

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES

August 16, 2016

REGULAR MEETING – 6:00 PM

City Council Study Sessions

Second Tuesday of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

First & Third Tuesday of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber – 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Jeffrey J. Giba, Mayor Pro Tem
Jesse L. Molina, Council Member

Dr. Yxstian A. Gutierrez, Mayor

George E. Price, Council Member
D. LaDonna Jempson, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
August 16, 2016

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

- 1) Presentation of 4th of July Independence Day Parade Awards
- 2) Recognition of 4th of July Independence Day Parade and Family FunFest Sponsors
 - a) Skechers - Presenting Sponsor
 - b) Waste Management - Liberty Sponsor
 - c) Amazon - Patriot Sponsor
 - d) Sares-Regis Group - Patriot Sponsor
- 3) Recognition of 4th of July Independence Day Essay Contest Winners

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
AUGUST 16, 2016**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Pastor Arnold Espinoza , Praise Chapel Christian Fellowship

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Sergeant-at-Arms. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees

requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. MINUTES - CITY COUNCIL - REGULAR MEETING - JUN 7, 2016 6:00 PM

Approve as submitted.

- A.3. PA08-0021 (PARCEL MAP 35822) – ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS AT THE NORTHEAST CORNER OF HEACOCK STREET AND IRIS AVENUE, APPROVE PARCEL MAP, REQUEST A FULL ROAD CLOSURE OF REVERE PLACE AND CONCORD WAY FOR STREET AND UTILITY IMPROVEMENTS FROM AUGUST 17, 2016 TO MARCH 7, 2017, AND APPEAL OF MUNICIPAL CODE CHAPTER 8.12 REQUIREMENT FOR FEMA APPROVAL PRIOR TO BUILDING PERMIT DEVELOPER: DUKE REALTY LIMITED PARTNERSHIP (Report of: Public Works)

Recommendations:

1. Accept the Agreement and Security for Public Improvements for Duke Realty Limited Partnership.
2. Authorize the Mayor to execute the Agreement.
3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
4. Authorize the City Engineer to execute any future time extension amendments to the Agreement, subject to City Attorney approval, if the required public improvements are not completed within the timeframe per the Agreement.
5. Approve Parcel Map 35822.
6. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.
7. Authorize a full road closure of Revere Place and Concord Way from August 17, 2016 to March 7, 2017.

8. Authorize the City Engineer to exonerate public improvement securities consistent with City Municipal Code and California Government Code requirements, subject to City Attorney approval, if the required public improvements are completed within said timeframe.
 9. Approve Developer's appeal of Municipal Code Chapter 8.12 requirement for FEMA approval prior to building permit activities and grant extension until prior to certificate of occupancy.
- A.4. APPROVE AGREEMENT WITH TGP ENERGY MANAGEMENT, LLC FOR PURCHASE AND SALE OF RENEWABLE ENERGY AND ASSOCIATED GREEN ATTRIBUTES (Report of: Financial & Management Services)

Recommendations:

1. Approve the Agreement for the Purchase and Sale of Renewable Energy and Associated Green Attributes with TGP Energy Management, LLC.
 2. Authorize the City Manager to execute the Agreement on behalf of the City.
- A.5. AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR COTTONWOOD AVENUE PAVEMENT RESURFACING FROM FREDERICK STREET TO ELSWORTH STREET - PROJECT NO. 801 0003 70 77 (Report of: Public Works)

Recommendations:

1. Award the construction contract to All American Asphalt, P.O. Box 2229, Corona, CA 92878, the lowest responsible bidder for the Cottonwood Avenue Pavement Resurfacing Project.
 2. Authorize the City Manager to execute a contract with All American Asphalt.
 3. Authorize the issuance of a Purchase Order to All American Asphalt in the amount of \$170,740.50 (\$162,610.00 bid amount plus 5% contingency) when the contract has been signed by all parties.
 4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with All American Asphalt up to, but not exceeding, the 5% contingency amount of \$8,130.50, subject to the approval of the City Attorney.
- A.6. PA13-0054 (PM 36625) - EXONERATE BONDS AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC

IMPROVEMENTS AS COMPLETE AND ACCEPTING THOSE PORTIONS OF NEWHOPE STREET, ELSWORTH STREET, AND VETERAN'S WAY ASSOCIATED WITH THIS PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM. DEVELOPER: PSIP INTEGRA MORENO VALLEY LLC (Report of: Public Works)

Recommendations:

1. Adopt Resolution No. 2016-62, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Acceptance of the Public Improvements as Complete within Project PA13-0054 (Parcel Map 36625) and Acceptance of those Portions of Newhope Street, Elsworth Street, and Veteran's Way Associated with this Project into the City's Maintained Street System.
2. Authorize the City Engineer to exonerate the Faithful Performance Bond, and in 90 days exonerate the Material and Labor Bond if there are no stop notices or liens on file with the City Clerk.

A.7. PAYMENT REGISTER - MAY 2016 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

A.8. RECEIPT OF QUARTERLY INVESTMENT REPORT FOR JUNE 2016 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended March 31, 2016, in compliance with the City's Investment Policy.

A.9. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

A.10. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF 5/31/16 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Fiscal Year 2015/2016 Council Discretionary Expenditure Reports as of May 31, 2016.

- A.11. APPOINT A VOTING DELEGATE AND ALTERNATE DELEGATES FOR THE LEAGUE OF CALIFORNIA CITIES (LCC) 2016 ANNUAL CONFERENCE BUSINESS MEETING (Report of: City Clerk)

Recommendation:

1. Appoint Mayor Pro Tem Jeffrey J. Giba as the voting delegate and Council Member Jesse Molina as an alternate voting delegate for the League of California Cities (LCC) 2016 Annual Conference business meeting.

- A.12. PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) — AS AMENDMENT NO. 16 (Report of: Public Works)

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2016-63, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said district.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF JUNE 7, 2016 (See A.2)

Recommendation: Approve as submitted.

- B.3. AMEND THE CONTRACT WITH THINK TOGETHER, INC., TO OPERATE DAY-TO-DAY ACTIVITIES AND FUNCTIONS INVOLVING THE CITY'S AFTER SCHOOL EDUCATION AND SAFETY (ASES) GRANT PROGRAM EFFECTIVE FISCAL YEAR 2016/17 (Report of: Parks & Community Services)

Recommendation:

1. Authorize the City Manager to amend the contract entered into with THINK Together, Inc., on April 26, 2011, to operate day-to-day activities and functions of the City's Prop 49 State-funded ASES after school grant program, effective Fiscal Year 2016/17, as outlined within this document.

- B.4. ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, CHILD DEVELOPMENT SERVICES, FOR CHILD CARE SERVICES FOR FISCAL YEAR 2016/17 AND ADOPTION OF THE RESOLUTION TO CERTIFY THE APPROVAL OF THE GOVERNING BOARD (Report of: Parks & Community Services)

Recommendations:

1. Authorize the acceptance of grant monies in the amount of \$631,386 for Fiscal Year (FY) 2016/17 from the California Department of Education, Child Development Division, for the purpose of providing school age child care and development services; and
2. Adopt Resolution No. CSD 2016-25, a resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, certifying the approval of the governing board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize designated personnel to sign contract documents for FY 2016/17.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF JUNE 7, 2016 (See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF JUNE 7, 2016 (See A.2)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Sergeant-at-Arms.

E.1. PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #1 TO THE FISCAL YEAR 2016-17 ACTION PLAN (Report of: Financial & Management Services)

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment #1 to the FY 2016-2017 Annual Action Plan.
2. Review and adopt the proposed Substantial Amendment #1 to the FY 2016-2017 Annual Action Plan.
3. Authorize the Chief Financial Officer to reallocate grant funds between HUD-approved grant activities.

E.2. PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDING (Report of: Public Works)

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceeding for Duke Realty Ltd. Partnership for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate to be applied to the property tax bill.
2. Direct the City Clerk to count the returned NPDES ballot.
3. Verify and accept the results of the mail ballot proceeding as maintained by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to the Assessor's Parcel Numbers mentioned in this report.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

Southern California Association of Governments (SCAG)

Box Springs Mutual Water District (BSMWD)

G.2. APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 (Report of: Public Works)

Recommendations: That the City Council:

1. Acting as the legislative body of Community Facilities District No. 7, adopt Resolution No. 2016-64, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Issuance of Not to Exceed \$4,000,000 Aggregate Principal Amount of Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016, Approving the Execution and Delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Agreement and the Preparation of an Official Statement and Other Matters Related Thereto.
2. Establish funds and budget for Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley as requested within the report.

G.3. MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY (Report of: City Manager)

Recommendations: That the City Council:

1. Review the draft *Momentum MoVal* strategic plan for the City of Moreno Valley.

Adopt *Momentum MoVal* strategic plan for the City of Moreno Valley

as revised per the City Council's deliberation and discussion.

- G.4. Filling the Planning Commission Vacancy (Report of: Community Development)

Recommendations: That the City Council:

1. Provide direction to staff on how to proceed in filling the current vacancy created on the Planning Commission with the July 28th resignation of Planning Commissioner Meli Van Natta

- G.5. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

- G.6. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

H. LEGISLATIVE ACTIONS

- H.1. ORDINANCES - 1ST READING AND INTRODUCTION - NONE

- H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

- H.3. ORDINANCES - URGENCY ORDINANCES - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

ADJOURNMENT

CERTIFICATION

I, Marie Macias, Interim City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Marie Macias, MMC,
Interim City Clerk

Date Posted:

MINUTES
CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY
June 7, 2016

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Edgemont Elementary - Mayoral Proclamation
2. Business Spotlight
 - a) HER Studio (District 4)
 - b) KD Hair Care (District 1)
3. Moreno Elementary Drill Corps - Certificates of Recognition

**MINUTES
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES**

**REGULAR MEETING – 6:00 PM
June 7, 2016**

CALL TO ORDER

The Joint Meeting of the City Council of the City of Moreno Valley, Moreno Valley Community Services District, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, Moreno Valley Housing Authority and the Board of Library Trustees was called to order at 6:19 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

Mayor Gutierrez announced that the City Council receives a separate stipend for CSD meetings.

PLEDGE OF ALLEGIANCE

Pledge of Allegiance was led by Frank Wright

INVOCATION

Pastor Dwight Jones, Crown of Life Ministries

ROLL CALL

Council:	Dr. Yxstian A. Gutierrez	Mayor
	Jeffrey J. Giba	Mayor Pro Tem
	George E. Price	Council Member
	Jesse L. Molina	Council Member
	D. LaDonna Jempson	Council Member
Staff:	Michelle Dawson	City Manager
	Steve Quintanilla	Interim City Attorney
	Leslie Keane	Interim City Clerk
	Marshall Eyerman	Chief Financial Officer
	Thomas M. DeSantis	Assistant City Manager
	Ahmad Ansari	Public Works Director/City Engineer
	Joel Ontiveros	Police Chief
	Abdul Ahmad	Fire Chief
	Terrie Stevens	Administrative Services Director
	Gabriel Garcia	Parks & Community Services Director

Minutes Acceptance: Minutes of Jun 7, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Mike Lee
Allen Brock
Ewa Lopez

Economic Development Director
Community Development Director
Deputy City Clerk

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Public comments were received from:

Evan Morgan

- 1. Strategic Plan
- 2. Public Information Officer

Santiago Hernandez

- 1. Strategic plan

Rafael Brugueras

- 1. Strategic plan

Leonardo Gonzalez

- 1. Strategic Plan
- 2. Community involvement in decision making process

Gissel

- 1. Wind Symphony concert "American Salute" will be held on June 9, 2016

JOINT CONSENT CALENDARS (SECTIONS A-D)

Mayor Gutierrez opened the Consent Calendar items for public comments, which were received from Rafael Brugueras (Items A.8 and A.9).

Motion to approve Joint Consent Calendar except Item A.13, which was pulled for a separate action.

RESULT:	APPROVED [4 TO 0]
MOVER:	George E. Price, Council Member
SECONDER:	Jeffrey J. Giba, Mayor Pro Tem
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, George E. Price, D. LaDonna Jempson
ABSTAIN:	Jesse L. Molina

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Minutes Acceptance: Minutes of Jun 7, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Recommendation: Waive reading of all Ordinances.

A.2. City Council - Regular Meeting - May 3, 2016 6:00 PM

Recommendation: Approve as submitted.

A.3. COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF 3/31/16 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Fiscal Year 2015/2016 Council Discretionary Expenditure Reports as of March 31, 2016.

A.4. RECEIPT OF QUARTERLY INVESTMENT REPORT FOR THE QUARTER ENDED MARCH 31, 2016 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended March 31, 2016, in compliance with the City's Investment Policy.

A.5. SECOND AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH SCOTT FAZEKAS & ASSOCIATES, INC. (Report of: Community Development)

Recommendations:

1. Approve the second amendment of Independent Contractor Agreement with Scott Fazekas & Associates, Inc. of Irvine, California, to provide plan review services for the Building and Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.6. SECOND AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH ESGIL CORPORATION (Report of: Community Development)

Recommendations:

1. Approve the second amendment of Independent Contractor Agreement with EsGil Corporation of San Diego, California, to provide plan review services for the Building and Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.7. SECOND AMENDMENT OF INDEPENDENT CONTRACTOR AGREEMENT WITH WILLDAN ENGINEERING (Report of: Community Development)

Recommendations:

1. Approve the second amendment of Independent Contractor Agreement with Willdan Engineering of San Bernardino, California, to provide plan review and inspection services for the Building and Safety Division.
2. Authorize the Mayor to execute the Amendment.

A.8. APPROVE THE COOPERATIVE AGREEMENT WITH THE RIVERSIDE COUNTY FIRE DEPARTMENT FOR FIRE PROTECTION, FIRE PREVENTION, RESCUE, AND MEDICAL EMERGENCY SERVICES (Report of: Fire Department)

Recommendations:

1. Approve the Cooperative Agreement with the Riverside County Fire Department for Fire Protection, Fire Prevention, Rescue and Medical Emergency Services.
2. Authorize the Mayor to execute the Cooperative Agreement.

A.9. PETCO FOUNDATION GRANT AWARD (Report of: Administrative Services)

Recommendation:

1. Receive and accept a grant award in the amount of \$25,000 from the Petco Foundation for the purpose of providing spay and neuter services for community and feral cats located throughout the City.
2. Approve the revenue and expense budget adjustments in the amount of \$25,000 as set forth in the Fiscal Impact section of this report.

A.10. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

A.11. AUTHORIZE SUBMISSION OF A GRANT APPLICATION FOR CYCLE 3 OF THE CALIFORNIA ACTIVE TRANSPORTATION PROGRAM (ATP) (Report of: Public Works)

Recommendation:

1. Authorize submission of a grant application for Cycle 3 of the California Active Transportation Program

A.12. ANNUAL STATEMENT OF INVESTMENT POLICY (Report of: Financial & Management Services)

Recommendation:

1. Adopt the Annual Statement of Investment Policy.

A.13. Item was moved to F

A.14. AUTHORIZATION TO AWARD AGREEMENTS FOR PROFESSIONAL CONSULTANT SERVICES TO VARIOUS CONSULTANTS FOR PLAN CHECK SERVICES OF PRELIMINARY AND FINAL WATER QUALITY MANAGEMENT PLANS (Report of: Public Works)

Recommendations:

1. Approve each Agreement for Professional Consultant Services with CASC Engineering and Consulting, Inc. (CASC), California Watershed Engineering (CWE), and HR Green California, Inc. (HR Green), to provide on-call engineering plan check services of Preliminary and Final Water Quality Management Plans (P-WQMP and F-WQMP) for the Land Development Division.
2. Authorize the City Manager to execute each Agreement for Professional Consultant Services with CASC, CWE, and HR Green, subject to the approval of the City Attorney.
3. Authorize the issuance of a Purchase Order annually to CASC, CWE, and HR Green in the not-to-exceed amount of \$25,000.00 each, when the agreements have been signed by all parties, and authorize the Chief Financial Officer to approve subsequent related purchase orders up to a maximum of four extensions or amendments with each consultant for a maximum contract value of not to exceed \$125,000.00 per each consultant, in accordance with the approved terms of the Agreements.
4. Authorize the Chief Financial Officer to make any necessary budget adjustment appropriations related to expenditures and offsetting revenues.
5. Authorize the Public Works Director/City Engineer to execute any subsequent extensions or amendments to the agreements a maximum of four times, subject to the approval of the City Attorney.

A.15. PAYMENT REGISTER - MARCH 2016 (Report of: Financial & Management Services)

Recommendation:

1. Receive and file the Payment Register.

A.16. REPORTS ON REIMBURSABLE ACTIVITIES APRIL 22, 2016 - MAY 26, 2016 (Report of: City Clerk)

Recommendation:

1. Receive and file the Reports on Reimbursable Activities for the period of April 22, 2016 - May 26, 2016.

A.17. APPROVAL OF THE CALCULATION OF MAXIMUM AND APPLIED SPECIAL TAX RATES FOR CERTAIN COMMUNITY FACILITIES DISTRICTS (Report of: Public Works)

Recommendations:

1. As the legislative body of Community Facilities District No. 5, adopt Resolution No. 2016-34, a Resolution of the City Council of the City of Moreno Valley, California, Approving the Calculation of the Community Facilities District No. 5 of the City of Moreno Valley Maximum Special Tax Rate and Setting the Applied Tax Rates for Fiscal Year 2016/17.
2. As the legislative body of Community Facilities District No. 87-1 (Towngate), adopt Resolution No. 2016-35, a Resolution of the City Council of the City of Moreno Valley, California, Approving the Calculation of the Community Facilities District No. 87-1 Maximum Special Tax Rate and Setting the Applied Tax Rate for Fiscal Year 2016/17.
3. As the legislative body of Improvement Area No. 1 of Community Facilities District No. 87-1, adopt Resolution No. 2016-36, a Resolution of the City Council of the City of Moreno Valley, California, Approving the Calculation of Improvement Area No. 1 of Community Facilities District No. 87-1 of the City of Moreno Valley Maximum Special Tax Rates and Setting the Applied Rates for Fiscal Year 2016/17.
4. As the legislative body of the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2016-37, a Resolution of the City Council of the City of Moreno Valley, California, Approving the Calculation of the City of

Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) Maximum Special Tax Rates and Setting the Applied Tax Rates for Fiscal Year 2016/17.

5. As the legislative body of Moreno Valley Community Facilities District No. 4 – Maintenance, adopt Resolution No. 2016-38, a Resolution of the City Council of the City of Moreno Valley, California, Approving the Calculation of the Community Facilities District No. 4 - Maintenance of the City of Moreno Valley Maximum Special Tax Rate and Setting the Applied Tax Rate For Fiscal Year 2016/17.
6. Authorize the Chief Financial Officer to adjust the special tax rate to be levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied special tax does not exceed the maximum special tax, is in compliance with the Rate and Method of Apportionment of Special Tax for each district, and is consistent with the adopted budget.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- B.2. MINUTES - REGULAR MEETING OF MAY 3, 2016 (See A.2)

Recommendation: Approve as submitted.

- B.3. APPROVAL OF THE CALCULATION OF MAXIMUM AND APPLIED SPECIAL TAX RATES FOR CERTAIN COMMUNITY FACILITIES DISTRICTS (Report of: Public Works)

Recommendations:

1. Acting in its capacity as President and Members of the Board of Directors of the CSD and as the legislative body of Community Facilities District No. 1, adopt Resolution No. CSD 2016-12, a Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Community Facilities District No. 1 Maximum Special Tax Rate and Setting the Applied Tax Rate for Fiscal Year 2016/17.
2. Authorize the Chief Financial Officer to adjust the special tax rate to be levied on the property tax bills in the event there are any parcel

changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied special tax does not exceed the maximum special tax, is in compliance with the Rate and Method of Apportionment of Special Tax for each district, and is consistent with the adopted budget.

- B.4. AUTHORIZATION TO NAME THE TRAILHEAD WITHIN HIDDEN SPRINGS PASSIVE PARK “DOMINIC DURDEN TRAILHEAD” (Report of: Parks & Community Services)

Recommendation:

1. The City Council, acting in their capacity as President and Board of Directors for the Moreno Valley Community Services District, authorize the naming of the trailhead located on the south section of Hidden Springs Passive Park as the “Dominic Durden Trailhead.”

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- C.2. MINUTES - REGULAR MEETING OF MAY 3, 2016 (See A.2)

Recommendation: Approve as submitted.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- D.2. MINUTES - REGULAR MEETING OF MAY 3, 2016 (See A.2)

Recommendation: Approve as submitted.

E. PUBLIC HEARINGS

Item E.1 was heard after Item G.5.

- E.1. PUBLIC HEARING ESTABLISHING APPROPRIATIONS (“GANN”) LIMIT FOR FISCAL YEAR 2016-17 (Report of: Financial & Management Services)

Mayor Gutierrez opened the public hearing; there being none, public hearing was closed.

Recommendations: That the City Council and CSD:

1. Conduct a Public Hearing to receive public comments on the City of Moreno Valley's appropriations limit for Fiscal Year 2016/17.
2. Adopt Resolution No. 2016-39, a resolution of the City Council of the City of Moreno Valley, California, establishing the appropriations limit for Fiscal Year 2016/17.
3. Conduct a Public Hearing to receive public comments on the Moreno Valley Community Services District's appropriations limit for Fiscal Year 2016/17.
4. Adopt Resolution No. CSD 2016-13, a resolution of the Moreno Valley Community Services District establishing the appropriations limit for Fiscal Year 2016/17.

Motion to combine public hearings and approve Recommendation No. 2 and CSD Recommendation No. 4.

RESULT:	APPROVED [UNANIMOUS]
MOVER:	George E. Price, Council Member
SECONDER:	Jeffrey J. Giba, Mayor Pro Tem
AYES:	Gutierrez, Giba, Price, Molina, Jempson

E.2. PUBLIC HEARING REGARDING THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) REGULATORY RATE SCHEDULE FOR NEW RESIDENTIAL AND COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE DEVELOPMENT PROPOSED FISCAL YEAR (FY) 2016/2017 ANNUAL RATES (Report of: Public Works)

Mayor Gutierrez opened the agenda item for public testimony; there being none, public testimony was closed.

Recommendations:

1. Conduct a Public Hearing to consider all public testimony on the "NPDES Regulatory Rate Schedule for New Residential and Common Interest, Commercial, Industrial and Quasi-Public Use Development" as provided in the Public Notice.
2. Adopt Resolution No. 2016-40, a Resolution of the City of Moreno Valley, California, Authorizing and Approving the Levy of the National

Pollutant Discharge Elimination System (NPDES) Regulatory Rate for New Residential, and Common Interest, Commercial, Industrial and Quasi-Public Use Development of the County of Riverside Property Tax Roll.

Motion to approve

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	Jesse L. Molina, Council Member
AYES:	Gutierrez, Giba, Price, Molina, Jempson

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

A.13. ADOPT RESOLUTION NO. 2016-33 AUTHORIZING AMENDMENT NO. 3 TO THE LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY AND THE POLICE FACILITIES DEVELOPMENT IMPACT FUND AND THE ANIMAL SHELTER DEVELOPMENT IMPACT FEE FUND (Report of: Financial & Management Services)

Mayor Gutierrez opened the agenda item for public comments, which were received from Roy Bleckert.

Council Member Price requested staff to bring back to the Council the issue of DIF fees being paid at the time of issuance of permit; seconded by Council Member Molina.

Recommendation:

1. Adopt Resolution 2016-33, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing an Amendment No. 3 to the Loan Agreement Between the City of Moreno Valley and the Police Facility Development Impact Fee and the Animal Shelter Development Impact Fee.

Approve Item A.13

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	D. LaDonna Jempson, Council Member
AYES:	Gutierrez, Giba, Price, Molina, Jempson

G. REPORTS

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

Minutes Acceptance: Minutes of Jun 7, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Mayor Pro Tem Giba reported that the JPC meeting will be held on June 8. There will be a discussion about the future of the JPA.

