



Harris & Associates

CONTINUING DISCLOSURE REPORT



February 15, 2025

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

14343 Civic Drive, Victorville, CA 92392

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INTRODUCTION

Harris & Associates (“Harris”) has prepared this Continuing Disclosure Report (“Report”) at the request of the Successor Agency to the former Victorville Redevelopment Agency (“Successor Agency”). It is the understanding of Harris that the Successor Agency will employ this Report to substantiate the continuing viability of its four (4) outstanding Tax Allocation Bonds (“Bonds”). The Bonds include the following series:

- 2002 Tax Allocation Bonds
- 2003 Tax Allocation Refunding Bonds, Series A
- 2003 Tax Allocation Refunding Bonds, Series B
- 2006 Taxable Tax Allocation Parity Bonds

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

- The Bear Valley Original Area (“Original Area”) and
- The Hook Boulevard Amendment Area (“Amendment Area”).

The following tables update the information presented in the original Fiscal Consultant Report (“FCR”) prepared for the Bonds:

Exhibit 1:	Historic Assessed Valuation and Tax Increment Receipts
Exhibit 2:	Summary of Assessed Secured Valuations by Land Use
Exhibit 3:	Top Ten Secured and Unsecured Taxpayers
Exhibit 4:	Assessment Appeals
Exhibit 5:	Top Ten Taxpayers with Pending Appeals
Exhibits 6B-E:	Tax Increment Revenue Projections

Projected assessed values and tax increment revenues presented in this Report are based on 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.

Harris relies on established data sources, including the County equalized assessment roll, appeals records, and pass-through payment calculation methodology. Harris 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 confirm 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.

TAX INCREMENT COLLECTION HISTORY

Exhibit 1 presents a summary of historical assessed values and tax increment revenue collections for Fiscal Year (“FY”) 2020-21 to FY 2024-25 for the Project Area.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Historic Assessed Value and Tax Increment											Exhibit 1
Bear Valley Road Redevelopment Project Area											
Original Area	2020-21	Δ ¹	2021-22	Δ ¹	2022-23	Δ ¹	2023-24	Δ ¹	2024-25	Δ ¹	
Secured	\$ 659,784,918	3.47%	\$ 679,470,240	2.98%	\$ 704,977,684	3.75%	\$ 739,382,633	4.88%	\$ 829,760,582	12.22%	
Utility	31,798		31,798		31,798		9,539		9,539		
Unsecured	137,352,831		136,407,506		140,816,374		160,599,804		193,061,195		
Total	797,169,547	1.28%	815,909,544	2.35%	845,825,856	3.67%	899,991,976	6.40%	1,022,831,316	13.65%	
Base Year	(4,732,384)		(4,732,384)		(4,732,384)		(4,732,384)		(4,732,384)		
Incremental	792,437,163	1.28%	811,177,160	2.36%	841,093,472	3.69%	895,259,592	6.44%	1,018,098,932	13.72%	
Estimated Receipts	\$ 7,924,372		\$ 8,111,772		\$ 8,410,935		\$ 8,952,596		\$ 10,180,989		
Amendment Area	2020-21	Δ ¹	2021-22	Δ ¹	2022-23	Δ ¹	2023-24	Δ ¹	2024-25	Δ ¹	
Secured	\$ 210,868,293	1.91%	\$ 214,967,234	1.94%	\$ 225,251,391	4.78%	\$ 239,734,185	6.43%	\$ 246,459,192	2.81%	
Utility	-		-		-		-		-		
Unsecured	21,094,601		20,137,869		22,121,742		24,094,602		23,966,330		
Total	231,962,894	1.78%	235,105,103	1.35%	247,373,133	5.22%	263,828,787	6.65%	\$ 270,425,522	2.50%	
Base Year	(5,748,282)		(5,748,282)		(5,748,282)		(5,748,282)		(5,748,282)		
Incremental	226,214,612	1.82%	229,356,821	1.39%	241,624,851	5.35%	258,080,505	6.81%	264,677,240	2.56%	
Estimated Receipts	\$ 2,262,146		\$ 2,293,568		\$ 2,416,249		\$ 2,580,805		\$ 2,646,772		
Total Estimated Revenue	\$ 10,186,518		\$ 10,405,340		\$ 10,827,183		\$ 11,533,401		\$ 12,827,762		
Actual Receipts	\$ 9,671,452	-5.11%	\$ 10,873,484	12.43%	\$ 11,037,487	1.51%	\$ 13,570,323	22.95%	N/A		

Source: San Bernardino County Auditor-Controller

¹ Percent change from Prior Year's Assessed Value

From FY 2020-21 to FY 2024-25, total assessed values on average grew 6.43% and 3.91% annually in the Original Area and Amendment Area, respectively. In the past five years, the Original area experienced annual growth between 1.28% and 13.65%, with the largest increase in value occurring from FY 2023-24 to FY 2024-25 (13.65%). The Amendment Area experienced annual growth between 1.35% and 6.65%, with its largest increase occurring from FY 2022-23 to FY 2023-24 (6.65%).

