

URBAN FUTURES INCORPORATED

Finance • Redevelopment • Implementation • Planning • Bond Administration

May 3, 2007

Mr. Daryl Parrish, City Manager
City of Colton
650 North La Cadena Drive
Colton, CA 92324

RE: Redevelopment Agency for the City of Colton
Tax Increment Verification and Revenue Projections

Dear Daryl:

Urban Futures, Inc. (UFI) is pleased to present this report of projected tax increment revenues to the Redevelopment Agency for the City of Colton (the "Agency") for the West Valley Original and Amendment project areas on a consolidated basis. The following information is included as exhibits to this report:

- Exhibits A-1 & A-2: Projected assessed valuations and tax revenues based on **current land uses/values**
- Exhibits B-1 & B-2: Projected assessed valuations and tax revenues based on scenario 1 for 255 acre super block – **higher end mixed use**
- Exhibits C-1 & C-2: Projected assessed valuations and tax revenues based on scenario 2 for 255 acre super block – **big box/industrial park mixed use**
- Exhibits D-1 & D-2: Projected assessed valuations and tax revenues based on scenario 3 for 255 acre super block – **low density residential model**
- Exhibits E-1 & E-2: Projected assessed valuations and tax revenues based on scenario 4 for 255 acre super block – **moderate density residential model**
- Exhibit F: Historical assessed valuation and tax revenues
- Exhibit G: Ten largest local secured/unsecured taxpayers
- Exhibit H: Land uses
- Exhibit I: Current and historical assessment appeals information

Projected taxable valuations and tax revenues contained in this report are normally based on assumptions derived from the following information:

1. Historical growth trends;
2. Trended growth in valuation as permitted by Article XIII A of the California Constitution (Proposition 13);
3. Construction activity in the Project Area;
4. Financial reports and information supplied or prepared by the Agency;
and
5. Assessed valuation information provided by the County of San Bernardino, from the offices of the Auditor-Controller and Assessor.

The historic and projected pass-through payments for the San Bernardino Valley Municipal Water District are in question by UFI at this time. Further analysis and investigation needs to occur to verify the accuracy of the methodology used in determining this pass-through amount. Furthermore, UFI has been unable to identify the unsecured values with specific property owners. Because it appears that a significant portion of the unsecured value is attributable to a single taxpayer, it is important to precisely verify the material unsecured taxpayers. UFI reserves the right to amend this report once further analysis on these issues is completed.

Because the consolidated project area appears to have assessed valuations below market for many parcels and based upon staff's direction for UFI to make projections based upon different development assumptions (Exhibits B-1 through E-2) relative to the proposed 255 acre super block, the related analysis was heavily based upon information supplied by City of Colton staff, generic development values supplied by UFI's redevelopment planning and implementation staff, and examination of development costs for like projects in other client cities.

The purpose of these projections is to demonstrate the availability of tax increment expected to be generated from the Project Area to secure debt service requirements of the Agency for the proposed issuance of an approximate \$3.5 million General Fund loan to the project area (for purposes of land acquisition). In addition, the Agency may elect to refund the outstanding 1999 Tax Allocation Bonds, in the approximate amount of \$1,275,000, and issue additional bonds to retire an approximate \$2 million outstanding loan from the City's Water enterprise. This would result in a new 2007 bond issue, approximating \$3.7 million, including debt service reserves and costs of issuance.

Revenue projections have been conservatively estimated in order to reduce the risk of overstating future tax increment revenues in Exhibits A-1 & A-2. **Only Exhibits A-1 & A-2 should be relied upon for the purposes of issuing debt.** Exhibits B-1 through E-2 are for internal planning purposes only and are based upon speculation and development assumptions, not yet in the official planning stages.

However, as noted in the Financing Limitations section of this report, if growth exceeds the conservative 3% projection used in our analysis, Exhibit A-1, the lifetime tax increment cumulative cap may be met prior to the 2037 projected debt maturity date. We have run sensitivity analyses based upon different growth assumptions and have disclosed such results in the aforementioned section.

General Projection Assumptions for Exhibits A-1 & A-2

1. The revenue projections assume an assessed valuation growth rate of three percent (3%) annually, representing the two percent (2%) annual inflation increase allowable under Proposition 13, plus a 1% growth factor.
2. The Project Area tax rate is 1.155% in FY 2006-07, based upon County of San Bernardino records, and is assumed to remain constant in all periods thereafter.

General Projection Assumptions for Exhibits B-1 through E-2

The assessed valuation and revenue projections for Exhibits B-1 through E-2 are based upon the various development scenarios, as communicated and directed by staff, and assumptions are stated separately at the bottom of each exhibit.

Project Areas

The Colton City Council established the West Valley Redevelopment Project Area (Original) by Ordinance No. 0-10-86 on July 15, 1986. This consisted of approximately 375 acres in the western portion of the City. This project area was subsequently amended on June 30, 1987 by City Council action with Ordinance No. 0-9-87, which added 183 acres to the Original West Valley Project Area (the Amended Redevelopment Project). The amendment area is composed of two non-contiguous areas, the western portion being adjacent to the northern half of the Original Redevelopment Project, and the eastern portion located in the older section of the City between Grand Avenue and the A.T & S.F. railroad tracks, adjacent to Downtown Project Area No. 2. The Original Redevelopment Project and the Amendment Redevelopment Project constitute a single redevelopment project, covering 558 total acres. The projections, tables (Exhibits), and other analyses in this report are based upon the consolidated project area, but supporting documentation is available and retained for each project area (original and amendment) on an individual basis as well as a consolidated basis.

On December 20, 1994 the City Council adopted Ordinance No. 0-26-94 for both the Original and Amendment project areas to comply with the time limits prescribed by AB 1290. Adoption of this ordinance did not trigger any pass-through payments to other taxing entities. All pass-through payments are pursuant to negotiated agreements.

The City Council amended the timelines/deadlines for redevelopment activities and debt repayment on September 21, 1999 for both project areas by Ordinance No. 0-18-99. These timelines were subsequently amended on May 4, 2004 by Ordinance No. 0-13-04 (amendment project area) and 0-12-04 (original project area). These ordinances added one year to both the redevelopment activity and debt repayment deadlines due to the Education Revenue Augmentation Fund provision in SB 1045.

An ordinance eliminating the debt incurrence deadline for both project areas, in accordance with SB 211, is scheduled for City Council approval on May 15, 2007. All relevant ordinances and deadlines

are again referenced in tables forthcoming in this report.

Project Area Development

The West Valley consolidated project area has been adversely impacted, in terms of development activity, by the Federal Endangered Species Act relative to the Delhi Sands Flower Loving Fly (Fly). Despite this impediment, the consolidated project area has grown from \$93,305,929 in total assessed valuation in Fiscal Year 2002-03 to \$139,511,085 in Fiscal Year 2006-07. This represents an average of 12% growth per year over that four year period. Much of this growth appears to be the result of property sales which establish higher assessed values than what existed under the older Proposition 13 values.

City of Colton staff has been negotiating with the United States Fish and Wildlife Service (USFWS) for a number of years in attempts to establish designated Fly habitat in exchange for releasing restrictions on the development of certain "Fly impacted" key commercial parcels. One of the areas targeted for new development is referred to as the "super block" on the western boundary of the consolidated project areas on the border with the City of Rialto. This consists of 255 underdeveloped acres in the City of Colton and approximately 50 acres in the City of Rialto. Staff is examining various development scenarios for this area, and part of UFI's scope of services as a financial advisor is to provide some of the aforementioned pro-forma projections based upon the various scenario assumptions. These are contained in Exhibits B-1 through E-2 of this report.

In addition, the Agency owns an approximate 6 acre parcel fronting Valley Boulevard between Meridian and Hermosa Avenues (formerly known as Frontier Town). Although this parcel does not consist of "fly habitat", development has been delayed due to adjoining property which is in "fly habitat" and also owned by the Agency. The adjoining property is part of the proposed habitat conservation plan (HCP), or similar document, currently being negotiated with the USFWS. The Agency plans to begin a development process for the 6 acres once the status of the adjoining property is determined. There are also numerous other vacant parcels or parcels susceptible to an upgrade in reuse in the project area. As a result, the opportunity for new development appears quite significant, assuming negotiations are successful with the USFWS.

Project Areas FY 2006-07 Tax Rate

Table 1 below details the components of the FY 2006-07 average tax rate for the Project Areas.

TABLE 1: FY 2006-07 AVERAGE TAX RATE	
TAXING ENTITIES	AVERAGE TAX RATE
General Tax Levy	1.000000
San Bernardino Valley Municipal Water District	0.140000
City of Colton	0.015
TOTAL	1.1550%

Project Areas Redevelopment Plan Financing Limitations

The fiscal and time limitations contained in the Redevelopment Plans for the Project Area are summarized in Table 2 below.

TABLE 2: PROJECT AREAS PLAN AND FINANCING LIMITATIONS	
LIMITATION DESCRIPTION	TIME OR DOLLAR LIMIT
1. Plan Effectiveness/Duration	7/15/27 (Original Area) 6/30/28 (Amendment Area)
2. Debt Incurrence Time Limit	To be eliminated 5/15/07
3. Tax Increment Receipt/Debt Repayment Time Limit	7/15/37 (Original Area) 6/30/38 (Amendment Area)
4. Maximum Bonded Debt	\$20 Million (Original Area) \$30 Million (Amendment Area)
5. Lifetime Increment Cap	\$100 Million (Original Area) \$36 Million (Amendment Area)

None of these Plan limitations should impact the ability of the Agency to pay debt service on the (proposed) General Fund loan, any issuance of 2007 refunding or new money bonds, or the outstanding 1999 bonds, based upon the 3% growth assumption included in Exhibits A-1 & A-2. Average annual growth up to 5% per year will fall within the lifetime Cap.

