

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY AND
SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC DEVELOPMENT
AUTHORITY
REGULAR MEETING AGENDA**

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

Wednesday, September 20, 2017
4:30 P.M.

CALL TO ORDER

ITEM 1 PUBLIC COMMENT

SUCCESSOR AGENCY TO VVEDA DISCUSSION AGENDA

ITEM 2 APPROVE MINUTES OF JANUARY 18, 2017 SPECIAL MEETING

VVEDA COMMISSION DISCUSSION AGENDA

ITEM 3 APPROVE MINUTES OF MARCH 15, 2017 SPECIAL MEETING

ITEM 4 TAX INCREMENT DISTRIBUTION ROPS 17-18A

ITEM 5 BUSINESS AND COMMENTS

ITEM 6 ADJOURNMENT

SUCCESSOR AGENCY TO THE VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

SPECIAL MEETING MINUTES

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

Wednesday, January 18, 2017
4:30 P.M

PRESENT:

Robert Lovingood, Chairman, County of San Bernardino
Eric Negrete, Commissioner, City of Victorville
Paul Russ, Commissioner, City of Hesperia

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

ABSENT:

Rich Kerr, Commissioner, City of Adelanto

Curt Emick, Town of Apple Valley

OTHERS PRESENT:

Sophie Smith, City of Victorville
Don Holland, County of San Bernardino

Rod Yahnke, City of Hesperia

CALL TO ORDER

Chairman Lovingood called the meeting of the Successor Agency to the Victor Valley Economic Development Authority to order at 4:31 p.m.

PUBLIC COMMENT

None

DISCUSSION AGENDA

INTRODUCTION OF NEW MEMBERS

Commissioner Eric Negrete, City of Victorville, gave a brief introduction of himself and the Victorville City Council to the Board.

APPROVE MINUTES OF SEPTEMBER 23, 2013 SPECIAL MEETING

Motion: That the Board approve the minutes as presented.

MOTION: RUSS SECOND: LOVINGOOD
AYES: RUSS, LOVINGOOD, NEGRETE

NOES: NONE
ABSENT: KERR, EMICK
ABSTAIN: NONE

RESOLUTION S-17-001 – ADOPTION OF RECOGNIZED OBLIGATION PAYMENT SCHEDULE (ROPS) FOR THE PERIOD COMMENCING JULY 1, 2017 AND ENDING JUNE 30, 2018

Keith Metzler reviewed the 17-18 ROPS with the Board and noted it is very similar to the ROPS done in the past with some additional items being added. Mr. Metzler advised that TAC's recommendation was that the Board adopt this resolution and authorize it to be transmitted to the Department of Finance. Mr. Metzler reviewed item 24-30 as the additional items being added.

Discussion ensued in regards to these additional items and how the Department of Finance may react to these added items.

Motion: That the Board adopts Resolution S-17-001 approving the Recognized Obligation Payment Schedule (ROPS) for July 1, 2017 through June 30, 2018 and authorize it to be transmitted to the Department of Finance.

MOTION: RUSS **SECOND:** NEGRETE
AYES: RUSS, NEGRETE, LOVINGOOD
NOES: NONE
ABSENT: KERR, EMICK
ABSTAIN: NONE

BUSINESS AND COMMENTS

Paul Russ discussed the denial of Hesperia's item on the VVEDA ROPS and wanted to know the opinion of the members relative to looking into further legislation.

Andre de Bortnowsky discussed IVDA's litigation issues and wanting to see how things go with their lawsuit.

Discussion ensued in regards to legislation, the VVEDA JPA, and DOF's approval and denial of items on the ROPS. It was noted that legislation had been pursued over the years and should it have support, submissions are due by the end of the month.

ADJOURNMENT

Chairman Lovingood adjourned the special meeting of the Successor Agency to the Victor Valley Economic Development Authority at 4:50 p.m.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jennifer Thompson, Secretary to the Successor Agency to the Victor Valley Economic Development Authority, 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 Successor Agency to the Victor

Valley Economic Development Authority at its special meeting of January 18, 2017.