Actual receipts increased by 22.95% in FY 2023-24, the most recent year with available data. This represents actual receipts trending up since the 5.11% decrease in revenues in FY 2020-21. The unusually large increase in assessed value in FY 2024-25 is mostly attributable to growth in the value of industrial properties, as will be shown in the following section.

LAND USE

Exhibit 2 summarizes the combined FY 2024-25 total secured assessed value, net of exemptions other than the homeowner’s exemption, and acreage by land use category for the Original and Amendment Areas.

Large portions (20% or more) of the Original Area are comprised of vacant, industrial, and residential land uses. In terms of assessed value, the Original Area is mostly split among residential, industrial, and professional land uses (ranging between about 19% and 33% of assessed value). The Amendment Area, meanwhile, is predominantly composed of commercial and vacant land uses, both in terms of area (94% together) and assessed value (90% together). Notably, the value of industrial land grew from approximately \$189.5 million in FY 2023-24 to approximately \$259.9 million in FY 2024-25, an increase of 37%.

Summary of Land Use					Exhibit 2
Bear Valley Road Redevelopment Project Area					
Land Use	Original Area		Amendment Area		
	Acreage	% of Total	Acreage	% of Total	
Vacant	287	26.8%	191	54.1%	
Industrial	273	25.5%	-	0.0%	
Residential	258	24.1%	9	2.5%	
Commercial	84	7.9%	128	36.1%	
Public / Institutional	99	9.2%	23	6.6%	
Professional	69	6.5%	3	0.8%	
Total	1,071	100.0%	353	100.0%	
Rights-of-Way	189		67		
Total	1,260		420		

Source: San Bernardino County Assessor 2024-25 Tax Roll and ParcelQuest

Secured Assessed Value by Land Use					
Bear Valley Road Redevelopment Project Area					
Land Use	Original Area		Amendment Area		
	Assessed Value	% of Total	Assessed Value	% of Total	
Residential	\$ 271,914,379	32.8%	\$ 110,158.00	0.0%	
Industrial	259,904,235	31.3%	-	0.0%	
Commercial	107,230,788	12.9%	197,939,053	80.3%	
Vacant	33,116,693	4.0%	35,409,535	14.4%	
Professional	156,318,411	18.8%	12,260,946	5.0%	
Public / Institutional	1,276,076	0.2%	739,500	0.3%	
Total	\$ 829,760,582	100.0%	\$ 246,459,192	100.0%	

Source: San Bernardino County Assessor 2024-25 Tax Roll and ParcelQuest

TOP TEN TAXPAYERS

Utilizing the County Assessor’s FY 2024-25 Secured and Unsecured Assessment Tax Rolls, Harris identified the top ten largest taxpayers within the Original and Amendment Areas, listed below in Exhibit 3.

2024-25 Top Ten Secured & Unsecured Taxpayers					Exhibit 3
Bear Valley Road Redevelopment Project Area - Original Area					
	No. of Parcels	Land Use(s)	Assessed Value	% of Area Assessed Value	
1 Nutro Products Inc.	2	Industrial and Unsecured	\$ 96,540,486	9.4%	
2 Prime Healthcare Services ¹	22	Industrial, Professional, Commercial, Vacant, and Unsecured	96,329,347	9.4%	
3 SH Victorville, LLC	2	Industrial and Vacant	68,850,000	6.7%	
4 Paxbello, LLC	2	Industrial and Vacant	40,923,471	4.0%	
5 Church & Dwight Co. Inc.	3	Unsecured	36,571,609	3.6%	
6 Wimbledon 289 LTD	1	Residential	19,940,959	1.9%	
7 Art Mortgage Borrower Propco 2010-4	1	Industrial	18,796,213	1.8%	
8 Spectrum Pacific West LLC	1	Unsecured	17,948,523	1.8%	
9 Farsai Victorville 2, LLC	7	Commercial and Professional	16,940,797	1.7%	
10 Silica Investments, LLC	3	Industrial and Vacant	16,850,000	1.6%	
Total	44		\$ 429,691,405	42.0%	
Total Project Area Assessed Value			\$ 1,022,831,316		
2024-25 Top Ten Secured & Unsecured Taxpayers					
Bear Valley Road Redevelopment Project Area - Amendment Area					
	No. of Parcels	Land Use(s)	Assessed Value	% of Area Assessed Value	
1 Browning Desert Properties, LLC	6	Commercial	\$ 33,010,695	12.2%	
2 Costco Wholesale Corporation	4	Commercial, Vacant, and Unsecured	29,108,543	10.8%	
3 Civic Rogers, LLC ²	16	Commercial and Vacant	26,548,503	9.8%	
4 Winco Holdings Inc.	3	Commercial and Unsecured	21,769,892	8.1%	
5 LA-DF, LLC ³	6	Vacant	14,891,095	5.5%	
6 Diego of Victorville, LLC ⁴	6	Commercial, Vacant, and Unsecured	14,809,616	5.5%	
7 Home Depot USA Inc.	2	Commercial and Unsecured	14,569,613	5.4%	
8 Momima Properties, LLC	2	Commercial and Vacant	9,996,000	3.7%	
9 English Road, LLC	1	Professional	8,078,589	3.0%	
10 JRG Family Holdings, LLC	1	Commercial	6,759,251	2.5%	
Total	47		\$ 179,541,797	66.4%	
Total Project Area Assessed Value			\$ 270,425,522		
¹ Prime Healthcare Services includes taxpayers previously identified as Prime A Investments LLC, Prime Healthcare Foundation - Real Estate, Desert Valley Medical Group, Desert Valley Hospital Inc., High Desert Heart Institute, and Foxborough Business Park LLC. These taxpayers have been combined based on an owner-subsidiary relationship.					
² Civic Rogers, LLC includes Amroyciv as the entity has the same billing address.					
³ LA-DF, LLC. includes LA-DF Valley Center, LLC; LA-DF Adelanto, LLC; and LA-DF Land Fund 12, LLC.					
⁴ Diego of Victorville, LLC includes Oremor of Victorville, LLC as this entity has the same billing address.					