However, if average annual growth exceeds 6% per year, then the Cap will be met before the 2037 and 2038 deadline dates to receive tax increment. The greater the growth percentage above 6%, the sooner the Cap will be met. Therefore, it is incumbent upon the Agency to monitor the growth in this project area very closely. Furthermore, assuming issuance of new debt and/or bonds, provisions should exist in the bond documents which require such monitoring and independent verification with additional covenants that require tax increment to be set aside with the bond trustee for early debt retirement in the event of such excessive growth.

Low- and Moderate-Income Housing Set-Aside

Pursuant to Section 33334.2 of California Redevelopment Law, the Agency must set aside 20 percent of annual tax increment allocated to the Agency, for use in projects benefiting low- and moderate- income housing (the "LMI Housing Set-Aside"). These amounts are included in the Gross Tax Revenues listed in Exhibits A-1 & A-2.

Pass Through Agreements

The Agency has entered into pass-through agreements with various taxing entities as follows:

- Colton Joint Unified School District – 30% of the District's normal share of the basic 1% tax levy plus any tax overrides for the Original Area. The percentage for the Amendment Area is 20% of the district's normal share. The aggregate combined amount equates to approximately \$20,000 per year, based upon 2006-07 data.
- Rialto Unified School District – 30% of the District's normal share of the basic 1% tax levy plus any tax overrides for the Original Area only. This represents approximately \$76,000 per year, based upon 2006-07 data.
- San Bernardino County – 20% of the County's normal share of the basic 1% tax levy plus any tax overrides for the Original Area only. This equals to approximately \$35,000 per year, based upon 2006-07 data.
- San Bernardino County Flood Control District – 100% of the District's normal share of the basic 1% tax levy plus any tax overrides for the Original Area only. This equates to approximately \$22,000 per year.
- San Bernardino Valley Municipal Water District – 100% of the District's normal share of the basic tax levy plus any tax overrides for both the Original and Amendment Project Areas. In addition, for both project areas the pass-through payments which should have been made in years 1986-07 through 1996-97 were deferred plus interest. Beginning with Fiscal year 1997-98 the deferred portion was to be repaid each year plus interest at the Local Agency Investment Fund (LAIF) rate. For instance, in 1997-98 the amount due was the 1986-87 deferred amount plus 11 years of accrued interest at the LAIF rate. The total amount to be paid to this district in 2006-07 is estimated at \$170,000. However, UFI has not been able to substantiate the merits of the portion paid to the District for the State Water Project override. Again, more analysis of this pass-through needs to be undertaken before any bonds are issued.

Assessment Appeals

In San Bernardino County, a property owner desiring to reduce the assessed value of such owner's property in any one year must submit an application to the San Bernardino County Assessment Appeals Board (the "Appeals Board"). Applications for any tax year must be submitted by September 15 of such tax year. The Appeals Board, within two years of each appeal's filing date, will hold a hearing and then either reduce the assessment or confirm the assessment.

There are no material assessment appeals currently on file with San Bernardino County as identified with the top ten tax payers (Exhibit G).

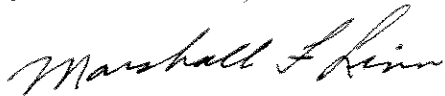
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While UFI has taken steps to assure the accuracy of the data used in the formulation of these projections, we cannot insure that projected valuations will, in fact, be realized because actual values will most likely be affected by future events and conditions that cannot be predicted with certainty.

We believe that this report provides the Redevelopment Agency of the City of Colton with a reasonable basis for demonstrating the available tax increment revenues of the Agency from the West Valley Redevelopment Project Area. We are available to answer any questions that you may have regarding this information.

Sincerely,

URBAN FUTURES, INC.

A handwritten signature in cursive script that reads "Marshall Linn".

Marshall Linn
President

Cc: Mark Nuaimi, Assistant City Manager
Candace Cassell, Economic Development Director
Dilu de Alwis, Finance Director

**EXHIBIT A-1
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED REVENUES**

Year	Total Assessed Value	Less: Base Year Amount	Incremental Value	Tax Rate	Gross Tax Increment Revenue	Unitary Tax Revenue	Total Gross Revenues	Less: Housing Set-aside, 20%	Net Revenues After Housing
2006-07	139,511,085	(31,119,094)	108,391,991	1.1550%	1,251,927	2,000	1,253,927	(250,785)	1,003,142
2007-08	143,696,418	(31,119,094)	112,577,324	1.1550%	1,300,268	2,000	1,302,268	(260,454)	1,041,814
2008-09	148,007,310	(31,119,094)	116,888,216	1.1550%	1,350,059	2,000	1,352,059	(270,412)	1,081,647
2009-10	152,447,529	(31,119,094)	121,328,435	1.1550%	1,401,343	2,000	1,403,343	(280,669)	1,122,675
2010-11	157,020,955	(31,119,094)	125,901,861	1.1550%	1,454,166	2,000	1,456,166	(291,233)	1,164,933
2011-12	161,731,584	(31,119,094)	130,612,490	1.1550%	1,508,574	2,000	1,510,574	(302,115)	1,208,459
2012-13	166,583,531	(31,119,094)	135,464,437	1.1550%	1,564,614	2,000	1,566,614	(313,323)	1,253,291
2013-14	171,581,037	(31,119,094)	140,461,943	1.1550%	1,622,335	2,000	1,624,335	(324,867)	1,299,468
2014-15	176,728,468	(31,119,094)	145,609,374	1.1550%	1,681,788	2,000	1,683,788	(336,758)	1,347,031
2015-16	182,030,323	(31,119,094)	150,911,229	1.1550%	1,743,025	2,000	1,745,025	(349,005)	1,396,020
2016-17	187,491,232	(31,119,094)	156,372,138	1.1550%	1,806,098	2,000	1,808,098	(361,620)	1,446,479
2017-18	193,115,969	(31,119,094)	161,996,875	1.1550%	1,871,064	2,000	1,873,064	(374,613)	1,498,451
2018-19	198,909,448	(31,119,094)	167,790,354	1.1550%	1,937,979	2,000	1,939,979	(387,996)	1,551,983
2019-20	204,876,732	(31,119,094)	173,757,638	1.1550%	2,006,901	2,000	2,008,901	(401,780)	1,607,121
2020-21	211,023,034	(31,119,094)	179,903,940	1.1550%	2,077,891	2,000	2,079,891	(415,978)	1,663,912
2021-22	217,353,725	(31,119,094)	186,234,631	1.1550%	2,151,010	2,000	2,153,010	(430,602)	1,722,408
2022-23	223,874,336	(31,119,094)	192,755,242	1.1550%	2,226,323	2,000	2,228,323	(445,665)	1,782,658
2023-24	230,590,567	(31,119,094)	199,471,473	1.1550%	2,303,896	2,000	2,305,896	(461,179)	1,844,716
2024-25	237,508,284	(31,119,094)	206,389,190	1.1550%	2,383,795	2,000	2,385,795	(477,159)	1,908,636
2025-26	244,633,532	(31,119,094)	213,514,438	1.1550%	2,466,092	2,000	2,468,092	(493,618)	1,974,473
2026-27	251,972,538	(31,119,094)	220,853,444	1.1550%	2,550,857	2,000	2,552,857	(510,571)	2,042,286
2027-28	259,531,714	(31,119,094)	228,412,620	1.1550%	2,638,166	2,000	2,640,166	(528,033)	2,112,133
2028-29	267,317,666	(31,119,094)	236,198,572	1.1550%	2,728,094	2,000	2,730,094	(546,019)	2,184,075
2029-30	275,337,196	(31,119,094)	244,218,102	1.1550%	2,820,719	2,000	2,822,719	(564,544)	2,258,175
2030-31	283,597,311	(31,119,094)	252,478,217	1.1550%	2,916,123	2,000	2,918,123	(583,625)	2,334,499
2031-32	292,105,231	(31,119,094)	260,986,137	1.1550%	3,014,390	2,000	3,016,390	(603,278)	2,413,112
2032-33	300,868,388	(31,119,094)	269,749,294	1.1550%	3,115,604	2,000	3,117,604	(623,521)	2,494,083
2033-34	309,894,439	(31,119,094)	278,775,345	1.1550%	3,219,855	2,000	3,221,855	(644,371)	2,577,484
2034-35	319,191,272	(31,119,094)	288,072,178	1.1550%	3,327,234	2,000	3,329,234	(665,847)	2,663,387
2035-36	328,767,011	(31,119,094)	297,647,917	1.0000%	2,976,479	2,000	2,978,479	(595,696)	2,382,783
2036-37	338,630,021	(31,119,094)	307,510,927	1.0000%	3,075,109	2,000	3,077,109	(615,422)	2,461,687

