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PLAN FOR SERVICE

CITY OF BARSTOW

ANNEXATION OF COUNTY LOCAL AGENCY FORMATION COMMISSION ACTION AREA B

April 20, 2026

Public Finance
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CITY OF BARSTOW
OFFICE OF THE CITY MANAGER
220 East Mountain View Street, Suite A, Barstow, CA 92311 | 760-255-5122

CERTIFICATION

STATE OF CALIFORNIA)
COUNTY OF SAN BERNARDINO) ss.
CITY OF BARSTOW)

I, Rochelle Clayton, City Manager of the City of Barstow, California, do hereby certify as follows:

I hereby certify that the statements furnished in the enclosed Plans for Service and Fiscal Impact Analysis for LAFCO Action Area B, and the documents attached to this form present the data and information required to the best of my ability and that the facts, statements, and information presented herein are true and correct to the best of my knowledge and belief.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Executed this 22nd day of June, 2026, at Barstow, California.

Rochelle Clayton, City Manager
City of Barstow, California

www.FinanceDTA.com

18201 Von Karman Avenue, Suite 220
Irvine, CA 92612

CITY OF BARSTOW

PLAN FOR SERVICE

ANNEXATION OF COUNTY LOCAL AGENCY FORMATION COMMISSION ACTION AREA B

Prepared for:

City of Barstow

220 East Mountain View St. Suite A

Barstow, CA 92311

TABLE OF CONTENTS

I INTRODUCTION

DTA Public Finance, Inc. ("DTA") has been retained to prepare a Plan for Service ("PFS") for the City of Barstow (the "City") to analyze the proposed annexation of approximately 99 acres, identified as County Local Agency Formation Commission ("LAFCO") Action Area B, currently located in the unincorporated portion of the County of San Bernardino (the "County") within the City's Spheres of Influence ("SOIs").

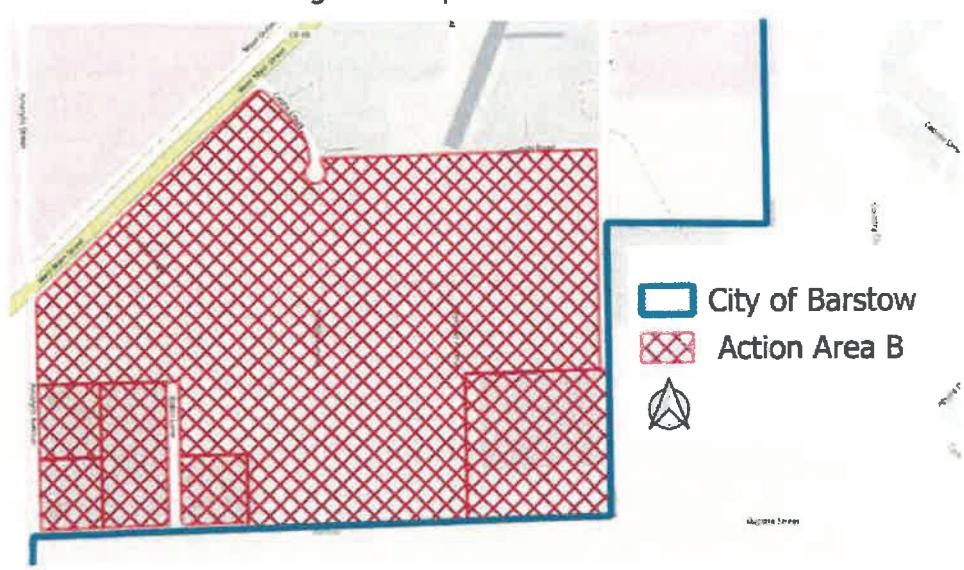
A Purpose of the Plan for Service

The County Local Agency Formation Commission ("LAFCO") requires the preparation and certification of a study, called a PFS, when a jurisdiction is to be impacted by a proposed change of organization or reorganization, such as an annexation of additional properties into its jurisdiction. The annexation process is initiated by an annexation application (the "Annexation Application") submitted to LAFCO identifying Action Area B proposed for annexation to the City of Barstow (the "City"). The intent of this PFS is to provide LAFCO with sufficient information to assess the capabilities of the City related to providing municipal services to Action Area B once it has been absorbed by the City. In addition, the PFS includes information on the fiscal impacts of such annexation action on the City's General Fund.

B Description of Action Area B

The Annexation Area encompasses approximately 2,639.41 acres of land abutting the westmost City boundaries, as depicted by the blue-hatched areas in Figure 1 below.

Figure 1: Map for Action Area B



Action Area B is currently consisted of six Assessor's Parcels (the "Parcels') encompassing approximately 93.3 acres of land, 1 acre of interim open space, and 5 acres of right-of-way. As summarized in Table 1 below, five of those Parcels are currently improved with single-family homes on 20.7 acres of land, with the remaining Parcel comprising 72.61 acres of vacant land.

Table 1: Parcel Summary

Assessor's Parcel Numbers	Acres	Situs Address	Existing Dwelling Description (Sq. Ft./ Bedrooms/ Baths)
0421-071-13-0000	9.95	24073 Swallow Rd	1,886 / 3 / 2
0421-071-36-0000	2.08	23708 Gazana Rd	2,273 / 2 / 2
0421-071-38-0000	2.09	23828 Gazana St	1,926 / 3 / 2
0421-071-46-0000	2.19	32959 Amarylis Ave	1,763 / 3 / 2
0421-071-57-0000	72.61	N/A	N/A
0421-071-58-0000	4.39	23875 Robin Ln	4,852 / 4 / 3
Grand Total	**93.31**	**N/A**	**N/A**

All Parcels are anticipated to receive the new Business Park ("BP") land use designation under City's proposed General Plan and Zoning Map, which primarily permits office and low-impact industrial (non-truck intensive) uses. Given the presence of existing homes, the new BP General Plan land use designation and zoning would allow for legacy residential uses to remain, with a limited number of new homes allowed to be developed, subject to specific conditions identified in Barstow Code §19.17.160.