Source: San Bernardino County Auditor-Controller, San Bernardino County Assessor

In the Original Area, the FY 2024-25 top ten secured and unsecured taxpayers make up \$429.7 million or 42.0% of the total area assessed value. This is greater in value and percentage to the FY 2023-24 top ten taxpayers' total assessed value of \$348.2 million and 38.7%.

In the Amendment Area, the FY 2024-25 top ten secured and unsecured taxpayers make up \$179.5 million or 66.4% of the total area assessed value. This is higher than the FY 2023-24 top ten taxpayers' total assessed value of \$172.4 million and higher than the prior year percentage share of 65.3%.

ASSESSMENT APPEALS

Property taxpayers that wish to dispute the value of their property may file an assessment appeal with the County Clerk of the Board of Supervisors. Property taxpayers must file appeals to receive any tax deductions. Exhibit 4 summarizes the assessment appeal history of the Project Area as of December 20, 2024.

Over the past five years, 53 of the 170 appeals filed and completely adjudicated in the Project Area were granted. There are 26 appeals that are currently¹ pending for FYs 2022-23 and 2023-24. The pending appeals create a total potential assessed valuation decline of \$51.9 million.

It is important to note that the impact of successful tax appeals has not been included in the tax increment projections presented in Exhibits 6B-E because the outcome cannot be accurately predicted, either in terms of the number of appeals granted or the actual reduction in value. Furthermore, the maximum potential reduction represents a very small portion of total assessed value.

¹ As of December 20, 2024.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Assessment Appeal History						Exhibit 4
Bear Valley Road Redevelopment Project Area						
	2019-20	2020-21	2021-22	2022-23	2023-24	5 Year Total ¹
Project Area Total Assessed Value	\$1,015,032,202	\$1,029,132,441	\$1,051,014,647	\$1,093,198,989	\$1,163,820,763	N/A
All Appeals						
Total Number of Appeals ²	27	32	40	36	35	170
Total Requested Reduction of All Appeals	\$52,895,609	\$61,619,234	\$56,716,917	\$75,818,882	\$62,509,529	\$309,560,171
Number of Withdrawn / Denied Appeals	15	23	16	19	18	91
Number of Stipulated (Successful) Appeals	12	9	24	8	0	53
Total Number of Finalized Appeals	27	32	40	27	18	144
Rate of Successful Appeals ³	44.4%	28.1%	60.0%	29.6%	0.0%	36.8%
Number of Appeals Pending Decisions	0	0	0	9	17	26
Stipulated (Successful) Appeals						
Requested Reduction Amount	\$31,900,164	\$22,488,544	\$36,171,687	\$17,564,837	\$0	\$108,125,232
Granted Reduction Amount	\$10,496,364	\$4,273,250	\$13,642,992	\$6,813,478	\$0	\$35,226,084
Total Granted Reduction Amount versus Requested Reduction Amount ⁴	32.9%	19.0%	37.7%	38.8%	N/A	32.6%
Average % of Reduction (of each appeal) versus Requested Reduction(of each appeal) ⁵	17.0%	8.8%	45.5%	9.4%	0.0%	10.3%
Granted Reduction As % of Total Assessed Value ⁶	1.0%	0.4%	1.3%	0.6%	0.0%	N/A
Appeals Pending Decision						
Total Assessed Value of Pending Appeals	\$0	\$0	\$0	\$14,013,651	\$119,301,609	\$133,315,260
Requested Reduction Amount	\$0	\$0	\$0	\$7,566,055	\$44,343,729	\$51,909,784
Requested Reduction As % of Project Area Assessed Value ⁷	0.0%	0.0%	0.0%	0.7%	3.8%	N/A
¹ The 5-year total represents the five most recently complete years, 2019-20 to 2023-24. ² Total appeals filed from 2019 through 2024. Appeals where the applicant requested a higher value than the current assessed value were excluded because of potential flaws in the data. ³ The number of stipulated appeals versus the total number of finalized appeals. ⁴ The total value of all granted reductions versus the total value of all requested reductions. ⁵ The average of each stipulated appeal's granted reduction amount versus its requested reduction amount. ⁶ The granted reduction amount versus the total project area assessed value. ⁷ 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

TOP TEN TAXPAYER APPEALS

Exhibit 5 details the pending appeals of the top ten taxpayers for the Original and Amendment Areas as of December 20, 2024. Harris did not assume any reduction in value due to these appeals for the tax increment projections presented in Exhibits 6 B-E, tax increment projections.

