



Southern California Logistics Airport Authority

Continuing Disclosure Report

For Year Ended June 30, 2017

February 15, 2018

Southern California Logistics Airport Authority (SCLAA)  
14343 Civic Drive  
Victorville, CA 92392

February 15, 2018

RE: Annual Continuing Disclosure Report for Fiscal Year Ended June 30, 2017

FOR: **Senior Lien Pledge, Non-Housing Bonds:**

SCLAA, Tax Allocation Parity Bonds, Series 2005A

SCLAA, Taxable Tax Allocation Revenue Parity Bonds, Series 2006

SCLAA, Tax Allocation Revenue Parity Bonds, Refunding Series 2006

SCLAA, Taxable Tax Allocation Revenue Parity Forward Bonds, 2006

**Senior Housing Bonds:**

SCLAA, Tax Allocation Revenue Parity Refunding Housing Bonds, 2006

SCLAA, Taxable Housing Set-Aside Revenue Parity Bonds, Series 2007

**Junior Lien Subordinate Pledge, Non-Housing Bonds:**

SCLAA, Taxable Subordinate Tax Allocation Revenue Bonds, Series 2006

**Subordinate Pledge, Non-Housing Bonds:**

SCLAA, Subordinate Tax Allocation Revenue Bonds, Series 2007

SCLAA, Subordinate Tax Allocation Revenue Bonds, Series 2008A

**Disclaimer**

The information contained herein is qualified in its entirety by specific information contained in the Official Statements relating to the bonds issued by Southern California Logistics Airport Authority ("SCLAA"). All such Official Statements and other related documents are incorporated herein by reference. In the event that any conflict exists between the statements herein and information contained in the Official Statements, then the information contained in the Official Statements shall apply.

**Forward-Looking Statements**

The Continuing Disclosure Report contains certain forward-looking statements, including certain plans, expectations, goals and projects, which are subject to numerous assumptions, risks and uncertainties. Actual results could differ materially from those contained in or implied by such statements for a variety of factors including: changes in economic conditions; success and timing of business strategies; the nature and extent of governmental actions and reforms; and outcomes of litigation involving budgetary matters of the State of California and tax increment revenue (as described and allowed under California Redevelopment Law and subject to agreements with overlapping taxing agencies).

**Content of This Report**

The following information is to be disseminated through the MSRB's Electronic Municipal Market Access system ("EMMA") to comply solely with those requirements of the Continuing Disclosure Agreements relating to the periodic updates of information relating to tax increment revenues and financing. This Report is not intended to be a complete Annual Report or to disclose any information other than as presented herein. The information consists of the following:

1. Financial statements for Southern California Logistics Airport Authority for fiscal year ended June 30, 2017 and Comprehensive Annual Financial Report for the City of Victorville for fiscal year ended June 30, 2017.
2. Report from Fiscal Consultant, RSG, Inc. dated February 14, 2018 relating to historic and projected tax increment revenues of the VVEDA Project Area, a portion of which revenues are pledged to secure the repayment of the bonds issued by SCLAA. This report provides an update of the tables presented in the section of the Official Statement entitled "Pledged Tax Revenues – Assessed Valuations and Tax Increment Revenues," "--Assessment Appeals History" and "--Largest Property Taxpayers."

#### SCLAA Default on Bonded Debt during Fiscal Year 2016-17

On September 26, 2016, Victor Valley Economic Development Authority (VVEDA) issued a check for \$10,622,431 to the City of Victorville, which consisted of tax increment revenue for the period of December 17, 2015 through April 30, 2016 due to Victorville and SCLAA. This distribution along with additional revenue in the amount of \$1,640,572, resulting from SCLAA's Ground Lease and Development Agreement with High Desert Power Project (HDPP), Section 2.02, were used for the December 1, 2016 SCLAA debt service. Also, there was \$249,970 set aside from the previous VVEDA distribution to be used for the December 1, 2016 debt service. A portion of these combined funds were sent to the Trustee, The Bank of New York Mellon, to pay the principal and interest debt service, in the amount of \$11,288,131, for all senior lien, housing, and junior lien subordinate debt. An additional \$1,188,692 was also sent to the Trustee, who used these funds to pay past due interest in the amount of \$1,155,961.25 for the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2007, and hold the remainder for future payments since partial payments are not issued. Defaults occurred on the current principal and interest debt service payments due December 1, 2016 for the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2007 and the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2008A.

On March 22, 2017, VVEDA issued a check for \$13,872,934 to the City of Victorville, which consisted of tax increment revenue for the period of April 30, 2016 through December 13, 2016 due to Victorville and SCLAA. A portion of this distribution was used on June 1, 2017 to pay interest debt service for all senior lien, housing, junior lien subordinate, and subordinate Series 2008A debt. The total of these debt service payments was \$7,166,993. Additional funds, in the amount of \$6,633,061, were sent to the Trustee, complying with the Notice to Bondholders that The Bank of New York Mellon issued on October 14, 2016. The Trustee used these funds to pay past due interest, in the amount of \$6,446,456.25, for the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2007 and the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2008A, and hold the remainder for future interest payments since partial payments are not issued. A default occurred on the current interest debt service payment due June 1, 2017 for the SCLAA Subordinate Tax Allocation Revenue Bonds, Series 2007.

Further detailed information on these payments and defaults can be found on the EMMA website, [emma.msrb.org](http://emma.msrb.org).

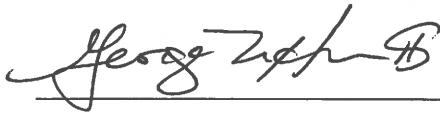
The following material events have occurred over the last several years that have resulted in SCLAA defaulting on the bond issues and the use of reserves with the Trustee for interest payments:

1. As part of adopting its 2009 budget bill, the State of California approved AB 26 4X, which included a provision that required redevelopment agencies to make remittance to a county Supplemental Educational Revenue Augmentation Fund (SERAF). Tax increment on hand from

SCLAA paid this obligation of \$9,352,308 in Fiscal Year 09/10 and \$1,923,641 in Fiscal Year 10/11. These state-mandated payments severely impacted the SCLAA's cash reserves.

2. In Fiscal Year 08/09, the assessed value for the Victor Valley Redevelopment Project Area was approximately \$9.49 billion. Beginning in FY 09/10, there were significant decreases in assessed value for the Victor Valley Redevelopment Project Area. Assessed values for the Project Area reached a low point of \$6.6 Billion in FY 12/13. The decrease was largely the result of the Great Recession. Since FY 12/13, assessed values have increased steadily. For Fiscal Year 16-17, the assessed value for the Project Area was approximately \$8.06 billion, and for Fiscal Year 17-18, the assessed value for the Project Area was approximately \$8.3 billion.
3. The State of California enacted legislation in June 2011 which eliminated all Redevelopment Agencies across the state. The Redevelopment Agency (RDA) dissolution process has created cash flow issues due to the new processes imposed by the legislation. The former RDAs must utilize a Recognized Obligation Payment Schedule (ROPS) process annually to receive funding from the County of San Bernardino only as approved by the State's Department of Finance (DOF). The County collects tax increment of the former RDAs and holds it in the Redevelopment Property Tax Trust Fund (RPTTF). The revenue is distributed by the County on January 2 is typically the larger distribution; however, this distribution is designated for June 1 interest-only debt service payments. The June 1 distribution from the County, which is typically the smaller distribution, is designated for December 1 principal and interest debt service payments. This delayed receipt of funds contributes to the shortfall already realized due to decreases in property values of the last several years.

The information contained herein has been approved for filing with the MSRB's Electronic Municipal Market Access system ("EMMA") by the Southern California Logistics Airport Authority, which as authorized and instructed the Bank of New York Mellon Global Corporate Trust to file this report in its capacity as the Disseminating Agent for the SCLAA bonds.



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George N. Harris II  
Disclosure Representative  
Southern California Logistics Airport Authority

# Continuing Disclosure Report

*Victor Valley Redevelopment Project Area*

*February 14, 2018*



RSG, INC.  
309 WEST 4TH STREET  
SANTA ANA, CALIFORNIA  
92701-4502

T 714 541 4585  
F 714 541 1175  
E [INFO@WEBRSG.COM](mailto:INFO@WEBRSG.COM)  
[WEBRSG.COM](http://WEBRSG.COM)

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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 2005. The Bonds include the following series:

- 2005A Tax Allocation Parity Bonds;
- 2006 Tax Allocation Revenue Parity Refunding Bonds;
- 2006 Taxable Tax Allocation Revenue Parity Bonds;
- 2006 Taxable Forward Tax Allocation Revenue Parity Bonds;
- 2006 Taxable Subordinate Tax Allocation Revenue Bonds;
- 2006 Housing Set-aside Revenue Refunding Bonds;
- 2007 Subordinate Tax Allocation Revenue Bonds;
- 2007 Taxable Housing Set-Aside Revenue Parity Bonds; and
- 2008A Subordinate Tax Allocation Revenue Bonds.

This Report outlines available tax increment generated within the Victor Valley Redevelopment Project Area (“Project Area”) as updated since the issuance of the Bonds. The Project Area includes three sub-areas.

- the Original Area;
- the Amendment IV Area; and
- the Amendment VIII Area.

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 Victor 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, pass through calculation, 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 legislation.

RSG relies on established data sources, including, as described above, the County equalized assessment roll, appeals records, and pass through payment calculation methodology. *However, RSG cannot guarantee the accuracy of these third-party data sources.*

Furthermore, 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 ensure 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 (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 complied, and will continue to comply, with the requirements prescribed in the Dissolution Law.

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 (now called "RPTTF") in a project area. Instead, successor agencies create two six-month schedules of debt annually 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 ("Auditor-Controller") and distributed pursuant to Health and Safety Code ("HSC") 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 (including 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 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. This is the case as of 2017. SCLA received approximately \$5.6 million more in January 2017 than the total June 1, 2017, debt service payments. In June 2017, however, SCLA received approximately \$2.5 million less than the total December 1, 2017, debt service payments.

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. Based on projected revenues, the Successor Agency estimates that all defaults will be cured and reserves will be replenished by June 1, 2019. Anticipating this, the 18-19 ROPS includes a \$1.9 million request, the projected shortfall in the June 2019 RPTTF distribution for the December 1, 2019 debt service payment, for funding in the January 2019 distribution as a reserve for that debt service payment.

### **Pledged Revenues Definition**

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 in the FY 2015-16 Continuing Disclosure Report), 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 the Dissolution 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 in the FY 2015-16 Continuing Disclosure Report). 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 described 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.

## CONTINUING DISCLOSURE REPORT

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Following 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 in the FY 2015-16 Continuing Disclosure Report).

Following these efforts, DOF and the Successor Agency, along with the latter's bond counsel and legal counsel, held a conference call on February 8, 2016. They discussed the tax increment distribution and potential ramifications of limiting tax increment distributed 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 in the FY 2015-16 Continuing Disclosure Report) 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 the tax increment pledged for the Bonds to pay these items.

### **RPTTF Distribution Methodology**

As it did approximately one year earlier, DOF issued an official determination letter on April 11, 2017, approving an RPTTF distribution (based on what was requested in ROPS 17-18 for existing obligations, and not based on actual RPTTF revenues available) of approximately \$36.7 million (see Appendix 1 to this Report). VVEDA requested not only the current debt service payment, but also the outstanding amount of default payments and reserve requirements on ROPS 17-18 (as well as amounts for other obligations), even though this amount exceeds the portion of tax increment that is legally pledged for the SCLA bonds in the 17-18 ROPS period. In response to this request, DOF authorized that all VVEDA tax increment (not just the Victorville/SCLA share) be distributed to VVEDA, leaving no residual payments to the taxing entities.

The actual amount of RPTTF available and distributed by the County for ROPS 17-18A and 17-18B was \$34,145,583 (\$13,014,560 + \$21,131,024 with a difference due to rounding, see Appendix 2 to this Report). This marks the second year using a distribution methodology that, though not ideal, allows the Successor Agency to allocate all pledged revenues to payment on the SCLA Bonds, including current debt service, defaults, and reserve replenishment.

The methodology is not ideal because it leaves VVEDA holding unpledged revenues that it cannot spend on the Bonds or, due to the Dissolution Law and DOF's determinations,



distribute to the Jurisdictions. To avoid holding these extra revenues, VVEDA staff contacted the Auditor-Controller staff about modifying the residual RPTTF distribution timing in March of 2016. VVEDA staff and Auditor-Controller staff met on March 25, 2016, to discuss VVEDA's preferred alternative distribution. VVEDA staff explained to the Auditor-Controller's staff that, without this distribution method being revised, VVEDA will have to hold these revenues that are residual for other Jurisdictions (which VVEDA cannot spend on the Bonds or other items) for up to three years until the prior period adjustments result in these funds being distributed by the Auditor-Controller as residual RPTTF. This is expected to occur with the June 1, 2020 RPTTF distribution. Auditor-Controller staff expressed concerns about the County's liability in using a modified RPTTF distribution methodology, receiving questions from bondholders themselves, and making an exception to the prescribed prior period adjustment process outlined in the HSC.

VVEDA staff requested that Auditor-Controller staff confer with the County's legal counsel about VVEDA's proposed modified distribution methodology and followed up by e-mail on April 18, 2016, with no response for several months. VVEDA transmitted a letter to the Auditor-Controller on August 8, 2016, outlining the issues about the distribution and prior period adjustments (see Appendix 3). On August 9, 2016, the Auditor-Controller's office responded that DOF would not revise the April 13 determination letter with the distribution amounts and that the Auditor-Controller is legally required to disburse RPTTF based on DOF's determination letters.

## **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 (2013-14 through 2017-18) based upon the Auditor-Controller's annual assessed value reports. Between FY 2013-14 and FY 2017-18, Project Area total assessed values for the Original Area, Amendment IV Area, and Amendment VIII Area have increased by 22.3%.

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 from FY 2013-14 to FY 2016-17 (18.8%). During those three years, the Project Area assessed valuation increased an average of approximately \$425 million per year, compared to an increase of approximately \$238 million from FY 2016-17 to FY 2017-18.

Since FY 2013-14, the Original Area and the Amendment VIII areas experienced increases in assessed value of \$972.0 million and \$543.3 million (respectively) and the Amendment IV area experienced a reduction of \$2.2 million.

### **Tax Increment Collection History**

Exhibit 3A on the following pages presents a summary of tax increment revenue collections for fiscal years 2013-14 through 2017-18.

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 3A											
Historic Assessed Value and Tax Increment Revenue Receipts Southern California Logistics Airport Authority - WVEDA Project Area											
	2013-14					2014-15					% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined	% Growth of Combined Area Over Prior Year	Original Area	Am. IV Area	Am. VIII Area	Combined	% Growth of Combined Area Over Prior Year	
<b>Assessed Valuations</b>											
Local Secured	4,170,168,495	89,292,737	1,944,349,534	6,203,810,766		4,365,252,808	87,882,052	2,076,677,241	6,529,812,101		
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		
<b>Total</b>	<b>4,716,085,927</b>	<b>89,468,688</b>	<b>1,975,509,746</b>	<b>6,781,054,361</b>	<b>2%</b>	<b>4,859,140,895</b>	<b>88,044,801</b>	<b>2,103,866,117</b>	<b>7,051,043,813</b>	<b>4%</b>	
1997-98 Base Year (Per Original & Annual A/C Reports)	(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)		
Incremental Value	2,932,252,006	64,511,874	-	2,996,763,880		3,075,306,974	63,087,987	113,625,738	3,252,020,699		
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 <sup>3</sup>	30,643,888	835,670	388,822	31,868,380		32,155,428	608,444	1,627,383	34,391,255		
<b>Distribution of Revenue Received</b>											
<b>Member Jurisdictions</b>											
Low Mod Housing Fund											
SCLA	9,128,850	30.3%				10,490,052	30.8%				
Victorville	8,646,370	28.7%			10,678,296	31.3%					
Apple Valley	2,288,782	7.6%			334,336	1.0%					
Hesperia	346,150	1.1%			-	0.0%					
County	835,701	2.8%			-	0.0%					
Adelanto	122,507	0.4%			-	0.0%					
<b>Subtotal</b>	<b>21,368,359</b>				<b>21,502,683</b>						
Administrative Cost Allowance	276,004	0.9%			263,315	0.8%					
Pass Throughs to Affected Districts	8,482,293	28.2%			9,316,823	27.4%					
Remaining Tax Increment <sup>6</sup>	-	0.0%			2,982,155	8.8%					
<b>Total</b>	<b>30,125,656</b>	<b>100.0%</b>			<b>34,064,977</b>	<b>100.0%</b>					

(Exhibit 3A continued on next page)



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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

		2015-16			2016-17			% Growth of Combined Area Over Prior Year		
		Original Area	Am. IV Area	Am. VIII Area	Am. IV Area	Am. VIII Area	Combined			
<b>Historic Assessed Value and Tax Incremental Revenue Receipts</b>		<b>Exhibit 3A continued</b>								
<b>Southern California Logistics Airport Authority - WVEDA Project Area</b>										
<b>Assessed Valuations</b>										
Local Secured		4,630,949,815	88,292,763	2,236,262,947	6,955,505,425	5,030,034,855	86,110,477	2,362,568,063	7,478,713,395	
Secured Utility		176,945,350	-	1,000	176,946,350	224,884,350	-	1,000	224,885,350	
Unsecured		337,661,198	102,696	31,040,685	368,804,579	320,814,389	795,000	31,381,087	352,990,476	
<b>Total</b>		<b>5,145,556,363</b>	<b>88,395,459</b>	<b>2,267,304,532</b>	<b>7,501,256,354</b>	<b>5,575,743,594</b>	<b>86,905,477</b>	<b>2,383,950,150</b>	<b>8,056,599,221</b>	
1997-98 Base Year (Per Original & Annual A/C Reports)		(1,783,833,921)	(24,956,814)	(1,980,232,379)	(3,799,023,114)	(1,783,833,921)	(24,956,814)	(1,990,232,379)	(3,799,023,114)	
<b>Incremental Value</b>		3,361,722,442	63,438,645	277,072,153	3,702,233,240	3,791,909,673	61,948,663	403,717,771	4,257,576,107	
<b>Est Increment @1%<sup>1</sup></b>		33,617,224	634,386	2,770,722	37,022,332	37,919,097	619,487	4,037,178	42,575,761	
<b>Actual Allocation Per County A/C<sup>2</sup></b>		33,619,537	634,385	2,770,714	37,024,636	34,881,005	619,486	4,037,175	39,537,666	
<b>Actual Revenue Received</b>		35,613,536	553,611	3,154,718	39,321,864	39,976,292	695,285	4,609,076	45,280,653	
<b>Distribution of Revenue Received</b>										
<b>Member Jurisdictions</b>										
Low Mod Housing Fund										
SCLA										
Victorville										
Apple Valley										
Hesperia										
County										
Adelanto										
<b>Subtotal</b>		<b>24,903,935</b>								
WVEDA Administrative Cost Allowance		500,000								
Pass Throughs to Affected Districts		10,672,178								
Remaining Tax Increment <sup>6</sup>		2,885,192								
<b>Total</b>		<b>38,961,305</b>								
		Incl. in Jurisd. Totals Below <sup>4,5</sup>		% of Total		Incl. in Jurisd. Totals Below <sup>4,5</sup>		% of Total		
		11,596,268		29.8%		12,160,860		29.6%		
		12,257,053		31.5%		12,542,620		30.5%		
		1,050,614		2.7%		1,049,003		2.6%		
		-		0.0%		-		0.0%		
		-		0.0%		-		0.0%		
		-		0.0%		-		0.0%		
<b>Subtotal</b>		<b>24,903,935</b>		<b>1.3%</b>		<b>25,752,483</b>		<b>1.2%</b>		
WVEDA Administrative Cost Allowance		500,000		1.3%		500,000		1.2%		
Pass Throughs to Affected Districts		10,672,178		27.4%		11,191,356		27.2%		
Remaining Tax Increment <sup>6</sup>		2,885,192		7.4%		3,636,773		8.9%		
<b>Total</b>		<b>38,961,305</b>		<b>100.0%</b>		<b>41,082,611</b>		<b>100.0%</b>		

(Exhibit 3A continued on next page)



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Historic Assessed Value and Tax Increment Revenue Receipts					Exhibit 3A continued
Southern California Logistics Airport Authority - VVEDA Project Area					
Assessed Valuations	2017-18				% Growth of Combined Area Over Prior Year
	Original Area	Am. IV Area	Am. VIII Area	Combined	
Local Secured	5,283,609,272	85,172,424	2,493,073,318	7,861,855,014	3%
Secured Utility	106,394,350	-	1,000	106,395,350	
Unsecured	298,061,332	2,051,015	25,722,945	325,835,292	
<b>Total</b>	<b>5,688,064,954</b>	<b>87,223,439</b>	<b>2,518,797,263</b>	<b>8,294,085,656</b>	
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	3,904,231,033	62,266,625	528,564,884	4,495,062,542	
<b>Est Increment @1% <sup>1</sup></b>	39,042,310	622,666	5,285,649	44,950,625	
<b>Actual Allocation Per County A/C <sup>2</sup></b>	39,042,315	622,666	5,285,646	44,950,627	
<b>Actual Revenue Received</b>	N/A	N/A	N/A	-	
Distribution of Revenue Received					
<i>Member Jurisdictions</i>					
Low Mod Housing Fund					
<b>SCLA</b>					
<b>Victorville</b>					
Apple Valley					
Hesperia					
County					
Adelanto					
<b>Subtotal</b>					
VVEDA Administrative Cost Allowance					
Pass Throughs to Affected Districts					
Remaining Tax Increment <sup>6</sup>					
<b>Total</b>					

Source: San Bernardino County Auditor-Controller

Footnotes for Exhibit 3A:

1. "Est Increment @ 1%" is based on incremental assessed value for the entire Project Area presented on the San Bernardino County Auditor-Controller annual report "PI163 Agency Net Valuations Report."
2. Each year, San Bernardino County issues report "PI715R01 Redevelopment Agency Percentages" showing the tax increment for each Tax Rate Area. "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. In Fiscal Year 2016-17, the "Actual Allocation Per County" differs from the "Est Increment @ 1%" by \$3,038,092 because the County's PI715R01 report excludes the property tax allocation of the Oro Grange Cement Plant, in accordance with the assessment roll at the time. The omission was corrected and did not negatively affect property tax revenues.