Riverside County Habitat Conservation Agency (RCHCA)

Council Member Price provided a brief update of items covered at the RCHCA Board meeting on May 19, 2016.

Incidental Take Authorization for the Stephens' Kangaroo Rat

The RCHCA Board of Directors approved an agreement between RCHCA and Southern California Gas Company to provide incidental take authorization of the Stephen's Kangaroo Rat for upgrade to an existing natural gas pipeline mainline valve. The project, located off Jack Rabbit Trail in unincorporated Riverside County, is located just outside of the City's Sphere of Influence and would not negatively impact the City of Moreno Valley.

Endangered Species Day Art Contest

RCHCA staff hosted an art contest with participating schools in recognition of Endangered Species Day. The theme, "Where Our World and the Natural World Meet" allowed students to artistically express their ideas in recognition of the special day. Over 250 students from three schools in Western Riverside County participated in the contest.

Riverside County Transportation Commission (RCTC)

Mayor Gutierrez reported that at the May 23rd Programs and Projects Committee meeting, the Board:

- Approved amended funding agreements with the California Highway Patrol and Caltrans for Freeway Service Patrol Supervision and Construction Zone Enhanced Enforcement in support of the 91 expansion project.
- Approved a revenue study that determined the financial feasibility of the I-15 Express Lanes project that will extend from Cajalco Road in Corona to State Route 60 just south of San Bernardino County.
- Approved the Metrolink Budget for Fiscal Year 2016/17, which includes the new Perris Valley Line that began service on Monday. Metrolink is Southern California's regional commuter rail service in its 23rd year of operation. Metrolink operates over seven routes through a six county, 512-mile network and is the third largest commuter rail agency in the United States.

Metrolink's mobile ticketing app, which allows riders the option to purchase their ticket on a smartphone, tablet or other mobile device, is now available for all Metrolink trips providing added convenience for commuters.

Riverside Transit Agency (RTA)

Council Member Molina reported that at the May 26th meeting, the Board approved an amendment to the Transportation Uniform Mitigation Fee (TUMF) Transportation Improvement Program that re-allocates approximately \$1.2 million to the University of California Riverside (UCR) Mobility Hub, \$898,000 for the RapidLink Gold Line along Magnolia Avenue, and \$2.3 million for the RapidLink Blue Line which will run from UCR to the City of Perris via Sunnymead Boulevard and Perris Boulevard.

RapidLink will provide limited stop service with travel times up to 20 percent faster than existing bus routes running along the same corridor.

Additionally, the Board approved a Youth Summer Fare of 25 cents per boarding for any fixed-route bus, including CommuterLink express buses, for students in grades 1-12. The promotion will run the entire summer from June 1 through September 11. Some of the routes will be coordinated to coincide with the Metrolink's schedule.

Western Riverside Council of Governments (WRCOG)

Mayor Pro Tem Giba provided a brief update of items covered at the WRCOG Executive Committee meeting on June 6, 2016.

The 7th Annual Statewide Energy Efficiency Forum will be held at the Riverside Convention Center on June 15th and 16th.

The WRCOG Clean Cities Coalition is holding a workshop on June 23rd from 10:00 a.m. until 12:00 p.m. at the Riverside County Transportation offices to receive input on its two-year work program.

The HERO Program continues to provide financing to property owners on a range of energy saving items, including renewable energy and water conserving improvements to homes and businesses. To date, more than 83,000 homeowners have been approved for eligible renewable energy, energy efficiency and water efficiency projects. Nearly 31,000 property owners in Western Riverside County have been approved for funding.

WRCOG doesn't recommend permitting certain PACE programs into the program, unless WRCOG approves it. Many cities like the opportunity for more PACE programs. The more programs we have, the more opportunities for the public to utilize different funding sources.

Western Riverside County Regional Conservation Authority (RCA)

Council Member Jempson gave a brief update of items covered at the RCA Board meeting on June 6, 2016.

Council Member Jempson thanked her alternate Council Member Price for attending the meeting in her absence.

The Fiscal Year 2016 Third Quarter Financial Report has just been released. In summary, RCA collected \$7,927,468 in fees from all member agencies from July 1, 2015 through March 31, 2016. Of the total amount of fees collected, \$302,009 was collected from the City of Moreno Valley which equates to 3.8 percent of all fees collected. A breakdown of fees from Moreno Valley includes \$120,009 collected from commercial projects and \$182,000 collected from residential projects.

School District/City Joint Task Force

None

Southern California Association of Governments (SCAG)

Mayor Pro Tem Giba reported that he missed the last meeting, as he attended the League of California Cities in Sacramento. He stated that residents can request a quarterly SCAG report. Regional Transportation Plan has been approved and moving forward. He will have updates soon.

Box Springs Mutual Water District (BSMWD)

Council Member Jempson reported that the Board met yesterday. The Board gave an update on lane pipe projects. Dracaea is almost two thirds done. Farragut plans will be submitted shortly. Edgemont Avenue will be done within 3 weeks and is related to the apartment construction project.

Recently, the State Inspector visited the BSMWD and the report from that visit will be given within the next seven days. The BSMWD 2016 Water Quality Report was shared, and Council Member Jempson will provide a copy to anyone who requests it.

Council Member stated that Melissa Martinez continues the clean up of the American Legion. Neighborhood Works, Inc. led by Melissa will be hosting a free summer night program for the underprivileged and at risk youths in July every Friday night from 6-8 p.m. at the Edgemont Community Service location. The flyer is being inserted in the water bill through Box Springs.

Mayor Gutierrez opened the agenda items for public comments; there being none, public comments were closed.

G.2. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AND ADOPTING A DEFINITION OF

“CONFIDENTIAL NATURE” FOR PURPOSES OF DETERMINING WHAT TYPE OF CORRESPONDENCE OR OTHER DOCUMENTS PROVIDED TO ONE CITY COUNCILMEMBER MUST BE AUTOMATICALLY SHARED WITH ALL COUNCIL MEMBERS (Report of: City Attorney)

Mayor Gutierrez opened the agenda item for public comments; there being none, public comments were closed.

Recommendations: That the City Council:

1. Adopt Resolution No. 2016-41 titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AND ADOPTING A DEFINITION OF “CONFIDENTIAL NATURE” FOR PURPOSES OF DETERMINING WHAT TYPE OF CORRESPONDENCE OR OTHER DOCUMENTS PROVIDED TO ONE CITY COUNCILMEMBER MUST BE AUTOMATICALLY SHARED WITH ALL COUNCIL MEMBERS”.

Motion to approve

RESULT:	APPROVED [3 TO 1]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	Jesse L. Molina, Council Member
AYES:	Jeffrey J. Giba, Jesse L. Molina, D. LaDonna Jempson
NAYS:	George E. Price
ABSTAIN:	Dr. Yxstian A. Gutierrez

G.3. A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AND ADOPTING A REVISED OPERATING POLICY FOR BOARDS AND COMMISSIONS (Report of: City Attorney)

Mayor Gutierrez opened the agenda item for public comments; there being none, public comments were closed.

Recommendations: That the City Council:

1. Adopt Resolution No. 2016-42 titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AND ADOPTING A REVISED AND COMPLETELY RESTATED OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES”.

City Council discussed background checks, meeting attendance and criminal charges. It was the consensus that Council have some flexibility in making appointments.

Mayor Gutierrez made a motion to approve staff's recommendation with the amendment discussed by Council.

Motion to approve

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Dr. Yxstian A. Gutierrez, Mayor
SECONDER:	George E. Price, Council Member
AYES:	Gutierrez, Giba, Price, Molina, Jempson

G.4. REVIEW AND APPROVAL OF REVISED POSITION CONTROL (Report of: Administrative Services)

Mayor Gutierrez opened the agenda item for public comments, which were received from Roy Bleckert.

Recommendations: That the City Council:

1. Approve the reclassification of the Sustainability & Intergovernmental Program Manager to Public Information/Intergovernmental Relations Officer and approve the job description.
2. Within the Community Development Department, approve the reclassification of the Sr. Administrative Assistant to Executive Assistant I.
3. Approve the addition of an Administrative Assistant position to support the City Council Office.
4. Approve the elimination of the Housing Program Coordinator position.
5. Approve the modification of the Position Control Roster based on the approval of the recommended items. Specific positions are discussed within this staff report and listed on Attachment 1 to the staff report.

Motion to approve Recommendations Nos. 1 through 5

RESULT:	APPROVED [3 TO 2]
MOVER:	George E. Price, Council Member
SECONDER:	D. LaDonna Jempson, Council Member
AYES:	Dr. Yxstian A. Gutierrez, George E. Price, D. LaDonna Jempson
NAYS:	Jeffrey J. Giba, Jesse L. Molina

Substitute Motion to approve Recommendation No.1, but freeze the PIO position until evaluated by an ad-hoc committee; approve Recommendations Nos. 2, 3, 4 & 5, and modified No. 1 to freeze the PIO position; seconded by Council Member Molina

Minutes Acceptance: Minutes of Jun 7, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

RESULT:	FAILED [2 TO 2]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	Jesse L. Molina, Council Member
AYES:	Jeffrey J. Giba, Jesse L. Molina
NAYS:	George E. Price, D. LaDonna Jempson
ABSTAIN:	Dr. Yxstian A. Gutierrez

Item G.5 was heard after Item A.13

G.5. RESOLUTIONS TO PLACE A MEASURE RELATING TO THE TRANSIENT OCCUPANCY TAX ON THE NOVEMBER 8, 2016 GENERAL MUNICIPAL ELECTION BALLOT AND PUBLIC OUTREACH (Report of: Financial & Management Services)

Mayor Gutierrez opened the agenda item for public comments, which were received from Roy Bleckert and Leonard Gonzalez.

Recess at 8:21 p.m.;
Reconvened at 8:35 p.m.

Recommendations: That the City Council:

1. Place a measure on the November 8, 2016 ballot to increase the City's Transient Occupancy Tax (TOT) from 8% to 13%.
2. Direct the City Clerk to include the Transient Occupancy Tax measure to be placed in a future resolution calling and giving notice of a general municipal election on Tuesday, November 8, 2016, for the submission to the voters of the city.
3. Adopt Resolution No. 2016-43, a resolution of the City Council of the City of Moreno Valley, California, directing the City Attorney to prepare an impartial analysis, setting priorities for filing written arguments, and providing for rebuttal arguments regarding the Moreno Valley transient occupancy tax measure.
4. Approve an agreement for consulting services ("Agreement"), approved as to form by the City Attorney, to provide initial public survey work and the development of public outreach information.
5. Authorize the City Manager to execute the Agreement.
6. Approve budget adjustments to the budget as set forth in the Fiscal Impact section of this report.

Approve Recommendations Nos. 1 through 6, awarding contract to the Lew Edwards Group (LEG) and with the modification to measure language

RESULT:	APPROVED [UNANIMOUS]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	Jesse L. Molina, Council Member
AYES:	Gutierrez, Giba, Price, Molina, Jempson

G.6. GENERAL MUNICIPAL ELECTION – NOVEMBER 8, 2016 RESOLUTIONS CALLING AND GIVING NOTICE AND REQUESTING CONSOLIDATION WITH STATEWIDE GENERAL ELECTION (Report of: City Clerk)

Mayor Gutierrez opened the agenda item for public comments, which were received from Rafael Brugueras.

Approve Resolutions with modification to delete language related to the ordinance and adding the hotel tax in Section 2 of Resolution No. 2016-44 and Section 1 of Resolution No. 2016-45

Recommendations: That the City Council:

1. Adopt Resolution No. 2016-44 calling an election titled, “A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CALLING AND GIVING NOTICE OF A GENERAL MUNICIPAL ELECTION ON TUESDAY, NOVEMBER 8, 2016, FOR CERTAIN OFFICERS, AS REQUIRED BY THE PROVISIONS OF THE LAWS OF THE STATE OF CALIFORNIA RELATING TO GENERAL LAW CITIES, AND FOR THE SUBMISSION TO THE VOTERS OF A QUESTION REGARDING AMENDING THE CITY’S TRANSIENT OCCUPANCY TAX”.
2. Adopt Resolution No. 2016-45 requesting election consolidation titled, “A RESOLUTION A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, REQUESTING THE BOARD OF SUPERVISORS OF THE COUNTY OF RIVERSIDE TO CONSOLIDATE A GENERAL MUNICIPAL ELECTION TO BE HELD ON TUESDAY, NOVEMBER 8, 2016, WITH THE STATEWIDE GENERAL ELECTION TO BE HELD ON THAT DATE, PURSUANT TO §10403 OF THE CALIFORNIA ELECTIONS CODE”.

Motion to approve with amendment to measure language

RESULT:	APPROVED [UNANIMOUS]
MOVER:	George E. Price, Council Member
SECONDER:	Jesse L. Molina, Council Member
AYES:	Gutierrez, Giba, Price, Molina, Jempson

G.7. THIRD QUARTER BUDGET REVIEW AND APPROVAL OF THE REVISED OPERATING BUDGET FOR FISCAL YEARS 2015/16 AND 2016/17 (Report of: Financial & Management Services)

Mayor Gutierrez opened the agenda item for public comments; there being none, public comments were closed.

Recommendations: That the City Council:

1. Receive and file the third quarter budget summary.
2. Adopt Resolution No. 2016-46, a Resolution of the City Council of the City of Moreno Valley, California, Adopting the Revised Budget for Fiscal Years 2015/16 - 2016/17.

Recommendations: That the CSD:

1. Adopt Resolution No. CSD 2016-14, a Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Adopting the Revised Budget for Fiscal Years 2015/16 – 2016/17.

Motion to approve Recommendation No. 2

RESULT:	APPROVED [4 TO 0]
MOVER:	Jeffrey J. Giba, Mayor Pro Tem
SECONDER:	George E. Price, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, George E. Price, D. LaDonna Jempson
ABSTAIN:	Jesse L. Molina

Motion to approve CSD Recommendation No. 1

RESULT:	APPROVED [4 TO 0]
MOVER:	George E. Price, Council Member
SECONDER:	D. LaDonna Jempson, Council Member
AYES:	Dr. Yxstian A. Gutierrez, Jeffrey J. Giba, George E. Price, D. LaDonna Jempson
ABSTAIN:	Jesse L. Molina

G.8. CITY MANAGER'S REPORT

Minutes Acceptance: Minutes of Jun 7, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

(Informational Oral Presentation - not for Council action)

The City Manager stated that the City Manager's Report is available on the Web site.

G.9. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

None

H. LEGISLATIVE ACTIONS

H.1. ORDINANCES - 1ST READING AND INTRODUCTION - NONE

H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3. ORDINANCES - URGENCY ORDINANCES - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

City Council's Comments given at the conclusion of public comments:

Council Member Jempson

1. The Police Zone 2 meeting will be held on June 29, 7 p.m., at the Towngate Community Center; residents are welcome to attend.
2. The Rally Round the Flag Barbeque will be held on June 10; proceeds will go to veterans and March Field Air Museum.
3. Memorial service for former Superintendent Nick Ferguson will be held on Monday, June 13, at Grove Community Church.

Council Member Molina

1. Council Member made an announcement regarding a transparency page on the City's Web site: he has been encouraging transparency for some time and makes sure residents are aware of this important tool that the Council made available. Residents can view City's spending amounts. The interactive tool on the Web site makes searching for specific spending patterns easy.

City Council's comments given after Item G.9:

Council Member Price

1. Moreno Valley Wind Symphony concert will be held on Thursday, June 9 at 7 p.m.
2. Entries for the July 4th parade are due this week; it is a great opportunity to

showcase your business.

3. Business Round Table will be held in District 3 on June 8, 11:30 a.m., Round Table Pizza at the Stone Ridge Shopping Center.
4. Addressed mail box break-ins and mail theft, an issue that is rampant in our community; he stated that he will contact a local legislator to enact legislation that will make any mail theft a felony in the State of California; he asked Council Members for support in asking staff to contact lobbyists in Sacramento to work with our staff in crafting a bill to address this issue;
5. The Council supported this request unanimously.

Mayor Pro Tem Giba

1. Announced that a Java with Jeff event is coming up on June 25, 9-11 a.m., at Red Velvet.
2. Articles from District 2 Council Member are published every month in Sunnymead Ranch HOA Roundup newspaper.
3. The Rally Round the Flag event will be held this Friday, June 10 at March Field Air Museum.
4. League of California Cities 2016 Annual Conference and Expo will be held in Long Beach October 5 through 7 this year.

Mayor Gutierrez

1. The Summer at City Hall program approved by Council in March is coming along; the orientation for selected students will be held tomorrow.
2. Thanked Council Member Jempson for the National Day of Prayer and thanked Mayor Pro Tem Giba for attending that event.
3. Invited residents to come to Mayor's Meet and Greet events, which are held every other Friday, 3-4:30 p.m.
4. Asked a staff member to explain the election process to Rafael Brugueras.

ADJOURNMENT

There being no further business to conduct, the Regular Meeting was adjourned at 10:33 p.m.

Submitted by:

Leslie Keane, Interim City Clerk
 Secretary, Moreno Valley Community Services District
 Secretary, City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
 Secretary, Moreno Valley Housing Authority
 Secretary, Board of Library Trustees

Approved by:

Dr. Yxstian Gutierrez, Mayor
President, Moreno Valley Community Services District
Chairperson, City as Successor Agency for the Community Redevelopment Agency of
the City of Moreno Valley
Chairperson, Moreno Valley Housing Authority
Chairperson, Board of Library Trustees



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: PA08-0021 (PARCEL MAP 35822) – ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS AT THE NORTHEAST CORNER OF HEACOCK STREET AND IRIS AVENUE, APPROVE PARCEL MAP, REQUEST A FULL ROAD CLOSURE OF REVERE PLACE AND CONCORD WAY FOR STREET AND UTILITY IMPROVEMENTS FROM AUGUST 17, 2016 TO MARCH 7, 2017, AND APPEAL OF MUNICIPAL CODE CHAPTER 8.12 REQUIREMENT FOR FEMA APPROVAL PRIOR TO BUILDING PERMIT DEVELOPER: DUKE REALTY LIMITED PARTNERSHIP

RECOMMENDED ACTION

Recommendations:

1. Accept the Agreement and Security for Public Improvements for Duke Realty Limited Partnership.
2. Authorize the Mayor to execute the Agreement.
3. Direct the City Clerk to forward the signed Agreement to the County Recorder's Office for recordation.
4. Authorize the City Engineer to execute any future time extension amendments to the Agreement, subject to City Attorney approval, if the required public improvements are not completed within the timeframe per the Agreement.
5. Approve Parcel Map 35822.
6. Authorize the City Clerk to sign the map and transmit said map to the County Recorder's Office for recordation.

7. Authorize a full road closure of Revere Place and Concord Way from August 17, 2016 to March 7, 2017.
8. Authorize the City Engineer to exonerate public improvement securities consistent with City Municipal Code and California Government Code requirements, subject to City Attorney approval, if the required public improvements are completed within said timeframe.
9. Approve Developer's appeal of Municipal Code Chapter 8.12 requirement for FEMA approval prior to building permit activities and grant extension until prior to certificate of occupancy.

SUMMARY

This report recommends approval of the Agreement for Public Improvements and Parcel Map 35822 for the project located at the northeast corner of Heacock Street and Iris Avenue. The developer has requested closing both Revere Place and Concord Way during project construction (August 17, 2016 through March 7, 2017), in order to construct the necessary roadway improvements. Once the public improvements are satisfactorily completed, the public improvement securities are typically exonerated by the City.

The City's Municipal Code Chapter 8.12 "Flood Damage Prevention and Implementation of National Flood Insurance Program" requires that development projects within floodplains are to have Federal Emergency Management Agency (FEMA) Letter of Map Revisions (LOMRs) approved prior to building permit. Based on past experience with FEMA review processes, it is highly unlikely that FEMA will approve the LOMR prior to the building permit for the subject project. In anticipation of this, the developer is appealing the Municipal Code requirement regarding the timing of LOMR approval as it relates to the building permit.

DISCUSSION

The Community Development Department approved Amended Plot Plan P16-026 on June 13, 2016. The Amended Plot Plan was approved to increase the building height and revise the elevations and site design. The City Council originally approved plot plan PA07-0039 on January 26, 2010 for the construction of an approximately 410,000 square-foot warehouse distribution facility. Subsequent to the plot plan approval, the Community Development Department approved an extension of time for Tentative Parcel Map (TPM) 35822 (P15-090) on January 12, 2016. TPM 35822 is a subdivision combining eleven (11) parcels into one (1) parcel in order to construct the proposed warehouse facility on a single parcel.

Duke Realty Limited Partnership, the developer of this project, has completed an Agreement for Public Improvements. The developer agrees to perform and complete all of the required public improvements within twenty-four (24) months of the date the

agreement is executed. The public improvements include, but are not limited to: asphalt concrete, asphalt base, sidewalk, curb & gutter, driveway approaches, median (on Iris Avenue), street light relocation, utility relocations, striping, sewer, storm drain, and street demolition. The public improvements are to be constructed along Heacock Street, the north side of Iris Avenue, Revere Place, and Concord Way. The City Engineer may execute any future amendments to the agreement, subject to City Attorney approval, if the required public improvements are not completed within said timeframe.

Parcel Map No. 35822 is in substantial conformance with the approved tentative parcel map. The developer has requested that the map be approved for recordation. The Conditions of Approval for this project require that the developer provide surety for the required improvements. Accompanying the agreement is a Faithful Performance bond in the amount of \$1,268,000 and a Material and Labor bond in the amount of \$634,000 issued by Western Surety Company.

The request for the road closure is due to major improvement work as described above. Both Revere Place and Concord Way are Modified Industrial Collectors, with no adjacent existing businesses or structures. Their closure should have little or no impact to adjacent streets. All of the work will be reviewed by inspectors from the City of Moreno Valley. It is anticipated that Revere Place and Concord Way will be open to traffic on or before March, 8, 2017.

With City Council authorization, the City Engineer would exonerate public improvement securities consistent with City Municipal Code and California Government Code requirements, subject to City Attorney approval, if the required public improvements are completed within said timeframe.

The development building is within a defined floodplain per the Flood Insurance Rate Map as published by FEMA and requires a LOMR. Municipal Code Section 8.12.140 "Duties and responsibilities of the floodplain administrator" requires that all LOMRs receive FEMA approval prior to the building permit. The developer, therefore, has to submit and receive an approved LOMR from FEMA per the Municipal Code. The developer started the LOMR application process with FEMA in July 2016. Based on past experience with the FEMA review process, it may take up to six months for LOMR approval. In anticipation of this, the developer is appealing this Municipal Code requirement, and requests the City Council to allow the building permit prior to LOMR approval. All other requirements of Municipal Code Chapter 8.12 pertaining to floodplain development either have been met or will be met with this requested action. The appeal to City Council is per Section 8.12.160 of the Municipal Code.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative to allow the project to expedite the construction of public improvements and record the parcel map.*

- 2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the project to expedite the construction of public improvements and record the parcel map.*

FISCAL IMPACT

No fiscal impact is anticipated.

NOTIFICATION

Notification includes publication of the agenda. The road closure requires the contractor to give notification to the Post Office, Police, Fire Department, Ambulance Services, Riverside Transit Authority, Waste Management, and affected businesses and residents. The public will be notified by special roadside signage showing the dates of closure.