2024-25 Top Ten Secured & Unsecured Taxpayers with Pending Appeals						Exhibit 5
Bear Valley Road Redevelopment Project Area - Original Area						
Rank		Number of Pending Appeals	Taxpayer's 2024-25 Assessed Value	Total Requested Reduction		Requested Reduction as % of 2024-25 Assessed Value
1	Nutro Products Inc. ¹	1	\$ 40,482,756	\$ 20,241,378		50.0%
2	Prime Healthcare Services ²	12	\$ 77,803,389	\$ 23,718,774		30.5%
Total		13	\$ 118,286,145	\$ 43,960,152		37.2%
2024-25 Top Ten Secured & Unsecured Taxpayers with Pending Appeals						
Bear Valley Road Redevelopment Project Area - Amendment Area						
Rank		Number of Pending Appeals	Taxpayer's 2024-25 Assessed Value	Total Requested Reduction		Requested Reduction as % of 2024-25 Assessed Value
7	Home Depot USA Inc. ³	1	\$ 997,361	\$ 607,360		60.9%
Total		1	\$ 997,361	\$ 607,360		60.9%
¹ There is one pending appeals by Nutro Products (2023) with a reduction values of \$20,241,378. The requested reduction as a percentage of the Project Area's 2024-25 Assessed Value is 2%.						
² There are 12 pending appeals by Prime Healthcare Services (2022 & 2023) ranging in a reduction value of \$131,859 to \$11,957,225. The requested reduction as a percentage of the Project Area's 2024-25 Assessed Value is 2.3%.						
³ There is 1 pending appeal by Home Depot USA Inc. (2023) with a reduction value of \$607,360. The requested reduction as a percentage of the Project Area's 2024-25 Assessed Value is 0.2%.						

Source: San Bernardino County Auditor-Controller, San Bernardino County Assessor

Two of the top ten taxpayers in the Original Area have pending appeals to the FYs 2023-24 and 2024-25 assessment rolls. There is a total of thirteen (13) pending appeals with a total requested reduction value of approximately \$44 million, or 37.2% of the property owners' FY 2024-25 total assessed value. The highest pending requested reduction for the top ten taxpayers in the Original Area is \$23 million.

One of the top ten taxpayers in the Amendment Area have a total of one (1) pending appeal to the FY 2023-24 assessment roll. This appeal has a total requested reduction value of \$607,360, or 4.17% of the property owners' FY 2024-25 assessed value.

DISSOLUTION OF REDEVELOPMENT AGENCIES

On December 29, 2011, the California Supreme Court upheld Assembly Bill ("AB") x1 26, which dissolved redevelopment agencies in California. 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 the payment of all valid debts, including bond indebtedness. However, unlike redevelopment agencies, successor agencies are not allocated all tax increment in a project area. Instead, successor agencies create schedules of debt called Recognized Obligation Payment Schedules ("ROPS") and request funds in the amounts necessary to pay enforceable obligations. The actions of each successor agency are reviewed by and require approval from an oversight board and DOF.

All tax increment amounts for the Successor Agency are now collected by the San Bernardino County Auditor-Controller ("Auditor-Controller") and distributed pursuant to 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 will continue to pay outstanding debt obligations (obligations which include tax allocation bonds) until they are fully retired. Any tax increment revenues remaining after administrative costs, taxing agency pass-through payments, and enforceable obligations are to be 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.

TAX INCREMENT LIMIT

Prior to Dissolution Law, the Redevelopment Plan for the Original Area and the Amendment Area contained a limitation on the cumulative amount of tax increment the former Victorville Redevelopment Agency ("Redevelopment Agency") could receive. Specifically, Ordinance Number 1620, adopted in 1993, states that the cumulative amount of tax increment that the Redevelopment Agency can receive from the Project Area is limited to \$49 million (in 1982 dollars) plus (a) annual adjustments beginning in 1982 in accordance with the Consumer Price Index ("CPI"), or an acceptable replacement index in the event the CPI ceases to be published, and (b) any payments made by the Redevelopment Agency to alleviate financial burden pursuant to Section 33401 of the Community Redevelopment Law ("CRL"), and (c) any funds required by Section 33334.2 of CRL to be deposited by the Agency in a Low- and Moderate-Income Housing Fund as a result of any such payments to taxing agencies.