Notwithstanding the foregoing, given current owners of Parcels have not demonstrated any interest in redeveloping or developing their property, the City does not anticipate any new developments within Action Area B in a foreseeable future. **For purposes of this PFS, municipal service demands of Action Area B will be based on existing homes thereon.**

II PLAN FOR SERVICE BEFORE AND AFTER ANNEXATION OF ACTION AREA B

The list of municipal services necessary to serve the Annexation Area are the following:

- General Government and Administration;
- Fire Protection and Emergency Response;
- Sheriff/Police and Public Safety;
- Library;
- Parks and Recreation;
- Animal Control;
- Street Lighting;
- Landscape Maintenance;
- Water;
- Wastewater;
- Transportation;
- Flood Control and Drainage;
- Utilities;
- Schools; and
- Solid Waste Management.

Table 2 on the following page provides a summary of which public agencies are currently responsible for providing each type of municipal service, prior to the annexation, as well as which public agency is anticipated to be providing that same service after the annexation. In addition, one-time development impact fees ("DIFs") will be collected by a number of public agencies to fund the capital costs of public facilities, as summarized in Section IV of this PFS.

Table 2: Municipal Services Providers for Action Area B

Municipal Services	Current Municipal Provider	Future Municipal Provider After Annexation
General Government and Administrative Services [1]	County of San Bernardino	City of Barstow
Fire Protection and Emergency Response Services	Barstow Fire Protection District ("BFPD")	BFPD
Sheriff/Police and Public Safety	San Bernardino County Sheriff's Department ("SBCSD")	Barstow Police Department ("BPD")
Library	San Bernardino County Library System	San Bernardino County Library System
Street Lighting	San Bernardino County Public Works	City of Barstow
Parks and Recreation		
▪ Community Facilities	City of Barstow	City of Barstow
▪ Local Facilities	Not Applicable	Not Applicable
Animal Control	San Bernardino County Animal Control	City of Barstow via contract with Barstow Humane Society
Landscape Maintenance	San Bernardino County	City of Barstow
Water	Golden State Water Company	Golden State Water Company
Wastewater	Private, On-Site Wastewater Systems	City of Barstow
Transportation		
▪ Freeways and Interchanges	Caltrans	Caltrans
▪ Local Public Roads	San Bernardino County Public Works	City of Barstow
▪ Regional Transit	San Bernardino County Transportation Authority ("SBCTA")	SBCTA
▪ Local Transit	Victor Valley Transit Authority ("VVTA")	VVTA
Flood Control and Drainage		
▪ Regional Facilities	San Bernardino County Flood Control District ("SBCFD")	SBCFD
▪ Local Facilities	SBCFD	SBCFD
Utilities		
▪ Cable/Internet Provider/Phone	Spectrum, Xfinity, Frontier	Spectrum, Xfinity, Frontier
▪ Power	Southern California Edison ("SCE")	SCE
▪ Natural Gas	Southwest Gas Corporation ("SGC")	SGC
Schools		
▪ K-12	Barstow Unified School District ("BUSD")	BUSD
▪ Community College	Barstow College District ("BCD")	BCD
Solid Waste Management	Burrtec Waste Industries, Inc. through franchise agreement with San Bernardino County Public Works	Burrtec Waste Industries, Inc. through franchise agreement with the City of Barstow

Note:

1. Including general municipal administration, planning and community development services, economic development, local road operation and maintenance ("O&M"), street lighting O&M, and human resources, among other services.

A written narrative describing the pre-annexation and post-annexation provision of each service listed in Table 2 follows:

B General Government and Administrative Services

B.1 Before Annexation

The County currently provides general government and administrative services to Action Area B. These include certain services that the County only provides in the unincorporated County, such as planning and community development services, economic development, arterial, collector and other local road operation and maintenance ("O&M"), regional parks O&M and human resources, among other services. In addition, the County provides certain services on a Countywide basis to both cities and the unincorporated County, such as criminal justice services related to jails and courts, including district attorney, public defender and probation services, as well as health and welfare services and other Countywide functions.

B.2 After Annexation

The City will assume responsibility for all of the administrative and general government services that had been previously provided by the County exclusively for unincorporated County areas. As discussed above, these would include planning and community development services, economic development, local road and street light O&M, etc. within Action Area B. However, the other services currently provided by the County on a Countywide basis, such as criminal justice services related to jails and courts, including district attorney, public defender and probation services, and health and welfare services, will continue to be the County's responsibility within Action Area B.

C Fire Protection and Emergency Response Services

C.1 Before Annexation

BFPD currently provides fire protection and emergency response services to Action Area B, with a mutual aid agreement with the San Bernardino County Fire Protection District ("SBCFPD").

C.2 After Annexation

The BFPD will continue to provide fire protection and emergency response services to Action Area B, with its current mutual aid agreement with the SBCFPD continuing after the annexation.

D Law Enforcement

D.1 Before Annexation

SBCSD currently provides public safety services to Action Area B, in addition to having a mutual aid agreement with the BPD.

D.2 After Annexation

BPD will be the primary provider of law enforcement services to Action Area B once it has been annexed into the City, with its current mutual aid agreement with the SBCSD continuing after the annexation. The BPD has 47 budgeted positions as of July 2025. The extra tax revenues from the adjacent proposed Barstow International Gateway Project (the "BIG Project") is anticipated to fund total of **nine** (9) new officers. This new staffing is anticipated to comprise a new 24/7 two officer patrol shift, with one new Sergeant and eight (8) additional police officer positions to maintain all-hours coverage, which will improve the current level of police staffing and police services in the BIG Project for its workers and facilities, the areas in the City near BIG Project, and the entire City. .

