



SAN GORGONIO PASS WATER AGENCY PROPERTY TAX REVIEW

February 13, 2023

Powerful Solutions, Proven Results

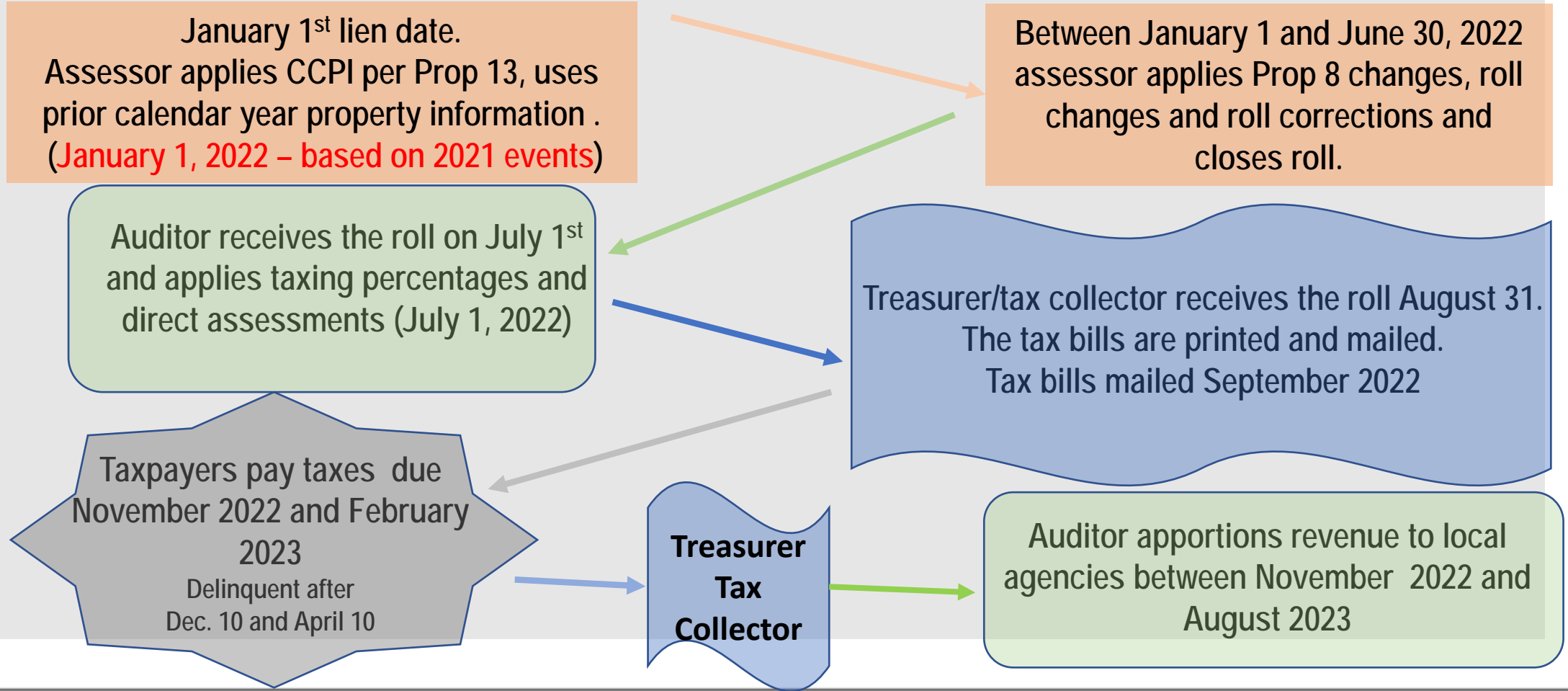
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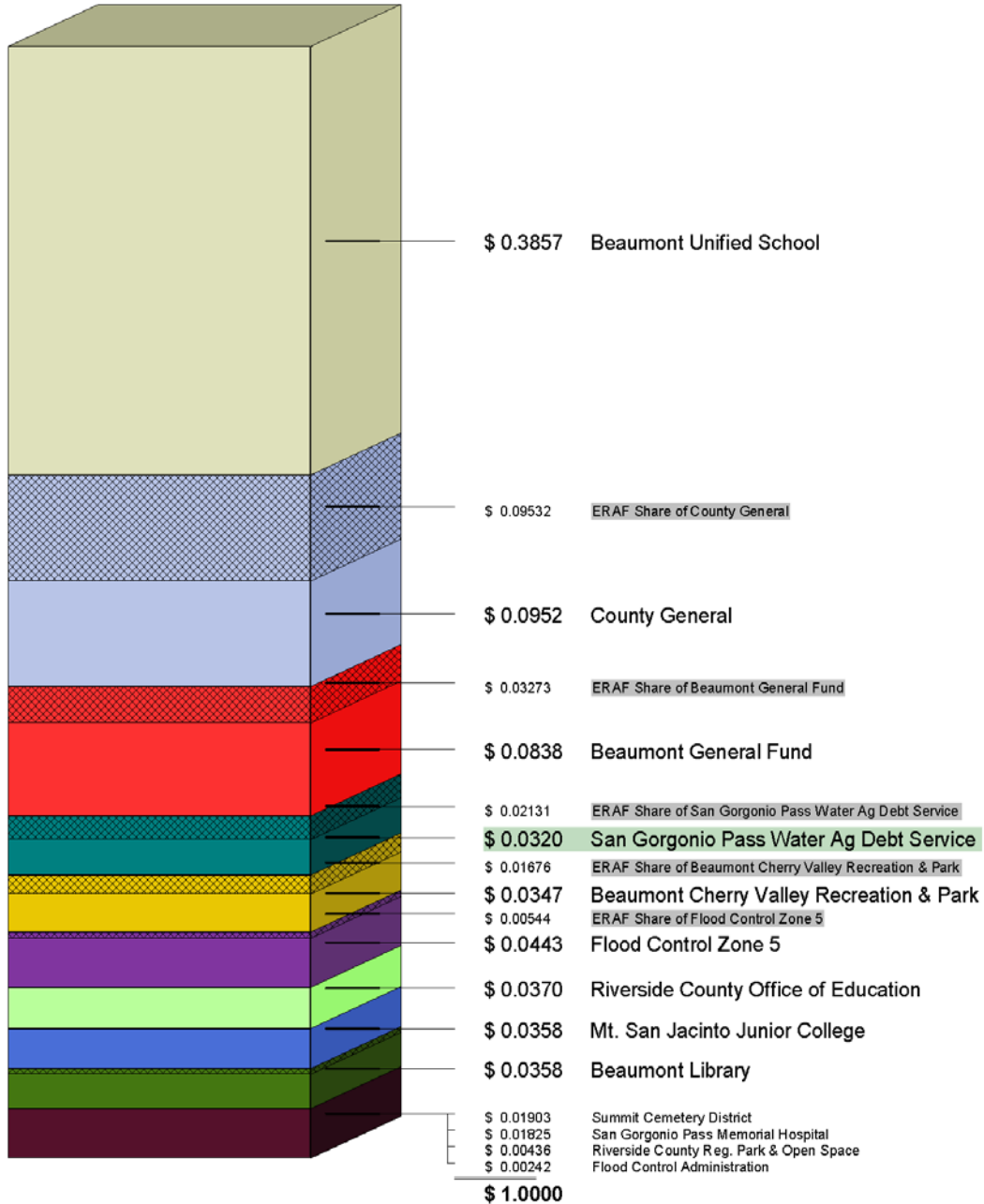