PREPARATION OF STAFF REPORT

Prepared By:
Larry Gonzales, P.E.
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Michael Lloyd, P.E.
Engineering Division Manager

Concurred By
Eric Lewis
Transportation Division Manager/
City Traffic Engineer

CITY COUNCIL GOALS

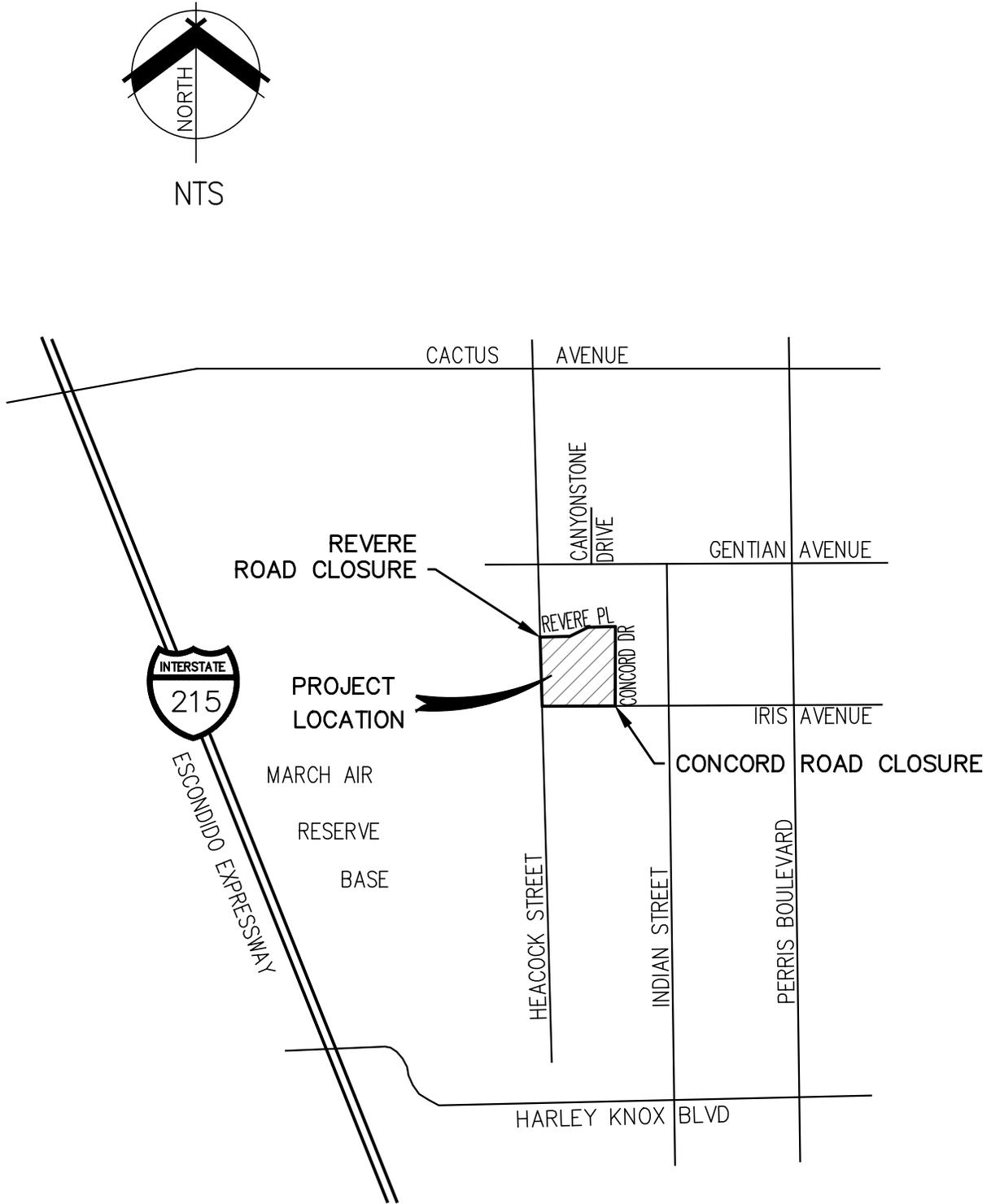
Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

- 1. Vicinity Map - PA08-0021 (PM 35822)
- 2. PA08-0021 (PM 35822) - Agreement for Public Improvements
- 3. PA08-0021 (PM 35822) - Faithful Performance Bond
- 4. PA08-0021 (PM 35822) - Material Labor Bond

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/25/16 10:11 AM
City Attorney Approval	<u>✓ Approved</u>	8/04/16 1:22 PM
City Manager Approval	<u>✓ Approved</u>	8/04/16 1:23 PM



**AGREEMENT FOR PUBLIC IMPROVEMENTS
FOR
PROJECT NO. PA08-0021 (PM 35822)**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and Duke Realty Limited Partnership, herein after called Developer, on the date the City signs this agreement.

WITNESSETH:

FIRST: Developer, for and in consideration of the approval by the City of the final map of that certain land division, or that certain other land development project, known as PA08-0021 (PM 35822) agrees, at Developer's own expense, to furnish all labor, equipment and material necessary, and within TWENTY-FOUR (24) months from the date this Agreement is executed, to perform and complete in a good and workmanlike manner, all of the required improvements in accordance with those improvement plans for said project which have been approved by the City Engineer, and are on file in the office of the City Engineer, and to do all work incidental thereto in accordance with the standards set forth in City ordinances and regulations, and pay all costs of engineering necessary in connection therewith, which are expressly made a part of this Agreement. All of the above-required work shall be done under the inspection of and to the satisfaction of the City Engineer, and shall not be deemed complete until approved and accepted as complete by the City. Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Developer shall complete the improvements described in this paragraph pursuant to Section 66462, Government Code. Developer shall also complete any offsite improvements required as a condition of approval and with plans approved by the City Engineer at such time as the City acquires an interest in the land which will permit the improvements to be made, and the Developer waives the 120 day time limitation set forth in Section 66462.5, Government Code.

Security to guarantee the performance of this agreement shall be in the following amounts:

Faithful Performance security shall be in the sum of ONE MILLION TWO HUNDRED SIXTY EIGHT THOUSAND AND NO/100 Dollars (~~***\$1,268,000.00***~~). The estimated cost of said work and improvements, pursuant to the Preliminary Estimate of Cost labeled Exhibit A attached hereto.

Labor and Material security shall be in the sum of SIX HUNDRED THIRTY FOUR THOUSAND AND NO/100 Dollars (~~***\$634,000.00***~~). The estimated cost securing payment of labor and materials is fifty (50) percent of the total cost estimate of the improvements.

Developer further agrees to guarantee the required improvements for a period of one year following acceptance by the City and during this one year period to repair and replace, to the satisfaction of the City Engineer, any defective work or labor done or defective materials furnished. Upon entering the warranty period, the City shall retain ten percent of the original faithful performance security. Developer reserves the right to substitute the form of security, in accordance with the Moreno Valley Municipal Code, at any time during the term of this agreement, subject to approval of the City Engineer and City Attorney.

SECOND: Developer agrees to file with City, prior to the date this Agreement is executed, a good and sufficient improvement security in an amount not less than the estimated cost of the work and improvements for the faithful performance of the terms and conditions of this Agreement, and good and sufficient security for payment of labor and materials in the amount prescribed by City ordinances and regulations to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California. Developer agrees to renew each and every said bond or bonds with good and sufficient sureties or increase the amounts of said bond or bonds, or both, within ten (10) days after being notified by the City Engineer that the sureties or amounts are insufficient. Notwithstanding any other provision herein, if Developer fails to take such action as is

AGREEMENT FOR PROJECT NO. PA08-0021 (PM 35822)

Page 2 of 5

PUBLIC IMPROVEMENTS

necessary to comply with said notice, he shall be in default of this Agreement unless all required improvements are completed within ninety (90) days of the date on which the City Engineer notified the Developer of the insufficiency of said bonds. Developer reserves the right to substitute the form of security in accordance with the City's Municipal Code at any time during the term of this agreement, subject to approval by the City Engineer and City Attorney.

THIRD: Developer agrees to pay to the City the actual cost of such inspection of the works and improvements as may be required by the City Engineer. Developer further agrees that, if suit is brought upon this Agreement or any bond guaranteeing the completion of the required improvements, all costs and reasonable expenses and fees incurred by the City in successfully enforcing such obligations shall be paid by Developer and guaranteed by the surety in addition to the face amount of the security, including reasonable attorney's fees, and that, upon entry of judgment, such costs, expenses and fees shall be taxed as costs and included in any judgment rendered.

FOURTH: To the furthest extent allowed by law, including California Civil Code Section 2782, Developer shall indemnify, hold harmless and defend City and each of its officers, officials, employees and agents from any and all claims, losses, liabilities, fines, penalties, forfeitures, costs and damages (whether in contract, tort or strict liability, including, but not limited to personal injury, death at any time and/or property damage) incurred by City or any other Person, and from any and all claims, demands and actions in law or equity (including attorney's fees and litigation expenses), arising or alleged to have arisen directly or indirectly out of the performance of this Agreement, including but not limited to the alleged acts or omissions of any contractor, subcontractor, employee or agent acting on behalf of Developer or the design of any improvements to be constructed pursuant to this Agreement or the use of any patent or patented article in the performance of this Agreement.

Developer's obligations to indemnify and hold City harmless shall apply in all instances except those claims caused by the active negligence, sole negligence, or willful misconduct of City or any of its officers, officials, employees or agents. Developer's obligations to defend the City and provide a legal defense (including the retention of attorneys acceptable to City and all legal costs and expenses) shall apply in all instances, except those claims arising out of the sole negligence or the willful misconduct of City or any of its officers, officials, employees or agents.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to indemnify, hold harmless and defend City and each of its officers, officials, employees and agents in accordance with the terms of the preceding paragraphs.

Developer's obligations under this section shall survive the completion of any work to be performed by Developer, the City's inspection and/or acceptance of any work performed by Developer, as well as the termination or expiration of this Agreement.

Developer's provision of insurance, as required below, does not terminate, alter, limit or satisfy Developer's defense and indemnity obligations provided for herein.

FIFTH: Throughout the life of the Agreement, Developer shall pay for and maintain in full force and effect all policies of insurance required hereunder with an insurance company (ies) either (i) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide, or (ii) as authorized by the City Manager or his/her designee. The following policies of insurance are required:

- (i) **COMMERCIAL GENERAL LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00

AGREEMENT FOR PROJECT NO. PA08-0021 (PM 35822)

Page 3 of 5

PUBLIC IMPROVEMENTS

01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations (including the use of owned and non-owned equipment), products and completed operations, and contractual liability (including, without limitation, indemnity obligations under the Contract) with limits of not less than \$1,000,000 per occurrence for bodily injury and property damage, \$1,000,000 per occurrence for personal and advertising injury, \$2,000,000 aggregate for products and completed operations and \$2,000,000 general aggregate.

(ii) **COMMERCIAL AUTOMOBILE LIABILITY** insurance which shall be at least as broad as the most current version of Insurance Services Office (ISO) form CA 00 01 and shall include coverage for "any auto" with limits of liability of not less than \$1,000,000 per accident for bodily and property damage. Commercial Automobile Liability coverage is required if automobiles are to be operated on city-owned property or within City right-of-way.

(iii) **WORKERS' COMPENSATION** insurance as required under the California Labor Code.

Developer shall be responsible for payment of any deductibles or self-insured retentions contained in any insurance policies required hereunder.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after thirty (30) calendar day written notice by certified mail, return receipt requested, has been given to the City. Upon issuance by the insurer, broker or agent of a notice of cancellation, non-renewal or reduction in coverage or limits, Developer shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy(ies) is due to expire before the completion of the work, Developer shall provide a new certificate and all applicable endorsements evidencing renewal of such policy(ies) not less than 15 calendar days prior to the expiration date of the expiring policy(ies).

The General Liability and Automobile Liability insurance policies shall be written on an occurrence form and endorsed to name the City and its officers, officials, employees and agents as additional insured's. Such policy(ies) of insurance shall be endorsed so Developer's insurance shall be primary and no contribution shall be required of City. Any Workers' Compensation insurance policy shall contain a waiver of subrogation as to City, its officers, officials, employees and agents. Developer shall furnish City with the certificate(s) and applicable endorsements for all required insurance fourteen (14) days prior to the start of work. NOTE: A Certificate of Insurance is not acceptable. The Certificate of Insurance must be accompanied by the additional insured and primary insurance endorsements.

If Developer retains any contractor or subcontractor to perform any of the Work to be performed under this Agreement, Developer shall require each contractor or subcontractor to provide insurance protection in favor of City, its officers, officials, employees and agents in accordance with the terms of the Agreement. Any contractor or subcontractor performing work on behalf of Developer shall likewise be required to name City its officers, officials, employees and agents as additional insured's as required herein. Developer shall obtain certificates and endorsements from such contractors or subcontractors before the commencement of any work.

At any time during the Agreement, upon request of City, Developer shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy.

If at any time Developer fails to maintain the required insurance in full force and effect, all work permitted thereunder shall be discontinued immediately until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure by Developer to provide or maintain the required insurance shall be

AGREEMENT FOR PROJECT NO. PA08-0021 (PM 35822)

Page 4 of 5

PUBLIC IMPROVEMENTS

considered a material breach of the Agreement.

The fact that insurance is obtained by Developer shall not be deemed to release or diminish its liability, including but not limited to, liability under the indemnity provisions on this Agreement. Developer's duty to defend and indemnify City shall apply to all claims and liabilities, regardless of whether any insurance policies are applicable. The policy limits stated herein do not act as a limitation upon the amount of indemnification required to be provided by Developer.

SIXTH The Developer hereby grants to the City and/or to any authorized agent or employee of the City, the irrevocable permission to enter upon the lands of the above-referenced land division for the purpose of completing the improvements. This permission shall terminate in the event that the Developer has completed the work within the time specified or any extension thereof granted by the City.

SEVENTH: Developer agrees at all times, up to the completion and acceptance of the improvements by the City, to give good and adequate warning to the traveling public of each and every dangerous condition caused by the construction of the improvements, and to protect the traveling public from such defective or dangerous conditions. The Developer shall keep all traveled ways that are a part of, or affected by the construction of this project free and clear of mud, dirt and debris and shall provide twice monthly street sweeping service. A copy of the contract for street sweeping service shall be provided to the City. The Developer's obligation under this provision shall be secured by the bonds securing performance of this Agreement.

EIGHTH: The Developer, his agents and employees, shall give notice to the City Engineer at least 48 hours before beginning any work and shall furnish said City Engineer all reasonable facilities for obtaining full information with respect to the progress and manner of work.

NINETH: If the Developer, or his agents or employees, neglects, refuses, or fails to prosecute the work with such diligence as to insure its completion within the specified time, or within such extensions of time as have been granted by the City, or if the Developer violates, neglects, refuses, or fails to perform satisfactorily any of the provisions of the plans and specifications, he shall be in default of this Agreement and notice in writing of such default shall be served upon him. The City Council shall have the power, on recommendation by the City Engineer, to terminate all rights of the Developer because of such default. The determination by the City Engineer of the question as to whether any of the terms of the Agreement or specifications have been violated, or have not been performed satisfactorily, shall be conclusive upon the Developer, and any and all parties who may have any interest in the Agreement or any portion thereof. The foregoing provisions of this section shall be in addition to all other rights and remedies available to the City under law.

TENTH: It is further agreed by and between the parties hereto, including the surety or sureties on the bonds securing this Agreement that, in the event it is deemed necessary to extend the time of completion of the work contemplated to be done under this Agreement, extensions of time may be granted by the City from time to time, either at its own option, or upon request of Developer, and such extensions shall in no way affect the validity of this Agreement or release the surety or sureties on said bonds, Developer further agrees to maintain the aforesaid bonds in full force and effect during the terms of this Agreement, including any extensions of time as may be granted therein.

ELEVENTH: It is understood and agreed by the parties hereto that if any part, term or provision of this Agreement is by the courts held to be unlawful and void, the validity of the remaining portions shall not be affected and the rights and obligations of the parties shall be construed and enforced as if the Agreement did not contain the particular part, term or provision held to be invalid.

AGREEMENT FOR PROJECT NO. PA08-0021 (PM 35822)
Page 5 of 5
PUBLIC IMPROVEMENTS

TWELFTH: In the event legal action is required to enforce the terms of the Agreement, the prevailing party shall be entitled to recover attorney's fees and costs, including expert fees.

THIRTEENTH: Any notice or notices required or permitted to be given pursuant to this Agreement shall be served on the other party by mail, postage prepaid, at the following addresses:

City:
City Engineer
P.O. Box 88005
14177 Frederick Street
Moreno Valley, CA 92552-0805

Developer:
Duke Realty Limited Partnership
300 Spectrum Center Drive,
Suite 1450
Irvine, CA 92618

IN WITNESS WHEREOF Developer has affixed his name, address and seal.

Date approved by the City: _____

Duke Realty Limited Partnership:

Developer

By: *Duke Realty Corporation, its general partner*

By: *[Signature]*

Signature

By: *[Signature]*

Signature

Chris Burns

Print/Type Name

Douglas E. Greer

Print/Type Name

Sr. Vice President

Title

Vice President, Legal

Title

**ATTEST:
CITY CLERK
OF THE CITY OF MORENO VALLEY**

CITY OF MORENO VALLEY

By: _____
City Clerk

By: _____
Mayor

(SEAL)

*See Attached
CA Acknowledgment*

**APPROVED AS TO FORM:
CITY ATTORNEY**

Date: _____

By: _____
City Attorney

NOTE: TWO SIGNATURES ARE REQUIRED FOR CORPORATIONS UNLESS CORPORATE DOCUMENTS ARE PROVIDED THAT INDICATE OTHERWISE.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

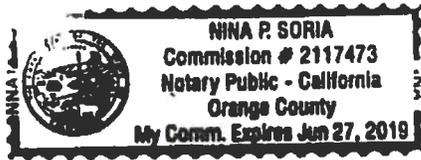
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
 County of Orange)
 On July 14, 2016 before me, Nina P. Soria
Date Here Insert Name and Title of the Officer
 personally appeared Chris Burns and Douglas Greer
Name(s) of Signer(s)
Senior Vice President, Leasing and Vice President, Legal

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Nina Soria
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: _____
 Document Date: _____ Number of Pages: _____
 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney In Fact
 Trustee Guardian or Conservator
 Other: _____
 Signer Is Representing: _____

Signer's Name: _____
 Corporate Officer — Title(s): _____
 Partner — Limited General
 Individual Attorney In Fact
 Trustee Guardian or Conservator
 Other: _____
 Signer Is Representing: _____

7/12/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 1 of 8

PROJECT: PA08-0021 / P16-026

DATE: 03/09/18
PREPARED BY: Albert A WEBB Associates

PUBLIC PAVEMENT SECTIONS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Street Work - Non DIF Non TUMF				
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 1	0.83	Thickness (ft.)		
	2920	S.F.	133 Ton	33.00
A.C. - Street 1	0.42	Thickness (ft.)		
	2920	S.F.	88 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Street Work - DIF				
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 1	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Street Work - TUMF				
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 1	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 1	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 2	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 3	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
Roadway Excavation		0 C.Y.	29.00	0
A.B. Class II - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	33.00
A.C. - Street 4	0	Thickness (ft.)		
	0	S.F.	0 Ton	80.00
			SUBTOTAL:	11,429

7/12/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 2 of 8

PROJECT: PA08-0021 / P16-026 PUBLIC STREET WORK
 DATE: 03/09/16
 PREPARED BY: Albert A WEBB Associates

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Offsite Street Work				
<i>Pavement</i>				
Grind & Pave 0.17"	133100	S.F.	3.25	432,575
A.C. Cap/Overlay	702	Ton	80.00	56,160
Sturry Seal (Based on \$150/Ton Type II)	0	S.Y.	2.25	0
Paving Fabric	14790	S.Y.	1.20	17,748
Sawcut	1825	L.F.	3.00	5,475
Utility Trench	0	L.F.	17.00	0
Trench Repaving	0	S.F.	12.00	0
Redwood Header	0	L.F.	6.00	0
A.C. Berm - 6"	0	L.F.	10.00	0
A.C. Berm - 8"	0	L.F.	15.00	0
Adjust M.H. to Grade	20	EA.	800.00	16,000
Adjust Water Valve to Grade	26	EA.	400.00	10,400
Remove & Dispose Existing Pavement & Base	11350	SF	3.00	34,050
Remove Existing Sidewalk	505	SF	5.00	2,525
Remove Existing Curb & Gutter	480	L.F.	12.00	5,760
Concrete				
P.C.C. Paving - 6"	0	S.F.	6.50	0
P.C.C. Paving - 8"	0	S.F.	10.50	0
Curb and Gutter - 6"	0	L.F.	25.00	0
Curb and Gutter - 6"	1945	L.F.	30.00	58,350
Curb and Gutter - 6" (DIF Street Name)	0	L.F.	30.00	0
Curb and Gutter - 6" (TUMF Street Name)	0	L.F.	30.00	0
Curb Only - 6"	0	L.F.	20.00	0
Curb Only - 8"	0	L.F.	25.00	0
Curb Only - 6" (DIF Street Name)	0	L.F.	25.00	0
Curb Only - 8" (TUMF Street Name)	0	L.F.	25.00	0
A.C. Curb 6"	0	L.F.	12.00	0
A.C. Curb 8"	0	L.F.	15.00	0
Cross Gutter and Spandrel	0	S.F.	10.25	0
Sidewalk	11550	S.F.	4.25	49,088
Sidewalk (DIF Street Name)	0	S.F.	7.00	0
Sidewalk (TUMF Street Name)	0	S.F.	7.00	0
Median Stamped Concrete	0	S.F.	14.00	0
Driveway Approach - 6"	0	S.F.	6.50	0
Driveway Approach - 8"	5975	S.F.	10.50	62,738
Wheelchair Ramp	0	EA.	2,800.00	0
Alley Approach - 8"	0	S.F.	10.25	0
1/2 Alley Apron	0	S.F.	10.25	0
Barricade	0	L.F.	100.00	0
Bus Bay	0	EA.	15,000.00	0
Miscellaneous				
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Erosion Control	0	AC	5,000.00	0
Walls - Masonry: 6' Maximum	0	L.F.	100.00	0
Walls - Retaining: 8' Maximum	0	L.F.	150.00	0
Reinforced P.C.C. Retaining Walls	0	C.Y.	780.00	0
				0
			SUBTOTAL	750,868
Traffic Improvements (Plan Checked by Trans. Eng. Staff/Inspected by LDD Staff)				
Traffic Striping/raised pavement markers	1	L.S.	--	10,003
Traffic Striping (DIF Street -Perris Blvd)	0	L.S.	--	0
Street Name Sign	0	EA.	500.00	0
Stop Sign	2	EA.	200.00	400
Signs and Posts	2	EA.	200.00	400
Signs and Posts (DIF Street -Perris Blvd)	0	EA.	200.00	0
Street Sweeping Sign	0	EA.	200.00	0
Warning Markers - Type L, Type N	2	EA.	100.00	200
Traffic Control	1	L.S.	10,000.00	10,000
Traffic Control (DIF Street Name)	0	L.S.	10,000.00	0
Traffic Signal PB-Adjust to Grade	0	EA.	800.00	0
Metal Guard Rail	0	L.F.	80.00	0
			SUBTOTAL:	21,003
Bondable Street Work Only (Not Plan Checked but Inspected)				
Undergrounding of Utilities	0	L.F.	203.00	0

2/12

Cluster Mail Boxes	0 EA.	4,500.00	0
Relocate Mailbox	0 EA.	350.00	0
Relocate Cluster Mailbox	0 EA.	1,200.00	0
Monuments	0 EA.	300.00	0
Relocate Trees	0 EA.	2,500.00	0
		SUBTOTAL:	0

