



Victor Valley Community College District

Election of 2008 General Obligation Bonds, Series A

Election of 2008 General Obligation Bonds, Series B

Presentation to
Rating Agencies

January 30, 2009

Presentation Participants

❖ **Victor Valley Community College District**

- Dr. Robert Silverman, Ph.D., Superintendent/President
- G.H. Javaheripour, Vice President for Administrative Services
- Mary Pringle, Director of Fiscal Services

❖ **Piper Jaffray & Co.**

- Jim Roth, Managing Director

❖ **Stradling Yocca Carlson & Rauth**

- David Casnocha, Esq.

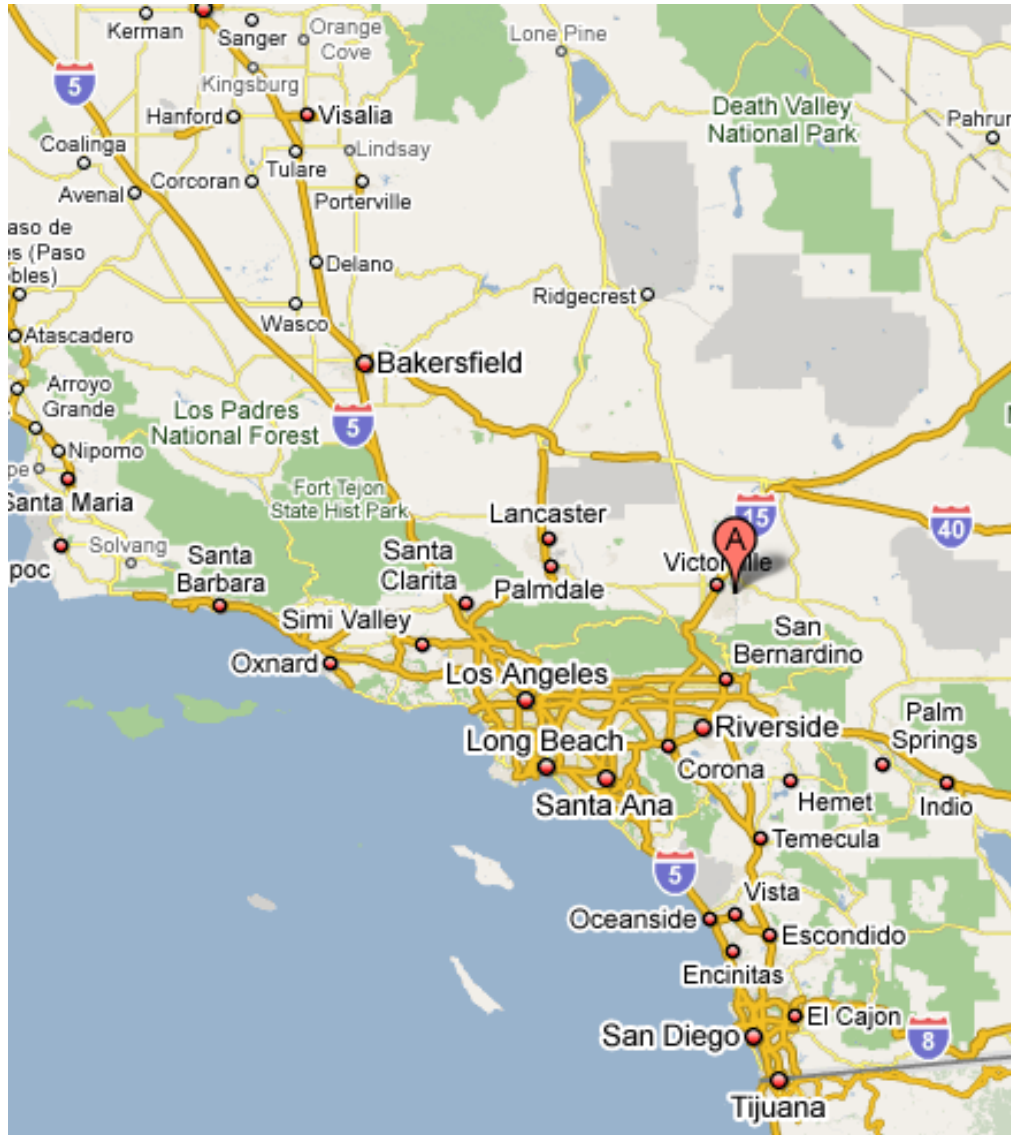
Presentation Contents

- I. District Overview
- II. District Finances
- III. Tax Base and Economic Factors
- IV. Facilities Plan and Plan of Finance