PROPERTY TAX BASICS FOR SGPWA

PROPERTY TAX TIMELINE 2022-23 –Next Fiscal Year Budget

Values lag 12-18 months being reflected on the tax rolls





State Water Project

SAN GORGONIO PASS WATER DIRECT & OVERLAPPING PROPERTY TAX RATES (RATE PER \$100 OF TAXABLE VALUE)

Agency	Last 4 Fiscal Years			
	2019/20	2020/21	2021/22	2022/23
Basic Levy ¹	1.00000	1.00000	1.00000	1.00000
Banning Unified School Ds	0.14526	0.14500	0.14588	0.14609
Beaumont Unified School Ds	0.07438	0.07431	0.07777	0.07777
Colton Joint Unified School Ds	0.10160	0.10310	0.10810	0.06560
Moreno Valley Unified School Ds	0.09980	0.09714	0.09817	0.09817
Mt San Jacinto Jr College	0.01320	0.01320	0.01320	0.01320
Riverside City Cc Ds	0.01476	0.01470	0.01470	0.01470
San Bernardino Val Comm College Ds	0.03290	0.06510	0.05340	0.04500
San Gorgonio Pass Mem Hospital Ds	0.06990	0.06716	0.06281	0.06242
San Gorgonio Pass Water Ag	0.17750	0.17500	0.17500	0.17500
Total Direct & Overlapping² Tax Rates	1.72930	1.75471	1.74903	1.69795
Agency's Share of 1% Levy Per Prop 13 ³	0.03205	0.03205	0.03205	0.03205
Voter Approved Agency Debt Rate				
Redevelopment Rate ⁴				
Total Direct Rate⁵	0.20373	0.20112	0.20073	0.20058

Current tax year levy for the State Water Project is 0.17500/\$100 of valuation



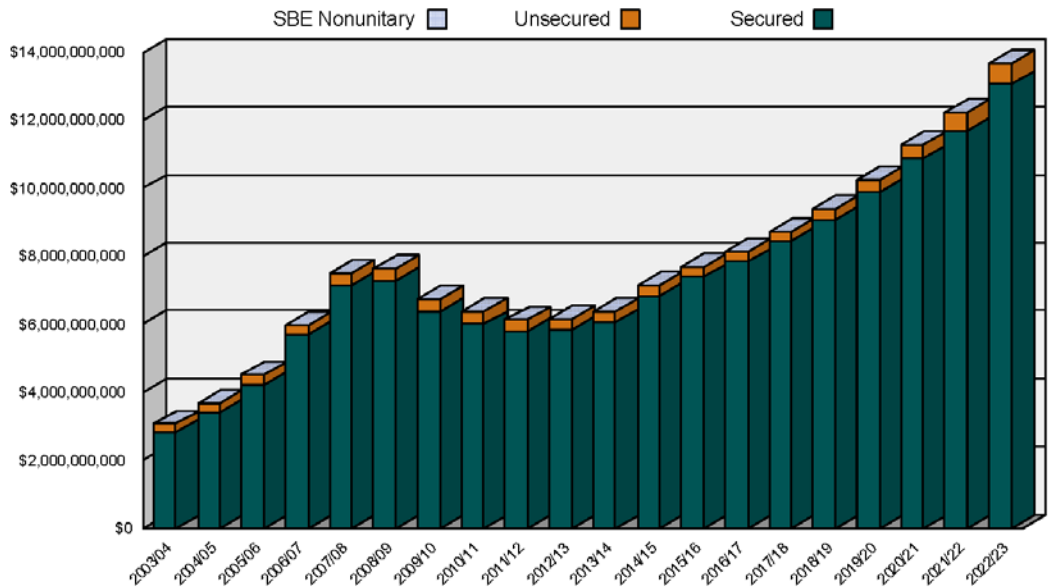
ASSESSED VALUE REVIEW 2022-23 ROLL RELEASE

SAN GORGONIO PASS WATER

NET TAXABLE ASSESSED VALUE HISTORY

2003/04 - 2022/23 Taxable Property Values

Lien Year	Secured	Unsecured	SBE Nonunitary	Net Total AV	% Change*
2003/04	\$2,835,859,136	\$231,536,903	\$2,619,208	3,070,015,247	
2004/05	\$3,405,970,755	\$271,862,390	\$3,081,949	3,680,915,094	19.90%
2005/06	\$4,214,260,935	\$293,115,688	\$2,935,464	4,510,312,087	22.53%
2006/07	\$5,685,495,116	\$297,605,783	\$2,857,269	5,985,958,168	32.72%
2007/08	\$7,142,258,845	\$341,858,866	\$1,156,432	7,485,274,143	25.05%
2008/09	\$7,282,090,320	\$358,026,203	\$1,156,432	7,641,272,955	2.08%
2009/10	\$6,372,220,614	\$368,088,432	\$1,156,432	6,741,465,478	-11.78%
2010/11	\$5,992,731,924	\$371,162,463	\$1,156,432	6,365,050,819	-5.58%
2011/12	\$5,793,719,198	\$335,826,661	\$559,656	6,130,105,515	-3.69%
2012/13	\$5,826,526,977	\$310,770,360	\$230,116	6,137,527,453	0.12%
2013/14	\$6,055,873,711	\$322,333,936	\$230,116	6,378,437,763	3.93%
2014/15	\$6,841,166,292	\$308,560,252	\$230,116	7,149,956,660	12.10%
2015/16	\$7,390,366,418	\$297,899,502	\$230,116	7,688,496,036	7.53%
2016/17	\$7,843,319,216	\$286,466,987	\$230,116	8,130,016,319	5.74%
2017/18	\$8,435,701,209	\$294,201,725	\$230,116	8,730,133,050	7.38%
2018/19	\$9,075,143,559	\$322,302,022	\$270,876	9,397,716,457	7.65%
2019/20	\$9,884,534,782	\$356,279,488	\$270,876	10,241,085,146	8.97%
2020/21	\$10,869,477,539	\$426,853,179	\$270,876	11,296,601,594	10.31%
2021/22	\$11,680,771,706	\$552,522,402	\$270,876	12,233,564,984	8.29%
2022/23	\$13,057,237,389	\$610,303,626	\$370,506	13,667,911,521	11.72%
Average % Change					9.30%



