,773)	(50,206)	64,443	64,443
2028-29	32,149,326	0	32,149,326	23,016,862	230,169	(46,034)	(52,526)	65,805	65,805
2029-30	32,792,312	0	32,792,312	23,659,848	236,598	(47,320)	(54,892)	67,193	67,193
2030-31	33,448,159	0	33,448,159	24,315,695	243,157	(48,631)	(58,040)	68,243	68,243
2031-32	34,117,122	0	34,117,122	24,984,658	249,847	(49,969)	(61,251)	69,313	69,313
2032-33	34,799,464	0	34,799,464	25,667,000	256,670	(51,334)	(64,526)	70,405	70,405
2033-34	35,495,454	0	35,495,454	26,362,990	263,630	(52,726)	(67,867)	71,518	71,518
2034-35	36,205,363	0	36,205,363	27,072,899	270,729	(54,146)	(71,275)	72,654	72,654
2035-36	36,929,470	0	36,929,470	27,797,006	277,970	(55,594)	(74,750)	73,813	73,813
2036-37	37,668,059	0	37,668,059	28,535,595	285,356	(57,071)	(78,296)	74,995	74,995
2037-38	38,421,420	0	38,421,420	29,288,956	292,890	(58,578)	(81,912)	76,200	76,200
2038-39	39,189,849	0	39,189,849	30,057,385	300,574	(60,115)	(85,600)	77,429	77,429
2039-40	39,973,646	0	39,973,646	30,841,182	308,412	(61,682)	(89,362)	78,684	78,684
2040-41	40,773,119	0	40,773,119	31,640,655	316,407	(63,281)	(93,200)	79,963	79,963
2041-42	41,588,581	0	41,588,581	32,456,117	324,561	(64,912)	(97,114)	81,267	81,267
2042-43	42,420,353	0	42,420,353	33,287,889	332,879	(66,576)	(101,107)	82,598	82,598
2043-44	43,268,760	0	43,268,760	34,136,296	341,363	(68,273)	(105,179)	83,956	83,956
2044-45	44,134,135	0	44,134,135	35,001,671	350,017	(70,003)	(109,333)	85,340	85,340
2045-46	45,016,818	0	45,016,818	35,884,354	358,844	(71,769)	(113,570)	86,753	86,753
2046-47	45,917,154	0	45,917,154	36,784,690	367,847	(73,569)	(117,891)	88,193	88,193
2047-48	46,835,497	0	46,835,497	37,703,033	377,030	(75,406)	(122,299)	89,662	89,662
2048-49	47,772,207	0	47,772,207	38,639,743	386,397	(77,279)	(126,796)	91,161	91,161
2049-50	48,727,651	0	48,727,651	39,595,187	395,952	(79,190)	(131,382)	92,690	92,690
2050-51	49,702,204	0	49,702,204	40,569,740	405,697	(81,139)	(136,059)	94,249	94,249
2051-52	50,696,248	0	50,696,248	41,563,784	415,638	(83,128)	(140,831)	95,840	95,840

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.

Tax Increment Projections									Exhibit 10K
Southern California Logistics Airport Authority - Victorville Amendment IV Area									
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%
<b>BY</b>			<b>1,372,041</b>						
2015-16	8,235,985	0	8,235,985	6,863,944	68,639	(13,728)	(13,728)	20,592	20,592
2016-17*	8,361,584	0	8,361,584	6,989,543	69,895	(13,979)	(14,154)	20,881	20,881
2017-18	8,445,200	0	8,445,200	7,073,159	70,732	(14,146)	(14,462)	21,062	21,062
2018-19	8,529,652	0	8,529,652	7,157,611	71,576	(14,315)	(14,773)	21,244	21,244
2019-20	8,700,245	0	8,700,245	7,328,204	73,282	(14,656)	(15,400)	21,613	21,613
2020-21	8,874,250	0	8,874,250	7,502,209	75,022	(15,004)	(16,041)	21,988	21,988
2021-22	9,051,735	0	9,051,735	7,679,694	76,797	(15,359)	(16,694)	22,372	22,372
2022-23	9,232,769	0	9,232,769	7,860,728	78,607	(15,721)	(17,360)	22,763	22,763
2023-24	9,417,425	0	9,417,425	8,045,384	80,454	(16,091)	(18,040)	23,162	23,162
2024-25	9,605,773	0	9,605,773	8,233,732	82,337	(16,467)	(18,733)	23,569	23,569
2025-26	9,797,889	0	9,797,889	8,425,848	84,258	(16,852)	(19,440)	23,984	23,984
2026-27	9,993,846	0	9,993,846	8,621,805	86,218	(17,244)	(20,161)	24,407	24,407
2027-28	10,193,723	0	10,193,723	8,821,682	88,217	(17,643)	(20,896)	24,839	24,839
2028-29	10,397,598	0	10,397,598	9,025,557	90,256	(18,051)	(21,647)	25,279	25,279
2029-30	10,605,550	0	10,605,550	9,233,509	92,335	(18,467)	(22,412)	25,728	25,728
2030-31	10,817,661	0	10,817,661	9,445,620	94,456	(18,891)	(23,430)	26,067	26,067
2031-32	11,034,014	0	11,034,014	9,661,973	96,620	(19,324)	(24,469)	26,414	26,414
2032-33	11,254,694	0	11,254,694	9,882,653	98,827	(19,765)	(25,528)	26,767	26,767
2033-34	11,479,788	0	11,479,788	10,107,747	101,077	(20,215)	(26,608)	27,127	27,127
2034-35	11,709,384	0	11,709,384	10,337,343	103,373	(20,675)	(27,710)	27,494	27,494
2035-36	11,943,571	0	11,943,571	10,571,530	105,715	(21,143)	(28,834)	27,869	27,869
2036-37	12,182,443	0	12,182,443	10,810,402	108,104	(21,621)	(29,981)	28,251	28,251
2037-38	12,426,092	0	12,426,092	11,054,051	110,541	(22,108)	(31,151)	28,641	28,641
2038-39	12,674,614	0	12,674,614	11,302,573	113,026	(22,605)	(32,343)	29,039	29,039
2039-40	12,928,106	0	12,928,106	11,556,065	115,561	(23,112)	(33,560)	29,444	29,444
2040-41	13,186,668	0	13,186,668	11,814,627	118,146	(23,629)	(34,801)	29,858	29,858
2041-42	13,450,401	0	13,450,401	12,078,360	120,784	(24,157)	(36,067)	30,280	30,280
2042-43	13,719,409	0	13,719,409	12,347,368	123,474	(24,695)	(37,358)	30,710	30,710
2043-44	13,993,798	0	13,993,798	12,621,757	126,218	(25,244)	(38,676)	31,149	31,149
2044-45	14,273,674	0	14,273,674	12,901,633	129,016	(25,803)	(40,019)	31,597	31,597
2045-46	14,559,147	0	14,559,147	13,187,106	131,871	(26,374)	(41,389)	32,054	32,054
2046-47	14,850,330	0	14,850,330	13,478,289	134,783	(26,957)	(42,787)	32,520	32,520
2047-48	15,147,337	0	15,147,337	13,775,296	137,753	(27,551)	(44,212)	32,995	32,995
2048-49	15,450,283	0	15,450,283	14,078,242	140,782	(28,156)	(45,667)	33,480	33,480
2049-50	15,759,289	0	15,759,289	14,387,248	143,872	(28,774)	(47,150)	33,974	33,974
2050-51	16,074,475	0	16,074,475	14,702,434	147,024	(29,405)	(48,663)	34,478	34,478
2051-52	16,395,964	0	16,395,964	15,023,923	150,239	(30,048)	(50,206)	34,993	34,993

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.





CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections											Exhibit 10L
Southern California Logistics Airport Authority - Adelanto Amendment VIII Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment <sup>1 &amp; 2</sup>	Low & Moderate Income Housing Set-Aside	Statutory Pass Through Payments	Net Revenue To VVEDA Reimbursement	Net Revenue to Member Jurisdiction	Net Revenue to SCLA	
					1%	20%		25%	25%	50%	
<b>BY</b>			<b>687,084,691</b>								
2015-16	659,293,988	1,490,796	660,784,784	(26,299,907)	0	0	0	0	0	0	
2016-17*	669,348,221	1,490,796	670,839,017	(16,245,674)	0	0	0	0	0	0	
2017-18	676,041,704	1,490,796	677,532,500	(9,552,191)	0	0	0	0	0	0	
2018-19	682,802,121	1,490,796	684,292,917	(2,791,774)	0	0	0	0	0	0	
2019-20	696,458,163	1,490,796	697,948,959	10,864,268	106,209	(21,242)	(39,085)	11,471	11,471	22,941	
2020-21	710,387,326	1,490,796	711,878,122	24,793,431	243,082	(48,616)	(89,454)	26,253	26,253	52,506	
2021-22	724,595,073	1,490,796	726,085,869	39,001,178	383,294	(76,659)	(141,052)	41,396	41,396	82,792	
2022-23	739,086,974	1,490,796	740,577,770	53,493,079	526,774	(105,355)	(193,853)	56,892	56,892	113,783	
2023-24	753,868,714	1,490,796	755,359,510	68,274,819	673,489	(134,698)	(247,844)	72,737	72,737	145,474	
2024-25	768,946,088	1,490,796	770,436,884	83,352,193	823,433	(164,687)	(303,023)	88,931	88,931	177,861	
2025-26	784,325,010	1,490,796	785,815,806	98,731,115	976,615	(195,323)	(359,394)	105,474	105,474	210,949	
2026-27	800,011,510	1,490,796	801,502,306	114,417,615	1,133,059	(226,612)	(416,966)	122,370	122,370	244,741	
2027-28	816,011,740	1,490,796	817,502,536	130,417,845	1,292,799	(258,560)	(475,750)	139,622	139,622	279,245	
2028-29	832,331,975	1,490,796	833,822,771	146,738,080	1,455,874	(291,175)	(535,762)	157,234	157,234	314,469	
2029-30	848,978,614	1,490,796	850,469,410	163,384,719	1,622,332	(324,466)	(597,018)	175,212	175,212	350,424	
2030-31	865,958,187	1,490,796	867,448,983	180,364,292	1,792,222	(358,444)	(678,565)	188,803	188,803	377,606	
2031-32	883,277,350	1,490,796	884,768,146	197,683,455	1,965,600	(393,120)	(761,787)	202,673	202,673	405,347	
2032-33	900,942,897	1,490,796	902,433,693	215,349,002	2,142,525	(428,505)	(846,711)	216,827	216,827	433,655	
2033-34	918,961,755	1,490,796	920,452,551	233,367,860	2,323,058	(464,612)	(933,367)	231,270	231,270	462,540	
2034-35	937,340,991	1,490,796	938,831,787	251,747,096	2,507,264	(501,453)	(1,021,785)	246,006	246,006	492,013	
2035-36	956,087,810	1,490,796	957,578,606	270,493,915	2,695,208	(539,042)	(1,111,998)	261,042	261,042	522,084	
2036-37	975,209,567	1,490,796	976,700,363	289,615,672	2,886,960	(577,392)	(1,204,039)	276,382	276,382	552,764	
2037-38	994,713,758	1,490,796	996,204,554	309,119,863	3,082,591	(616,518)	(1,297,942)	292,033	292,033	584,065	
2038-39	1,014,608,033	1,490,796	1,016,098,829	329,014,138	3,282,174	(656,435)	(1,393,742)	307,999	307,999	615,998	
2039-40	1,034,900,194	1,490,796	1,036,390,990	349,306,299	3,485,785	(697,157)	(1,491,476)	324,288	324,288	648,576	
2040-41	1,055,598,198	1,490,796	1,057,088,994	370,004,303	3,693,501	(738,700)	(1,591,179)	340,905	340,905	681,811	
2041-42	1,076,710,162	1,490,796	1,078,200,958	391,116,267	3,905,401	(781,080)	(1,692,891)	357,857	357,857	715,715	
2042-43	1,098,244,365	1,490,796	1,099,735,161	412,650,470	4,121,566	(824,313)	(1,796,651)	375,151	375,151	750,301	
2043-44	1,120,209,252	1,490,796	1,121,700,048	434,615,357	4,342,080	(868,416)	(1,902,497)	392,792	392,792	785,583	
2044-45	1,142,613,437	1,490,796	1,144,104,233	457,019,542	4,567,027	(913,405)	(2,010,472)	410,787	410,787	821,575	
2045-46	1,165,465,706	1,490,796	1,166,956,502	479,871,811	4,796,494	(959,299)	(2,120,616)	429,145	429,145	858,290	
2046-47	1,188,775,020	1,490,796	1,190,265,816	503,181,125	5,030,570	(1,006,114)	(2,232,973)	447,871	447,871	895,742	
2047-48	1,212,550,520	1,490,796	1,214,041,316	526,956,625	5,269,346	(1,053,869)	(2,347,585)	466,973	466,973	933,946	
2048-49	1,236,801,531	1,490,796	1,238,292,327	551,207,636	5,512,076	(1,102,415)	(2,464,096)	486,391	486,391	972,783	
2049-50	1,261,537,561	1,490,796	1,263,028,357	575,943,666	5,759,437	(1,151,887)	(2,582,828)	506,180	506,180	1,012,360	
2050-51	1,286,768,313	1,490,796	1,288,259,109	601,174,418	6,011,744	(1,202,349)	(2,703,936)	526,365	526,365	1,052,730	
2051-52	1,312,503,679	1,490,796	1,313,994,475	626,909,784	6,269,098	(1,253,820)	(2,827,466)	546,953	546,953	1,093,906	

<sup>1</sup> Negative increment values are assumed not to incur pass through obligations  
<sup>2</sup> Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

\* The State Board of Equalization has declared a 1.525% inflationary growth for the 2016-17 fiscal year.



# CONTINUING DISCLOSURE REPORT

## SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections									Exhibit 10M
Southern California Logistics Airport Authority - Apple Valley Amendment VIII Area									
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment <sup>1 &amp; 2</sup>	Low & Moderate Income Housing Set-Aside	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA
					1%	20%		50%	50%
<b>BY</b>			<b>21,579,852</b>						
2015-16	11,684,535	0	11,684,535	(9,895,317)	0	0	0	0	0
2016-17*	11,862,724	0	11,862,724	(9,717,128)	0	0	0	0	0
2017-18	11,981,351	0	11,981,351	(9,598,501)	0	0	0	0	0
2018-19	12,101,165	0	12,101,165	(9,478,687)	0	0	0	0	0
2019-20	12,343,188	0	12,343,188	(9,236,664)	0	0	0	0	0
2020-21	12,590,052	0	12,590,052	(8,989,800)	0	0	0	0	0
2021-22	12,841,853	0	12,841,853	(8,737,999)	0	0	0	0	0
2022-23	13,098,690	0	13,098,690	(8,481,162)	0	0	0	0	0
2023-24	13,360,664	0	13,360,664	(8,219,188)	0	0	0	0	0
2024-25	13,627,877	0	13,627,877	(7,951,975)	0	0	0	0	0
2025-26	13,900,435	0	13,900,435	(7,679,417)	0	0	0	0	0
2026-27	14,178,443	0	14,178,443	(7,401,409)	0	0	0	0	0
2027-28	14,462,012	0	14,462,012	(7,117,840)	0	0	0	0	0
2028-29	14,751,253	0	14,751,253	(6,828,599)	0	0	0	0	0
2029-30	15,046,278	0	15,046,278	(6,533,574)	0	0	0	0	0
2030-31	15,347,203	0	15,347,203	(6,232,649)	0	0	0	0	0
2031-32	15,654,147	0	15,654,147	(5,925,705)	0	0	0	0	0
2032-33	15,967,230	0	15,967,230	(5,612,622)	0	0	0	0	0
2033-34	16,286,575	0	16,286,575	(5,293,277)	0	0	0	0	0
2034-35	16,612,306	0	16,612,306	(4,967,546)	0	0	0	0	0
2035-36	16,944,552	0	16,944,552	(4,635,300)	0	0	0	0	0
2036-37	17,283,443	0	17,283,443	(4,296,409)	0	0	0	0	0
2037-38	17,629,112	0	17,629,112	(3,950,740)	0	0	0	0	0
2038-39	17,981,694	0	17,981,694	(3,598,158)	0	0	0	0	0
2039-40	18,341,328	0	18,341,328	(3,238,524)	0	0	0	0	0
2040-41	18,708,155	0	18,708,155	(2,871,697)	0	0	0	0	0
2041-42	19,082,318	0	19,082,318	(2,497,534)	0	0	0	0	0
2042-43	19,463,964	0	19,463,964	(2,115,888)	0	0	0	0	0
2043-44	19,853,244	0	19,853,244	(1,726,608)	0	0	0	0	0
2044-45	20,250,309	0	20,250,309	(1,329,543)	0	0	0	0	0
2045-46	20,655,315	0	20,655,315	(924,537)	0	0	0	0	0
2046-47	21,068,421	0	21,068,421	(511,431)	0	0	0	0	0
2047-48	21,489,789	0	21,489,789	(90,063)	0	0	0	0	0
2048-49	21,919,585	0	21,919,585	339,733	3,397	(679)	(1,631)	544	544
2049-50	22,357,977	0	22,357,977	778,125	7,781	(1,556)	(3,735)	1,245	1,245
2050-51	22,805,136	0	22,805,136	1,225,284	12,253	(2,451)	(5,881)	1,960	1,960
2051-52	23,261,239	0	23,261,239	1,681,387	16,814	(3,363)	(8,071)	2,690	2,690

<sup>1</sup> Negative increment values are assumed not to incur pass through obligations

<sup>2</sup> Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

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# CONTINUING DISCLOSURE REPORT

## SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections									Exhibit 10N		
Southern California Logistics Airport Authority - San Bernardino County Amendment VIII Area											
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment <sup>1 &amp; 2</sup>	Low & Moderate Income Housing Set-Aside	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction	Net Revenue to SCLA		
					1%	20%		50%	50%		
<b>BY</b>			<b>235,229,749</b>								
2015-16	228,651,027	3,919,799	232,570,826	(2,658,923)	0	0	0	0	0		
2016-17*	232,137,955	3,919,799	236,057,754	828,005	7,642	(1,528)	(1,528)	2,293	2,293		
2017-18	234,459,335	3,919,799	238,379,134	3,149,385	29,785	(5,957)	(5,957)	8,936	8,936		
2018-19	236,803,928	3,919,799	240,723,727	5,493,978	53,113	(10,623)	(10,623)	15,934	15,934		
2019-20	241,540,007	3,919,799	245,459,806	10,230,057	100,009	(20,002)	(20,002)	30,003	30,003		
2020-21	246,370,807	3,919,799	250,290,606	15,060,857	147,661	(29,532)	(29,532)	44,298	44,298		
2021-22	251,298,223	3,919,799	255,218,022	19,988,273	196,440	(39,288)	(39,288)	58,932	58,932		
2022-23	256,324,187	3,919,799	260,243,986	25,014,237	246,328	(49,266)	(49,266)	73,898	73,898		
2023-24	261,450,671	3,919,799	265,370,470	30,140,721	297,320	(59,464)	(62,845)	87,505	87,505		
2024-25	266,679,685	3,919,799	270,599,484	35,369,735	349,416	(69,883)	(82,017)	98,758	98,758		
2025-26	272,013,278	3,919,799	275,933,077	40,703,328	402,624	(80,525)	(101,597)	110,251	110,251		
2026-27	277,453,544	3,919,799	281,373,343	46,143,594	456,953	(91,391)	(121,590)	121,986	121,986		
2027-28	283,002,615	3,919,799	286,922,414	51,692,665	512,416	(102,483)	(142,001)	133,966	133,966		
2028-29	288,662,667	3,919,799	292,582,466	57,352,717	569,030	(113,806)	(162,834)	146,195	146,195		
2029-30	294,435,920	3,919,799	298,355,719	63,125,970	626,811	(125,362)	(184,098)	158,675	158,675		
2030-31	300,324,639	3,919,799	304,244,438	69,014,689	685,777	(137,155)	(212,401)	168,110	168,110		
2031-32	306,331,131	3,919,799	310,250,930	75,021,181	745,948	(149,190)	(241,284)	177,737	177,737		
2032-33	312,457,754	3,919,799	316,377,553	81,147,804	807,346	(161,469)	(270,755)	187,561	187,561		
2033-34	318,706,909	3,919,799	322,626,708	87,396,959	869,992	(173,998)	(300,825)	197,584	197,584		
2034-35	325,081,047	3,919,799	329,000,846	93,771,097	933,909	(186,782)	(331,505)	207,811	207,811		
2035-36	331,582,668	3,919,799	335,502,467	100,272,718	999,120	(199,824)	(362,806)	218,245	218,245		
2036-37	338,214,322	3,919,799	342,134,121	106,904,372	1,065,649	(213,130)	(394,740)	228,890	228,890		
2037-38	344,978,608	3,919,799	348,898,407	113,668,658	1,133,521	(226,704)	(427,319)	239,749	239,749		
2038-39	351,878,180	3,919,799	355,797,979	120,568,230	1,202,763	(240,553)	(460,555)	250,828	250,828		
2039-40	358,915,744	3,919,799	362,835,543	127,605,794	1,273,399	(254,680)	(494,460)	262,130	262,130		
2040-41	366,094,059	3,919,799	370,013,858	134,784,109	1,345,458	(269,092)	(529,048)	273,659	273,659		
2041-42	373,415,940	3,919,799	377,335,739	142,105,990	1,418,967	(283,793)	(564,333)	285,420	285,420		
2042-43	380,884,259	3,919,799	384,804,058	149,574,309	1,493,953	(298,791)	(600,326)	297,418	297,418		
2043-44	388,501,944	3,919,799	392,421,743	157,191,994	1,570,447	(314,089)	(637,043)	309,657	309,657		
2044-45	396,271,983	3,919,799	400,191,782	164,962,033	1,648,477	(329,695)	(674,497)	322,142	322,142		
2045-46	404,197,422	3,919,799	408,117,221	172,887,472	1,728,073	(345,615)	(712,704)	334,877	334,877		
2046-47	412,281,371	3,919,799	416,201,170	180,971,421	1,809,268	(361,854)	(751,677)	347,869	347,869		
2047-48	420,526,998	3,919,799	424,446,797	189,217,048	1,892,091	(378,418)	(791,432)	361,120	361,120		
2048-49	428,937,538	3,919,799	432,857,337	197,627,588	1,976,276	(395,255)	(831,841)	374,590	374,590		
2049-50	437,516,289	3,919,799	441,436,088	206,206,339	2,062,063	(412,413)	(873,019)	388,316	388,316		
2050-51	446,266,615	3,919,799	450,186,414	214,956,665	2,149,567	(429,913)	(915,021)	402,316	402,316		
2051-52	455,191,947	3,919,799	459,111,746	223,881,997	2,238,820	(447,764)	(957,862)	416,597	416,597		

<sup>1</sup> Negative increment values are assumed not to incur pass through obligations

<sup>2</sup> Receivable revenues are reduced in years in which other jurisdictions within Amendment Area VIII have negative incremental value. Therefore, each positively earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances where all jurisdictions have positive value over their respective base year values.

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# CONTINUING DISCLOSURE REPORT

## SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections										Exhibit 100
Southern California Logistics Airport Authority - Victorville Amendment VIII Area										
Fiscal Year	Secured Assessed Values	Unsecured Assessed Values	Total Assessed Value	Incremental Assessed Value	Estimated Gross Tax Increment <sup>1</sup> 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>			<b>1,046,338,087</b>							
2015-16	1,336,634,297	25,630,090	1,362,264,387	315,926,300	2,770,722	(554,144)	(554,144)	831,216	831,216	
2016-17*	1,357,017,970	25,630,090	1,382,648,060	336,309,973	3,104,109	(620,822)	(620,822)	931,233	931,233	
2017-18	1,370,588,150	25,630,090	1,396,218,240	349,880,153	3,309,003	(661,801)	(661,801)	992,701	992,701	
2018-19	1,384,294,031	25,630,090	1,409,924,121	363,586,034	3,514,982	(702,996)	(702,996)	1,054,495	1,054,495	
2019-20	1,411,979,912	25,630,090	1,437,610,002	391,271,915	3,825,077	(765,015)	(768,619)	1,145,722	1,145,722	
2020-21	1,440,219,510	25,630,090	1,465,849,600	419,511,513	4,113,017	(822,603)	(874,580)	1,207,916	1,207,916	
2021-22	1,469,023,900	25,630,090	1,494,653,990	448,315,903	4,405,940	(881,188)	(982,376)	1,271,188	1,271,188	
2022-23	1,498,404,378	25,630,090	1,524,034,468	477,696,381	4,704,123	(940,825)	(1,092,108)	1,335,596	1,335,596	
2023-24	1,528,372,466	25,630,090	1,554,002,556	507,664,469	5,007,799	(1,001,560)	(1,203,860)	1,401,190	1,401,190	
2024-25	1,558,939,915	25,630,090	1,584,570,005	538,231,918	5,317,170	(1,063,434)	(1,317,709)	1,468,014	1,468,014	
2025-26	1,590,118,713	25,630,090	1,615,748,803	569,410,716	5,632,419	(1,126,484)	(1,433,720)	1,536,107	1,536,107	
2026-27	1,621,921,088	25,630,090	1,647,551,178	601,213,091	5,953,717	(1,190,743)	(1,551,958)	1,605,508	1,605,508	
2027-28	1,654,359,510	25,630,090	1,679,989,600	633,651,513	6,281,227	(1,256,245)	(1,672,482)	1,676,250	1,676,250	
2028-29	1,687,446,700	25,630,090	1,713,076,790	666,738,703	6,615,105	(1,323,021)	(1,795,349)	1,748,368	1,748,368	
2029-30	1,721,195,634	25,630,090	1,746,825,724	700,487,637	6,955,505	(1,391,101)	(1,920,616)	1,821,894	1,821,894	
2030-31	1,755,619,546	25,630,090	1,781,249,636	734,911,549	7,302,580	(1,460,516)	(2,087,212)	1,877,426	1,877,426	
2031-32	1,790,731,937	25,630,090	1,816,362,027	770,023,940	7,656,480	(1,531,296)	(2,257,084)	1,934,050	1,934,050	
2032-33	1,826,546,576	25,630,090	1,852,176,666	805,838,579	8,017,356	(1,603,471)	(2,430,304)	1,991,790	1,991,790	
2033-34	1,863,077,508	25,630,090	1,888,707,598	842,369,511	8,385,360	(1,677,072)	(2,606,946)	2,050,671	2,050,671	
2034-35	1,900,339,058	25,630,090	1,925,969,148	879,631,061	8,760,645	(1,752,129)	(2,787,083)	2,110,716	2,110,716	
2035-36	1,938,345,839	25,630,090	1,963,975,929	917,637,842	9,143,365	(1,828,673)	(2,970,789)	2,171,952	2,171,952	
2036-37	1,977,112,756	25,630,090	2,002,742,846	956,404,759	9,533,676	(1,906,735)	(3,158,138)	2,234,401	2,234,401	
2037-38	2,016,655,011	25,630,090	2,042,285,101	995,947,014	9,931,736	(1,986,347)	(3,349,207)	2,298,091	2,298,091	
2038-39	2,056,988,111	25,630,090	2,082,618,201	1,036,280,114	10,337,707	(2,067,541)	(3,544,073)	2,363,046	2,363,046	
2039-40	2,098,127,873	25,630,090	2,123,757,963	1,077,419,876	10,751,750	(2,150,350)	(3,742,814)	2,429,293	2,429,293	
2040-41	2,140,090,431	25,630,090	2,165,720,521	1,119,382,434	11,174,033	(2,234,807)	(3,945,509)	2,496,858	2,496,858	
2041-42	2,182,892,239	25,630,090	2,208,522,329	1,162,184,242	11,604,722	(2,320,944)	(4,152,240)	2,565,769	2,565,769	
2042-43	2,226,550,084	25,630,090	2,252,180,174	1,205,842,087	12,043,990	(2,408,798)	(4,363,089)	2,636,052	2,636,052	
2043-44	2,271,081,086	25,630,090	2,296,711,176	1,250,373,089	12,492,012	(2,498,402)	(4,578,139)	2,707,735	2,707,735	
2044-45	2,316,502,707	25,630,090	2,342,132,797	1,295,794,710	12,948,964	(2,589,793)	(4,797,476)	2,780,847	2,780,847	
2045-46	2,362,832,762	25,630,090	2,388,462,852	1,342,124,765	13,415,028	(2,683,006)	(5,021,187)	2,855,418	2,855,418	
2046-47	2,410,089,417	25,630,090	2,435,719,507	1,389,381,420	13,890,387	(2,778,077)	(5,249,360)	2,931,475	2,931,475	
2047-48	2,458,291,205	25,630,090	2,483,921,295	1,437,583,208	14,375,231	(2,875,046)	(5,482,084)	3,009,050	3,009,050	
2048-49	2,507,457,029	25,630,090	2,533,087,119	1,486,749,032	14,867,490	(2,973,498)	(5,718,369)	3,087,812	3,087,812	
2049-50	2,557,606,170	25,630,090	2,583,236,260	1,536,898,173	15,368,982	(3,073,796)	(5,959,085)	3,168,050	3,168,050	
2050-51	2,608,758,293	25,630,090	2,634,388,383	1,588,050,296	15,880,503	(3,176,101)	(6,204,615)	3,249,894	3,249,894	
2051-52	2,660,933,459	25,630,090	2,686,563,549	1,640,225,462	16,402,255	(3,280,451)	(6,455,056)	3,333,374	3,333,374	