However, pursuant to Senate Bill ("SB") 107 and the amended Health and Safety Code ("HSC") Section 34189, successor agencies are no longer bound by time and financial limits of adopted redevelopment plans. HSC Section 34189 now states:

34189. (a) Commencing on the effective date of this part, all provisions of the Community Redevelopment Law that depend on the allocation of tax increment to redevelopment agencies, including, but not limited to, Sections 33445, 33640, 33641, and 33645, and subdivision (b) of Section 33670, shall be inoperative. Solely for the purposes of the payment of enforceable obligations defined by subparagraphs (A) to (G), inclusive, of paragraph (1) of subdivision (d) of Section 34171 and subdivision (b) of Section 34191.4, and for no other purpose whatsoever, a successor agency is not subject to the limitations relating to time, number of tax dollars, or any other matters set forth in Sections 33333.2, 33333.4, and 33333.6. Notwithstanding any other provision in this section, this subdivision shall not result in the restoration or continuation of funding for projects whose contractual terms specified that project funding would cease once the limitations specified in any of Section 33333.2, 33333.4, or 33333.6 were realized.

TAXING ENTITY PASS-THROUGH PAYMENTS

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

Prior to 1994, HSC Section 33401 allowed redevelopment agencies to pay 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. The Agency entered into several agreements in connection with the Original and Amendment Areas, with the County, the County Library, and the County Flood Control District.

Original Area

In February 1982, the City of Victorville, the Redevelopment Agency, and the County entered into an agreement, which provides for payment to the County of a portion of the tax increment generated in the Original Area. In summary, the terms of the Agreement provide that commencing in FY 1998-99, the County shall receive its share of all tax increment for every fiscal year that the Agency collects tax increment. The projections presented in Tables 6-A through 6-C show this payment as a pass-through.

Amendment Area

The Redevelopment Agency entered into an agreement with the County, the County Library, and the County Flood Control District, which provides for payment to these agencies of a portion of the increment generated in the Amendment Area. In summary, the Agreement provides for the Flood Control District and the County Library to receive their share of all tax increment. The County Library no longer has a share of the property tax in Victorville. The Agreement also

provides for the County to receive a portion of its share of all tax increment. Starting in 2011, that portion is 100%. The projections presented in Tables 6-A, 6-B, and 6-D show these payments as pass-throughs.

1993 Plan Amendment Agreements

The Redevelopment Agency adopted an amendment to the Redevelopment Plan in 1993. The primary purpose of the amendment was to increase the tax increment and bonded indebtedness limits of the redevelopment plan. Because of the amendment process, the Agency negotiated new pass-through agreements with the Victor Valley Elementary School District, Victor Valley Union High School District, Victor Valley Community College District, the San Bernardino County Superintendent of Schools, and the Mojave Water Agency.

The agreements stipulate that, after the Redevelopment Agency collects \$49 million in cumulative tax increment, the Mojave Water Agency receives 80% of its share of tax increment, while the other taxing entities ("Education TEs") receive 40% of their shares of tax increment. The agreements also call for the Education TEs to receive, after the Redevelopment Agency collects \$49 million in cumulative tax increment, their share of 80% of the Original and Amendment Areas' base year values increased each year by the California CPI (generally 2%).

The agreements contain a provision that the obligations of the agreement "are not a pledge of any funds" and "are subordinate to any financing entered into by a party which requires such a pledge." Thus, these payments are subordinate to the Bonds. In the new tax increment distribution approach used following Redevelopment dissolution, these pass-through payments are shown as if they were senior to the Bonds. However, per HSC Section 34183 (b), the Successor Agency can report to the Auditor-Controller that available funds are expected to be insufficient to pay debt service on the Bonds and thereby require the Auditor-Controller to deduct the amount of the insufficiency from pass-through payments.

Since the 1993 Plan Amendment Agreement payments are subordinate to payments on the Bonds, they have not been deducted from revenue available to pay the Bonds' debt service. The projection tables (6-A through 6-D) present these subordinate payments for the purposes of information only.

Statutory Pass-Through Payments

The SB 211 amendment adopted in 2006 to eliminate the time limit to incur debt triggered statutory pass-through payments (per HSC Section 33607.5) for any taxing entities that do not already have a negotiated pass-through agreement. Following the methodology used by the Auditor-Controller, these payments include the Education Revenue Augmentation Fund as a taxing entity. In the Original Area, taxing entities receiving statutory pass-throughs represent 40.60% of the tax rate. In the Amendment Area, such taxing entities represent 39.03% of the tax rate. The Agency has not sought to subordinate these payments to debt service. These payments are included in Tables 6-A through 6-D.

TAX INCREMENT PROJECTIONS

Exhibits 6-A through 6-D outline the projection of revenues and debt service obligations for the Project Area. As discussed earlier in this Report, the Low- and Moderate-Income Housing Set Aside requirements no longer exist, and are 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.