E Library

E.1 Before Annexation

Currently, Action Area B is served by the San Bernardino County Library system, with the Barstow Branch Library, located at 304 E. Buena Vista Street in the City, as the primary service location.

E.2 After Annexation

The San Bernardino County Library system will continue to serve Action Area B after its annexation.

F Street Lighting

F.1 Before Annexation

The San Bernardino County Public Works Department is currently responsible for operating and maintaining streetlights within Action Area B, as applicable.

F.2 After Annexation

The City will be responsible for operating and maintaining streetlights within Action Area B upon its annexation, as applicable.

G Parks and Recreation

G.1 Before Annexation

The City provides community park and recreational services to all residents and employed persons within the City and surrounding unincorporated County areas, including Action Area B. The City currently has 13 parks and recreational facilities. There are currently no local parks or recreational facilities within Action Area B.

G.2 After Annexation

The City will continue to provide community park and recreational services to all residents within Action Area B. Action Area B currently does not have any local parks or recreational facilities.

H Animal Control

H.1 Before Annexation

The San Bernardino County Animal Control operates the Big Bear Lake and Devore Animal Shelters to provide programs and services to the unincorporated County.

H.2 After Annexation

Barstow Humane Society will provide animal control and shelter services to Action Area B after its annexation via a contract with the City.

I Landscape Maintenance

I.1 Before Annexation

The County currently provides landscape maintenance services within the right-of-way in Action Area B, as applicable.

I.2 After Annexation

Upon annexation, the City will be responsible for providing operations and maintenance services for the landscaping of all right-of-way, parkways and medians within Action Area B, as applicable.

J Water

J.1 Before Annexation

The primary retail water supplier for Action Area B while it is located within the unincorporated County is the Golden State Water Company ("GSWC"), a water utility subsidiary of American States Water Company.

J.2 After Annexation

GSWC will continue to be the retail water service provider for Action Area B after its annexation, with Odessa Water District as a back-up water supplier.

K Wastewater

K.1 Before Annexation

Sewage generated within Action Area B is currently being handled by private, on-site wastewater systems.

K.2 After Annexation

The City will provide wastewater services to Action Area B after its annexation. The Barstow Wastewater Treatment Plant, located in the eastern portion of the City along the south bank of the Mojave River, has a treatment capacity of 4.5 million gallons per day ("MGD") and currently discharges at a rate of approximately 2.2 MGD, resulting in an estimated available treatment capacity of 2.3 MGD. The BIG Project, upon its development, is estimated to generate an average dry weather flow ("ADWF") of 0.216 MGD. Based on its current available treatment capacity of 2.3 MGD, the Barstow Wastewater Treatment Plant, in its current state, will have sufficient capacity to serve the entire BIG Project at its build-out, plus existing homes within Action Area B.

L Transportation

L.1 Before Annexation

Caltrans currently operates and maintains freeways located in the unincorporated County, while, as noted in Section A.1 of this PFS, arterials, collectors and other local public roads are operated and maintained by the County Public Works Department. SBCTA provides public regional transit in the County, with VVTA providing public local transit in the City and surrounding unincorporated County areas.

L.2 After Annexation

Caltrans, SBCTA, and VVTA will continue to provide freeway and public transit services to Action Area B once the annexation has been completed. As noted previously in Section A.2, the City will be responsible for the operations and maintenance of local public roads within Action Area B, as applicable.

M Flood Control and Drainage

M.1 Before Annexation

The SBCFD provides operations and maintenance services for regional flood control facilities and any local drainage facilities.

M.2 After Annexation

The SBCFD will continue to manage regional and local flood control facilities on behalf of Action Area B, as applicable.

N Utilities

N.1 Before Annexation

The current providers of cable television, internet and telephone services within Action Area B are Spectrum, Xfinity, and Frontier Communications, respectively. Electricity is supplied by SCE and natural gas by SGC.

N.2 After Annexation

All utility services in Action Area B will continue to be maintained by the same private parties.

O Schools

O.1 Before Annexation

The local K-12 schools are being operated by the BUSD. Community college facilities are the responsibility of BCD.

O.2 After Annexation

Both K-12 school and community college services will continue to be the responsibility of BUSD and BCD, respectively.

P Solid Waste Management

P.1 Before Annexation

Burrtec Waste Industries, Inc. currently provides waste and recycling services to Action Area B through a franchise agreement with the San Bernardino County Public Works Department.

P.2 After Annexation

Burrtec Waste Industries, Inc. will continue to provide waste and recycling services to Action Area B after its annexation, although its franchise agreement will be executed with the City rather than with the County.

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III FISCAL IMPACT

Fiscal impacts arising from a land development plan can be broadly categorized as one of two types, specifically one-time impacts or recurring impacts.

A One-Time Fiscal Impacts

Mitigation fees ("MFs") are one-time fees utilized to fund a project's fair share of a municipality's infrastructure and capital needs and are generally paid upon issuance of grading permits or building permits. **It is assumed that one-time revenues available through these MFs will directly offset one-time costs, so no budget surplus or shortage will result from the payment of MFs.** If the owner of a Parcel decides to develop or redevelop the land therein, the City will collect applicable MFs based on the proposed land uses to offset one-time costs of such project.

B Recurring Fiscal Impact

As detailed in the Fiscal Impact Summary Memorandum ("Memo") submitted by DTA under separate cover, **Action Area B is anticipated to generate an annual recurring incremental fiscal deficit of $8,674 based on the generation of $4,608 in annual recurring revenues and $13,282 in recurring annual costs. Please see Section C of the Memo for more information.** Overall, the annual revenues generated by Action Area B are projected to equal 0.35 times the associated City costs.