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# Appendix 1



May 15, 2015

Mr. Keith C. Metzler, Executive Director  
City of Victor Valley  
14343 Civic Drive  
Victorville, CA 92392

Dear Mr. Metzler:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated April 10, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Victor Valley Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16A) to Finance on February 26, 2015, for the period of July through December 2015. Finance issued a ROPS determination letter on April 10, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on April 29, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item No. 2 – Joint Powers Authority (JPA) Agreement pass-through distribution to the City of Victorville (City) in the amount of \$1,427,142,698. Finance continues to partially approve this item. Additional information and documents provided by the Agency during the Meet and Confer process did not support that the denied portion of this item is an enforceable obligation of the Agency. Therefore, as previously determined, the Agency requested \$11,029,741 in Redevelopment Property Tax Trust Funds (RPTTF) for debt service payments due by the City. However, the debt service due for the current ROPS period is \$10,951,848. Therefore, the excess, \$77,893 (\$11,029,741 - \$10,951,848) is not eligible for RPTTF funding on this ROPS.
- Item Nos. 3, 4, 6 – JPA Agreement pass-through distributions to the City of Hesperia, County of San Bernardino, and City of Adelanto in the amounts of \$71,197,016, \$66,249,815 and \$30,196,541, respectively. Finance continues to deny these items. Additional information and documents provided by the agency during the Meet and Confer process did not support that these items are an enforceable obligation. Therefore, as previously determined, RPTTF funds distributed to the JPA members are not encumbered for the payment of bond debt service or any other obligation owed by the recipients. Therefore, these items are not enforceable obligations and are not eligible for RPTTF funding.

- Item No. 5 – JPA Agreement pass-through distribution to the Town of Apple Valley (Town) in the amount of \$170,831,930. Finance continues to partially approve this item. Additional information and documents provided by the Agency during the Meet and Confer process did not support that the denied portion of this item is an enforceable obligation of the Agency. Therefore, as previously determined, the Agency requested \$1,364,275 in RPTTF for debt service payments due by the Town. However, the debt service due for the current ROPS period is \$334,336. Therefore, the excess, \$1,029,939 (\$1,364,275 - \$334,336) is not eligible for RPTTF funding.
- Item No. 17 – ROPS 14-15 A Admin Costs in the amount of \$133,123. Finance continues to deny \$82,844 of this item and reclassifies the remaining \$50,279 to RPTTF. Additional review during the Meet and Confer process indicates that in the July through December 2014 (ROPS 14-15A) period the Agency was approved \$369,132 in administrative costs. However, this amount was not distributed by the county auditor controller and not received by the Agency so the Agency used \$133,123 of the remaining \$469,717 Due Diligence Review (DDR) balances identified in the January through June 2015 (ROPS 14-15B) Meet and Confer determination letter dated December 17, 2014. Then, for the ROPS 14-15B period, the Agency was approved to expend \$386,873 from remaining DDR balances. Based on this information and supporting documentation, Finance has determined that the Agency experienced a funding shortfall. Accordingly, the shortfall of \$50,279 (\$469,717 - \$386,873 - \$133,123) is approved for RPTTF on this ROPS.

Finally, Finance reminds the Agency that per HSC section 34177 (a) (3), only those payments listed on ROPS may be made by the Agency from the funds specified on the ROPS. HSC sections 34177 (a) (4) and 34173 (h) provide mechanisms when Agency payments exceed the amounts authorized by Finance or the amounts distributed by the county auditor controller. Please ensure the proper expenditure authority is received from your Oversight Board and Finance prior to making payments on enforceable obligations from funding sources not previously approved.

In addition, per Finance's letter dated April 10, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF. Pursuant to HSC section 34177 (l) (1) (E), RPTTF may be used as a funding source, but only to the extent no other funding source is available or when payment from property tax revenues is required by an enforceable obligation. The Agency has \$82,844 in available Reserve Balances and \$29,286 in available Other Funds.

Therefore, the funding source for the following item has been reclassified to Reserve Balances and Other Funds and in the amounts specified below:

- Item No. 2 – JPA Agreement pass-through distribution to the City of Victorville (City) in the amount of \$112,130. As adjusted above, the Agency is approved to receive \$10,951,848 from RPTTF; however, Finance is reclassifying \$82,844 to Reserve Balances and \$29,286 to Other Funds. This item is an enforceable obligation for the ROPS 14-15B period. However, the obligation does not require payment from property tax revenues and the Agency has \$82,844 in available Reserve Balances and \$29,286



in available Other Funds. Therefore, Finance is approving the use of \$10,839,718 in RPTTF, \$84,844 in Reserve Balances, and \$29,286 in Other Funds for a total of \$10,951,848.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 15-16A form the estimated obligations and actual payments (prior period adjustments) associated with the July through December 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC's review of the Agency's self-reported prior period adjustment. However, Finance has determined that the prior period adjustment should be \$1,497; it appears the Agency and the CAC did not account for the prior period adjustment in the amount of \$1,497 from the ROPS 13-14A period that was available for enforceable obligations in the ROPS 14-15A period. Therefore, as adjusted by Finance, the prior period adjustment on this ROPS is \$1,497.

Except for the items denied in whole or in part or items that have been reclassified, Finance is not objecting to the remaining items listed on your ROPS 15-16A.