## CONTINUING DISCLOSURE REPORT

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SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

3. Revenue was received in fiscal year 2013-14 in the Amendment VIII Area despite zero (0) incremental value due to supplemental revenue for prior fiscal years.
4. The dissolution of 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 all years in this table 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.
6. Remaining Tax Increment includes tax increment distributed to taxing entities as a result of the Department of Finance denying the distribution of tax increment to taxing entities without current enforceable obligations per the Dissolution Law.



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>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	
<b>Victorville</b>						
Total	4,016,737,597	4,256,459,586	4,552,456,020	4,807,429,196	5,036,897,575	
Base Year	2,216,153,979	2,216,157,006	2,216,157,006	2,216,157,006	2,216,157,006	
Increment	1,800,583,618	2,040,302,580	2,336,299,014	2,591,272,190	2,820,740,569	
<b>SCLA</b>						
Total	548,550,493	476,894,683	492,503,305	548,097,364	437,327,007	
Base Year	7,854,350	7,854,350	7,854,350	7,854,350	7,854,350	
Increment	540,696,143	469,040,333	484,648,955	540,243,014	429,472,657	

Source: San Bernardino County Auditor-Controller

**Growth Assumptions**

The assessed valuation forecast provided in the tax increment projections (shown in Exhibits 10A through 10O) detail assessed value for years 2018-19 and beyond. These projections incorporate a growth rate of 2.00% for FY 2018-19, in accordance with the California CPI set by the State Board of Equalization, 1.75% in FYs 2019-20 and 2020-21, and a 2.00% 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 Article XIII A's passage in 1978, there have been ten 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, 2015-16, and 2016-17; 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%, 1.998%, and 1.525%, respectively. Given that five of the ten occurrences are 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 1.15% and 1.44%.

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

In the FY 2013-14 distributions, the County charged VVEDA \$366,247 in administrative charges, which was approximately 1.17% of the gross tax increment collected in that year. In FY 2014-15, the County charged VVEDA \$467,362 in administrative charges, approximately 1.36% of the gross tax increment collected in that year. The County charged \$454,582 in FY 2015-16, approximately 1.15% of the gross tax increment collected, and \$602,138 in FY 2016-17, approximately 1.44% of the gross tax increment collected.

**Changes in Value Due to New Construction**

Exhibit 5A presents a summary of finalized building permits for 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 2018-19 assessment roll. Exhibit 5A only covers the Victorville and SCLA portions of the Project Area and includes data for the entire 2017 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 2017	1	\$58,450	10	\$2,961,137
Feb 2017	1	\$757,837	5	\$1,227,465
Mar 2017	0	\$0	5	\$1,454,660
Apr 2017	0	\$0	6	\$1,877,266
May 2017	0	\$0	14	\$3,834,764
Jun 2017	1	\$679,209	4	\$1,117,827
Jul 2017	0	\$0	14	\$3,936,607
Aug 2017	3	\$18,140,706	11	\$2,755,180
Sep 2017	0	\$0	9	\$2,624,011
Oct 2017	2	\$136,883	7	\$1,959,269
Nov 2017	0	\$0	13	\$3,869,115
Dec 2017	1	\$103,000	14	\$3,779,518
	<b>9</b>	<b>\$19,876,085</b>	<b>112</b>	<b>\$31,396,819</b>
Total Value Added to 2018-19		\$51,272,904		
Total VVEDA 2017-18 Value		\$8,294,085,656		
Percentage Increase		0.62%		

<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 \$51.3 million in value is anticipated to be reflected on the 2018-19 assessment roll because of new construction in the Victorville and SCLA portions of the Project Area. This additional value represents an increase of 0.62% to the 2017-18 total assessed value of the Project Area. Among the new construction represented by these building permits, most of the commercial and industrial value comes from a single permit for the construction of a new industrial building in the SCLA Area. The building is known as "Building 18." The residential

permits are all single family residential projects valued between \$200,000 and \$400,000. These projects are located in all of the Victorville and SCLA Areas, concentrated mostly in the Victorville Amendment VIII Area.

New development is assessed on both construction costs and market conditions. Because building permit value is generally lower than construction costs and sale prices, 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

In addition to reviewing and applying the pass-through agreements and applicable sections of the HSC, RSG has used the County's pass through calculation methodology since this methodology matches what is prescribed in the agreements and law, as well as since the County calculates and administers the pass-through distribution following the dissolution of redevelopment agencies.

### **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 in the Original Area:

- 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.

**HSC Section 33401 Payments**

Prior to 1994, HSC 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;
- 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 presents a summary of the pass-through payments and tax increment distribution requirements.

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

<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's exemptions) Low and moderate income housing set-aside is not deducted prior to calculation of payment  Districts get 32.5% of their share (except the Superintendent of Schools)- may deposit into District Capital Fund held by VVEDA Superintendent of Schools gets 100% of its share If deposits are 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 George Air Force Base ("GAFB")-generated tax increment for use on GAFB with understanding that Victorville will set aside 20% thereof for low and moderate income housing  1997-98 & 1998-99 increment to be used on GAFB (no longer applicable)  20% of each member jurisdiction's tax increment allocated for low and moderate income housing and allocated to each Member to be used in its own portion of the project area (no longer dedicated to housing following Redevelopment dissolution, but still applied in pas through calculations)  Remaining balance of each member jurisdictions' tax increment: 50% allocated for use in such Member's portion of the project area 50% allocated for use on GAFB parcels (SCLA) For Adelanto, 50% to SCLA and 25% to Adelanto; 25% to reimburse Authority and when paid off, this 25% goes to Adelanto (subject to the Department of Finance's approval following Redevelopment dissolution)	

**HSC Section 33607.5 Payments**

The Amendment IV and Amendment VIII Areas are subject to statutory pass through payments required by HSC 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 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 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 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 Apple Valley portion of the Amendment VIII Area (Exhibit 10M).

### **TOP TEN TAXPAYERS**

Utilizing the County's FY 2017-18 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 amendment 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 2017-18 top ten taxpayers' total assessed value in Exhibit 7A (below) encompasses \$946.5 million, or 11.41% of the total Project Area assessed value (and 21.06% of *incremental* assessed value).

The FY 2017-18 top ten taxpayers value is significantly lower than the FY 2016-17 top ten taxpayers' total assessed value, which was \$1.04 billion of the total Project Area valuation (shown in Exhibit 7A in the FY 2016-17 Continuing Disclosure Report). Moreover, as a percentage, the FY 2017-18 value (11.41%) is lower than that of FY 2016-17, 12.91%.

The lower assessed value for the top ten taxpayers and lower percentage of total assessed value are mostly due to the High Desert Power Trust ("HDPT") properties' decreased assessed value, from \$224.8 million in FY 2016-17 to \$106.3 million in FY 2017-18. HDPT owns the High Desert Power Plant ("HDPP"). The HDPP is assessed by the State Board of Equalization ("SBE") and is considered unitary value. According to information provided by Kurt Beck, Senior Specialist Property Auditor-Appraiser at the SBE, in January 2018, the facility was sold in 2016, and data related to that sale provided to SBE formed the basis for the lower assessed value. Excluding HDPT, the other nine top taxpayers saw an increase in their combined assessed value, from \$815.4 million in FY 2016-17 to \$840.2 million this year.

2017-18 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	Calportland Co.	37	Industrial and Vacant Land	\$ 308,041,972	3.71%	6.85%
2	High Desert Power Trust	3	Industrial	106,300,000	1.28%	2.36%
3	Stirling Capital Investments	21	Industrial and Vacant Land	104,350,536	1.26%	2.32%
4	The American Bottling Co.	3	Industrial and Unsecured	94,343,062	1.14%	2.10%
5	Wal-Mart Stores, Inc.	19	Commercial, Vacant Land, and Unsecured	80,345,463	0.97%	1.79%
6	Cemex Construction Materials Pacific	25	Industrial and Vacant Land	71,250,512	0.86%	1.59%
7	General Electric Co.	3	Industrial and Unsecured	58,472,471	0.70%	1.30%
8	Apple Valley Ranchos Water Co.	8	Public Facilities and Vacant Land	54,844,965	0.66%	1.22%
9	Victor Valley Hospital Real Estate, LLC	4	Hospital and Unsecured	35,847,940	0.43%	0.80%
10	Target Corp.	4	Commercial, Vacant Land, and Unsecured	32,682,509	0.39%	0.73%
<b>Total</b>		<b>127</b>		<b>\$ 946,479,430</b>	<b>11.41%</b>	<b>21.06%</b>
				<b>Total Project Area Assessed Value</b>	<b>\$ 8,294,085,656</b>	
				<b>Incremental Project Area Assessed Value</b>	<b>\$ 4,495,062,542</b>	

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

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

**Combined Victorville and SCLA Areas**

As shown in Exhibit 7B below, the FY 2017-18 top ten taxpayers in the Victorville and SCLA Areas combined represent \$605.6 million, or 11.06% of the combined areas' values.

The Victorville and SCLA areas combined show a significantly lower 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 2016-17 Continuing Disclosure Report). The FY 2016-17 top ten taxpayer value was \$699.7 million, or 13.07% of the combined areas' value.

As in the total Project Area, the reductions in the top ten taxpayers' assessed value and the percentage of total assessed value are mostly due to the HDPT's decreased assessed value. Excluding the HDPT properties, the next top nine taxpayers' combined assessed value increased 5% from FY 2016-17, from \$474.9 million to \$499.3 million.

It is important to note that the lease agreement between HDPT and SCLA requires that in the event that property taxes paid by HDPT (net of taxing agency payments as described in this Report) are lower than \$2,000,000 per fiscal year, HDPT must pay the difference of \$2,000,000 and the amount of property tax paid (according to County records). This calculation is performed each year and the payment by HDPT is pledged toward debt service on the Bonds.

This provision of the lease agreement protects the Bonds from the HDPP's depreciation. However, this additional amount payable by HDPT is limited to \$1,000,000 per year. In FY 2017-18, the HDPP property has an assessed value of \$106.3 million. The HDPP property tax paid, net of pass through payments, is expected to equal less than \$800,000. Because the additional payment is limited to \$1,000,000, the reduced assessed value will result in a loss of approximately \$200,000 that would otherwise be available for the Bonds' debt service. This loss is already factored into this Report's tax increment revenue projections.

2017-18 Top Ten Secured & Unsecured Taxpayers				Exhibit 7B
Victor Valley Redevelopment Agency - Combined Victorville and SCLA Areas				
Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1 High Desert Power Trust	3	Industrial	\$ 106,300,000	1.94%
2 Stirling Capital Investments	21	Industrial and Vacant Land	104,350,536	1.91%
3 The American Bottling Co.	3	Industrial and Unsecured	94,343,062	1.72%
4 Cemex Construction Materials Pacific	9	Industrial and Vacant Land	70,592,787	1.29%
5 Wal-Mart Stores, Inc.	16	Commercial, Vacant Land, and Unsecured	65,325,947	1.19%
6 General Electric Co.	3	Industrial and Unsecured	58,472,471	1.07%
7 Victor Valley Hospital Real Estate, LLC	4	Hospital and Unsecured	35,847,940	0.65%
8 Plastipak Packaging, Inc.	2	Unsecured	28,713,374	0.52%
9 Bear Valley Partners	11	Commercial	21,531,954	0.39%
10 Riverton of the High Desert	1	Multi-Family Residential	20,159,774	0.37%
<b>Total</b>	<b>70</b>		<b>\$ 605,637,845</b>	<b>11.06%</b>
<b>Total Project Area Assessed Value</b>			<b>\$ 5,474,224,582</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 \$116.9 million of value, or 4.64% of the total Amendment VIII area's value. Both represent an increase, from the value held by the FY 2016-17 top ten taxpayers (\$110.7 million) and from the percentage of the area's total assessed value (4.63%). The area's total assessed value continues its fast growth trend, this time from approximately \$2.39 billion in FY 2016-17 to more than \$2.52 billion.

<b>2017-18 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7C</b>
<b>Victor Valley Redevelopment Agency - Amendment VIII Added Area (Combined)</b>					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Wilmington Victorville, LLC	2	Commercial	\$ 19,215,041	0.76%
2	VNF Properties	4	Commercial and Vacant Land	18,752,320	0.74%
3	NHP Sterling, LLC	3	Multi-Family Housing and Hospital	18,449,502	0.73%
4	KB Home Greater Los Angeles, Inc.	167	Single Family Residential and Vacant Land	12,724,582	0.51%
5	JSAK Victorville Partners, LP	2	Hotel and Vacant Land	9,786,198	0.39%
6	HD Development of Maryland, Inc.	1	Commercial	8,465,228	0.34%
7	Ryu Real Estate Holdings, LP	3	Commercial	8,235,900	0.33%
8	Leaton, Michael Guy	6	Commercial	7,212,165	0.29%
9	Wal-Mart Stores, Inc.	11	Vacant Land	7,144,716	0.28%
10	Prime A Investments, LLC	296	Vacant Land	6,913,768	0.27%
<b>Total</b>		<b>495</b>		<b>\$ 116,899,420</b>	<b>4.64%</b>
<b>Total Project Area Assessed Value</b>				<b>\$ 2,518,797,263</b>	
<i>Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls</i>					

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

**Victorville Area (Original, IV, VIII)**

In the Victorville areas, the top ten taxpayers represent \$304.4 million of value, or 6.04% of the total Victorville area's value, shown in Exhibit 7D. The value is slightly higher and the percentage is slightly lower than in FY 2016-17, when the top ten taxpayers' assessed value of \$301.6 million contributed 6.27% to the area's total assessed value (shown in Exhibit 7D in the FY 2016-17 Continuing Disclosure Report). This combination of trends reflects diversified growth in assessed value.

<b>2017-18 Top Ten Secured &amp; Unsecured Taxpayers</b>					<b>Exhibit 7D</b>
<b>Victor Valley Redevelopment Agency - Victorville Area (Original, IV, VIII)</b>					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	Cemex Construction Materials Pacific	9	Industrial and Vacant Land	\$ 70,592,787	1.40%
2	Wal-Mart Stores, Inc.	16	Commercial, Vacant Land, and Unsecured	65,325,947	1.30%
3	Victor Valley Hospital Real Estate, LLC	4	Hospital and Unsecured	35,847,940	0.71%
4	Bear Valley Partners	11	Commercial	21,531,954	0.43%
5	Riverton of the High Desert	1	Multi-Family Residential	20,159,774	0.40%
6	Wilmington Victorville, LLC	2	Commercial	19,215,041	0.38%
7	VNF Properties	4	Commercial and Vacant Land	18,752,320	0.37%
8	NHP Sterling, LLC	3	Multi-Family Housing and Hospital	18,449,502	0.37%
9	Victorian 124, LP	1	Multi-Family Residential	18,083,383	0.36%
10	Prime A Investments, LLC	582	Single Family Residential and Vacant Land	16,468,109	0.33%
<b>Total</b>		<b>633</b>		<b>\$ 304,426,757</b>	<b>6.04%</b>
<b>Total Project Area Assessed Value</b>				<b>\$ 5,036,897,575</b>	

*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 2017-18 top ten taxpayers make up approximately \$417.8 million of the SCLA Original Area value, shown in Exhibit 7E, an approximately 21% decrease from the top ten taxpayers' assessed value reported in Exhibit 7E in the FY 2016-17 Continuing Disclosure Report. This decrease is primarily due to a \$118.5 million decrease in the assessed value of HDPT's property. The percentage of value held by the FY 2017-18 top ten taxpayers, 95.53%, is slightly lower than the 96.06% reported in the FY 2016-17 Continuing Disclosure Report.

While the SCLA Original Area continues to have a very non-diverse property tax base, there is a bright spot in terms of value growth. Aside from HDPT, who remains the top taxpayer despite its property's assessed value decrease, the other taxpayers' assessed value increased by 2.3%, or approximately \$7.5 million, from FY 2016-17. As was the case last year, however, two of the FY 2017-18 top ten taxpayers in the SCLA Original Area (Plastipak Packaging, Inc. and International Aerospace Coatings) only have unsecured property value in the area, which is unstable relative to secured property value.