**EXHIBIT A-2
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED DEBT SERVICE COVERAGE**

Year	Net Revenues After Housing	Less			Net Available Revenues for Debt Service(A)	Less		Remaining Revenues for Admin. or Other	Debt Service Coverage A/(B+C)
		County Admin. SB 2557	Pass-Throughs Per Agreement	Pass-Throughs SB 211		Existing Bond Debt Service(B)	Potential Debt Service(C)		
2006-07	1,003,142	(16,426)	(323,321)	0	663,394	(95,000)	(435,972)	132,422	1.25
2007-08	1,041,814	(17,060)	(330,967)	(883)	692,905	(95,000)	(435,972)	161,933	1.30
2008-09	1,081,647	(17,712)	(338,842)	(1,793)	723,300	(95,000)	(435,972)	192,328	1.36
2009-10	1,122,675	(18,384)	(346,953)	(2,730)	754,608	(95,000)	(435,972)	223,636	1.42
2010-11	1,164,933	(19,076)	(355,307)	(3,695)	786,855	(95,000)	(435,972)	255,883	1.48
2011-12	1,208,459	(19,789)	(363,912)	(4,689)	820,069	(95,000)	(435,972)	289,097	1.54
2012-13	1,253,291	(20,523)	(372,776)	(5,713)	854,280	(95,000)	(435,972)	323,308	1.61
2013-14	1,299,468	(21,279)	(381,905)	(6,768)	889,517	(95,000)	(435,972)	358,545	1.68
2014-15	1,347,031	(22,058)	(391,308)	(7,854)	925,811	(95,000)	(435,972)	394,839	1.74
2015-16	1,396,020	(22,860)	(400,993)	(8,973)	963,193	(95,000)	(435,972)	432,221	1.81
2016-17	1,446,479	(23,686)	(410,969)	(9,243)	1,002,581	(95,000)	(435,972)	471,609	1.89
2017-18	1,498,451	(24,537)	(421,244)	(12,310)	1,040,360	(95,000)	(435,972)	509,388	1.96
2018-19	1,551,983	(25,414)	(431,827)	(14,560)	1,080,182	(95,000)	(435,972)	549,210	2.03
2019-20	1,607,121	(26,317)	(442,728)	(16,877)	1,121,199	(95,000)	(435,972)	590,227	2.11
2020-21	1,663,912	(27,247)	(453,955)	(19,264)	1,163,447	(95,000)	(435,972)	632,475	2.19
2021-22	1,722,408	(28,204)	(465,520)	(21,722)	1,206,962	(95,000)	(435,972)	675,990	2.27
2022-23	1,782,658	(29,191)	(477,432)	(24,254)	1,251,782	(95,000)	(435,972)	720,810	2.36
2023-24	1,844,716	(30,207)	(489,700)	(26,862)	1,297,947	(95,000)	(435,972)	766,975	2.44
2024-25	1,908,636	(31,254)	(502,337)	(29,548)	1,345,497	(95,000)	(435,972)	814,525	2.53
2025-26	1,974,473	(32,332)	(515,353)	(32,315)	1,394,473	(95,000)	(435,972)	863,501	2.63
2026-27	2,042,286	(33,442)	(528,760)	(35,165)	1,444,919	(95,000)	(435,972)	913,947	2.72
2027-28	2,112,133	(34,586)	(542,569)	(38,100)	1,496,878	(95,000)	(435,972)	965,906	2.82
2028-29	2,184,075	(35,764)	(556,792)	(41,124)	1,550,395	(95,000)	(435,972)	1,019,423	2.92
2029-30	2,258,175	(36,978)	(571,441)	(28,574)	1,621,182	(95,000)	(435,972)	1,090,210	3.05
2030-31	2,334,499	(38,227)	(586,530)	(47,445)	1,662,296	(95,000)	(435,972)	1,131,324	3.13
2031-32	2,413,112	(39,515)	(602,072)	(50,749)	1,720,776	(95,000)	(435,972)	1,189,804	3.24
2032-33	2,494,083	(40,841)	(618,080)	(54,152)	1,781,011	(95,000)	(435,972)	1,250,039	3.35
2033-34	2,577,484	(42,206)	(634,569)	(57,657)	1,843,052	(95,000)	(435,972)	1,312,080	3.47
2034-35	2,663,387	(43,613)	(651,552)	(61,267)	1,906,955	(95,000)	(435,972)	1,375,983	3.59
2035-36	2,382,783	(39,018)	(596,076)	(49,475)	1,698,214	0	(435,972)	1,262,242	3.90
2036-37	2,461,687	(40,310)	(611,676)	(52,791)	1,756,911	0	(435,972)	1,320,939	4.03

EXHIBIT B-1
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED REVENUES - Scenario # 1 - Higher End Retail Mixed Use

Year	Total Assessed Value	Add: 255 Acre Super Block	Less: Base Year Amount	Incremental Value	Tax Rate	Gross Tax Increment Revenue	Unitary Tax Revenue	Total Gross Revenues	Less: Housing Set-aside, 20%	Net Revenues After Housing
2006-07	139,511,085		(31,119,094)	108,391,991	1.1550%	1,251,927	2,000	1,253,927	(250,785)	1,003,142
2007-08	143,696,418		(31,119,094)	112,577,324	1.1550%	1,300,268	2,000	1,302,268	(260,454)	1,041,814
2008-09	148,007,310		(31,119,094)	116,888,216	1.1550%	1,350,059	2,000	1,352,059	(270,412)	1,081,647
2009-10	152,447,529		(31,119,094)	121,328,435	1.1550%	1,401,343	2,000	1,403,343	(280,669)	1,122,675
2010-11	157,020,955	126,400,000	(31,119,094)	252,301,861	1.1550%	2,914,086	2,000	2,916,086	(583,217)	2,332,869
2011-12	283,420,955	126,400,000	(31,119,094)	378,701,861	1.1550%	4,374,006	2,000	4,376,006	(875,201)	3,500,805
2012-13	409,820,955	126,400,000	(31,119,094)	505,101,861	1.1550%	5,833,926	2,000	5,835,926	(1,167,185)	4,668,741
2013-14	536,220,955	126,400,000	(31,119,094)	631,501,861	1.1550%	7,293,846	2,000	7,295,846	(1,459,169)	5,836,677
2014-15	662,620,955	126,400,000	(31,119,094)	757,901,861	1.1550%	8,753,766	2,000	8,755,766	(1,751,153)	7,004,613
2015-16	812,691,584		(31,119,094)	781,572,490	1.1550%	9,027,162	2,000	9,029,162	(1,805,832)	7,223,330
2016-17	837,072,331		(31,119,094)	805,953,237	1.1550%	9,308,760	2,000	9,310,760	(1,862,152)	7,448,608
2017-18	862,184,501		(31,119,094)	831,065,407	1.1550%	9,598,805	2,000	9,600,805	(1,920,161)	7,680,644
2018-19	888,050,036		(31,119,094)	856,930,942	1.1550%	9,897,552	2,000	9,899,552	(1,979,910)	7,919,642
2019-20	914,691,538		(31,119,094)	883,572,444	1.1550%	10,205,262	2,000	10,207,262	(2,041,452)	8,165,809
2020-21	942,132,284		(31,119,094)	911,013,190	1.1550%	10,522,202	2,000	10,524,202	(2,104,840)	8,419,362
2021-22	970,396,252		(31,119,094)	939,277,158	1.1550%	10,848,651	2,000	10,850,651	(2,170,130)	8,680,521
2022-23	999,508,140		(31,119,094)	968,389,046	1.1550%	11,184,893	2,000	11,186,893	(2,237,379)	8,949,515
2023-24	1,029,493,384		(31,119,094)	998,374,290	1.1550%	11,531,223	2,000	11,533,223	(2,306,645)	9,226,578
2024-25	1,060,378,185		(31,119,094)	1,029,259,091	1.1550%	11,887,943	2,000	11,889,943	(2,377,989)	9,511,954
2025-26	1,092,189,531		(31,119,094)	1,061,070,437	1.1550%	12,255,364	2,000	12,257,364	(2,451,473)	9,805,891
2026-27	1,124,955,217		(31,119,094)	1,093,836,123	1.1550%	12,633,807	2,000	12,635,807	(2,527,161)	10,108,646
2027-28	1,158,703,873		(31,119,094)	1,127,584,779	1.1550%	13,023,604	2,000	13,025,604	(2,605,121)	10,420,483
2028-29	1,193,464,990		(31,119,094)	1,162,345,896	1.1550%	13,425,095	2,000	13,427,095	(2,685,419)	10,741,676
2029-30	1,229,268,939		(31,119,094)	1,198,149,845	1.1550%	13,838,631	2,000	13,840,631	(2,768,126)	11,072,505
2030-31	1,266,147,007		(31,119,094)	1,235,027,913	1.1550%	14,264,572	2,000	14,266,572	(2,853,314)	11,413,258
2031-32	1,304,131,418		(31,119,094)	1,273,012,324	1.1550%	14,703,292	2,000	14,705,292	(2,941,058)	11,764,234
2032-33	1,343,255,360		(31,119,094)	1,312,136,266	1.1550%	15,155,174	2,000	15,157,174	(3,031,435)	12,125,739
2033-34	1,383,553,021		(31,119,094)	1,352,433,927	1.1550%	15,620,612	2,000	15,622,612	(3,124,522)	12,498,089
2034-35	1,425,059,612		(31,119,094)	1,393,940,518	1.1550%	16,100,013	2,000	16,102,013	(3,220,403)	12,881,610
2035-36	1,467,811,400		(31,119,094)	1,436,692,306	1.0000%	14,366,923	2,000	14,368,923	(2,873,785)	11,495,138
2036-37	1,511,845,742		(31,119,094)	1,480,726,648	1.0000%	14,807,266	2,000	14,809,266	(2,961,853)	11,847,413

Assumptions:

Retail – 150 acres at \$1.6 million in improved value per acre:	\$240 million
Residential – 75 acres at 12 homes per acre X \$350,000:	\$315 million
Entertainment – 10 acres X \$3 million per acre:	\$30 million
Hotel Use – 3 acres X \$5 million per acre:	\$15 million
Office Use – 15 acres X 12,000 buildable square feet per acre X \$180:	\$32 million
Total:	\$632 million

Construction completion will be spread evenly over 5 years, 2010-11 to 2014-15.