Section I – District Overview

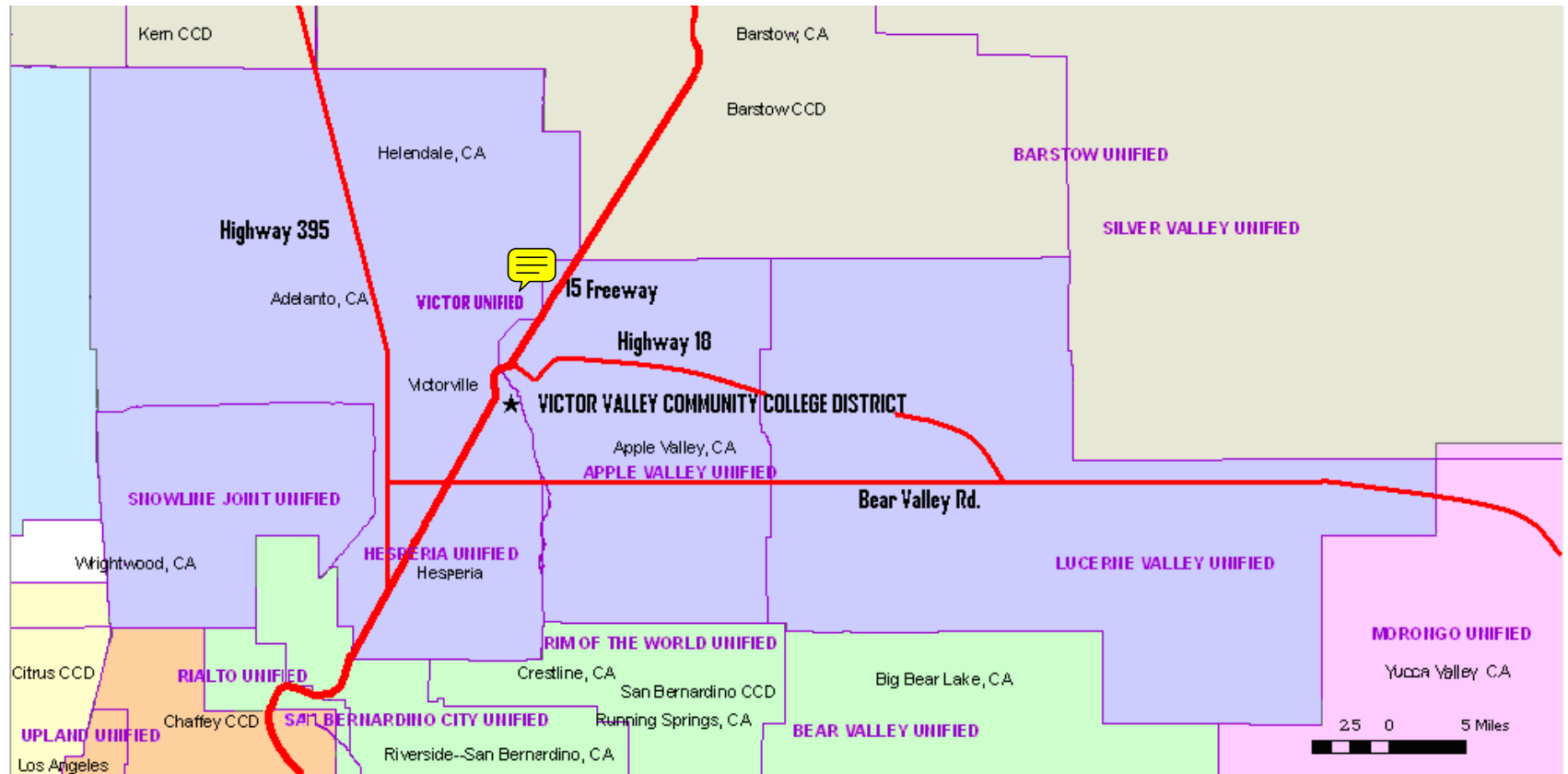


Regional Map



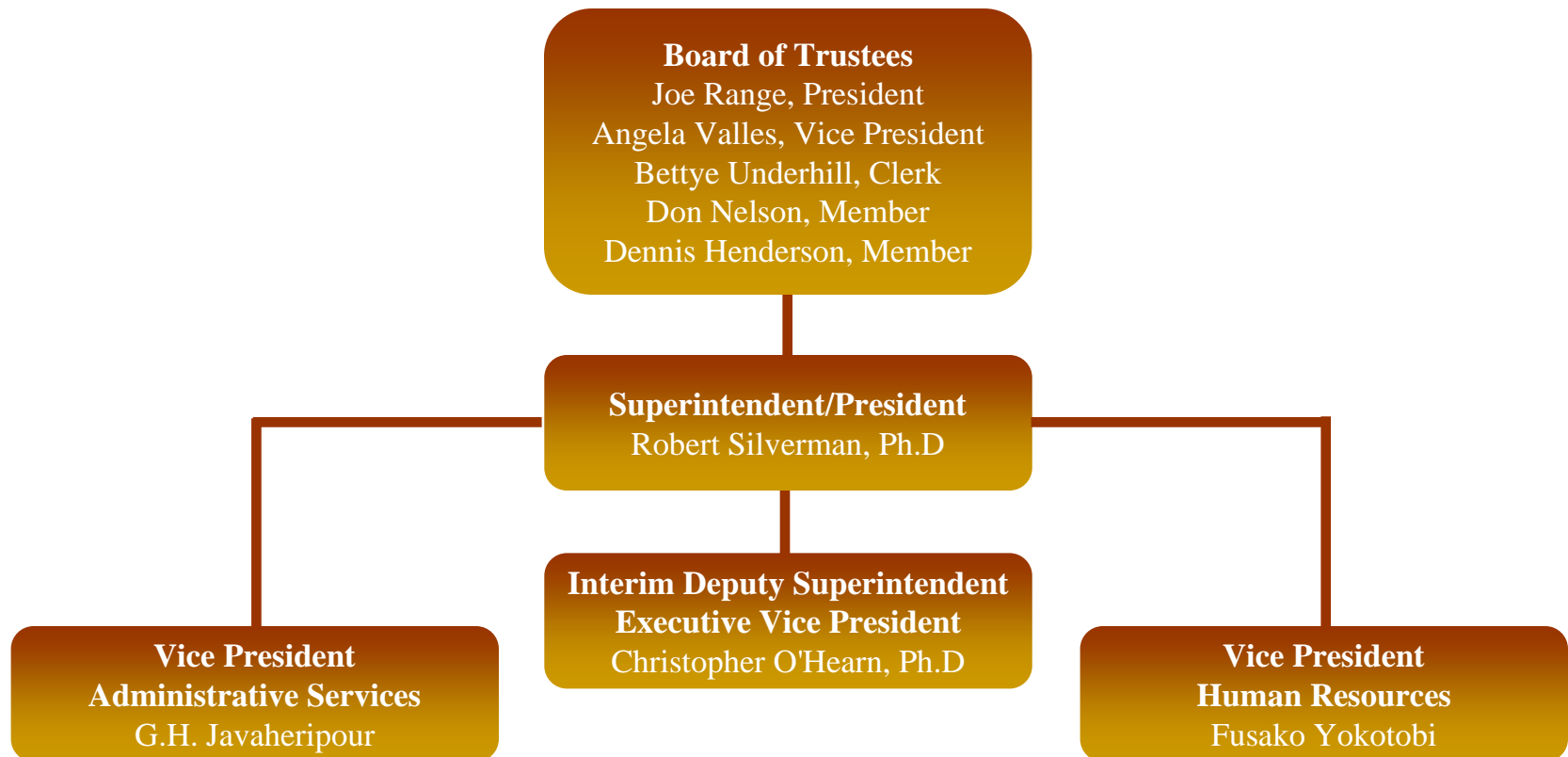
- ❖ The District is located in the High Desert region of Southern California, approximately 90 miles northeast of Los Angeles and 35 miles north of San Bernardino
- ❖ Serves the cities and communities of Adelanto, Apple Valley, Helendale, Hesperia, Lucerne Valley, Oro Grande, Phelan, Piñon Hills, Victorville, and Wrightwood
- ❖ Encompassing approximately 2,200 square miles, the District serves one of the largest geographical areas in the State
- ❖ Serves a population of approximately 385,000

District Map



General District Information

- ❖ Established in 1961
- ❖ Bond Passage Rate: 60.71%
- ❖ Assessed Valuation:\$31,798,350,553
- ❖ Total Enrollment: 19,591
- ❖ Full-Time Equivalent Students: 10,070
- ❖ Accredited by WASC

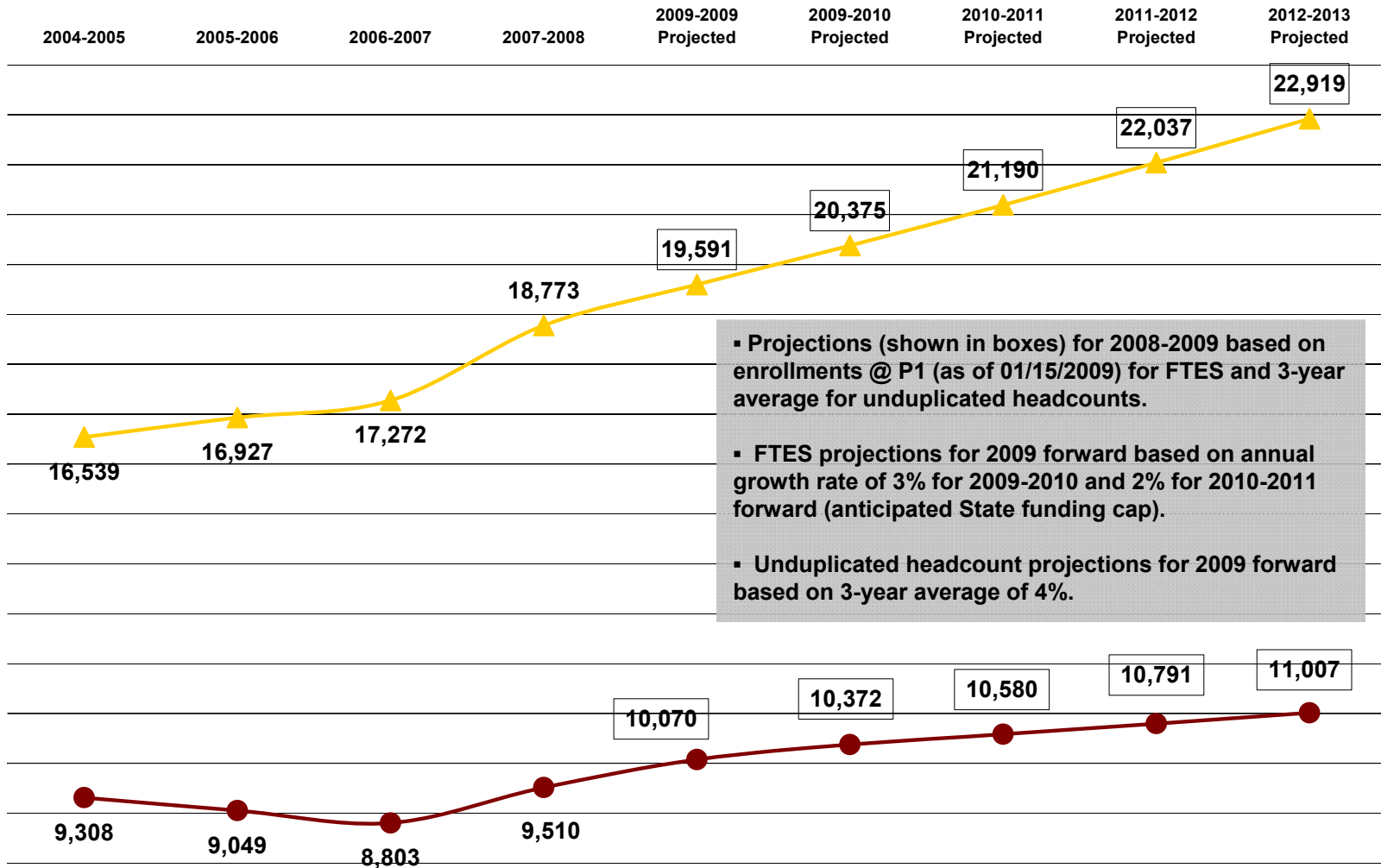


Student Enrollment

VVC Annual Enrollments & Projections

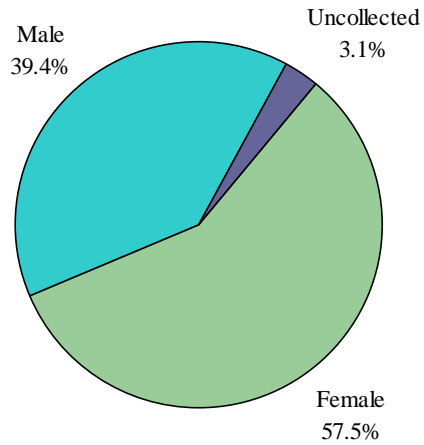
Full-Time Equivalent Students (FTES) & Unduplicated Headcounts :: 2004-05 through 2012-13