RIVERSIDE COUNTY CITY GROWTH COMPARISON

2021/22 To 2022/23 Net Taxable Assessed Value Change

City	2022/23 Net Value	Value Change	% Change
Banning	2,995,209,678	428,732,623	16.705%
Beaumont	7,330,938,516	749,058,191	11.381%
Blythe	991,485,719	46,409,541	4.911%
Calimesa	1,440,937,260	151,574,130	11.756%
Canyon Lake	2,201,707,560	161,990,348	7.942%
Cathedral City	5,907,291,033	558,551,194	10.443%
Coachella	2,432,373,573	209,274,722	9.414%
Corona	26,254,900,683	2,211,339,811	9.197%
Desert Hot Springs	2,564,453,056	325,302,046	14.528%
Eastvale	12,220,951,090	801,991,668	7.023%
Hemet	7,451,789,224	696,038,392	10.303%
Indian Wells	7,086,257,275	487,587,577	7.389%
Indio	10,600,256,274	859,246,152	8.821%
Jurupa Valley	12,719,796,046	890,335,018	7.526%
La Quinta	16,721,802,415	1,548,290,696	10.204%
Lake Elsinore	8,058,518,573	658,232,641	8.895%
Menifee	14,037,896,253	1,734,208,434	14.095%
Moreno Valley	20,881,905,166	1,673,981,298	8.715%
Murrieta	16,566,233,806	1,182,515,734	7.687%
Norco	4,312,076,637	396,512,657	10.127%
Palm Desert	17,895,334,799	1,127,254,304	6.723%
Palm Springs	17,155,084,241	1,578,360,694	10.133%
Perris	9,590,358,429	1,343,520,990	16.291%
Rancho Mirage	10,677,545,631	923,578,921	9.469%
Riverside	38,262,312,576	2,996,103,156	8.496%
San Gorgonio Pass Water	13,667,911,521	1,434,346,537	11.725%
San Jacinto	4,092,194,820	411,062,694	11.167%
Temecula	19,639,571,525	1,365,317,829	7.471%
Wildomar	4,212,621,777	266,896,596	6.764%
City Average % Change: 9.8%		City Median % Change: 9.4%	





2022/23 TAXABLE VALUE: \$13,667,911,521 +11.72% GROWTH FROM 2021/22: \$12,233,564,984

VALUE CHANGE BY CAUSE

2021/22 Net Value		\$12,233,564,984	
Cause of Value Change	Chg. from 2021/22	% of 2021/22 Net Value	% of All Chg from 2021/22
Parcel Adds/Drops Net Change	\$23,267,902	0.19%	1.6%
Change from CPI 2.0% Growth	\$197,522,197	1.61%	13.8%
Unsecured Value Change	\$57,781,224	0.47%	4.0%
Cross-Reference Value Change	\$4,403,145	0.04%	0.3%
Prior Year Transfer of Ownership	\$780,582,850	6.38%	54.4%
New Construction - Non-Res.	\$66,847,178	0.55%	4.7%
New Construction - Residential	\$123,376,023	1.01%	8.6%
Recaptured Prop.8 Value - SFR	\$105,310,575	0.86%	7.3%
Recaptured Prop.8 Value - Other	\$19,214,403	0.16%	1.3%
Other Changes*	\$56,041,040	0.46%	3.9%
Total Change	\$1,434,346,537	11.72%	
2022/23 Net Value	\$13,667,911,521	11.72%	Growth

*Other Changes may include effects of assessment appeals, multi parcel sales, and changes to secured exemptions, personal property, or utility-owned property values

REVENUE SUMMARY

Gen. Fund 1% Share Rev.		
04-5171	San Geronio Pass Water AG Debt Service	\$3,495,552
Override Tax Rate Rev.		
04-5171DS	San Geronio Pass Water Ag	\$23,918,845

More than half of the growth experienced (54.4%) in 2022-23. was due to properties selling for more than the value enrolled last year.

6.38% of the Agency's total 11.72% increase for the current fiscal year was related to this growth.

The CPI adjustment per Prop 13, completed new construction, and Prop 8 reviews each added more than 1% for the overall total.

BASIC PROPERTY VALUE TABLE

Category	Parcels	Net Taxable Value	Revenue
Residential	34,839	\$9,935,717,767 (72.7%)	\$2,743,526.33 (78.5%)
Commercial	863	\$1,268,453,823 (9.3%)	\$170,514.38 (4.9%)
Industrial	149	\$790,177,388 (5.8%)	\$191,336.34 (5.5%)
Agricultural	468	\$170,281,998 (1.2%)	\$54,300.97 (1.6%)
Govt. Owned	5	\$1,336,769 (0.0%)	\$318.00 (0.0%)
Institutional	91	\$9,272,971 (0.1%)	\$1,658.30 (0.0%)
Miscellaneous	35	\$18,817,906 (0.1%)	\$2,342.47 (0.1%)
Recreational	37	\$22,015,491 (0.2%)	\$6,771.62 (0.2%)
Vacant	7,594	\$684,215,184 (5.0%)	\$158,187.13 (4.5%)
Exempt	2,667	\$0 (0.0%)	\$0.00 (0.0%)
SBE Nonunitary	[5]	\$370,506 (0.0%)	\$149.08 (0.0%)
Cross Reference	[1,730]	\$155,127,702 (1.1%)	\$45,404.17 (1.3%)
Unsecured	[1,468]	\$610,303,626 (4.5%)	\$120,689.18 (3.5%)
Unknown	10	\$1,820,390 (0.0%)	\$354.25 (0.0%)
TOTALS	46,758	\$13,667,911,521	\$3,495,552.23

Values assigned by use type

72.7% of all taxable value is in Residential uses, 9.3% are Commercial uses, 5.0% are Vacant, and 5.8% are in Industrial uses. Unsecured assets (business assets) total 4.5%. These 5 categories account for 97.3% of all values enrolled and taxed in the SGPWA.

Year over year growth by use type

Residential uses posted 70% of all agency growth and unsecured assets owned by industrial warehouse users were responsible for the growth in this category. Agricultural uses are transitioning into vacant land for potential development. There were fewer unknown uses as the County Assessor continues to refine its new software implementation.

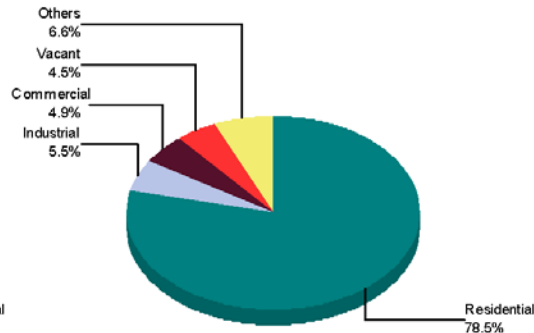
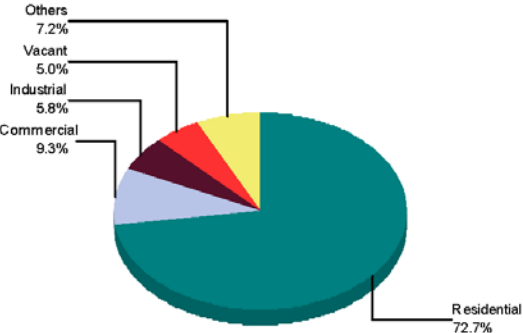
SAN GORGONIO PASS WATER 2022/23 GROWTH BY USE CATEGORY