EXHIBIT B-2
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED DEBT SERVICE COVERAGE - Scenario # 1 - Higher End Retail Mixed Use

Year	Net Revenues After Housing	Less			Net Available Revenues for Debt Service(A)	Less		Remaining Revenues for Admin. or Other	Debt Service Coverage A/(B+C)
		County Admin. SB 2557	Pass-Throughs Per Agreement	Pass-Throughs SB 211		Existing Bond Debt Service(B)	Potential Debt Service(C)		
2006-07	1,003,142	(16,426)	(323,321)	0	663,394	(95,000)	(435,972)	132,422	1.25
2007-08	1,041,814	(17,060)	(330,967)	(883)	692,905	(95,000)	(435,972)	161,933	1.30
2008-09	1,081,647	(17,712)	(338,842)	(1,793)	723,300	(95,000)	(435,972)	192,328	1.36
2009-10	1,122,675	(18,384)	(346,953)	(2,730)	754,608	(95,000)	(435,972)	223,636	1.42
2010-11	2,332,869	(38,201)	(586,208)	(30,371)	1,678,089	(95,000)	(435,972)	1,147,117	3.16
2011-12	3,500,805	(57,326)	(817,109)	(57,047)	2,569,324	(95,000)	(435,972)	2,038,352	4.84
2012-13	4,668,741	(76,451)	(1,048,010)	(83,722)	3,460,558	(95,000)	(435,972)	2,929,586	6.52
2013-14	5,836,677	(95,576)	(1,278,911)	(110,398)	4,351,793	(95,000)	(435,972)	3,820,821	8.20
2014-15	7,004,613	(114,701)	(1,509,812)	(137,074)	5,243,027	(95,000)	(435,972)	4,712,055	9.87
2015-16	7,223,330	(118,282)	(1,553,052)	(142,069)	5,409,926	(95,000)	(435,972)	4,878,954	10.19
2016-17	7,448,608	(121,971)	(1,597,590)	(290,120)	5,438,927	(95,000)	(435,972)	4,907,955	10.24
2017-18	7,680,644	(125,771)	(1,643,463)	(302,614)	5,608,797	(95,000)	(435,972)	5,077,825	10.56
2018-19	7,919,642	(129,684)	(1,690,713)	(311,003)	5,788,242	(95,000)	(435,972)	5,257,270	10.90
2019-20	8,165,809	(133,715)	(1,739,381)	(323,232)	5,969,482	(95,000)	(435,972)	5,438,510	11.24
2020-21	8,419,362	(137,867)	(1,789,508)	(333,980)	6,158,007	(95,000)	(435,972)	5,627,035	11.60
2021-22	8,680,521	(142,144)	(1,841,139)	(345,050)	6,352,188	(95,000)	(435,972)	5,821,216	11.96
2022-23	8,949,515	(146,548)	(1,894,319)	(356,453)	6,552,195	(95,000)	(435,972)	6,021,223	12.34
2023-24	9,226,578	(151,085)	(1,949,095)	(368,197)	6,758,201	(95,000)	(435,972)	6,227,229	12.73
2024-25	9,511,954	(155,758)	(2,005,513)	(380,294)	6,970,388	(95,000)	(435,972)	6,439,416	13.13
2025-26	9,805,891	(160,571)	(2,063,625)	(392,754)	7,188,940	(95,000)	(435,972)	6,657,968	13.54
2026-27	10,108,646	(165,529)	(2,123,479)	(405,588)	7,414,049	(95,000)	(435,972)	6,883,077	13.96
2027-28	10,420,483	(170,635)	(2,185,130)	(418,807)	7,645,912	(95,000)	(435,972)	7,114,940	14.40
2028-29	10,741,676	(175,895)	(2,248,629)	(432,422)	7,884,730	(95,000)	(435,972)	7,353,758	14.85
2029-30	11,072,505	(181,312)	(2,314,034)	(446,446)	8,130,712	(95,000)	(435,972)	7,599,740	15.31
2030-31	11,413,258	(186,892)	(2,381,401)	(460,890)	8,384,075	(95,000)	(435,972)	7,853,103	15.79
2031-32	11,764,234	(192,639)	(2,450,789)	(475,768)	8,645,038	(95,000)	(435,972)	8,114,066	16.28
2032-33	12,125,739	(198,559)	(2,522,259)	(491,092)	8,913,829	(95,000)	(435,972)	8,382,857	16.79
2033-34	12,498,089	(204,656)	(2,595,872)	(506,876)	9,190,685	(95,000)	(435,972)	8,659,713	17.31
2034-35	12,881,610	(210,936)	(2,671,694)	(523,133)	9,475,846	(95,000)	(435,972)	8,944,874	17.85
2035-36	11,495,138	(188,233)	(2,397,589)	(465,010)	8,444,307	0	(435,972)	8,008,335	19.37
2036-37	11,847,413	(194,001)	(2,467,234)	(479,307)	8,706,871	0	(435,972)	8,270,899	19.97

See Exhibit B-1 for assumptions

EXHIBIT C-1
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED REVENUES - Scenario # 2 - Big Box Mixed Use - No Residential

Year	Total Assessed Value	Add: 255 Acre Super Block	Less: Base Year Amount	Incremental Value	Tax Rate	Gross Tax Increment Revenue	Unitary Tax Revenue	Total Gross Revenues	Less: Housing Set-aside, 20%	Net Revenues After Housing
2006-07	139,511,085		(31,119,094)	108,391,991	1.1550%	1,251,927	2,000	1,253,927	(250,785)	1,003,142
2007-08	143,696,418		(31,119,094)	112,577,324	1.1550%	1,300,268	2,000	1,302,268	(260,454)	1,041,814
2008-09	148,007,310		(31,119,094)	116,888,216	1.1550%	1,350,059	2,000	1,352,059	(270,412)	1,081,647
2009-10	152,447,529		(31,119,094)	121,328,435	1.1550%	1,401,343	2,000	1,403,343	(280,669)	1,122,675
2010-11	157,020,955	82,000,000	(31,119,094)	207,901,861	1.1550%	2,401,266	2,000	2,403,266	(480,653)	1,922,613
2011-12	239,020,955	82,000,000	(31,119,094)	289,901,861	1.1550%	3,348,366	2,000	3,350,366	(670,073)	2,680,293
2012-13	321,020,955	82,000,000	(31,119,094)	371,901,861	1.1550%	4,295,466	2,000	4,297,466	(859,493)	3,437,973
2013-14	403,020,955	82,000,000	(31,119,094)	453,901,861	1.1550%	5,242,566	2,000	5,244,566	(1,048,913)	4,195,653
2014-15	485,020,955	82,000,000	(31,119,094)	535,901,861	1.1550%	6,189,666	2,000	6,191,666	(1,238,333)	4,953,333
2015-16	584,031,584		(31,119,094)	552,912,490	1.1550%	6,386,139	2,000	6,388,139	(1,277,628)	5,110,511
2016-17	601,552,531		(31,119,094)	570,433,437	1.1550%	6,588,506	2,000	6,590,506	(1,318,101)	5,272,405
2017-18	619,599,107		(31,119,094)	588,480,013	1.1550%	6,796,944	2,000	6,798,944	(1,359,789)	5,439,155
2018-19	638,187,081		(31,119,094)	607,067,987	1.1550%	7,011,635	2,000	7,013,635	(1,402,727)	5,610,908
2019-20	657,332,693		(31,119,094)	626,213,599	1.1550%	7,232,767	2,000	7,234,767	(1,446,953)	5,787,814
2020-21	677,052,674		(31,119,094)	645,933,580	1.1550%	7,460,533	2,000	7,462,533	(1,492,507)	5,970,026
2021-22	697,364,254		(31,119,094)	666,245,160	1.1550%	7,695,132	2,000	7,697,132	(1,539,426)	6,157,705
2022-23	718,285,182		(31,119,094)	687,166,088	1.1550%	7,936,768	2,000	7,938,768	(1,587,754)	6,351,015
2023-24	739,833,737		(31,119,094)	708,714,643	1.1550%	8,185,654	2,000	8,187,654	(1,637,531)	6,550,123
2024-25	762,028,749		(31,119,094)	730,909,655	1.1550%	8,442,007	2,000	8,444,007	(1,688,801)	6,755,205
2025-26	784,889,612		(31,119,094)	753,770,518	1.1550%	8,706,049	2,000	8,708,049	(1,741,610)	6,966,440
2026-27	808,436,300		(31,119,094)	777,317,206	1.1550%	8,978,014	2,000	8,980,014	(1,796,003)	7,184,011
2027-28	832,689,389		(31,119,094)	801,570,295	1.1550%	9,258,137	2,000	9,260,137	(1,852,027)	7,408,110
2028-29	857,670,071		(31,119,094)	826,550,977	1.1550%	9,546,664	2,000	9,548,664	(1,909,733)	7,638,931
2029-30	883,400,173		(31,119,094)	852,281,079	1.1550%	9,843,846	2,000	9,845,846	(1,969,169)	7,876,677
2030-31	909,902,178		(31,119,094)	878,783,084	1.1550%	10,149,945	2,000	10,151,945	(2,030,389)	8,121,556
2031-32	937,199,243		(31,119,094)	906,080,149	1.1550%	10,465,226	2,000	10,467,226	(2,093,445)	8,373,781
2032-33	965,315,221		(31,119,094)	934,196,127	1.1550%	10,789,965	2,000	10,791,965	(2,158,393)	8,633,572
2033-34	994,274,677		(31,119,094)	963,155,583	1.1550%	11,124,447	2,000	11,126,447	(2,225,289)	8,901,158
2034-35	1,024,102,918		(31,119,094)	992,983,824	1.1550%	11,468,963	2,000	11,470,963	(2,294,193)	9,176,771
2035-36	1,054,826,005		(31,119,094)	1,023,706,911	1.0000%	10,237,069	2,000	10,239,069	(2,047,814)	8,191,255
2036-37	1,086,470,785		(31,119,094)	1,055,351,691	1.0000%	10,553,517	2,000	10,555,517	(2,111,103)	8,444,414

Assumptions:

Big box retail – 150 acres; 2 million square feet X \$100:	\$200 million
Small box retail – 50 acres X \$1.6 million per acre:	\$80 million
Entertainment – 10 acres X \$3 million per acre:	\$30 million
Hotel Use – 3 acres X \$5 million per acre:	\$15 million
Office Use – 40 acres – 12,000 buildable square feet per acre X \$180:	<u>\$86.4 million</u>
Total:	\$411.4 million

Construction completion will be spread evenly over 5 years, 2010-11 to 2014-15.