● Funded FTES
▲ Unduplicated Headcount

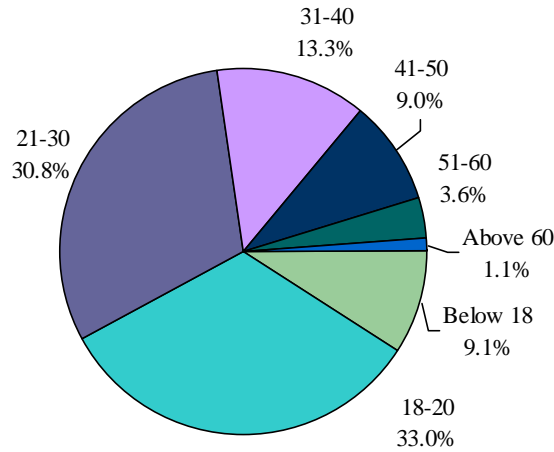


Student Profile

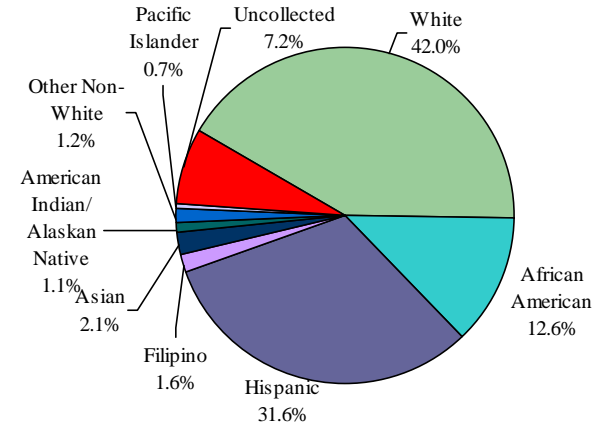
Gender Distribution



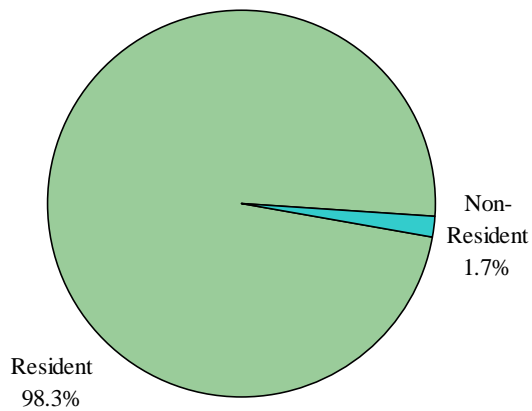
Age Distribution



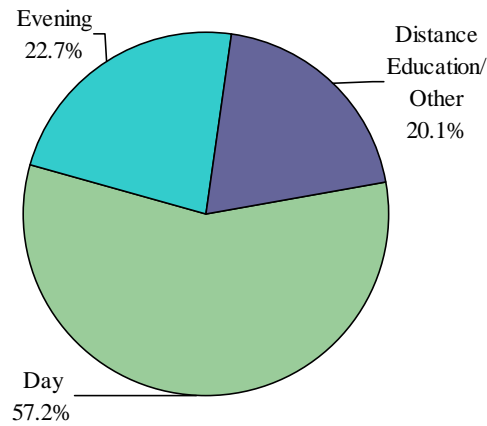
Ethnic Composition



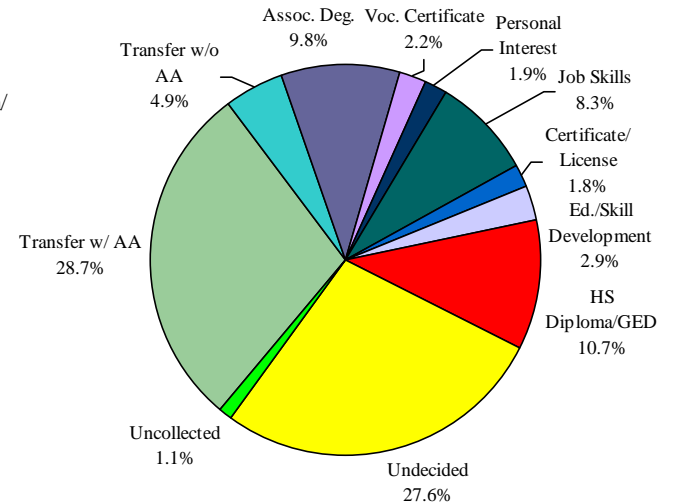
Residency Status



Day/Evening Status



Education Goal Distribution



Educational Programs

- ❖ The District offers the following educational opportunities:
 - Associate Degree Programs
 - Vocational Certificates (e.g., logistics, solar technology, allied health, public safety, hospitality & transportation)
 - Distance Education
- ❖ The District also provides the following programs/venues of distinction:
 - **“Bridge” Program** – helps improve student transition from high schools to colleges and universities. This program utilizes senior advisory teachers to instruct students on how to navigate the college’s financial aid, placement, enrollment, and registration processes
 - **High-Caliber Nursing Program** – consistently posts high retention rates (88%), graduated 758 students over the last five years, and placement rates on the National Council Licensure Examination-Registered Nursing (NCLEX-RN) have consistently been above 85%
 - **Model United Nations** – a competitive exercise that gives college and university students the opportunity to represent countries throughout the world in problem-solving exercises. For the last four years, Victor Valley College students have been awarded the two top awards that a delegation can receive at the annual conference held in New York City
 - **Mojave Sustainability Project** – diverse groups of educators, natural resource managers, and business leaders have assembled to provide students the experiences necessary to implement and analyze applied research projects in the Mojave Desert
 - **Performing Arts Center** – Having completed a 20,563 square-foot addition, this venue continues to represent the cultural center of the High Desert region

Section II – District Finances



History of General Fund Revenues and Expenditures

	Audited Actual 2002-03	Audited Actual 2003-04	Audited Actual 2004-05	Audited Actual 2005-06	Audited Actual 2006-07	Unaudited Actual 2007-08
Revenues						
Federal Revenues	\$ 1,318,542	\$ 1,485,087	\$ 1,198,154	\$ 1,833,376	\$ 3,115,070	\$ 3,185,227
State Revenues	22,584,244	21,184,999	29,702,677	34,650,712	40,928,670	41,239,867
Local Revenue	16,230,920	17,938,364	12,556,978	13,961,493	12,318,571	13,815,391
Other Financing Sources	700,000	(203,000)	105,000	26,376	2,500,000	1,800,000
Prior Year Adjustments	8,603	(20,048)	(664,426)	(38,204)	-	-
Total Revenues	\$ 40,842,309	\$ 40,385,402	\$ 42,898,383	\$ 50,433,753	\$ 58,862,311	\$ 60,040,485
Expenditures						
Academic Salaries	\$ 17,071,550	\$ 15,449,311	\$ 17,521,264	\$ 18,775,347	\$ 21,677,667	\$ 24,071,150
Classified Salaries	10,153,421	11,030,704	9,215,563	9,977,350	11,804,043	13,327,303
Employee Benefits	5,747,645	6,326,313	7,372,478	9,600,861	10,429,132	8,805,955
Supplies	1,486,392	1,187,729	1,038,550	1,285,360	1,516,639	1,350,120
Services and Operations	4,772,512	4,399,436	5,740,581	6,350,792	7,469,128	7,521,052
Capital Outlay	1,769,942	1,735,989	1,785,396	1,829,186	2,954,590	1,798,417
Other Outgo	591,184	936,332	393,041	1,202,545	2,754,004	3,061,282
Total Expenditures	\$ 41,592,646	\$ 41,065,814	\$ 43,066,873	\$ 49,021,441	\$ 58,605,203	\$ 59,935,279
Change in Fund Balance	\$ (750,337)	\$ (680,412)	\$ (168,490)	\$ 1,412,312	\$ 257,108	\$ 105,206
Beginning Fund Balance	3,742,706	2,992,369	2,311,957	2,143,467	3,555,779	3,812,887
Ending Fund Balance	\$ 2,992,369	\$ 2,311,957	\$ 2,143,467	\$ 3,555,779	\$ 3,812,887	\$ 3,918,093
General Fund Ending Balance as a Percent of Expenditures	7.19%	5.63%	4.98%	7.25%	6.51%	6.54%

Projection of General Fund Revenues and Expenditures

	Current Budget 2008-09	Budget Year 2009-2010	Budget Year 2010-2011	Budget Year 2011-2012
Revenues				
Federal Revenues	\$ 3,948,585	\$ 3,948,585	\$ 3,948,585	\$ 3,948,585
State Revenues	41,172,873	43,344,203	44,076,455	44,823,351
Local Revenue	14,067,629	14,306,395	14,549,937	14,798,349
Other Financing Sources	6,042,000	1,500,000	2,000,000	4,000,000
Mid-Year Cuts	-	(1,000,000)	-	-
Prior Year Adjustments	(333,333)	(333,333)	(333,333)	-
Total Revenues	\$ 64,897,754	\$ 61,765,850	\$ 64,241,644	\$ 67,570,285
Expenditures				
Academic Salaries	\$ 23,657,261	\$ 25,445,595	\$ 26,331,051	\$ 27,650,779
Classified Salaries	13,959,356	14,949,501	15,288,263	15,838,214
Employee Benefits	8,698,529	9,418,529	9,814,529	10,230,329
GASB 45 Retiree Benefits Trust	25,000	25,000	25,000	25,000
Supplies	1,886,982	1,903,208	1,919,758	1,936,640
Services and Operations	8,291,877	8,411,050	8,432,606	8,656,593
Capital Outlay	1,531,131	1,550,918	1,571,100	1,591,686
Other Outgo	8,046,862	561,200	561,200	561,200
Total Expenditures	\$ 66,096,998	\$ 62,265,001	\$ 63,943,507	\$ 66,490,441
Change in Fund Balance	\$ (1,199,244)	\$ (499,151)	\$ 298,137	\$ 1,079,844
Beginning Fund Balance	6,918,093 *	5,718,849	5,219,698	5,517,835
Ending Fund Balance	\$ 5,718,849	\$ 5,219,698	\$ 5,517,835	\$ 6,597,679
General Fund Ending Balance as a Percent of Expenditures	8.65%	8.38%	8.63%	9.92%

* Change in Fund Balance due to an audit adjustment for FY 2007-08.

Current budget is based on the available information from the Chancellor's Office.

Budget Assumptions for Fiscal-Year 2008-09 (Adjusted for Mid-Year Conditions)

1. The District will receive approximately \$400,000 less in block grant allocations (deferred maintenance and instructional equipment) than originally expected, due to the governor's proposed mid-year cut.
2. The .68% COLA may be discontinued and adjusted retroactively to July 1, 2008, based on Legislative action.
3. Beginning fiscal year 2008-2009 thru 2010-2011, State apportionment will be reduced by approximately \$333,000 to reimburse the Chancellor's Office due to an overpayment error by their office in calculating the District's 2007-2008 apportionment.
4. Targeted enrollment funded growth for 2008-2009 is 5.9%. Growth beyond 5.9% will be rolled into fiscal year 2009-2010.
5. The District will transfer \$4.5 million from Fund 29 to balance the operating budget.
6. The District will be reimbursed from bond proceeds for the principle/interest payment made on December 1, 2008, in the amount of \$1.042 million.
7. The District will develop a balanced budget and strive for a minimum 6% ending fund balance (reserve).
8. The District will strive to hire contract faculty and staff as prioritized and planned.
9. The District will establish a Bridge Fund at the San Bernardino County Treasurers Office to manage cash flow and shortfall challenges due to California's economic conditions.

Budget Assumptions for Fiscal-Year 2009-10

1. The District will receive approximately \$1.0 million less in unrestricted general apportionment than originally expected, due to the governor's proposed cut.
2. Beginning fiscal year 2008-2009 thru 2010-2011, State apportionment will be reduced by approximately \$333,000 to reimburse the Chancellor's Office due to an overpayment error by their office in calculating the District's 2007-2008 apportionment.
3. The base allocation will increase by approximately \$1 million for large college status (10,001 FTES).
4. Targeted enrollment growth is 3%. Growth beyond 3% will be rolled into fiscal year 2010-2011.
5. The District will transfer \$500,000 from Fund 29 to balance the operating budget.
6. The District will develop a balanced budget and strive for a minimum 7% ending fund balance (reserve).
7. The District will strive to hire contract faculty and staff as prioritized and planned.
8. To meet the terms of the Title V Independent Grant, the salary and benefit costs will be absorbed by the General Fund.
9. The District will strive to upgrade non-instructional equipment and technology needs in areas as prioritized and planned.
10. The program review and budget allocation process will guide the allocation of resources to achieve the mission and vision of the District.
11. The District will strive to identify new revenue sources in order to reduce our reliance on state apportionment funding.