2017-18 Top Ten Secured & Unsecured Taxpayers					Exhibit 7E
Victor Valley Redevelopment Agency - SCLA Original Area					
	Taxpayer	No. of Parcels	Land Use(s)	Assessed Value	% of Total
1	High Desert Power Trust	3	Industrial	\$ 106,300,000	24.31%
2	Stirling Capital Investments	21	Industrial and Vacant Land	104,350,536	23.86%
3	The American Bottling Co.	2	Industrial and Unsecured	94,241,262	21.55%
4	General Electric Co.	3	Industrial and Unsecured	58,472,471	13.37%
5	Plastipak Packaging, Inc.	2	Unsecured	28,713,374	6.57%
6	Leading Edge Aviation Services, Inc.	3	Airport Related and Unsecured	7,934,000	1.81%
7	The Boeing Company, Inc	5	Airport Related and Unsecured	5,209,025	1.19%
8	Pacific Aerospace Resources & Technology	5	Airport Related	5,082,195	1.16%
9	International Aerospace Coatings	1	Unsecured	4,042,968	0.92%
10	Southern California Aviation, LLC	4	Airport Related and Unsecured	3,433,856	0.79%
Total		46		\$ 417,779,687	95.53%
Total Project Area Assessed Value				\$ 437,327,007	

*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 approximately \$9.0 million of value, or 3.32% of the area's total value, shown in Exhibit 7F. This represents a decrease in both value and percentage of total value from FY 2016-17, when the top ten taxpayers' provided \$9.3 million, or 3.61% of the area's total assessed value (shown in Exhibit 7F in the FY 2016-17 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>2017-18 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 Total
1	RJG Properties LLC	1	Industrial	\$ 3,264,000	1.20%
2	Inland Group, LLC	2	Commercial	1,335,388	0.49%
3	Dorghalli, Rami	1	Commercial	795,781	0.29%
4	Youssef, Khaled	2	Single Family Residential	582,100	0.21%
5	Vergara, Norberto	4	Single Family Residential	554,811	0.20%
6	Rodriguez, Sergio	2	Single Family Residential	537,464	0.20%
7	Bigbee, Michael J.	1	Commercial	519,344	0.19%
8	Chavez, Ruben J	2	Single Family Residential	492,100	0.18%
9	Federal National Mortgage Association	3	Single Family Residential	486,100	0.18%
10	Hane, Jerald D & Sheryl J Family Trust	2	Single Family Residential	476,000	0.17%
<b>Total</b>		<b>20</b>		<b>\$ 9,043,088</b>	<b>3.32%</b>
<b>Total Project Area Assessed Value</b>				<b>\$ 272,677,244</b>	
<i>Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls</i>					

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

**Apple Valley Area (Original, VIII)**

The top ten taxpayers in the Apple Valley areas contributed approximately \$164.9 million of value, or 14.81% of the total assessed value in the Apple Valley areas, shown in Exhibit 7G. The top ten taxpayers' assessed value increased from last year. Meanwhile their percentage of total assessed value decreased due to a 5% increase in total assessed value and the sale by Lewis Group of two of its properties owned last year, resulting in greater ownership diversification. In FY 2016-17, the top ten taxpayers contributed \$159.2 million, or 15.02% of the total assessed value in the Apple Valley areas (shown in Exhibit 7G in the FY 2016-17 Continuing Disclosure Report).

2017-18 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 Total
1	Apple Valley Ranchos Water Co.	7	Public Facilities and Vacant Land	\$ 54,843,995	4.92%
2	Lewis Group	32	Commercial and Vacant Land	26,177,465	2.35%
3	Target Corp.	2	Commercial and Unsecured	22,272,736	2.00%
4	Wal-Mart Stores, Inc.	3	Commercial, Vacant Land, and Unsecured	15,019,516	1.35%
5	MHC Los Ranchos, LP	3	Mobile Home Park	12,656,491	1.14%
6	ABS CA-O, LLC	1	Commercial	7,639,493	0.69%
7	Lakritz Family Partnership	5	Medical Office	7,207,635	0.65%
8	Corwin Medical Center, LP	2	Medical Office	7,187,282	0.65%
9	FGFW IV, LLC	1	Vacant Land	6,075,700	0.55%
10	Ross, Carl E. Living Trust 5/23/91	22	Vacant Land	5,866,123	0.53%
Total		78		\$ 164,946,436	14.81%
Total Project Area Assessed Value				\$ 1,113,829,338	
<i>Source: San Bernardino County Assessor Secured and Unsecured Tax Rolls</i>					

**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 owned \$336.1 million of value, or 54.20% of the San Bernardino County areas' assessed value in FY 2017-18, as shown in Exhibit 7H. Both represent a slight decrease from last year. In FY 2016-17, the top ten taxpayers had \$341.3 million, or 55.64% of the total assessed value in the San Bernardino County areas (shown in Exhibit 7H in the FY 2016-17 Continuing Disclosure Report).

<b>2017-18 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 Total
1 Calportland Co.	28	Industrial and Vacant Land	\$ 309,939,123	49.97%
2 Cutting Edge Concrete SVCS, Inc.	2	Unsecured	7,615,532	1.23%
3 Arakelian Enterprises, Inc.	1	Unsecured	3,068,478	0.49%
4 Professional Equities International	16	Vacant Land	2,603,501	0.42%
5 Ross, Carl E. Living Trust 5/23/91	22	Vacant Land	2,603,500	0.42%
6 Dr. Prem Reddy Family Foundation	24	Vacant Land	2,335,000	0.38%
7 Calmat Co.	3	Vacant Land and Unsecured	2,190,885	0.35%
8 Seasons Land Corp.	66	Single Family Residential and Vacant Land	2,075,412	0.33%
9 Sustainable Power Group	1	Industrial	1,889,483	0.30%
10 Dora Land, Inc.	17	Vacant Land	1,808,971	0.29%
<b>Total</b>	<b>180</b>		<b>\$ 336,129,885</b>	<b>54.20%</b>
		<b>Total Project Area Assessed Value</b>	<b>\$ 620,217,182</b>	

*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 \$33.1 million of value, or 4.07% of the areas' total assessed value, shown in Exhibit 7I. Compared to FY 2016-17, the value held by the top ten taxpayers and the percentage of the Adelanto areas' total assessed value decreased, mostly due to the sale of Western Pacific Housing, Inc.'s developed homes to individual property owners. Total assessed value increased from FY 2016-17. In that year, the top ten taxpayers' value was \$37.7 million, or 4.90% of the Adelanto Area's total assessed value (shown in Exhibit 7I in the FY 2016-17 Continuing Disclosure Report).

2017-18 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 Total
1	Niaz, LLC	1	Industrial	\$ 5,795,731	0.71%
2	Adelanto Plaza, LLC	2	Commercial	5,196,854	0.64%
3	Mojave and 395, LLC	1	Vacant Land	3,600,000	0.44%
4	Mountain Quail Properties, Inc.	19	Single Family Residential	3,461,370	0.43%
5	Adelanto Solar, LLC	20	Industrial, Vacant Land, and Unsecured	2,971,704	0.37%
6	Mohrekesk, Ozzie Trust 2/21/06	5	Vacant Land	2,698,500	0.33%
7	Lewis Group	12	Commercial and Vacant Land	2,679,000	0.33%
8	Mileski Living Trust	11	Vacant Land	2,251,140	0.28%
9	Gateway Plaza Group, LLC	3	Vacant Land	2,245,040	0.28%
10	Adelanto Seneca Land, LLC	1	Vacant Land	2,224,438	0.27%
Total		75		\$ 33,123,777	4.07%
Total Project Area Assessed Value				\$ 813,137,310	

*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. Exhibit 9 summarizes the Project Area's assessment appeal history for the previous five years, including the current year, as of December 5, 2017.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Assessment Appeal History						Exhibit 9
Southern California Logistics Airport Authority - VVEDA Project Area						
	2013-14	2014-15	2015-16	2016-17	2017-18*	5 Year Total
Project Area Total Assessed Value	\$6,781,064,361	\$7,051,043,813	\$7,501,256,354	\$8,056,599,221	\$8,294,085,656	\$37,684,049,405
<b>All Appeals</b>						
Total Number of Appeals <sup>1</sup>	323	276	232	298	42	1,171
Total Requested Reduction of All Appeals	\$186,574,326	\$250,610,487	\$152,278,345	\$413,636,007	\$55,218,105	\$1,058,317,270
Number of Withdrawn / Denied Appeals	181	169	175	49	8	582
Number of Stipulated (Successful) Appeals	133	100	48	12	0	293
Total Number of Finalized Appeals	314	269	223	61	8	875
Rate of Successful Appeals <sup>2</sup>	42.4%	37.2%	21.5%	19.7%	0.0%	33.5%
Number of Appeals Pending Decisions	9	7	9	237	34	296
<b>Appeals With Stipulated (Successful) Decisions</b>						
Requested Reduction Amount	\$56,150,098	\$68,167,464	\$21,243,736	\$11,988,664	\$55,218,105	\$212,768,067
Granted Reduction Amount	\$34,165,185	\$34,973,777	\$9,713,013	\$3,237,069	\$0	\$82,089,044
Total Granted Reduction Amount versus Requested Reduction Amount <sup>3</sup>	60.8%	51.3%	45.7%	27.0%	0.0%	38.6%
Granted Reduction As % of Total Assessed Value <sup>4</sup>	0.5%	0.5%	0.1%	0.0%	0.0%	N/A
<b>Appeals Pending Decision</b>						
Total Assessed Value of Pending Appeals	\$4,761,291	\$4,363,714	\$22,521,571	\$454,274,586	\$104,309,416	\$590,230,578
Requested Reduction Amount	\$3,419,349	\$2,203,662	\$9,257,683	\$348,437,808	\$51,199,821	\$414,518,323
Requested Reduction As % of Project Area Assessed Value <sup>5</sup>	0.1%	0.0%	0.1%	4.3%	0.6%	N/A
* The number of appeals for 2017-18 may increase as the County Board of Appeals was still entering appeals into its database as of December 5, 2017.						
<sup>1</sup> Total appeals filed from 2013 through 2017 - Appeals where the applicant requested a higher value than the current assessed value were excluded because of potential flaws in the data.						
<sup>2</sup> The number of stipulated appeals versus the total number of finalized appeals.						
<sup>3</sup> The total value of all granted reductions versus the total value of all requested reductions.						
<sup>4</sup> The granted reduction amount versus the total project area assessed value.						
<sup>5</sup> The pending requested reduction amount versus the total project area assessed value.						
Source: San Bernardino County Assessor's Office and San Bernardino County Auditor-Controller						

Over the past five years, 293 of the 875 (33.5%) appeals filed and completely adjudicated in the VVEDA Project Area were granted. There are 34 unresolved appeals in the Project Area for FY 2017-18<sup>1</sup>, 237 unresolved appeals for FY 2016-17, and a total of 25 unresolved appeals for the three years prior to FY 2016-17. It is important to note that a high number of pending appeals in the two most recent fiscal years is the norm in other years and other counties. Typically, almost all appeals filed for a given fiscal year are resolved by the end of the third year thereafter. The Project Area currently has slightly fewer pending appeals than last year and many fewer pending appeals than in previous years.

The unresolved appeals in FY 2017-18 create a potential loss of \$51.2 million (0.6% of the Project Area Assessed Value) if all of the requested reductions were fully granted. In FY 2016-17, the unresolved appeals could lead to a loss of \$348.4 million (4.3% of the Project Area Assessed Value in that year). The pending appeals in FYs 2013-14 through 2015-16 could generate a total loss of \$14.9 million.

<sup>1</sup> The San Bernardino County Clerk of the Board had not completed entering in the information for all appeals filed for the 2017-18 year into its database by the time this report was prepared. It is expected that the number of pending appeals will be higher in 2017-18 than is noted in Exhibit 9.



It is important to note that in every single year with a significant number of appeals completely adjudicated, the total granted reduction amount is less than 61% of the requested reduction amount in that year. Moreover, granted reductions have not exceeded 0.5% 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 consistently less than 1%.

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

Proposition 8 (1978) 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 review automatically 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 declined 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.

An increase in the number and value of appeals starting in FY 2016-17 reflects that values have risen enough to elicit action from more property owners who feel that their properties' actual values are less than assessed values. At this inflection point, appeals have not increased to the point that they are likely to affect revenues significantly yet. If values continue to rise at recent rates, it is possible that appeals will increase and therefore have a more notable effect on revenues. It should be noted, however, that 68% of the requested reduction of all FY 2016-17 appeals (and 80% of the requested reduction of pending FY 2016-17 appeals) comes from a single appeal submitted by Calportland Co.

**Top Ten Taxpayer Pending Appeals**

**Victorville Area**

Three of the current top ten taxpayers in the Victorville portion of the Project Area filed 11 of the unresolved appeals shown in Exhibit 9 over three years. These appeals included the following:

- NHP Sterling, LLC filed two appeals requesting a total reduction of \$5.2 million in 2016;
- Bear Valley Partners filed three appeals in 2016 and two appeals in 2017 requesting total reductions of \$5.1 million and \$4.7 million, respectively; and
- Wal-Mart Stores, Inc. filed two appeals in 2015 and two appeals in 2016 to request total reductions of \$4.5 million and \$4.0 million, respectively.

The FY 2016-17 amounts requested equal 0.10%, 0.10% and 0.08%, respectively, of the assessed value in the Victorville portion of the Project Area. Even if the full requested appeal amount were granted, Wal-Mart Stores, Inc. and Bear Valley Partners would remain on the list of top ten taxpayers for FY 2016-17 (they ranked #2 and #4 last year, respectively). If granted, the appeals filed by NHP Sterling, LLC would remove it from last year's list as the taxpayer was #8 on the top ten list and requested a 29% reduction in its properties' assessed value.

**County Area**

Two of the top ten taxpayers in the San Bernardino County portion of the Project Area filed two of the unresolved appeals from FY 2016-17 shown in Exhibit 9.

- Calportland Co. filed an appeal to request a \$279.9 million reduction of its \$303.8 million assessed value. It appears that Calportland Co. is appealing the entire value of its primary improvement (i.e., the building).
- Sustainable Power Group filed an unresolved appeal in FY 2016-17 requesting a \$1.1 million reduction.

If the appeals for 2016 were granted, Calportland Co. would remain in the County portion's top ten taxpayer list, while Sustainable Power Group would drop from the list.

**Apple Valley Area**

Two of the top ten taxpayers in the Apple Valley portion of the Project Area represent six of the unresolved appeals over four years shown in Exhibit 9.

- Target Corporation filed one appeal each in 2013, 2014, 2015, and 2016, requesting reductions of \$2.2 million, \$1.3 million, \$1.1 million, and \$935,212, respectively.
- Wal-Mart Stores, Inc. filed two currently pending appeals between 2015 and 2016 with requested reductions of \$296,880 and \$407,230, respectively.

Neither of these appeals would remove the appellants from the top ten taxpayers list.

**Adelanto Area**

None of the top ten taxpayers in the Adelanto portion of the Project Area have filed any of the unresolved appeals shown in Exhibit 9.

**Hesperia Area**

None of the top ten taxpayers in the Hesperia portion of the Project Area have filed any of the unresolved appeals shown in Exhibit 9.

**SCLA Area**

Although not as part of an appeal, HDPT's assessed value was reduced from \$224.8 million in FY 2016-17 to \$106.3 million in FY 2017-18 by the SBE following the properties' sale. The three parcels owned by HDPT, the 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.

It is important to note that the lease agreement between HDPT and SCLA requires that in the event that property taxes paid by HDPT (net of taxing agency payments as described in this Report) are lower than \$2,000,000 per fiscal year, HDPT must pay the difference of \$2,000,000 and the amount of property tax paid (according to County records). This calculation is performed each year and the payment by HDPT is pledged toward debt service on the Bonds.

This provision of the lease agreement protects the Bonds from the HDPP's depreciation. However, this additional amount payable by HDPT is limited to \$1,000,000 per year. In FY 2017-18, the HDPP property has an assessed value of \$106.3 million. The HDPP property tax paid, net of pass through payments, is expected to equal less than \$800,000. Because the additional payment is limited to \$1,000,000, the reduced assessed value will result in a loss of approximately \$200,000 that would otherwise be available for the Bonds' debt service. This loss is already factored into this Report's tax increment revenue projections.

One of the other top ten taxpayers in the SCLA Area filed appeals still unresolved.

- General Electric Co., the fourth largest taxpayer in the SCLA Area, filed one pending appeal in 2017 for a reduction of \$20.8 million. This request represents 4.8% of the SCLA Area's current assessed value.

## 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 this 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.

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 through 10O 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 2018-19 year, the SBE established the inflationary growth rate to be 2.00%. To estimate the revenue forecast conservatively, the following tables assume 2.00% growth for FY 2018-19, in accordance with the established growth rate, 1.75% in FYs 2019-20 and 2020-21, and a 2.00% annual increase thereafter.

These projections are conservative with regard to value growth and assume that the revenues pledged for the Bonds are allowed to be used for that purpose.

The coverage ratio in the combined (housing and non-housing) projections is lowest in FY 2017-18 at 1.26 and increases after that. That same number is 1.14 for the non-housing bonds alone and 1.84 for the housing bonds alone. As mentioned previously, Dissolution Law allows all tax increment revenues generated within a redevelopment project area (housing and non-housing) to be used to satisfy bond debt obligations.

**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10A										
Combined Housing and Non-Housing Tax Increment Projections										
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
2017-18	44,950,625	(12,042,294)	13,091,103	13,966,753	5,850,475	27,057,856	17,975,837	3,521,824	1.26	5,560,195
2018-19*	46,779,711	(12,595,486)	13,554,983	14,533,779	6,095,463	28,088,763	17,972,478	3,516,914	1.31	6,599,371
2019-20	48,479,337	(13,134,669)	14,060,971	14,989,177	6,314,520	29,030,148	17,961,065	3,519,266	1.35	7,549,817
2020-21	49,935,533	(13,582,354)	14,461,077	15,354,859	6,537,243	29,815,936	17,956,703	3,514,018	1.39	8,345,216
2021-22	51,628,882	(14,102,964)	14,926,230	15,803,344	6,796,344	30,729,574	17,946,988	3,516,116	1.43	9,266,470
2022-23	53,356,097	(14,634,241)	15,400,464	16,260,671	7,060,721	31,661,135	17,941,292	3,515,285	1.48	10,204,558
2023-24	55,117,856	(15,176,144)	15,884,102	16,727,145	7,330,465	32,611,247	17,929,891	3,510,968	1.52	11,170,388
2024-25	56,914,851	(15,728,886)	16,377,346	17,202,948	7,605,672	33,580,293	17,921,479	3,508,080	1.57	12,150,735
2025-26	58,747,786	(16,292,941)	16,880,395	17,688,137	7,886,313	34,568,532	17,915,858	3,506,953	1.61	13,145,722
2026-27	60,617,379	(16,868,886)	17,393,455	18,182,726	8,172,312	35,576,181	17,906,831	3,507,338	1.66	14,162,012
2027-28	62,524,364	(17,456,349)	17,916,731	18,687,207	8,464,077	36,603,938	17,893,539	3,504,100	1.71	15,206,299
2028-29	64,469,489	(18,055,562)	18,450,434	19,201,777	8,761,716	37,652,211	17,883,535	3,501,284	1.76	16,267,392
2029-30	66,453,516	(18,666,760)	18,994,776	19,726,639	9,065,342	38,721,415	17,875,410	3,498,596	1.81	17,347,409
2030-31	68,477,224	(19,290,181)	19,549,974	20,261,998	9,375,071	39,811,972	17,859,898	3,496,540	1.86	18,455,534
2031-32	70,541,406	(19,926,070)	20,116,249	20,808,064	9,691,023	40,924,313	17,836,344	3,499,725	1.92	19,588,244
2032-33	72,646,872	(20,574,678)	20,693,824	21,365,051	10,013,319	42,058,875	17,816,855	3,491,700	1.97	20,750,320
2033-34	74,794,447	(21,236,258)	21,282,928	21,933,179	10,342,083	43,216,107	17,797,313	3,487,264	2.03	21,931,531
2034-35	76,984,973	(21,911,069)	21,883,794	22,512,668	10,677,442	44,396,463	17,785,241	3,487,151	2.09	23,124,070
2035-36	79,219,310	(22,602,035)	22,496,542	23,102,419	11,018,315	45,598,961	17,763,843	3,485,960	2.15	24,349,158
2036-37	81,498,334	(23,306,820)	23,121,528	23,703,964	11,366,022	46,825,492	17,746,169	3,478,551	2.21	25,600,772
2037-38	83,822,939	(24,025,700)	23,758,999	24,317,540	11,720,699	48,076,539	17,724,790	3,474,648	2.27	26,877,101
2038-39	86,194,035	(24,842,420)	24,384,016	24,901,657	12,065,941	49,285,674	17,707,268	3,473,708	2.33	28,104,699
2039-40	88,612,553	(25,675,474)	25,021,524	25,497,457	12,418,098	50,518,981	17,681,444	3,465,468	2.39	29,372,069
2040-41	91,079,442	(26,525,189)	25,671,771	26,105,173	12,777,309	51,776,943	17,659,858	3,464,511	2.45	30,652,574
2041-42	93,595,668	(27,391,899)	26,335,013	26,725,042	13,143,714	53,060,055	17,634,709	3,460,298	2.52	31,965,049
2042-43	96,162,219	(28,275,942)	27,011,512	27,357,310	13,517,456	54,368,921	17,608,145	3,452,563	2.58	33,308,114
2043-44	98,780,101	(29,177,667)	27,701,532	28,002,222	13,898,680	55,703,754	17,582,060	3,450,765	2.65	34,670,929
2044-45	101,450,341	(30,097,426)	28,405,041	28,660,033	14,287,841	57,065,074	18,085,000	-	3.16	38,980,074
2045-46	104,173,985	(31,035,580)	29,121,887	29,331,000	14,685,518	58,452,887	18,085,000	-	3.23	40,367,887
2046-47	106,952,102	(31,992,497)	29,853,070	30,015,386	15,091,149	59,868,456	18,085,000	-	3.31	41,783,456
2047-48	109,785,782	(32,968,553)	30,598,876	30,713,461	15,504,892	61,312,337	18,085,000	-	3.39	43,227,337
2048-49	112,676,135	(33,964,129)	31,359,599	31,425,496	15,926,911	62,785,095	18,085,000	-	3.47	44,700,095
2049-50	115,624,295	(34,979,618)	32,135,536	32,151,772	16,357,369	64,287,308	18,085,000	-	3.55	46,202,308
TOTAL 51	440,000,440.1	(105,045,445.1)	200,000,000.0	200,000,000.0	100,000,000.0	500,000,000.0	100,000,000.0	100,000,000.0	3.54	177,000,000.0

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

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.