Given that the City is annexing Action Area B in connection with the proposed reorganization of LAFCO Action Area A, a 2,686-acre territory contiguous to Action Area B that encompasses most of the site area for the BIG Project, **the net fiscal impact of the proposed annexation of Action Area B should be evaluated in conjunction with the net fiscal impact of the entire BIG Project at its build-out, which is projected to generate a substantial annual recurring incremental fiscal surplus of $2,507,303.** The overall net fiscal impact to the City resulting from the annexation of Action Area A and Action Area B will be an annual recurring **fiscal surplus of $2,498,629** after their annexations into the City.

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SUMMARY MEMORANDUM

April 20, 2026

To:	Matthew Summers, Colantuono, Highsmith & Whatley, PC
From:	David Taussig and Jerry Wen, DTA
Subject:	Fiscal Impacts Resulting from the Proposed Annexation of Certain Portion of Barstow International Gateway Project Area into the City of Barstow and the Barstow Fire Protection District

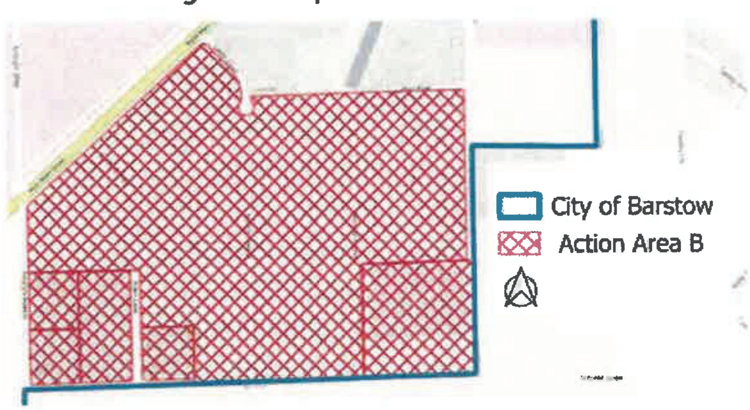
The Local Agency Formation Commission ("LAFCO") for the County of San Bernardino (the "County") requires the preparation and certification of a fiscal analysis when a jurisdiction is affected by a proposed change of organization or reorganization. The City of Barstow (the "City") is in the process of annexing approximately 99 acres, identified as LAFCO Action Area B, currently located in the unincorporated portion of the County of San Bernardino (the "County") within the District's Spheres of Influence ("SOIs") that has been identified by LAFCO as a Disadvantaged Unincorporated Community ("DUC").

DTA has been engaged by the City to analyze the incremental net fiscal impact of the proposed annexation of Action Area B on City's General Fund. The City is also in the process of annexing LAFCO Action Area A, a 2,686-acre territory contiguous to Action Area B that encompasses most of the site area for the proposed Barstow International Gateway Project (the "BIG Project"). Since California Government Code §56375 mandates any City annexation proposal greater than 10 acres that is contiguous to a DUC cannot be approved unless an application for annexation of such DUC has been filed, the City is filing an application for the reorganization of Action Area B in connection with the proposed annexation of Action Area A into the City. **Given that the City is annexing Action Area B in connection with the proposed reorganization of Action Area A, the net fiscal impact of the proposed annexation of Action Area B should be evaluated in conjunction with the net fiscal impact of the entire BIG Project at its build-out.**

A Description of Action Area B

Action Area B, as depicted in Figure 1 below, is located south of Main Street and west of Delaney Road abutting the westmost City boundaries.

Figure 1: Map for the Action Area B



Action Area B is currently consisted of six Assessor's Parcels (the "Parcels') encompassing approximately 93.3 acres of land, 1 acre of interim open space, and 5 acres of right-of-way. As summarized in Table 1 below, five of those Parcels are currently improved with single-family homes on 20.7 acres of land, with the remaining Parcel comprising 72.61 acres of vacant land.

Table 1: Parcel Summary

Assessor's Parcel Numbers	Acres	Situs Address	Existing Dwelling Description (Sq. Ft./ Bedrooms/ Baths)
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0421-071-46-0000	2.19	32959 Amarylis Ave	1,763 / 3 / 2
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0421-071-58-0000	4.39	23875 Robin Ln	4,852 / 4 / 3
Grand Total	**93.31**	**N/A**	**N/A**

All Parcels are anticipated to receive the new Business Park ("BP") land use designation under City's proposed General Plan and Zoning Map, which primarily permits office and low-impact industrial (non-truck intensive) uses. Given the presence of existing homes, the new BP General Plan land use designation and zoning would allow for legacy residential uses to remain, with a limited number of new homes allowed to be developed, subject to specific conditions identified in Barstow Code §19.17.160.

Notwithstanding the foregoing, given current owners of Parcels have not demonstrated any interest in redeveloping or developing their property, the City does not anticipate any new developments within Action Area B in a foreseeable future. **For purposes of this fiscal impact analysis ("FIA"), fiscal revenues and expenditures are estimated based solely on existing development within Action Area B.**

B Analytic Methodology and Assumptions

Notably, only recurring revenues and costs are analyzed in this FIA. Costs that are considered non-recurring, such as capital expenditures, are excluded from the analysis. This is because new development is generally required to construct its own new capital improvements, such as roads or parks, or pay Development Impact Fees ("DIFs") that enable the City or another developer to construct these improvements. As these are one-time costs that will not recur, there is no expectation that new development will need to pay for these capital expenditures a second time. Likewise, revenues that are non-recurring, such as DIFs paid by developers, are also excluded from the FIAs. In sum, the model reflects the estimated recurring annual deficit or surplus to the City's General Fund that will result from the existing development with Action Area B upon its annexations into the City.