EXHIBIT C-2
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED DEBT SERVICE COVERAGE - Scenario # 2 - Big Box Mixed Use - No Residential

Year	Net Revenues After Housing	Less			Net Available Revenues for Debt Service(A)	Less		Remaining Revenues for Admin. or Other	Debt Service Coverage A/(B+C)
		County Admin. SB 2557	Pass-Throughs Per Agreement	Pass-Throughs SB 211		Existing Bond Debt Service(B)	Potential Debt Service(C)		
2006-07	1,003,142	(16,426)	(323,321)	0	663,394	(95,000)	(435,972)	132,422	1.25
2007-08	1,041,814	(17,060)	(330,967)	(883)	692,905	(95,000)	(435,972)	161,933	1.30
2008-09	1,081,647	(17,712)	(338,842)	(1,793)	723,300	(95,000)	(435,972)	192,328	1.36
2009-10	1,122,675	(18,384)	(346,953)	(2,730)	754,608	(95,000)	(435,972)	223,636	1.42
2010-11	1,922,613	(31,483)	(505,101)	(21,001)	1,365,029	(95,000)	(435,972)	834,057	2.57
2011-12	2,680,293	(43,890)	(654,894)	(38,306)	1,943,203	(95,000)	(435,972)	1,412,231	3.66
2012-13	3,437,973	(56,297)	(804,687)	(55,612)	2,521,378	(95,000)	(435,972)	1,990,406	4.75
2013-14	4,195,653	(68,704)	(954,481)	(72,917)	3,099,552	(95,000)	(435,972)	2,568,580	5.84
2014-15	4,953,333	(81,111)	(1,104,274)	(90,222)	3,677,726	(95,000)	(435,972)	3,146,754	6.93
2015-16	5,110,511	(83,685)	(1,135,348)	(93,812)	3,797,666	(95,000)	(435,972)	3,266,694	7.15
2016-17	5,272,405	(86,336)	(1,167,354)	(198,664)	3,820,051	(95,000)	(435,972)	3,289,079	7.19
2017-18	5,439,155	(89,066)	(1,200,321)	(207,613)	3,942,155	(95,000)	(435,972)	3,411,183	7.42
2018-19	5,610,908	(91,879)	(1,234,277)	(213,136)	4,071,617	(95,000)	(435,972)	3,540,645	7.67
2019-20	5,787,814	(94,775)	(1,269,251)	(222,429)	4,201,358	(95,000)	(435,972)	3,670,386	7.91
2020-21	5,970,026	(97,759)	(1,305,274)	(230,153)	4,336,840	(95,000)	(435,972)	3,805,868	8.17
2021-22	6,157,705	(100,832)	(1,342,378)	(238,109)	4,476,386	(95,000)	(435,972)	3,945,414	8.43
2022-23	6,351,015	(103,998)	(1,380,596)	(246,303)	4,620,118	(95,000)	(435,972)	4,089,146	8.70
2023-24	6,550,123	(107,258)	(1,419,959)	(254,743)	4,768,163	(95,000)	(435,972)	4,237,191	8.98
2024-25	6,755,205	(110,616)	(1,460,504)	(263,437)	4,920,648	(95,000)	(435,972)	4,389,676	9.27
2025-26	6,966,440	(114,075)	(1,502,265)	(272,391)	5,077,708	(95,000)	(435,972)	4,546,736	9.56
2026-27	7,184,011	(117,638)	(1,545,279)	(281,613)	5,239,480	(95,000)	(435,972)	4,708,508	9.87
2027-28	7,408,110	(121,308)	(1,589,583)	(291,113)	5,406,106	(95,000)	(435,972)	4,875,134	10.18
2028-29	7,638,931	(125,087)	(1,635,217)	(300,897)	5,577,729	(95,000)	(435,972)	5,046,757	10.50
2029-30	7,876,677	(128,981)	(1,682,219)	(310,975)	5,754,502	(95,000)	(435,972)	5,223,530	10.84
2030-31	8,121,556	(132,990)	(1,730,632)	(321,356)	5,936,578	(95,000)	(435,972)	5,405,606	11.18
2031-32	8,373,781	(137,121)	(1,780,496)	(332,048)	6,124,116	(95,000)	(435,972)	5,593,144	11.53
2032-33	8,633,572	(141,375)	(1,831,857)	(343,060)	6,317,280	(95,000)	(435,972)	5,786,308	11.90
2033-34	8,901,158	(145,756)	(1,884,759)	(354,403)	6,516,239	(95,000)	(435,972)	5,985,267	12.27
2034-35	9,176,771	(150,270)	(1,939,248)	(366,086)	6,721,167	(95,000)	(435,972)	6,190,195	12.66
2035-36	8,191,255	(134,132)	(1,744,411)	(324,773)	5,987,940	0	(435,972)	5,551,968	13.73
2036-37	8,444,414	(138,277)	(1,794,461)	(335,051)	6,176,625	0	(435,972)	5,740,653	14.17

See Exhibit C-1 for assumptions

EXHIBIT D-1
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED REVENUES - Scenario # 3 - Low Density Residential Mixed Use

Year	Total Assessed Value	Add: 255 Acre Super Block	Less: Base Year Amount	Incremental Value	Tax Rate	Gross Tax Increment Revenue	Unitary Tax Revenue	Total Gross Revenues	Less: Housing Set-aside, 20%	Net Revenues After Housing
2006-07	139,511,085		(31,119,094)	108,391,991	1.1550%	1,251,927	2,000	1,253,927	(250,785)	1,003,142
2007-08	143,696,418		(31,119,094)	112,577,324	1.1550%	1,300,268	2,000	1,302,268	(260,454)	1,041,814
2008-09	148,007,310		(31,119,094)	116,888,216	1.1550%	1,350,059	2,000	1,352,059	(270,412)	1,081,647
2009-10	152,447,529		(31,119,094)	121,328,435	1.1550%	1,401,343	2,000	1,403,343	(280,669)	1,122,675
2010-11	157,020,955	88,000,000	(31,119,094)	213,901,861	1.1550%	2,470,566	2,000	2,472,566	(494,513)	1,978,053
2011-12	245,020,955	88,000,000	(31,119,094)	301,901,861	1.1550%	3,486,966	2,000	3,488,966	(697,793)	2,791,173
2012-13	333,020,955	88,000,000	(31,119,094)	389,901,861	1.1550%	4,503,366	2,000	4,505,366	(901,073)	3,604,293
2013-14	421,020,955	88,000,000	(31,119,094)	477,901,861	1.1550%	5,519,766	2,000	5,521,766	(1,104,353)	4,417,413
2014-15	509,020,955	88,000,000	(31,119,094)	565,901,861	1.1550%	6,536,166	2,000	6,538,166	(1,307,633)	5,230,533
2015-16	614,931,584		(31,119,094)	583,812,490	1.1550%	6,743,034	2,000	6,745,034	(1,349,007)	5,396,027
2016-17	633,379,531		(31,119,094)	602,260,437	1.1550%	6,956,108	2,000	6,958,108	(1,391,622)	5,566,486
2017-18	652,380,917		(31,119,094)	621,261,823	1.1550%	7,175,574	2,000	7,177,574	(1,435,515)	5,742,059
2018-19	671,952,345		(31,119,094)	640,833,251	1.1550%	7,401,624	2,000	7,403,624	(1,480,725)	5,922,899
2019-20	692,110,915		(31,119,094)	660,991,821	1.1550%	7,634,456	2,000	7,636,456	(1,527,291)	6,109,164
2020-21	712,874,243		(31,119,094)	681,755,149	1.1550%	7,874,272	2,000	7,876,272	(1,575,254)	6,301,018
2021-22	734,260,470		(31,119,094)	703,141,376	1.1550%	8,121,283	2,000	8,123,283	(1,624,657)	6,498,626
2022-23	756,288,284		(31,119,094)	725,169,190	1.1550%	8,375,704	2,000	8,377,704	(1,675,541)	6,702,163
2023-24	778,976,933		(31,119,094)	747,857,839	1.1550%	8,637,758	2,000	8,639,758	(1,727,952)	6,911,806
2024-25	802,346,241		(31,119,094)	771,227,147	1.1550%	8,907,674	2,000	8,909,674	(1,781,935)	7,127,739
2025-26	826,416,628		(31,119,094)	795,297,534	1.1550%	9,185,687	2,000	9,187,687	(1,837,537)	7,350,149
2026-27	851,209,127		(31,119,094)	820,090,033	1.1550%	9,472,040	2,000	9,474,040	(1,894,808)	7,579,232
2027-28	876,745,400		(31,119,094)	845,626,306	1.1550%	9,766,984	2,000	9,768,984	(1,953,797)	7,815,187
2028-29	903,047,762		(31,119,094)	871,928,668	1.1550%	10,070,776	2,000	10,072,776	(2,014,555)	8,058,221
2029-30	930,139,195		(31,119,094)	899,020,101	1.1550%	10,383,682	2,000	10,385,682	(2,077,136)	8,308,546
2030-31	958,043,371		(31,119,094)	926,924,277	1.1550%	10,705,975	2,000	10,707,975	(2,141,595)	8,566,380
2031-32	986,784,672		(31,119,094)	955,665,578	1.1550%	11,037,937	2,000	11,039,937	(2,207,987)	8,831,950
2032-33	1,016,388,212		(31,119,094)	985,269,118	1.1550%	11,379,858	2,000	11,381,858	(2,276,372)	9,105,487
2033-34	1,046,879,859		(31,119,094)	1,015,760,765	1.1550%	11,732,037	2,000	11,734,037	(2,346,807)	9,387,229
2034-35	1,078,286,255		(31,119,094)	1,047,167,161	1.1550%	12,094,781	2,000	12,096,781	(2,419,356)	9,677,425
2035-36	1,110,634,842		(31,119,094)	1,079,515,748	1.0000%	10,795,157	2,000	10,797,157	(2,159,431)	8,637,726
2036-37	1,143,953,868		(31,119,094)	1,112,834,794	1.0000%	11,128,348	2,000	11,130,348	(2,226,070)	8,904,278

Assumptions:

Residential – 175 acres at 4 homes per acre X \$400,000:	\$280 million
Neighborhood Retail – 25 acres at \$1.2 million per acre:	\$30 million
Entertainment – 10 acres at \$3 million per acre:	\$30 million
Hotel Use – 3 acres at \$5 million per acre:	\$15 million
Office Use – 40 acres X 12,000 buildable square feet per acre X \$180:	<u>86.4 million</u>
Total:	\$441.4 million

Construction completion will be spread evenly over 5 years, 2010-11 to 2014-15.