The Agency's maximum approved RPTTF distribution for the reporting period is \$11,486,151 as summarized in the Approved RPTTF Distribution table below:

<b>Approved RPTTF Distribution</b>	
<b>For the period of July through December 2015</b>	
Total RPTTF requested for non-administrative obligations	13,214,596
Total RPTTF requested for administrative obligations	396,438
<b>Total RPTTF requested for obligations on ROPS</b>	<b>\$ 13,611,034</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>13,214,596</b>
<u>Denied Items</u>	
Item No. 2	(77,893)
Item No. 3	(254,436)
Item No. 4	(481,485)
Item No. 5	(1,029,939)
Item No. 6	(84,659)
	(1,928,412)
<u>Reclassified Item</u>	
Item No. 17	50,279
	50,279
	<b>\$ 11,336,463</b>
<u>Cash Balances - Item reclassified to Other Funds/Reserve Balances</u>	
Item No. 2	(112,130)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 11,224,333</b>
<b>Total RPTTF requested for administrative obligations</b>	<b>396,438</b>
<u>Reclassified Item(s)</u>	
Item No. 17	(50,279)
	(50,279)
<u>Denied Item</u>	
Item No. 17	(82,844)
	(82,844)
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 263,315</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 11,487,648</b>
ROPS 14-15A prior period adjustment	(1,497)
<b>Total RPTTF approved for distribution</b>	<b>\$ 11,486,151</b>

Please refer to the ROPS 15-16A schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for July 1 through December 31, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never

was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Marc Puckett, Treasurer, City of Victor Valley  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County  
California State Controller's Office

## Appendix 2

December 17, 2015

Mr. Keith C. Metzler, Executive Director  
Victor Valley Economic Development Authority  
14343 Civic Drive  
Victorville, CA 92392

Dear Mr. Metzler:

Subject: Recognized Obligation Payment Schedule

This letter supersedes the California Department of Finance's (Finance) Recognized Obligation Payment Schedule (ROPS) letter dated November 13, 2015. Pursuant to Health and Safety Code (HSC) section 34177 (m), the Victor Valley Economic Development Authority (VVEDA) Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to Finance on October 1, 2015, for the period of January 1 through June 30, 2016. Finance issued a ROPS determination letter on November 13, 2015. Subsequently, the Agency requested a Meet and Confer session on one or more of the determinations made by Finance. The Meet and Confer session was held on November 30, 2015.

Based on a review of additional information and documentation provided to Finance during the Meet and Confer process, Finance has completed its review of the specific determinations being disputed.

- Item Nos. 2, 18 and 19 – VVEDA Joint Powers Authority (JPA) Agreement, Pass-Through Distributions to the City of Victorville (Victorville). During the meet and confer, the Agency clarified these items are related to various bonds issued by the Southern California Logistics Airport Authority (SCLAA) and the amounts being requested on the ROPS, as follows:
  - Item No. 2 is for debt service due during the ROPS 15-16B period.
  - Item No. 18 is for payment of defaulted amounts owed for bonds related to Item No. 2.
  - Item No. 19 is for payment of reserve shortfalls related to Item No. 2.

Finance previously approved Item No. 2 in the amount of \$8,378,161; however, Finance denied Item Nos. 18 and 19 as we determined the amounts are unnecessary as the amounts had been funded on previous ROPS. Based on additional review during the meet and confer, Finance has determined that, to the extent funding is approved for Item 2, 18 or 19, such amounts are only allowed funding from former tax increment generated from the George Air Force Base (GAFB) Parcels. With that limitation, Finance approves funding all three line items from the GAFB Parcels on the ROPS 15-16B.

In addition, it is our expectation that VVEDA will distribute to Victorville all funds generated from the GAFB Parcels, and only the GAFB Parcels, for payment on the current and past due debt service. It is also our expectation that Victorville will, in turn, forward all funds received from VVEDA directly to the bond trustee to satisfy current and past due debt service, as well as, replenish the bond reserves previously drawn down. Finance notes that pursuant to HSC section 34183 (a) (2) (A), debt service payments have first priority for payment from distributed Redevelopment Property Tax Trust Fund (RPTTF) funding. Therefore, Item No. 2 has first priority for payment. Additionally, for Item No. 2, we note that the debt service due during the ROPS 15-16B period is \$7,033,345. As such, the remaining amount approved for this item should be used to fund reserves for payment of debt service due in the following period.

Please note that this determination is applicable only to the ROPS 15-16B period. During the meet and confer process, we determined, among other things, the SCLAA bond documents reference a pledge of funds from three other sources. However, the Agency has not provided the additional documents necessary for us to complete our review of the bonds. We will continue to work with the Agency to determine the sources of funding that should be used to fund the debt service of these bonds and the appropriate amounts to be paid.

- Item No. 20 – JPA Agreement, Pass-Through Distributions to Victorville in the amount of \$13,999,789. Finance continues to deny this item. The Agency claims this item represents accumulated operational shortfalls due to Victorville pursuant to the JPA Agreement (Agreement). However, the Agreement does not obligate the Agency to reimburse Victorville for these types of costs. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item No. 21 – JPA Agreement Pass-Through Distributions to Victorville in the amount of \$21,120,815. Finance continues to deny this item. The Agency claims this item represents accumulated capital improvement expenditures due to Victorville pursuant to the JPA Agreement. However, the Agreement does not obligate the Agency to reimburse Victorville for expenses Victorville incurred. In addition, the Agreement does not specify the terms of repayment for expenses incurred by Victorville. Therefore, this item is not an enforceable obligation and is not eligible for RPTTF funding.
- Item No. 22 – JPA Agreement in the amount of \$673,067. Finance continues to deny this item. It is our understanding this item represents amounts due to VVEDA from the City of Adelanto (Adelanto) for its proportional share of start-up costs pursuant to the JPA Agreement. Pursuant to the Agreement, VVEDA was to use a portion of its tax increment it received to off-set its own start-up costs. This item was an internal accounting issue for VVEDA and is not an enforceable obligation.
- Item No. 23 – Cooperative Agreement for Street Improvements in the amount of \$1,555,298. Finance continues to deny this item. It is our understanding this agreement entered into on April 23, 2003, is between Victorville and Adelanto, and the former RDA is not a party to the contract. Therefore, this line item is not an enforceable obligation and is not eligible for RPTTF funding.

In addition, per Finance's letter dated November 13, 2015, we continue to make the following determinations not contested by the Agency during the Meet and Confer:

Pursuant to HSC section 34186 (a) (1), the Agency was required to report on the ROPS 15-16B form the estimated obligations versus actual payments (prior period adjustment) associated with the January through June 2015 period (ROPS 14-15B). HSC section 34186 (a) (1) also specifies the prior period adjustment self-reported by the Agency is subject to review by the county auditor-controller (CAC). Proposed CAC adjustments were not received in time for inclusion in this letter; therefore, the amount of RPTTF approved in the table below only reflects the Agency's self-reported prior period adjustment.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 15-16B. The Agency's maximum approved RPTTF distribution for the reporting period is \$23,654,441 as summarized in the Approved RPTTF Distribution table on the next page:

<b>Approved RPTTF Distribution</b>	
<b>For the period of January through June 2016</b>	
Total RPTTF requested for non-administrative obligations	60,753,410
Total RPTTF requested for administrative obligations	250,000
<b>Total RPTTF requested for obligations on ROPS 15-16B</b>	<b>\$ 61,003,410</b>
<b>Total RPTTF requested for non-administrative obligations</b>	<b>60,753,410</b>
<b>Denied Items</b>	
Item No. 20	(13,999,789)
Item No. 21	(21,120,815)
Item No. 22	(673,067)
Item No. 23	(1,555,298)
	(37,348,969)
<b>Total RPTTF authorized for non-administrative obligations</b>	<b>\$ 23,404,441</b>
Total RPTTF requested for administrative obligations	250,000
<b>Total RPTTF authorized for administrative obligations</b>	<b>\$ 250,000</b>
<b>Total RPTTF authorized for obligations</b>	<b>\$ 23,654,441</b>
ROPS 14-15B prior period adjustment	0
<b>Total RPTTF approved for distribution</b>	<b>\$ 23,654,441</b>

On the ROPS 15-16B form, the Agency reported cash balances and activity for the period January 1 through December 31, 2015. Finance will perform a review of the Agency's self-reported cash balances on an ongoing basis. Please be prepared to submit financial records and bridging documents to support the cash balances reported upon request. If it is determined the Agency possesses cash balances that are available to pay approved obligations, HSC section 34177 (l) (1) (E) requires these balances be used prior to requesting RPTTF.



Please refer to the ROPS 15-16B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2016. This determination only applies to items when funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Evelyn Suess, Dispute Resolution Supervisor, or Danielle Brandon, Analyst, at (916) 445-3274.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Marc Puckett, Treasurer, Victor Valley Economic Development Authority  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County

## Appendix 3



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January 21, 2016

Shelly Renner, Senior Staff Counsel  
California Department of Finance  
915 L Street  
Sacramento, CA 95814-3706

Re: Recognized Obligation Payment Schedule Letter Dated December 17, 2015

Dear Counsel:

We acted as bond counsel in connection with the issuance of all the currently outstanding bonds (the "SCLAA Bonds") of the Southern California Logistics Airport Authority ("SCLAA"). The owners of the SCLAA Bonds will be severely harmed as a result of the Department of Finance's (Finance) letter dated December 17, 2015 (the "DOF Letter"), which DOF Letter is addressed to the Victor Valley Economic Development Authority (VVEDA) and which is attached for your reference.

We urge Finance to immediately revise the DOF Letter in order to avoid a catastrophic default of the SCLAA Bonds. Finance should understand and acknowledge that the sources of funding that should be used to fund the debt service on the outstanding SCLAA Bonds are funds generated NOT ONLY from the GAFB Parcels but from other member jurisdictions as required by the Fourth Amended and Restated Joint Exercise of Powers Agreement Creating Victor Valley Economic Development Authority (the "VVEDA JPA"), which VVEDA JPA is attached for your reference, as well as the applicable Indentures pursuant to which the SCLAA Bonds were issued.