DTA chooses its analytical assumptions in accordance with industry standards and documents those decisions carefully. DTA mainly utilized a *Per Capita/Employee Multiplier Approach* (emphasizing average expenditures and revenues) to evaluate the City's General Fund revenues expected to be generated by existing land uses within Action Area B and costs associated with services expected to be provided by the City to such land uses. Under this approach, DTA thoroughly reviewed the City's current annual budgets to determine costs related to the City's provision of services to their residents and employees, compared with all current City revenue sources. However, certain Action Area B revenues, such as property taxes and sales taxes derived from the site were determined using a *Case Study Approach*. Under the Case Study Approach, DTA utilized specific information related to Action Area B to accurately assess such revenues. DTA then determined the total costs and revenues associated with the various components of Action Area B to the City. In doing so, DTA determined whether Action Area B is likely to generate a net fiscal surplus or net fiscal deficit for the City's General Fund.

The following list explains how some of the assumptions utilized by DTA in preparing this FIA were derived:

- Discounting Revenues: Certain revenues are not expected to increase one-to-one with new development. Thus, 15% and 75% discount rates have been applied to various General Fund revenues to reflect the estimated ratio of fixed revenues (not impacted by future development) to variable revenues. In addition, DTA conservatively applies a 100% discount on the revenues that are deemed static or difficult to forecast, including the intergovernmental revenues received by the City.

  Discounting Expenses: Certain service costs are not expected to increase one-to-one with new development. Thus, a 15% discount rate has been applied to various General Fund expenditures to reflect the estimated ratio of fixed costs (not impacted by future development) to variable costs. Notably, DTA has conservatively assumed that no discount factor would be applied to Police and Public Works expenditures, even though it is likely that such expenditures will not need to be 100% duplicated despite the influx of new residents on Action Area B site.

  In addition, a 100% discount rate was applied to City's General Fund Measure Q expenditures/transfers of $5.54M to subsidize the Barstow Fire Protection District ("BFPD"), a subsidiary district of the City. Given Action Area B is already located within the jurisdiction of BFPD and currently receives fire protection services therefrom, the City is not expected to provide additional subsidies for BFPD's expenditures to residents within Action Area B upon its annexation into the City.

- Tax Sharing (Secured Property Taxes): Property tax revenue estimates were derived using the applicable locally assessed valuation and apportionment factors by the TRAs provided by the County Auditor-Controller as applied to the general 1% *ad valorem* property tax levy [Prop 13], net of the projected Education Revenue Augmentation Fund ("ERAF") property tax shifts. The total secured property tax revenues received by the County General Fund from the TRA in the Action Area B site equal approximately 15.21% of the basic 1% levy, respectively. For the purposes of this FIA, DTA has assumed that 50% of these percentages will be transferred to the City after the annexation of Action Area B into the City. As a result, the City would accrue 7.61% of the basic 1% levy from Action Area B.

- Property Tax In Lieu of Vehicle License Fees ("VLFs"): Per California Revenue and Taxation Code §97.70, the property tax in lieu of VLF amount now grows in proportion to the growth rate of Citywide gross assessed valuation of taxable property from the prior fiscal year. Property taxes in lieu of VLF revenues constitute an addition to other property tax apportionments and were calculated for the purposes of this FIA at $1.59 per $1,000 increase in assessed valuation on a Citywide basis.

For additional details regarding the specific assumptions and methodology utilized to calculate the fiscal impacts for Action Area B, please see Attachment 1.

C Net Fiscal Impact Summary

As listed in Table 2, the overall net fiscal impact to the City's General Fund resulting from the revenues anticipated to be generated by existing land uses within Action Area B ($4,608), as compared with the cost of public services associated with existing land uses within Action Area B ($13,282), will be an annual recurring **fiscal deficit of $8,674** after its annexation into the City. As reflected in Figure 2 below, the largest projected City General Fund revenue source attributable to Action Area B is property taxes, including property tax in lieu of VLFs, at 67.2%. Conversely, the largest projected City General Fund expenditures will be for Police (46.4%) and general government (21.7%), as reflected in Figure 3 below.

Figure 2: Recurring General Fund Revenues from Existing Land Uses within Action Area B

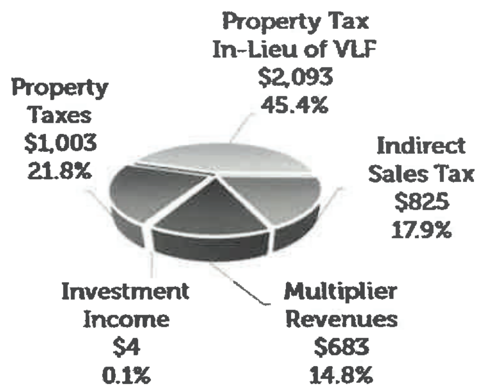

Figure 3: Recurring General Fund Expenditures to Serve Existing Land Uses within Action Area B

Table 2: City General Fund Fiscal Impact Summary

Fiscal Impact Category	Amount	Percent of Total
Recurring General Fund Revenues [1]		
Secured Property Tax	$1,003	21.8%
Property Tax In Lieu of Vehicle License Fee	$2,093	45.4%
Indirect Sales Tax	$825	17.9%
Franchise Fees	$589	12.8%
Use of Property	$23	0.5%
Fines and Forfeitures	$71	1.5%
Investment Income	$4	0.1%
Subtotal	**$4,608**	**100.0%**
Recurring General Fund Expenditures [2]		
Public Works	$2,057	15.5%
Community Development	$1,507	11.3%
Parks & Recreation	$674	5.1%
Police	$6,162	46.4%
General Government	$2,882	21.7%
Subtotal	**$13,282**	**100.0%**
Net Fiscal Impact		
Total Annual Recurring General Fund Surplus/(Deficit)	**($8,674)**	**NA**
Total Annual Revenue/Expenditure Ratio	**0.35**	**NA**

NOTES:

[1] Please see Attachments 1-D through 1-G for the derivation of these calculations.

[2] Please see Attachments 1-H and 1-I for the derivation of these calculations.