Labor Relations

Full-Time Faculty: 132
 Part-Time Faculty: 389
 Administrators: 11
 Classified Employees: 215

<u>Bargaining Units</u>	<u>Contract Expiration</u>	<u>Salary Increases</u>		
Classified School Employees Association – Chapter 584 (CSEA)	June 30, 2010	FY 2007-08: COLA+2% FY 2008-09: COLA+2% FY 2009-10: COLA+1%		
Victor Valley College Faculty Association California Teachers Association – Chapter 1169 (CCA/CTA)	June 30, 2010	FY 2007-08: COLA+2% FY 2008-09: COLA+2% FY 2009-10: COLA+1%		
AFT Part-Time Faculty United – Local 6286, AFL-CIO (AFT)	February 2010		<u>Unit Pay</u>	<u>Hourly</u>
		Spring 2007	\$864	\$48
		Spring 2008	\$918	\$51
		Spring 2009	\$972	\$54
		Spring 2010	\$990+COLA	\$55+COLA

Other Post-Employment Benefits

- ❖ The District provides post employment health care benefits to employees with a minimum age of 55 and at least 10 years of service, up to age 65.*
- ❖ According to the actuarial study completed by Total Compensation Systems, in the year beginning March 1, 2006, the District's estimated "pay-as-you-go" cost of providing retiree health benefits was \$232,569 and annual required contribution amount was \$515,135.
- ❖ The District's estimated liability as of March 1, 2006 was \$7.1 million.
- ❖ The District is in the process of commencing an updated actuarial study.

Long-Term Debt

	Debt as of 1/1/08	Ratio to AV	Debt per Capita
Direct and Overlapping Tax And Assessment Debt			
Victor Valley Community College District ¹	\$ -	0.00%	\$ -
Los Angeles County and Flood Control District	4,961	0.00%	0.01
Victor Valley Joint Union High School District	20,020,878	0.06%	52.04
Apple Valley Unified School District	34,278,758	0.11%	89.10
Adelanto School District	14,343,556	0.05%	37.28
Oro Grande School District	740,000	0.00%	1.92
Victor Elementary School District	38,197,794	0.12%	99.29
Adelanto School District Community Facilities Districts	20,590,000	0.06%	53.52
Hesperia Unified School District Community Facilities Districts	9,850,000	0.03%	25.60
Snowline Joint Unified School District Community Facilities Districts	12,140,000	0.04%	31.56
Victor Elementary School District Community Facilities Districts	17,580,000	0.06%	45.70
Victor Valley Union High School District community Facilities District No. 2003-1	2,825,000	0.01%	7.34
City of Victorville Community Facilities District No. 90-1 & 01-1	10,145,000	0.03%	26.37
City of Hesperia Community Facilities District No. 2005-1	18,554,508	0.06%	48.23
San Bernardino County Service Areas	870,000	0.00%	2.26
County Water Districts	516,000	0.00%	1.34
Mojave Water Agency	16,376,961	0.05%	42.57
Mojave Water Agency, I.D. M	314,444	0.00%	0.82
1915 Act Bonds (Estimate)	27,168,563	0.09%	70.62
<i>Total Direct and Overlapping Tax and Assessment Debt</i>	\$ 244,516,423	0.77%	\$ 635.58

¹ Excludes the proposed Series A and Series B General Obligation Bonds

Long-Term Debt (Continued)

	Debt as of 1/1/08	Ratio to AV	Debt per Capita
Overlapping General Fund Obligation Debt			
Victor Valley Community College District Certificates of Participation ²	\$ 52,050,000	0.16%	\$ 135.29
San Bernardino County General Fund Obligations	120,327,554	0.38%	312.77
San Bernardino County Pension Obligations	111,178,349	0.35%	288.99
San Bernardino County Flood Control District General Fund Obligations	18,977,792	0.06%	49.33
Los Angeles County Districts General Fund and Pension Obligations	78,741	0.00%	0.20
Victor Valley Joint Union High School District Certificates of Participation	8,805,000	0.03%	22.89
Apple Valley Unified School District Certificates of Participation	5,690,000	0.02%	14.79
Hesperia Unified School District Certificates of Participation	104,964,300	0.33%	272.84
Lucerne Valley Unified School District Certificates of Participation	6,895,000	0.02%	17.92
Snowline Joint Unified School District Certificates of Participation	56,680,000	0.18%	147.33
Adelanto School District Certificates of Participation	9,495,000	0.03%	24.68
Victor Elementary School District Certificates of Participation	8,945,000	0.03%	23.25
City of Apple Valley General Fund Obligations	16,755,000	0.05%	43.55
City of Hesperia Certificates of Participation	17,400,000	0.05%	45.23
City of Victorville General Fund Obligations	83,770,000	0.26%	217.75
Victorville Recreation and Park District Certificates of Participation	122,064	0.00%	0.32
Other Special District General Fund Obligations	206,761	0.00%	0.54
<i>Total Direct and Overlapping General Fund Debt</i>	\$ 622,340,561	1.96%	\$ 1,617.66
Combined Total Debt ³	\$ 866,856,984	2.73%	\$ 2,253.24
2008-09 Assessed Valuation	\$ 31,798,350,553		
2008-09 Estimated District Population	384,716		
2008-09 Assessed Valuation per Capita	\$82,654		

² To be paid off by proceeds of the proposed general obligation bonds

³ Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

Section III – Tax Base and Economic Factors



Victor Valley Region Overview (Continued)

- ❖ Citing convenient location, low operating costs, affordable land and housing, expanding and skilled workforce, and a pro-business environment as primary reasons, major companies including Newell Rubbermaid, GE Transportation, Goodyear Tire & Rubber Company, M&M/Mars, and Dr. Pepper Snapple Group have located their facilities in the Victor Valley
- ❖ Local economist, John Husing, projects that the Victor Valley will likely become the new center for California's distribution industry between 2010 and 2020
- ❖ The City of Victorville has been at the heart of the recent population explosion in the Victor Valley region. In 2008, the City of Victorville was named the *second fastest growing city in the nation* by the U.S. Census Bureau
- ❖ Global Access, an 8,500-acre multimodal freight transportation hub supported by air, ground and rail connections, is anticipated to create more than 24,000 jobs and support another 18,500 jobs in the surrounding area.
- ❖ A proposed High Speed Maglev Train could take passengers from Anaheim to the Victor Valley and Las Vegas at speeds of 300 MPH, and travel the 269 miles between Anaheim and Las Vegas in just 86 minutes. The Maglev Train is expected to bring more business along the route through the Victor Valley, and reduce congestion on the highly traveled I-15.



Assessed Valuation and Historical Growth

Victor Valley Community College District

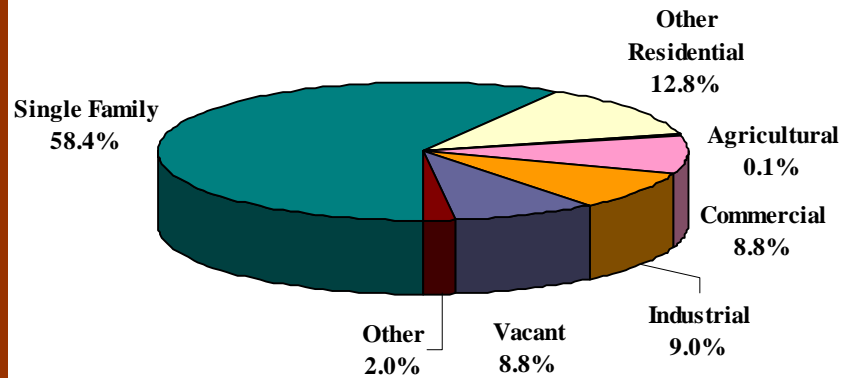
<u>FY Ending</u>	<u>Assessed Valuation</u>	<u>% of Change</u>
1994	10,863,470,804	-
1995	11,105,224,120	2.23%
1996	10,553,480,488	-4.97%
1997	10,540,620,785	-0.12%
1998	10,598,848,029	0.55%
1999	10,800,581,787	1.90%
2000	11,003,267,761	1.88%
2001	11,206,781,503	1.85%
2002	11,699,984,396	4.40%
2003	12,512,355,519	6.94%
2004	13,801,689,177	10.30%
2005	15,967,341,487	15.69%
2006	19,391,406,339	21.44%
2007	24,950,834,440	28.67%
2008	30,899,045,852	23.84%
2009	31,798,350,553	2.91%
Average Annual Growth Rate		7.83%

Source: California Municipal Statistics, Inc.

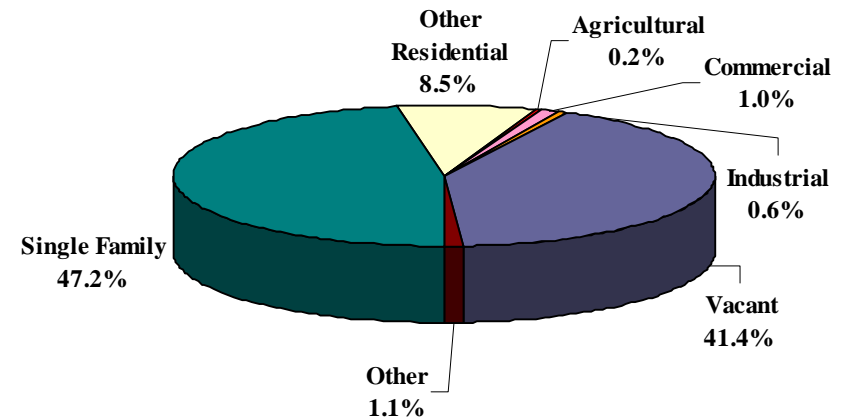
2008-09 Assessed Valuation by Land Use

Victor Valley Community College District

2008-09 Distribution of Assessed Valuation
(Total Secured A.V. = \$30.4 Billion)



2008-09 Distribution of Taxable Parcels
(Total Taxable Parcels = 193,646)



Source: California Municipal Statistics, Inc.

