

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE
REGULAR MEETING
AGENDA**

Southern California Logistics Airport
18374 Phantom Street, Theater Room
Victorville, CA 92394

And

County Government Center
385 North Arrowhead Dr., 3rd Floor – Advantage Room
San Bernardino, CA 92415

Wednesday, September 20, 2017
4:00 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES OF MARCH 15, 2017 SPECIAL MEETING

ITEM 3 TAX INCREMENT DISTRIBUTION ROPS 17-18A

ITEM 4 BUSINESS AND COMMENTS

ITEM 5 ADJOURNMENT

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE

SPECIAL MEETING MINUTES

Southern California Logistics Airport
18374 Phantom Street, Theater Room
Victorville, CA 92394

And

County Government Center
385 North Arrowhead Dr., 3rd Floor – Advantage Room
San Bernardino, CA 92415

Wednesday, March 15, 2017
4:30 P.M

PRESENT:

Sophie Smith, City of Victorville
Marc Puckett, Town of Apple Valley
Gary Hallen, County of San Bernardino
Rod Yahnke, City of Hesperia

Keith Metzler, Executive Director
Andre de Bortnowsky, Legal Counsel
Jennifer Thompson, Secretary to the Commission

ABSENT:

Cindy Herrera, City of Adelanto

OTHERS PRESENT:

Hitta Mosesman, RSG

Dima Galkin, RSG

CALL TO ORDER

Executive Director Metzler called the meeting of the Victor Valley Economic Development Authority Technical Advisory Committee to order at 4:33 p.m.

PUBLIC COMMENT

None

DISCUSSION AGENDA

APPROVE MINUTES OF JANUARY 18, 2017 REGULAR MEETING

Motion: That the Technical Advisory Committee approve the minutes as presented.

MOTION: PUCKETT SECOND: HALLEN
AYES: PUCKETT, SMITH, HALLEN, YAHNKE
NOES: NONE

ABSENT: HERRERA
ABSTAIN: NONE

CHANGE OF TIMES, DATES AND LOCATION OF REGULAR BOARD MEETINGS AND TECHNICAL ADVISORY COMMITTEE MEETINGS

Keith Metzler identified that the resolutions are to align the meeting dates to make them less frequent and more aligned with the distribution of taxes.

Motion: That the Technical Advisory Committee recommends the Board adopts Resolution 17-00 and 17-002 approving the change of meetings as presented.

MOTION: PUCKETT SECOND: YAHNKE
AYES: PUCKETT, SMITH, HALLEN, YAHNKE
NOES: NONE
ABSENT: HERRERA
ABSTAIN: NONE

TAX INCREMENT DISTRIBUTION ROPS 16-17B

Keith Metzler introduced the item and identified the distribution was \$14.6 million and was prepared with the assistance of RSG.

Marc Puckett noted that there was a correction to the staff report in the second paragraph indicating the collection of tax increment received through December 13, 2016.

Hitta Mosesman went over the distribution noting that the County Auditor Controller and DOF agreed to distribute all amounts collected other than the County Admin Fees to VVEDA due to the bonded debt default. RSG has taken that into account in the distribution and amount of residual to be retained by VVEDA for the true-up period to occur whereby those revenues will be credited to future distributions for VVEDA.

Dima Galkin reviewed the distribution numbers with the ultimate distribution of \$14.6 million to Apple Valley and Victorville/SCLA to pay debt service, default amount and reserve replenishment. It was noted that in the default amounts and reserve replenishments for Victorville/SCLA, based on an estimated 3% growth in property tax increment, it was anticipated the defaults to be fully paid and the reserve replenished by the end of 18-19. If a 5% growth rate, Victorville/SCLA would be expected to pay off defaulted amounts, replenish reserves and prevent a default amount in 19-20. Based on historic growth over the last few years of 9%, RSG does not anticipate that amount to continue at that high of a growth rate, but at 5% after 18-19, the SCLA bonds should be in the clear.

Discussion ensued between Marc Puckett and Dima Galkin regarding property recoveries and if that was considered in the growth rate. It was noted that it was considered as a factor in the 9% growth rate.

Motion: That the Technical Advisory Committee recommends the Board approve the distribution of taxes as presented.

MOTION: SMITH SECOND: HALLEN
AYES: PUCKETT, SMITH, HALLEN, YAHNKE
NOES: NONE
ABSENT: HERRERA
ABSTAIN: NONE

BUSINESS AND COMMENT

None

ADJOURNMENT

Executive Director Metzler adjourned the regular meeting of the Victor Valley Economic Development Authority Technical Advisory Committee at 4:46 p.m.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jennifer Thompson, Secretary to the Commission of the Victor Valley Economic Development Authority Technical Advisory Committee, hereby certify the foregoing to be a full, true, and correct copy of the record of the action taken by said Committees by vote of the members present, as the same appears in the Official Minutes of the Victor Valley Economic Development Authority Technical Advisory Committee at its regular meeting of March 15, 2017.