* *All figures subject to rounding*

In conjunction with the projected annual recurring **fiscal surplus of $2,507,303** at the build-out of the BIG Project, the overall net fiscal impact to the City resulting from the annexation of Action Area A and Action Area B will be an annual recurring **fiscal surplus of $2,498,629** after their annexations into the City.

If you have any further questions regarding this Executive Summary, please feel free to contact David Taussig or Jerry Wen at (800) 969-4DTA.

Enclosures:

1. Attachment 1 – FIA

ATTACHMENT 1

City of Barstow
Fiscal Impacts Resulting from the Proposed Annexation of Action Area B

FIA

ATTACHMENT 1-A
BARSTOW, CALIFORNIA: LAFCO ACTION AREA B
CITY FUND REVENUES (BY TYPE)

I Demographics and Other Data

A City of Barstow

2025 Estimated City Population [1]	24,811
2025 Estimated City Employees [2]	11,137
2025 Persons Served Population [3]	30,380

B Barstow Fire Protection District

2025 Estimated District Population [4]	32,790
2025 Estimated District Employees [5]	11,304
2025 Persons Served Population [3]	38,442

Notes:

[1] California Department of Finance, Housing and Population Information, January 1, 2025.

[2] Environics Analytics, EmploymentProfiles by NAICS Codes for the City of Barstow.

[3] Assumes City population plus 50% of employees.

[4] Pop-Facts® Demographic Snapshot 2025 for the Barstow Fire Protection District.

[5] Environics Analytics, EmploymentProfiles by NAICS Codes 2025 for the Barstow Fire Protection District.

II City Revenue Sources (by Type)

Revenue Type	General Fund [1]	Revenue Type	Fiscal Impact Basis	Discount	Fiscal Impact Revenue Factor
Tax Revenue	**$32,075,140**		**Persons Served**		**$0.00**
Property Tax - Secured	$2,123,500	Recurring	Case Study	0%	NA
Property Tax - Supplemental	$88,500	Recurring	Case Study	0%	NA
RDA Residual Tax Payment	$1,411,500	Recurring	Case Study	0%	NA
Real Property Transfer Tax	$70,500	Recurring	Case Study	0%	NA
Transient Occupancy Tax	$3,998,000	Recurring	Case Study	0%	NA
Sales and Use Tax - Measure Q	$9,585,000	Recurring	Case Study	0%	NA
Sales Tax - Bradley Burns	$8,149,770	Recurring	Case Study	0%	NA
Sales Tax - Public Safety	$226,000	Recurring	Case Study	0%	NA
Homeowners Property Tax Relief	$10,000	Recurring	Case Study	0%	NA
Business Licenses	**$251,250**	**Recurring**	**Per Employee**	**15%**	**$19.18**
Franchise Fees	**$1,502,500**	**Recurring**	**Persons Served**	**15%**	**$42.04**
Interest Income	**$175,000**	**Recurring**	**Case Study**	**0%**	**NA**
Charges for Service	**$111,160**	**Recurring**	**Persons Served**	**100%**	**$0.00**
Construction Permits & Planning Fees	**$699,460**	**Recurring**	**NA**	**NA**	**NA**
Licenses - Bingo Game	**$650**	**Recurring**	**Persons Served**	**100%**	**$0.00**
VLF/Property Tax Compensation	**$3,287,000**	**Recurring**	**Case Study**	**0%**	**NA**
Fines and Forfeitures	**$182,300**	**Recurring**	**Persons Served**	**15%**	**$5.10**
Use of Property	**$203,050**	**Recurring**	**Persons Served**	**75%**	**$1.67**
Motor Vehicle License Fees	**$41,500**	**Recurring**	**Case Study**	**NA**	**NA**
Other / Miscellaneous	**$1,549,600**	**Recurring**	**Persons Served**	**100%**	**$0.00**
Cannabis Fees	**$1,266,195**	**Recurring**	**Persons Served**	**100%**	**$0.00**
Transfer-in from Measure Q Fund	**$5,429,788**	**Recurring**	**Case Study**	**0%**	**NA**
Total Revenues	**$43,334,723**	**NA**	**NA**	**NA**	**NA**
Total Recurring Revenues	**$43,334,723**	**NA**	**NA**	**NA**	**NA**

Notes:

[1] Include Measure Q, Measure Q - Fire, and General Fund II subfunds.

ATTACHMENT 1-B
BARSTOW, CALIFORNIA: LAFCO ACTION AREA B
CITY FUND EXPENDITURES (BY TYPE)

I **Demographics and Other Data**

A **City of Barstow**

2025 Estimated City Population [1]	24,811
2025 Estimated City Employees [2]	11,137
2025 Persons Served Population [3]	30,380

B **Barstow Fire Protection District**

2025 Estimated District Population [4]	32,790
2025 Estimated District Employees [5]	11,304
2025 Persons Served Population [3]	38,442

Notes:

[1] California Department of Finance, Housing and Population Information, January 1, 2025.
[2] Environics Analytics, EmploymentProfiles by NAICS Codes for the City of Barstow.
[3] Assumes City population plus 50% of employees.
[4] Pop-Facts® Demographic Snapshot 2025 for the Barstow Fire Protection District.
[5] Environics Analytics, EmploymentProfiles by NAICS Codes 2025 for the Barstow Fire Protection District.