2021/22 to 2022/23 Value Growth by Use Category

Category	2021/22 Net Taxable Value	2022/23 Net Taxable Value	\$ Change	% Change
Residential	34,304 \$8,933,613,577	34,839 \$9,935,717,767 (72.7%)	\$1,002,104,190	11.2%
Commercial	839 \$1,169,334,528	863 \$1,268,453,823 (9.3%)	\$99,119,295	8.5%
Industrial	150 \$653,671,575	149 \$790,177,388 (5.8%)	\$136,505,813	20.9%
Vacant	7,832 \$647,033,241	7,594 \$684,215,184 (5.0%)	\$37,181,943	5.7%
Unsecured	[1,431] \$552,522,402	[1,468] \$610,303,626 (4.5%)	\$57,781,224	10.5%
Agricultural	482 \$76,414,827	468 \$170,281,998 (1.2%)	\$93,867,171	122.8%
Cross Reference	[1,701] \$150,724,557	[1,730] \$155,127,702 (1.1%)	\$4,403,145	2.9%
Recreational	37 \$21,583,503	37 \$22,015,491 (0.2%)	\$431,988	2.0%
Miscellaneous	35 \$15,927,007	35 \$18,817,906 (0.1%)	\$2,890,899	18.2%
Institutional	91 \$9,268,315	91 \$9,272,971 (0.1%)	\$4,656	0.1%
Unknown	12 \$1,889,992	10 \$1,820,390 (0.0%)	-\$69,602	-3.7%
Govt. Owned	5 \$1,310,584	5 \$1,336,769 (0.0%)	\$26,185	2.0%
SBE Nonunitary	[6] \$270,876	[5] \$370,506 (0.0%)	\$99,630	36.8%
Exempt	2,601 \$0	2,667 \$0 (0.0%)	\$0	0.0%
TOTALS	46,388 \$12,233,564,984	46,758 \$13,667,911,521 (100.0%)	\$1,434,346,537	11.7%

Net Taxable Value

Revenue



SAN GORGONIO PASS WATER ASSESSED VALUE OF TAXABLE PROPERTY

2013/14 - 2022/23 Taxable Property Values

Category		2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Residential	Taxable Value	4,338,569,885	5,049,389,598	5,575,102,675	6,010,053,886	6,469,255,863	7,019,884,644	7,633,934,882	8,258,074,342	8,933,613,577	9,935,717,767
	Parcel Count	28,024	28,535	29,026	29,619	30,008	30,768	31,623	33,095	34,304	34,839
Commercial	Taxable Value	771,693,590	815,494,356	857,089,889	867,034,098	891,384,950	928,594,190	989,209,616	1,081,384,394	1,169,334,528	1,268,453,823
	Parcel Count	701	681	686	687	689	688	708	722	839	863
Industrial	Taxable Value	209,391,996	248,972,002	235,964,050	239,012,524	292,013,692	326,418,842	355,351,956	648,335,045	653,671,575	790,177,388
	Parcel Count	244	249	250	251	253	255	244	249	150	149
Agricultural	Taxable Value	24,287,959	24,253,894	23,426,365	23,588,815	24,397,315	22,605,527	58,054,646	89,440,166	76,414,827	170,281,998
	Parcel Count	83	83	77	76	77	77	386	852	482	468
Govt. Owned	Taxable Value	397,879	357,726	364,872	390,034	397,834	405,789	413,905	1,295,302	1,310,584	1,336,769
	Parcel Count	3	3	3	3	3	3	3	3	5	5
Institutional	Taxable Value	2,593,641	3,779,983	5,753,579	3,884,662	3,533,318	5,798,599	5,837,008	6,202,086	9,268,315	9,272,971
	Parcel Count	71	83	83	84	84	84	83	88	91	91
Miscellaneous	Taxable Value	16,310,234	16,978,741	17,115,161	15,540,289	14,978,007	13,879,944	16,460,393	14,194,342	15,927,007	18,817,906
	Parcel Count	34	34	34	34	34	36	29	35	35	35
Recreational	Taxable Value	21,822,834	24,262,432	27,302,356	23,902,180	28,509,994	24,379,686	23,745,556	23,967,010	21,583,503	22,015,491
	Parcel Count	26	29	33	36	36	37	37	37	37	37
Vacant	Taxable Value	601,959,347	585,371,737	574,284,509	565,602,350	633,330,284	653,262,296	650,869,553	590,513,318	647,033,241	684,215,184
	Parcel Count	8,580	8,108	8,873	8,995	9,486	9,281	8,894	7,864	7,832	7,594
SBE Nonunitary	Taxable Value	230,116	230,116	230,116	230,116	230,116	270,876	270,876	270,876	270,876	370,506
	Parcel Count	[7]	[7]	[7]	[7]	[7]	[6]	[6]	[6]	[6]	[5]
Cross Reference	Taxable Value	68,846,346	72,305,823	73,962,962	74,310,378	77,899,952	79,894,042	142,726,433	147,258,830	150,724,557	155,127,702
	Parcel Count	[88]	[87]	[92]	[90]	[92]	[93]	[1,730]	[1,697]	[1,701]	[1,730]
Unsecured	Taxable Value	322,333,936	308,560,252	297,899,502	286,466,987	294,201,725	322,302,022	356,279,488	426,853,179	552,522,402	610,303,626
	Parcel Count	[1,289]	[1,230]	[1,226]	[1,244]	[1,346]	[1,385]	[1,383]	[1,413]	[1,431]	[1,468]
Exempt	Taxable Value	[18,705,343]	[18,979,755]	[19,729,341]	[20,274,774]	[20,220,314]	[20,457,494]	[0]	[0]	[0]	[0]
	Parcel Count	2,113	2,130	2,167	2,219	2,278	2,330	2,396	2,503	2,601	2,667
Unknown	Taxable Value							7,930,834	8,812,704	1,889,992	1,820,390
	Parcel Count							86	82	12	10
TOTALS	Taxable Value	6,378,437,763	7,149,956,660	7,688,496,036	8,130,016,319	8,730,133,050	9,397,716,457	10,241,085,146	11,296,601,594	12,233,564,984	13,667,911,521
	Parcel Count	39,879	39,935	41,232	42,004	42,948	43,559	44,489	45,530	46,388	46,758

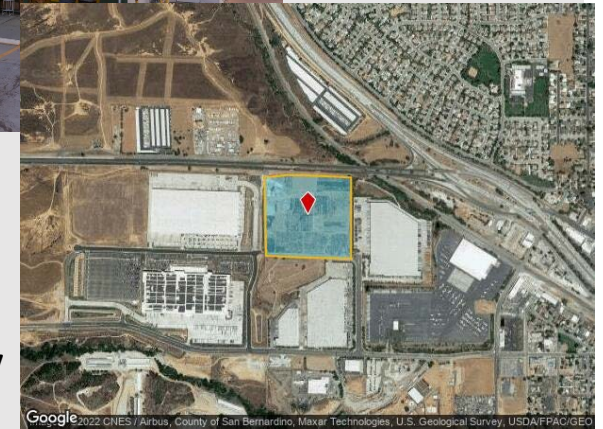
6,879 parcels have been added to the District's tax roll over the past 10 years.

Parcel # increase of 16% -- Values have increased 114%.

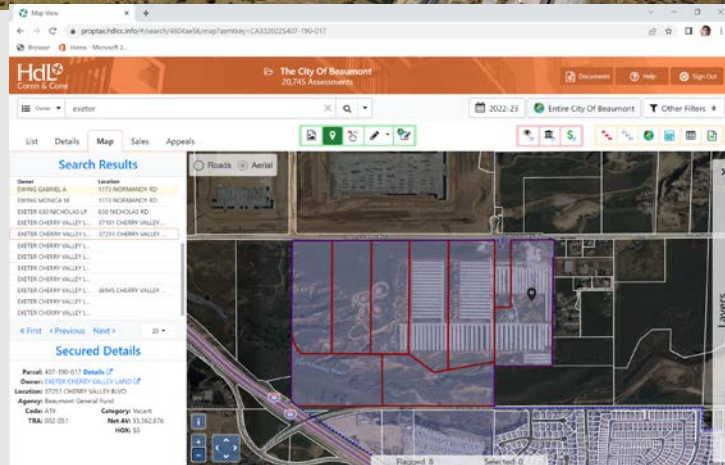
LARGEST VALUE INCREASES IN SGPWA IN 2022-23



A site in Banning adjacent to the airport reported the largest increase: Industrial warehouse project.