The consequence of misinterpreting such legal documents is so materially adverse to the owners of the SCLAA Bonds, we believe that Finance will be subjected to a successful lawsuit by the owners of the SCLAA Bonds. Finance's position is inconsistent with the legal pledge to bondholders and we believe constitutes an actionable impairment of contract.

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Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP, Norton Rose Fulbright South Africa (incorporated as Deneys Reitz, Inc.), each of which is a separate legal entity, are members of Norton Rose Fulbright Verein, a Swiss Verein. Details of each entity, with certain regulatory information, are at [nortonrosefulbright.com](http://nortonrosefulbright.com). Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients.

To better describe SCLAA's authority to pledge funds generated from other member jurisdictions, we point to Section 8 of the VVEDA JPA, which states that the members of VVEDA JPA delegated and assigned their voting rights with respect to all issues directly affecting the GAFB Parcels to Victorville. Victorville then, with the consent of the members, delegated such voting rights to SCLAA. Such issues delegated to Victorville and SCLAA include, without limitation, all budgeting authority, all redevelopment authority and all operation and management authority affecting the GAFB Parcels. In the exercise of such authority, Victorville and SCLAA were given all the powers afforded to VVEDA by the VVEDA JPA. Consistent with this framework, Section 34 of the VVEDA JPA authorizes the use of funds generated from other VVEDA member jurisdictions to fund the debt service on the outstanding SCLAA Bonds.

Relying on the assignment of the funds generated from VVEDA member jurisdictions, SCLAA issued its SCLAA Bonds secured by the same source of funds. In all the Indentures pursuant to which the SCLAA Bonds were issued, "Pledged Tax Revenues" were pledged to the repayment of such bonds. Pledged Tax Revenues is defined as follows:

"The term 'Pledged Tax Revenues' means, on a subordinate basis to the Senior Bonds and on a parity with the Additional Obligations, (A) all tax increment revenues generated on the parcels comprising the Airport pledged and annually allocated and paid to the Authority pursuant to the Redevelopment Plan and the SCLAA JPA, including all payments, subventions and reimbursements (if any) to the Authority specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) all amounts of such taxes required to be deposited for low and moderate income housing purposes by the Authority in any Fiscal Year pursuant to Section 33334.3 of the Redevelopment Law, (ii) amounts, if any, payable to a taxing entity and (iii) amounts, if any, received by the Authority pursuant to Section 16111 of the Government Code, (B) all tax increment revenues pledged and annually allocated and paid to the Authority by the VVEDA Members from the VVEDA Project Area, exclusive of the parcels comprising the Airport, pursuant to the Redevelopment Plan and the VVEDA JPA, including all payments, subventions and reimbursements (if any) to the VVEDA Members specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) all amounts of such taxes required to be deposited for low and moderate income housing purposes by the VVEDA Members in any Fiscal Year pursuant to Section 33334.3 of the Redevelopment Law, (ii) amounts, if any, payable to a taxing entity and (iii) amounts, if any, received by the VVEDA Members

pursuant to Section 16111 of the Government Code, (C) the Ground Lease Guaranty, and (D) the Victorville Pledge.”

The highlighted language clearly pledges the funds generated from VVEDA member jurisdictions that are in addition to the GAFB Parcels. The highlighted language further pledges a remainder share not provided in (B) that is generated in Victorville’s portion of the VVEDA Project Area. Furthermore, the Official Statements that were used to market the SCLAA Bonds clearly identified the geographical regions from which the pledged tax increment revenues were being generated. The Official Statements, including the reports prepared by RSG as the fiscal consultant that projected receipt of tax revenues from VVEDA member jurisdictions, also clearly established the availability of funds generated from VVEDA member jurisdictions that were in addition to the GAFB Parcels. Such information was clear and unambiguous and was relied upon by the purchasers of the SCLAA Bonds. To say now that such tax revenues are not available to pay SCLAA Bonds would be in direct contravention of the Official Statements and the Indentures. The owners of the SCLAA Bonds have an absolute right to receive all such pledged moneys.

SCLAA currently has the following bonds outstanding:

Senior Lien Pledge, Non-Housing Bonds

Tax Allocation Parity Bonds, Series 2005A  
Taxable Tax Allocation Revenue Parity Bonds, Series 2006  
Tax Allocation Revenue Parity Bonds, Refunding Series 2006  
Taxable Tax Allocation Revenue Parity Forward Bonds, 2006

Junior Lien Subordinate Pledge, Non-Housing Bonds

Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006

Subordinate Pledge, Non-Housing Bonds

Subordinate Tax Allocation Revenue Bonds, Series 2007  
Subordinate Tax Allocation Revenue Bonds, Series 2008A

Housing Bonds

Tax Allocation Revenue Parity Refunding Housing Bonds, 2006  
Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007

For the Bond Year ending on December 1, 2015, SCLAA defaulted on \$3,121,985 of Subordinate Pledge, Non-Housing Bonds as a result of insufficient amount of tax revenues generated by the GAFB Parcels and the VVEDA member jurisdictions. This default was a result of market conditions and reduction in assessed values as a result of the housing market collapse.

According to RSG, the amount of tax revenues that would have been available to pay debt service of the SCLAA Bonds for the upcoming Bond Year is \$13,230,889.94 if the VVEDA Agreement and the Indentures were honored as written while the amount of tax revenues that would be available under Finance's restriction under the DOF Letter would be \$2,075,489.57.

Such a restriction would result in an additional default of \$1,275,030 of Subordinate Pledge, Non-Housing Bonds, \$1,770,230 of Junior Lien Subordinate Pledge, Non-Housing Bonds and \$1,912,592.94 of Senior Lien Pledge, Non-Housing Bonds for the first six months of the Bond Year ending on December 1, 2016. Furthermore, an additional \$4,852,729.30 of tax revenues that would have been available to cure prior defaults and replenish debt service reserve accounts would be lost. These shortfalls would be caused by Finance's failure to honor the VVEDA JPA and the applicable Indentures pursuant to which SCLAA Bonds were issued, which documents have been validated by multiple validating acts and are not subject to a legal challenge. Bond investors took on the market risk but not the risk that the underlying bond documents would not be enforced in accordance with their terms.

For these reasons, it is imperative that Finance acknowledge that the sources of funding that are legally required to be used to fund the debt service on the outstanding SCLAA Bonds (including past due debt service and replenishment of bond reserves previously drawn down as already approved by Finance in the DOF Letter) are all funds pledged under the applicable Indentures, which include tax revenues generated NOT ONLY from the GAFB Parcels but from other member jurisdictions as required by the VVEDA JPA. It is clear from the language contained in AB 26 that it was the intent of the lawmakers that "pledges of revenues associated with enforceable obligations of the former redevelopment agencies are to be honored" and that the cessation of any redevelopment agency was not to "affect either the pledge, the legal existence of that

Shelly Renner, Senior Staff Counsel  
California Department of Finance  
January 21, 2016  
Page 5

pledge, or the stream of revenues available to meet the requirements of the pledge” (Section 34175 of the Dissolution Act). Failure to apply pledged moneys in accordance with the applicable Indentures violates the law and will ultimately result in successful bondholder litigation against Finance.

Please don't hesitate to call with any questions regarding this matter. Thank you.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read 'DK', is positioned below the closing text.

Danny Kim, Partner





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January 25, 2016

Shelley Renner, Senior Staff Counsel  
State of California Department of Finance  
915 "L" Street  
Sacramento, CA 95814-3706

Re: Recognized Obligation Payments Schedule Letter Dated December 17, 2015

Dear Ms. Renner:

We are general counsel for the Victor Valley Economic Development Authority ("VVEDA") and have served in such role since 1991. We also serve as general counsel to the Southern California Logistics Airport Authority ("SCLAA") and have served in such capacity since its formation in 1997.

In our role as general counsel to both VVEDA and SCLAA, we have been responsible for the structuring of the joint powers authority agreements establishing both entities. As such, we are intimately familiar with the provisions of both Agreements as well as the intent of the parties in structuring both entities.

We are in receipt of electronic correspondence from Ms. Danielle Brandon, Staff Finance Budget Analyst with the Department of Finance ("DOF") dated as of January 21, 2016. This correspondence was in response to prior electronic correspondence sent from Keith Metzler, Executive Director of VVEDA, dated December 18, 2015. A copy of the e-mail thread is attached hereto for your reference. This electronic mail thread was in response to the above referenced correspondence wherein the DOF has apparently interpreted the provisions of the VVEDA Fourth Amended Joint Powers Agreement (the "JPA") in a manner that will result in the potential catastrophic default of numerous bond issues previously undertaken by the SCLAA.