**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10B												
Non-Housing Tax Increment Projections												
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 20%	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 After Debt Service		
2017-18	44,950,625	(8,990,125)	(12,042,294)	7,464,655	13,107,808	3,345,744	20,572,463	17,975,837	1.14	2,596,626		
2018-19*	46,779,711	(9,355,942)	(12,595,486)	7,720,669	13,626,921	3,480,693	21,347,591	17,972,478	1.19	3,375,113		
2019-20	48,479,337	(9,695,867)	(13,134,669)	7,995,892	14,051,564	3,601,345	22,047,456	17,961,065	1.23	4,086,391		
2020-21	49,935,533	(9,987,107)	(13,582,354)	8,216,376	14,425,675	3,724,022	22,642,051	17,956,703	1.26	4,685,348		
2021-22	51,628,882	(10,325,776)	(14,102,964)	8,472,705	14,860,704	3,866,733	23,333,409	17,946,988	1.30	5,386,421		
2022-23	53,356,097	(10,671,219)	(14,634,241)	8,733,984	15,304,306	4,012,346	24,038,290	17,941,292	1.34	6,096,998		
2023-24	55,117,856	(11,023,571)	(15,176,144)	9,000,447	15,756,780	4,160,913	24,757,227	17,929,891	1.38	6,827,336		
2024-25	56,914,851	(11,382,970)	(15,728,886)	9,272,204	16,218,304	4,312,487	25,490,508	17,921,479	1.42	7,569,029		
2025-26	58,747,786	(11,749,557)	(16,292,941)	9,549,365	16,688,929	4,466,994	26,238,294	17,915,858	1.46	8,322,437		
2026-27	60,617,379	(12,123,476)	(16,868,886)	9,832,044	17,168,661	4,624,313	27,000,705	17,906,831	1.51	9,093,874		
2027-28	62,524,364	(12,504,873)	(17,456,349)	10,120,353	17,657,989	4,784,801	27,778,341	17,893,539	1.55	9,884,803		
2028-29	64,469,489	(12,893,898)	(18,055,562)	10,414,407	18,157,103	4,948,519	28,571,510	17,883,535	1.60	10,687,975		
2029-30	66,453,516	(13,290,703)	(18,666,760)	10,714,325	18,666,199	5,115,530	29,380,524	17,875,410	1.64	11,505,114		
2030-31	68,477,224	(13,695,445)	(19,290,181)	11,020,225	19,185,477	5,285,896	30,205,702	17,859,898	1.69	12,345,805		
2031-32	70,541,406	(14,108,281)	(19,926,070)	11,332,229	19,715,141	5,459,685	31,047,370	17,836,344	1.74	13,211,026		
2032-33	72,646,872	(14,529,374)	(20,574,678)	11,650,460	20,255,398	5,636,962	31,905,858	17,816,855	1.79	14,089,003		
2033-34	74,794,447	(14,958,889)	(21,236,258)	11,975,044	20,806,460	5,817,796	32,781,504	17,797,313	1.84	14,984,191		
2034-35	76,984,973	(15,396,995)	(21,911,069)	12,306,109	21,368,543	6,002,258	33,674,652	17,785,241	1.89	15,889,411		
2035-36	79,219,310	(15,843,862)	(22,602,035)	12,643,669	21,940,539	6,189,206	34,584,208	17,763,843	1.95	16,820,365		
2036-37	81,498,334	(16,299,667)	(23,306,820)	12,987,971	22,523,975	6,379,902	35,511,945	17,746,169	2.00	17,765,777		
2037-38	83,822,939	(16,764,588)	(24,025,700)	13,339,151	23,119,079	6,574,420	36,458,230	17,724,790	2.06	18,733,440		
2038-39	86,194,035	(17,238,807)	(24,842,420)	13,672,160	23,684,355	6,756,293	37,356,514	17,707,268	2.11	19,649,247		
2039-40	88,612,553	(17,722,511)	(25,675,474)	14,011,823	24,260,936	6,941,809	38,272,760	17,681,444	2.16	20,591,316		
2040-41	91,079,442	(18,215,888)	(26,525,189)	14,358,276	24,849,049	7,131,039	39,207,325	17,659,858	2.22	21,547,468		
2041-42	93,595,668	(18,719,134)	(27,391,899)	14,711,653	25,448,925	7,324,058	40,160,578	17,634,709	2.28	22,525,869		
2042-43	96,162,219	(19,232,444)	(28,275,942)	15,072,094	26,060,798	7,520,941	41,132,892	17,608,145	2.34	23,524,747		
2043-44	98,780,101	(19,756,020)	(29,177,687)	15,439,740	26,684,908	7,721,766	42,124,648	17,582,060	2.40	24,542,588		
2044-45	101,450,341	(20,290,068)	(30,097,426)	15,814,601	27,321,501	7,926,745	43,136,101	18,085,000	2.39	25,051,101		
2045-46	104,173,985	(20,834,797)	(31,035,580)	16,196,633	27,970,825	8,136,150	44,167,458	18,085,000	2.44	26,082,458		
2046-47	106,952,102	(21,390,420)	(31,992,497)	16,586,305	28,633,136	8,349,743	45,219,441	18,085,000	2.50	27,134,441		
2047-48	109,785,782	(21,957,156)	(32,968,553)	16,983,772	29,308,693	8,567,608	46,292,464	18,085,000	2.56	28,207,464		
2048-49	112,676,135	(22,535,227)	(33,964,129)	17,389,187	29,997,761	8,789,831	47,386,948	18,085,000	2.62	29,301,948		
2049-50	115,624,295	(23,124,859)	(34,979,618)	17,802,711	30,700,611	9,016,497	48,503,321	18,085,000	2.68	30,418,321		
2050-51	118,631,419	(23,726,284)	(36,015,416)	18,224,505	31,417,517	9,247,697	49,642,022	18,085,000	2.74	31,557,022		

\* Debt service payments are grouped by fiscal year and not bond year

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**FISCAL CONSULTANT REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10C									
Housing Set-Aside Tax Increment Projections									
Southern California Logistics Airport Authority - WEDA 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>2</sup>	Total Housing Pledge Revenue (Victorville + SCLA)	Total Debt Service Obligations by Fiscal Year <sup>3</sup>	Coverage (using Total Pledge Revenue)	Remaining Revenue After Debt Service
2017-18	44,950,625	(8,990,125)	5,626,448	858,945	2,504,732	6,485,393	3,521,824	1.84	2,963,569
2018-19*	46,779,711	(9,355,942)	5,834,314	906,858	2,614,770	6,741,172	3,516,914	1.92	3,224,258
2019-20	48,479,337	(9,695,867)	6,065,079	917,613	2,713,175	6,982,693	3,519,266	1.98	3,463,426
2020-21	49,935,533	(9,987,107)	6,244,701	929,184	2,813,221	7,173,885	3,514,018	2.04	3,659,868
2021-22	51,628,882	(10,325,776)	6,453,525	942,640	2,929,611	7,396,165	3,516,116	2.10	3,880,049
2022-23	53,356,097	(10,671,219)	6,666,480	956,365	3,048,375	7,622,845	3,515,285	2.17	4,107,560
2023-24	55,117,856	(11,023,571)	6,883,655	970,364	3,169,552	7,854,020	3,510,968	2.24	4,343,052
2024-25	56,914,851	(11,382,970)	7,105,142	984,644	3,293,185	8,089,786	3,508,080	2.31	4,581,706
2025-26	58,747,786	(11,749,557)	7,331,030	999,209	3,419,319	8,330,238	3,506,953	2.38	4,823,286
2026-27	60,617,379	(12,123,476)	7,561,411	1,014,065	3,548,000	8,575,476	3,507,338	2.45	5,068,138
2027-28	62,524,364	(12,504,873)	7,796,379	1,029,218	3,679,276	8,825,597	3,504,100	2.52	5,321,497
2028-29	64,469,489	(12,893,898)	8,036,027	1,044,674	3,813,197	9,080,701	3,501,284	2.59	5,579,417
2029-30	66,453,516	(13,290,703)	8,280,451	1,060,440	3,949,812	9,340,891	3,498,596	2.67	5,842,295
2030-31	68,477,224	(13,695,445)	8,529,749	1,076,521	4,089,175	9,606,270	3,496,540	2.75	6,109,730
2031-32	70,541,406	(14,108,281)	8,784,020	1,092,923	4,231,338	9,876,943	3,499,725	2.82	6,377,218
2032-33	72,646,872	(14,529,374)	9,043,364	1,109,654	4,376,357	10,153,018	3,491,700	2.91	6,661,318
2033-34	74,794,447	(14,958,889)	9,307,884	1,126,719	4,524,286	10,434,603	3,487,264	2.99	6,947,339
2034-35	76,984,973	(15,396,995)	9,577,685	1,144,125	4,675,184	10,721,810	3,487,151	3.07	7,234,659
2035-36	79,219,310	(15,843,862)	9,852,873	1,161,880	4,829,109	11,014,753	3,485,960	3.16	7,528,793
2036-37	81,498,334	(16,299,667)	10,133,557	1,179,989	4,986,120	11,313,547	3,478,551	3.25	7,834,996
2037-38	83,822,939	(16,764,588)	10,419,848	1,198,461	5,146,279	11,618,309	3,474,648	3.34	8,143,661
2038-39	86,194,035	(17,238,807)	10,711,857	1,217,303	5,309,648	11,929,159	3,473,708	3.43	8,455,452
2039-40	88,612,553	(17,722,511)	11,009,700	1,236,521	5,476,290	12,246,221	3,465,468	3.53	8,780,753
2040-41	91,079,442	(18,215,888)	11,313,495	1,256,123	5,646,271	12,569,618	3,464,511	3.63	9,105,106
2041-42	93,595,668	(18,719,134)	11,623,360	1,276,118	5,819,656	12,899,477	3,460,298	3.73	9,439,180
2042-43	96,162,219	(19,232,444)	11,939,417	1,296,512	5,996,515	13,235,929	3,452,563	3.83	9,783,367
2043-44	98,780,101	(19,756,020)	12,261,791	1,317,314	6,176,915	13,579,106	3,450,765	3.94	10,128,341

<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> Pursuant to ABx1 26, AB 1484, and SB 107, the Successor Agency cannot allocate property tax increment to member jurisdictions based on the Joint Powers Agreement - Debt service payments are grouped by fiscal year and not bond year

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



# CONTINUING DISCLOSURE REPORT

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10D											
Tax Increment Projections											
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 28.28%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>											
2017-18	3,403,183,548	120,864,114		<b>1,168,446,878</b>	2,355,600,784	23,556,008	(4,711,202)	(6,661,236)	6,091,785	6,091,785	
2018-19*	3,471,247,219	120,864,114	5,612,882	3,524,047,662	2,429,277,337	24,292,773	(4,858,555)	(6,869,581)	6,282,319	6,282,319	
2019-20	3,537,606,927	120,864,114		3,658,471,041	2,490,024,163	24,900,242	(4,980,048)	(7,041,363)	6,439,415	6,439,415	
2020-21	3,599,515,049	120,864,114		3,720,379,163	2,551,932,285	25,519,323	(5,103,865)	(7,216,428)	6,599,515	6,599,515	
2021-22	3,671,505,349	120,864,114		3,792,369,463	2,623,922,585	26,239,226	(5,247,845)	(7,420,004)	6,785,688	6,785,688	
2022-23	3,744,935,456	120,864,114		3,865,799,570	2,697,352,692	26,973,527	(5,394,705)	(7,627,652)	6,975,585	6,975,585	
2023-24	3,819,834,166	120,864,114		3,940,698,280	2,772,251,402	27,722,514	(5,544,503)	(7,839,453)	7,169,279	7,169,279	
2024-25	3,896,230,849	120,864,114		4,017,094,963	2,848,648,085	28,486,481	(5,697,296)	(8,055,490)	7,366,848	7,366,848	
2025-26	3,974,155,466	120,864,114		4,095,019,580	2,926,572,702	29,265,727	(5,853,145)	(8,275,847)	7,568,367	7,568,367	
2026-27	4,053,638,575	120,864,114		4,174,502,689	3,006,055,811	30,060,558	(6,012,112)	(8,500,612)	7,773,917	7,773,917	
2027-28	4,134,711,347	120,864,114		4,255,575,461	3,087,128,583	30,871,286	(6,174,257)	(8,729,872)	7,983,578	7,983,578	
2028-29	4,217,405,574	120,864,114		4,338,269,688	3,169,822,810	31,698,228	(6,339,646)	(8,963,717)	8,197,433	8,197,433	
2029-30	4,301,753,685	120,864,114		4,422,617,799	3,254,170,921	32,541,709	(6,508,342)	(9,202,239)	8,415,564	8,415,564	
2030-31	4,387,788,759	120,864,114		4,508,652,873	3,340,205,995	33,402,060	(6,680,412)	(9,445,531)	8,638,058	8,638,058	
2031-32	4,475,544,534	120,864,114		4,596,408,648	3,427,961,770	34,279,618	(6,855,924)	(9,693,690)	8,865,002	8,865,002	
2032-33	4,565,055,425	120,864,114		4,685,919,539	3,517,472,661	35,174,727	(7,034,945)	(9,946,811)	9,096,485	9,096,485	
2033-34	4,656,356,533	120,864,114		4,777,220,647	3,608,773,769	36,087,738	(7,217,548)	(10,204,995)	9,332,598	9,332,598	
2034-35	4,749,483,664	120,864,114		4,870,347,778	3,701,900,900	37,019,009	(7,403,802)	(10,468,343)	9,573,432	9,573,432	
2035-36	4,844,473,337	120,864,114		4,965,337,451	3,796,890,573	37,968,906	(7,593,781)	(10,736,957)	9,819,084	9,819,084	
2036-37	4,941,362,804	120,864,114		5,062,226,918	3,893,780,040	38,937,800	(7,787,560)	(11,010,944)	10,069,648	10,069,648	
2037-38	5,040,190,060	120,864,114		5,161,054,174	3,992,607,296	39,926,073	(7,985,215)	(11,290,411)	10,325,224	10,325,224	
2038-39	5,140,993,861	120,864,114		5,261,857,975	4,093,411,097	40,934,111	(8,186,822)	(11,575,467)	10,585,911	10,585,911	
2039-40	5,243,813,738	120,864,114		5,364,677,852	4,196,230,974	41,962,310	(8,392,462)	(11,866,224)	10,851,812	10,851,812	
2040-41	5,348,690,013	120,864,114		5,469,554,127	4,301,107,249	43,011,072	(8,602,214)	(12,162,796)	11,123,031	11,123,031	
2041-42	5,455,663,813	120,864,114		5,576,527,927	4,408,081,049	44,080,810	(8,816,162)	(12,465,299)	11,399,674	11,399,674	
2042-43	5,564,777,090	120,864,114		5,685,641,204	4,517,194,326	45,171,943	(9,034,389)	(12,773,853)	11,681,851	11,681,851	
2043-44	5,676,072,631	120,864,114		5,796,936,745	4,628,489,867	46,284,899	(9,256,980)	(13,088,578)	11,969,671	11,969,671	
2044-45	5,789,594,084	120,864,114		5,910,458,198	4,742,011,320	47,420,113	(9,484,023)	(13,409,597)	12,263,247	12,263,247	
2045-46	5,905,385,966	120,864,114		6,026,250,080	4,857,803,202	48,578,032	(9,715,606)	(13,737,037)	12,562,694	12,562,694	
2046-47	6,023,493,685	120,864,114		6,144,357,799	4,975,910,921	49,759,109	(9,951,822)	(14,071,025)	12,868,131	12,868,131	
2047-48	6,143,963,559	120,864,114		6,264,827,673	5,096,380,795	50,963,808	(10,192,762)	(14,411,693)	13,179,676	13,179,676	
2048-49	6,266,842,830	120,864,114		6,387,706,944	5,219,260,066	52,192,601	(10,438,520)	(14,759,175)	13,497,453	13,497,453	
2049-50	6,392,179,687	120,864,114		6,513,043,801	5,344,596,923	53,445,969	(10,689,194)	(15,113,606)	13,821,585	13,821,585	
2050-51	6,520,023,280	120,864,114		6,640,887,394	5,472,440,516	54,724,405	(10,944,881)	(15,475,126)	14,152,199	14,152,199	