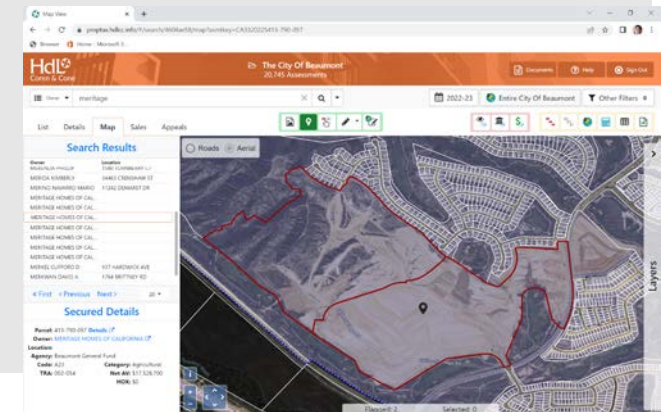


Industrial warehouse development, formerly Dowling's Orchard in Beaumont.



Hickman Ranch property sold in 2021 for \$32.7 million an increase of \$18.1 on this Beaumont Property

Meritage Homes site in Beaumont purchased for \$34.6 million. Housing Development

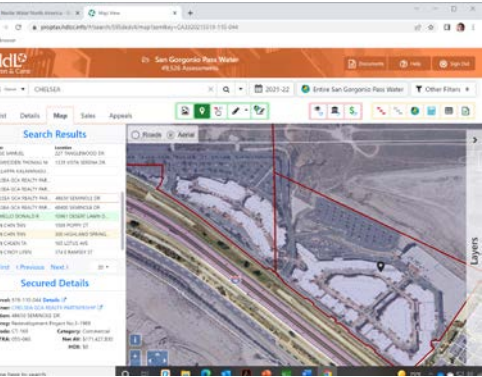




SAN GORGONIO PASS WATER

2022/23 TOP TEN PROPERTY TAXPAYERS

Top Property Owners Based On Net Values



Owner	Secured			Unsecured			Combined		Primary Use & Primary Agency
	Parcels	Value	% of Net AV	Parcels	Value	% of Net AV	Value	% of Net AV	
1) USEF CROSSROADS (Pending Appeals On Parcels)	4	\$392,606,667	3.01%				\$392,606,667	2.87%	Industrial Beaumont
2) CHELSEA GCA REALTY PARTNERSHIP	4	\$260,749,178	2.00%				\$260,749,178	1.91%	Commercial County Unincorporated
3) AMAZON COM SERVICES LLC				1	\$164,853,676	27.01%	\$164,853,676	1.21%	Unsecured Beaumont
4) CJ FOODS MANUFACTURING BEAUMONT CORP	1	\$45,337,534	0.35%	1	\$79,310,379	13.00%	\$124,647,913	0.91%	Unsecured Beaumont
5) NESTLE WATERS NORTH AMERICA INC	1	\$69,963,464	0.54%				\$69,963,464	0.51%	Cross-Reference County Unincorporated
6) BRIXTON BEAUMONT	2	\$57,298,000	0.44%				\$57,298,000	0.42%	Commercial Beaumont
7) BLUETRITON BRANDS INC				1	\$57,094,840	9.36%	\$57,094,840	0.42%	Unsecured County Unincorporated
8) BEAUMONT CROSSROADS LOGISTICS PARK II (Pending Appeals On Parcels)	6	\$50,528,426	0.39%				\$50,528,426	0.37%	Industrial Beaumont
9) LPC BANNING	2	\$46,061,851	0.35%				\$46,061,851	0.34%	Industrial Banning
10) MPLD II INLAND EMPIRE ULC LLC (Pending Appeals On Parcels)	2	\$45,484,080	0.35%				\$45,484,080	0.33%	Vacant Beaumont
Top Ten Total	22	\$968,029,200	7.41%	3	\$301,258,895	49.36%	\$1,269,288,095	9.29%	
District Total		\$13,057,607,895			\$610,303,626		\$13,667,911,521		

Powerful Solutions, Proven Results





REAL ESTATE SALE TRANSACTION TRENDS

Powerful Solutions, Proven Results

VALUES TO BE ADDED TO THE 2023-24 REVENUE ESTIMATE

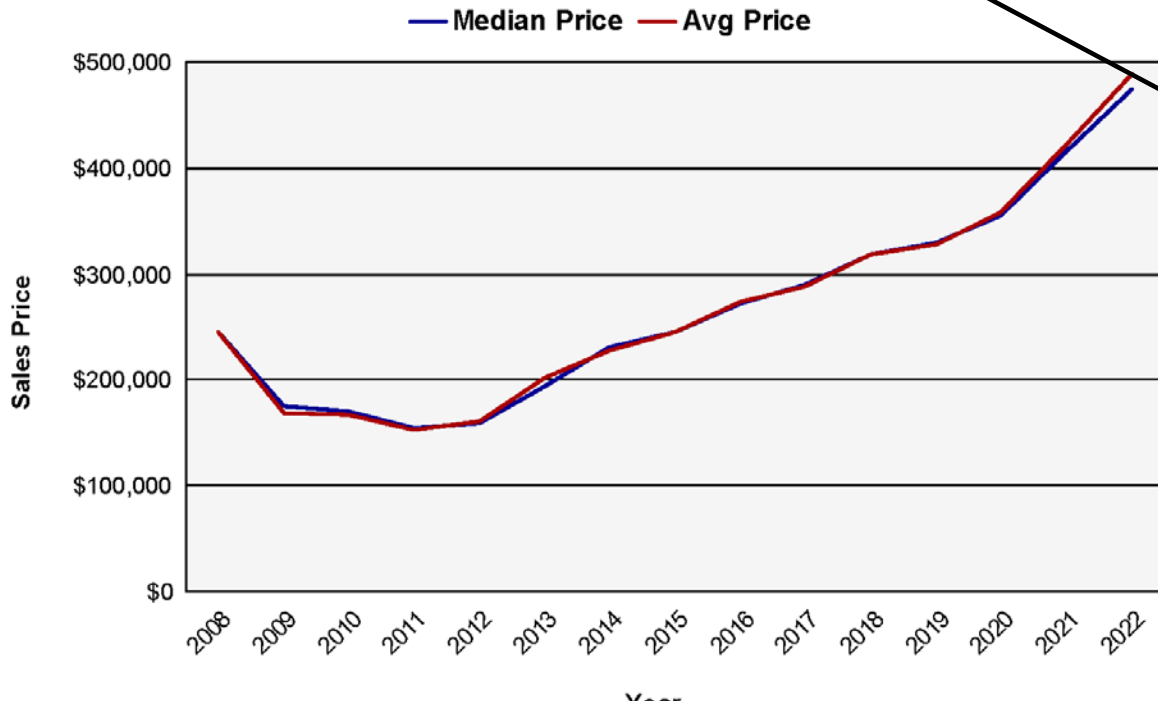
Year	Full Value Sales	Average Price	Median Price	Median % Change
2008	1,527	\$245,080	\$245,000	
2009	1,630	\$169,353	\$175,000	-28.57%
2010	1,544	\$167,289	\$170,750	-2.43%
2011	1,494	\$152,281	\$155,000	-9.22%
2012	1,409	\$160,035	\$159,000	2.58%
2013	1,301	\$202,187	\$195,000	22.64%
2014	1,321	\$228,239	\$231,000	18.46%
2015	1,358	\$244,476	\$245,000	6.06%
2016	1,572	\$273,718	\$271,750	10.92%
2017	1,700	\$288,244	\$290,000	6.72%
2018	1,938	\$318,026	\$319,250	10.09%
2019	1,991	\$327,982	\$330,000	3.37%
2020	2,127	\$359,080	\$355,000	7.58%
2021	2,691	\$422,142	\$415,000	16.90%
2022	2,153	\$489,346	\$475,000	14.46%

MEDIAN SALE PRICE HISTORY FOR SFRs

The peak SFR median price in 2006 before the recession was \$352,000. During the Great Recession, at their lowest price points single-family homes were selling for \$155,000 less than ½ their peak prices.