The first projection table, Exhibit 6-A, shows the housing and non-housing revenues and debt service coverage for the combined Project Area, which includes both the Original and the Amendment Areas. The tax increment revenue projections shown in Exhibit 6-A account for changes pursuant to Dissolution Law, showing both housing and non-housing tax increment as a single stream of pledged revenue to repay the Bonds. **This change is only reflected in Exhibit 6-A.** The calculation of pledged tax increment revenue subtracts the pass-through payments generated by each component area and takes into account the elimination of the tax increment limit caused by the dissolution of Redevelopment Agencies. Exhibit 6-A reflects the lowest debt service coverage projected for the combined Project Areas is 3.14. This is higher than the reported 2.85 in the FY 2023-24 Continuing Disclosure Report.

Exhibit 6-B shows the debt coverage ratio related to the bond debt service obligations compared to the total tax increment generated net of pass-through payments and the housing set aside for the Project Area as a whole. The primary difference between Exhibits 6-A and 6-B is that housing revenues are not included in the revenue pledged to the bond debt service payments in Exhibit 6-B. Based on the approach in Exhibit 6-B, the lowest debt service coverage expected for the Project Area is 2.34. As with Exhibit 6-A, this minimum debt coverage is higher than the coverage of 2.13 in the FY 2023-24 Continuing Disclosure Report.

Exhibits 6-C and 6-D reflect the non-housing pledge of tax increment revenue and show the pledged revenue net of the housing set aside and pass-through payments for the Original and Amendment Areas separately. This is the same methodology used in previously prepared continuing disclosure reports (refer to Exhibits 6-C and 6-D in the FY 2023-24 Continuing Disclosure Reports.) To provide conservative projections of growth, the revenue forecast assumes a 2.0% growth factor for secured assessed value in FY 2025-26 in accordance with the California CPI, a 2.0% growth for secured assessed value from FY 2026-27 onwards, and a 0.0% growth for utility and unsecured assessed value.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Combined Housing and Non-Housing Tax Increment Projections (Post Dissolution)													Exhibit 6-A	
Bear Valley Road Redevelopment Project Area														
Fiscal Year ¹	Gross Tax Increment	Housing Fund (20% of TI)	County Admin Fees	Total Senior Pass Thrus Original Area	Total Senior Pass Thrus Amendment Area	Pledged Revenue (Housing & Non-Housing) ²	Outstanding Debt Obligations					Total Debt Service	Debt Coverage Ratio	Total Subordinate Pass Thrus
							Series 2002 ³	Series 2003A ³	Series 2003B ³	Series 2006 ³				
2024-25	12,827,762	2,565,552	86,831	2,095,746	529,124	10,116,061	640,650	682,275	339,463	1,559,800	3,222,188	3.14	2,361,454	
2025-26*	13,043,006	2,608,601	88,288	2,140,648	541,735	10,272,334	647,588	683,275	332,463	1,559,600	3,222,926	3.19	2,401,593	
2026-27	13,262,555	2,652,511	89,774	2,186,448	554,599	10,431,733	647,988	683,025	335,213	1,557,000	3,223,226	3.24	2,442,536	
2027-28	13,486,494	2,697,299	91,290	2,233,165	567,720	10,594,320	647,106	681,525	337,213	1,557,000	3,222,844	3.29	2,484,297	
2028-29	13,714,913	2,742,983	92,836	2,280,815	581,103	10,760,158	644,944	682,388	337,775	1,559,300	3,224,407	3.34	2,526,893	
2029-30	13,947,900	2,789,580	94,413	2,329,419	594,754	10,929,314	646,500	686,675	332,550	1,558,600	3,224,325	3.39	2,570,342	
2030-31	14,185,547	2,837,109	96,022	2,378,995	608,678	11,101,852	646,519	684,125	336,800	1,554,900	3,222,344	3.45	2,614,659	
2031-32	14,427,946	2,885,589	97,663	2,429,562	622,880	11,277,841				3,223,200	3,223,200	3.50	2,659,862	
2032-33	14,675,194	2,935,039	99,336	2,481,140	637,367	11,457,350				3,223,000	3,223,000	3.55	2,705,970	
2033-34	14,927,387	2,985,477	101,043	2,533,750	652,143	11,640,449				3,223,200	3,223,200	3.61	2,753,000	
2034-35	15,184,623	3,036,925	102,785	2,593,911	667,215	11,820,712				393,200	393,200	30.06	2,800,970	
2035-36	15,447,004	3,089,401	104,561	2,655,275	682,588	12,004,580				392,200	392,200	30.61	2,849,900	

¹ The Agency's last debt service payment is due December 1, 2036. It is therefore expected that the Agency's last receipt of revenue for debt service will occur on June 1, 2036, part of fiscal year 2035-36.

² Pursuant to ABx1, AB 1484, and SB 107, the Successor Agency is no longer required to set-aside tax increment for the low and moderate housing fund. Therefore those monies, which are deposited into the Redevelopment Property Tax Trust fund (RPTTF), can be pledged to pay bond debt service.