Ms. Brandon's e-mail acknowledges the pledge of tax increment revenues language as set forth in the various bond documents, but yet indicates that while DOF is familiar with the provisions of the JPA, it has apparently interpreted the JPA as only establishing a pledge of revenues from the "GAFB Parcels". Accordingly, per Ms. Brandon's e-mail, DOF apparently believes that other documents are required in order to document the pledge of tax increment

revenues and therefore fails to understand that the pledge of tax increment revenues to support the SCLAA Bonds is expressly set forth in the JPA itself.

How DOF can interpret the JPA, and specifically Sections 34 and 38 thereof, as only establishing a pledge of tax increment revenues from the GAFB Parcels is baffling at best. The relevant language of Section 34 of the JPA is highlighted and provides:

*34. Tax Increment Agreement/Member Reimbursements. The Members hereby agree that the Authority shall not receive or use any property tax moneys, other than tax increment revenues as described in the Community Redevelopment Law and as provided in the Redevelopment Plan, which would have been received by any Member had the Redevelopment Plan not been adopted.*

*The Members further agree that for fiscal year 1997-98 and fiscal year 1998-99 all Project Area Tax Increment Revenues and GAFB Tax Increment Revenues received during such period, shall be allocated solely for use on property comprising the GAFB Parcels. Of said amount, twenty percent shall be set aside for low and moderate income housing purposes in accordance with the California Redevelopment Law. Thereafter, all GAFB Tax Increment Revenues will continue to be allocated for use on GAFB with the understanding that Victorville shall set aside twenty percent thereof for low and moderate income housing purposes.*

*Commencing with the 1999-2000 fiscal year, the Project Area Tax Increment Revenues will be divided and allocated as follows: First, twenty percent (20%) of the Project Area Tax Increment Revenues shall be set aside for low and moderate income housing purposes of which one half of said amount will be allocated amongst each Member Agency and one half will be allocated to GAFB.*

*The remaining balance of Project Area Tax Increment Revenues, after the twenty percent set aside amounts, shall hereinafter be referred to as the "Net Revenues".*

*With respect to the Net Revenues, forty percent (40%) attributable to any Members Territory, exclusive of the GAFB Parcels, shall be allocated for use in such Members Territory and forty percent (40%) attributable to such Members Territory shall be allocated solely for use on the GAFB Parcels.*

*The remaining balance equal to twenty percent (20%) of the Net Tax Increment Revenues attributable to each Members portion of the Project Area, exclusive of the GAFB Parcel's, shall be placed into a separate reimbursement fund of the Authority and shall be paid out annually at the commencement of each fiscal year for eligible reimbursements to each Member in proportion to the outstanding balance of any Prior Contributions. After such reimbursements are made, such moneys may be used to reimburse Member Contributions.*

Upon full reimbursement to each Member of their Prior Contributions and Member Contributions, the twenty percent (20%) tax increment portion otherwise allocated for reimbursement shall be split such that fifty percent (50%) thereof shall be allocated for use in each Members territory with the remaining fifty percent (50%) to be allocated solely for use on George Air Force Base.

With respect to the portion of the Project Area that lies within the boundaries of Adelanto, the Parties agree that (i) fifty percent (50%) of the Net Revenues attributable to such area shall be allocated for use solely on GAFB, (ii) twenty-five percent (25%) of such Net Revenues shall be allocated for use in Adelanto's territory, and (iii) twenty-five percent (25%) shall be allocated to reimburse the Authority for the administrative and start-up expenses and costs associated with the establishment of the Authority and the original Project Area as shown on Exhibit "B" attached hereto and incorporated herein by this reference until such time as said amount is paid in full, at which time said twenty-five percent (26%) portion shall thereafter be allocated for use by Adelanto in its portion of the Project Area.

Said reimbursement obligations of the Authority may, by a unanimous vote of all Commissioners, be subordinated to any bond financing or similar indebtedness as agreed to by the Authority.

The Parties further agree that there shall be no amendment of the Redevelopment Plan which would alter the allocation of tax increment revenues as provided in this Section 34 without the prior formal approval of each Member of the Authority.

Section 38 further addressed the pledge and the relevant provisions are highlighted hereinbelow:

38. Financing. The Authority shall have the power and authority to issue bonds and/or notes or similar forms of indebtedness in accordance with the procedures and requirements specified as follows:

(a) Article 2, Chapter 5, Title 1, Division 7, of the Government Code commencing with Section 6540;

(b) Chapter 6, Title 5, Division 2, of the Government Code commencing with Section 54300;

(c) Health and Safety Code Section 33640;

(d) Any other provision of law, now in existence or hereafter enacted, applicable to the Authority.

The foregoing bonds may be issued for any purpose specified in paragraph 3 herein.

The Authority shall also have the power to utilize any other financing mechanism which is legally authorized for any Members of the

Authority, or for a redevelopment agency.

In connection with the issuance of any bonds or similar forms of indebtedness which are to be secured by a pledge of lease revenues or sales tax revenues attributable solely to activities on or at GAFB, any such issuance may be undertaken and authorized solely by Victorville or the Southern California Logistics Airport Authority without the consent of the other Members; provided, however, that the proceeds of any such debt issuance shall be used to cause the development and redevelopment of GAFB and shall not be used for activities outside of the boundaries of GAFB.

In connection with the issuance of any bonds or similar forms of indebtedness to be issued by the Authority which are to be secured by a pledge of Participating Jurisdictions Tax Increment Revenues, the Members agree that the Authority shall only issue such bonds or indebtedness to the extent the Authority receives the consent of all Members and the pledge by all Members of that portion of each Participating Member's Tax Increment Revenues which would otherwise be allocated for use by such Member in its own territory pursuant to Section 34 hereof.

Notwithstanding the foregoing, each of the Members or their respective Redevelopment Agencies may, individually or jointly with other Members or their respective Redevelopment Agencies, undertake the issuance of tax increment bonds or similar forms of indebtedness secured by tax increment revenues by pledging that portion of the Participating Members' Tax Increment Revenues which is attributable to such Participating Member's jurisdiction and which would otherwise be allocated for use by such Member(s) pursuant to Section 34 hereof and which is not otherwise earmarked for use in connection with the development and redevelopment of GAFB. Any such issuance shall not require the official authorization of the Authority.

The Members further agree that Victorville, the Victorville Redevelopment Agency or the Southern California Logistics Airport Authority may pledge that portion of Participating Member's Tax Increment Revenues which, pursuant to Section 34 of this Agreement, is to be allocated to GAFB, along with any GAFB Tax Increment Revenues, to secure the issuance of tax increment bonds or similar indebtedness, provided, however, that the proceeds of any such debt issuance shall only be used for the purposes of causing the redevelopment and development of GAFB. Any such issuance by Victorville, the Victorville Redevelopment Agency or the Southern California Logistics Airport Authority shall not require the official authorization of the Authority.

Sections 34 and 38 of the JPA reflect the binding commitment of the five parties to the JPA, whereby each Member agreed to contribute 50% of the tax increment generated from their respective portions of the Victor Valley Redevelopment Project Area for the purposes of causing the redevelopment and reuse of former George Air Force Base (now known as Southern California Logistics Airport).

In suggesting that other pledge agreements may be necessary to establish a pledge of tax increment from portions of the Project Area indicates that DOF fails to recognize that the Joint Powers Agreement is, in and of itself, is a binding contractual arrangement amongst the County of San Bernardino, the City of Victorville, the Town of Apple Valley, the City of Hesperia and the City of Adelanto. Each of the Member Jurisdictions has taken formal action and approved the JPA, pursuant to which each of the Members made certain binding commitments. Those commitments are specifically set forth in Section 34 and Section 38 of the Agreement. It clearly establishes the allocation of tax increment revenues from George Air Force Base, as well as from each Member Jurisdiction's portion of the Victor Valley Redevelopment Project Area. By executing the JPA, each Member Jurisdiction agreed to commit and contribute tax increment generated within its jurisdictional boundaries for the reuse and redevelopment of former GAFB.

Moreover, this commitment by the various Member Jurisdictions to allocate a significant portion of their respective tax increment revenues is consistent with the entire purpose of VVEDA and the statutory scheme which supported the establishment of VVEDA (Health & Safety Code Section 33492.40).

This unequivocal pledge of tax increment as set forth clearly in the JPA has been relied upon since 2001, when SCLAA issued its first bond issue supported by the above described stream of tax increment revenues. Moreover, this formula has been previously acknowledged and accepted by DOF in its prior determination letters.

To suggest that there may be other documents which are necessary to establish the pledge is nonsensical. Neither Bond Counsel, Bond Trustees, Bond Investors or any other persons or entities has ever required anything more than the clear and unequivocal language of the JPA to document the pledge. The JPA pledge has been continuously relied upon and is now an established course of conduct, which has been validated pursuant to the numerous statutory validating acts of the State.

As a result of the adoption of AB 1x 26, the State Legislature recognized that existing obligations were to be honored and, as such, we believe it is clear and unambiguous that the binding commitments made by the Member Jurisdictions of VVEDA as set forth in the JPA must be honored. To do otherwise has the immediate effect of causing significant defaults with respect to numerous existing and outstanding bond issues.