2/2/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 3 of 8

PROJECT: PA08-0021 / P18-028

DATE: 03/09/16
PREPARED BY: Albert A WEBB Associates

PUBLIC STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Special Districts				
Landscaping - Medians	8620	S.F.	6.00	51,720
Landscaping - Parkways	0	S.F.	6.00	0
Relocate Electrical Vault	1	EA.	5,000.00	5,000
Relocate Street Lights	1	EA.	5,000.00	5,000
100W HPSV or Equivalent (8,500 Lumens)	0	EA.	5,000.00	0
200W HPSV or Equivalent (22,000 Lumens)	0	EA.	6,000.00	0
250W HPSV or Equivalent	0	EA.	6,000.00	0
100W LED or Equivalent	0	EA.	5,000.00	0
145W LED or Equivalent	0	EA.	5,000.00	0
SPECIAL DISTRICTS SUBTOTAL:				61,720
Moreno Valley Utilities				
Electrical Utility Infrastructure	0	L.S.	45,870.00	0
MVU SUBTOTAL:				0
Water Quality Basin				
Landscaping	0	S.F.	6.00	0
Filtration Devices	0	EA.	0.00	0
Access Ramp PCC	0	S.F.	0.00	0
Low-Flow Pipe System	0	L.F.	0.00	0
Headwalls	0	EA.	0.00	0
Outlets	0	EA.	0.00	0
Risers	0	EA.	0.00	0
Forebay PCC	0	S.F.	0.00	0
Toe of slope protection PCC	0	S.F.	20.00	0
WQB SUBTOTAL:				0
Transportation Engineering (Plan Checked and Inspected by Transp. Eng. Staff)				
Traffic Signal New (Interconnect, Controller, Software, Initial Coordination)	0	EA.	272,000.00	0
Traffic Signal Modification	0	L.S.	50,000.00	0
Traffic Signal Interconnect (Existing Signals Only)	0	L.F.	30.00	0
TRANSPORTATION SUBTOTAL:				0

7/12/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 4 of 8

PROJECT: PA08-0021 / P16-028

DATE: 03/09/16
PREPARED BY: Albert A WEBB Associates

PUBLIC STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipe				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	0	L.F.	160.00	0
24" Reinforced Concrete Pipe (DIF Street Name)	0	L.F.	160.00	0
30" Reinforced Concrete Pipe	0	L.F.	180.00	0
36" Reinforced Concrete Pipe	0	L.F.	190.00	0
36" Reinforced Concrete Pipe	0	L.F.	200.00	0
42" Reinforced Concrete Pipe	0	L.F.	210.00	0
48" Reinforced Concrete Pipe	0	L.F.	250.00	0
54" Reinforced Concrete Pipe	0	L.F.	300.00	0
60" Reinforced Concrete Pipe	0	L.F.	350.00	0
66" Reinforced Concrete Pipe	0	L.F.	375.00	0
72" Reinforced Concrete Pipe	0	L.F.	414.00	0
78" Reinforced Concrete Pipe	0	L.F.	459.00	0
84" Reinforced Concrete Pipe	0	L.F.	505.00	0
90" Reinforced Concrete Pipe	0	L.F.	557.00	0
96" Reinforced Concrete Pipe	0	L.F.	613.00	0
102" Reinforced Concrete Pipe	0	L.F.	671.00	0
108" Reinforced Concrete Pipe	0	L.F.	724.00	0
114" Reinforced Concrete Pipe	0	L.F.	785.00	0
12" HDPE	0	L.F.	45.00	0
18" HDPE	0	L.F.	50.00	0
24" HDPE	0	L.F.	55.00	0
30" HDPE	0	L.F.	60.00	0
36" HDPE	0	L.F.	70.00	0
42" HDPE	0	L.F.	80.00	0
48" HDPE	0	L.F.	90.00	0
54" HDPE	0	L.F.	125.00	0
60" HDPE	0	L.F.	140.00	0
4" PVC SCH. 40	0	L.F.	25.00	0
4" PVC SCH. 80	0	L.F.	30.00	0
6" PVC SCH. 40	0	L.F.	30.00	0
6" PVC SCH. 80	0	L.F.	35.00	0
8" PVC SCH. 40	0	L.F.	40.00	0
8" PVC SCH. 80	0	L.F.	48.00	0
Reinforced Concrete Structure	0	C.Y.	500.00	0
8' X 10' Reinforced Concrete Box	0	C.Y.	1200.00	0
8' X 12' Reinforced Concrete Box	0	C.Y.	1400.00	0
2 - 72" Reinforced Concrete Pipe	0	L.F.	840.00	0
3 - 4' X 2' Reinforced Concrete Pipe	0	L.F.	481.00	0
	0		0.00	0
Manholes				
Manhole No. 1	0	EA.	5000.00	0
Manhole No. 2	0	EA.	7200.00	0
Manhole No. 3	0	EA.	8500.00	0
Manhole No. 4	0	EA.	10000.00	0
	0		0.00	0
Catch Basins				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	0	EA.	5500.00	0
Catch Basin (10')	0	EA.	8000.00	0
Catch Basin (14')	0	EA.	8000.00	0
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	0	EA.	535.00	0
Catch Basin (3.5') (DIF Street Name)	0	EA.	3100.00	0
Catch Basin (7') (DIF Street Name)	0	EA.	5500.00	0
Catch Basin (10') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (14') (DIF Street Name)	0	EA.	8000.00	0
Catch Basin (21') (DIF Street Name)	0	EA.	12500.00	0
Local Depressions (DIF Street Name)	0	EA.	535.00	0
24" X 24" Grate basin	0	EA.	2500.00	0
18" X 18" Grate Basin	0	EA.	2100.00	0
6" Wide Strip Basin	0	EA.	3000.00	0
Removal/Relocation- Catch Basin	0	EA.	5000.00	0
Grated Catch Basin	0	EA.	6000.00	0
Headwall	0	EA.	5500.00	0

7/21/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 6 of 8

PROJECT: PA08-0021 / P16-026

DATE: 03/09/16
PREPARED BY: Albert A WEBB Associates

PUBLIC WATER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Water System				
4" PVC C-900	0	L.F.	25.00	0
6" PVC C-900	0	L.F.	30.00	0
8" PVC C-900	0	L.F.	35.00	0
10" PVC C-900	0	L.F.	40.00	0
12" PVC C-900	0	L.F.	60.00	0
16" PVC C-900	0	L.F.	90.00	0
18" PVC C-900	0	L.F.	135.00	0
20" PVC C-900	0	L.F.	180.00	0
	0	L.F.	0.00	0
Valves - Water System				
4" Gate Valve	0	EA.	715.00	0
6" Gate Valve	0	EA.	830.00	0
8" Gate Valve	0	EA.	1,340.00	0
10" Gate Valve	0	EA.	1,500.00	0
12" Gate Valve	0	EA.	2,300.00	0
16" Gate Valve	0	EA.	6,270.00	0
18" Gate Valve	0	EA.	14,300.00	0
4" Butterfly Valve	0	EA.	330.00	0
6" Butterfly Valve	0	EA.	520.00	0
8" Butterfly Valve	0	EA.	890.00	0
10" Butterfly Valve	0	EA.	1,200.00	0
12" Butterfly Valve	0	EA.	1,800.00	0
16" Butterfly Valve	0	EA.	2,700.00	0
18" Butterfly Valve	0	EA.	2,800.00	0
20" Butterfly Valve	0	EA.	4,200.00	0
24" Butterfly Valve	0	EA.	5,200.00	0
1" Air Vac Release	0	EA.	2,400.00	0
2" Air Vac Release	0	EA.	4,000.00	0
2" Backflow Preventor, Pad & Cover	0	EA.	4,300.00	0
4" Blow Off	0	EA.	3,500.00	0
6" Blow Off	0	EA.	4,000.00	0
	0		0.00	0
Fire Hydrants - Water System				
6" Standard Fire Hydrants	0	EA.	4,000.00	0
6" Super Fire Hydrants	0	EA.	4,500.00	0
	0		0.00	0
Services Connections				
1" Service	0	EA.	800.00	0
1" Service w/ 5/8" Service	0	EA.	2,000.00	0
1 1/2" Service	0	EA.	1,100.00	0
2" Service	0	EA.	1,800.00	0
	0		0.00	0
Fittings - Water System				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		180.00	0
Misc. Fittings 8"	0		200.00	0
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	0		750.00	0
	0		0.00	0
Water Meters - Water System				
5/8" Meter	0		230.00	0
1" Meter	0		320.00	0
1 1/2" Meter	0		420.00	0
2" Meter	0		525.00	0
	0		0.00	0
Hot Tap Connections - Water System				
6" Hot Tap	0	EA.	1,750.00	0
8" Hot Tap	0	EA.	2,200.00	0
12" Hot Tap	0	EA.	3,150.00	0
Hot Tap Service Clamp	0	EA.	1,000.00	0
Water Service	0	EA.	330.00	0
	0		0.00	0
Miscellaneous - Water System				
Thrust Block	0	CY	150.00	0

7/21/16

Jack & Bore	0 LF.	300.00	0
Joint at Existing 8"	0 EA.	850.00	0
Adjust Water Meter Box to Grade	0 EA.	235.00	0
	0	0.00	0
		SUBTOTAL:	0

7/12/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 7 of 8

PROJECT: PA08-0021 / P16-028

DATE: 03/09/16
PREPARED BY: Albart A WEBB Associates

PUBLIC SEWER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
Pipes - Sewer System				
4" V.C. Pipe	0	L.F.	25.00	0
6" V.C. Pipe	0	L.F.	40.00	0
8" V.C. Pipe	0	L.F.	55.00	0
10" V.C. Pipe	0	L.F.	60.00	0
12" V.C. Pipe	0	L.F.	70.00	0
15" V.C. Pipe	0	L.F.	80.00	0
18" V.C. Pipe	0	L.F.	160.00	0
21" V.C. Pipe	0	L.F.	180.00	0
24" V.C. Pipe	0	L.F.	195.00	0
27" V.C. Pipe	0	L.F.	215.00	0
30" V.C. Pipe	0	L.F.	235.00	0
33" V.C. Pipe	0	L.F.	280.00	0
36" V.C. Pipe	0	L.F.	300.00	0
4" SDR - 35	0	L.F.	25.00	0
6" SDR - 35	0	L.F.	30.00	0
8" SDR - 35	0	L.F.	35.00	0
10" SDR - 35	0	L.F.	45.00	0
12" SDR - 35	0	L.F.	54.00	0
15" SDR - 35	0	L.F.	60.00	0
Concrete Encasement	0	L.F.	20.00	0
	0		0.00	0
Cleans Outs - Sewer System				
Clean-outs	0	EA.	730.00	0
Clean Out Lateral	0	EA.	200.00	0
	0		0.00	0
Manholes - Sewer System				
Standard Manhole 48"	0	EA.	3,140.00	0
Standard Manhole 48" Extra Depth	0	EA.	3,500.00	0
Standard Manhole 60"	0	EA.	4,500.00	0
Shallow Manhole	0	EA.	3,300.00	0
Adjust Manhole to Grade	0	EA.	630.00	0
Tie Into Existing Manhole	0	EA.	2,100.00	0
Rechannel Existing Manhole	0	EA.	1,500.00	0
Join Existing 8" Pipe	0	EA.	1,500.00	0
Join Existing 12" Pipe	0	EA.	2,000.00	0
Pavement around MH	0	S.F.	14.00	0
	0		0.00	0
Miscellaneous - Sewer System				
Wyes	0	EA.	90.00	0
TV Sewer	0	L.F.	1.20	0
Trench Paving	0	S.F.	5.00	0
Pavement Replacement	0	S.F.	3.00	0
			SUBTOTAL:	0

7/12/16

EXHIBIT "A"
ENGINEER'S ESTIMATE

Sheet 8 of 8

CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT DIVISION
BOND COMPUTATION SHEET

PROJECT: PA08-0021 / P16-026

DATE: 03/09/16
PREPARED BY: Albert A WEBB Associates

IMPROVEMENT TYPE:

PAVEMENT SECTION WORK	:	\$11,428
OFFSITE STREET WORK	:	\$750,888
SPECIAL DISTRICTS	:	\$81,720
MORENO VALLEY UTILITIES	:	\$0
WATER QUALITY BASIN	:	\$0
TRANSPORTATION ENGINEERING	:	\$0
STORM DRAIN SYSTEM	:	\$0
WATER SYSTEM	:	\$0
SEWER SYSTEM	:	\$0
TRAFFIC IMPROVEMENTS	:	\$21,003
MONUMENTS/OTHER	:	\$0

TOTAL COST (VALUE) OF IMPROVEMENTS: \$845,020

+50% CONTINGENCY: \$422,510

GRAND TOTAL: \$1,267,530

FAITHFUL PERFORMANCE SECURITY AMOUNT: \$1,288,000

LABOR & MATERIAL SECURITY AMOUNT: \$834,000

*The cost for securing payment of Labor and Materials is fifty (50) percent of the total cost estimate of the improvements.





MEMORANDUM

TO: Scotty Walker **DATE:** July 14, 2016
FROM: Laura Buhrmester
SUBJECT: City of Moreno Valley Performance and Payment Bonds #58736836

Enclosed please find the original above captioned bond. The originals should be executed on behalf of Duke Realty Limited Partnership and notarized before submitting to the City. Also enclosed is an unsigned copy of each bond, for your records.

Please contact me with any questions.

Laura Buhrmester
Assistant Vice President
Senior Surety Specialist
Lockton Companies
444 W. 47th Street, Suite 900
Kansas City, MO 64112
Tel: 816.960.9678
Fax: 816.783.9678
lbuhrmester@lockton.com

FAITHFUL PERFORMANCE BOND

**City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.1)**

Public Improvements <u>\$1,268,000</u>	Project No. <u>PA08-0021 (PM 35822)</u>
Bond No. <u>58736836</u>	Premium <u>\$3,804.00</u>
Surety <u>Western Surety Company</u>	Principal <u>Duke Realty Limited Partnership</u>
Address <u>333 S. Wabash Ave.</u>	Address <u>300 Spectrum Center Drive, Suite 1450</u>
City/Zip <u>Chicago, IL 60604</u>	City/Zip <u>Irvine, CA 92618</u>

WHEREAS, the City Council of the City of Moreno Valley, County of Riverside, State of California, and **DUKE REALTY LIMITED PARTNERSHIP** (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to **PA08-0021 (PM 35822)**, which agreement is hereby referred to and made a part hereof; and,

WHEREAS, said principal is required under the terms of said agreement to furnish bond for the faithful performance of said agreement;

NOW, THEREFORE, we the Principal, and Western Surety Company, as Surety, are held and firmly bound to the City of Moreno Valley in the penal sum of **ONE MILLION TWO HUNDRED SIXTY EIGHT THOUSAND AND NO/100** Dollars (*****\$1,268,000.00*****), lawful money of the United States, for the payment of which sum will and truly to be made, we bind ourselves, our heirs, successors, executors and administrator, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bonded Principal, his or its heirs, executors, administrators, successors, or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City of Moreno Valley, its officers, agents and employees, as therein stipulated, then this obligation shall become null and void; otherwise, it shall be and remain in full force and effect.

As part of the obligation secured hereby, and in addition to the face amount specified therefore, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment rendered.

FAITHFUL PERFORMANCE BOND (Page 2 of 2)
PROJECT NO. PA08-0021 (PM 35822)

The surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in anywise affect its obligation on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

Surety further stipulates and agrees that the provisions of Section 2845 of the Civil Code are not a condition precedent to Surety's obligations hereunder and are hereby waived by Surety.

When the work covered by the agreement is complete, the City Council of the City of Moreno Valley will accept the work and thereupon the amount of the obligation of this bond is reduced by 90%, with the remaining 10% held as security for the one-year maintenance period provided for in the agreement(s).

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named on July 14, 2016.

NAME OF PRINCIPAL: Duke Realty Limited Partnership
Company Name

AUTHORIZED SIGNATURE(S): By

_____	_____
Name	Title
_____	_____
Name	Title

NAME OF SURETY: Western Surety Company
Company Name

AUTHORIZED SIGNATURE: 
Laura M. Buhrmester ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY – ATTACH POWER OF ATTORNEY

Approved as to form:

Date: _____

City Attorney
City of Moreno Valley

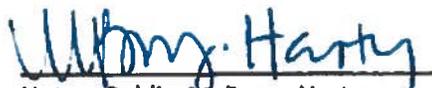
STATE OF MISSOURI

COUNTY OF JACKSON

On July 14, 2016, before me, a Notary Public in and for the above county, personally appeared Laura M. Buhrmester to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Western Surety Company, a corporation organized and existing under the laws of the State of South Dakota, that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.

My Commission Expires: August 3, 2018


Notary Public, M. Burns-Hasty

M. BURNS-HASTY
NOTARY PUBLIC-NOTARY SEAL
STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXPIRES: 8/3/2018
COMMISSION # 14229287

WESTERN SURETY COMPANY

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Patrick T. Pribyl, Debra J. Scarborough, Mary T. Flanigan, Christy M. Braile, Jeffrey C. Carey, Charles R. Teter III, Laura M. Buhrmester, Evan D. Sizemore, Charissa D Lecuyer, Rebecca S. Gross, Larissa Smith, Wendy A. Casey, C. Stephens Griggs, Tahitia M Fry, Individually

of Prairie Village, KS, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 11th day of May, 2016.



WESTERN SURETY COMPANY

Paul T. Bruffat
Paul T. Bruffat, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 11th day of May, 2016, before me personally came Paul T. Bruffat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires
June 23, 2021



J. Mohr
J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this _____ day of JUL 14 2016.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

MATERIAL AND LABOR BOND

**City of Moreno Valley
County of Riverside
State of California
(Government Code Section 66499.2)**

Public Improvements <u>\$634,000</u>	Project No. <u>PA08-0021 (PM 35822)</u>
Bond No. <u>58736836</u>	Premium <u>Included in Performance Bond</u>
Surety <u>Western Surety Company</u>	Principal <u>Duke Realty Limited Partnership</u>
Address <u>333 S. Wabash Ave.</u>	Address <u>300 Spectrum Center Drive, Suite 1450</u>
City/Zip <u>Chicago, IL 60604</u>	City/Zip <u>Irvine, CA 92618</u>

WHEREAS, the City Council of the City of Moreno Valley, County of Riverside, State of California, and **DUKE REALTY LIMITED PARTNERSHIP**, (hereinafter designated as "Principal") have entered into, or are about to enter into the attached agreement whereby Principal agrees to install and complete the above-designated public improvements, relating to **PA08-0021 (PM 35822)**, which agreement is hereby referred to and made a part hereof; and,

WHEREAS, under the terms of said agreement, principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Moreno Valley to secure the claims to which reference is made in Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, we the Principal, and the undersigned as corporate Surety, are held and firmly bound unto the City of Moreno Valley and all contractors, subcontractors, laborers, material persons and other persons employed in the performance of the aforesaid agreement and referred to in the aforesaid Civil Code in the sum of **SIX HUNDRED THIRTY FOUR THOUSAND AND NO/100 Dollars (**\$634,000.00**)**, lawful money of the United States, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to such work or labor, that said Surety will pay the same in an amount not exceeding the amount hereinabove set forth, also in case suit is brought upon this bond, will pay, in addition to the face amount hereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by City in successfully enforcing such obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgement therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies and corporations entitled to file claims under Title 3 (commencing with Section 9000) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

MATERIAL AND LABOR BOND (Page 2 of 2)
PROJECT NO. PA08-0021 (PM 35822)

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligation on this bond, and it does hereby waive notice of any such change, extension, alteration or addition. Surety further stipulates and agrees that the provision of Section 2845 of the Civil Code are not a condition precedent to the Surety's obligations hereunder and hereby waived by the Surety.

In witness whereof, this instrument has been duly executed by the Principal and Surety above named, on
July 14, 2016.

NAME OF PRINCIPAL: Duke Realty Limited Partnership
Company Name

AUTHORIZED SIGNATURE(S):

_____	_____
Name	Title
_____	_____
Name	Title

NAME OF SURETY: Western Surety Company
Company Name

AUTHORIZED SIGNATURE: 
Laura M. Buhrmester ITS ATTORNEY-IN-FACT

ATTACH NOTARIAL ACKNOWLEDGMENT OF SIGNATURE OF PRINCIPAL AND ATTORNEY-IN-FACT.
BOND COMPANY - ATTACH POWER OF ATTORNEY

Approved as to form:
Date: _____

City Attorney
City of Moreno Valley

STATE OF MISSOURI

COUNTY OF JACKSON

On July 14, 2016, before me, a Notary Public in and for the above county, personally appeared Laura M. Buhrmester to me personally known, who, being by me duly sworn, did state that he/she is Attorney-in-Fact of Western Surety Company, a corporation organized and existing under the laws of the State of South Dakota, that the seal affixed to the foregoing instrument is the corporate seal of the said corporation, that the instrument was signed, sealed, and executed in behalf of said corporation by authority of its Board of Directors, and further acknowledged the said instrument and the execution thereof to be the voluntary act and deed of said corporation by her voluntarily executed.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed my official seal the day and year first above written.

My Commission Expires: August 3, 2018


Notary Public, M. Burns-Hasty

M. BURNS-HASTY
NOTARY PUBLIC-NOTARY SEAL
STATE OF MISSOURI
JACKSON COUNTY
MY COMMISSION EXPIRES: 8/3/2018
COMMISSION # 14229267

WESTERN SURETY COMPANY

POWER OF ATTORNEY APPOINTING INDIVIDUAL ATTORNEY-IN-FACT

Know All Men By These Presents, That WESTERN SURETY COMPANY, a South Dakota corporation, is a duly organized and existing corporation having its principal office in the City of Sioux Falls, and State of South Dakota, and that it does by virtue of the signature and seal herein affixed hereby make, constitute and appoint

Patrick T. Pribyl, Debra J. Scarborough, Mary T. Flanigan, Christy M. Braile, Jeffrey C. Carey, Charles R. Teter III, Laura M. Buhrmester, Evan D. Sizemore, Charissa D Lecuyer, Rebecca S. Gross, Larissa Smith, Wendy A. Casey, C. Stephens Griggs, Tahitia M Fry, Individually

of Prairie Village, KS, its true and lawful Attorney(s)-in-Fact with full power and authority hereby conferred to sign, seal and execute for and on its behalf bonds, undertakings and other obligatory instruments of similar nature

- In Unlimited Amounts -

and to bind it thereby as fully and to the same extent as if such instruments were signed by a duly authorized officer of the corporation and all the acts of said Attorney, pursuant to the authority hereby given, are hereby ratified and confirmed.

This Power of Attorney is made and executed pursuant to and by authority of the By-Law printed on the reverse hereof, duly adopted, as indicated, by the shareholders of the corporation.

In Witness Whereof, WESTERN SURETY COMPANY has caused these presents to be signed by its Vice President and its corporate seal to be hereto affixed on this 11th day of May, 2016.

WESTERN SURETY COMPANY



Paul T. Bruflat
Paul T. Bruflat, Vice President

State of South Dakota }
County of Minnehaha } ss

On this 11th day of May, 2016, before me personally came Paul T. Bruflat, to me known, who, being by me duly sworn, did depose and say: that he resides in the City of Sioux Falls, State of South Dakota; that he is the Vice President of WESTERN SURETY COMPANY described in and which executed the above instrument; that he knows the seal of said corporation; that the seal affixed to the said instrument is such corporate seal; that it was so affixed pursuant to authority given by the Board of Directors of said corporation and that he signed his name thereto pursuant to like authority, and acknowledges same to be the act and deed of said corporation.

My commission expires

June 23, 2021



J. Mohr
J. Mohr, Notary Public

CERTIFICATE

I, L. Nelson, Assistant Secretary of WESTERN SURETY COMPANY do hereby certify that the Power of Attorney hereinabove set forth is still in force, and further certify that the By-Law of the corporation printed on the reverse hereof is still in force. In testimony whereof I have hereunto subscribed my name and affixed the seal of the said corporation this JUL 14 2016 day of _____, _____.



WESTERN SURETY COMPANY

L. Nelson
L. Nelson, Assistant Secretary

No 3472

STATE OF CALIFORNIA
DEPARTMENT OF INSURANCE

SAN FRANCISCO

AMENDED
Certificate of Authority

THIS IS TO CERTIFY, That, pursuant to the Insurance Code of the State of California,

WESTERN SURETY COMPANY

of SIOUX FALLS, SOUTH DAKOTA, organized under the laws of SOUTH DAKOTA, subject to its Articles of Incorporation or other fundamental organizational documents, is hereby authorized to transact within this State, subject to all provisions of this Certificate, the following classes of insurance:

SURETY and LIABILITY

as such classes are now or may hereafter be defined in the Insurance Laws of the State of California.