II **City Expenditures (by Type)**

Expenditure Type	General Fund [1]	Expenditure Type	Fiscal Impact Basis	Discount	Fiscal Impact Expenditure Factor
General Government					
City Council	$149,250	Recurring	Case Study	0%	NA
City Clerk	$21,325	Recurring	Case Study	0%	NA
City Attorney	$476,000	Recurring	Case Study	0%	NA
City Manager	$1,637,402	Recurring	Case Study	0%	NA
Municipal Records	$396,990	Recurring	Case Study	0%	NA
Insurance Risk Management	$2,363,178	Recurring	Case Study	0%	NA
Finance	$1,243,258	Recurring	Case Study	0%	NA
Information Technology	$1,085,248	Recurring	Case Study	0%	NA
Human Resources	$817,932	Recurring	Case Study	0%	NA
City Treasurer	$34,300	Recurring	Case Study	0%	NA
Central Services	$435,998	Recurring	Case Study	0%	NA
Cannabis Regulation	$2,000	Recurring	Case Study	0%	NA
General Fund II	$29,800	Recurring	Case Study	0%	NA
Barstow Fire Protection District	$213,239	Recurring	Case Study	0%	NA
Non-General Government					
Public Works	$4,464,684	Recurring	Persons Served	0%	$146.96
Community Development	$3,847,595	Recurring	Persons Served	15%	$107.65
Police	$13,371,573	Recurring	Persons Served	0%	$440.14
Parks & Recreation	$1,721,487	Recurring	Persons Served	15%	$48.17
Debt Service	$121,400	Recurring	NA	0%	NA
Barstow Fire Protection District	$5,331,168	Recurring	Persons Served	100%	$0.00
Transfers & Others	$557,907	Recurring	NA	0%	NA
Total Expenditures	**$38,321,734**	**NA**	**NA**	**NA**	**NA**
Total Recurring Expenditures	**$38,321,734**	**NA**	**NA**	**NA**	**NA**

Notes:

[1] Include Measure Q, Measure Q - Fire, and General Fund II subfunds.

ATTACHMENT 1-C
BARSTOW, CALIFORNIA: LAFCO ACTION AREA B
LAND USE AND DEMOGRAPHICS SUMMARY

Land Use Data			
I	Existing Land Uses [1]	Acres	Dwelling Units
	Single-family Homes	20.70	5
	Vacant Land	72.61	NA

Demographic Data		
I	Residential Land Use Population	
A	Existing Land Uses	Persons per Household [2]
	Single-family Homes	2.80

Population and Employees (Calculations)			
I	Population		
A	Existing Land Uses	Dwelling Units	Residential Population
	Single-family Homes	5	14
	Vacant Land	NA	NA

Population and Employees (Totals)		
I	Total Projected Residential Population	14
II	Total Projected Direct Employees	0
III	Total Persons Served Population [4]	14

NOTES:

[1] Source: County of San Bernardino Assessor Office.

[2] State of California, Department of Finance, E-5 Population and Housing Estimates for Cities, Counties and the State, January 1, 2025.

[3] An employee is typically assumed to be equivalent to 50% of a resident given they would spend only eight active hours in the City per day versus a resident who is active for 16 hours per day.

* *All figures subject to rounding*

ATTACHMENT 1-D
BARSTOW, CALIFORNIA: LAFCO ACTION AREA B
PROPERTY TAX REVENUE ANALYSIS

	General Property Tax Assumptions			
I	**Property Tax Allocation (as a Portion of the 1% General Property Tax Levy) [1]**			
		Prior to Annexation into City	**Upon Annexation into City**	
A	**Category / Code**	**County General Fund [2]**	**County General Fund [3]**	**City General Fund [3]**
	General Fund	15.207571%	7.603786%	7.603786%

	Assessed Valuation Summary	
I	**FY 2025-26 Secured Valuation**	
A	**Existing Land Uses**	**Taxable Value [4]**
	Single-family Homes	$1,241,528
	Vacant Land	$77,700
II	**Total Land Use Net Taxable Secured Value for Action Area B Upon Annexation into the City**	**$1,319,228**
III	**FY 2025-26 Unsecured Valuation**	
A	**Existing Land Uses**	**Taxable Value [4]**
	Single-family Homes	$0
	Vacant Land	$0
IV	**Total Land Use Net Taxable Unsecured Value for Action Area B Upon Annexation into the City**	**$0**
	Other Property Tax Revenue Assumptions	
I	**Motor Vehicle Licensing Fees - Assumptions**	
	Vehicle Licensing Fees per Capita	NA
II	**Property Tax In-Lieu of Vehicle License Fee - Assumptions**	
	Total City of Barstow Gross Assessed Value [5]	$2,071,915,996
	City of Barstow Property Tax In-Lieu of Vehicle License Fee [6]	$3,287,000
	Property Tax In-Lieu of Vehicle License Fee Increase per $1,000 Assessed Value	$1.59
	Fiscal Impact Calculation	
I	**Fiscal Impact Category**	**Annual Fiscal Impact Amount**
A	**Secured Property Tax**	
A.1	**Existing Land Uses**	
	Single-family Homes	$944
	Vacant Land	$59
B	**Unsecured Property Tax**	
B.1	**Existing Land Uses**	
	Single-family Homes	$0
	Vacant Land	$0
C	**Property Tax In-Lieu of Vehicle License Fee**	
	Existing Land Uses [7]	$2,093
II	**Total Property Tax Revenues**	**$3,096**

NOTES:

[1] Based on Tax Rate Area (TRA) data provided by the County of San Bernardino Auditor-Controller's Office. TRA allocations adjusted for the Educational Revenue Augmentation Fund ("ERAF").

[2] Post-ERAF rates based on the weighted average of the fiscal year 2024-25 rates applicable to the TRAs encompassing each land use. Source: County of San Bernardino Auditor-Controller Office.

[3] Assumes the County of San Bernardino will retain 50.00% of its current 1% property tax increment, with the City of Barstow receiving the remaining 50.00%.

[4] Net of applicable exemptions. Source: County of San Bernardino Assessor Office.

[5] Source: County of San Bernardino Auditor-Controller Office.

[6] Source: City of Barstow Fiscal Year 2025/2026 Adopted Budget.

[7] Property Tax in-lieu of Vehicle Licensing Fees applies to incremental property value.