Accordingly, DOF should immediately revise the above referenced correspondence in order to correctly reflect the allocation of tax increment revenues as specifically set forth in the VVEDA JPA. Under the existing disclosure obligations provided in the Bond Documents, SCLAA believes that DOF's current misinterpretation of the JPA will surely invite litigation against DOF from aggrieved bond holders. Given the foregoing, we believe the bond holders will likely prevail on their claims.



If you have any immediate questions regarding the foregoing, please do not hesitate to contact me at your earliest convenience.

Very truly yours,

**GREEN de BORTNOWSKY, LLP**



Andre de Bortnowsky

AdB:law  
enc

cc: Danielle Brandon, Staff Finance Budget Analyst  
State of California Department of Finance  
915 "L" Street  
Sacramento, CA 95814-3706

Justyn Howard, Program Budget Manager  
State of California Department of Finance  
915 "L" Street  
Sacramento, CA 95814-3706

Keith Metzler, Executive Director  
Victor Valley Economic Development Authority

From: Brandon, Danielle [mailto:Danielle.Brandon@dof.ca.gov]  
Sent: Thursday, January 21, 2016 10:49 AM  
To: 'Keith Metzler' <KMetzler@ci.victorville.ca.us>  
Cc: 'Marc Puckett' <MPuckett@applevalley.org>; Andre de Bortnowsky <andre@gdblawoffices.com>; 'Hitta Mosesman' <hmosesman@webrsg.com>; Jason Gonsalves <Jason@gonsalvi.com>; Doug Robertson <DRobertson@CI.VICTORVILLE.CA.US>; Sophie Smith <ssmith@CI.VICTORVILLE.CA.US>; Howard, Justyn <Justyn.Howard@dof.ca.gov>; Suess, Evelyn <Evelyn.Suess@dof.ca.gov>; Takagi-Galamba, Chikako <Chikako.Takagi-Galamba@dof.ca.gov>; Thomas, Nichelle <Nichelle.Thomas@dof.ca.gov>; Barr, Michael <Michael.Barr@dof.ca.gov>; Painter, Michael <Michael.Painter@dof.ca.gov>  
Subject: RE: Victor Valley ROPS 15-16B MC Determination

Good afternoon Keith,

This is in response to your email below. Based on Finance's review of the Victor Valley Successor Agency's (Agency) January through June 2016 Recognized Obligation Payment Schedule (ROPS 15-16B) during the meet and confer process, Finance determined that, to the extent funding was approved for Item 2, 18 or 19, such amounts are only allowable from tax increment generated from the George Air Force Base (GAFB) Parcels. Our determination is based on both the 4<sup>th</sup> Amended Joint Powers Authority Agreement (JPA agreement) and the 2008 Southern California Logistics Airport Authority (SCLAA) Bond Indenture. Specifically, per Section 1.01 (page 13), Pledged Revenues of the SCLAA Bond Indenture:

"The term "Pledged Tax Revenues" means, on a subordinate basis to the Senior Bonds, on a parity basis to the Series 2007 Bonds and on a parity basis with the Additional Obligations, (A) all tax increment revenues generated on the parcels comprising the Airport pledged and annually allocated and paid to the Authority pursuant to the Redevelopment Plan and the SCLAA JPA, including all payments, subventions and reimbursements (if any) to the Authority specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) all amounts of such taxes required to be deposited for low and moderate income housing purposes by the Authority in any Fiscal Year pursuant to Section 33334.3 of the Redevelopment Law, (ii) amounts, if any, payable to a taxing entity and (iii) amounts, if any, received by the Authority pursuant to Section 16111 of the Government Code, (B) all tax increment revenues pledged and annually allocated and paid to the Authority by the VVEDA Members from the VVEDA Project Area, exclusive of the parcels comprising the Airport, pursuant to the Redevelopment Plan and the VVEDA JPA, including all payments, subventions and reimbursements (if any) to the VVEDA Members specifically attributable to ad valorem taxes lost by reason of tax exemptions and tax rate limitations, but excluding (i) all amounts of such taxes required to be deposited for low and moderate income housing purposes by the VVEDA Members in any Fiscal Year pursuant to Section 33334.3 of the Redevelopment Law, (ii) amounts, if any, payable to a taxing entity and (iii) amounts, if any, received by the VVEDA Members pursuant to Section 16111 of the Government Code, (C) the Ground Lease Guaranty, and (D) the Victorville Pledge."

We recognize that the Pledged Revenues section of the 2008 SCLAA bond indenture also cites pledged revenues from three other sources for debt service payments (as referenced in sections B, C and D). However, as the Agency has not

provided the respective pledge agreements or other such documents, we have been unable to determine those other pledged costs are enforceable obligations of VVEDA and if amounts should be requested on VVEDA's ROPS. If the Agency wishes Finance to consider these additional funding sources during the 2016-17 annual ROPS (ROPS 16-17) review process, please provide the respective pledge agreements to the Audit and Review Analyst (Michael Painter), who has been cc'd on this email.

Sincerely,

*Danielle M. Brandon, MBA*  
*Staff Finance Budget Analyst*

*Department of Finance*  
*Local Government Unit*  
*(916) 445-3274 ext. 3022*

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**From:** Keith Metzler [<mailto:KMetzler@ci.victorville.ca.us>]

**Sent:** Friday, December 18, 2015 11:07 AM

**To:** Brandon, Danielle

**Cc:** 'Marc Puckett'; Andre de Bortnowsky; 'Hitta Mosesman'; 'evelyn.seuss@dof.ca.gov'; Jason Gonsalves; Doug Robertson; Sophie Smith

**Subject:** FW: Victor Valley ROPS 15-16B MC Determination

Hi Danielle.

I received this determination and would like to take you upon the offer contained in the letter that we will continue to work together, and set up a meeting either in person or over the phone.

First, I do appreciate the effort you and Evalyn put into our appeal (Meet and Confer). Resulting from the M&C, we are pleased that the DOF approved Item's 18 and 19 as those items dealt with the repayment of bond reserve deficiencies and principal and interest defaults. Unfortunately however, we are unclear as to the limitation that they, along with Item 2, are only to be paid from tax increment generated from GAFB Parcels (See last paragraph on Page 1). If DOF's definition of GAFB Parcels is the same as ours (which is technically based from the JPA), the attached ROPS determination further reduces amounts available to pay debt service and more clearly departs from the actual definition of Secured Pledge which is contained in the bond documents. We did share the DOF letter and this concern with investors this morning.

Given a characterization of a phone call between yourself and Ms. Sophie Smith earlier this week, my impression from that phone call was that we would be pleased in the DOF determination. We are pleased about the approval of 18 and 19 but we do believe that the narrowing definition of revenue is inconsistent with the JPA, Bond Documents and our Final and Conclusive Determination. This limiting definition would further increase amounts owed in items 18 and 19 and items 18 and 19 will never get paid, largely due to the decrease in revenue to pay Item 2.

Accordingly, I am hoping we have differing definitions and that the DOF definition is speaking instead, to revenues generated by GAFB consistent with the definition used to define the Pledged Security for the bonds.

I am around all next week and would look forward to discussing further. I hope all is well.

Regards



Keith



Keith C. Metzler  
Assistant City Manager  
City Manager's Office  
760-945-5029

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**From:** Redevelopment Administration [<mailto:RedevelopmentAdministration@dof.ca.gov>]  
**Sent:** Thursday, December 17, 2015 10:10 PM  
**To:** Keith Metzler; [mpuckett@applevalley.org](mailto:mpuckett@applevalley.org); [linda.santillano@atc.sbcounty.gov](mailto:linda.santillano@atc.sbcounty.gov)  
**Subject:** Victor Valley ROPS 15-16B MC Determination

Pursuant to Health and Safety Code Section 34177 (m) (1) (A), you submitted a Recognized Obligation Payment Schedule (ROPS 15-16B) to the California Department of Finance (Finance). See the attached letter for Finance's determination. You subsequently requested a meet and confer on Finance's determination. Please see the attached letter for Finance's revised determination based on the meet and confer session.

Department of Finance  
Redevelopment Agency Administration

## Appendix 4

**From:** Howard, Justyn [<mailto:Justyn.Howard@dof.ca.gov>]  
**Sent:** Tuesday, February 09, 2016 2:58 PM  
**To:** Keith Metzler  
**Subject:** VVEDA

Hi Keith,

Thank you for being available for yesterday's conference call with DOF's staff counsel. As stated on the call, from information provided to DOF last month it is DOF's understanding that section 38 of the VVEDA JPA agreement authorizes SCLAA to pledge more former tax increment than generated only from the GAFB parcels. As such, the limitation of using only RPTTF generated in GAFB parcels for payment of ROPS line items 2, 18 and 19, as stated on page one of the December 17, 2015 DOF ROPS determination letter, should be ignored.

Please let us know if you need anything further.

Best Regards,  
Justyn

**Justyn Howard** | Program Budget Manager  
**California Department of Finance** | Employee Comp & Retirement, Local Government, Housing, Information Technology  
Direct: 916-445-3274 | Email: [Justyn.Howard@dof.ca.gov](mailto:Justyn.Howard@dof.ca.gov)  
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