THIS CERTIFICATE is expressly conditioned upon the holder hereof now and hereafter being in full compliance with all, and not in violation of any, of the applicable laws and lawful requirements made under authority of the laws of the State of California as long as such laws or requirements are in effect and applicable, and as such laws and requirements now are, or may hereafter be changed or amended.

IN WITNESS WHEREOF, effective as of the 21ST day of MARCH, 1975, I have hereunto set my hand and caused my official seal to be affixed this 21ST day of MARCH, 1975.

Fee
Rec. No.
Filed

By

WESLEY J. KINDER
Insurance Commissioner

Wesley J. Kinder
Deputy

NOTICE:
Qualification with the Secretary of State must be accomplished as required by the California Corporations Code promptly after issuance of this Certificate of Authority. Failure to do so will be a violation of Ins. Code Sec. 701 and will be grounds for revoking this Certificate of Authority pursuant to the covenants made in the application therefor and the conditions contained herein.



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: August 16, 2016

TITLE: APPROVE AGREEMENT WITH TGP ENERGY MANAGEMENT, LLC FOR PURCHASE AND SALE OF RENEWABLE ENERGY AND ASSOCIATED GREEN ATTRIBUTES

RECOMMENDED ACTION

Recommendations:

1. Approve the Agreement for the Purchase and Sale of Renewable Energy and Associated Green Attributes with TGP Energy Management, LLC.
2. Authorize the City Manager to execute the Agreement on behalf of the City.

SUMMARY

All publicly owned utilities must adopt a Renewables Portfolio Standard (RPS) program with mandated goals for purchasing energy generated through eligible renewable sources. Common renewable resources include biomass, water (small hydro), geothermal, wind, and solar energy. The City currently contracts with TGP Energy Management, LLC for wind energy which expires on December 31, 2016. Following discussions with TGP Energy Management, LLC., the City has negotiated a cost reduction of 35% for continued energy purchases. This report recommends approval of a new agreement through which Moreno Valley Utility (MVU) may continue to purchase renewable energy at the reduced rate.

This item was approved by the Utilities Commission on July 15, 2016.

DISCUSSION

On June 11, 2013, the City Council approved Resolution No. 2013-37 adopting a Renewable Energy Procurement Plan pursuant to Senate Bill 2-1X (SB 2X). SB 2X

requires all publicly owned utilities to adopt a RPS program with prescribed goals for procuring renewable energy resources and the criteria for achieving such goals. The goals for procuring renewable energy are as follows:

- Procurement targets are described as a percentage of retail sales
 - Compliance Period One: an average of 20% RPS eligible resource procurement by December 31, 2013
 - Compliance Period Two: by December 31, 2016, 25% RPS eligible resource procurement
 - Compliance Period Three: by December 31, 2020, 33% RPS eligible resource procurement

The Integrated Resource Plan approved by the City Council on November 10, 2015 establishes a total renewable energy target of 263,445 MWh for Compliance Period Three (January 1, 2017 through December 31, 2020).

MVU currently has two contracts in place for the purchase of renewable energy that count towards the renewable energy requirement for Compliance Period Three. The contracts are for the purchase of solar energy through the Whitney Point Solar Project, estimated at 52,800 MWh for the period from January 1, 2017 through December 31, 2020, and the Astoria 2 Solar Project, estimated at 24,900 MWh over the same period.

To meet the shortfall of 185,745 MWh, MVU participated in a Request for Proposal for Renewable Energy with the City of Rancho Cucamonga, City of Corona, and Pittsburg Power Company. A total of 21 responses were received and are currently under review.

TGP Energy Management is currently under contract with MVU for the purchase and sale of wind energy for Compliance Period Two, which expires December 31, 2016. The price paid per MWh under the existing agreement is \$24.52. TGP Energy Management is offering a Purchase and Sale Agreement for 70,000 MWh of wind energy to be delivered between January 1, 2017 and December 31, 2020 for a reduced price of \$16.00 per MWh. If approved, the addition of the TGP Energy Management Agreement to the Whitney Point and Astoria 2 Solar Projects will provide a total of 147,700 MWh of renewable energy for Compliance Period Three, leaving a shortfall of 115,745 MWh.

ALTERNATIVES

1. Approve the Agreement with TGP Energy Management, LLC for 70,000 MWh of renewable energy. Staff recommends this alternative. *This contract will count towards the renewable energy requirement for Compliance Period Three.*
2. Do not approve the Agreement with TGP Energy Management, LLC for 70,000 MWh of renewable energy and do not authorize the City Manager to execute the Agreement. Staff does not recommend this alternative. *The City could be found non-compliant with the State mandate for renewable energy.*

FISCAL IMPACT

The proposed price per MWh that MVU will pay is \$16.00, which totals \$1,120,000 over the multiple year delivery period. Per the terms of the Agreement, no more than 30,000 MWh may be delivered in a calendar year. Assuming the maximum delivery, the maximum total cost per fiscal year is \$480,000. Funds in the amount of \$490,400 are budgeted for fiscal year 2016/2017 in account 6010-30-80-45510-710148.

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Jeannette Olko
Electric Utility Division Manager

Department Head Approval:
Marshall Eyeran
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. TGP Energy Mgmt Agrmt

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	8/02/16 10:34 AM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 12:13 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:26 PM

**AGREEMENT FOR THE PURCHASE AND SALE OF CALIFORNIA RENEWABLE
ENERGY AND ASSOCIATED GREEN ATTRIBUTES**

TRANSACTION CONFIRMATION LETTER

From: TGP Energy Management, LLC
11512 El Camino Real
Suite 370
San Diego, CA 92130

To: Moreno Valley Electric Utility
14331 Frederick Street
Suite 2
Moreno Valley, CA 92552

The purpose of this letter (this "**Confirmation Letter**") is to confirm the terms and conditions of the Transaction between TGP Energy Management, LLC ("**Seller**") and Moreno Valley Electric Utility ("**Buyer**" or "**Moreno Valley**") as of the Effective Date (the "**Transaction**"). Seller and Buyer are each referred to as a "**Party**" and, collectively, as the "**Parties**." This Confirmation Letter, including the attached General Terms and Conditions, shall constitute the entire agreement ("**Agreement**") between the Parties related to the subject matter hereof and supersedes and replaces any prior oral or written confirmation, including broker confirmations, regarding this Transaction. If there is any conflict between this Confirmation Letter and the General Terms and Conditions, this Confirmation Letter shall control.

The terms of the Transaction to which this Confirmation Letter relates are as follows:

Trade Date:	
Effective Date:	The date on which both Parties have executed and delivered this Confirmation Letter.
Seller:	TGP Energy Management, LLC
Buyer:	Moreno Valley Electric Utility
Product:	System Resource Adequacy, as defined herein, and energy and capacity generated by the Project and delivered by Seller to Buyer hereunder, and Green Attributes and Renewable Energy Credits associated with the energy portion of the Product, as represented by WREGIS Certificates ("RECs"), as further defined herein. The Product includes bundled energy and RECs generated from an ERR and is intended, subject to Articles 3 and 16 of the General Terms and Conditions, to meet the criteria for Section 399.16(b)(1) of the California Public Utilities Code, as it applies to Moreno Valley in accordance with Section 399.30(c)(3) thereof in a manner consistent with Section 3203 (a) of the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities as adopted by the California Energy Commission on June 12, 2013, as may be further amended.
Project(s):	All Product sold hereunder shall be from one or more of the facilities listed in Exhibit A (collectively, the "Project").

	<p>The Parties acknowledge and agree that the Project consists of a pool of facilities meeting the definition of an ERR and that Seller is permitted to utilize one or more of these pooled facilities in order to satisfy its obligations hereunder.</p> <p>The Parties further acknowledge and agree that Product shall solely be limited to the actual Product identified in advance by Seller and generated and delivered by the Project to satisfy the Contract Quantity, and that Buyer is not entitled to any additional energy and Green Attributes and Renewable Energy Credits associated with that energy produced by the Project above and beyond the Contract Quantity.</p> <p>Seller may include additional facilities in the pool of facilities that Seller is permitted to utilize to satisfy its obligations hereunder, provided that the additional facilities are certified as an ERR, and the additional facilities are electrically interconnected to a California Balancing Authority. Seller shall notify Buyer of the additional facility in a notice provided by Seller to Buyer at least 30 days prior to such addition and shall provide any such amendments to Schedule A to Buyer, whereupon it shall become effective and shall replace Schedule A.</p>
<p>Contract Quantity:</p>	<p>70,000MWh, including associated RECs, and 2 MW South of Path 26 System RA, measured as Net Qualifying Capacity, each month during the Delivery Term</p>
<p>Contract Price:</p>	<p>For any given settlement interval, the Contract Price applicable to the Product delivered by a facility comprising the Project in such interval is the sum of (i) the Resource-Specific Settlement Interval LMP (as defined in the CAISO Tariff) applicable to the Delivery Point for such facility for such interval, and (ii) \$16.00/MWh. There shall be no additional charge for RA delivered under this Confirmation Letter.</p>
<p>Delivery Term:</p>	<p>Delivery Term: January 1, 2017 through the latest of (i) the date on which Seller has delivered the Contract Quantity, or (ii) December 31, 2020. No more than 30,000 MWh may be delivered in each calendar year thereafter, and no less than 10,000 MWh may delivered in any single calendar year during the Delivery Term. Notwithstanding the foregoing, the Parties acknowledge and agree that the Delivery Date for WREGIS Certificates associated with Product delivered during the Delivery Term may occur after the end of the Delivery Term.</p>
<p>Delivery Point:</p>	<p>California Independent System Operator (“CAISO”) pricing node associated with the applicable pooled facility providing the Product being delivered.</p>

Attachment: TGP Energy Mgmt Agrmt (2195 : APPROVE CONFIRMATION AGREEMENT WITH TERRA-GEN FOR PURCHASE OF WIND POWER)

Delivery:	Product will be transferred from Seller to Buyer in accordance with Section 1 of this Confirmation Letter below.
Delivery Obligation:	Seller is obligated to deliver the Contract Quantity of the Product from the Project consistent with the terms of this Agreement.

1. ***Product Delivery; Transfer & Tracking.***

- (a) Green Attributes. Seller hereby provides and conveys all Green Attributes associated with all electricity generation from the Project to Buyer as part of the Product being delivered. Seller represents and warrants that Seller holds the rights to all Green Attributes from the Project, and Seller agrees to convey and hereby conveys all such Green Attributes to Buyer as included in the delivery of the Product from the Project. [Sec. 3.2 of STC 2]. For greater certainty, Seller will sell to Buyer one Green Attribute (evidenced by one WREGIS Certificate) associated with each one MWh of energy sold hereunder as part of the Product.

Notwithstanding the foregoing paragraph, the Parties agree that Seller is providing and conveying Green Attributes associated only with the Product sold to Buyer hereunder, and Seller retains for its own use or sale to one or more third parties those Green Attributes associated with the remainder of the electricity generated from the Project that is not delivered to Buyer hereunder, if any.

(b) Energy Delivery.

On a day ahead basis, Seller shall provide a notice to Buyer identifying the volume of energy and associated Green Attributes to be provided by each pooled facility comprising the Project for the following day, which may be expressed as a percentage of the applicable pooled facility's output for such day.

(c) System Resource Adequacy.

(i) Definitions

(A) "CPM Capacity" has the meaning set forth in the Tariff.

(A) "Showing Month" means the calendar month of the Delivery Term that is the subject of the Supply Plan.

(B) "Supply Plan" has the meaning set forth in the CAISO Tariff.

(ii) If Seller is unable to provide the full Contract Quantity of System Resource Adequacy for any Showing Month for any reason, or Seller desires to provide the Contract Quantity for any Showing Month from a different generating unit other than the Project (a "Replacement Unit"), then Seller may, at no additional cost to Buyer, provide Buyer with replacement System Resource Adequacy from one or more Replacement Units, provided that in each case Seller shall notify Buyer of its intent to provide replacement System Resource Adequacy and identify Replacement Units no later than fifteen (15) Business Days before the relevant deadlines for submission of Supply Plans related to such Showing Month.

(iii) Seller shall provide Buyer with the Contract Quantity of System Resource Adequacy for each Showing Month as follows. Seller shall, on a timely basis, submit

Supply Plans in accordance with the CAISO Tariff to identify and confirm the Contract Quantity of System Resource Adequacy provided to Buyer for the Showing Month.

(iv) If Seller fails to provide Buyer with the Contract Quantity of System Resource Adequacy for any Showing Month, in accordance with Sections 1(c)(i)-(iii) of this Confirmation, in each case as applicable, then (A) Buyer may, but shall not be required to, replace any portion of the Contract Quantity of System Resource Adequacy not provided by Seller for such Showing Month in a commercially reasonable manner, and Seller shall be responsible for such replacement costs, or (B) if Buyer elects not to purchase replacement capacity and incurs a direct assignment of any costs for CPM Capacity procured by CAISO which was related to Seller's failure to provide the Contract Quantity of System Resource Adequacy for such Showing Month, then Seller shall be responsible for such costs.

- (d) Transfer and Tracking of Renewable Energy Credits. Throughout the Delivery Term, Seller shall initiate transfer order(s) for the WREGIS Certificates to be transferred hereunder to Buyer's WREGIS Account. The WREGIS Certificates will be transferred to Buyer through WREGIS. Seller shall be deemed to have delivered the applicable quantity of WREGIS Certificates to Buyer after initiating the transfer of the applicable quantity of WREGIS Certificates to Buyer's WREGIS Account. Seller shall initiate the transfer into Buyer's WREGIS account of the quantity of WREGIS Certificates on or before five (5) Business Days after the later of (i) the date on which WREGIS Certificates corresponding to the energy delivered during the Delivery Term have been created in the WREGIS accounts for the Project, and (ii) the date on which the applicable pooled facility with which such WREGIS Certificates are associated has received final CEC certification as an ERR (each, a "Delivery Date"). Buyer shall confirm such transfer as soon as reasonably practical in accordance with WREGIS. Buyer agrees that it is solely responsible for payment directly to WREGIS of any and all WREGIS fees billed to Buyer by WREGIS related to the transfer and receipt of WREGIS Certificates.

Seller and, if applicable, its successors, represents and warrants that throughout the Delivery Term of this Agreement the Renewable Energy Credits transferred to Buyer conform to the definition and attributes required for compliance with the California Renewables Portfolio Standard, as codified at California Public Utilities Code Section 399.11 *et seq.* and implemented in a manner consistent with the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, as adopted by the California Energy Commission on June 12, 2013, as may be further amended or subsequent legislation. To the extent a change in law or regulation occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law or regulation.

- (e) Tracking of RECs in WREGIS. Seller warrants that all necessary steps to allow the Renewable Energy Credits transferred to Buyer to be tracked in the Western Renewable Energy Generation Information System will be taken prior to the first delivery under this Agreement. Buyer acknowledges that WREGIS approval of the account for each of the pooled facilities comprising the Project will not be received until after the applicable pooled facility has reached substantial completion. Buyer also acknowledges that final CEC certification of each of the pooled facilities comprising the Project as an ERR cannot be obtained until after the applicable pooled facility has reached substantial

completion, provided, however, failure to certify any facility of the Project as an ERR shall not reduce the Seller's obligation to deliver the Contract Quantity.

2. **Generated Volume.** On a monthly basis, no later than five (5) Business Days after the end of each calendar month during the Energy Delivery Term, Seller shall provide Buyer a summary of the Project's generation and associated Green Attributes delivered to Buyer during the previous month, as measured at the revenue meter location on the high-side of the busbar for each of the facilities comprising the Project and detailed by generating facility, day, and hour (the "Actual Generation"). For the avoidance of doubt, the Parties agree and acknowledge that Buyer shall be obligated to pay the Contract Price only for Actual Generation that (a) meets that definition of Product (excluding the RA component) set forth above, or (b) does not meet that definition of Product (excluding the RA component) set forth above, despite Seller's commercially reasonable efforts as defined in Section 1(d) of this Confirmation Letter and Article 3 of the General Terms and Conditions, due to a change in law or regulation, or an adverse interpretation by the California Energy Commission as described in Articles 3 and 16 of the General Terms and Conditions, after the Effective Date.

3. **Invoicing and Payment.**

(a) For each month during the Delivery Term, Buyer shall pay Seller the Contract Price for the quantity of Product (excluding the RA component) delivered by Seller to Buyer, as determined in Section 2 above.

(b) Seller, as the Scheduling Coordinator for the Project, will receive revenue from the CAISO for the energy delivered by Seller to Buyer. The Parties agree that the CAISO revenue to be received by Seller is expected to be approximately equivalent to the indexed portion of the Contract Price (i.e., the Resource-Specific Settlement Interval LMP (as defined in the CAISO Tariff) applicable to the Delivery Point for such facility for such interval). As a result, and in accordance with the netting provisions of Section 4 of this Confirmation Letter, Seller shall be entitled to retain the CAISO revenues received in respect of the energy delivered by Seller to Buyer and Buyer shall be excused from its obligation to pay the indexed portion of the Contract Price for such energy.

(c) If there is any deficit or shortfall in WREGIS Certificates delivered to Buyer pursuant to Section 1(d) of this Confirmation Letter for a calendar month as compared to the quantity of Product (excluding the RA component) paid for by Buyer pursuant to Section 3(e) of this Confirmation Letter for the same calendar month as determined after WREGIS has completed its normal reconciliation process and any disputes between Seller and WREGIS have been resolved (a "WREGIS Certificate Deficit"), then Seller shall owe Buyer an amount equal to the product of (i) the WREGIS Certificate Deficit, and (ii) \$16.00/MWh. Any amount owed by Seller to Buyer because of a WREGIS Certificate Deficit shall be made as an adjustment to Seller's next monthly invoice to Buyer, and Buyer shall net such amount against Buyer's subsequent payment(s) to Seller, provided that if there are no subsequent payments to be made by Buyer hereunder, then Seller shall pay such amount within ten (10) Business Days after delivery of the invoice.

(d) On a monthly basis, no later than five (5) Business Days after the end of each calendar month during the Delivery Term, Seller shall provide Buyer an invoice for Product (excluding the RA component) delivered to Buyer during the previous month, as determined in

Section 2 above. Such invoice shall also include any applicable adjustments for other amounts owed hereunder.

(e) Buyer shall pay the amount of such invoice within ten (10) Business Days after receipt. If either the invoice date or payment date is not a Business Day, then such invoice or payment shall be provided on the next following Business Day.

(f) All payments made under this Agreement shall be made in immediately available United States Dollars by electronic transfer to the following accounts:

Payments to Seller: TGP Energy Management, LLC
USB Northern California Routing Number: 121122676
Account Number: 157503215624

Seller may direct Buyer to transfer payments under this Agreement directly to Seller's financing providers without consent from Buyer.

4. **Payment Netting.** If Buyer and Seller are each required to pay amounts in respect of purchases/sales hereunder or under any other forward commodity contract between the Parties on the same day, then, upon notice from one Party to the other, such amounts with respect to each Party shall be aggregated and the Parties shall discharge their obligations to pay through netting, in which case the Party, if any, owing the greater aggregate amount shall pay to the other Party the difference between the amounts owed.

5. **Term.** This Agreement shall commence on the Effective Date and shall terminate on the date on which both Parties have completed the performance of their obligations hereunder, unless earlier terminated pursuant to the terms hereof.

6. **Commercially Reasonable Efforts.** The term "commercially reasonable efforts" as set forth in Section 1(d) of this Confirmation Letter and Article 3 of the General Terms and Conditions shall not require Seller to incur out-of-pocket expenses in excess of \$25,000 in the aggregate in any one calendar year between the Effective Date and the last day of the Delivery Term.

Very truly yours,

TGP Energy Management, LLC

By: _____

Name: _____

Title: _____

Date: _____

Accepted and Agreed:

Moreno Valley Electric Utility

By: _____

Name: _____

Title: _____

Date: _____

Attachment: TGP Energy Mgmt Agrmt (2195 : APPROVE CONFIRMATION AGREEMENT WITH TERRA-GEN FOR PURCHASE OF WIND POWER)

**AGREEMENT FOR THE PURCHASE AND SALE OF CALIFORNIA RENEWABLE
ENERGY AND ASSOCIATED GREEN ATTRIBUTES**

GENERAL TERMS AND CONDITIONS

1. DEFINITIONS

1.1 Definitions. In addition to any other terms defined in the Confirmation Letter or these General Terms and Conditions, the following terms shall have the meaning ascribed to them as set forth below:

"**Business Day**" means a day on which Federal Reserve member banks in New York City are open for business; and a Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time.

"**CAISO Tariff**" means the California Independent System Operator Corporation, Fifth Replacement FERC Electric Tariff (Open Access Transmission Tariff), as it may be amended, supplemented or replaced (in whole or in part) from time to time.

"**California Balancing Authority**" means the California Independent System Operator, the Balancing Authority of Northern California, the Imperial Irrigation District, the Los Angeles Department of Water and Power, the Turlock Irrigation District, or any additional balancing authorities determined to be a California Balancing Authority by the CPUC.

"**CEC**" means the California Energy Commission.

"**Confidential Information**" means all oral and written information exchanged between the Parties with respect to the subject matter of this Agreement. The following information does not constitute Confidential Information for purposes of this Agreement: (a) information that is or becomes generally available to the public other than as a result of a disclosure by either Party in violation of this Agreement; (b) information that was already known by either Party on a non-confidential basis prior to this Agreement; and (c) information that becomes available to either Party on a non-confidential basis from a source other than the other Party if such source was not subject to any prohibition against disclosing the information to such Party.

"**CPUC**" means the California Public Utilities Commission.

"**Default**" shall have the meaning specified in Article 8.

"**Defaulting Party**" have the meaning specified in Article 9.

"**Early Termination Date**" shall have the meaning given in Article 9.2.

"**Effective Date**" shall have the meaning set forth in the Transaction Confirmation Letter.

"**ERR**" has the meaning set forth in Public Utilities Code Section 399.12 or Section 399.16.

"**Force Majeure**" means an event or circumstance which materially adversely affects the ability of a Party to perform its obligations under this Agreement, which event or circumstance

was not reasonably anticipated as of the Trade Date and which is not within the reasonable control of, or the result of the negligence of, the Party claiming Force Majeure, and which the claiming Party is unable to overcome or avoid or cause to be avoided, by the exercise of reasonable care. Force Majeure may not be based on (i) the loss or failure of Buyer's markets; (ii) Buyer's inability economically to use or resell the Product; (iii) Seller's ability to sell the Product to another at a price greater than the Contract Price; (iv) Buyer's ability to produce Product; or (v) Buyer's ability to purchase product similar to the Product at a price less than the Contract Price. In the case of a Party's obligation to make payments hereunder, Force Majeure will be only an event or act of a governmental authority that on any day disables the banking system through which a Party makes such payments.