(SEAL)

Jennifer Thompson
Secretary to the Commission

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
TECHNICAL ADVISORY COMMITTEE AND BOARD OF COMMISSIONERS
MEETING OF: September 20, 2017

SUBMITTED BY: Marc Puckett
Treasurer

DATE: September 12, 2017

SUBJECT: Tax Increment Distribution
ROPS 17-18A

RECOMMENDATIONS: That the Technical Advisory Committee and the Honorable Board of Commissioners approve a final distribution of taxes to its member jurisdictions and the affected taxing entities.

FISCAL IMPACT: \$11,148,271

DISCUSSION: From December 14, 2016 through April 30, 2017, VVEDA has collected \$17,976,645 in tax increment revenues. Of that amount, the San Bernardino County (County) remitted \$4,938,498 in pass-through payments to affected taxing entities and paid County Administrative Fees of \$23,588. Also, staff is recommending withholding \$250,000 for Administrative Cost Allowance as approved by the Department of Finance (DOF) on ROPS 17-18A. In addition, adjustments to the total amount each member jurisdiction is eligible to receive based on the Joint Powers Agreement distribution methodology due to the determination by DOF results in residual funds of \$1,616,288 (column 8 on Table 1). This amount will be reconciled with DOF and distributed to all affected taxing entities at a later date. VVEDA has attempted to coordinate with the County and DOF to enable the residual funds' distribution sooner. However, the County and DOF are not willing to diverge from the prior period adjustment process established by law. Staff believes this will result in the residual funds' distribution, at the earliest, in June 2019.

VVEDA's fiscal consultant, RSG, Inc. (RSG) has prepared a tax increment distribution analysis based on the tax increment revenues received by VVEDA through April 30, 2017. The RSG tax increment distribution analysis reconciled receipts from the original project area and Amendment 4 and 8 areas in the amount of \$17,953,057. The tax increment distribution is provided in Table 1 attached to this report.

A tax distribution of the reconciled receipts (the fifth column on Table 1) less the amount of pass-through payments, County Administrative Fees paid by the County, withholding of ROPS

17-18A Administrative Cost Allowance and the residual funds to be distributed at a later date would result in the distribution of \$11,148,271 to member jurisdictions.

Staff remains available for any questions or comments you might have.

MP:ka

Attachments: RSG Distribution of Taxes

WVEDA

DISTRIBUTION OF TAX INCREMENT REVENUE (DECEMBER 14, 2016 THROUGH APRIL 28, 2017)

TABLE 1

TAXING ENTITY	Actual Revenue Received				Administrative Cost Allowance (WVEDA)	Total Amount to be Distributed to Member Jurisdictions for Debt Service /1	Remaining RPTTF Revenue to be Distributed to Affected Taxing Entities
	1993 Received Revenue Dec 14 - Apr 28	Amendment IV Received Revenue Dec 14 - Apr 28	Amendment VIII Received Revenue Dec 14 - Apr 28	Total Received Revenue Through Apr 28			
Total Pass Through Payments	4,451,189	54,074	423,235	4,938,498			
Apple Valley (JPA Member)*							
Total	1,162,299	-	-	1,162,299	133,046.23	317,725.00	711,527.73
Hesperia (JPA Member)*							
Total	247,331	-	-	247,331	28,311.53	-	219,019.47
SB County (JPA Member)*							
Total	565,335	28,262	5,791	619,388	70,900.20	-	548,487.70
Victorville (JPA Member)*							
Total	4,580,024	12,931	939,856	5,532,811	-	5,532,811.18	-
Adelanto (JPA Member)*							
Total	-	90,150	64,846	154,996	17,742.05	-	137,253.45
SCLA*	4,616,559	78,492	602,684	5,297,735	-	5,297,735.01	-
Subtotal - Distribution to Member Jurisdictions	11,191,548	209,834	1,613,177	13,014,560	250,000.00	11,148,271.19	1,616,288.35
TOTAL	15,652,737	263,908	2,036,412	17,953,057			

* Note A: JPA Member Jurisdiction payments shown in Table 1 include 100% of the allocation of monies formerly referred to as "low and moderate income housing set aside" as well as non-housing (80%) monies. The total distribution amount shown in Table 1 adds the figures shown in the "Former Low/Med Housing (20%)" row and "Total Member Jurisdiction Allocations" row, as shown in Tables A, B and C.

* Note B: County Auditor-Controller administrative fees are excluded from Table 1.

/1 Adjustment to the total amount each jurisdiction is eligible to receive based on the JPA distribution methodology due to the determination by DOF.