³ Outstanding debt service is shown here by bond year, which goes from January 1 to December 31, whereas increment calculations are shown by fiscal year. This is most appropriate as revenue received by fiscal year is used to pay debt service by bond year. Revenue received each January is used to pay the following June service and revenue received each June is used to pay the following December debt service.

* The State Board of Equalization has declared a 2% inflationary growth for the 2025-26 fiscal year.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Tax Increment Revenue Projections													Exhibit 6-B	
Bear Valley Road Redevelopment Project Area (Non-Housing Portion)														
Fiscal Year ¹	Gross Tax Increment	Housing Fund (20% of TI)	County Admin Fees	Total Senior Pass Thrus Original Area	Total Senior Pass Thrus Amendment Area	Non-Housing Pledged Revenue	Outstanding Debt Obligations					Total Debt Service	Debt Coverage Ratio	Total Subordinate Pass Thrus
							Series 2002 ²	Series 2003A ²	Series 2003B ²	Series 2006 ²				
2024-25	12,827,762	2,565,552	86,831	2,095,746	529,124	7,550,508	640,650	682,275	339,463	1,559,800	3,222,188	2.34	2,361,454	
2025-26*	13,043,006	2,608,601	88,288	2,140,648	541,735	7,663,733	647,588	683,275	332,463	1,559,600	3,222,926	2.38	2,401,593	
2026-27	13,262,555	2,652,511	89,774	2,186,448	554,599	7,779,222	647,988	683,025	335,213	1,557,000	3,223,226	2.41	2,442,536	
2027-28	13,486,494	2,697,299	91,290	2,233,165	567,720	7,897,021	647,106	681,525	337,213	1,557,000	3,222,844	2.45	2,484,297	
2028-29	13,714,913	2,742,983	92,836	2,280,815	581,103	8,017,176	644,944	682,388	337,775	1,559,300	3,224,407	2.49	2,526,893	
2029-30	13,947,900	2,789,580	94,413	2,329,419	594,754	8,139,734	646,500	686,675	332,550	1,558,600	3,224,325	2.52	2,570,342	
2030-31	14,185,547	2,837,109	96,022	2,378,995	608,678	8,264,743	646,519	684,125	336,800	1,554,900	3,222,344	2.56	2,614,659	
2031-32	14,427,946	2,885,589	97,663	2,429,562	622,880	8,392,252				3,223,200	3,223,200	2.60	2,659,862	
2032-33	14,675,194	2,935,039	99,336	2,481,140	637,367	8,522,312				3,223,000	3,223,000	2.64	2,705,970	
2033-34	14,927,387	2,985,477	101,043	2,533,750	652,143	8,654,972				3,223,200	3,223,200	2.69	2,753,000	
2034-35	15,184,623	3,036,925	102,785	2,593,911	667,215	8,783,788				393,200	393,200	22.34	2,800,970	
2035-36	15,447,004	3,089,401	104,561	2,655,275	682,588	8,915,179				392,200	392,200	22.73	2,849,900	

¹ The Agency's last debt service payment is due December 1, 2036. It is therefore expected that the Agency's last receipt of revenue for debt service will occur on June 1, 2036, part of fiscal year 2035-36.

² Outstanding debt service is shown here by bond year, which goes from January 1 to December 31, whereas increment calculations are shown by fiscal year.

* The State Board of Equalization has declared a 2% inflationary growth for the 2025-26 fiscal year.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Tax Increment Revenue Projections												Exhibit 6-C	
Bear Valley Road Redevelopment Project Area - Original Area													
Plan Year	Fiscal Year ¹	Secured Assessed Value	Secured Utility Value	Unsecured Assessed Value	Total Assessed Value	Incremental Value	Gross Tax Increment (1%)	Housing Fund (20% of TI)	County Pass Thrus	Total Statutory Payments	Revenue net of Senior Pass Thrus & Housing Fund	Total Subordinate Pass Thrus	
BASE YEAR		4,676,720	2,064	53,600	4,732,384		1%	20%	14.02%	40.60%			
43	2024-25	\$ 829,760,582	\$ 9,539	\$193,061,195	1,022,831,316	1,018,098,932	10,180,989	2,036,198	1,427,617	668,129	6,049,046	1,867,168	
44	2025-26*	846,355,794	9,539	193,061,195	1,039,426,528	1,034,694,144	10,346,941	2,069,388	1,450,888	689,760	6,136,905	1,897,847	
45	2026-27	863,282,910	9,539	193,061,195	1,056,353,644	1,051,621,260	10,516,213	2,103,243	1,474,624	711,825	6,226,522	1,929,139	
46	2027-28	880,548,568	9,539	193,061,195	1,073,619,302	1,068,886,918	10,688,869	2,137,774	1,498,834	734,331	6,317,931	1,961,058	
47	2028-29	898,159,539	9,539	193,061,195	1,091,230,273	1,086,497,889	10,864,979	2,172,996	1,523,529	757,286	6,411,168	1,993,615	
48	2029-30	916,122,730	9,539	193,061,195	1,109,193,464	1,104,461,080	11,044,611	2,208,922	1,548,718	780,701	6,506,270	2,026,823	
49	2030-31	934,445,184	9,539	193,061,195	1,127,515,918	1,122,783,534	11,227,835	2,245,567	1,574,410	804,585	6,603,274	2,060,695	
50	2031-32	953,134,088	9,539	193,061,195	1,146,204,822	1,141,472,438	11,414,724	2,282,945	1,600,616	828,946	6,702,218	2,095,244	
51	2032-33	972,196,770	9,539	193,061,195	1,165,267,504	1,160,535,120	11,605,351	2,321,070	1,627,347	853,794	6,803,141	2,130,485	
52	2033-34	991,640,705	9,539	193,061,195	1,184,711,439	1,179,979,055	11,799,791	2,359,958	1,654,612	879,139	6,906,082	2,166,430	
53	2034-35	1,011,473,519	9,539	193,061,195	1,204,544,253	1,199,811,869	11,998,119	2,399,624	1,682,422	911,489	7,004,584	2,203,094	
54	2035-36	1,031,702,990	9,539	193,061,195	1,224,773,724	1,220,041,340	12,200,413	2,440,083	1,710,789	944,487	7,105,056	2,240,492	
							\$ 159,364,138	\$ 31,872,828	\$ 22,346,648	\$ 10,908,287	\$ 94,236,375	\$ 29,247,389	