2008-09 Assessed Valuation by Jurisdiction

Victor Valley Community College District

Jurisdiction:	Assessed Valuation in District	% of School District	Assessed Valuation of Jurisdiction	% of Jurisdiction in District
City of Adelanto	\$ 2,232,103,370	7.02 %	\$ 2,232,103,370	100.00%
Town of Apple Valley	5,666,303,332	17.82	\$ 5,666,303,332	100.00%
City of Hesperia	5,949,214,674	18.71	\$ 5,949,214,674	100.00%
City of Victorville	9,391,001,311	29.53	\$ 9,391,001,311	100.00%
Unincorporated San Bernardino County	<u>8,503,650,392</u>	<u>26.74</u>	\$ 29,281,308,167	29.04%
Total San Bernardino County	\$ 31,742,273,079	99.82 %	\$ 153,463,613,586	20.68%
Unincorporated Los Angeles County	\$ <u>56,077,474</u>	<u>0.18</u>	\$ 86,895,963,407	0.06%
Total Los Angeles County	\$ 56,077,474	0.18 %	\$ 1,076,567,251,535	0.01%
Total District	\$ 31,798,350,553	100.00 %		

Source: California Municipal Statistics, Inc.

Largest Secured Taxpayers

Victor Valley Community College District				
<u>Rank</u>	<u>Property Owner</u>	<u>Primary Land Use</u>	<u>2008-09 Secured Assessed Valuation</u>	<u>% of Total ⁽¹⁾</u>
1.	Cemex California Cement LLC	Industrial/Mining	\$ 433,724,083	1.43%
2.	Riverside Cement Co.	Industrial/Mining	430,965,422	1.42
3.	Mitsubishi Cement Corp.	Industrial/Mining	229,010,601	0.75
4.	Intermountain Power Agency	Power Transmission	139,411,446	0.46
5.	Macerich Victor Valley LLC	Shopping Center	115,336,888	0.38
6.	Wal-Mart Stores Inc.	Industrial/Commercial Stores	99,513,969	0.33
7.	Carl E. Ross Living Trust	Land Holdings	77,623,053	0.26
8.	Specialty Minerals Inc.	Industrial/Mining	45,636,225	0.15
9.	Apple Valley Commons I LLC	Commercial Store	39,988,627	0.13
10.	Prime A Investments LLC	Medical Buildings	36,903,825	0.12
11.	WRI Alliance Riley Venture	Commercial Store	35,362,873	0.12
12.	KB Home Greater Los Angeles Inc.	Residential Development	34,281,681	0.11
13.	Apple Valley Ranchos Water Co.	Water Distribution	33,854,013	0.11
14.	Empire Homes II LLC	Residential Development	33,060,343	0.11
15.	Headlans Realty Corp.	Residential Development	32,651,220	0.11
16.	AFG Leasing Company Inc.	Industrial	28,952,962	0.10
17.	Centex Homes	Residential Development	28,806,634	0.09
18.	St. Mary Medical Center	Medical Buildings	27,947,400	0.09
19.	Synleaseco Delaware Business Trust	Industrial	26,918,188	0.09
20.	Lowe's HIW Inc.	Commercial Store	24,930,993	0.08
			<u>\$ 1,954,880,446</u>	<u>6.43%</u>

⁽¹⁾ 2008-09 Local Secured Assessed Valuation: \$30,394,715,146

Source: California Municipal Statistics, Inc.

Major Employers

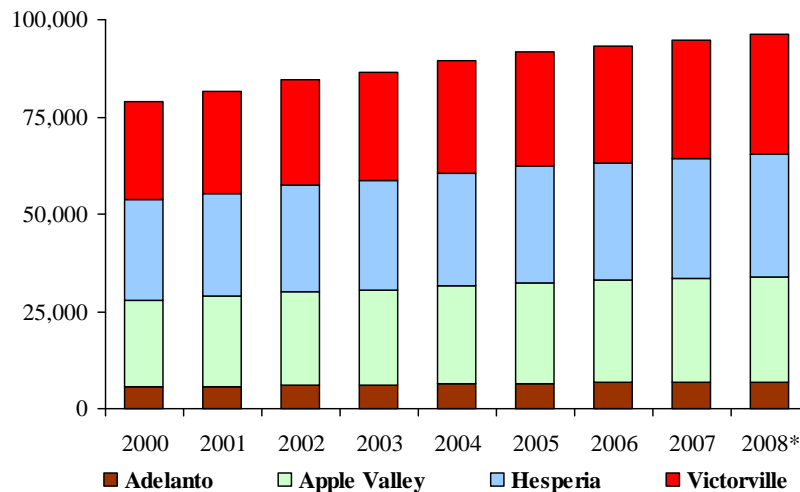
Major Employers in Victor Valley 2007

<u>Name</u>	<u>Location</u>	<u>Type of Business</u>	<u># of Employees</u>
Southern California Logistics Airport	Victorville	Multi-modal Business & Industrial Park	2,073
Hesperia Unified School District	Hesperia	Education	1,946
Apple Valley Unified School District	Apple Valley	Education	1,770
St. Mary's Medical Center	Apple Valley	Healthcare	1,350
City of Victorville	Victorville	Local Government	1,280
Wal-Mart Distribution Center	Apple Valley	Distribution	1,100
Desert Valley Hosp./Medical Group	Victorville	Healthcare	1,000
Verizon	Victorville	Telecommunications	940
Victor Valley Union High School District	Victorville	Education	877
Victor Elementary School District	Victorville	Education	848
Federal Correction Complex Victorville	Victorville	Federal Government	844
Victor Valley College	Victorville	Education	800
Victor Valley Community Hospital	Victorville	Healthcare	548

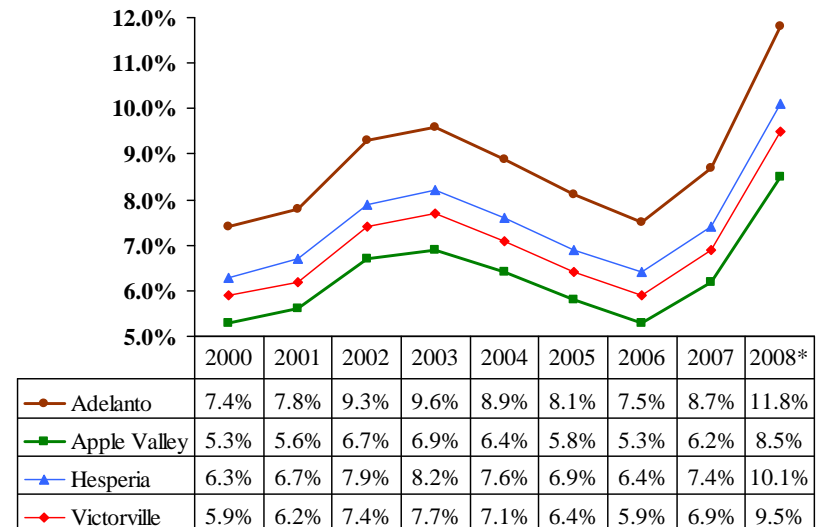
Source: Victor Valley Economic Development Authority

Labor Market

Victor Valley Labor Force



Unemployment Rate



- ❖ Victor Valley's labor force grew steadily over the past 8 years, with an average annual increase of 2.5%
- ❖ Most of the Victor Valley area's employment opportunities fall into service-related businesses, with nearly 42% of businesses in the City of Victorville being in the retail sales & office category.

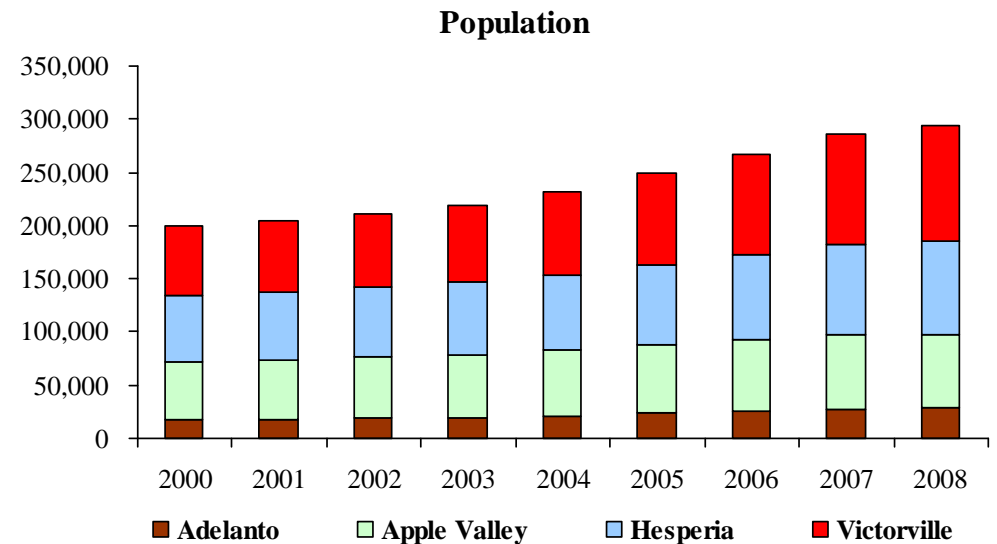
* Through November 2008

Source: California Employment Development Department Labor Market Information Division. March 2007 Benchmark
Victorville Chamber of Commerce

Population

	Apr-2000	Jan-2001	Jan-2002	Jan-2003	Jan-2004	Jan-2005	Jan-2006	Jan-2007	Jan-2008	Population Change 2000-2008	% Increase 2000-2008
Adelanto	18,130	18,304	18,788	19,458	21,322	23,345	24,826	27,088	28,181	10,051	55.44%
Apple Valley	54,239	55,475	57,197	59,083	61,494	63,761	67,362	70,160	70,092	15,853	29.23%
Hesperia	62,590	63,601	65,584	68,082	70,492	76,002	80,094	85,708	87,820	25,230	40.31%
Victorville	64,029	66,789	69,786	72,725	77,881	86,355	94,947	102,349	107,408	43,379	67.75%
County Total	1,710,139	1,746,732	1,792,367	1,839,885	1,893,154	1,945,242	1,990,967	2,026,325	2,055,766	345,627	20.21%

- ❖ The four cities/towns in the District experienced an average population growth of 48.2% from 2000 to 2008, as compared to a population growth of 20.2% in San Bernardino County
- ❖ The cities of Victorville and Adelanto both grew more than 50% during the 2000-2008 period