EXHIBIT D-2
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED DEBT SERVICE COVERAGE - Scenario # 3 - Low Density Residential Mixed Use

Year	Net Revenues After Housing	Less			Net Available Revenues for Debt Service(A)	Less		Remaining Revenues for Admin. or Other	Debt Service Coverage A/(B+C)
		County Admin. SB 2557	Pass-Throughs Per Agreement	Pass-Throughs SB 211		Existing Bond Debt Service(B)	Potential Debt Service(C)		
2006-07	1,003,142	(16,426)	(323,321)	0	663,394	(95,000)	(435,972)	132,422	1.25
2007-08	1,041,814	(17,060)	(330,967)	(883)	692,905	(95,000)	(435,972)	161,933	1.30
2008-09	1,081,647	(17,712)	(338,842)	(1,793)	723,300	(95,000)	(435,972)	192,328	1.36
2009-10	1,122,675	(18,384)	(346,953)	(2,730)	754,608	(95,000)	(435,972)	223,636	1.42
2010-11	1,978,053	(32,391)	(516,061)	(22,267)	1,407,334	(95,000)	(435,972)	876,362	2.65
2011-12	2,791,173	(45,705)	(676,815)	(40,839)	2,027,814	(95,000)	(435,972)	1,496,842	3.82
2012-13	3,604,293	(59,020)	(837,569)	(59,410)	2,648,294	(95,000)	(435,972)	2,117,322	4.99
2013-14	4,417,413	(72,335)	(998,323)	(77,982)	3,268,774	(95,000)	(435,972)	2,737,802	6.16
2014-15	5,230,533	(85,650)	(1,159,076)	(96,554)	3,889,253	(95,000)	(435,972)	3,358,281	7.32
2015-16	5,396,027	(88,360)	(1,191,795)	(100,334)	4,015,539	(95,000)	(435,972)	3,484,567	7.56
2016-17	5,566,486	(91,151)	(1,225,494)	(211,023)	4,038,818	(95,000)	(435,972)	3,507,846	7.61
2017-18	5,742,059	(94,026)	(1,260,205)	(220,451)	4,167,377	(95,000)	(435,972)	3,636,405	7.85
2018-19	5,922,899	(96,987)	(1,295,957)	(226,361)	4,303,593	(95,000)	(435,972)	3,772,621	8.11
2019-20	6,109,164	(100,038)	(1,332,782)	(236,051)	4,440,294	(95,000)	(435,972)	3,909,322	8.36
2020-21	6,301,018	(103,179)	(1,370,711)	(244,184)	4,582,944	(95,000)	(435,972)	4,051,972	8.63
2021-22	6,498,626	(106,415)	(1,409,778)	(252,560)	4,729,873	(95,000)	(435,972)	4,198,901	8.91
2022-23	6,702,163	(109,748)	(1,450,018)	(261,188)	4,881,210	(95,000)	(435,972)	4,350,238	9.19
2023-24	6,911,806	(113,181)	(1,491,464)	(270,075)	5,037,087	(95,000)	(435,972)	4,506,115	9.49
2024-25	7,127,739	(116,717)	(1,534,154)	(279,228)	5,197,640	(95,000)	(435,972)	4,666,668	9.79
2025-26	7,350,149	(120,359)	(1,578,124)	(288,656)	5,363,010	(95,000)	(435,972)	4,832,038	10.10
2026-27	7,579,232	(124,110)	(1,623,414)	(298,367)	5,533,341	(95,000)	(435,972)	5,002,369	10.42
2027-28	7,815,187	(127,974)	(1,670,062)	(308,369)	5,708,782	(95,000)	(435,972)	5,177,810	10.75
2028-29	8,058,221	(131,953)	(1,718,110)	(318,671)	5,889,486	(95,000)	(435,972)	5,358,514	11.09
2029-30	8,308,546	(136,052)	(1,767,599)	(329,282)	6,075,612	(95,000)	(435,972)	5,544,640	11.44
2030-31	8,566,380	(140,274)	(1,818,573)	(340,212)	6,267,321	(95,000)	(435,972)	5,736,349	11.80
2031-32	8,831,950	(144,623)	(1,871,077)	(351,469)	6,464,781	(95,000)	(435,972)	5,933,809	12.18
2032-33	9,105,487	(149,102)	(1,925,155)	(363,064)	6,668,165	(95,000)	(435,972)	6,137,193	12.56
2033-34	9,387,229	(153,716)	(1,980,855)	(375,007)	6,877,651	(95,000)	(435,972)	6,346,679	12.95
2034-35	9,677,425	(158,468)	(2,038,227)	(387,309)	7,093,421	(95,000)	(435,972)	6,562,449	13.36
2035-36	8,637,726	(141,443)	(1,832,678)	(343,724)	6,319,881	0	(435,972)	5,883,909	14.50
2036-37	8,904,278	(145,808)	(1,885,376)	(354,545)	6,518,550	0	(435,972)	6,082,578	14.95

See Exhibit D-1 for assumptions

EXHIBIT E-1
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED REVENUES - Scenario # 4 – Moderate Density Residential Mixed Use

Year	Total Assessed Value	Add: 255 Acre Super Block	Less: Base Year Amount	Incremental Value	Tax Rate	Gross Tax Increment Revenue	Unitary Tax Revenue	Total Gross Revenues	Less: Housing Set-aside, 20%	Net Revenues After Housing
2006-07	139,511,085		(31,119,094)	108,391,991	1.1550%	1,251,927	2,000	1,253,927	(250,785)	1,003,142
2007-08	143,696,418		(31,119,094)	112,577,324	1.1550%	1,300,268	2,000	1,302,268	(260,454)	1,041,814
2008-09	148,007,310		(31,119,094)	116,888,216	1.1550%	1,350,059	2,000	1,352,059	(270,412)	1,081,647
2009-10	152,447,529		(31,119,094)	121,328,435	1.1550%	1,401,343	2,000	1,403,343	(280,669)	1,122,675
2010-11	157,020,955	117,000,000	(31,119,094)	242,901,861	1.1550%	2,805,516	2,000	2,807,516	(561,503)	2,246,013
2011-12	274,020,955	117,000,000	(31,119,094)	359,901,861	1.1550%	4,156,866	2,000	4,158,866	(831,773)	3,327,093
2012-13	391,020,955	117,000,000	(31,119,094)	476,901,861	1.1550%	5,508,216	2,000	5,510,216	(1,102,043)	4,408,173
2013-14	508,020,955	117,000,000	(31,119,094)	593,901,861	1.1550%	6,859,566	2,000	6,861,566	(1,372,313)	5,489,253
2014-15	625,020,955	117,000,000	(31,119,094)	710,901,861	1.1550%	8,210,916	2,000	8,212,916	(1,642,583)	6,570,333
2015-16	764,281,584		(31,119,094)	733,162,490	1.1550%	8,468,027	2,000	8,470,027	(1,694,005)	6,776,021
2016-17	787,210,031		(31,119,094)	756,090,937	1.1550%	8,732,850	2,000	8,734,850	(1,746,970)	6,987,880
2017-18	810,826,332		(31,119,094)	779,707,238	1.1550%	9,005,619	2,000	9,007,619	(1,801,524)	7,206,095
2018-19	835,151,122		(31,119,094)	804,032,028	1.1550%	9,286,570	2,000	9,288,570	(1,857,714)	7,430,856
2019-20	860,205,656		(31,119,094)	829,086,562	1.1550%	9,575,950	2,000	9,577,950	(1,915,590)	7,662,360
2020-21	886,011,826		(31,119,094)	854,892,732	1.1550%	9,874,011	2,000	9,876,011	(1,975,202)	7,900,809
2021-22	912,592,180		(31,119,094)	881,473,086	1.1550%	10,181,014	2,000	10,183,014	(2,036,603)	8,146,411
2022-23	939,969,946		(31,119,094)	908,850,852	1.1550%	10,497,227	2,000	10,499,227	(2,099,845)	8,399,382
2023-24	968,169,044		(31,119,094)	937,049,950	1.1550%	10,822,927	2,000	10,824,927	(2,164,985)	8,659,942
2024-25	997,214,116		(31,119,094)	966,095,022	1.1550%	11,158,397	2,000	11,160,397	(2,232,079)	8,928,318
2025-26	1,027,130,539		(31,119,094)	996,011,445	1.1550%	11,503,932	2,000	11,505,932	(2,301,186)	9,204,746
2026-27	1,057,944,455		(31,119,094)	1,026,825,361	1.1550%	11,859,833	2,000	11,861,833	(2,372,367)	9,489,466
2027-28	1,089,682,789		(31,119,094)	1,058,563,695	1.1550%	12,226,411	2,000	12,228,411	(2,445,682)	9,782,729
2028-29	1,122,373,273		(31,119,094)	1,091,254,179	1.1550%	12,603,986	2,000	12,605,986	(2,521,197)	10,084,789
2029-30	1,156,044,471		(31,119,094)	1,124,925,377	1.1550%	12,992,888	2,000	12,994,888	(2,598,978)	10,395,910
2030-31	1,190,725,805		(31,119,094)	1,159,606,711	1.1550%	13,393,458	2,000	13,395,458	(2,679,092)	10,716,366
2031-32	1,226,447,579		(31,119,094)	1,195,328,485	1.1550%	13,806,044	2,000	13,808,044	(2,761,609)	11,046,435
2032-33	1,263,241,006		(31,119,094)	1,232,121,912	1.1550%	14,231,008	2,000	14,233,008	(2,846,602)	11,386,406
2033-34	1,301,138,237		(31,119,094)	1,270,019,143	1.1550%	14,668,721	2,000	14,670,721	(2,934,144)	11,736,577
2034-35	1,340,172,384		(31,119,094)	1,309,053,290	1.1550%	15,119,565	2,000	15,121,565	(3,024,313)	12,097,252
2035-36	1,380,377,555		(31,119,094)	1,349,258,461	1.0000%	13,492,585	2,000	13,494,585	(2,698,917)	10,795,668
2036-37	1,421,788,882		(31,119,094)	1,390,669,788	1.0000%	13,906,698	2,000	13,908,698	(2,781,740)	11,126,958

Assumptions:

Residential – 140 acres X 7 homes per acre X \$350,000:	\$343 million
Neighborhood/Regional Retail – 50 acres X \$1.6 million per acre:	\$315 million
Entertainment – 20 acres X \$3 million per acre:	\$60 million
Hotel Use – 3 acres X \$5 million per acre:	\$15 million
Office Use – 40 acres X 12,000 buildable square feet per acre X \$180:	\$86.4 million
Total:	\$584.4 million

Construction completion will be spread evenly over 5 years, 2010-11 to 2014-15.