Agency-wide median sale prices in 2022 were 14.46% higher than those reported in 2021. There were some price declines in the second half of 2022. The median sale prices of all SFR homes sold in 2022 was \$475,000, an increase of \$60,000 over last year’s median sale price.

There were 538 fewer SFRs sold in 2022 than were reported in 2021, a decrease of 20% of the number of homes that were sold last year.



A COMPARISON OF SINGLE-FAMILY HOME SALES OVER THE PAST 3 YEARS



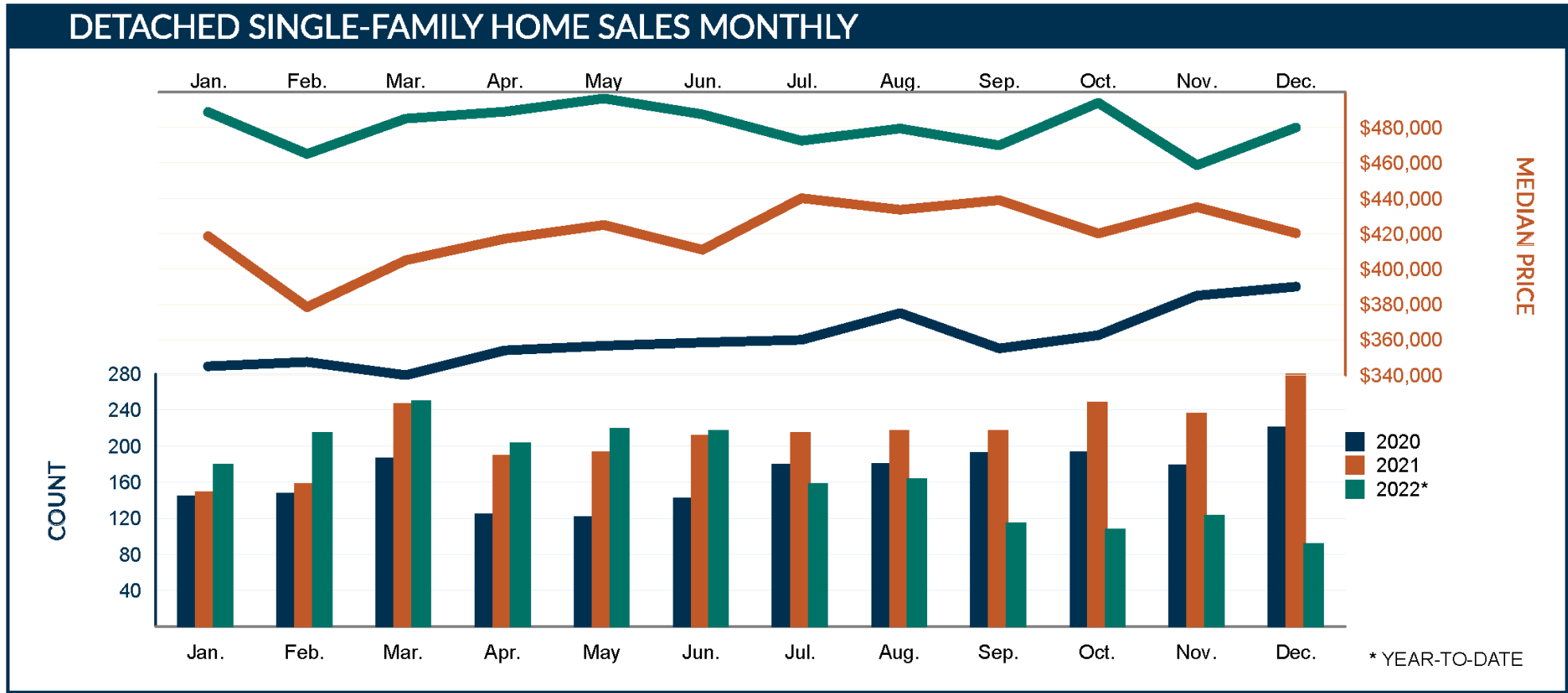
SAN GORGONIO PASS WATER YEAR TO YEAR COMPARISON OF TRANSFERS

Single Family Residential Full Value Sales Through 12/31/2022

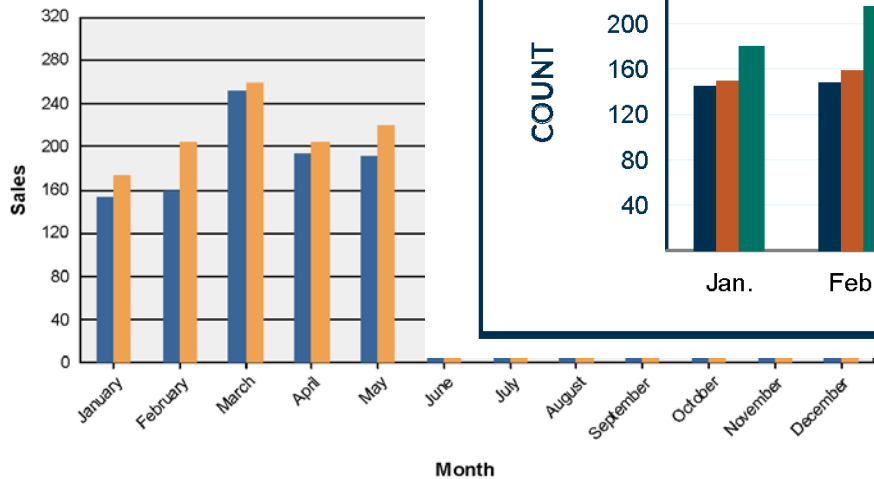
2021

2022

Month	Total Sales	Original Values	Sale Values*	Ch. Am
Jan	153	45,299,088	60,453,120	15,154
Feb	159	39,278,873	60,362,000	21,083
Mar	252	58,715,018	100,900,912	42,185
Apr	194	49,804,083	80,582,477	30,778
May	192	46,538,734	81,044,227	34,505
Jun	223	54,226,403	92,550,500	38,324
Jul	218	52,932,378	94,543,000	41,610
Aug	224	54,061,748	97,240,500	43,178
Sep	223	53,382,556	97,637,500	44,254
Oct	257	57,734,017	111,109,713	53,375
Nov	242	53,973,100	110,045,300	56,072
Dec	286	51,758,492	124,319,217	72,560
Total	2,623	617,704,490	1,110,788,466	493,083



Moi





SAN GORGONIO PASS WATER TRANSFER OF OWNERSHIP (2018 - 2022)

It will take the addition of \$112.9 million in new assessed value to increase revenues 1% in 2023-24. (sales, new construction, etc.) 2022 sales will add \$804.6 million and that will be an increase of 7.1% of the overall 9.33% of next year's forecasted growth. This year's (2022-23) percent increase due to sales transactions was 6.38%. is an outlier of what we are seeing in the region.