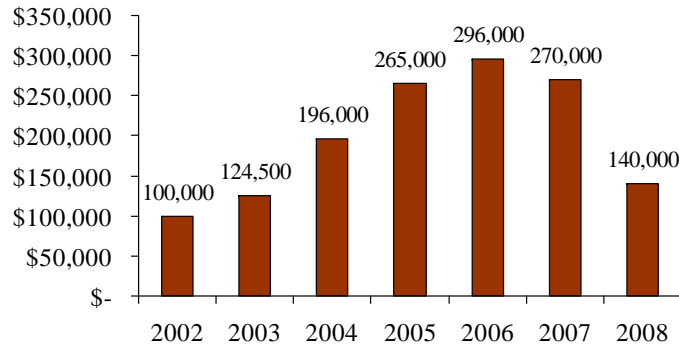
Building Permit Valuations

	2002	2003	2004	2005	2006	2007	2008
<i>New Housing Units</i>	327	457	900	1,040	329	307	1
Adelanto Residential Bldg Permit Valuation	\$22,167,409	\$30,342,812	\$126,517,955	\$186,091,307	\$65,130,418	\$76,978,036	\$814,417
Non-Residential Bldg Permit Valuation	<u>\$2,427,407</u>	<u>\$3,221,663</u>	<u>\$13,364,373</u>	<u>\$10,998,000</u>	<u>\$13,986,616</u>	<u>\$14,411,956</u>	<u>\$16,910,560</u>
Total Building Permit Valuation	\$24,594,816	\$33,564,475	\$139,882,328	\$197,089,307	\$79,117,034	\$91,389,992	\$17,724,977
<i>New Housing Units</i>	542	645	1,019	1,365	918	165	74
Apple Valley Residential Bldg Permit Valuation	71,835,949	82,342,356	125,587,648	191,393,014	115,909,905	26,359,937	11,694,486
Non-Residential Bldg Permit Valuation	<u>33,591,547</u>	<u>4,697,580</u>	<u>7,051,300</u>	<u>24,331,406</u>	<u>33,333,861</u>	<u>21,025,016</u>	<u>27,807,764</u>
Total Building Permit Valuation	\$105,427,496	\$87,039,936	\$132,638,948	\$215,724,420	\$149,243,766	\$47,384,953	\$39,502,250
<i>New Housing Units</i>	469	1,088	1,607	1,983	1,220	357	304
Hesperia Residential Bldg Permit Valuation	\$69,480,314	\$166,826,197	\$340,281,316	\$466,707,785	\$282,543,436	\$87,300,820	\$40,491,361
Non-Residential Bldg Permit Valuation	<u>\$17,439,628</u>	<u>\$20,956,006</u>	<u>\$21,191,724</u>	<u>\$31,304,981</u>	<u>\$82,329,300</u>	<u>\$87,052,868</u>	<u>\$60,048,700</u>
Total Building Permit Valuation	\$86,919,942	\$187,782,203	\$361,473,040	\$498,012,766	\$364,872,736	\$174,353,688	\$100,540,061
<i>New Housing Units</i>	1,088	2,278	2,781	2,388	3,296	1,547	399
Victorville Residential Bldg Permit Valuation	\$171,164,209	\$371,519,164	\$485,922,034	\$420,075,995	\$607,911,607	\$261,158,526	\$52,953,856
Non-Residential Bldg Permit Valuation	<u>\$50,383,906</u>	<u>\$19,442,480</u>	<u>\$108,091,760</u>	<u>\$48,956,163</u>	<u>\$28,269,043</u>	<u>\$78,318,047</u>	<u>\$52,439,554</u>
Total Building Permit Valuation	\$221,548,115	\$390,961,644	\$594,013,794	\$469,032,158	\$636,180,650	\$339,476,573	\$105,393,410

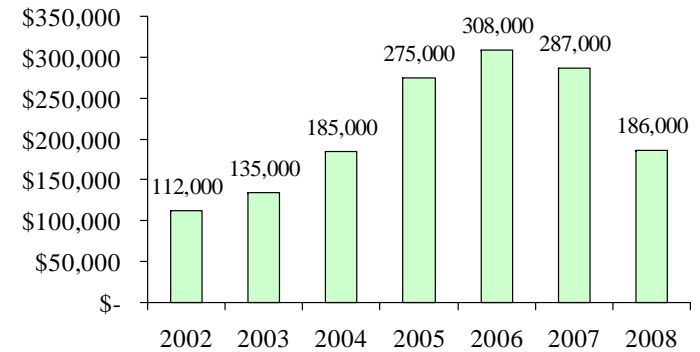
Source: Construction Industry Research Board

Median Home Sale Price

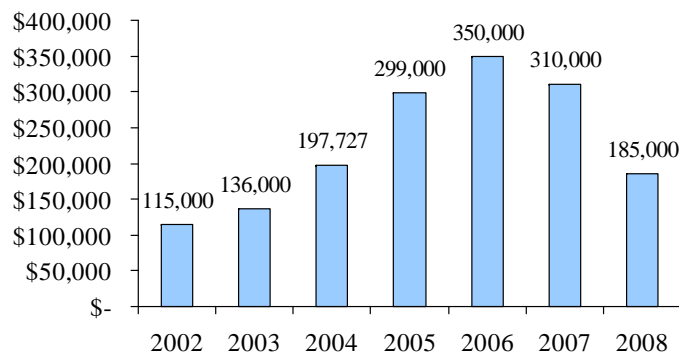
Adelanto



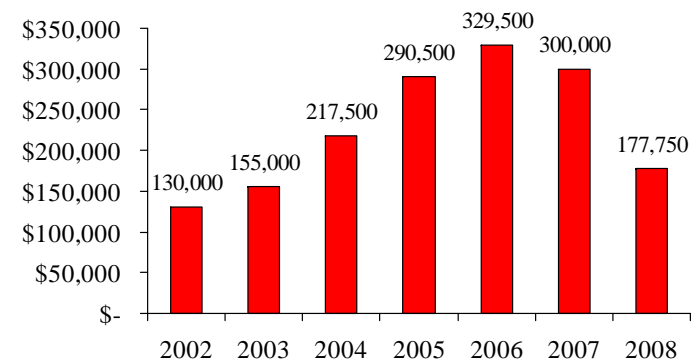
Apple Valley



Hesperia



Victorville



Local Developments – Adelanto

❖ Adelanto Towne Center

- Target-Anchored regional shopping center, featuring 515,000 square feet of retail space on 63 acres
- Projected to open in 2010



Local Developments – Apple Valley

❖ North Apple Valley Industrial Specific Plan

- 5,100-acre development area to be a major hub for logistics, research and development, and light manufacturing facilities
- Expected to produce over 38,000 jobs for Apple Valley and the Victor Valley region when completed
- The plan was recently approved, with the designated land re-zoned

❖ Wal-Mart Supercenter

- The proposed Wal-Mart Supercenter will comprise approximately 260,000 square feet of retail space
- Wal-Mart's application is currently in process and will tentatively be reviewed by the Town's Planning Commission in mid-2009

❖ The Fountains at Quail Ridge

- This approved 350,000 square-foot, mixed use project will consist of 167,300 square feet of commercial use (including 4,000 square feet for outdoor restaurant dining, 2 freestanding drive-through restaurants and a bank with a drive-through); and 179,160 square feet of professional and medical office use
- Possible tenants include national retailers, major chain restaurants, coffee shops, bookstores and craft stores



Local Developments – Hesperia

❖ High Desert Gateway shopping center

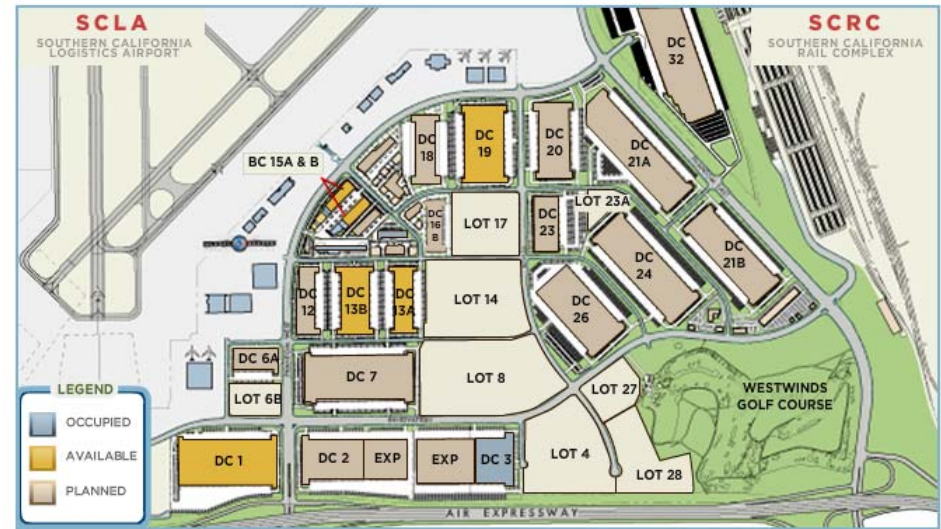
- The City's first big-box retailer in nearly two decades features 547,000 square feet of retail space on 57.2 acres
- Home to a 180,000 square-foot Super Target and numerous other dining and shopping opportunities including Juice It Up!, Peach House Yogurt, Subway, El Gran Burrito, Verizon Wireless, Happy Nails & Spa, High Desert Smiles, and GameStop
- Phase I completed in 2008, with Super Target now open; Phase II expected to be completed in 2010



Local Developments – Victorville

❖ Southern California Logistics Airport

- 5,000-acre business and industrial park
- 43.5 million square feet of commercial space - the largest commercial development in the northern Inland Empire
- Provide manufacturing and distribution facilities with direct access to highways, rail spur, international cargo facilities, technology centers, aviation maintenance facilities, executive jet travel center and recreational amenities