**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections										
Southern California Logistics Airport Authority - SCLA 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	Net Revenue to SCLA	
BY				7,854,350				26.51%	100%	
2017-18	301,273,508	136,053,499		437,327,007	429,472,657	4,294,727	(858,945)	(1,138,372)	2,297,409	
2018-19*	307,298,978	136,053,499	17,930,706	461,283,183	453,428,833	4,534,288	(906,858)	(1,201,871)	2,425,560	
2019-20	330,607,416	136,053,499		466,660,915	458,806,565	4,588,066	(917,613)	(1,216,125)	2,454,327	
2020-21	336,393,046	136,053,499		472,446,545	464,592,195	4,645,922	(929,184)	(1,231,461)	2,485,277	
2021-22	343,120,907	136,053,499		479,174,406	471,320,056	4,713,201	(942,640)	(1,249,294)	2,521,266	
2022-23	349,983,325	136,053,499		486,036,824	478,182,474	4,781,825	(956,365)	(1,267,484)	2,557,976	
2023-24	356,982,992	136,053,499		493,036,491	485,182,141	4,851,821	(970,364)	(1,286,037)	2,595,420	
2024-25	364,122,651	136,053,499		500,176,150	492,321,800	4,923,218	(984,644)	(1,304,962)	2,633,613	
2025-26	371,405,104	136,053,499		507,458,603	499,604,253	4,996,043	(999,209)	(1,324,265)	2,672,569	
2026-27	378,833,207	136,053,499		514,886,706	507,032,356	5,070,324	(1,014,065)	(1,343,954)	2,712,305	
2027-28	386,409,871	136,053,499		522,463,370	514,609,020	5,146,090	(1,029,218)	(1,364,037)	2,752,835	
2028-29	394,138,068	136,053,499		530,191,567	522,337,217	5,223,372	(1,044,674)	(1,384,522)	2,794,176	
2029-30	402,020,829	136,053,499		538,074,328	530,219,978	5,302,200	(1,060,440)	(1,405,416)	2,836,344	
2030-31	410,061,246	136,053,499		546,114,745	538,260,395	5,382,604	(1,076,521)	(1,426,728)	2,879,355	
2031-32	418,262,471	136,053,499		554,315,970	546,461,620	5,464,616	(1,092,923)	(1,448,466)	2,923,227	
2032-33	426,627,720	136,053,499		562,681,219	554,826,869	5,548,269	(1,109,654)	(1,470,639)	2,967,975	
2033-34	435,160,275	136,053,499		571,213,774	563,359,424	5,633,594	(1,126,719)	(1,493,256)	3,013,619	
2034-35	443,863,480	136,053,499		579,916,979	572,062,629	5,720,626	(1,144,125)	(1,516,325)	3,060,176	
2035-36	452,740,750	136,053,499		588,794,249	580,939,899	5,809,399	(1,161,880)	(1,539,855)	3,107,664	
2036-37	461,795,565	136,053,499		597,849,064	589,994,714	5,899,947	(1,179,989)	(1,563,856)	3,156,101	
2037-38	471,031,476	136,053,499		607,084,975	599,230,625	5,992,306	(1,198,461)	(1,588,337)	3,205,508	
2038-39	480,452,106	136,053,499		616,505,605	608,651,255	6,086,513	(1,217,303)	(1,613,308)	3,255,902	
2039-40	490,061,148	136,053,499		626,114,647	618,260,297	6,182,603	(1,236,521)	(1,638,778)	3,307,304	
2040-41	499,862,371	136,053,499		635,915,870	628,061,520	6,280,615	(1,256,123)	(1,664,757)	3,359,735	
2041-42	509,859,618	136,053,499		645,913,117	638,058,767	6,380,588	(1,276,118)	(1,691,256)	3,413,214	
2042-43	520,056,811	136,053,499		656,110,310	648,255,960	6,482,560	(1,296,512)	(1,718,285)	3,467,762	
2043-44	530,457,947	136,053,499		666,511,446	658,657,096	6,586,571	(1,317,314)	(1,745,855)	3,523,402	
2044-45	541,067,106	136,053,499		677,120,605	669,266,255	6,692,663	(1,338,533)	(1,773,976)	3,580,154	
2045-46	551,888,448	136,053,499		687,941,947	680,087,597	6,800,876	(1,360,175)	(1,802,659)	3,638,042	
2046-47	562,926,217	136,053,499		698,979,716	691,125,366	6,911,254	(1,382,251)	(1,831,916)	3,697,087	
2047-48	574,184,741	136,053,499		710,238,240	702,383,890	7,023,839	(1,404,768)	(1,861,758)	3,757,313	
2048-49	585,668,136	136,053,499		721,721,025	713,867,595	7,137,276	(1,427,725)	(1,892,107)	3,818,742	
2051-52	621,516,030	136,053,499		757,569,529	749,715,179	7,497,152	(1,499,430)	(1,987,216)	4,010,506	

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10F										
Tax Increment Projections										
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 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>			<b>49,387,466</b>							
2017-18	337,847,867	15,115,582	352,963,449	303,575,983	3,035,760	(607,152)	(789,906)	819,351	819,351	
2018-19*	344,604,824	15,115,582	359,720,406	310,332,940	3,103,329	(620,666)	(807,488)	837,588	837,588	
2019-20	350,635,409	15,115,582	365,750,991	316,363,525	3,163,635	(632,727)	(823,180)	853,864	853,864	
2020-21	356,771,528	15,115,582	371,887,110	322,499,644	3,224,996	(644,999)	(839,146)	870,426	870,426	
2021-22	363,906,959	15,115,582	379,022,541	329,635,075	3,296,351	(659,270)	(857,712)	889,684	889,684	
2022-23	371,185,098	15,115,582	386,300,680	336,913,214	3,369,132	(673,826)	(876,650)	909,328	909,328	
2023-24	378,608,800	15,115,582	393,724,382	344,336,916	3,443,369	(688,674)	(895,966)	929,364	929,364	
2024-25	386,180,976	15,115,582	401,296,558	351,909,092	3,519,091	(703,818)	(915,669)	949,802	949,802	
2025-26	393,904,596	15,115,582	409,020,178	359,632,712	3,596,327	(719,265)	(935,766)	970,648	970,648	
2026-27	401,782,688	15,115,582	416,898,270	367,510,804	3,675,108	(735,022)	(956,265)	991,911	991,911	
2027-28	409,818,341	15,115,582	424,933,923	375,546,457	3,755,465	(751,093)	(977,174)	1,013,599	1,013,599	
2028-29	418,014,708	15,115,582	433,130,290	383,742,824	3,837,428	(767,486)	(998,501)	1,035,721	1,035,721	
2029-30	426,375,002	15,115,582	441,490,584	392,103,118	3,921,031	(784,206)	(1,020,254)	1,058,285	1,058,285	
2030-31	434,902,502	15,115,582	450,018,084	400,630,618	4,006,306	(801,261)	(1,042,443)	1,081,301	1,081,301	
2031-32	443,600,552	15,115,582	458,716,134	409,328,668	4,093,287	(818,657)	(1,065,075)	1,104,777	1,104,777	
2032-33	452,472,563	15,115,582	467,588,145	418,200,679	4,182,207	(836,401)	(1,088,160)	1,128,723	1,128,723	
2033-34	461,522,015	15,115,582	476,637,597	427,250,131	4,272,501	(854,500)	(1,111,707)	1,153,147	1,153,147	
2034-35	470,752,455	15,115,582	485,868,037	436,480,571	4,364,806	(872,961)	(1,135,725)	1,178,060	1,178,060	
2035-36	480,167,504	15,115,582	495,283,086	445,895,620	4,458,956	(891,791)	(1,160,223)	1,203,471	1,203,471	
2036-37	489,770,854	15,115,582	504,886,436	455,498,970	4,554,990	(910,998)	(1,185,211)	1,229,391	1,229,391	
2037-38	499,566,271	15,115,582	514,681,853	465,294,387	4,652,944	(930,589)	(1,210,698)	1,255,828	1,255,828	
2038-39	509,557,597	15,115,582	524,673,179	475,285,713	4,752,857	(950,571)	(1,236,696)	1,282,795	1,282,795	
2039-40	519,748,749	15,115,582	534,864,331	485,476,865	4,854,769	(970,954)	(1,263,213)	1,310,301	1,310,301	
2040-41	530,143,724	15,115,582	545,259,306	495,871,840	4,958,718	(991,744)	(1,290,261)	1,338,357	1,338,357	
2041-42	540,746,598	15,115,582	555,862,180	506,474,714	5,064,747	(1,012,949)	(1,317,850)	1,366,974	1,366,974	
2042-43	551,561,530	15,115,582	566,677,112	517,289,646	5,172,896	(1,034,579)	(1,345,990)	1,396,163	1,396,163	
2043-44	562,592,761	15,115,582	577,708,343	528,320,877	5,283,209	(1,056,642)	(1,374,694)	1,425,937	1,425,937	
2044-45	573,844,616	15,115,582	588,960,198	539,572,732	5,395,727	(1,079,145)	(1,403,971)	1,456,305	1,456,305	
2045-46	585,021,508	15,115,582	600,437,090	551,049,624	5,510,496	(1,102,099)	(1,433,834)	1,487,282	1,487,282	
2046-47	597,327,938	15,115,582	612,143,520	562,756,054	5,627,561	(1,125,512)	(1,464,294)	1,518,877	1,518,877	
2047-48	608,968,497	15,115,582	624,042,079	574,696,613	5,746,966	(1,149,393)	(1,495,364)	1,551,105	1,551,105	
2048-49	621,147,867	15,115,582	636,263,449	586,875,083	5,868,760	(1,173,752)	(1,527,054)	1,583,977	1,583,977	
2051-52	659,167,086	15,115,582	674,282,668	624,895,202	6,248,952	(1,249,790)	(1,625,981)	1,686,591	1,686,591	

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Tax Increment Projections										
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 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 27.24%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>			<b>436,031,342</b>							
2017-18	1,075,883,924	25,165,668	1,101,049,592	665,018,250	6,650,183	(1,330,037)	(1,811,448)	1,754,349	1,754,349	
2018-19*	1,097,401,602	25,165,668	1,122,567,270	686,535,928	6,865,359	(1,373,072)	(1,870,061)	1,811,113	1,811,113	
2019-20	1,116,606,131	25,165,668	1,141,771,799	705,740,457	7,057,405	(1,411,481)	(1,922,372)	1,861,776	1,861,776	
2020-21	1,136,146,738	25,165,668	1,161,312,406	725,281,064	7,252,811	(1,450,562)	(1,975,599)	1,913,325	1,913,325	
2021-22	1,158,869,673	25,165,668	1,184,035,341	748,003,999	7,480,040	(1,496,008)	(2,037,494)	1,973,269	1,973,269	
2022-23	1,182,047,066	25,165,668	1,207,212,734	771,181,392	7,711,814	(1,542,363)	(2,100,627)	2,034,412	2,034,412	
2023-24	1,205,688,007	25,165,668	1,230,853,675	794,822,333	7,948,223	(1,589,645)	(2,165,023)	2,096,778	2,096,778	
2024-25	1,229,801,767	25,165,668	1,254,967,435	818,936,093	8,189,361	(1,637,872)	(2,230,706)	2,160,391	2,160,391	
2025-26	1,254,397,803	25,165,668	1,279,563,471	843,532,129	8,435,321	(1,687,064)	(2,297,704)	2,225,277	2,225,277	
2026-27	1,279,485,759	25,165,668	1,304,651,427	868,620,085	8,686,201	(1,737,240)	(2,366,041)	2,291,460	2,291,460	
2027-28	1,305,075,474	25,165,668	1,330,241,142	894,209,800	8,942,098	(1,788,420)	(2,435,745)	2,358,967	2,358,967	
2028-29	1,331,176,984	25,165,668	1,356,342,652	920,311,310	9,203,113	(1,840,623)	(2,506,843)	2,427,824	2,427,824	
2029-30	1,357,800,523	25,165,668	1,382,966,191	946,934,849	9,469,348	(1,893,870)	(2,579,363)	2,498,058	2,498,058	
2030-31	1,384,956,534	25,165,668	1,410,122,202	974,090,860	9,740,909	(1,948,182)	(2,653,334)	2,569,697	2,569,697	
2031-32	1,412,655,664	25,165,668	1,437,821,332	1,001,789,990	10,017,900	(2,003,580)	(2,728,784)	2,642,768	2,642,768	
2032-33	1,440,908,778	25,165,668	1,466,074,446	1,030,043,104	10,300,431	(2,060,086)	(2,805,742)	2,717,301	2,717,301	
2033-34	1,469,726,953	25,165,668	1,494,892,621	1,058,861,279	10,588,613	(2,117,723)	(2,884,241)	2,793,325	2,793,325	
2034-35	1,499,121,492	25,165,668	1,524,287,160	1,088,255,818	10,882,558	(2,176,512)	(2,964,309)	2,870,869	2,870,869	
2035-36	1,529,103,922	25,165,668	1,554,269,590	1,118,238,248	11,182,382	(2,236,476)	(3,045,978)	2,949,964	2,949,964	
2036-37	1,559,686,001	25,165,668	1,584,851,669	1,148,820,327	11,488,203	(2,297,641)	(3,129,281)	3,030,641	3,030,641	
2037-38	1,590,879,721	25,165,668	1,616,045,389	1,180,014,047	11,800,140	(2,360,028)	(3,214,249)	3,112,931	3,112,931	
2038-39	1,622,697,315	25,165,668	1,647,862,983	1,211,831,641	12,118,316	(2,423,663)	(3,300,918)	3,196,868	3,196,868	
2039-40	1,655,151,261	25,165,668	1,680,316,929	1,244,285,587	12,442,856	(2,488,571)	(3,389,319)	3,282,483	3,282,483	
2040-41	1,688,254,286	25,165,668	1,713,419,954	1,277,388,612	12,773,886	(2,554,777)	(3,479,489)	3,369,810	3,369,810	
2041-42	1,722,019,372	25,165,668	1,747,185,040	1,311,153,698	13,111,537	(2,622,307)	(3,571,462)	3,458,884	3,458,884	
2042-43	1,756,459,760	25,165,668	1,781,625,428	1,345,594,086	13,455,941	(2,691,188)	(3,665,274)	3,549,739	3,549,739	
2043-44	1,791,588,955	25,165,668	1,816,754,623	1,380,723,281	13,807,233	(2,761,447)	(3,760,963)	3,642,412	3,642,412	
2044-45	1,827,420,734	25,165,668	1,852,586,402	1,416,555,060	14,165,551	(2,833,110)	(3,858,565)	3,736,938	3,736,938	
2045-46	1,863,969,149	25,165,668	1,889,134,817	1,453,103,475	14,531,035	(2,906,207)	(3,958,120)	3,833,354	3,833,354	
2046-47	1,901,248,532	25,165,668	1,926,414,200	1,490,382,858	14,903,829	(2,986,766)	(4,059,666)	3,931,699	3,931,699	
2047-48	1,939,273,502	25,165,668	1,964,439,170	1,528,407,828	15,284,078	(3,056,816)	(4,163,242)	4,032,010	4,032,010	
2048-49	1,978,958,072	25,165,668	2,003,224,640	1,567,103,208	15,671,033	(3,124,337)	(4,268,800)	4,124,238	4,124,238	
2051-52	2,099,132,006	25,165,668	2,124,297,674	1,688,266,332	16,882,663	(3,376,533)	(4,598,682)	4,453,724	4,453,724	

\*The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10H										
Tax Increment Projections										
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 1%	Low & Moderate Income Housing Set-Aside 20%	Pass Through Payments 30.16%	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%	
<b>BY</b>			<b>122,113,885</b>							
2017-18	271,814,775	862,469	272,677,244	150,563,359	1,505,634	(301,127)	(454,137)	375,185	375,185	
2018-19*	277,251,071	862,469	278,113,540	155,999,655	1,559,997	(311,999)	(470,534)	388,732	388,732	
2019-20	282,102,964	862,469	282,965,433	160,851,548	1,608,515	(321,703)	(485,168)	400,822	400,822	
2020-21	287,039,766	862,469	287,902,235	165,788,350	1,657,884	(331,577)	(500,059)	413,124	413,124	
2021-22	292,780,561	862,469	293,643,030	171,529,145	1,715,291	(343,058)	(517,375)	427,429	427,429	
2022-23	298,636,173	862,469	299,498,642	177,384,757	1,773,848	(354,770)	(535,037)	442,021	442,021	
2023-24	304,608,896	862,469	305,471,365	183,357,480	1,833,575	(366,715)	(553,052)	456,904	456,904	
2024-25	310,701,074	862,469	311,563,543	189,449,658	1,894,497	(378,899)	(571,427)	472,085	472,085	
2025-26	316,915,096	862,469	317,777,565	195,663,680	1,956,637	(391,327)	(590,171)	487,569	487,569	
2026-27	323,253,397	862,469	324,115,866	202,001,981	2,020,020	(404,004)	(609,288)	503,364	503,364	
2027-28	329,718,465	862,469	330,580,934	208,467,049	2,084,670	(416,934)	(628,789)	519,474	519,474	
2028-29	336,312,835	862,469	337,175,304	215,061,419	2,150,614	(430,123)	(648,679)	535,906	535,906	
2029-30	343,039,091	862,469	343,901,560	221,787,675	2,217,877	(443,575)	(668,967)	552,667	552,667	
2030-31	349,899,873	862,469	350,762,342	228,648,457	2,286,485	(457,293)	(689,661)	569,763	569,763	
2031-32	356,897,871	862,469	357,760,340	235,646,455	2,356,465	(471,293)	(710,769)	587,202	587,202	
2032-33	364,035,828	862,469	364,898,297	242,784,412	2,427,844	(485,569)	(732,298)	604,988	604,988	
2033-34	371,316,545	862,469	372,179,014	250,065,129	2,500,651	(500,130)	(754,259)	623,131	623,131	
2034-35	378,742,876	862,469	379,605,345	257,491,460	2,574,915	(514,983)	(776,659)	641,637	641,637	
2035-36	386,317,733	862,469	387,180,202	265,066,317	2,650,663	(530,133)	(799,506)	660,512	660,512	
2036-37	394,044,088	862,469	394,906,557	272,792,672	2,727,927	(545,585)	(822,811)	679,765	679,765	
2037-38	401,924,969	862,469	402,787,438	280,673,553	2,806,736	(561,347)	(846,582)	699,403	699,403	
2038-39	409,963,469	862,469	410,825,938	288,712,053	2,887,121	(577,424)	(870,828)	719,434	719,434	
2039-40	418,162,738	862,469	419,025,207	296,911,322	2,969,113	(593,823)	(895,559)	739,866	739,866	
2040-41	426,525,993	862,469	427,388,462	305,274,577	3,052,746	(610,549)	(920,784)	760,706	760,706	
2041-42	435,056,513	862,469	435,918,982	313,805,097	3,138,051	(627,610)	(946,515)	781,963	781,963	
2042-43	443,757,643	862,469	444,620,112	322,506,227	3,225,062	(645,012)	(972,759)	803,645	803,645	
2043-44	452,632,796	862,469	453,495,265	331,381,380	3,313,814	(662,763)	(999,529)	825,761	825,761	
2044-45	461,685,452	862,469	462,547,921	340,434,036	3,404,340	(680,868)	(1,026,834)	848,319	848,319	
2045-46	470,919,161	862,469	471,781,630	349,667,745	3,496,677	(699,335)	(1,054,685)	871,328	871,328	
2046-47	480,337,544	862,469	481,200,013	359,086,128	3,589,861	(718,172)	(1,083,093)	894,798	894,798	
2047-48	489,944,295	862,469	490,806,764	368,692,879	3,686,929	(737,386)	(1,112,070)	918,737	918,737	
2048-49	500,505,550	862,469	501,368,019	378,401,765	3,784,018	(756,084)	(1,141,626)	942,154	942,154	
2049-50	511,111,111	862,469	511,973,580	388,111,111	3,881,111	(775,111)	(1,171,111)	966,667	966,667	
2051-52	530,331,462	862,469	531,193,931	409,080,046	4,090,800	(818,160)	(1,233,888)	1,019,376	1,019,376	