Single Family Residential					Multifamily, Commercial, Industrial, Vacant				Totals					
Tax Year	# SFR Sales	Original Values	Sale Price	% Change	Non SFR Sales	Original Values	Sale Price	% Change	Total Sales	Original Values	Sale Values	% Change	\$ Change	
ENTIRE DISTRICT <i>Valid Sales Price Analysis</i>														
2022 1/1/22-12/31/22	2,084	\$543,466,497	\$1,021,674,161	88.0%	907	\$167,187,639	\$642,748,018	284.4%	2,991	\$710,654,136	\$1,664,422,179	134.2%	\$953,768,043	
2021 1/1/21-12/31/21	2,623	\$617,704,490	\$1,110,788,466	79.8%	950	\$233,587,410	\$521,086,284	123.1%	3,573	\$851,291,900	\$1,631,874,750	91.7%	\$780,582,850	
2020 1/1/20-12/31/20	2,086	\$523,192,812	\$753,156,611	44.0%	779	\$135,858,352	\$392,987,074	189.3%	2,865	\$659,051,164	\$1,146,143,685	73.9%	\$487,092,521	
2019 1/1/19-12/31/19	1,952	\$491,340,845	\$644,182,163	31.1%	851	\$130,392,848	\$316,401,730	142.7%	2,803	\$621,733,693	\$960,583,893	54.5%	\$338,850,200	
2018 1/1/18-12/31/18	1,917	\$435,512,090	\$610,823,525	40.3%	964	\$84,500,794	\$267,694,769	216.8%	2,881	\$520,012,884	\$878,518,294	68.9%	\$358,505,410	
DISTRICT NON SA AREA <i>Valid Sales Price Analysis</i>														
2022 1/1/22-12/31/22	1,822	\$480,859,936	\$905,392,885	88.3%	667	\$111,788,387	\$491,870,063	340.0%	2,489	\$592,648,323	\$1,397,262,948	135.8%	\$804,614,625	
													<i>Est. Revenue Change:</i>	\$252,119.23
2021 1/1/21-12/31/21	2,210	\$533,434,247	\$947,684,205	77.7%	593	\$174,990,393	\$369,765,149	111.3%	2,803	\$708,424,640	\$1,317,449,354	86.0%	\$609,024,714	
													<i>Est. Revenue Change:</i>	\$186,474.28
2020 1/1/20-12/31/20	1,762	\$455,939,577	\$646,602,429	41.8%	401	\$90,284,219	\$244,301,467	170.6%	2,163	\$546,223,796	\$890,903,896	63.1%	\$344,680,100	
													<i>Est. Revenue Change:</i>	\$105,308.59
2019 1/1/19-12/31/19	1,707	\$441,961,270	\$571,859,759	29.4%	493	\$73,029,828	\$169,599,599	132.2%	2,200	\$514,991,098	\$741,459,358	44.0%	\$226,468,260	
													<i>Est. Revenue Change:</i>	\$71,356.29
2018 1/1/18-12/31/18	1,658	\$393,922,023	\$546,927,861	38.8%	718	\$47,241,752	\$213,376,072	351.7%	2,376	\$441,163,775	\$760,303,933	72.3%	\$319,140,158	
													<i>Est. Revenue Change:</i>	\$102,273.34



FORECASTING PROPERTY TAXES



**WHAT DO WE CONSIDER IN BUDGETING
PROPERTY TAX REVENUES FOR 2023-24?**

WHAT ABOUT 2024-25?

WHAT SHOULD YOU CONSIDER IN DEVELOPING YOUR FORECAST MODEL FOR 2023-24?

- ✓ The CCPI change to real property per Prop 13 for 2023-24 will be 2%.
- ✓ The numbers of properties offered for sale have trended lower and prices have lost steam in the last half of 2022. The growth in the SGPWA is still strong due to these events, but this overall growth is unprecedented and not sustainable.
- ✓ The decreased sales numbers will impact supplemental apportionments.
The current year may be a gauge for 2023-24.
- ✓ Proposition 8 value restorations have been adding between .75% and 1% to the bottom line annually and have been trended based on historical information.
- ✓ New Construction will be an equalizer. Construction projects are continuing in the inland empire on many fronts. REMEMBER new construction is often delayed between completion and being enrolled and taxed.

WHAT ABOUT 2024-25

The CCPI change to real property per Prop 13 for 2024-25 may be lower than 2% but at this point in our modeling we are budgeting 2% again.

- The numbers of properties offered for sale may normalize or contract now that higher interest rates and shorter supply are driving the market. Where new homes are being built this may ease the issue. Budget conservatively.
- Proposition 8 value restorations won't add a lot to the bottom line. Maybe 0.5%.
- New Construction will continue to be the equalizer adding value. New homes are being planned in several communities within the Agency. When will they be sold??
- Commercial and industrial appeals may be filed due to vacancies. These have a 2-year hearing window and may result in future reductions.
- What about residual revenue from the RPTTF from former RDAs? Budget these allocations flat and adjust mid-year. Beaumont's RDA has completely dissolved.



**SAN GORGONIO PASS WATER
SAN GORGONIO PASS WATER AGENCY DEBT SERVICE
NEW CONSTRUCTION HISTORY**

ESTIMATED ANNUAL CONSTRUCTION FROM 2015/16 TO 2022/23

Tax Year	Estimated Parcel Count	Residential New Construction	Non-Residential New Construction	Total New Construction
2015	2,506	\$61,299,638	\$18,756,292	\$80,055,930
2016	1,897	\$41,656,338	\$2,924,921	\$44,581,259
2017	880	\$33,512,730	\$8,286,938	\$41,799,669
2018	1,128	\$54,315,967	\$23,089,127	\$77,405,094
2019	1,148	\$63,214,976	\$19,245,836	\$82,460,812
2020	1,091	\$51,278,308	\$309,533,554	\$360,811,863*
2021	1,238	\$78,187,205	\$48,822,480	\$127,009,685
2022	1,355	\$123,952,723	\$66,847,178	\$190,799,901
Average of all Years:				\$125,615,527
Trimmed Average (Excludes Outlying Years*)				\$92,016,050
Estimate @ 75%:				\$69,012,037
Estimate @ 50%:				\$46,008,025
Estimate @ 25%:				\$23,004,012

DEVELOPING A 1-YEAR FORECAST



SAN GORGONIO PASS WATER GENERAL FUND REVENUE ESTIMATE

2023-24 Revenue Estimate based on 2022-23 Values and Estimated Changes

SUGGESTED CONSIDERATIONS

2.00% CPI added to real property for 2023-24 per Proposition 13.

DO NOT CHANGE THIS NUMBER

Sales transactions in 2022 impacting 2023-24 have been reflected.

DO NOT CHANGE THIS NUMBER

50% of historical completed new construction could be added by staff as shown or left blank for a more conservative forecast.