EXHIBIT E-2
WEST VALLEY ORIGINAL AND AMENDMENT PROJECT AREAS (COMBINED)
PROJECTED DEBT SERVICE COVERAGE - Scenario # 4 - Moderate Density Residential Mixed Use

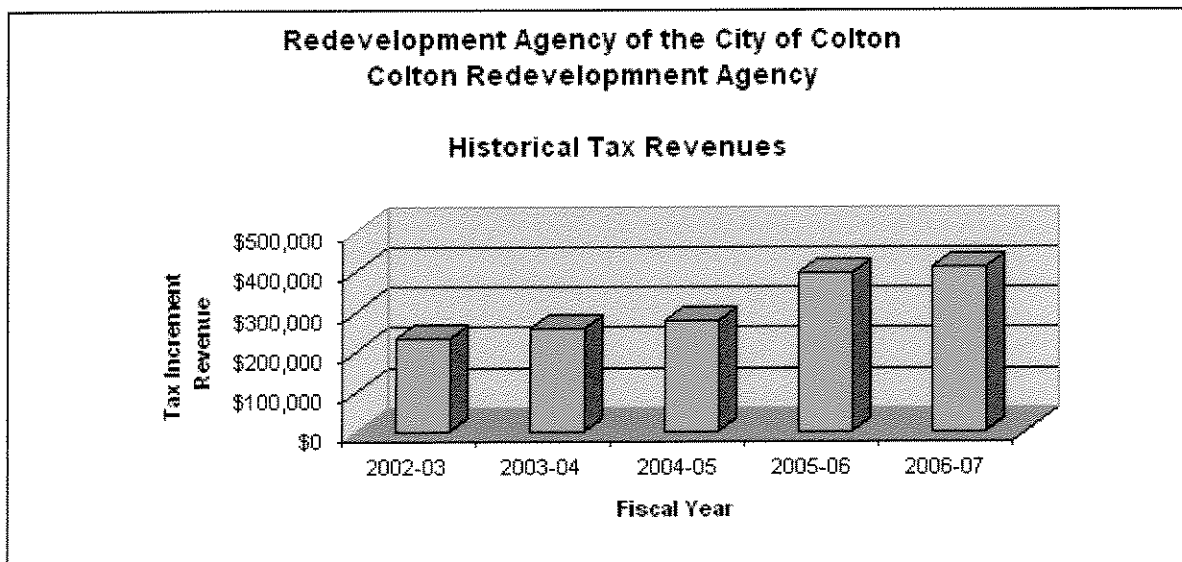
Year	Net Revenues After Housing	Less			Net Available Revenues for Debt Service(A)	Less		Remaining Revenues for Admin. or Other	Debt Service Coverage A/(B+C)
		County Admin. SB 2557	Pass-Throughs Per Agreement	Pass-Throughs SB 211		Existing Bond Debt Service(B)	Potential Debt Service(C)		
2006-07	1,003,142	(16,426)	(323,321)	0	663,394	(95,000)	(435,972)	132,422	1.25
2007-08	1,041,814	(17,060)	(330,967)	(883)	692,905	(95,000)	(435,972)	161,933	1.30
2008-09	1,081,647	(17,712)	(338,842)	(1,793)	723,300	(95,000)	(435,972)	192,328	1.36
2009-10	1,122,675	(18,384)	(346,953)	(2,730)	754,608	(95,000)	(435,972)	223,636	1.42
2010-11	2,246,013	(36,778)	(569,037)	(28,387)	1,611,811	(95,000)	(435,972)	1,080,839	3.04
2011-12	3,327,093	(54,481)	(782,766)	(53,079)	2,436,767	(95,000)	(435,972)	1,905,795	4.59
2012-13	4,408,173	(72,184)	(996,496)	(77,771)	3,261,723	(95,000)	(435,972)	2,730,751	6.14
2013-14	5,489,253	(89,887)	(1,210,225)	(102,463)	4,086,679	(95,000)	(435,972)	3,555,707	7.70
2014-15	6,570,333	(107,589)	(1,423,955)	(127,155)	4,911,634	(95,000)	(435,972)	4,380,662	9.25
2015-16	6,776,021	(110,957)	(1,464,619)	(131,853)	5,068,592	(95,000)	(435,972)	4,537,620	9.55
2016-17	6,987,880	(114,427)	(1,506,504)	(270,758)	5,096,192	(95,000)	(435,972)	4,565,220	9.60
2017-18	7,206,095	(118,000)	(1,549,645)	(282,501)	5,255,949	(95,000)	(435,972)	4,724,977	9.90
2018-19	7,430,856	(121,680)	(1,594,080)	(290,283)	5,424,812	(95,000)	(435,972)	4,893,840	10.22
2019-20	7,662,360	(125,471)	(1,639,849)	(301,891)	5,595,150	(95,000)	(435,972)	5,064,178	10.54
2020-21	7,900,809	(129,376)	(1,686,990)	(311,998)	5,772,445	(95,000)	(435,972)	5,241,473	10.87
2021-22	8,146,411	(133,397)	(1,735,546)	(322,409)	5,955,059	(95,000)	(435,972)	5,424,087	11.22
2022-23	8,399,382	(137,540)	(1,785,558)	(333,133)	6,143,151	(95,000)	(435,972)	5,612,179	11.57
2023-24	8,659,942	(141,807)	(1,837,070)	(344,178)	6,336,887	(95,000)	(435,972)	5,805,915	11.93
2024-25	8,928,318	(146,201)	(1,890,128)	(355,554)	6,536,434	(95,000)	(435,972)	6,005,462	12.31
2025-26	9,204,746	(150,728)	(1,944,778)	(367,272)	6,741,968	(95,000)	(435,972)	6,210,996	12.70
2026-27	9,489,466	(155,390)	(2,001,067)	(379,341)	6,953,668	(95,000)	(435,972)	6,422,696	13.10
2027-28	9,782,729	(160,192)	(2,059,045)	(391,772)	7,171,718	(95,000)	(435,972)	6,640,746	13.51
2028-29	10,084,789	(165,138)	(2,118,763)	(404,577)	7,396,311	(95,000)	(435,972)	6,865,339	13.93
2029-30	10,395,910	(170,233)	(2,180,272)	(417,765)	7,627,641	(95,000)	(435,972)	7,096,669	14.37
2030-31	10,716,366	(175,480)	(2,243,626)	(431,349)	7,865,911	(95,000)	(435,972)	7,334,939	14.81
2031-32	11,046,435	(180,885)	(2,308,880)	(445,341)	8,111,329	(95,000)	(435,972)	7,580,357	15.28
2032-33	11,386,406	(186,452)	(2,376,093)	(459,752)	8,364,110	(95,000)	(435,972)	7,833,138	15.75
2033-34	11,736,577	(192,186)	(2,445,321)	(474,596)	8,624,474	(95,000)	(435,972)	8,093,502	16.24
2034-35	12,097,252	(198,093)	(2,516,627)	(489,885)	8,892,649	(95,000)	(435,972)	8,361,677	16.75
2035-36	10,795,668	(176,779)	(2,259,304)	(435,320)	7,924,265	0	(435,972)	7,488,293	18.18
2036-37	11,126,958	(182,204)	(2,324,800)	(448,766)	8,171,189	0	(435,972)	7,735,217	18.74

See Exhibit E-1 for assumptions

**REDEVELOPMENT AGENCY OF THE CITY OF COLTON
WEST VALLEY AMENDED REDEVELOPMENT PROJECT AREA**

Historical Assessed Valuations and Tax Revenues
FY 2002-03 to 2006-07

	<u>2002-03</u>	<u>2003-04</u>	<u>2004-05</u>	<u>2005-06</u>	<u>2006-07</u>
Secured	58,374,543	64,609,130	67,882,743	73,348,609	86,563,265
Unsecured	35,183,359	35,674,185	38,024,738	49,147,317	52,947,820
Total Assessed Valuation	\$93,557,902	\$100,283,315	\$105,907,481	\$122,495,926	\$139,511,085
Less: Base Year Valuation	<u>(31,119,094)</u>	<u>(31,119,094)</u>	<u>(31,119,094)</u>	<u>(31,119,094)</u>	<u>(31,119,094)</u>
Incremental Valuation	\$62,438,808	\$69,164,221	\$74,788,387	\$91,376,832	\$108,391,991
Tax Rate	<u>1.1524%</u>	<u>1.1400%</u>	<u>1.1400%</u>	<u>1.1600%</u>	<u>1.1550%</u>
Gross Tax Revenues	\$719,545	\$788,472	\$852,588	\$1,059,971	\$1,251,927
Unitary Revenues	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
Total Gross Revenues	\$721,545	\$790,472	\$854,588	\$1,061,971	\$1,253,927
Less: 20% Housing Set-Aside	<u>(144,309)</u>	<u>(158,094)</u>	<u>(170,918)</u>	<u>(212,394)</u>	<u>(250,785)</u>
Less: County Admin. Fees (SB 2557)	<u>(9,455)</u>	<u>(10,359)</u>	<u>(11,199)</u>	<u>(13,917)</u>	<u>(16,426)</u>
Tax Revenues	\$567,781	\$622,019	\$672,471	\$835,660	\$986,716
Less: Pass-throughs	<u>(188,587)</u>	<u>(206,603)</u>	<u>(223,360)</u>	<u>(227,563)</u>	<u>(323,321)</u>
Net Tax Revenues	\$379,194	\$415,416	\$449,111	\$608,097	\$663,395