“**Gains**” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

“**Green Attributes**” means any and all credits, benefits, emissions reductions, offsets, and allowances, howsoever entitled, attributable to the generation from the Project, and its avoided emission of pollutants. Green Attributes include but are not limited to Renewable Energy Credits, as well as: (1) any avoided emission of pollutants to the air, soil or water such as sulfur oxides (SOx), nitrogen oxides (NOx), carbon monoxide (CO) and other pollutants; (2) any avoided emissions of carbon dioxide (CO2), methane (CH4), nitrous oxide, hydrofluorocarbons, perfluorocarbons, sulfur hexafluoride and other greenhouse gases (GHGs) that have been determined by the United Nations Intergovernmental Panel on Climate Change, or otherwise by law, to contribute to the actual or potential threat of altering the Earth's climate by trapping heat in the atmosphere;¹ (3) the reporting rights to these avoided emissions, such as Green Tag Reporting Rights. Green Tag Reporting Rights are the right of a Green Tag Purchaser to report the ownership of accumulated Green Tags in compliance with federal or state law, if applicable, and to a federal or state agency or any other party at the Green Tag Purchaser's discretion, and include without limitation those Green Tag Reporting Rights accruing under Section 1605(b) of The Energy Policy Act of 1992 and any present or future federal, state, or local law, regulation or bill, and international or foreign emissions trading program. Green Tags are accumulated on a MWh basis and one Green Tag represents the Green Attributes associated with one (1) MWh of Energy. Green Attributes do not include (i) any energy, capacity, reliability or other power attributes from the Project, (ii) production tax credits associated with the construction or operation of the Project and other financial incentives in the form of credits, reductions, or allowances associated with the project that are applicable to a state or federal income taxation obligation, (iii) fuel-related subsidies or “tipping fees” that may be paid to Seller to accept certain fuels, or local subsidies received by the generator for the destruction of particular preexisting pollutants or the promotion of local environmental benefits, or (iv) emission reduction credits encumbered or used by the Project for compliance with local, state, or federal operating and/or air quality permits. If the Project is a biomass or biogas facility and Seller receives any tradable Green Attributes based on the greenhouse gas reduction benefits or other emission offsets attributed to its fuel usage, it shall provide Buyer with sufficient Green Attributes to ensure that there are zero net emissions associated with the production of electricity from the Project. [STC 2]

¹ Avoided emissions may or may not have any value for GHG compliance purposes. Although avoided emissions are included in the list of Green Attributes, this inclusion does not create any right to use those avoided emissions to comply with any GHG regulatory program.

“**Losses**” means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from termination of a Terminated Transaction, determined in a commercially reasonable manner.

“**MWh**” means MegaWatt-hour.

“**Product**” shall have the meaning set forth in the Transaction Confirmation Letter.

“**Project**” shall have the meaning set forth in the Transaction Confirmation Letter.

“**Renewable Energy Credit**” or “**REC**” has the meaning provided in CPUC Decision (D.) 08-08-028, and generally means the right to claim title to Green Attributes attributable to the generation of electric energy from ERRs. RECs are measured in one MWh increments and evidenced by the transfer of one WREGIS Certificate.

“**REC Vintage**” means the date of REC creation, which pursuant to the California RPS program, will not be valid if older than 36 months.

“**Reporting Year**” means the period beginning January 1 of the period year and continuing until December 31 of the subject year (e.g. Reporting Year 2012 means January 1, 2012 through December 31, 2012).

“**Settlement Amount**” means, with respect to a transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, including those which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 9.2.

“**System Resource Adequacy**” means RA Capacity, as defined in the CAISO Tariff. System Resource Adequacy consists of general system RA Capacity and does not include any rights to locational attributes or flexible capacity attributes associated with the Project. System Resource Adequacy does not include any right to the energy or ancillary services from the Project.

“**STC**” means the standard terms and conditions adopted by the CPUC to be incorporated into RPS agreements.

“**Termination Payment**” shall have the meaning given in Article 9.3.

“**Terminated Transaction**” shall have the meaning given in Article 9.2.

“**WREGIS**” means the environmental registry and information system, which is administered by Western Renewable Energy Generation Information System that tracks the environmental and fuel attributes of generation, and any successor tracking system that both Parties agree in their reasonable commercial judgment facilitates the sale and purchase of Product and is approved by the CEC for use in the California RPS program.

“**WREGIS Certificate**” means “Certificate” as defined by WREGIS in the WREGIS Operating Rules.

“**WREGIS Operating Rules**” means the operating rules and requirements adopted by WREGIS.

“**Unit Contingent**” means that Seller is excused from any failure to deliver the Contract Quantity on account of failure of the Project(s) to generate the amount of Product necessary during the Delivery Term.

2. REPRESENTATIONS AND WARRANTIES

2.1 Representations and Warranties of Both Parties. As of the Effective Date, each Party hereby represents and warrants to the other Party that:

(a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;

(b) it has, or will have prior to the commencement of the Delivery Term, all regulatory authorizations necessary for it to legally perform its obligations under this Agreement;

(c) the execution, delivery and performance of this Agreement is within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;

(d) this Agreement and each other document executed and delivered in accordance with this Agreement constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any equitable defenses, bankruptcy principles, or the like;

(e) no Event of Default (as defined in Article 8 below) with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement;

(g) it is acting for its own account, has made its own independent decision to enter into this Agreement and as to whether this Agreement is appropriate or proper for it based upon its own judgment, is not relying upon the advice or recommendations of the other Party in so doing, and is capable of assessing the merits of and understanding, and understands and accepts, the terms, conditions and risks of this Agreement;

(h) it is a "forward contract merchant" within the meaning of the United States Bankruptcy Code;

(i) it has entered into this Agreement in connection with the conduct of its business and it has the capacity or ability to make or take delivery of all Products referred to in the Agreement to which it is a Party; and

(j) with respect to this Agreement, it is a producer, processor, commercial user or merchant handling the Product, and it is entering into such Agreement for purposes related to its business as such.

2.2 Representations and Warranties of Seller.

Seller hereby represents and warrants to Buyer that:

(a) it has the right to sell the Product;

- (b) the Product has never been sold for any other purpose or use;
- (c) the Product is free and clear of all liens or other encumbrances; and
- (d) the Product when delivered will not be 36 months or older, as reflected by the REC Vintage(s).

2.3 Limitation on Warranties. EXCEPT AS EXPRESSLY SET FORTH IN THIS AGREEMENT, SELLER EXPRESSLY DISCLAIMS ANY OTHER REPRESENTATIONS OR WARRANTIES, WHETHER WRITTEN OR ORAL, AND WHETHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY REPRESENTATION OR WARRANTY WITH RESPECT TO CONFORMITY TO MODELS OR SAMPLES, MERCHANTABILITY, OR FITNESS FOR ANY PARTICULAR PURPOSE. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO REPRESENTATION OR WARRANTY HEREUNDER REGARDING ANY ACTION OR FAILURE TO ACT, OR APPROVAL OR FAILURE TO APPROVE, OF ANY AGENCY OR GOVERNMENTAL ENTITY.

3. ELIGIBILITY

Seller, and, if applicable, its successors, represents and warrants that throughout the Term of this Agreement that the renewable energy and REC portion of the Product meet the criteria for Section 399.16(b)(1) of the California Public Utilities Code, as it applies to Moreno Valley in accordance with Section 399.30(c)(3) thereof in a manner consistent with Section 3203(a) of the Enforcement Procedures for the Renewables Portfolio Standard for Local Publicly Owned Electric Utilities, as adopted by the California Energy Commission on June 12, 2013, as may be further amended. To the extent a change in law or regulation occurs after execution of this Agreement that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default if Seller has used commercially reasonable efforts to comply with such change in law or regulation. In the event that the California Energy Commission interprets the structure of this Agreement in a manner that that causes this representation and warranty to be materially false or misleading, it shall not be an Event of Default hereunder.

4. TAXES AND FEES

Each Party shall be responsible for any taxes or other fees associated with its respective purchase and sale hereunder. As used herein “taxes” means, but is not limited to, any or all ad valorem, property, occupation, severance, first use, conservation, gross receipts, privilege, sales, use, consumption, excise, lease, transaction, and other taxes, governmental charges, licenses, fees, permits and assessments, or increases therein, other than taxes based on net income or net worth. A tax is not a penalty or a fine.

5. CONFIDENTIALITY

5.1 Confidentiality. Except as provided in this Article 5, neither Party shall publish, disclose, or otherwise divulge Confidential Information to any person at any time during or after the term of this Agreement, without the other Party’s prior express written consent. Each Party shall permit knowledge of and access to Confidential Information only to those of its affiliates and to

persons investing in, providing funding to or acquiring it or its affiliates, and to its and the foregoing persons' respective attorneys, accountants, representatives, agents and employees who have a need to know such Confidential Information related to this Agreement.

5.2 Required Disclosure. If required by any law, statute, ordinance, decision, order or regulation passed, adopted, issued or promulgated by a court, governmental agency or authority having jurisdiction over a Party, that Party may release Confidential Information, or a portion thereof, to the court, governmental agency or authority, as required by the applicable law, statute, ordinance, decision, order or regulation, and a Party may disclose Confidential Information to accountants in connection with audits, provided that such Party has notified the other Party of the required disclosure, such that the other Party may attempt (if such Party so chooses) to cause that court, governmental agency, authority or accountant to treat such information in a confidential manner and to prevent such information from being disclosed or otherwise becoming part of the public domain. Parties acknowledge that Buyer is obligated to provide Confidential Information to the CEC for regulatory compliance purposes for the California RPS program, and Seller waives the prior notice requirement and authorizes such disclosures to the CEC.

5.3 Tax Treatment Exception. Notwithstanding any provision of this Agreement to the contrary, the legal obligations of confidentiality hereunder do not extend to the U.S. federal or state tax structure or the U.S. federal or state tax treatment of any transaction hereunder. If any U.S. federal or state tax analyses or materials are provided to a Party, such Party is free to disclose any such analyses or materials without limitation.

5.4 Survival. The Parties obligations under this Article 5 shall survive for a period of one (1) year following the expiration or termination of this Agreement.

6. ASSIGNMENT

Neither Buyer nor Seller shall assign this Agreement nor delegate any of its duties hereunder without the prior written consent of the other Party, which consent shall not be unreasonably withheld; provided, however, that either Party, without the consent of the other Party, may assign this Agreement to any of its affiliates provided such assigning Party shall not be released from its liabilities and obligations under this Agreement; and provided further that Seller may assign this Agreement without the consent of Buyer as collateral security to any lender (and in connection therewith, Buyer shall negotiate in good faith, execute and deliver to such lender a consent agreement in a form reasonably acceptable to Buyer).

Notwithstanding the foregoing, Seller may transfer, sell, pledge, encumber or assign (collaterally or otherwise) this Agreement or the accounts, revenues or proceeds hereof without the consent of the other Party to any affiliate of Seller that holds an interest in a Project, and to any such affiliate's financing providers (or agent acting for, or any designee of, the foregoing) (any such transferee, an "Assignee"); provided, however, that in each such case, as a condition to the assumption of the Agreement by such Assignee pursuant to (x) any absolute assignment or (y) exercise of rights under a collateral assignment, such Assignee any such affiliate of Seller and/or such affiliate's financing provider shall agree in writing to be bound by the terms and conditions hereof and shall deliver so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

7. FORCE MAJEURE

If either Party is rendered unable, wholly or in part, by Force Majeure to carry out its obligations with respect to this Agreement, that upon such Party's giving notice and full particulars of such Force Majeure as soon as reasonably possible after the occurrence of the cause relied upon, such notice to be confirmed in writing to the other Party, the obligations of the claiming Party will, to the extent they are affected by such Force Majeure, be suspended during the continuance of said inability, but for no longer period, and the claiming Party will not be liable to the other Party for, or on account of, any loss, damage, injury or expense resulting from, or arising out of such event of Force Majeure.

8. EVENTS OF DEFAULT

For purposes of this Agreement, a Party shall be in default (each of the following, an "Event of Default"):

(a) if that Party materially breaches any or all of its obligations as described in this Agreement and such breach is not cured within [five (5) Business Days] of written notice of such breach from the other Party;

(b) if any representation or warranty made by a Party in Article 2 of this Agreement proves to have been misleading or false in any material respect when made and such Party does not cure the underlying facts so as to make such representation and warranty correct and not misleading within [five (5) Business Days] of written notice from the other Party; or

(c) if a Party:

- (i) makes an assignment or any general arrangement for the benefit of its creditors,
- (ii) files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause under any bankruptcy or similar law for the protection of creditors, or has such a petition filed against it (which petition filed against it is not dismissed within sixty (60) days), or
- (iii) otherwise becomes bankrupt or insolvent (however evidenced).

9. REMEDIES UPON DEFAULT

9.1 Liquidated Damages. Buyer and Seller agree this Article 9 in its entirety represents the liquidated damages of each, and no part hereof represents a penalty.

9.2 Remedies. If either Party is in Default, as set forth in Article 8, the other Party (the “Non-Defaulting Party”) may select any or all of the following remedies: (i) to designate a day, no earlier than the day such notice is effective and no later than 20 days after such notice is effective, as an early termination date (“Early Termination Date”) to accelerate all amounts owing between the Parties and to liquidate and terminate all, but not less than all transactions (each referred to as a “Terminated Transaction”) between the Parties, (ii) withhold any payments due in respect of this Agreement and any other agreements between the Parties to the extent of its damages pursuant to this Article 9, (iii) suspend performance, and (iv) exercise such remedies as provided in this Agreement, including an action for damages (except as limited by Article 9.5). The Non-Defaulting Party will calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transactions as of the Early Termination Date (or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable).

9.3 Net Out of Settlement Amounts. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single amount by: netting out (a) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party, plus any or all other amounts due to the Defaulting Party under this Agreement against (b) all Settlement Amounts that are due to the Non-Defaulting Party, plus any or all other amounts due to the Non-Defaulting Party under this Agreement, so that all such amounts shall be netted out to a single liquidated amount (the “Termination Payment”) payable by one Party to the other. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. The Termination Payment, if any, is due within two (2) Business Days following written notice sent by the Non-Defaulting Party to the Defaulting Party, which notice will be sent out as soon as reasonably possible following the calculation of the Termination Payment, but in no event later than ten (10) Business Days following the Early Termination Date.

9.4 Calculation Disputes. If the Defaulting Party disputes the Non-Defaulting Party’s calculation of the Settlement Amount or Termination Payment, in whole or in part, the Defaulting Party will, within two (2) Business Days of receipt of the Non-Defaulting Party’s calculation, provide the Non-Defaulting Party a detailed written explanation of the basis for such dispute.

9.5 Limitation on Damages. Subject to any provisions in this Agreement to the contrary, the Defaulting Party's liability will be limited to direct, actual damages only, and such direct, actual damages will be the sole and exclusive remedy hereunder. In no event will any other liability be incurred by either Party for any obligations that arise under this Agreement, including, but not limited to, consequential, incidental, punitive, exemplary, or indirect damages in tort, contract, or otherwise.

9.6 Exclusive Remedy. THE REMEDIES SET FORTH IN THIS ARTICLE 9 ARE THE SOLE AND EXCLUSIVE REMEDIES IN THE EVENT OF A DEFAULT OF A PARTY'S OBLIGATIONS TO SELL OR PURCHASE PRODUCT, AND A PARTY'S LIABILITY SHALL BE LIMITED AS SET FORTH IN THIS ARTICLE. ALL OTHER REMEDIES OR DAMAGES FOR FAILURE TO SELL OR PURCHASE PRODUCT AT LAW ARE HEREBY WAIVED.

10. ENTIRE AGREEMENT

This Agreement, together with any attachments or exhibits specifically referenced herein, constitutes the entire agreement between the Seller and the Buyer with respect to the subject matter hereof, supersedes all prior oral or written representations and contracts, and may be modified only by a written amendment signed by Buyer and Seller.

11. APPLICABLE LAW; WAIVER OF TRIAL BY JURY

Governing Law. This Agreement and the rights and duties of the parties hereunder shall be governed by and construed, enforced and performed in accordance with the laws of the state of California, without regard to principles of conflicts of law. To the extent enforceable at such time, each party waives its respective right to any jury trial with respect to any litigation arising under or in connection with this agreement. [STC 17]

13. RECORDING

Each Party consents to the recording of its trading, marketing and scheduling representatives' telephone conversations without any further notice. Any tape recordings may be submitted in evidence to any court or in any legal proceeding for the purpose of establishing any matter relating to the Transaction. In addition, the Parties agree not to contest the authority of either Party's employees to enter into the Transaction evidenced by this Confirmation. Notwithstanding the foregoing, any agreement with respect to the Transaction shall be in a writing signed by both Parties.

14. WAIVER

No delay or omission by a Party in the exercise of any right under this Agreement shall be taken, construed or considered as a waiver or relinquishment thereof, and any such right may be exercised from time to time and as often as may be deemed expedient. If any of the terms and conditions hereof are breached and thereafter waived by a Party, such waiver shall be limited to the particular breach so waived and is not deemed to waive any other breach hereunder.

15. NOTICES

All notices, payments and other formal communications which either Party may give to the other under or in connection with this Agreement shall be in writing and shall be sent by any of the

following methods: hand delivery; reputable overnight courier; certified mail, return receipt requested; or, with respect to communications other than payments, by facsimile transmission, if the original communication is delivered by reputable overnight courier. The communications shall be sent to the following addresses, and shall be effective when received:

If to SELLER:

TGP Energy Management, LLC
 11512 El Camino Real
 Suite 370
 San Diego, CA 92130
 Attn: Don Vawter
 Telephone: (949) 525-3950
 Facsimile: (858) 764-3721

If to BUYER:

Moreno Valley Electric Utility
 14331Frederick Street
 Suite 2
 Moreno Valley, CA 92552
 Attn: Jeannette Olko
 Telephone: (951) 413-3502

16. CHANGE IN LAW OR REGULATION AFFECTING ELIGIBILITY.

If any statutes, rules, regulations, permits or authorizations are enacted, amended, granted or revoked after the execution of this Agreement which result in the Product no longer meeting or satisfying the eligibility requirements in Article 3, or in the event of an interpretation by the California Energy Commission that the type of bundled transaction described in this Agreement precludes the Product from meeting the criteria for California Public Utilities Code Section 399.16(b)(1), then the Parties hereto agree to negotiate in good faith to amend this Agreement to conform with such new statutes, regulations, interpretation, or rules in order to maintain the original intent of the Parties under this Agreement, provided, however, that if the Parties agree that the Agreement cannot be amended in a manner that permits the output of the Project to satisfy a material change in law or regulation affecting the eligibility requirements in Article 3 or if the Parties are unable to agree upon the terms of an amendment to this Agreement that will permit the output of the Project to satisfy a material change in law or regulation, or an adverse interpretation by the California Energy Commission, affecting the eligibility requirements in Article 3 within thirty (30) days after the commencement of good faith negotiations to comply with the change in law or regulation or overcome the adverse interpretation, then either Party may terminate this Agreement, effective upon written notice to the other Party, and upon such termination, neither Party shall have any further liability to the other Party, except for completed performance with respect to transfer of Green Attributes and payment of amounts owed under this Agreement for performance prior to such termination.

EXHIBIT A
POOLED FACILITIES

Name of Facility:	
Location:	
CEC ID:	
WREGIS ID:	
CAISO Resource ID:	
CEC RPS Certification Number:	
Name of Facility:	
Location:	
CEC ID:	
WREGIS ID:	
CAISO Resource ID:	
CEC RPS Certification Number:	

Attachment: TGP Energy Mgmt Agrmt (2195 : APPROVE CONFIRMATION AGREEMENT WITH TERRA-GEN FOR PURCHASE OF WIND POWER)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR COTTONWOOD AVENUE PAVEMENT RESURFACING FROM FREDERICK STREET TO ELSWORTH STREET - PROJECT NO. 801 0003 70 77

RECOMMENDED ACTION

Recommendations:

1. Award the construction contract to All American Asphalt, P.O. Box 2229, Corona, CA 92878, the lowest responsible bidder for the Cottonwood Avenue Pavement Resurfacing Project.
2. Authorize the City Manager to execute a contract with All American Asphalt.
3. Authorize the issuance of a Purchase Order to All American Asphalt in the amount of \$170,740.50 (\$162,610.00 bid amount plus 5% contingency) when the contract has been signed by all parties.
4. Authorize the Public Works Director/City Engineer to execute any subsequent related minor change orders to the contract with All American Asphalt up to, but not exceeding, the 5% contingency amount of \$8,130.50, subject to the approval of the City Attorney.

SUMMARY

This report recommends approval of a contract with All American Asphalt for the construction of the Cottonwood Avenue Pavement Resurfacing Project (Project). The Project involves the pavement resurfacing and related street improvements for Cottonwood Avenue from Frederick Street to Elsworth Street. The Project provides Cottonwood Avenue with a new pavement surface, which will enhance drivability, and extends the service life of the pavement. The Project is funded with the California

Communities Gas Tax Revenue Certificates of Participation, Series 2001B, Total Road Improvement Program (TRIP).

DISCUSSION

On July 26, 2011, the City Council adopted Resolution No. 2011-81 approving the sale, execution, and delivery of not more than \$20 million in principal amount of the TRIP for City street improvements. As part of the adoption of the FY 2013-2014 Capital Improvement Plan Budget, the City Council has authorized the appropriation of TRIP proceeds for the Project to resurface various arterial and collector street segments, as well as for the improvements of Nason Street and Reche Vista Drive.

The scope of work for the Project includes installing two (2) inches of asphalt overlay over the existing pavement surface on Cottonwood Avenue from Frederick Street to Elsworth Street, and reestablishment of traffic striping, and pavement markings.

As identified in the Bidding Documents, the Project scope of work was categorized to include the Base Bid and an Alternate Bid in order to maximize the utilization of the available budgeted funds.

Base Bid and Alternate Bids A-1 include pavement resurfacing and related street improvements for a section of Cottonwood Avenue from Frederick Boulevard to Elsworth Street.

The Planning Division of the Community Development Department determined on July 19, 2016 that this project qualifies for a Class 1 Categorical Exemption as defined in Section 15301C of the California Environmental Quality Act (CEQA) and Section 4.1(B.a) of the City's Rules and Procedures for implementation of CEQA.

The Notice Inviting Bids was advertised for the subject project and informal bidding procedures have been followed in conformance with the Public Contract Code. Bids were received via the electronic bid management system, PlanetBids, on July 20, 2016, and three (3) bids were received as follows:

	<u>CONTRACTORS</u>	<u>Base Bid</u>	<u>Total Bid Amounts</u> (Base Bid Plus Alternate A1)
1	All American Asphalt, Corona	\$162,610.00	\$182,350.00
2	Hardy and Harper, Inc., Santa Ana	\$170,390.00	\$194,200.00
3	Hillcrest Contracting, Orange	\$166,000.00	\$190,506.00

The lowest responsible bidder was determined by comparing the cumulative total Bid Prices for Base Bid and all Alternates Bid items as stipulated in the Bidding Documents.

Staff has reviewed the bid by All American Asphalt and determined it to be the lowest responsible bidder in possession of a valid license. No outstanding issues were identified through review of the references submitted by All American Asphalt in their bid. Based on the amount of available funding, the needs to construct the improvements, and the favorable bids received, staff recommends the City Council to award the Base Bid, for the total bid amount of \$162,610.00 to All American Asphalt.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will provide for the timely expenditure of TRIP funds and the construction of the pavement resurfacing and other needed improvements for Cottonwood Avenue.*

2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will prevent the project from meeting TRIP funds expenditure deadlines and delay the construction of needed improvements.*

FISCAL IMPACT

The project is funded with the TRIP funds. There is no impact to the General Fund.

All American Asphalt’s bid amount for the Base Bid is \$162,610.00. Staff is recommending that the City Council authorize the issuance of a Purchase Order to All American Asphalt in the amount of \$170,740.50 (bid amount plus 5% contingency). The contingency is added to the account for any unforeseen subsurface conditions encountered during construction which may result in changes in costs. Unforeseen conditions may include unsuitable soils, unknown or shallow conflicting utilities, or hazardous waste which need to be properly processed and removed.

Once constructed, street maintenance costs over a 20 year period are estimated to average approximately \$12,000 per year. Maintenance costs are typically funded by Measure A or Gas Tax monies that the City receives on an annual basis.

AVAILABLE FUNDS FOR CONSTRUCTION:

TRIP	
(Account No. 3411-70-77-80001, Project No. 801 0003 70 77)	\$ <u>175,000.00</u>
Total	\$175,000.00

ESTIMATED CONSTRUCTION COSTS:

Contractor Construction Costs (Include Contingency).....	\$170,740.50
Project Administration and Inspection*	<u>\$4,000.00</u>
Total	\$ 174,740.50

*City staff will provide Construction Management, and Inspection Services.