\*The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 101												
Tax Increment Projections												
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 WVEDA Reimbursement 25%	Net Revenue to Member Jurisdiction 25%	Net Revenue to SCLA 50%		
<b>BY</b>			<b>14,452,309</b>									
2017-18	55,360,374	2,051,015	57,411,389	42,959,080	429,591	(85,918)	(91,449)	63,056	63,056	126,112		
2018-19*	56,467,581	2,051,015	58,518,596	44,066,287	440,663	(88,133)	(95,524)	64,252	64,252	128,503		
2019-20	57,455,764	2,051,015	59,506,779	45,054,470	450,545	(90,109)	(99,161)	65,319	65,319	130,638		
2020-21	58,461,240	2,051,015	60,512,255	46,059,946	460,599	(92,120)	(102,861)	66,405	66,405	132,809		
2021-22	59,630,465	2,051,015	61,681,480	47,229,171	472,292	(94,458)	(107,163)	67,667	67,667	135,335		
2022-23	60,823,074	2,051,015	62,874,089	48,421,780	484,218	(96,844)	(111,552)	68,956	68,956	137,911		
2023-24	62,039,536	2,051,015	64,090,551	49,638,242	496,382	(99,276)	(116,029)	70,269	70,269	140,539		
2024-25	63,280,326	2,051,015	65,331,341	50,879,032	508,790	(101,758)	(120,595)	71,609	71,609	143,219		
2025-26	64,545,933	2,051,015	66,596,948	52,144,639	521,446	(104,289)	(125,252)	72,976	72,976	145,952		
2026-27	65,836,852	2,051,015	67,887,867	53,435,558	534,356	(106,871)	(130,003)	74,370	74,370	148,741		
2027-28	67,153,589	2,051,015	69,204,604	54,752,295	547,523	(109,505)	(134,849)	75,792	75,792	151,585		
2028-29	68,496,660	2,051,015	70,547,675	56,095,366	560,954	(112,191)	(139,791)	77,243	77,243	154,486		
2029-30	69,866,594	2,051,015	71,917,609	57,465,300	574,653	(114,931)	(144,832)	78,723	78,723	157,445		
2030-31	71,263,925	2,051,015	73,314,940	58,862,631	588,626	(117,725)	(149,975)	80,232	80,232	160,463		
2031-32	72,689,204	2,051,015	74,740,219	60,287,910	602,879	(120,576)	(155,220)	81,771	81,771	163,542		
2032-33	74,142,988	2,051,015	76,194,003	61,741,694	617,417	(123,483)	(160,569)	83,341	83,341	166,682		
2033-34	75,625,848	2,051,015	77,676,863	63,224,554	632,246	(126,449)	(166,026)	84,943	84,943	169,885		
2034-35	77,138,365	2,051,015	79,189,380	64,737,071	647,371	(129,474)	(171,592)	86,576	86,576	173,152		
2035-36	78,681,132	2,051,015	80,732,147	66,279,838	662,798	(132,560)	(178,998)	87,810	87,810	175,620		
2036-37	80,254,755	2,051,015	82,305,770	67,853,461	678,535	(135,707)	(186,551)	89,069	89,069	178,138		
2037-38	81,859,850	2,051,015	83,910,865	69,458,556	694,586	(138,917)	(194,256)	90,353	90,353	180,706		
2038-39	83,497,047	2,051,015	85,548,062	71,095,753	710,958	(142,192)	(202,114)	91,663	91,663	183,326		
2039-40	85,166,988	2,051,015	87,218,003	72,765,694	727,657	(145,531)	(210,130)	92,999	92,999	185,998		
2040-41	86,870,327	2,051,015	88,921,342	74,469,033	744,690	(148,938)	(218,306)	94,362	94,362	188,723		
2041-42	88,607,734	2,051,015	90,658,749	76,206,440	762,064	(152,413)	(226,645)	95,752	95,752	191,503		
2042-43	90,379,889	2,051,015	92,430,904	77,978,595	779,786	(155,957)	(235,152)	97,169	97,169	194,338		
2043-44	92,187,486	2,051,015	94,238,501	79,786,192	797,862	(159,572)	(243,828)	98,615	98,615	197,231		
2044-45	94,031,236	2,051,015	96,082,251	81,629,942	816,299	(163,260)	(252,678)	100,090	100,090	200,181		
2045-46	95,911,861	2,051,015	97,962,876	83,510,567	835,106	(167,021)	(261,705)	101,595	101,595	203,190		
2046-47	97,830,098	2,051,015	99,881,113	85,428,804	854,288	(170,858)	(270,913)	103,129	103,129	206,259		
2047-48	99,786,700	2,051,015	101,837,715	87,385,406	873,854	(174,771)	(280,304)	104,695	104,695	209,389		
2048-49	101,782,434	2,051,015	103,833,449	89,381,140	893,811	(178,762)	(289,884)	106,291	106,291	212,583		
2051-52	108,012,333	2,051,015	110,063,348	95,611,039	956,110	(191,222)	(319,788)	111,275	111,275	222,550		

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10J												
Tax Increment Projections												
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 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>9,132,464</b>									
2017-18	22,283,424	-	22,283,424	13,150,960	131,510	(26,302)	(26,302)	39,453	39,453			
2018-19*	22,729,092	-	22,729,092	13,596,628	135,966	(27,193)	(27,193)	40,790	40,790			
2019-20	23,126,852	-	23,126,852	13,994,388	139,944	(27,989)	(27,989)	41,983	41,983			
2020-21	23,531,572	-	23,531,572	14,399,108	143,991	(28,798)	(28,798)	43,197	43,197			
2021-22	24,002,203	-	24,002,203	14,869,739	148,697	(29,739)	(29,739)	44,609	44,609			
2022-23	24,482,247	-	24,482,247	15,349,783	153,498	(30,700)	(30,700)	46,049	46,049			
2023-24	24,971,892	-	24,971,892	15,839,428	158,394	(31,679)	(31,679)	47,518	47,518			
2024-25	25,471,330	-	25,471,330	16,338,866	163,389	(32,678)	(32,678)	49,017	49,017			
2025-26	25,980,756	-	25,980,756	16,848,292	168,483	(33,697)	(33,697)	50,415	50,415			
2026-27	26,500,371	-	26,500,371	17,367,907	173,679	(34,736)	(34,736)	51,538	51,538			
2027-28	27,030,379	-	27,030,379	17,897,915	178,979	(35,796)	(35,796)	52,682	52,682			
2028-29	27,570,986	-	27,570,986	18,438,522	184,385	(36,877)	(36,877)	53,850	53,850			
2029-30	28,122,406	-	28,122,406	18,989,942	189,899	(37,980)	(37,980)	55,041	55,041			
2030-31	28,684,854	-	28,684,854	19,552,390	195,524	(39,105)	(39,105)	56,256	56,256			
2031-32	29,258,551	-	29,258,551	20,126,087	201,261	(40,252)	(40,252)	57,495	57,495			
2032-33	29,843,722	-	29,843,722	20,711,258	207,113	(41,423)	(41,423)	58,759	58,759			
2033-34	30,440,597	-	30,440,597	21,308,133	213,081	(42,616)	(42,616)	60,049	60,049			
2034-35	31,049,409	-	31,049,409	21,916,945	219,169	(43,834)	(43,834)	61,364	61,364			
2035-36	31,670,397	-	31,670,397	22,537,933	225,379	(45,076)	(45,076)	62,357	62,357			
2036-37	32,303,805	-	32,303,805	23,171,341	231,713	(46,343)	(46,343)	63,371	63,371			
2037-38	32,949,881	-	32,949,881	23,817,417	238,174	(47,635)	(47,635)	64,404	64,404			
2038-39	33,608,879	-	33,608,879	24,476,415	244,764	(48,953)	(48,953)	65,459	65,459			
2039-40	34,281,056	-	34,281,056	25,148,592	251,486	(50,297)	(50,297)	66,534	66,534			
2040-41	34,966,677	-	34,966,677	25,834,213	258,342	(51,668)	(51,668)	67,631	67,631			
2041-42	35,666,011	-	35,666,011	26,533,547	265,335	(53,067)	(53,067)	68,750	68,750			
2042-43	36,379,331	-	36,379,331	27,246,867	272,469	(54,494)	(54,494)	69,891	69,891			
2043-44	37,106,918	-	37,106,918	27,974,454	279,745	(55,949)	(55,949)	71,056	71,056			
2044-45	37,849,056	-	37,849,056	28,716,592	287,166	(57,433)	(57,433)	72,243	72,243			
2045-46	38,606,037	-	38,606,037	29,473,573	294,736	(58,947)	(58,947)	73,454	73,454			
2046-47	39,378,158	-	39,378,158	30,245,694	302,457	(60,491)	(60,491)	74,690	74,690			
2047-48	40,165,721	-	40,165,721	31,033,257	310,333	(62,067)	(62,067)	75,950	75,950			
2050-51	42,624,185	-	42,624,185	33,491,721	334,917	(66,983)	(66,983)	79,883	79,883			
2051-52	43,476,668	-	43,476,668	34,344,204	343,442	(68,688)	(68,688)	81,247	81,247			

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10K												
Tax Increment Projections												
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>									
2017-18	7,528,626	-	7,528,626	6,156,585	61,566	(12,313)	(12,313)	18,470	18,470			
2018-19*	7,679,199	-	7,679,199	6,307,158	63,072	(12,614)	(12,614)	18,921	18,921			
2019-20	7,813,584	-	7,813,584	6,441,543	64,415	(12,883)	(12,883)	19,325	19,325			
2020-21	7,950,322	-	7,950,322	6,578,281	65,783	(13,157)	(13,157)	19,735	19,735			
2021-22	8,109,329	-	8,109,329	6,737,288	67,373	(13,475)	(13,491)	20,203	20,203			
2022-23	8,271,515	-	8,271,515	6,899,474	68,995	(13,799)	(14,088)	20,554	20,554			
2023-24	8,436,946	-	8,436,946	7,064,905	70,649	(14,130)	(14,697)	20,911	20,911			
2024-25	8,605,684	-	8,605,684	7,233,643	72,336	(14,467)	(15,318)	21,276	21,276			
2025-26	8,777,798	-	8,777,798	7,405,757	74,058	(14,812)	(15,951)	21,647	21,647			
2026-27	8,953,354	-	8,953,354	7,581,313	75,813	(15,163)	(16,597)	22,027	22,027			
2027-28	9,132,421	-	9,132,421	7,760,380	77,604	(15,521)	(17,256)	22,413	22,413			
2028-29	9,315,070	-	9,315,070	7,943,029	79,430	(15,886)	(17,928)	22,808	22,808			
2029-30	9,501,371	-	9,501,371	8,129,330	81,293	(16,259)	(18,614)	23,210	23,210			
2030-31	9,691,398	-	9,691,398	8,319,357	83,194	(16,639)	(19,313)	23,621	23,621			
2031-32	9,885,226	-	9,885,226	8,513,185	85,132	(17,026)	(20,027)	24,039	24,039			
2032-33	10,082,931	-	10,082,931	8,710,890	87,109	(17,422)	(20,754)	24,466	24,466			
2033-34	10,284,590	-	10,284,590	8,912,549	89,125	(17,825)	(21,496)	24,902	24,902			
2034-35	10,490,281	-	10,490,281	9,118,240	91,182	(18,236)	(22,253)	25,346	25,346			
2035-36	10,700,087	-	10,700,087	9,328,046	93,280	(18,656)	(23,260)	25,682	25,682			
2036-37	10,914,089	-	10,914,089	9,542,048	95,420	(19,084)	(24,288)	26,024	26,024			
2037-38	11,132,370	-	11,132,370	9,760,329	97,603	(19,521)	(25,335)	26,374	26,374			
2038-39	11,355,018	-	11,355,018	9,982,977	99,830	(19,966)	(26,404)	26,730	26,730			
2039-40	11,582,118	-	11,582,118	10,210,077	102,101	(20,420)	(27,494)	27,093	27,093			
2040-41	11,813,761	-	11,813,761	10,441,720	104,417	(20,883)	(28,606)	27,464	27,464			
2041-42	12,050,036	-	12,050,036	10,677,995	106,780	(21,356)	(29,740)	27,842	27,842			
2042-43	12,291,037	-	12,291,037	10,918,996	109,190	(21,838)	(30,897)	28,228	28,228			
2043-44	12,536,857	-	12,536,857	11,164,816	111,648	(22,330)	(32,077)	28,621	28,621			
2044-45	12,787,594	-	12,787,594	11,415,553	114,156	(22,831)	(33,280)	29,022	29,022			
2045-46	13,043,346	-	13,043,346	11,671,305	116,713	(23,343)	(34,508)	29,431	29,431			
2046-47	13,304,213	-	13,304,213	11,932,172	119,322	(23,864)	(35,760)	29,849	29,849			
2047-48	13,570,297	-	13,570,297	12,198,256	121,983	(24,397)	(37,037)	30,274	30,274			
2050-51	14,400,908	-	14,400,908	13,028,867	130,289	(26,058)	(41,024)	31,603	31,603			
2051-52	14,688,926	-	14,688,926	13,316,885	133,169	(26,634)	(42,407)	32,064	32,064			

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.





**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 10L												
Tax Increment Projections												
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</sup> 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue To WEDA Reimbursement 25%	Net Revenue to Member Jurisdiction 25%	Net Revenue to SCLA		
<b>BY</b>			<b>667,084,691</b>							<b>50%</b>		
2017-18	754,007,203	1,718,718	667,084,691	68,641,230	675,171	(135,034)	(135,034)	101,276	101,276	202,551		
2018-19*	769,087,347	1,718,718	770,806,065	83,721,374	825,026	(165,005)	(165,005)	117,460	117,460	234,920		
2019-20	782,546,376	1,718,718	784,265,094	97,180,403	959,540	(191,908)	(191,908)	131,987	131,987	263,975		
2020-21	796,240,937	1,718,718	797,959,655	110,874,964	1,096,027	(219,205)	(219,205)	146,728	146,728	293,456		
2021-22	812,165,756	1,718,718	813,884,474	126,799,783	1,254,916	(250,983)	(250,983)	163,888	163,888	327,776		
2022-23	828,409,071	1,718,718	830,127,789	143,043,098	1,417,141	(283,428)	(283,428)	181,408	181,408	362,817		
2023-24	844,977,252	1,718,718	846,695,970	159,611,279	1,582,744	(316,549)	(316,549)	199,294	199,294	398,587		
2024-25	861,876,798	1,718,718	863,595,516	176,510,825	1,751,772	(350,354)	(350,354)	217,549	217,549	435,097		
2025-26	879,114,333	1,718,718	880,833,051	193,748,360	1,924,278	(384,856)	(384,856)	236,179	236,179	472,359		
2026-27	896,696,620	1,718,718	898,415,338	211,330,647	2,100,320	(420,064)	(420,064)	255,192	255,192	510,384		
2027-28	914,630,553	1,718,718	916,349,271	229,264,580	2,279,957	(455,991)	(455,991)	274,593	274,593	549,185		
2028-29	932,923,164	1,718,718	934,641,882	247,557,191	2,463,252	(492,650)	(492,650)	294,388	294,388	588,777		
2029-30	951,581,627	1,718,718	953,300,345	266,215,654	2,650,271	(530,054)	(530,054)	314,586	314,586	629,173		
2030-31	970,613,259	1,718,718	972,331,977	285,247,286	2,841,081	(568,216)	(568,216)	335,194	335,194	670,388		
2031-32	990,025,525	1,718,718	991,744,243	304,659,552	3,035,754	(607,151)	(607,151)	356,219	356,219	712,437		
2032-33	1,009,826,035	1,718,718	1,011,544,753	324,460,062	3,234,362	(646,872)	(646,872)	377,668	377,668	755,337		
2033-34	1,030,022,556	1,718,718	1,031,741,274	344,656,583	3,436,979	(687,396)	(687,396)	399,551	399,551	799,102		
2034-35	1,050,623,007	1,718,718	1,052,341,725	365,257,034	3,643,682	(728,736)	(728,736)	421,875	421,875	843,750		
2035-36	1,071,635,467	1,718,718	1,073,354,185	386,269,494	3,854,549	(770,910)	(770,910)	444,649	444,649	889,297		
2036-37	1,093,068,176	1,718,718	1,094,786,894	407,702,203	4,069,662	(813,932)	(813,932)	467,881	467,881	935,761		
2037-38	1,114,929,540	1,718,718	1,116,648,258	429,563,567	4,289,103	(857,821)	(857,821)	491,580	491,580	983,161		
2038-39	1,137,228,131	1,718,718	1,138,946,849	451,862,158	4,512,956	(902,591)	(902,591)	509,489	509,489	1,018,977		
2039-40	1,159,972,693	1,718,718	1,161,691,411	474,606,720	4,741,308	(948,262)	(948,262)	527,757	527,757	1,055,513		
2040-41	1,183,172,147	1,718,718	1,184,890,865	497,806,174	4,974,246	(994,849)	(994,849)	546,392	546,392	1,092,784		
2041-42	1,206,835,590	1,718,718	1,208,554,308	521,469,617	5,211,862	(1,042,372)	(1,042,372)	565,401	565,401	1,130,802		
2042-43	1,230,972,302	1,718,718	1,232,691,020	545,606,329	5,454,246	(1,090,849)	(1,090,849)	584,792	584,792	1,169,584		
2043-44	1,255,591,748	1,718,718	1,257,310,466	570,225,775	5,701,495	(1,140,299)	(1,140,299)	604,572	604,572	1,209,143		
2044-45	1,280,703,593	1,718,718	1,282,422,311	595,337,610	5,953,376	(1,190,675)	(1,190,675)	624,722	624,722	1,249,444		
2045-46	1,306,317,655	1,718,718	1,308,036,373	620,951,682	6,209,517	(1,241,903)	(1,241,903)	645,213	645,213	1,290,427		
2046-47	1,332,444,008	1,718,718	1,334,162,726	647,078,035	6,470,780	(1,294,156)	(1,294,156)	666,115	666,115	1,332,229		
2047-48	1,359,092,888	1,718,718	1,360,811,606	673,726,915	6,737,269	(1,347,454)	(1,347,454)	687,434	687,434	1,374,867		
2048-49	1,386,274,746	1,718,718	1,387,993,464	700,908,773	7,009,088	(1,401,818)	(1,401,818)	709,179	709,179	1,418,358		
2049-50	1,414,000,241	1,718,718	1,415,718,959	728,634,268	7,286,343	(1,457,269)	(1,457,269)	731,359	731,359	1,462,719		
2050-51	1,442,280,245	1,718,718	1,443,998,963	756,914,272	7,569,143	(1,513,829)	(1,513,829)	753,983	753,983	1,507,967		
2051-52	1,471,476,650	1,718,718	1,473,195,368	786,750,927	7,867,500	(1,571,500)	(1,571,500)	777,060	777,060	1,554,620		

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 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> 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>21,579,852</b>								
2017-18	12,779,746	-	12,779,746	(8,800,106)	-	-	-	-	-	-	
2018-19*	13,035,341	-	13,035,341	(8,544,511)	-	-	-	-	-	-	
2019-20	13,263,459	-	13,263,459	(8,316,393)	-	-	-	-	-	-	
2020-21	13,495,570	-	13,495,570	(8,084,282)	-	-	-	-	-	-	
2021-22	13,765,481	-	13,765,481	(7,814,371)	-	-	-	-	-	-	
2022-23	14,040,791	-	14,040,791	(7,539,061)	-	-	-	-	-	-	
2023-24	14,321,607	-	14,321,607	(7,258,245)	-	-	-	-	-	-	
2024-25	14,608,039	-	14,608,039	(6,971,813)	-	-	-	-	-	-	
2025-26	14,900,200	-	14,900,200	(6,679,652)	-	-	-	-	-	-	
2026-27	15,198,204	-	15,198,204	(6,381,648)	-	-	-	-	-	-	
2027-28	15,502,168	-	15,502,168	(6,077,684)	-	-	-	-	-	-	
2028-29	15,812,211	-	15,812,211	(5,767,641)	-	-	-	-	-	-	
2029-30	16,128,455	-	16,128,455	(5,451,397)	-	-	-	-	-	-	
2030-31	16,451,024	-	16,451,024	(5,128,828)	-	-	-	-	-	-	
2031-32	16,780,045	-	16,780,045	(4,799,807)	-	-	-	-	-	-	
2032-33	17,115,646	-	17,115,646	(4,464,206)	-	-	-	-	-	-	
2033-34	17,457,959	-	17,457,959	(4,121,893)	-	-	-	-	-	-	
2034-35	17,807,118	-	17,807,118	(3,772,734)	-	-	-	-	-	-	
2035-36	18,163,260	-	18,163,260	(3,416,592)	-	-	-	-	-	-	
2036-37	18,526,525	-	18,526,525	(3,053,327)	-	-	-	-	-	-	
2037-38	18,897,056	-	18,897,056	(2,682,796)	-	-	-	-	-	-	
2038-39	19,274,997	-	19,274,997	(2,304,855)	-	-	-	-	-	-	
2039-40	19,660,497	-	19,660,497	(1,919,355)	-	-	-	-	-	-	
2040-41	20,053,707	-	20,053,707	(1,526,145)	-	-	-	-	-	-	
2041-42	20,454,781	-	20,454,781	(1,125,071)	-	-	-	-	-	-	
2042-43	20,863,877	-	20,863,877	(715,975)	-	-	-	-	-	-	
2043-44	21,281,154	-	21,281,154	(298,698)	-	-	-	-	-	-	
2044-45	21,706,777	-	21,706,777	126,925	1,269	(254)	(609)	203	203	203	
2045-46	22,140,913	-	22,140,913	561,061	5,611	(1,122)	(2,693)	898	898	898	
2046-47	22,583,731	-	22,583,731	1,003,879	10,039	(2,008)	(4,819)	1,606	1,606	1,606	
2047-48	23,035,406	-	23,035,406	1,455,554	14,556	(2,911)	(6,987)	2,329	2,329	2,329	
2048-49	23,496,114	-	23,496,114	1,916,262	19,163	(3,833)	(9,198)	3,066	3,066	3,066	
2049-50	23,966,036	-	23,966,036	2,386,184	23,862	(4,772)	(11,454)	3,818	3,818	3,818	
2050-51	24,445,357	-	24,445,357	2,865,505	28,655	(5,731)	(13,754)	4,585	4,585	4,585	
2051-52	24,934,264	-	24,934,264	3,354,412	33,544	(6,709)	(16,101)	5,367	5,367	5,367	

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year. where all jurisdictions have positive value over their respective base year values. earning jurisdiction can receive only its proportionate share of receivable revenue, which means it will receive less than it would under normal circumstances.