DC = DISTRIBUTION CENTRE BC = BUSINESS CENTRE EXP = EXPANSION

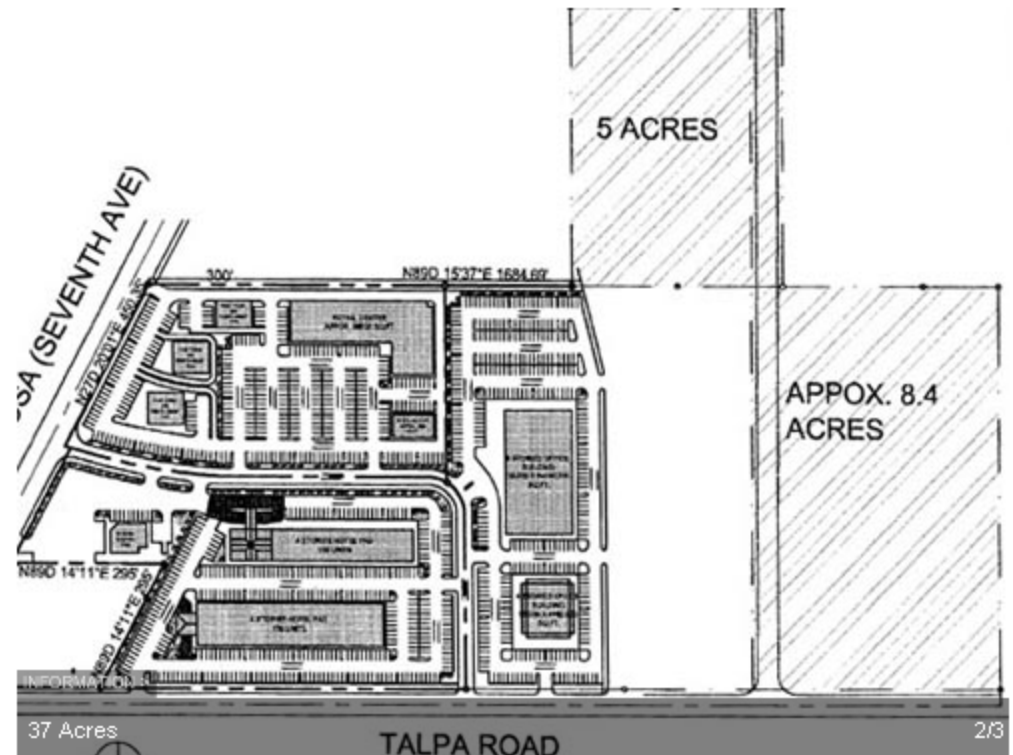
❖ Foxborough Industrial Park

- This 233-acre industrial park is part of the Bear Valley Road Redevelopment Project Area and home to many leading global corporations such as Goodyear Tire & Rubber, M&M/Mars, ConAgra Foods, and Nutro Products
- Two divisible industrial buildings of 150,000 square feet and 138,000 square feet are currently being constructed on 5-acre and 7.5-acre sites

Local Developments – Victorville (Continued)

❖ Chhatrala Group Project

- A \$100 million development on a 40-acre lot
- The project will feature a hotel, two office towers, 250 residential units, a gas station, storage units, a recreational vehicle park, five restaurants and a strip-mall-type shopping center.



Adelanto Towne Center

PROJECTED POPULATION GROWTH Adelanto, CA



PROJECTED POPULATION GROWTH:

3 MILE:

Proposed Apps	2,129
Approved	36,567
Under Development	21,760

5 MILE:

Proposed Apps	7,659
Approved	69,620
Under Development	33,591

MAP EXTENT:

Proposed Apps	10,223
Approved	88,288
Under Development	42,643



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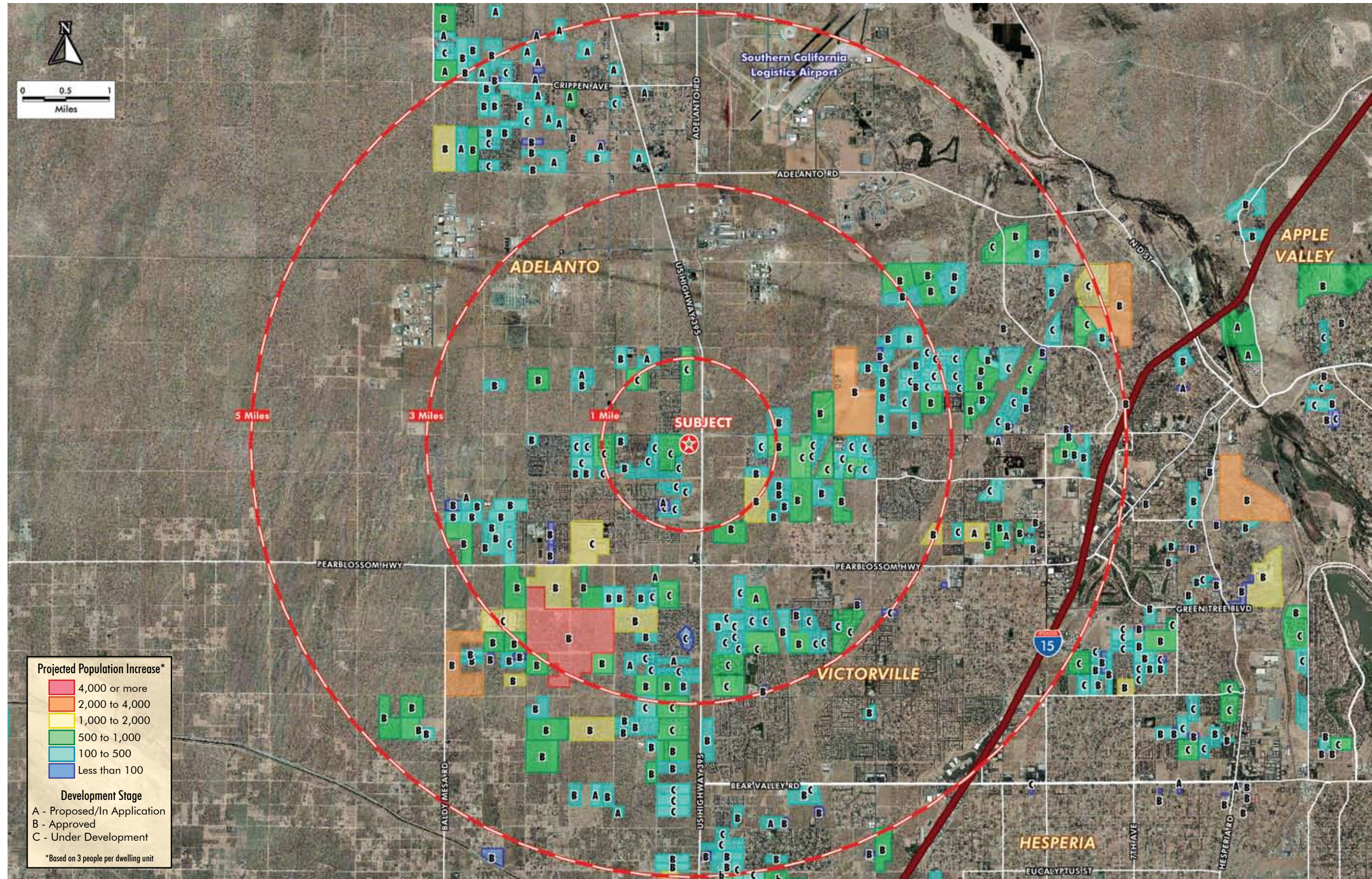
peter.moersch@cbre.com

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In cooperation with...



APPLE VALLEY COMMONS I & II

PROJECTED POPULATION GROWTH

Apple Valley, CA

PROJECTED POPULATION GROWTH:

3 MILE:

Proposed Apps	570
Approved	4,287
Under Development	2,304

5 MILE:

Proposed Apps	8,115
Approved	16,374
Under Development	7,926

MAP EXTENT:

Proposed Apps	21,738
Approved	36,483
Under Development	20,613



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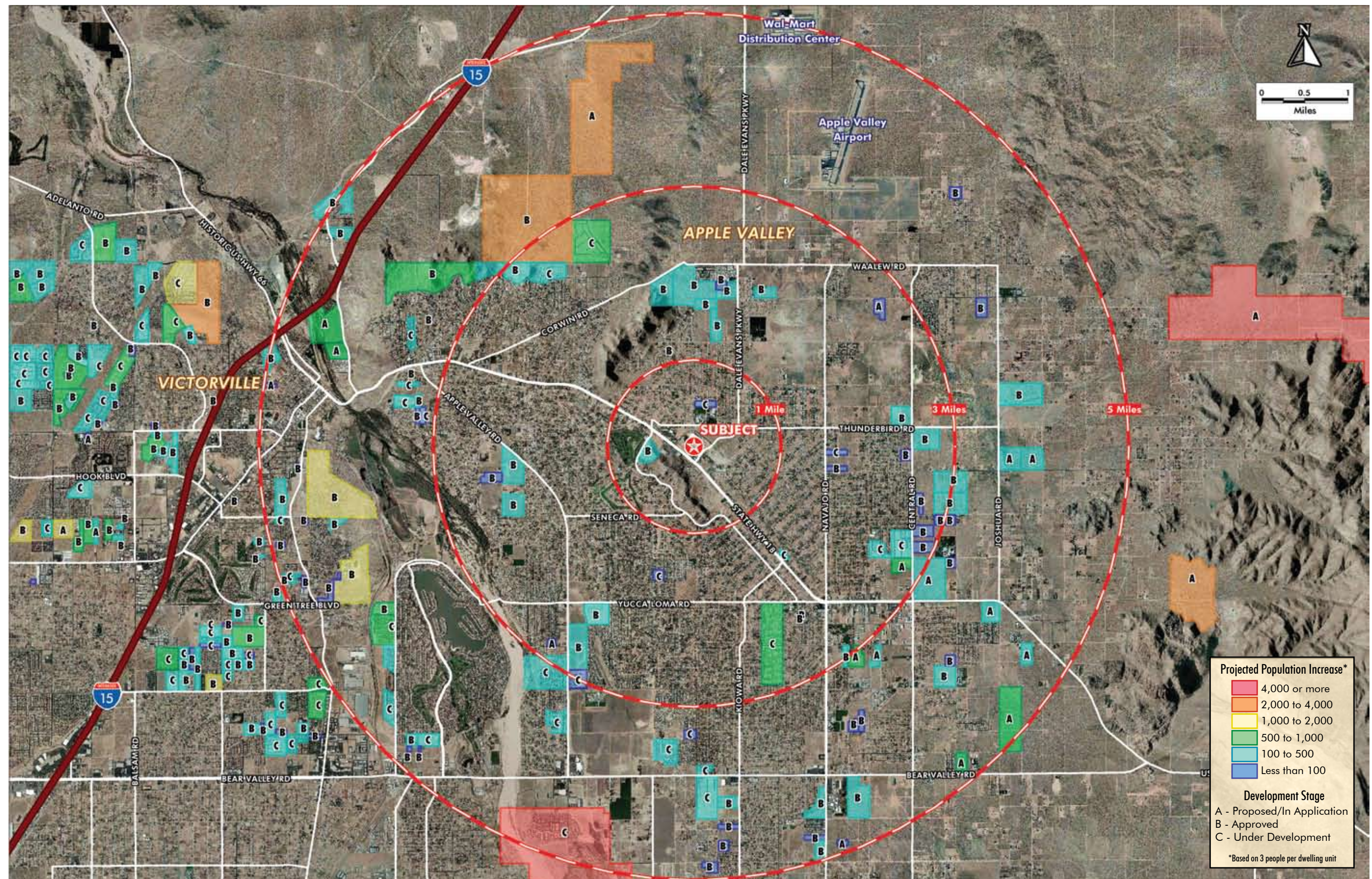
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HIGH DESERT GATEWAY I & II