* *All figures subject to rounding*

ATTACHMENT 1-E

BARSTOW, CALIFORNIA: LAFCO ACTION AREA B

SALES TAX REVENUE ANALYSIS

Indirect Sales Tax Assumptions		
I	**Indirect Sales Tax Assumptions - Residential**	
A	**Existing Residential Land Use Disposable Income Assumptions**	
A.1	**Single-family Homes**	
	Average Household Income [1]	$53,380
	Retail Taxable Expenditures (as a % of Disposable Income) [2]	30.49%
II	**Retail Taxable Sales Capture**	
	City of Barstow Retail Taxable Purchase Capture [3]	50%

Other Sales Tax Assumptions		
I	**Percent to the City of Barstow General Fund**	
	City of Barstow Municipal Code §3.12.020	1.00%
	Measure Q	1.00%
	Prop 172 - Public Safety [4]	0.03%
	Total	**2.03%**

Fiscal Impact Calculation		
I	**Fiscal Impact Category**	**Annual Fiscal Impact Amount**
A	**Indirect Sales Tax**	
A.1	**Existing Residential Land Uses**	
	Single-family Homes	$825
	Vacant Land	$0
II	**Total Sales Tax Revenues**	**$825**

NOTES:

[1] Based on the average household income in the City of Barstow.
Source: "U.S. Census Bureau QuickFacts: Barstow City, California."

[2] Source: Bureau of Labor Statistics, 2022 Consumer Expenditure Survey

[3] Based on typical DTA baseline assumptions.

[4] The City projects to receive approximately 6% of the Prop 172 sales tax receipts generated within the City, which is equivalent to 0.03% sales tax rate. Source: City of Barstow Fiscal Year 2024/2025 Adopted Budget.

* *All figures subject to rounding*

ATTACHMENT 1-F

BARSTOW, CALIFORNIA: LAFCO ACTION AREA B

MULTIPLIER REVENUE SOURCES ANALYSIS

Multiplier Revenue Assumptions			
I	**Revenue Category**	**Multiplier Factor [1]**	**Revenue Projection Basis**
	Business Licenses	$19.18	Per Employee
	Franchise Fees	$42.04	Persons Served
	Use of Property	$1.67	Persons Served
	Fines and Forfeitures	$5.10	Persons Served

Fiscal Impact Calculation		
I	**Fiscal Impact Category**	**Annual Fiscal Impact Amount**
	Tax Revenue	$0
	Business Licenses	$0
	Franchise Fees	$589
	Charges for Service	$0
	Use of Property	$23
	Fines and Forfeitures	$71
II	**Total Multiplier Revenues**	**$683**

NOTES:

[1] Source: City of Barstow Fiscal Year 2025/2026 Adopted Budget.

* *All figures subject to rounding*

ATTACHMENT 1-G

BARSTOW, CALIFORNIA: LAFCO ACTION AREA B

'NVESTMENT INCOME REVENUES ANALYSIS

Assumptions		
I	**Investment Income Assumptions**	
	Investment Period for Recurring Non-Interest General Fund Revenues	1 Month
	Local Agency Investment Fund (LAIF) Rate of Return [1]	2.06%
	Local Agency Investment Fund (LAIF) Percentage of Earnings Cost [1]	50.00%

Fiscal Impact Calculation		
I	**Fiscal Impact Category**	**Annual Fiscal Impact Amount**
	Total Property Tax Revenues (Attachment 1-D)	$3,096
	Total Sales Tax Revenues (Attachment 1-E)	$825
	Total Multiplier Revenues (Attachment 1-F)	$683
II	**Projected Recurring General Fund Revenues Available for Investment**	**$4,604**
III	**Plus: Investment Income (Less Earnings Cost)**	**$4**
IV	**Total Recurring General Fund Revenues**	**$4,608**

NOTES:

[1] Estimate. Subject to change.

* *All figures subject to rounding*

ATTACHMENT 1-H
BARSTOW, CALIFORNIA: LAFCO ACTION AREA B
MULTIPLIER EXPENDITURES ANALYSIS

Multiplier Expenditure Assumptions			
I	Expenditure Category	Multiplier Factor [1]	Expenditure Projection Basis
	Public Works	$146.96	Persons Served
	Community Development	$107.65	Persons Served
	Police	$440.14	Persons Served
	Parks & Recreation	$48.17	Persons Served

Fiscal Impact Calculation		
I	Fiscal Impact Category	Annual Fiscal Impact Amount
	Public Works	$2,057
	Community Development	$1,507
	Police	$6,162
	Parks & Recreation	$674
II	**Total Multiplier Expenditures**	**$10,400**

NOTES:
[1] Source: City of Barstow Approved Budget, Fiscal Year 2025-2026.
* *All figures subject to rounding*

ATTACHMENT 1-I

BARSTOW, CALIFORNIA: LAFCO ACTION AREA B

GENERAL GOVERNMENT EXPENDITURES ANALYSIS

Assumptions		
I	General Government Overhead Expenditures	City General Fund
	Total Recurring Fund Expenditures (excluding General Government Overhead) [1]	$23,526,739
	Recurring General Government Overhead Expenditures [2]	36.9%
	Marginal Increase in General Government Costs	75%

Fiscal Impact Calculation		
I	Fiscal Impact Category	Annual Fiscal Impact Amount
	Total Multiplier Expenditures (Attachment 1-H)	$10,400
II	**Projected Recurring General Fund Expenditures**	$10,400
III	**Plus: General Government Costs**	**$2,882**
IV	**Total Recurring Expenditures**	**$13,282**

NOTES:

[1] Source: City of Barstow Approved Budget, Fiscal Year 2025-2026.

[2] As a % of Total Recurring Fund Expenditures. General Government Overhead Expenditures defined as costs for Legislative, Administration, Finance, Development Services, and other General Government.

* ***All figures subject to rounding***