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</sup> 1%	Low & Moderate Income Housing Set-Aside 20%	Statutory Pass Through Payments	Net Revenue to Member Jurisdiction 50%	Net Revenue to SCLA 50%		
BY			235,229,749								
2017-18	241,127,256	3,843,053	244,970,309	9,740,560	95,810	(19,162)	(19,162)	28,743	28,743		
2018-19*	245,949,801	3,843,053	249,792,854	14,563,105	143,511	(28,702)	(36,716)	39,046	39,046		
2019-20	250,253,923	3,843,053	254,096,976	18,867,227	186,291	(37,258)	(52,459)	48,287	48,287		
2020-21	254,633,366	3,843,053	258,476,419	23,246,670	229,799	(45,960)	(68,470)	57,685	57,685		
2021-22	259,726,034	3,843,053	263,569,087	28,339,338	280,470	(56,094)	(87,117)	68,630	68,630		
2022-23	264,920,554	3,843,053	268,763,607	33,533,858	322,223	(66,445)	(106,162)	79,808	79,808		
2023-24	270,218,965	3,843,053	274,062,018	38,832,269	385,070	(77,014)	(125,610)	91,223	91,223		
2024-25	275,623,345	3,843,053	279,466,398	44,236,649	439,024	(87,805)	(145,465)	102,877	102,877		
2025-26	281,135,812	3,843,053	284,978,865	49,749,116	494,100	(98,820)	(165,733)	114,774	114,774		
2026-27	286,758,528	3,843,053	290,601,581	55,371,832	550,316	(110,063)	(186,420)	126,916	126,916		
2027-28	292,493,698	3,843,053	296,336,751	61,107,002	607,688	(121,538)	(207,533)	139,309	139,309		
2028-29	298,343,572	3,843,053	302,186,625	66,956,876	666,237	(133,247)	(229,079)	151,955	151,955		
2029-30	304,310,444	3,843,053	308,153,497	72,923,748	725,982	(145,196)	(251,065)	164,860	164,860		
2030-31	310,396,653	3,843,053	314,239,706	79,009,957	786,944	(157,389)	(273,499)	178,028	178,028		
2031-32	316,604,586	3,843,053	320,447,639	85,217,890	849,146	(169,829)	(296,390)	191,464	191,464		
2032-33	322,936,677	3,843,053	326,779,730	91,549,981	912,611	(182,522)	(319,745)	205,172	205,172		
2033-34	329,395,411	3,843,053	333,238,464	98,008,715	977,361	(195,472)	(343,573)	219,158	219,158		
2034-35	335,983,319	3,843,053	339,826,372	104,596,623	1,043,421	(208,684)	(367,863)	233,427	233,427		
2035-36	342,702,986	3,843,053	346,546,039	111,316,290	1,110,815	(222,163)	(392,684)	247,984	247,984		
2036-37	349,557,045	3,843,053	353,400,098	118,170,349	1,179,570	(235,914)	(417,986)	262,835	262,835		
2037-38	356,548,186	3,843,053	360,391,239	125,161,490	1,249,712	(249,942)	(443,798)	277,986	277,986		
2038-39	363,679,150	3,843,053	367,522,203	132,292,454	1,321,266	(264,253)	(478,144)	289,434	289,434		
2039-40	370,952,733	3,843,053	374,795,786	139,566,037	1,394,261	(278,852)	(513,181)	301,114	301,114		
2040-41	378,371,788	3,843,053	382,214,841	146,985,092	1,468,724	(293,745)	(548,924)	313,028	313,028		
2041-42	385,939,223	3,843,053	389,782,276	154,552,527	1,544,685	(308,937)	(585,365)	325,182	325,182		
2042-43	393,658,008	3,843,053	397,501,061	162,271,312	1,622,173	(324,435)	(622,579)	337,580	337,580		
2043-44	401,531,168	3,843,053	405,374,221	170,144,472	1,701,217	(340,243)	(660,520)	350,227	350,227		
2044-45	409,561,791	3,843,053	413,404,844	178,175,095	1,781,751	(356,350)	(699,177)	363,112	363,112		
2045-46	417,753,027	3,843,053	421,596,080	186,366,331	1,863,663	(372,733)	(738,495)	376,218	376,218		
2046-47	426,108,088	3,843,053	429,951,141	194,721,392	1,947,214	(389,443)	(778,599)	389,586	389,586		
2047-48	434,630,249	3,843,053	438,473,302	203,243,553	2,032,436	(406,487)	(819,505)	403,222	403,222		
2048-49	443,322,854	3,843,053	447,165,907	211,936,158	2,119,362	(423,872)	(861,230)	417,130	417,130		
2049-50	452,189,311	3,843,053	456,032,364	220,802,615	2,208,026	(441,605)	(903,789)	431,316	431,316		
2050-51	461,233,098	3,843,053	465,076,151	229,846,402	2,298,464	(459,693)	(947,199)	445,786	445,786		
2051-52	470,457,760	3,843,053	474,300,813	239,071,064	2,390,711	(478,147)	(991,477)	460,546	460,546		

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



**CONTINUING DISCLOSURE REPORT**

SOUTHERN CALIFORNIA LOGISTICS AIRPORT AUTHORITY

Exhibit 100												
Tax Increment Projections												
Southern California Logistics Airport Authority - Victorville Amendment VIII 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 <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>								
2017-18	1,485,160,113	20,161,174		1,505,321,287	458,983,200	4,514,667	(902,933)	(902,933)	1,354,400	1,354,400		
2018-19*	1,514,863,315	20,161,174	27,729,316	1,535,024,489	488,686,402	4,815,726	(963,145)	(1,013,723)	1,419,429	1,419,429		
2019-20	1,569,102,739	20,161,174		1,589,263,913	542,925,826	5,360,740	(1,072,148)	(1,214,288)	1,537,152	1,537,152		
2020-21	1,596,562,037	20,161,174		1,616,723,211	570,385,124	5,638,399	(1,127,680)	(1,316,467)	1,597,126	1,597,126		
2021-22	1,628,493,278	20,161,174		1,648,654,452	602,316,365	5,961,025	(1,192,205)	(1,435,193)	1,666,813	1,666,813		
2022-23	1,661,063,144	20,161,174		1,681,224,318	634,886,231	6,289,877	(1,257,975)	(1,556,211)	1,737,845	1,737,845		
2023-24	1,694,284,406	20,161,174		1,714,445,580	668,107,493	6,625,114	(1,325,023)	(1,679,578)	1,810,257	1,810,257		
2024-25	1,728,170,095	20,161,174		1,748,331,269	701,993,182	6,966,892	(1,393,378)	(1,805,352)	1,884,081	1,884,081		
2025-26	1,762,733,496	20,161,174		1,782,894,670	736,556,583	7,315,365	(1,463,073)	(1,933,590)	1,959,351	1,959,351		
2026-27	1,797,988,166	20,161,174		1,818,149,340	771,811,253	7,670,685	(1,534,137)	(2,064,348)	2,036,100	2,036,100		
2027-28	1,833,947,930	20,161,174		1,854,109,104	807,771,017	8,033,004	(1,606,601)	(2,197,681)	2,114,361	2,114,361		
2028-29	1,870,626,888	20,161,174		1,890,788,062	844,449,975	8,402,475	(1,680,495)	(2,333,647)	2,194,167	2,194,167		
2029-30	1,908,039,426	20,161,174		1,928,200,600	881,862,513	8,779,253	(1,755,851)	(2,472,301)	2,275,551	2,275,551		
2030-31	1,946,200,215	20,161,174		1,966,361,389	920,023,302	9,163,492	(1,832,698)	(2,613,701)	2,358,546	2,358,546		
2031-32	1,985,124,219	20,161,174		2,005,285,393	958,947,306	9,555,349	(1,911,070)	(2,757,904)	2,443,187	2,443,187		
2032-33	2,024,826,703	20,161,174		2,044,987,877	998,649,790	9,954,984	(1,990,997)	(2,904,970)	2,529,509	2,529,509		
2033-34	2,065,323,237	20,161,174		2,085,484,411	1,039,146,324	10,362,558	(2,072,512)	(3,054,957)	2,617,545	2,617,545		
2034-35	2,106,629,702	20,161,174		2,126,790,876	1,080,452,789	10,778,235	(2,155,647)	(3,207,926)	2,707,331	2,707,331		
2035-36	2,148,762,296	20,161,174		2,168,923,470	1,122,585,383	11,202,181	(2,240,436)	(3,363,939)	2,798,903	2,798,903		
2036-37	2,191,737,542	20,161,174		2,211,898,716	1,165,560,629	11,634,566	(2,326,913)	(3,523,056)	2,892,298	2,892,298		
2037-38	2,235,572,293	20,161,174		2,255,733,467	1,209,395,380	12,075,562	(2,415,112)	(3,685,343)	2,987,553	2,987,553		
2038-39	2,280,283,739	20,161,174		2,300,444,913	1,254,106,826	12,525,344	(2,505,069)	(3,901,238)	3,059,519	3,059,519		
2039-40	2,325,889,413	20,161,174		2,346,050,587	1,299,712,500	12,984,091	(2,596,818)	(4,121,437)	3,132,918	3,132,918		
2040-41	2,372,407,202	20,161,174		2,392,568,376	1,346,230,289	13,451,984	(2,690,397)	(4,346,025)	3,207,781	3,207,781		
2041-42	2,419,855,346	20,161,174		2,440,016,520	1,393,678,433	13,929,208	(2,785,842)	(4,575,093)	3,284,137	3,284,137		
2042-43	2,468,252,453	20,161,174		2,488,413,627	1,442,075,540	14,415,953	(2,883,191)	(4,808,730)	3,362,016	3,362,016		
2043-44	2,517,617,502	20,161,174		2,537,778,676	1,491,440,589	14,912,410	(2,982,482)	(5,047,030)	3,441,449	3,441,449		
2044-45	2,567,969,852	20,161,174		2,588,131,026	1,541,792,939	15,417,929	(3,083,586)	(5,289,679)	3,522,332	3,522,332		
2045-46	2,619,329,249	20,161,174		2,639,490,423	1,593,152,336	15,931,523	(3,186,305)	(5,536,204)	3,604,507	3,604,507		
2046-47	2,671,715,834	20,161,174		2,691,877,008	1,645,538,921	16,455,389	(3,291,078)	(5,787,660)	3,688,326	3,688,326		
2047-48	2,725,150,150	20,161,174		2,745,311,324	1,698,973,237	16,989,732	(3,397,946)	(6,044,145)	3,773,821	3,773,821		
2048-49	2,779,653,153	20,161,174		2,799,814,327	1,753,476,240	17,534,762	(3,506,952)	(6,305,759)	3,861,025	3,861,025		
2049-50	2,835,246,217	20,161,174		2,855,407,391	1,809,069,304	18,090,693	(3,618,139)	(6,572,606)	3,949,974	3,949,974		
2050-51	2,891,951,141	20,161,174		2,912,112,315	1,865,774,228	18,657,742	(3,731,548)	(6,844,789)	4,040,702	4,040,702		
2051-52	2,949,790,164	20,161,174		2,969,951,338	1,923,613,251	19,236,133	(3,847,227)	(7,122,417)	4,133,245	4,133,245		

\* The State Board of Equalization has declared a 2.000% inflationary growth for the 2018-19 fiscal year.



# Appendix 1



April 11, 2017

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

Dear Mr. Metzler:

Subject: 2017-18 Annual Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1), the City of Victor Valley Successor Agency (Agency) submitted an annual Recognized Obligation Payment Schedule for the period of July 1, 2017 through June 30, 2018 (ROPS 17-18) to the California Department of Finance (Finance) on January 26, 2017. Finance has completed its review of the ROPS 17-18.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 20 – Joint Powers Authority Agreement (JPA Agreement), Miscellaneous, Pass-Through Distributions to Victorville in the total outstanding obligation amount of \$13,999,789 is not allowed. Finance continues to deny this item. The Agency claims this item represents accumulated operational shortfalls due to Victorville pursuant to the JPA Agreement. However, the JPA Agreement does not obligate the Agency to reimburse Victorville for these types of costs. Therefore, this item is not an enforceable obligation and the requested amount of \$13,999,789 is not allowed for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 21 – JPA Agreement, Infrastructure, Pass-Through Distributions to Victorville in the total outstanding obligation amount of \$21,120,815 is not allowed. 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 the requested amount of \$21,120,815 is not allowed for RPTTF funding.
- Item No. 22 – JPA Agreement in the total outstanding obligation amount of \$673,067 is not allowed. Finance continues to deny this item. It is our understanding this item represents amounts due to the Agency from the City of Adelanto (Adelanto) for its proportional share of start-up costs pursuant to the JPA Agreement. According to the JPA Agreement, the Agency was to use a portion of its tax increment it received to offset its own start-up costs. However, Finance believes this item to be an internal

accounting issue and should be resolved internally. Therefore, this item is not an enforceable obligation and the requested amount of \$673,067 is not allowed for RPTTF funding.

- Item No. 23 – Cooperative Agreement for Street Improvements in the total outstanding obligation amount of \$1,555,298 is not allowed. Finance continues to deny this item. It is our understanding this agreement entered into on April 23, 2003, is between Victorville and Adelanto; the former Redevelopment Agency (RDA) is not a party to the contract. Therefore, this line item is not an enforceable obligation and the requested amount of \$1,555,298 is not allowed for RPTTF funding.
- Item No. 28 – Southern California Logistics Authority Continuing Disclosure Costs in the total requested amount of \$21,000. The Agency provided documentation supporting estimated costs totaling \$14,500 with regards to continuing disclosure services for Southern California Logistics Airport Authority bonds. To the extent the Agency can provided documentation, such as an executed contract, this item may be eligible for additional RPTTF funding in the future. Therefore, Finance approves \$14,500 in RPTTF funding for this item; the excess, \$6,500 (\$21,000 - \$14,500) is not allowed.
- Item No. 30 – Apple Valley Continuing Disclosure Costs in the total requested amount of \$10,000. It is our understanding this item relates to continuing disclosure services regarding Apple Valley bonds issued for the Victor Valley Economic Development project area. The Agency has requested this item be reduced by \$3,000, from \$10,000 to \$7,000. The Agency provided a contract with Rosenow Spevacek Group, Inc., in the amount of \$2,000 regarding these services.

Further, it is our understanding the remaining \$5,000 is allocated for the City of Apple Valley staff time for preparing various documentation for submission to the fiscal agent with regards to these services. However, these types of services are administrative in nature and are not allowed. Therefore, Finance approves \$2,000 in RPTTF funding for this item, the excess, \$8,000 (\$10,000 - \$2,000) is not allowed.

- On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Pursuant to HSC section 34177 (l) (1) (E), the Agency is required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During our review, which may have included obtaining financial records, Finance determined the Agency possesses funds that should be used prior to requesting RPTTF.

Therefore, with the Agency's concurrence, the funding source for Item No. 18, JPA Agreement, Payment for Default Amounts, is partially reclassified from RPTTF to Other Funds. This item is an enforceable obligation for the ROPS 17-18 period. However, the obligation does not require payment from RPTTF and the Agency has \$15,733 in available Other Funds. Therefore, Finance is approving the use of Other Funds in the amount of \$15,733 and RPTTF in the amount of \$9,925,222 totaling \$9,940,955 (\$15,733 + \$9,925,222) for the ROPS 17-18 period.



Except for the items adjusted, Finance is not objecting to the remaining items listed on the ROPS 17-18. If the Agency disagrees with Finance's determination with respect to any items on the ROPS 17-18, except items which are the subject of litigation disputing Finance's previous or related determinations, the Agency may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available on Finance's website:

<http://dof.ca.gov/Programs/Redevelopment/Meet And Confer/>

The Agency's maximum approved RPTTF distribution for the reporting period is \$36,696,934 as summarized in the Approved RPTTF Distribution table on Page 5 (see Attachment).

RPTTF distributions occur biannually, one distribution for the July 1, 2017 through December 31, 2017 period (ROPS A period) and one distribution for the January 1, 2018 through June 30, 2018 period (ROPS B period) based on Finance's approved amounts. Since Finance's determination is for the entire ROPS 17-18 period, the Agency is authorized to receive up to the maximum approved RPTTF through the combined ROPS A and B period distributions.

On the ROPS 17-18 form, the Agency reported cash balances and activity for the period of January 1, 2016 through June 30, 2016. Finance reviews the Agency's self-reported cash balances on an ongoing basis. The Agency should be prepared to submit financial records and bridging documents to support the cash balances reported upon request.

The Agency was not required to report the estimated obligations versus actual payments (prior period adjustment) associated with the July 1, 2015 through June 30, 2016 period (ROPS 15-16). The Agency will report actual payments for ROPS 15-16 on ROPS 18-19, pursuant to HSC section 34186 (a) (1). A prior period adjustment may be applied to the Agency's ROPS 18-19 RPTTF distribution. Therefore, the Agency should retain any unexpended ROPS 15-16 RPTTF.

Absent a Meet and Confer, this is Finance's determination regarding the obligations listed on the ROPS 17-18. This determination only applies to items when funding was requested for the 12-month period.

The ROPS 17-18 form submitted by the Agency and Finance's determination letter will be posted on Finance's website:

<http://dof.ca.gov/Programs/Redevelopment/ROPS/>

Finance's determination is effective for the ROPS 17-18 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 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 law. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax increment is limited to the amount of funding available to the Agency in the RPTTF.