¹ The Agency's last debt service payment is due December 1, 2036. It is therefore expected that the Agency's last receipt of revenue for debt service will occur on June 1, 2036, part of fiscal year 2035-36.
 * The State Board of Equalization has declared a 2% inflationary growth for the 2025-26 fiscal year.

BEAR VALLEY ROAD REDEVELOPMENT PROJECT AREA

Tax Increment Revenue Projections													Exhibit 6-D
Bear Valley Road Redevelopment Project Area - Hook Blvd Amendment Area													
Plan Year	Fiscal Year ¹	Secured Assessed Value	Unsecured Assessed Value	Total Assessed Value	Incremental Value	Gross Tax Increment (1%)	Housing Fund (20% of TI)	County Pass Thrus	Flood Control Pass Thru	Total Negotiated Pass Thrus	Total Statutory Payments	Revenue net of Senior Pass Thrus & Housing Fund	Total Subordinate Pass Thrus
BASE YEAR		5,656,042	92,240	5,748,282		1%	20%	13.86%	2.19%	16.05%	39.03%		
39	2024-25	\$246,459,192	\$ 23,966,330	270,425,522	264,677,240	2,646,772	529,354	293,521	46,355	339,876	189,248	1,588,294	494,286
40	2025-26*	251,388,376	23,966,330	275,354,706	269,606,424	2,696,064	539,213	298,988	47,218	346,206	195,529	1,615,116	503,747
41	2026-27	256,416,143	23,966,330	280,382,473	274,634,191	2,746,342	549,268	304,563	48,099	352,662	201,937	1,642,475	513,396
42	2027-28	261,544,466	23,966,330	285,510,796	279,762,514	2,797,625	559,525	310,251	48,997	359,248	208,472	1,670,380	523,239
43	2028-29	266,775,356	23,966,330	290,741,686	284,993,404	2,849,934	569,987	316,051	49,913	365,965	215,138	1,698,844	533,279
44	2029-30	272,110,863	23,966,330	296,077,193	290,328,911	2,903,289	580,658	321,968	50,848	372,816	221,938	1,727,877	543,519
45	2030-31	277,553,080	23,966,330	301,519,410	295,771,128	2,957,711	591,542	328,004	51,801	379,805	228,873	1,757,491	553,964
46	2031-32	283,104,142	23,966,330	307,070,472	301,322,190	3,013,222	602,644	334,160	52,773	386,933	235,948	1,787,697	564,618
47	2032-33	288,766,224	23,966,330	312,732,554	306,984,272	3,069,843	613,969	340,439	53,765	394,204	243,163	1,818,507	575,485
48	2033-34	294,541,549	23,966,330	318,507,879	312,759,597	3,127,596	625,519	346,844	54,776	401,620	250,523	1,849,934	586,570
49	2034-35	300,432,380	23,966,330	324,398,710	318,650,428	3,186,504	637,301	353,376	55,808	409,184	258,030	1,881,989	597,876
50	2035-36	306,441,027	23,966,330	330,407,357	324,659,075	3,246,591	649,318	360,040	56,860	416,900	265,688	1,914,685	609,408
						42,532,116	8,506,423	4,716,719	744,900	5,461,619	3,199,434	25,364,639	7,961,060

¹ The Agency's last debt service payment is due December 1, 2036. It is therefore expected that the Agency's last receipt of revenue for debt service will occur on June 1, 2036, part of fiscal year 2035-36.
 * The State Board of Equalization has declared a 2% inflationary growth for the 2025-26 fiscal year.