Supplemental allocations budget at a 3-year average

Delinquencies tracking between 1% and 1.5%.

	District Revenue	Dist Wide Value Change
Non RDA and BY Values 2022-23	\$11,289,006,593	
District Net Taxable Value 2022-23		\$13,667,911,521
Real Property Value (Incl. Prop 8 parcels)	\$10,626,536,537	\$13,379,456,310
CPI of Non-Prop 8 Parcels (2.000%)	\$203,458,344	\$257,739,448
Transfer of Ownership Assessed Value Change	\$804,614,625	\$953,768,043
Est. SFR Prop 8 Adj Based on Recent SFR Price	\$45,107,710	\$49,133,491
2023-24 Estimated Real Property Value	\$11,679,717,215	\$14,640,097,292
Base Year Values	\$473,322,005	<i>Included in AV</i>
Secured Personal Property Value (0.0% growth)	\$7,108,846	\$12,825,031
Unsecured Personal Property Value (0.0% growth)	\$181,798,754	\$275,259,674
Nonunitary Utility Value	\$240,451	\$370,506
Enter Completed New Construction		
2023-24 Estimated Net Taxable Value	\$12,342,187,271	\$14,928,552,503
Estimated Total Percent Change 2023-24	9.33%	9.22%
Revenue Calculations		
Net Taxable Value Tax @ 1%	\$123,421,873	
District Share of 1% Tax @ 3.09642146%	\$3,821,661	
Aircraft Value Tax @ 1%	\$20,344	
District Share of Aircraft Tax @ 0.0%	\$0	
Net District Estimate for 2023-24	\$3,821,661	
Taxable Value Revenue Categories		
Secured Revenue	\$3,705,865	
Unsecured Revenue	\$115,796	
Aircraft Revenue	\$0	
Rev from Taxable Value*	\$3,821,661	
Unitary Revenue (Budgeted Flat)	\$115,657	
Admin Fee (Not Deducted Above)	-\$23,723	
Enter Suppl. Apportionment Recd. - Avg. 3 Yrs		
Enter Delinquent Apportionment Recd. - Avg. 3 Yrs		



**SAN GORGONIO PASS WATER
 SAN GORGONIO PASS WATER AGENCY DEBT SERVICE
 SPECIAL DISTRICT REVENUE ESTIMATE**

2023-24 Revenue Estimate based on 2022-23 Values and Estimated Changes

Dist Wide Value Change

Non RDA and BY Values 2022-23

District Net Taxable Value 2022-23

Real Property Value (Incl. Prop 8 parcels)

CPI of Non Prop 8 Parcels (2.000%)

Transfer of Ownership Assessed Value Change

Est. SFR Prop 8 Adj Based on Recent SFR Price

\$13,665,877,161

\$13,379,456,310

\$257,739,448

\$953,768,043

\$49,133,491

2023-24 Estimated Real Property Value

\$14,640,097,292

Base Year Values

Included in AV

Secured Personal Property Value (0.0% growth)

\$12,825,031

Unsecured Personal Property Value (0.0% growth)

\$273,225,314

Nonunitary Utility Value

\$370,506

Enter Completed New Construction

2023-24 Estimated Net Taxable Value

\$14,926,518,143

Estimated Total Percent Change 2023-24

9.22%

Revenue Calculations

All Values 2022-23

\$13,665,877,161

2023-24 Estimated Taxable Value

\$14,926,518,143

2022-23 Override Tax Rate

0.175000

REVENUE ESTIMATE AT
 CURRENT APPLIED RATE.

Rev Estimate for 2023-24

\$26,121,407





SAN GORGONIO PASS WATER GENERAL FUND REVENUE ESTIMATE - ALL YEARS AT 6-YR AVG

2023-24 Through 2027-28 Revenue Estimate Based on 2022-23 Values and Estimated Changes

District Revenue	2023-24	2024-25	2025-26	2026-27	2027-28
Non RDA and BY Values	\$11,289,006,593	\$12,342,187,271	\$13,111,230,631	\$13,907,140,265	\$14,750,065,866
Real Property Value (Incl. Prop 8 parcels)	\$10,626,536,537	\$11,679,717,215	\$12,448,760,575	\$13,244,670,209	\$14,087,595,810
CPI of Non Prop 8 Parcels (2023-24 @ 2.000%)	\$203,458,344	217,056,413	246,420,466	263,478,648	280,875,377
Transfer of Ownership Assessed Value Chang	\$804,614,625	511,453,002	539,894,152	573,972,957	610,300,525
Est. SFR Prop 8 Adj Based on Recent Price	\$45,107,710	\$40,533,944	\$9,595,017	\$5,473,995	\$3,645,489
Estimated Real Property Value	\$11,679,717,215	\$12,448,760,575	\$13,244,670,209	\$14,087,595,810	\$14,982,417,200
Base Year Values	\$473,322,005	\$473,322,005	\$473,322,005	\$473,322,005	\$473,322,005
Secured Personal Property Value (see notes)	\$7,108,846	\$7,108,846	\$7,108,846	\$7,108,846	\$7,108,846
Unsecured Personal Property Value (see notes)	\$181,798,754	\$181,798,754	\$181,798,754	\$181,798,754	\$181,798,754
Nonunitary Utility Value (0.0% growth)	\$240,451	\$240,451	\$240,451	\$240,451	\$240,451
Enter Completed New Construction					
Estimated Net Taxable Value	\$12,342,187,271	13,111,230,631	13,907,140,265	14,750,065,866	15,644,887,256
Estimated Total Percent Change	9.33%	6.23%	6.07%	6.06%	6.07%
Revenue Calculations					
Net Taxable Value Tax @ 1%	\$123,421,873	\$131,112,306	\$139,071,403	\$147,500,659	\$156,448,873
District Share of 1% Tax @ 3.09642146%	\$3,821,661	\$4,059,790	\$4,306,237	\$4,567,242	\$4,844,316
Aircraft Value Tax @ 1%	20,344	20,344	20,344	20,344	20,344
District Share of Aircraft Tax @ 0.0%	\$0	\$0	\$0	\$0	\$0
Net District Estimate	\$3,821,661	\$4,059,790	\$4,306,237	\$4,567,242	\$4,844,316
Taxable Value Revenue Categories					
Secured Revenue	3,705,865	3,936,778	4,175,758	4,428,855	4,697,534
Unsecured Revenue	115,796	123,012	130,479	138,387	146,783
Aircraft Revenue	\$0	\$0	\$0	\$0	\$0
Rev from Taxable Val*	\$3,821,661	\$4,059,790	\$4,306,237	\$4,567,242	\$4,844,316
Unitary Revenue (Budgeted Flat)	\$115,657	\$115,657	\$115,657	\$115,657	\$115,657
Admin Fee (Not Deducted Above)	-20,429	-21,665	-22,944	-24,298	-25,735
Enter Suppl. Apportionment - Avg 3 Yrs					
Enter Delinquent Apportionment - Avg 3 Yrs					

Will there be a recession?

If so, how long, how deep, and what will be the factors that influence the downturn?

Jobs?

Inflation?

Home Prices stall out?

A 5-year forecast needs to be retooled each year based on what is happening. There is a lot of uncertainty right now and these 5-year views are two assumptions of what might happen going forward.

- A mild 2nd year downturn & and an immediate recovery.
- An average of the past 6 years with a sales downturn.



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