ANTICIPATED PROJECT SCHEDULE:

Award Construction Contract August 2016
Complete Construction..... September 2016

NOTIFICATION

During construction, all utilities, adjacent property owners, business owners, law enforcement, fire department, and other emergency services responders in the area will be notified in a timely manner of the proposed construction.

PREPARATION OF STAFF REPORT

Prepared By:
Henry Ngo
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari
Public Works Director/City Engineer

Concurred By:
Sherry Nour
Interim Capital Projects Manager/Assistant City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

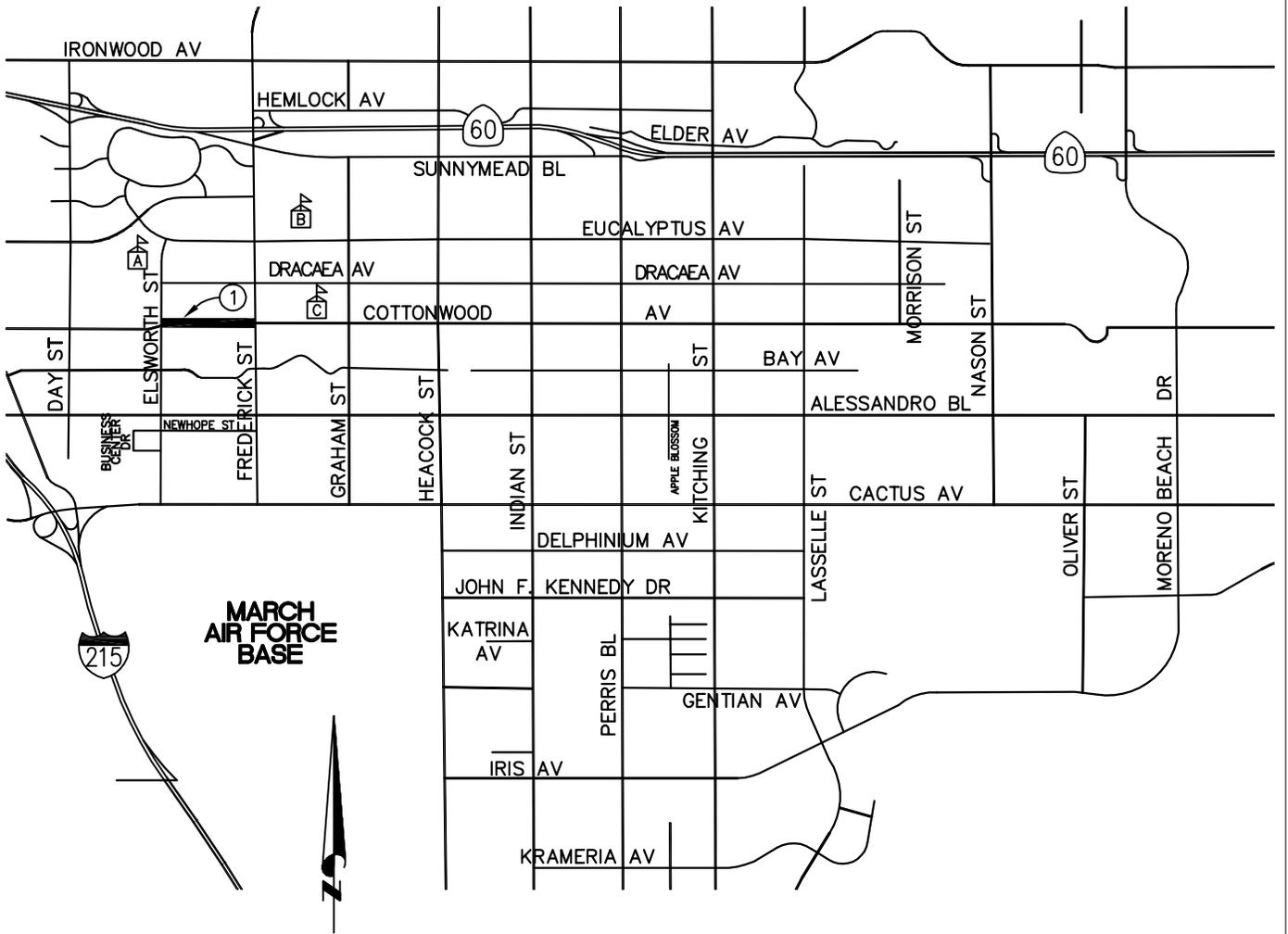
Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. Location Map
- 2. Agreement

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/25/16 8:00 AM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 12:36 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:26 PM



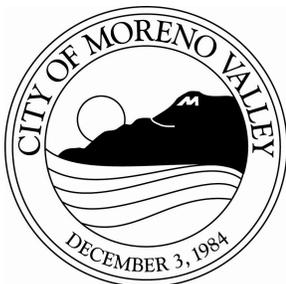
LEGEND:

PROJECT LOCATION/LIMITS

- ① COTTONWOOD AV (FREDERICK TO ELSWORTH)

SCHOOL LOCATIONS:

-  TOWNGATE ELEMENTARY SCHOOL
-  SUNNYMEADOWS ELEMENTARY SCHOOL
-  MORENO VALLEY HIGH SCHOOL



LOCATION MAP

Public Works Department
Capital Projects Division

COTTONWOOD AVE. PAVEMENT RESURFACING
FROM FREDERICK ST. TO ELSWORTH ST.

APPENDIX A

PROJECT NO. 801 0003 70 77

Agreement No. _____

AGREEMENT

PROJECT NO. 801 0003 70 77

**COTTONWOOD AVENUE PAVEMENT RESURFACING
from Frederick Street to Elsworth Street**

THIS Agreement, effective as of the date signed by the City of Moreno Valley, is by and between the City of Moreno Valley, a municipal corporation, County of Riverside, State of California, hereinafter called the "City" and **All American Asphalt**, hereinafter called the "Contractor."

That the City and the Contractor for the consideration hereinafter named, agree as follows:

1. CONTRACT DOCUMENTS. The Contract Documents consist of the following, which are incorporated herein by this reference:

- A. Governmental approvals, including, but not limited to, permits required for the Work
- B. Any and all Contract Change Orders issued after execution of this Agreement
- C. This Agreement
- D. Addenda Nos. N/A inclusive, issued prior to the opening of the Bids
- E. City Special Provisions, including the General Provisions and Technical Provisions
- F. Standard Specifications for Public Works Construction ("Greenbook") – latest edition in effect at the Bid Deadline, as modified by the City Special Provisions
- G. Reference Specifications/Reference Documents other than those listed in paragraph 2, below
- H. Project Plans and Specifications
- I. City Standard Plans
- J. The bound Bidding Documents
- K. Contractor's Certificates of Insurance and Additional Insured Endorsements
- L. Contractor's Bidder's Proposal and Subcontractor Listing
- M. City of Moreno Valley Supplementary General Conditions

In the event of conflict or discrepancy between any of the Contract Documents, the provisions placing a more stringent requirement on the Contractor shall prevail. The Contractor shall provide the better quality or greater quantity of Work and/or materials unless otherwise directed by City in writing. In the event none of the Contract Documents place a more stringent requirement or greater burden on the Contractor, the controlling provision shall be that which is found in the document with higher precedence in accordance with the above order of precedence.

2. REFERENCE DOCUMENTS. The following Reference Documents are not considered Contract Documents and are made available to the Contractor prior to the Bid Deadline for informational purposes:

NONE

3. SCOPE OF WORK. The Contractor shall perform and provide all materials, tools, equipment, labor, and services necessary to complete the Work described in the Contract Documents, except as otherwise provided in the Plans, Standard Specifications, or City Special Provisions to be the responsibility of others.

4. PAYMENT.

4.1. Contract Price and Basis for Payment. In consideration for the Contractor’s full, complete, timely, and faithful performance of the Work required by the Contract Documents, the City shall pay Contractor for the actual quantity of Work required under the Bid Items awarded by the City performed in accordance with the lump sum prices and unit prices for Bid Items and Alternate Bid Items, if any, set forth the Bidder’s Proposal submitted with the Bid. The sum of the unit prices and lump sum prices for the Base Bid Items and Alternate Bid Items, if any, awarded by the City is ONE HUNDRED SIXTY-TWO THOUSAND SIX HUNDRED TEN AND 00/100 Dollars (\$162,610.00) (“Contract Price”). No Alternate Bid Items are selected by the City and included in the Contract. It is understood and agreed that the quantities set forth in the Bidder’s Proposal for which unit prices are fixed are estimates only and that City will pay and Contractor will accept, as full payment for these items of work, the unit prices set forth in the Bidder’s Proposal multiplied by the actual number of units performed, constructed, or completed as directed by the City Engineer.

4.2. Payment Procedures. Based upon applications for payment submitted by the Contractor to the City, the City shall make payments to the Contractor in accordance with Article 9 of the Standard Specifications, as modified by Article 9 of the City Special Provisions.

5. CONTRACT TIME.

A. Contract Time. The Contract Time shall be determined in accordance with the following:

Base Bid	25 Working Days
Total	25 Working Days

B. Initial Notice to Proceed. After the Agreement has been fully executed by the Contractor and the City, the City shall issue the “Notice to Proceed to Fulfill Preconstruction Requirements.” The date specified in the Notice to Proceed to Fulfill Preconstruction Requirements constitutes the date of commencement of the Contract Time of **Twenty Five (25) Working Days for the Base Bid only**. The Contract Time includes the time necessary to fulfill preconstruction requirements, and to complete construction of the Project (except as adjusted by subsequent Change Orders).

The Notice to Proceed to Fulfill Preconstruction Requirements shall further specify that Contractor must complete the preconstruction requirements within **Five (5) Working Days** after the date of commencement of the Contract Time; this duration is part of the Contract Time.

Preconstruction requirements include, but are not limited to, the following:

- Submitting and obtaining approval of critical required submittals
- Installation of the approved Project Identification Signs
- Obtaining an approved no fee Encroachment Permit

Attachment: Agreement (2196 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR COTTONWOOD AVENUE PAVEMENT

- Notifying all agencies, utilities, residents, etc., as outlined in the Bidding Documents

C. Notice to Proceed with Construction. After all preconstruction requirements are met and materials have been ordered in accordance with the Notice to Proceed to Fulfill Preconstruction Requirements, the City shall issue the "Notice to Proceed with Construction," at which time the Contractor shall diligently prosecute the Work, including corrective items of Work, day to day thereafter, within the remaining Contract Time.

6. LIQUIDATED DAMAGES AND CONTROL OF WORK

6.1. **Liquidated Damages.** The Contractor and City (collectively, the "Parties") have agreed to liquidate damages with respect to Contractor's failure to fulfill the preconstruction requirements, and/or failure to complete the Work within the Contract Time. The Parties intend for the liquidated damages set forth herein to apply to this Contract as set forth in Government Code Section 53069.85. Contractor acknowledges and agrees that the liquidated damages are intended to compensate the City solely for Contractor's failure to meet the deadline for completion of the Work and will not excuse Contractor from liability from any other breach, including any failure of the Work to conform to the requirements of the Contract Documents.

In the event that Contractor fails to fulfill the preconstruction requirements and/or fails to complete the Work within the Contract Time, Contractor agrees to pay the City **\$300.00 per Calendar day** that completion of the Work is delayed beyond the Contract Time, as adjusted by Contract Change Orders. The Contractor will not be assessed liquidated damages for delays occasioned by the failure of the City or of the owner of a utility to provide for the removal or relocation of utility facilities.

The Contractor and City acknowledge and agree that the foregoing liquidated damages have been set based on an evaluation of damages that the City will incur in the event of late completion of the Work. The Contractor and City acknowledge and agree that the amount of such damages are impossible to ascertain as of the date of execution hereof and have agreed to such liquidated damages to fix the City's damages and to avoid later disputes. It is understood and agreed by Contractor that liquidated damages payable pursuant to this Agreement are not a penalty and that such amounts are not manifestly unreasonable under the circumstances existing as of the date of execution of this Agreement.

It is further mutually agreed that the City will have the right to deduct liquidated damages against progress payments or retainage and that the City will issue a Change Order or Construction Change Directive and reduce the Contract Price accordingly. In the event the remaining unpaid Contract Price is insufficient to cover the full amount of liquidated damages, Contractor shall pay the difference to the City.

6.2. Any work completed by the Contractor after the issuance of a Stop Work Notice by the City shall be rejected and/or removed and replaced as specified in Section 2-11 of the Special Provisions.

6.3. **Owner is Exempt from Liability for Early Completion Delay Damages.** While the Contractor may schedule completion of all of the Work, or portions thereof, earlier than the Contract Time, the Owner is exempt from liability for and the Contractor will not be entitled to an adjustment of the Contract Sum or to any additional costs, damages, including, but not limited to, claims for extended general conditions costs, home office overhead, jobsite overhead, and management or administrative costs, or compensation whatsoever, for use of float time or for

Contractor's inability to complete the Work earlier than the Contract Time for any reason whatsoever, including but not limited to, delay cause by Owner or other Excusable Compensable Delay. See Section 6-6 of the Standard Specifications and City Special Provisions regarding compensation for delays.

7. INSURANCE.

7.1. **General.** The Contractor shall procure and maintain at its sole expense and throughout the term of this Agreement, any extension thereof, Commercial General Liability, Automobile Liability, and Workers' Compensation Insurance with such coverage limits as described herein.

7.2. **Additional Insured Endorsements.** The Contractor shall cause the insurance required by the Contract Document to include the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives as an additional insureds. For the Commercial General Liability coverage, said parties shall be named as additional insureds utilizing either:

1. Insurance Services Office ("ISO") Additional Insured endorsement CG 20 10 (11/85); or
2. ISO Additional Insured endorsement CG 20 10 (10/01) and Additional Insured Completed Operations endorsement CG 20 37 (10/01); or
3. substitute endorsements providing equivalent coverage, approved by the City.

The endorsements shall be signed by a person authorized by the insurer to bind coverage on its behalf. The coverage shall contain no special limitations on the scope of protection afforded to such additional insureds. Coverage for such additional insureds does not extend to liability to the extent prohibited by Insurance Code Section 11580.4.

7.3. **Waivers of Subrogation.** All policies of insurance required by the Contract Documents shall include or be endorsed to provide a waiver by the insurers of any rights of recovery or subrogation that the insurers may have at any time against the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives.

7.4. **Primary Coverage.** All policies and endorsements shall stipulate that the Contractor's (and the Subcontractors') insurance coverage shall be primary insurance as respects the City of Moreno Valley, the City Council and each member thereof, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and their respective officials, employees, commission members, officers, directors, agents, employees, volunteers and representatives, and shall be excess of the Contractor's (and its Subcontractors') insurance and shall not contribute with it.

7.5. **Coverage Applies Separately to Each Insured and Additional Insured.** Coverage shall state that the Contractor's (and its Subcontractors') insurance shall apply separately to each insured or additional insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability. Coverage shall apply to any claim or suit brought by an additional insured against a named insured or other insured.

7.6. **Self-Insurance.** Any self-insurance (including deductibles or self-insured retention in excess of \$50,000) in lieu of liability insurance must be declared by Contractor and approved by the City in writing prior to execution of the Agreement. The City's approval of self-insurance, if any, is within the City's sole discretion and is subject to the following conditions:

1. Contractor must, at all times during the term of the Agreement and for a period of at least **one (1)** year after completion of the Project, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions, maintain and upon Owner's reasonable request provide evidence of:
 - (a) Contractor's "net worth" (defined as "total assets" [defined as all items of value owned by the Contractor including tangible items such as cash, land, personal property and equipment and intangible items such as copyrights and business goodwill]) minus total outside liabilities must be reflected in a financial statement for the prior fiscal year reflecting sufficient income and budget for Contractor to afford at least one loss in an amount equal to the amount of self-insurance;
 - (b) financial statements showing that Contractor has funds set aside/budgeted to finance the self-insured fund (i.e., Contractor has a program that fulfills functions that a primary insurer would fill; and
 - (c) a claims procedure that identifies how a claim is supposed to be tendered to reach the financing provided by the self-insured fund.
2. If at any time after such self-insurance has been approved Contractor fails to meet the financial thresholds or otherwise fails to comply with the provisions set forth in this Paragraph 7, at the option of the City:
 - (a) the Contractor shall immediately obtain and thereafter maintain the third party insurance required under this Paragraph 7 and otherwise on the terms required above; or
 - (b) the insurer shall reduce or eliminate such deductibles or self-insured retention as respects the City, its officers, officials, employees and volunteers; or
 - (c) the Contractor shall procure a bond guaranteeing payment of losses and related investigation, claim administration, and defense expenses.

7.7. **Insurer Financial Rating.** Insurance companies providing insurance hereunder shall be rated A-:VII or better in Best's Insurance Rating Guide and shall be legally licensed and qualified to conduct insurance business in the State of California.

7.8. **Notices to City of Cancellation or Changes.** Each insurance policy described in this Paragraph 7 shall contain a provision or be endorsed to state that coverage will not be cancelled without **thirty (30) days'** prior written notice by certified or registered mail to the City (this obligation may be satisfied in the alternative by requiring such notice to be provided by Contractor's insurance broker and set forth on its Certificate of Insurance provided to the City), except that cancellation for non-payment of premium shall require (10) days prior written notice by certified or registered mail. If an insurance carrier cancels any policy or elects not to renew any policy required to be maintained by Contractor pursuant to the Contract Documents, Contractor agrees to give written notice to the City at the address indicated on the first page of the Agreement. Contractor agrees to provide the same notice of cancellation and non-renewal to the City that is required by such policy(ies) to be provided to the First Named Insured under such policy(ies). Contractor shall provide confirmation that the required policies have been renewed not less than seven (7) days prior to the expiration of existing coverages and shall deliver renewal or replacement policies, certificates and endorsements to the City Clerk within fourteen (14) days of the expiration of existing coverages. Contractor agrees that upon receipt of any notice of cancellation or alteration of the policies, Contractor shall procure within five (5) days, other policies of insurance similar in all respects to the policy or policies to be cancelled or altered. Contractor shall furnish to the City Clerk copies of any endorsements that are subsequently issued amending coverage or limits within fourteen (14) days of the amendment.

7.9. **Commercial General Liability.** Coverage shall be written on an ISO Commercial General Liability "occurrence" form CG 00 01 (10/01 or later edition) or equivalent form approved by the City for coverage on an occurrence basis. The insurance shall cover liability, including, but not limited to, that arising from premises operations, stop gap liability, independent contractors, products-completed operations, personal injury, advertising injury, and liability assumed under an insured contract. The policy shall be endorsed to provide the Aggregate Per Project Endorsement ISO form CG 25 03 (11/85). Coverage shall contain no contractors' limitation or other endorsement limiting the scope of coverage for liability arising from pollution, explosion, collapse, or underground (x, c, u) property damage. Contractor shall provide Products/Completed Operations coverage to be maintained continuously for a minimum of **one (1) year** after Final Acceptance of the Work, and any extension of the one-year correction guarantee period in accordance with Section 6-8.1 of the City Special Provisions.

Contractor shall maintain Commercial General Liability insurance with the following minimum limits: \$1,000,000 per occurrence / \$2,000,000 aggregate / \$2,000,000 products-completed operations.

7.10. **Business Automobile Liability.** Coverage shall be written on ISO form CA 00 01 (12/93 or later edition) or a substitute form providing equivalent coverage for owned, hired, leased and non-owned vehicles, whether scheduled or not, with \$1,000,000 combined single limit per accident for bodily injury and property damage. If necessary, the policy shall be endorsed to provide contractual liability coverage.

7.11. **Workers' Compensation.** Contractor shall comply with the applicable sections of the California Labor Code concerning workers' compensation for injuries on the job. Compliance is accomplished in one of the following manners:

1. Provide copy of permissive self-insurance certificate approved by the State of California; or
2. Secure and maintain in force a policy of workers' compensation insurance with statutory limits and Employer's Liability Insurance with a minimal limit of **\$1,000,000** per accident; or
3. Provide a "waiver" form certifying that no employees subject to the Labor Code's Workers' Compensation provision will be used in performance of this Contract.

7.12. **Subcontractors' Insurance.** The Contractor shall include all Subcontractors as insureds under its policies or shall furnish separate certificates and endorsements for each Subcontractor. All coverages for Subcontractors shall be subject to all of the requirements stated herein.

8. NOT USED

9. **RECORDS.** The Contractor and its Subcontractors shall maintain and keep books, payrolls, invoices of materials, and Project records current, and shall record all transactions pertaining to the Contract in accordance with generally acceptable accounting principles. Said books and records shall be made available to the City of Moreno Valley, Riverside County, the State of California, the Federal Government, and to any authorized representative thereof for purposes of audit and inspection at all reasonable times and places. All such books, payrolls, invoices of materials, and records shall be retained for at least three (3) years after Final Acceptance.

10. INDEMNIFICATION.

10.1. **General.** To the fullest extent permitted by law, the Contractor assumes liability for and agrees, at the Contractor's sole cost and expense, to promptly and fully indemnify, protect, hold harmless and defend (even if the allegations are false, fraudulent, or groundless), the City of Moreno Valley, its City Council, the Moreno Valley Housing Authority (MVHA), and the Moreno Valley Community Services District (CSD), and all of their respective officials, officers, directors, employees, commission members, representatives and agents ("Indemnitees"), from and against any and all claims, allegations, actions, suits, arbitrations, administrative proceedings, regulatory proceedings, or other legal proceeds, causes of action, demands, costs, judgments, liens, stop notices, penalties, liabilities, damages, losses, anticipated losses of revenues, and expenses (including, but not limited to, any fees of accountants, attorneys, experts or other professionals, or investigation expenses), or losses of any kind or nature whatsoever, whether actual, threatened or alleged, arising out of, resulting from, or in any way (either directly or indirectly), related to the Work, the Project or any breach of the Contract by Contractor or any of its officers, agents, employees, Subcontractors, Sub-subcontractors, or any person performing any of the Work, pursuant to a direct or indirect contract with the Contractor ("Indemnity Claims"). Such Indemnity Claims include, but are not limited to, claims for:

- A. Any activity on or use of the City's premises or facilities;
- B. Any liability incurred due to Contractor acting outside the scope of its authority pursuant to the Contract, whether or not caused in part by an Indemnified Party;
- C. The failure of Contractor or the Work to comply with any Applicable Law, permit or orders;

- D. Any misrepresentation, misstatement or omission with respect to any statement made in the Contract Documents or any document furnished by the Contractor in connection therewith;
- E. Any breach of any duty, obligation or requirement under the Contract Documents, including, but not limited to any breach of Contractor's warranties, representations or agreements set forth in the Contract Documents;
- F. Any failure to coordinate the Work with City's Separate Contractors;
- G. Any failure to provide notice to any party as required under the Contract Documents;
- H. Any failure to act in such a manner as to protect the Project from loss, cost, expense or liability;
- I. Bodily or personal injury, emotional injury, sickness or disease, or death at any time to any persons including without limitation employees of Contractor;
- J. Damage or injury to real property or personal property, equipment and materials (including, but without limitation, property under the care and custody of the Contractor or the City) sustained by any person or persons (including, but not limited to, companies, corporations, utility company or property owner, Contractor and its employees or agents, and members of the general public);
- K. Any liability imposed by Applicable Law including, but not limited to criminal or civil fines or penalties;
- L. Any dangerous, hazardous, unsafe or defective condition of, in or on the Site, of any nature whatsoever, which may exist by reason of any act, omission, neglect, or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors;
- M. Any operation conducted upon or any use or occupation of the Site by Contractor, its officers, agents, employees, or Subcontractors under or pursuant to the provisions of the Contract or otherwise;
- N. Any acts, errors, omission or negligence of Contractor, its officers, agents, employees, or Subcontractors;
- O. Infringement of any patent rights, licenses, copyrights or intellectual property which may be brought against the Contractor or Owner arising out of Contractor's Work, for which the Contractor is responsible; and
- P. Any and all claims against the City seeking compensation for labor performed or materials used or furnished to be used in the Work or alleged to have been furnished on the Project, including all incidental or consequential damages resulting to the City from such claims.