(SEAL)

Jennifer Thompson
Secretary to the Commission

VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY

SPECIAL MEETING MINUTES

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

Wednesday, March 15, 2017
5:00 P.M

PRESENT:

Don Holland, Alternate County of San Bernardino
Eric Negrete, Commissioner, City of Victorville
Art Bishop, Alternate Vice-Chair, Town of Apple Valley
Rich Kerr, Commissioner, City of Adelanto
Rebekah Swanson, Commissioner, City of Hesperia (5:15)

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

ABSENT:

None

OTHERS PRESENT:

Sophie Smith, City of Victorville
Hitta Mosesman, RSG

Rod Yahnke, City of Hesperia
Dima Galkin, RSG

CALL TO ORDER

Vice-Chairman Bishop called the meeting of the Victor Valley Economic Development Authority to order at 5:03 p.m.

PUBLIC COMMENT

None

DISCUSSION AGENDA

APPROVE MINUTES OF FEBRUARY 17, 2016, AUGUST 17, 2016 REGULAR MEETINGS AND SEPTEMBER 21, 2016 SPECIAL MEETING

Motion: That the Board approve the minutes as presented.

MOTION: HOLLAND SECOND: NEGRETE
AYES: NEGRETE, HOLLAND, BISHOP, KERR
NOES: NONE
ABSENT: SWANSON
ABSTAIN: NONE

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

Keith Metzler advised that this item effectively changes regular meeting dates to align them with the process of approving the ROPS and distribution of taxes. It was noted that TAC reviewed this item and recommended approval of the two resolutions as presented.

Motion: That the Board adopts Resolution 17-001 and 17-002 as presented.

MOTION: HOLLAND SECOND: NEGRETE
AYES: NEGRETE, HOLLAND, BISHOP, KERR
NOES: NONE
ABSENT: SWANSON
ABSTAIN: NONE

TAX INCREMENT DISTRIBUTION ROPS 16-17B

Keith Metzler identified that this item deals with the distribution of taxes recently received by VVEDA and reconciled by RSG in an amount to be distributed of \$14,604,212.

Hitta Mosesman reviewed the report and noted that the County Auditor Controller and the DOF decided to distribute all net revenues after County administrative fees and pass through payments to VVEDA for the bonded debt default.

Discussion ensued between Commissioner Bishop and Ms. Mosesman in regards to this determination. It was noted that this would be reconciled at a later date in the prior period adjustment.

Dima Galkin advised that projections for SCLA bond repayment of defaulted amounts and reserves, based on an estimated 3% growth rate would be repaid by the end of 18-19. With a 5% growth rate it was projected that SCLA would repay the defaulted amounts, replenish reserves and avoid a default in 19-20.

Commission Swanson arrived at the meeting and apologized for being late.

Motion: That the Board approved the distribution as presented.

MOTION: HOLLAND SECOND: NEGRETE
AYES: NEGRETE, HOLLAND, BISHOP, KERR, SWANSON
NOES: NONE
ABSENT: NONE
ABSTAIN: NONE

BUSINESS AND COMMENTS

Commissioner Negrete expressed his appreciation for the presentation and the work that goes into these presentations.

ADJOURNMENT

Vice-Chairman Bishop adjourned the special meeting of the Victor Valley Economic Development Authority at 5:23 p.m.

STATE OF CALIFORNIA
COUNTY OF SAN BERNARDINO

I, Jennifer Thompson, Secretary to the Successor Agency to the Victor Valley Economic Development Authority, 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 Successor Agency to the Victor Valley Economic Development Authority at its special 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

TABLE 1

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

TAXING ENTITY	Actual Revenue Received				Administrative Cost Allowance (WEDA)	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	4,461,169	54,074	423,235	4,938,498			
<i>Apple Valley (JPA Member)*</i>							
Total	1,162,299	-	-	1,162,299	133,046.23	317,725.00	711,527.73
<i>Hesperia (JPA Member)*</i>							
Total	247,331	-	-	247,331	28,311.53	-	219,019.47
<i>SB County (JPA Member)*</i>							
Total	585,335	28,262	5,791	619,388	70,900.20	-	548,487.70
<i>Victorville (JPA Member)*</i>							
Total	4,580,024	12,931	939,856	5,532,811	-	5,532,811.18	-
<i>Adelanto (JPA Member)*</i>							
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/Mod 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.

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TABLE A

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

	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	20,607
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	4,616,559
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).

TABLE B
VEDA
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).