Mr. Keith Metzler  
April 11, 2017  
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Please direct inquiries to Nichelle Thomas, Supervisor, or Michael Barr, Lead Analyst, at  
(916) 322-2985.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Mr. Marc Puckett, Treasurer, City of Victor Valley  
Ms. Linda Santillano, Property Tax Manager, San Bernardino County

**Attachment**

<b>Approved RPTTF Distribution</b>			
<b>For the period of July 2017 through June 2018</b>			
	<b>ROPS A Period</b>	<b>ROPS B Period</b>	<b>ROPS 17-18 Total</b>
RPTTF Requested	\$ 34,015,910	\$ 39,560,226	\$ 73,576,136
Administrative RPTTF Requested	250,000	250,000	500,000
<b>Total RPTTF Requested</b>	<b>34,265,910</b>	<b>39,810,226</b>	<b>74,076,136</b>
<b>RPTTF Requested</b>	<b>34,015,910</b>	<b>39,560,226</b>	<b>73,576,136</b>
<b>Adjustments</b>			
Item No. 18	(15,733)	0	(15,733)
Item No. 20	(6,999,895)	(6,999,894)	(13,999,789)
Item No. 21	(10,560,408)	(10,560,407)	(21,120,815)
Item No. 22	(336,534)	(336,533)	(673,067)
Item No. 23	(777,649)	(777,649)	(1,555,298)
Item No. 28	0	(6,500)	(6,500)
Item No. 30	0	(8,000)	(8,000)
	(18,690,219)	(18,688,983)	(37,379,202)
<b>RPTTF Authorized</b>	<b>15,325,691</b>	<b>20,871,243</b>	<b>36,196,934</b>
Administrative RPTTF Authorized	250,000	250,000	500,000
<b>Total RPTTF Approved for Distribution</b>	<b>\$ 15,575,691</b>	<b>\$ 21,121,243</b>	<b>\$ 36,696,934</b>

## Appendix 2

Allocation Period: July 2017 - December 2017

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 17-18A

County : San Bernardino

Line #	Title of Former Redevelopment Agency:	RS24	VVEDA
1	<b>RPTTF Deposits - Entering the deposits by source is optional.</b>		
2	Secured & Unsecured Property Tax Increment (TI)	17,610,075	
3	Supplemental & Unitary Property TI	856,304	
4	Interest Earnings/Other	-	
5	Penalty Assessments		
6	<b>Total RPTTF Deposits (sum of lines 2 - 5)</b>	<b>18,466,379</b>	
7	<b>Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs</b>	<b>18,466,379</b>	
8	<b>RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (H&amp;S) Section 34183. Note that the following distributions are not necessary listed in the priority order required by H&amp;S 34183.</b>		
9	<b>Administrative Distributions-</b>		
10	Administrative Fees to CAC	183,383	
11	SB 2557 Administration Fees	329,939	
12	SCO Invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	-	
13	<b>Total Administrative Distributions (sum of lines 10 - 12)</b>	<b>513,321</b>	
14	<b>Passthrough Distributions-</b>		
15	City Passthrough Payments	1,473,423.24	
16	County Passthrough Payments	196,607.25	
17	Special District Passthrough Payments	655,172.14	
18	K-12 School Passthrough Payments - Tax Portion	72,810.18	
19	K-12 School Passthrough Payments - Facilities Portion	1,909,545.32	
20	Community College Passthrough Payments - Tax Portion	14,827.26	
21	Community College Passthrough Payments - Facilities Portion	350,492.00	
22	County Office of Education - Tax Portion	898.36	
23	County Office of Education - Facilities Portion	159,550.72	
24	Education Revenue Augmentation Fund (ERAF)	105,171.37	
25	<b>Total Passthrough Distributions (sum of lines 15 - 24)</b>	<b>4,938,497.84</b>	
26	<b>Total Administrative and Passthrough Distributions (sum of lines 13 and 25)</b>	<b>5,451,819</b>	
27	<b>Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)</b>	<b>13,014,559.53</b>	
28	<b>Finance Approved RPTTF for Distribution - Include the total RPTTF approved for SA non-admin and admin costs. Should the RPTTF be insufficient to fund all approved amounts during the "A" period of the annual ROPS, the "A" period shortfall amount will be funded during the "B" period if sufficient RPTTF is available.</b>		
29	Non-Admin EOs	15,325,691	
30	Admin Eos	250,000	
31	<b>Total Finance Approved RPTTF for Distribution (sum of lines 29 plus 30)</b>	<b>15,575,691</b>	

Allocation Period: July 2017 - December 2017

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 17-18A

County : San Bernardino

	RS24	
Line #	Title of Former Redevelopment Agency:	VVEDA
32	<b>CAC Distributed ROPS RPTTF-</b>	
33	Non-Admin EOs	13,014,560
34	Admin EOs	-
	Insufficient RPTTF in "A" Period for Finance Approved RPTTF Funded in "B" Period	
35	(See line 35 in "A" ROPS)	2,561,131
36	<b>Total CAC Distributed RPTTF for SA EOs (sum of lines 33, 34, and 35)</b>	<b>13,014,560</b>
37	<b>Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)</b>	-
38	<b>Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 36 minus 37) -</b>	-
39	<b>RPTTF Distributions to ATEs</b>	
40	Cities	-
41	Counties	-
42	Special Districts	-
43	K-12 Schools	-
44	Community Colleges	-
45	County Office of Education	-
46	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 47 - 49)	-
47	ERAF - K-12	-
48	ERAF - Community Colleges	-
49	ERAF - County Offices of Education	-
50	<b>Total RPTTF Distributions to ATEs (sum of lines 40 - 46) - Total residual distributions must equal the total residual balance as shown on line 38.</b>	-
51	Total Residual Distributions to K-14 Schools (sum of lines 43 - 46):	-
52	Percentage of Residual Distributions to K-14 Schools	0%
53	<b>Comments:</b>	

Allocation Period: January 2018 - June 2018

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 17-18B

County : San Bernardino

RS24

Line #	Title of Former Redevelopment Agency:	VVEDA
1	<b>RPTTF Deposits - Entering the deposits by source is optional.</b>	
2	Secured & Unsecured Property Tax Increment (TI)	27,651,018
3	Supplemental & Unitary Property TI	1,339,662
4	Interest Earnings/Other	-
5	Penalty Assessments	
6	<b>Total RPTTF Deposits (sum of lines 2 - 5)</b>	<b>28,990,680</b>
7	<b>Total RPTTF Balance Available to Fund CAC Administrative Costs and Passthroughs</b>	<b>28,990,680</b>
8	<b>RPTTF Distributions - Include all payments made pursuant to Health and Safety Code (H&amp;S) Section 34183. Note that the following distributions are not necessary listed in the priority order required by H&amp;S 34183.</b>	
9	<b>Administrative Distributions-</b>	
10	Administrative Fees to CAC	101,458
11	SB 2557 Administration Fees	-
12	SCO Invoices for Audit and Oversight - Funding should only be allocated for this purpose when there is sufficient RPTTF to fully fund the approved enforceable obligations as shown on line 31.	-
13	<b>Total Administrative Distributions (sum of lines 10 - 12)</b>	<b>101,458</b>
14	<b>Passthrough Distributions-</b>	
15	City Passthrough Payments	2,162,158
16	County Passthrough Payments	451,832
17	Special District Passthrough Payments	1,022,044
18	K-12 School Passthrough Payments - Tax Portion	107,212
19	K-12 School Passthrough Payments - Facilities Portion	3,028,522
20	Community College Passthrough Payments - Tax Portion	21,664
21	Community College Passthrough Payments - Facilities Portion	556,141
22	County Office of Education - Tax Portion	1,313
23	County Office of Education - Facilities Portion	253,644
24	Education Revenue Augmentation Fund (ERAF)	153,669
25	<b>Total Passthrough Distributions (sum of lines 15 - 24)</b>	<b>7,758,199</b>
26	<b>Total Administrative and Passthrough Distributions (sum of lines 13 and 25)</b>	<b>7,859,657</b>
27	<b>Total RPTTF Balance Available to Fund Successor Agency (SA) Enforceable Obligations (EOs) (line 6 - 26)</b>	<b>21,131,024</b>
28	<b>Finance Approved RPTTF for Distribution - Include the total RPTTF approved for SA non-admin and admin costs. Should the RPTTF be insufficient to fund all approved amounts during the "A" period of the annual ROPS, the "A" period shortfall amount will be funded during the "B" period if sufficient RPTTF is available.</b>	
29	Non-Admin EOs	20,871,243
30	Admin EOs	250,000
31	<b>Total Finance Approved RPTTF for Distribution (sum of lines 29 plus 30)</b>	<b>21,121,243</b>

Allocation Period: January 2018 - June 2018

ROPS Redevelopment Property Tax Trust Fund (RPTTF) Allocation Cycle: 17-18B

County : San Bernardino

RS24

Line #	Title of Former Redevelopment Agency:	VVEDA
32	<b>CAC Distributed ROPS RPTTF-</b>	
33	Non-Admin EOs	21,131,024
34	Admin EOs	-
	Insufficient RPTTF in "A" Period for Finance Approved RPTTF Funded in "B" Period (See line 35 in "A" ROPS)	9,781
36	<b>Total CAC Distributed RPTTF for SA EOs (sum of lines 33, 34, and 35)</b>	<b>21,131,024</b>
37	<b>Pension Override/State Water Project Override Revenues pursuant to HSC 34183 (a) (1) (B)</b>	-
38	<b>Total ROPS Only RPTTF Balance Available for Distribution to ATEs (line 27 minus 36 minus 37) -</b>	-
39	<b>RPTTF Distributions to ATEs</b>	
40	Cities	-
41	Counties	-
42	Special Districts	-
43	K-12 Schools	-
44	Community Colleges	-
45	County Office of Education	-
46	Total ERAF - Please break out the ERAF amounts into the following categories if possible. (sum of lines 47 - 49)	-
47	ERAF - K-12	-
48	ERAF - Community Colleges	-
49	ERAF - County Offices of Education	-
50	<b>Total RPTTF Distributions to ATEs (sum of lines 40 - 46) - Total residual distributions must equal the total residual balance as shown on line 38.</b>	-
51.	Total Residual Distributions to K-14 Schools (sum of lines 43 - 46):	-
52	Percentage of Residual Distributions to K-14 Schools	0.0%
53	<b>Comments:</b>	



## Appendix 3

August 9, 2016

*Via Electronic Mail*

Linda Santillano, Property Tax Manager  
San Bernardino County Auditor-Controller/Treasurer/Tax Collector  
222 W. Hospitality Lane  
San Bernardino, CA 92415

**SUBJECT: VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY RESIDUAL  
RPTTF DISTRIBUTION**

Dear Ms. Santillano:

The Victor Valley Economic Development Authority ("VVEDA") and RSG staff met with San Bernardino County ("County") Auditor-Controller/Treasurer/Tax Collector ("Auditor-Controller") staff on March 25, 2016 to discuss a potential alternative Redevelopment Property Tax Trust Fund ("RPTTF") distribution methodology to ensure that the legal requirements pertaining to bond issues prior to redevelopment dissolution are met and that affected taxing entities could also receive the residual due to these entities on a more timely basis. Auditor-Controller staff expressed concerns about the County's liability in using a modified RPTTF distribution methodology, receiving questions from bondholders, and making an exception for VVEDA. VVEDA staff requested that Auditor-Controller staff confer with the County's legal counsel about the proposed alternative distribution methodology and followed up by e-mail on April 18, 2016, as well as by phone. We haven't received a response to date.

As quite a bit of time has gone by since our meeting, we wanted to memorialize, in detail, the chronology of VVEDA's efforts to adjust the distribution methodology in a way that would avoid VVEDA receiving funds it cannot spend and to benefit taxing entities by approximately \$1.5 million every six months. In fact, right now VVEDA is holding \$2,885,191.90 that is for the affected taxing entities from the previous two ROPS periods. Under the current method of distribution, we believe this amount won't be sent to the taxing entities until the next prior period adjustment is applied in approximately 34 months.

VVEDA staff requested the meeting referenced above after the California Department of Finance ("DOF") denied the distribution of RPTTF revenue to VVEDA member jurisdictions without outstanding debt service. VVEDA then met with DOF through the Meet and Confer appeals process and communicated to DOF that if it could not receive all of the VVEDA tax

increment to distribute to all member jurisdictions, then it would prefer to receive just the tax increment pledged to the Southern California Logistics Airport Authority ("SCLA") bonds, the Town of Apple Valley ("Apple Valley") bonds, and amounts needed for VVEDA administrative funding and for enforceable obligations approved in the future. This represents an alternative distribution methodology from the one currently in place. DOF directed VVEDA to discuss whether this preferred distribution could be applied with the Auditor-Controller.

**Summary**

VVEDA is legally bound by a joint powers agreement ("JPA Agreement") and also limited by DOF determinations regarding that JPA Agreement. Bonds were issued by SCLA prior to redevelopment dissolution that are secured by the City of Victorville ("Victorville") and SCLA portion of VVEDA's tax increment revenues. Some of these bonds are in default and in order to comply with the terms of the bond indenture, VVEDA was required to request the outstanding amount of default payments and reserve requirements on the Recognized Obligation Payment Schedule ("ROPS"), even though this amount exceeds the portion of tax increment that is legally pledged for the SCLA bonds. In response to this request, DOF authorized that all of VVEDA tax increment (not just the Victorville/SCLA share) be distributed to VVEDA, leaving no residual payments to the taxing entities. Table 1 identifies the amounts of the Victorville/SCLA share and the total VVEDA tax increment during the current and previous ROPS periods.

**Table 1. VVEDA tax increment net of pass through payments**

ROPS period	14-15B	15-16A
VVEDA tax increment pledged to SCLA bonds (a.k.a., Victorville/SCLA share)	13,230,890	10,622,431
VVEDA tax increment not pledged to SCLA bonds	2,469,443	1,966,363
Total VVEDA tax increment	15,700,333	12,588,794

The amounts of extra tax increment being held by VVEDA totals almost \$1.5 million from each biannual tax increment distribution. Given the current law, this amount will not be distributed to the taxing entities until the prior period adjustments have been complete, up to 3 years later. It is important to emphasize that the held funds are not pledged to the SCLA bonds.

VVEDA would like to have an alternative RPTTF distribution methodology applied. In the alternative methodology, there would be a distribution for the SCLA bonds that equals only the Victorville and SCLA share of the amount of taxes actually collected, as well as for Apple Valley's bonds from its share of the amount of taxes collected and amounts needed for VVEDA administrative funding and for enforceable obligations approved in the future. The held funds would be distributed to taxing entities immediately rather than being held for 3 years by VVEDA.

VVEDA staff has met with and attempted to coordinate with the Auditor-Controller to apply the alternative distribution methodology. However, to date VVEDA has not received a definitive

response from the Auditor-Controller about whether the alternative distribution methodology could be applied.

### **The Joint Powers Agreement Distribution Methodology**

Victorville, the City of Adelanto ("Adelanto"), Apple Valley, the City of Hesperia ("Hesperia"), the County, and SCLA entered into a JPA Agreement to form VVEDA. The JPA Agreement, as amended, specifies the distribution of tax increment revenue among its member jurisdictions. Initially, each member jurisdiction was entitled to the tax increment revenue attributed to their portion of the VVEDA Redevelopment Project Area.

The member jurisdictions pledged the following portions of their tax increment revenue, net of their 20% affordable housing set-aside, to pay the SCLA bonds' debt service:

- Victorville, 100%<sup>1</sup>,
- Adelanto, 50%,
- Apple Valley, 50%,
- Hesperia, 50%, and
- County, 50%.

Under the JPA Agreement, the member jurisdictions, aside from Victorville, receive the remaining 50% of their shares of tax increment revenue, as well as their 20% affordable housing set-aside. In addition to SCLA's bonds, Apple Valley issued bonds secured by their 50% tax increment revenue portion. The remaining member jurisdictions used their shares of tax increment revenue to support local economic development without issuing bonds. This tax increment revenue distribution was followed until the dissolution of redevelopment agencies with the Governor's approval of Assembly Bill x1 26 on June 28, 2011 and the California Supreme Court's upholding thereof on December 29, 2011.

### **Redevelopment Dissolution Changes**

Following redevelopment dissolution, VVEDA is required to submit a ROPS identifying the distribution of tax increment (now known as "RPTTF") revenues for each six-month period. The ROPS is reviewed by an oversight board and DOF. Initially, DOF approved the JPA Agreement distribution on each ROPS. However, starting with the January to June 2015 ("14-15B") ROPS, DOF began to deny the requested RPTTF distribution to member jurisdictions aside from funds encumbered for the payment of bond debt service (and VVEDA's administrative funding), explaining that the distribution of unencumbered tax increment revenues under the JPA Agreement does not qualify as an enforceable obligation.

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<sup>1</sup> SCLA is located within Victorville. The tax increment revenue associated with SCLA's area is included in this pledge of tax increment, which is sometimes referred to as the Victorville/SCLA share.

Because the amount of RPTTF to be distributed is not known when each ROPS is prepared, VVEDA requests (and DOF approves) the total amount needed for the Apple Valley and SCLA bonds, including current debt service, defaulted past years' debt service, and required reserve replenishment. The latter two are only needed for certain SCLA bonds as Apple Valley bonds are not in default and have their reserve requirement satisfied. Because of the defaults and reserve replenishment, the total approved RPTTF exceeds available RPTTF each ROPS period. The Auditor-Controller, tasked with distributing RPTTF following redevelopment dissolution, provides the lesser of available and approved RPTTF.

Although the RPTTF needed for the bonds exceeds the available RPTTF, VVEDA is not able to distribute all of the RPTTF received to Apple Valley and SCLA due to the JPA Agreement's distribution restrictions. The combination of DOF's denial of the complete JPA Agreement distribution and VVEDA's obligation to follow the JPA Agreement distribution results in remaining RPTTF that cannot be distributed to any of the member jurisdictions ("Residual RPTTF").

#### **The Prior Period Adjustment**

Until the July 2016 to June 2017 ("16-17") ROPS, each ROPS included a reconciliation between estimated obligations and actual payments for those obligations ("Prior Period Adjustment" or "PPA") for the ROPS period one year earlier. (For example, the January to June 2016 ("15-16B") ROPS included the PPA for the 14-15B period.) The PPA leads to a reduction in the following RPTTF distribution, essentially causing a return of approved and unspent funds to county auditor-controllers, who distribute the funds to taxing entities. Following the Governor's approval of Senate Bill 107 on September 22, 2015, the law changed such that the next PPA form will be submitted to county auditor-controller's commencing on October 1, 2018 and forwarded to DOF by February 1, 2019.

Although the law does not specify, it is likely that this PPA will be reduced from the following RPTTF distribution on June 1, 2019 and that the PPA for following years will continue to be processed on a 3-year delay. It appears that Residual RPTTF generated from the July 2015 to June 2016 period will be held by VVEDA until June 1, 2019, Residual RPTTF generated in the 16-17 period will be held by VVEDA until June 1, 2020, and so on.

Given that certain SCLA bonds are in default, the RPTTF distributions are closely watched by SCLA bondholders. Though the Residual RPTTF is not pledged to the SCLA bonds, VVEDA would prefer not to hold Residual RPTTF for 3 years while the SCLA bonds are in default to avoid attracting questions from bondholders. Instead, VVEDA would prefer to coordinate with the Auditor-Controller at the time of each RPTTF distribution so that VVEDA only receives RPTTF funds that can be distributed to Victorville/SCLA, to Apple Valley, for VVEDA's administrative funding, and for enforceable obligations approved in the future. The Residual RPTTF would then be distributed to taxing entities immediately.

Linda Santillano, Property Tax Manager  
SAN BERNARDINO COUNTY AUDITOR-CONTROLLER/TREASURER/TAX COLLECTOR  
August 8, 2016  
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In addition to preventing VVEDA from holding funds while the SCLA bonds are in default, this modified approach would allow taxing entities to receive their share of Residual RPTTF three years sooner than if the PPA process were applied. In 15-16B, the Residual RPTTF equaled \$1,495,107. In the July to December 2016 period, the Residual RPTTF equaled \$1,390,085 (See Attachment 1 for both distribution tables.). VVEDA projects that the Residual RPTTF will continue at approximately \$3 million per year. If the Residual RPTTF is not distributed to taxing entities until June 1, 2019, VVEDA will be holding approximately \$10.5 million of RPTTF Residual at that time.

#### **VVEDA's Attempt to Adjust the RPTTF Distribution Methodology**

VVEDA staff contacted the Auditor-Controller staff about modifying the Residual RPTTF distribution timing in March of 2016. VVEDA staff and Auditor-Controller staff met on March 25, 2016 to discuss VVEDA's preferred alternative distribution. Auditor-Controller staff expressed concerns about the County's liability in using a modified RPTTF distribution methodology, receiving questions from bondholders themselves, and making an exception to the prescribed PPA process for VVEDA.

VVEDA staff requested that Auditor-Controller staff confer with the County's legal counsel about VVEDA's proposed modified distribution methodology and followed up by e-mail on April 18, 2016, as well as by phone, without response. If VVEDA is unable to secure approval for the modified RPTTF distribution methodology, it has no option other than to hold Residual RPTTF until the PPA process allows their distribution to taxing entities.

In advance, I want to thank you for your continued consideration of this matter and I will look forward to your response. In the meantime, I can be reached at 760-955-5032.

Sincerely,



Keith C. Metzler  
Executive Director

cc: Marc Puckett, VVEDA Treasurer  
Kofi Antobam, VVEDA Controller  
Hitta Mosesman, RSG, 309 West 4<sup>th</sup> Street, Santa Ana, CA 92701  
Dima Galkin, RSG, 309 West 4<sup>th</sup> Street, Santa Ana, CA 92701