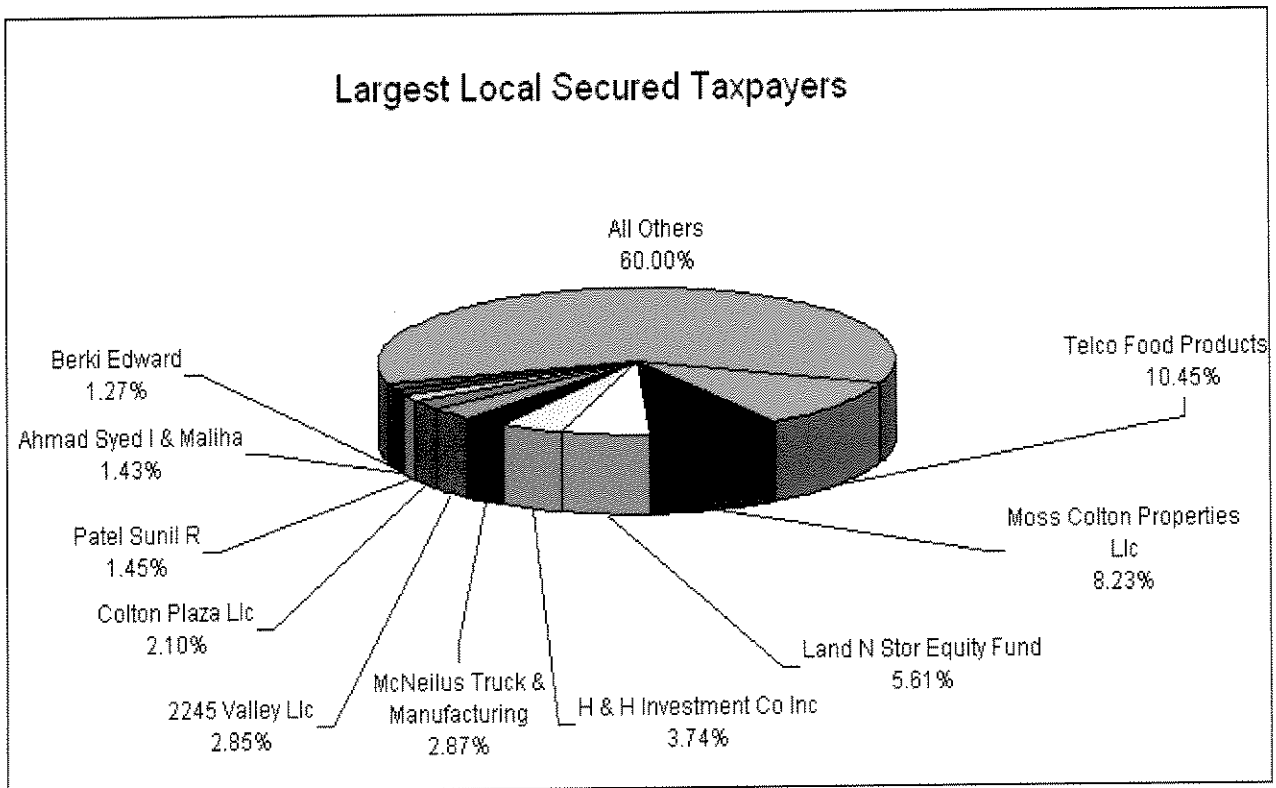
**REDEVELOPMENT AGENCY OF THE CITY OF COLTON
WEST VALLEY AMENDED REDEVELOPMENT
PROJECT AREA**

Largest Local Secured Taxpayers
FY 2006-07

<u>Taxpayer</u>	<u>2006-07 Secured Assessed Valuation</u>	<u>Land Use</u>	<u>Percent of Total A.V. (1)</u>
1. Telco Food Products Inc	\$9,038,780	Industrial - Food Processing	10.45%
2. Moss Colton Properties Llc	7,118,013	Commercial - Auto Dealership	8.23%
3. Land N Stor Equity Fund	4,850,000	Professional - Office	5.61%
4. H & H Investment Co Inc	3,240,000	Recreational - Golf Course	3.74%
5. McNeilus Truck & Manufacturing	2,479,476	Industrial - Heavy	2.87%
6. 2245 Valley Llc	2,465,537	Commercial - Retail Store	2.85%
7. Colton Plaza Llc	1,820,700	Commercial - Retail Strip	2.10%
8. Patel Sunil R	1,252,713	Commercial - Motel	1.45%
9. Ahmad Syed I & Maliha	1,240,600	Commercial - Fast Food	1.43%
10. Berki Edward	1,100,323	Commercial - Auto Dealership	1.27%
All Others	51,917,415		60.00%
	<u>\$34,606,142</u>		<u>40.00%</u>

(1) Based on Fiscal Year 2006-07 local secured assessed valuation: \$86,523,557

Source: Urban Futures, Inc.

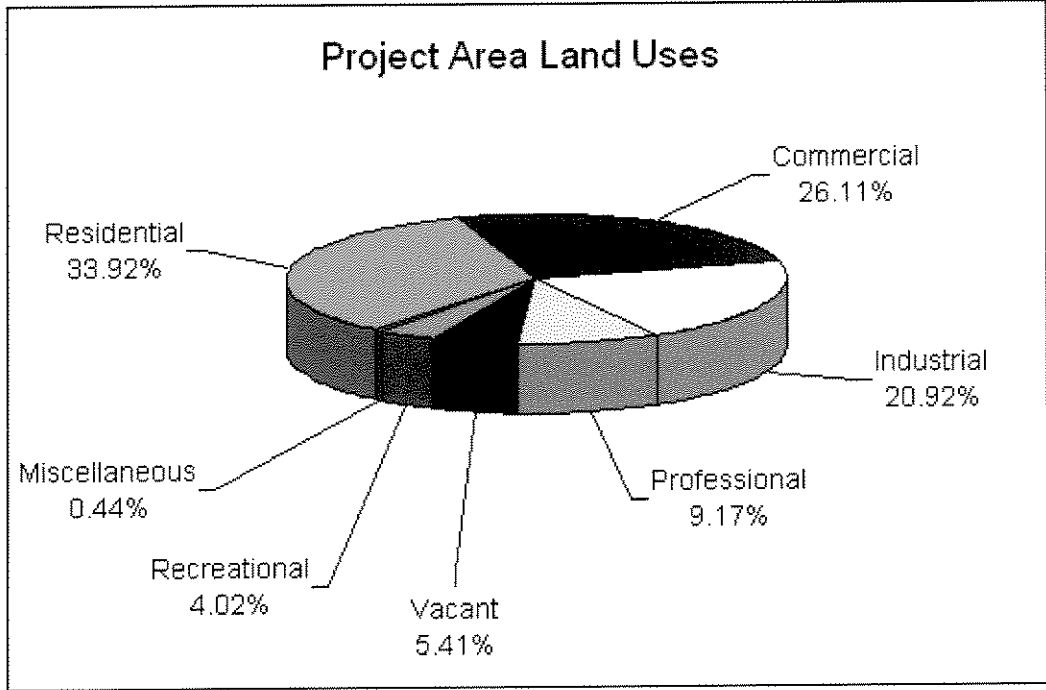


**REDEVELOPMENT AGENCY OF THE CITY OF COLTON
WEST VALLEY AMENDED REDEVELOPMENT PROJECT
AREA**

Project Area Land Uses
FY 2006-07

<u>Land Use</u>	<u>Number of Parcels</u>	<u>2006-07 Secured Assessed Valuation</u>	<u>Percent of Secured A.V.(1)</u>
Residential	219	\$29,348,544	33.92%
Commercial	33	22,589,093	26.11%
Industrial	29	18,104,437	20.92%
Professional	22	7,937,971	9.17%
Vacant	138	4,680,152	5.41%
Recreational	3	3,481,193	4.02%
Miscellaneous	5	382,167	0.44%
Total	449	\$86,523,557	100.00%

(1) Based on Fiscal Year 2006-07 local secured assessed valuation: \$86,523,557
Source: Urban Futures, Inc.



REDEVELOPMENT AGENCY OF THE CITY OF COLTON

History of Assessment Appeals

<u>Project Area</u>	<u>Current Assessment Appeals Outstanding (1)</u>	<u>5 Year History of Appeals (original AV)</u>	<u>5 Year History of Reductions Allowed (reduction in AV)</u>	<u>Percentage of Reduction in Total AV</u>
West Valley	\$0	\$4,765,196	\$0	0.00%
Santa Ana River	\$6,871,842	\$41,084,658	\$0	0.00%
Rancho/Mill	\$378,015	\$1,304,611	\$73,287	5.62%
Cooley Ranch	\$7,571,406	\$180,021,093	\$6,486,556	3.60%
Downtown No. 2	\$0	\$384,560	\$13,043	3.39%
Mt Vernon	\$0	\$2,451,868	\$507,308	20.69%

Source: Urban Futures, Inc. and the County of San Bernardino Clerk of the Board
 (1) Assessment Appeal applications outstanding as of April 1, 2007