

**VICTOR VALLEY ECONOMIC DEVELOPMENT AUTHORITY
BOARD MEETING OF: June 16, 2010**

SUBMITTED BY: Kaye Reynolds
Controller

DATE: June 14, 2010

SUBJECT: Release and Distribution of Member Contributions, Prior Years Budgetary Savings and Prior Years Interest Earnings

RECOMMENDATIONS:

TAC: That TAC recommend that the Board of Commissioners approve the release and distribution to its member jurisdictions member contributions collected, prior years budgetary savings and prior years interest earnings in the amount of \$1,899,118.21

Board: That the Honorable Board of Commissioners approve the release and distribution to its member jurisdictions member contributions collected, prior years budgetary savings and prior years interest earnings in the amount of \$1,899,118.21

FISCAL IMPACT: \$1,899,118.21

DISCUSSION: This request is to distribute the following (3) monies currently held by the VVEDA treasury:

1. The Town of Apple Valley, the City of Hesperia, the City of Victorville and San Bernardino County contributed a total of \$5,548,431.50 for the start-up costs of VVEDA. Since joining VVEDA the City of Adelanto has contributed \$436,620.27 which should be distributed back to the original members. The distribution will be made in proportion to their original contributions and is calculated as follows:

Member	Contribution Amount	Contribution %	Reimbursement Amount
Apple Valley	792,973.00	14.3%	62,436.70
Hesperia	788,862.00	14.2%	62,000.08
Victorville	3,100,445.21	55.9%	244,070.73
San Bernardino County	866,151.29	15.6%	68,112.76
Total	5,548,431.50	100%	436,620.27

2. On September 10, 2008, the VVEDA Board adopted Administrative Policy 2008-B which provides guidance for the funding of the approved annual budget. Policy 2008-B also provides for a reconciliation of the actual expenditures to the adopted budget. The difference between budget and actual for FY 2008-09 and prior resulted in a difference of \$457,796.55 which should be distributed back to the members. As provided in Policy 2008-B, these monies will be returned to the members in the same proportion that they were previously withheld, 20% from each member. \$91,559.31 will be returned to each of the five members.

3. On September 10, 2008, the VVEDA Board adopted Administrative Policy 2008-A authorizing the distribution of interest earnings and establishing the method of such a distribution. The distribution of interest earnings is to be made in direct proportion to the receipt of each member's tax increment. Interest Earnings received and undistributed through June 30, 2009 totals \$1,004,701.39. The distribution is calculated as follows:

Member	Increment Received FY 08-09	Increment %	Reimbursement Amount
Adelanto RDA Low/Mod	415,770	1%	10,047.01
Adelanto RDA Non-housing	307,913	.8%	8,037.61
Apple Valley RDA Low/Mod	1,438,389	3.5%	35,164.55
Apple Valley RDA Non-housing	1,873,753	4.6%	46,216.26
Hesperia RDA Low/Mod	345,887	.8%	8,037.61
Hesperia RDA Non-housing	425,543	1%	10,047.01
Victorville RDA Low/Mod	8,060,034	19.8%	198,930.88
Victorville RDA Non-housing	8,998,461	22.1%	222,039.01
SB County RDA Low/Mod	1,020,184	2.5%	25,117.53
SB County Non-housing	1,378,903	3.4%	34,159.85
SCLA (non-housing)	16,441,818	40.5%	406,904.07
Total	40,706,655	100%	1,004,701.39

Finally, it should be noted that the City of Victorville's distribution will be reduced by \$376,741.00. This reduction represents the funds owed to VVEDA as outlined in the Agreed Upon Procedures report presented to the Board on December 16, 2009.

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

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