PROJECTED POPULATION GROWTH Hesperia, CA



PROJECTED POPULATION GROWTH:

3 MILE:

Proposed Apps	6,437
Approved	14,319
Under Development	12,999

5 MILE:

Proposed Apps	10,392
Approved	29,824
Under Development	25,683

MAP EXTENT:

Proposed Apps	39,036
Approved	58,286
Under Development	35,280



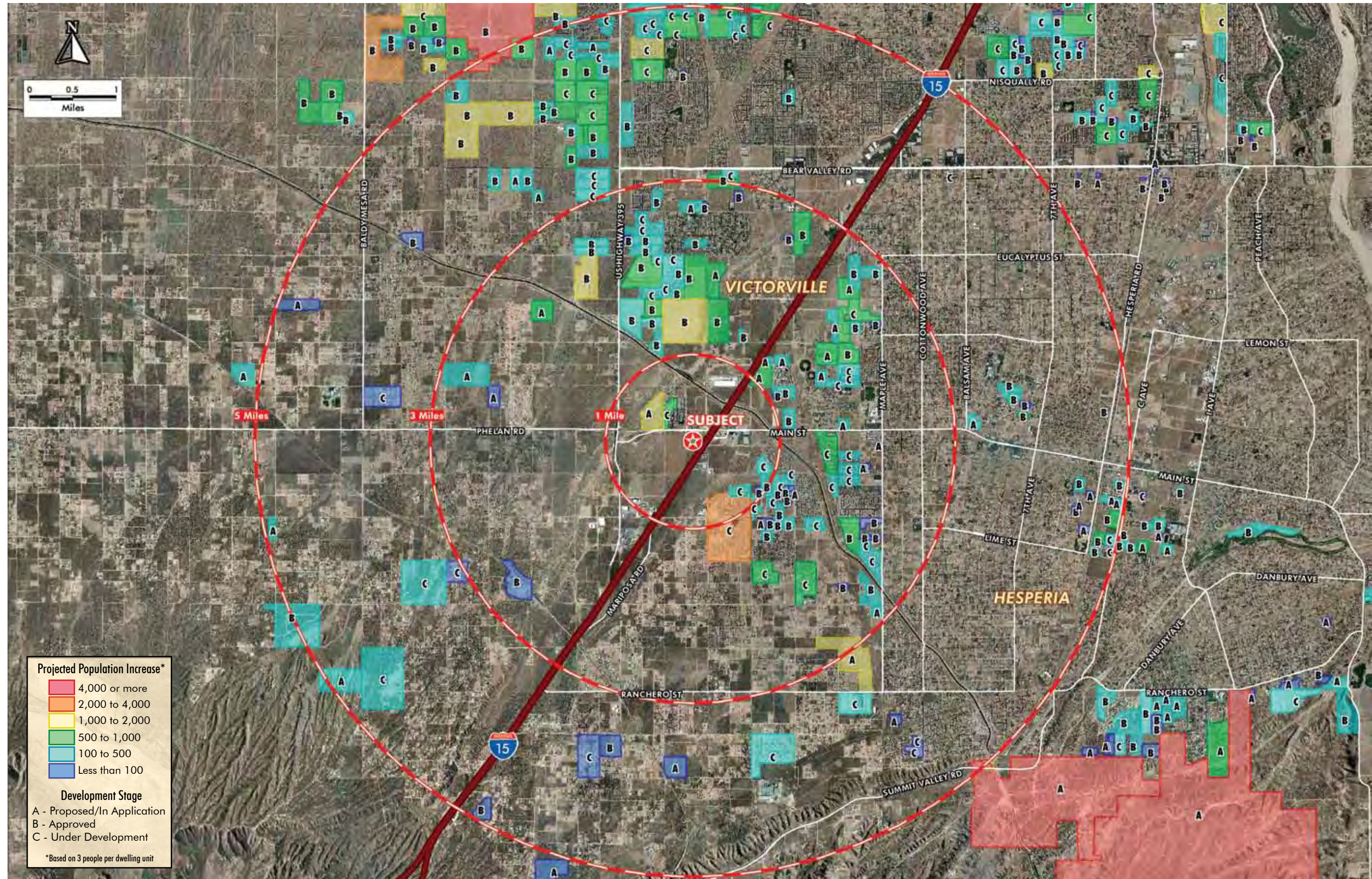
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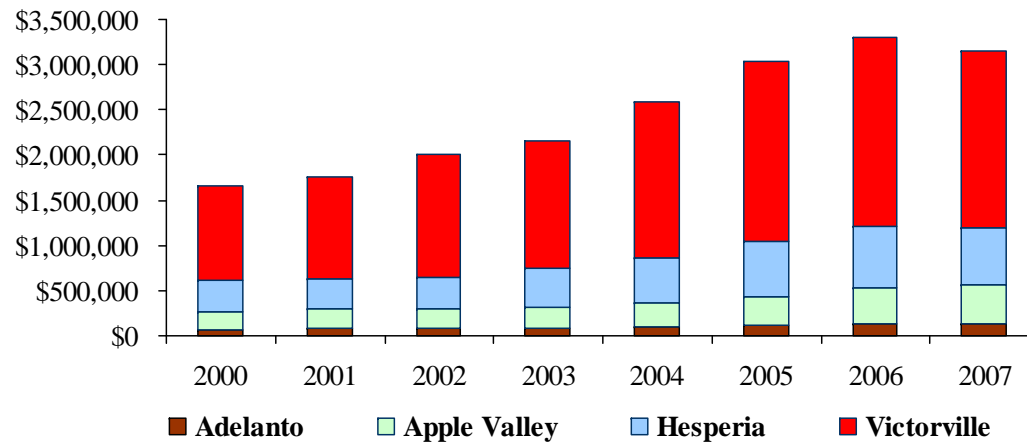


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Taxable Sales

(Dollars in Thousands)	2000	2001	2002	2003	2004	2005	2006	2007
Adelanto	\$62,472	\$75,519	\$76,151	\$81,405	\$99,552	\$113,518	\$135,246	\$128,423
Apple Valley	\$202,701	\$217,014	\$219,046	\$240,947	\$272,477	\$312,502	\$397,001	\$427,289
Hesperia	\$344,077	\$335,680	\$355,964	\$417,808	\$498,336	\$614,039	\$685,248	\$632,963
Victorville	\$1,045,818	\$1,137,312	\$1,356,375	\$1,415,309	\$1,723,407	\$2,001,454	\$2,091,570	\$1,957,514

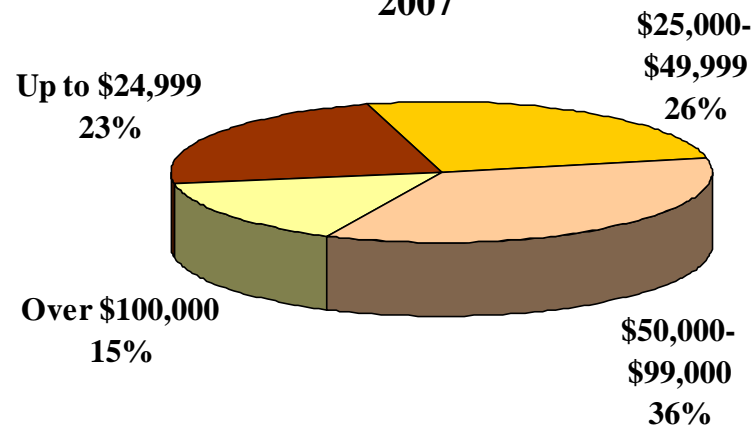
Taxable Sales
(in thousands of dollars)



Personal Income

INCOME LEVEL Victor Valley Community College District		
	2000	2007
Per Capita	\$16,870	\$20,147
Median Household	\$40,964	\$50,461
Average Household	\$50,144	\$62,499

**Distribution of Household Income
Victor Valley Community College District
2007**



Section IV – Facilities Plan and Plan of Finance



Master Facilities Plan/Financing Plan

1. Payoff of Certificates of Participation	\$ 54,000,000
2. Public Safety Training Center	
Design-Preliminary Plans	\$ 700,000
Design-Working Drawings	1,100,000
Construction	16,200,000
Equipment	2,000,000
	<u>\$ 20,000,000</u>
3. Workforce Development Job Training Center	
Site Acquisition	\$ 11,000,000
Design-Preliminary Plans	4,500,000
Design-Working Drawings	6,500,000
Construction	139,000,000
Equipment	12,500,000
	<u>\$ 173,500,000</u>
4. Victor Valley College	
Main Campus Improvements	\$ 50,000,000
Grant Total	<u><u>\$ 297,500,000</u></u>

Plan of Finance

- ❖ Total Bonds Authorized: \$297.5 million on November 4, 2008
- ❖ Estimated Series A Proceeds: \$65 million
- ❖ Estimated Series B Proceeds: \$65 million
- ❖ Estimated Tax Rate of \$19.95 per \$100,000 of Assessed Valuation