WVEDA

ROPS 17-18A CALCULATED DISTRIBUTION OF RECEIVED REVENUE FOR 1993 PROJECT AREA

TABLE A

	SCLA	Victorville	Hesperia	Apple Valley	County	TOTAL
Total Tax Increment Collected by County (Dec. 14, 2016 to Apr. 28, 2017)	2,233,021	9,098,755	556,277	2,528,854	1,256,439	15,673,345
Member Jurisdiction Pro Rata Share	14.25%	58.05%	3.55%	16.13%	8.02%	100%
Administrative Fees to County Auditor-Controller	2,936	11,963	731	3,325	1,652	20,807
Former Low/Mod Housing (20%) ¹	446,604	1,819,751	111,255	505,771	251,288	3,134,669
Total Pass Throughs	607,242	2,639,703	172,138	706,702	335,405	4,461,189
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Throughs, and Low/Mod)	1,176,239	4,627,338	272,151	1,313,056	668,094	8,056,879
ALLOCATION TO MEMBER JURISDICTIONS						
Member Jurisdiction (50%) (Except SCLA 100%)	1,176,239	2,313,669	136,076	656,528	334,047	4,516,559
Member Jurisdictions' Allocation to SCLA (see below)	3,440,320					3,440,320
TOTAL MEMBER JURISDICTION ALLOCATIONS	4,616,559	2,313,669	136,076	656,528	334,047	8,056,879
MEMBER JURISDICTIONS' ALLOCATION TO SCLA						
Remaining Tax Increment to SCLA (50%)		2,313,669	136,076	656,528	334,047	3,440,320
Subtotal - Distribution to Member Jurisdictions (Includes Former Low/Mod Housing)						11,191,548

¹ The "Former Low/Mod Housing (20%)" row is included in the above table for purposes of calculating the remaining tax increment to be divided for the 50/50 split with SCLA per the JPA agreement. 100% of the figures shown in this row are subsequently added together with the figures in the "Total Member Jurisdiction Allocations" row to derive the total amounts to be distributed to the JPA Member Jurisdictions. The sum total of the figures in these rows can be seen in the summary table (Table 1).

VVEDA **TABLE B**
ROPS 17-18A CALCULATED DISTRIBUTION OF RECEIVED REVENUE FOR AMENDMENT IV AREA

	Victorville	Adelanto	County	TOTAL
Total Tax Increment Collected by County (Dec. 14, 2016 to Apr. 28, 2017)	26,017	181,377	56,862	264,256
Member Jurisdiction Pro Rata Share	9.85%	68.64%	21.52%	100%
Administrative Fees to County Auditor-Controller	34	239	75	348
Former Low/Mod Housing (20%) ¹	5,203	36,275	11,372	52,851
Total Pass Throughs	5,324	37,114	11,635	54,074
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Throughs, and Low/Mod)	15,456	107,748	33,779	156,983
ALLOCATION TO MEMBER JURISDICTIONS				
Member Jurisdiction (50% net of Admin, Pass Throughs, and Low/Mod)	7,728	53,874	16,890	78,492
Member Jurisdictions' Allocation to SCLA (50% net of Admin, Pass Throughs, and Low/Mod)	7,728	53,874	16,890	78,492
TOTAL MEMBER JURISDICTION ALLOCATIONS	15,456	107,748	33,779	156,983
Subtotal - Distribution to Member Jurisdictions (Includes Former Low/Mod Housing)				209,834

¹ The "Former Low/Mod Housing (20%)" row is included in the above table for purposes of calculating the remaining tax increment to be divided for the 50/50 split with SCLA per the JPA agreement. 100% of the figures shown in this row are subsequently added together with the figures in the "Total Member Jurisdiction Allocations" row to derive the total amounts to be distributed to the JPA Member Jurisdictions. The sum total of the figures in these rows can be seen in the summary table (Table 1).

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TABLE C

ROPS 17-18A CALCULATED DISTRIBUTION OF RECEIVED REVENUE FOR AMENDMENT VIII AREA

	Victorville	Adelanto	County	Apple Valley	TOTAL
Total Tax Increment Collected by County (Dec. 14, 2016 to Apr. 28, 2017)	1,896,508	130,851	11,686	-	2,039,045
Member Jurisdiction Pro Rata Share	93.01%	6.42%	0.57%	0.00%	100%
Administrative Fees to County Auditor-Controller	2,449	169	15	-	2,633
Former Low/Mod Housing (20%) ¹	379,302	26,170	2,337	-	407,809
Total Pass Throughs	393,649	27,160	2,426	-	423,235
REMAINING TAX INCREMENT TO BE DIVIDED (Net of Admin, Pass Thrus, and Low/Mod)	1,121,108	77,352	6,908	-	1,205,368
ALLOCATION TO MEMBER JURISDICTIONS					
Member Jurisdiction (50% net of Admin, Pass Throughs, and Low/Mod)	560,554	38,676	3,454	-	602,684
Member Jurisdictions' Allocation to SCLA (50% net of Admin, Pass Throughs, and Low/Mod)	560,554	38,676	3,454	-	602,684
TOTAL MEMBER JURISDICTION ALLOCATIONS	1,121,108	77,352	6,908	-	1,205,368
Subtotal - Distribution to Member Jurisdictions (Includes Former Low/Mod Housing)					1,613,177

¹ The "Former Low/Mod Housing (20%)" row is included in the above table for purposes of calculating the remaining tax increment to be divided for the 50/50 split with SCLA per the JPA agreement. 100% of the figures shown in this row are subsequently added together with the figures in the "Total Member Jurisdiction Allocations" row to derive the total amounts to be distributed to the JPA Member Jurisdictions. The sum total of the figures in these rows can be seen in the summary table (Table 1).