10.2. **Effect of Indemnitees' Active Negligence.** Contractor's obligations to indemnify and hold the Indemnitees harmless exclude only such portion of any Indemnity Claim which is attributable to the active negligence or willful misconduct of the Indemnitee, provided such active negligence or willful misconduct is determined by agreement of the parties or by findings of a court of competent jurisdiction. In instances where an Indemnitee's active negligence accounts for only a percentage of the liability for the Indemnity Claim involved, the obligation of Contractor will be for that entire percentage of liability for the Indemnity Claim not attributable to the active negligence or willful misconduct of the Indemnitee(s). Such obligation shall not be construed to negate, abridge or otherwise reduce any other right or obligation of indemnity which would otherwise exist as to any party or person described in this Paragraph 11. Subject to the limits set forth herein, the Contractor, at its own expense, shall satisfy any

resulting judgment that may be rendered against any Indemnitee resulting from an Indemnity Claim. The Indemnitees shall be consulted with regard to any proposed settlement.

10.3. Independent Defense Obligation. The duty of the Contractor to indemnify and hold harmless the Indemnitees includes the separate and independent duty to defend the Indemnitees, which duty arises immediately upon receipt by Contractor of the tender of any Indemnity Claim from an Indemnitee. The Contractor's obligation to defend the Indemnitee(s) shall be at Contractor's sole expense, and not be excused because of the Contractor's inability to evaluate liability or because the Contractor evaluates liability and determines that the Contractor is not liable. This duty to defend shall apply whether or not an Indemnity Claim has merit or is meritless, or which involves claims or allegations that any or all of the Indemnitees were actively, passively, or concurrently negligent, or which otherwise asserts that the Indemnitees are responsible, in whole or in part, for any Indemnity Claim. The Contractor shall respond within thirty (30) Calendar Days to the tender of any Indemnity Claim for defense and/or indemnity by an Indemnitee, unless the Indemnitee agrees in writing to an extension of this time. The defense provided to the Indemnitees by Contractor shall be by well qualified, adequately insured and experienced legal counsel acceptable to the City.

10.4. Intent of Parties Regarding Scope of Indemnity. It is the intent of the parties that the Contractor and its Subcontractors of all tiers shall provide the Indemnitees with the broadest defense and indemnity permitted by Applicable Law. In the event that any of the defense, indemnity or hold harmless provisions in the Contract Documents are found to be ambiguous, or in conflict with one another, it is the parties' intent that the broadest and most expansive interpretation in favor of providing defense and/or indemnity to the Indemnitees be given effect.

10.5. Waiver of Indemnity Rights Against Indemnitees. With respect to third party claims against the Contractor, to the fullest extent permitted by law, the Contractor waives any and all rights to any type of express or implied indemnity against the Indemnitees.

10.6. Subcontractor Requirements. In addition to the requirements set forth hereinabove, Contractor shall ensure, by written subcontract agreement, that each of Contractor's Subcontractors of every tier shall protect, defend, indemnify and hold harmless the Indemnitees with respect to Indemnity Claims arising out of, in connection with, or in any way related to each such Subcontractors' Work on the Project in the same manner in which Contractor is required to protect, defend, indemnify and hold the Indemnitees harmless. In the event Contractor fails to obtain such defense and indemnity obligations from others as required herein, Contractor agrees to be fully responsible to the Indemnitees according to the terms of this Paragraph 11.

10.7. No Limitation or Waiver of Rights. Contractor's obligations under this Paragraph 11 are in addition to any other rights or remedies which the Indemnitees may have under the law or under the Contract Documents. Contractor's indemnification and defense obligations set forth in this Paragraph 11 are separate and independent from the insurance provisions set forth in the Contract Documents, and do not limit, in any way, the applicability, scope, or obligations set forth in such insurance provisions. The purchase of insurance by the Contractor with respect to the obligations required herein shall in no event be construed as fulfillment or discharge of such obligations. In any and all claims against the Indemnitees by any employee of the Contractor, any Subcontractor, any supplier of the Contractor or Subcontractors, anyone directly or indirectly employed by any of them, or anyone for whose acts any of them may be liable, the obligations under this Paragraph 11 shall not be limited in any way by any limitation on the amount or type of damages, compensation or benefits payable

by or for the Contractor or any Subcontractor or any supplier of either of them, under workers' or workmen's compensation acts, disability benefit acts or other employee benefit acts. Failure of the City to monitor compliance with these requirements imposes no additional obligations on the City and will in no way act as a waiver of any rights hereunder.

10.8. **Withholding to Secure Obligations.** In the event an Indemnity Claim arises prior to final payment to Contractor, the City may, in its sole discretion, reserve, retain or apply any monies due Contractor for the purpose of resolving such Indemnity Claims; provided, however, the City may release such funds if the Contractor provides the City with reasonable assurances of protection of the Indemnitees' interests. The City shall, in its sole discretion, determine whether such assurances are reasonable.

10.9. **Survival of Indemnity Obligations.** Contractor's obligations under this Paragraph 11 are binding on Contractor's and its Subcontractors' successors, heirs and assigns and shall survive the completion of the Work or termination of the Contractor's performance of the Work.

11. **SUCCESSORS AND ASSIGNS.** The Parties bind themselves, their heirs, executors, administrators, successors and assigns the covenants, agreements and obligations contained in the Contract Documents. The Contractor shall not, either voluntarily or by action of law, assign any right or obligation of the Contractor under the Contract Documents without prior written consent of the City.

(SIGNATURE PAGE FOLLOWS)

CITY OF MORENO VALLEY, Municipal Corporation

All American Asphalt

BY: _____
City Manager

License No./
Classification: _____

DATE: _____

Expiration Date: _____

Federal I.D. No.: _____

<u>INTERNAL USE ONLY</u>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Public Works Director/City Engineer <i>(if contract exceeds \$15,000)</i>
_____ Date

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

PRINT NAME: _____

SIGNATURE: _____

TITLE: _____

DATE: _____

SIGNING INSTRUCTIONS TO THE CONTRACTOR:

Signature(s) must be accompanied by a completed notary certificate of acknowledgement attached hereto. A general partner must sign on behalf of a partnership. **Two (2)** corporate officers must sign on behalf of a corporation unless the corporation has a corporate resolution that allows one person to sign on behalf of the corporation; if applicable, said resolution must be attached hereto. The corporate seal may be affixed hereto.

Attachment: Agreement (2196 : AUTHORIZATION TO AWARD CONSTRUCTION CONTRACT FOR COTTONWOOD AVENUE PAVEMENT

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

SAMPLE

State of California

County of _____

On _____ before me, _____
(Here insert name and title of the officer)

personally appeared _____

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledgement to me that he/she they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature of Notary Public

(Notary Seal)

ADDITIONAL OPTIONAL INFORMATION

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/ere) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document.

DESCRIPTION OF THE ATTACHED DOCUMENT

AGREEMENT SIGNATURE PAGE
(Title or description of attached document)

(Title or description of attached document continued)

Number of Pages _____

Document Date _____

Additional Information

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

(Title)

- Partner (s)
- Attorney-in-Fact
- Other _____



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: PA13-0054 (PM 36625) - EXONERATE BONDS AND ADOPT THE RESOLUTION AUTHORIZING ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE AND ACCEPTING THOSE PORTIONS OF NEWHOPE STREET, ELSWORTH STREET, AND VETERAN'S WAY ASSOCIATED WITH THIS PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM. DEVELOPER: PSIP INTEGRA MORENO VALLEY LLC

RECOMMENDED ACTION

Recommendations:

1. Adopt Resolution No. 2016-62, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Acceptance of the Public Improvements as Complete within Project PA13-0054 (Parcel Map 36625) and Acceptance of those Portions of Newhope Street, Elsworth Street, and Veteran's Way Associated with this Project into the City's Maintained Street System.
2. Authorize the City Engineer to exonerate the Faithful Performance Bond, and in 90 days exonerate the Material and Labor Bond if there are no stop notices or liens on file with the City Clerk.

SUMMARY

This report recommends acceptance of the improvements associated with PA13-0054 into the City's maintained street system. The project is located on the southeast corner of Elsworth Street and Newhope Street. This report also recommends authorizing the City Engineer to exonerate the Faithful Performance Bond, and exonerate the Material and Labor Bond if there are no stop notices or liens on file with the City Clerk.

DISCUSSION

On May 13, 2014, the City Council of the City of Moreno Valley approved Tentative Parcel Map No. 36625 (PA13-0054) and Plot Plan (PA13-0030). The developer constructed a new 375,000 square-foot building located on the south side of Newhope Street between Elsworth Street and Veterans Way.

PSIP Integra Moreno Valley, LLC is the developer of this project and has completed all public improvements. The public improvements include, but are not limited to: asphalt, base, curb, gutter, sidewalk, driveway approaches, street lights, striping, signage, water and sewer laterals, catch basin, and storm drain laterals. Those improvements received on-going inspection during the construction process. Upon completion of the improvements, Public Works Department/Land Development Division performed an inspection, and a punch list was generated. The required corrective actions were completed in July 2015. A follow up inspection was completed in July 2016 for the one year warranty period of the improvements. No punch list items were identified and no corrective actions were needed. The public improvements are eligible for acceptance into the City's maintained street system.

In accordance with the Streets and Highway Code, the method for acceptance of improvements, per Section 1806 (a) and (b), is by action of City Council by resolution. It is appropriate to accept those improvements into the City's maintained street system and to exonerate the Faithful Performance Bond of \$644,000, and 90 days after Council action, exonerate the Material and Labor bond in the amount of \$322,000 issued by Philadelphia Indemnity Insurance Company, provided there are no stop notices or liens on file with the City Clerk.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative because this will allow the City to be in compliance with the Streets and Highway Code Section 1806 (a) and (b) in becoming a public street or road. Accepting them into the city street system results in City maintenance as public streets.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative because this will not allow the streets to become a street or road for public use to be maintained by the City and would not meet City Council's Goals.*

FISCAL IMPACT

The acceptance of these street improvements into the City's maintained street system will create an additional fiscal impact to the street maintenance program of the City Fund 2000-Gas Tax, Fund 2001-Measure A, and Fund 2007-Storm Water Maintenance. Fund 2000 is restricted to the construction and maintenance of streets and roadways. Fund 2001 is restricted for transportation projects only for the purposes of construction, maintenance and operation of streets and roadways. Street maintenance costs over a

20 year period are estimated to average almost \$12,000 per 13 foot wide lane mile per year. Based on the street section being accepted of 0.25 lane miles, the estimated annual cost is \$3,000.

The street sections include 10 additional street lights with an estimated annual operating cost of \$250 each. The parcel associated with this project is part of Community Services District (CSD) Zone C and pays \$9.00 on its annual property tax bill. This project was entitled and construction began prior to the formation of Community Facilities District No. 2014-01 (Maintenance Services). As a result, the street lights are funded through CSD Zone C. The General Fund currently offsets the revenue necessary to fund the operations of CSD Zone C.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Michael Lloyd, P.E.
Engineering Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

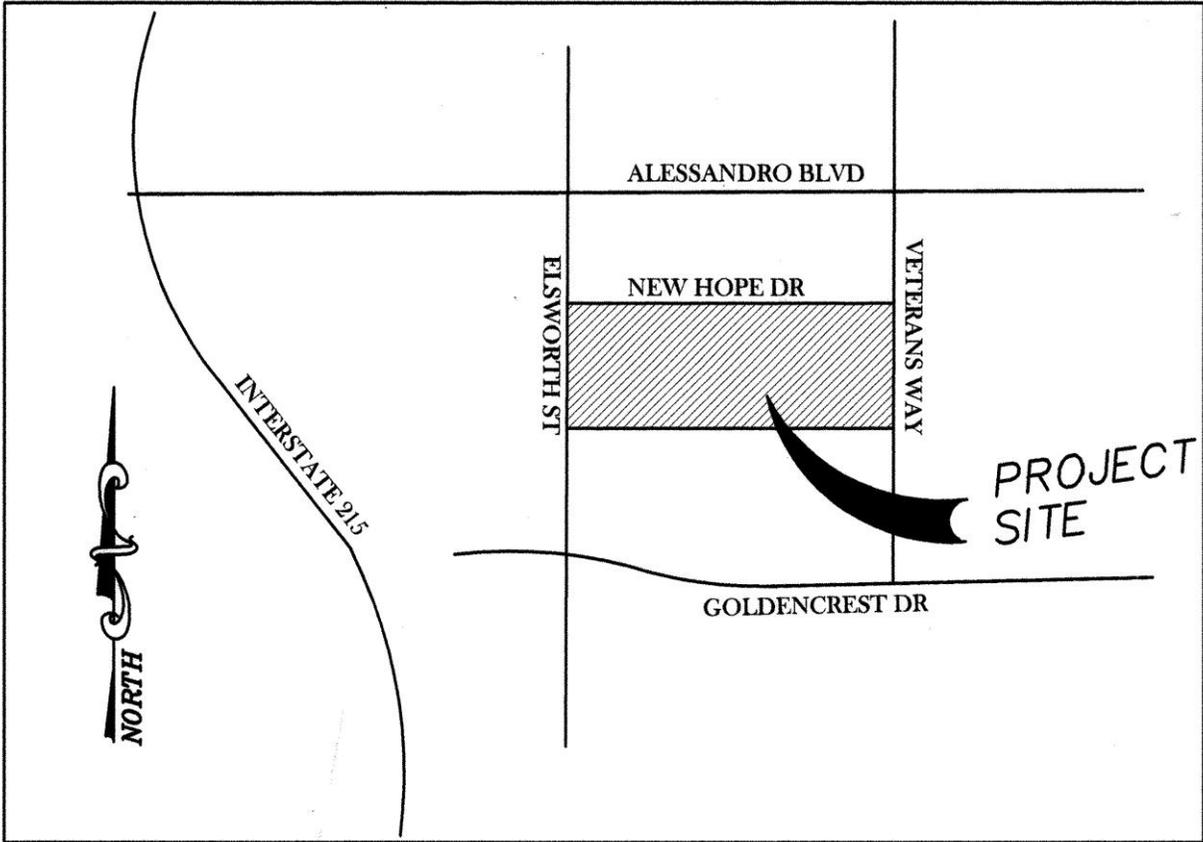
- 1. Vicinity Map - PA13-0054 (PM36625)
- 2. Resolution 2016-62 - PA13-0054 (PM 36625)

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/28/16 4:52 PM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 12:23 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:17 PM

VICINITY MAP

N.T.S.



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

PA13-0054 (PM 36625)

Attachment: Vicinity Map - PA13-0054 (PM36625) (2189 : PA13-0054 (PM 36625) - EXONERATE BONDS AND ADOPT THE)

RESOLUTION NO. 2016-62

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING THE ACCEPTANCE OF THE PUBLIC IMPROVEMENTS AS COMPLETE WITHIN PROJECT PA13-0054 (PARCEL MAP 36625) AND ACCEPTANCE OF THOSE PORTIONS OF NEWHOPE STREET, ELSWORTH STREET, AND VETERAN'S WAY ASSOCIATED WITH THIS PROJECT INTO THE CITY'S MAINTAINED STREET SYSTEM

WHEREAS, the City Engineer has determined that the public improvements constructed by PSIP Integra Moreno Valley LLC on those portions of Newhope Street, Elsworth Street, and Veteran's Way associated with this project were constructed according to the approved plans on file with the City of Moreno Valley; and

WHEREAS, the City Engineer has determined that those improvements were inspected during construction and were completed in an acceptable manner; and

WHEREAS, the City Engineer has requested that the City Council authorize the acceptance of said public improvements as complete within project PA13-0054 (Parcel Map 36625) and acceptance of those portions of Newhope Street, Elsworth Street, and Veteran's Way associated with this project into the City's maintained street system; and

WHEREAS, it is in accordance with Streets and Highway Code, Section 1806, (a) and (b), for City Council to perform this action by resolution;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS: that the public improvements within PA13-0054 (Parcel Map 36625) are complete, and those portions of Newhope Street, Elsworth Street, and Veteran's Way associated with this project are accepted into the City's maintained street system.

SEVERABILITY

That the City Council declares that, should any provision, section, paragraph, sentence or word of this Resolution be rendered or declared invalid by any final court action in a court of competent jurisdiction or by reason of any preemptive legislation, the remaining provisions, sections, paragraphs, sentences or words of this Resolution as hereby adopted shall remain in full force and effect.

REPRAL OF CONFLCITING PROVISIONS

That all the provisions heretofore adopted by the City or the City Council that are

in conflict with the provisions of this Resolution are hereby repealed.

EFFECTIVE DATE

That this Resolution shall take effect upon its adoption.

CERTIFICATION.

That the City Clerk shall certify to the passage of this resolution and enter it into the book of original resolutions.

APPROVED AND ADOPTED this 16th day of August, 2016.

Mayor of the City of Moreno Valley

ATTEST:

Interim City Clerk

APPROVED AS TO FORM:

Interim City Attorney

Attachment: Resolution 2016-62 - PA13-0054 (PM 36625) [Revision 4] (2189 : PA13-0054 (PM 36625) - EXONERATE BONDS AND ADOPT THE)

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Marie Macias, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-62 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

INTERIM CITY CLERK

(SEAL)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: August 16, 2016

TITLE: PAYMENT REGISTER - MAY 2016

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Payment Register.

SUMMARY

The Payment Register is an important report providing transparency of financial transactions and payments for City activity for review by the City Council and the residents and businesses in Moreno Valley. The report is posted to the City's website as soon as it is available. The report is included in the City Council agenda as an additional means of distributing the report.

The payment register lists in alphabetical order all checks and wires in the amount of \$25,000 or greater, followed by a listing in alphabetical order of all checks and wires less than \$25,000. The payment register also includes the fiscal year-to-date (FYTD) amount paid to each vendor.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Financial Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

ATTACHMENTS

1. May 2016 Payment Register

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/28/16 4:37 PM
City Attorney Approval	<u>✓ Approved</u>	7/28/16 2:24 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:16 PM



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ACCELA, INC.	17715	05/25/2016	INV-ACC19737	ACCELA CITIZEN ACCESS/CIVIC PLATFORM SUBSCRIPTION RENEWAL	\$73,300.08
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$147,184.29
ALL AMERICAN ASPHALT, INC.	228492	05/23/2016	170360	CITYWIDE PAVEMENT RESURFACING - CYCLE 2	\$586,966.36
Remit to: CORONA, CA					<u>FYTD:</u> \$871,336.41

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
 For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
APPLE ONE EMPLOYMENT SERVICES	17553	05/09/2016	01-3985614	TEMPORARY STAFFING-CODE 2/29-3/4/16 (K. AUTRY)	\$30,143.84
		05/09/2016	01-4034198	TEMPORARY STAFFING-CITY COUNCIL 4/11-4/15/16 (R. FLORES)	
		05/09/2016	01-4050758	TEMPORARY STAFFING-CITY COUNCIL 4/25-4/29/16 (R. FLORES)	
		05/09/2016	01-4034197	TEMPORARY STAFFING-LAND DEV'T 4/11-4/15/16 (D. SPIKES)	
		05/09/2016	01-4001167	TEMPORARY STAFFING-CITY CLERK/COUNCIL 3/14-3/18/16 (R. FLORES)	
		05/09/2016	01-3985617	TEMPORARY STAFFING-CITY CLERK 2/29-3/4/16 (R. FLORES)	
		05/09/2016	01-3976631	TEMPORARY STAFFING-CODE 2/23-2/25/16 (K. AUTRY)	
		05/09/2016	01-4026014	TEMPORARY STAFFING-CITY COUNCIL 4/4-4/8/16 (R. FLORES)	
		05/09/2016	01-3971831	TEMPORARY STAFFING-CITY CLERK 2/16-2/19/16 (R. FLORES)	
		05/09/2016	01-3957994	TEMPORARY STAFFING-CITY CLERK 2/8-2/12/16 (R. FLORES)	
		05/09/2016	01-4009965	TEMPORARY STAFFING-CITY COUNCIL 3/21-3/25/16 (R. FLORES)	
		05/09/2016	01-4041699	TEMPORARY STAFFING-CITY COUNCIL 4/19-4/22/16 (R. FLORES)	
		05/09/2016	01-3986269	TEMPORARY FINANCIAL OP'S DIVISION MGR 2/29-3/4/16 (R. ROBINSON)	
		05/09/2016	01-3972481	TEMPORARY FINANCIAL OP'S DIVISION MGR 2/16-2/19/16 (R. ROBINSON)	
		05/09/2016	01-3977293	TEMPORARY FINANCIAL OP'S DIVISION MGR 2/22-2/26/16 (R. ROBINSON)	
		05/09/2016	01-3976636	TEMPORARY STAFFING-CITY CLERK 2/22-2/26/16 (R. FLORES)	
		05/09/2016	01-3951449	TEMPORARY STAFFING-CITY CLERK 2/1-2/5/16 (R. FLORES)	
		05/09/2016	01-3996229	TEMPORARY FINANCIAL OP'S DIVISION MGR 3/7-3/11/16 (R. ROBINSON)	
		05/09/2016	01-4001164	TEMPORARY STAFFING-CODE 3/14-3/16/16 (K. AUTRY)	
		05/09/2016	01-4001823	TEMPORARY FINANCIAL OP'S DIVISION MGR 3/14-3/18/16 (R. ROBINSON)	
		05/09/2016	01-4017465	TEMPORARY STAFFING-CITY COUNCIL 3/28-4/1/16 (R. FLORES)	
		05/09/2016	01-3995577	TEMPORARY STAFFING-CODE 3/7-3/11/16 (K. AUTRY)	

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	
APPLE ONE EMPLOYMENT SERVICES		05/09/2016	01-3995580	TEMPORARY STAFFING-CITY CLERK 3/7-3/11/16 (R. FLORES)	
Remit to: GLENDALE, CA					<u>FYTD:</u> \$109,275.44
BANC OF AMERICA PUBLIC CAPITAL CORP	17542	05/02/2016	W160502	DEBT SERVICE-97 LRB REFUNDING INTEREST	\$41,033.80
Remit to: ATLANTA, GA					<u>FYTD:</u> \$1,126,242.60
CALIFORNIA DEPT OF TRANSPORTATION	228374	05/09/2016	16005447	CONSULTANT SERVICES-COOPERATIVE AGREEMENT-SR-60 REDLANDS	\$37,263.05
		05/09/2016	16006069	CONSULTANT SERVICES-COOPERATIVE AGREEMENT-SR-60 REDLANDS	
		05/09/2016	16006715	CONSULTANT SERVICES-COOPERATIVE AGREEMENT-SR-60 REDLANDS	
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$47,263.05
COUNTY OF RIVERSIDE SHERIFF	17501	05/02/2016	SH0000027727	CONTRACT LAW ENFORCEMENT BILLING #6 (11/12-12/9/15)	\$2,572,772.26
	17557	05/09/2016	SH0000027968	CONTRACT LAW ENFORCEMENT BILLING #7 (12/10/15-1/6/16)	\$2,366,048.75
	17735	05/31/2016	SH0000028134	CONTRACT LAW ENFORCEMENT BILLING #8 (1/7/16-2/3/16)	\$2,647,094.61
	228500	05/23/2016	SH0000027958	CDBG POP OVERTIME-POLICE	\$32,817.99
		05/23/2016	SH0000027957	CDBG POP OVERTIME-POLICE	
		05/23/2016	SH0000027959	CDBG POP OVERTIME-POLICE	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$28,262,873.11
COUNTY OF RIVERSIDE, AUDITOR- CONTROLLER	228501	05/23/2016	MAR-16	TRANSMITTAL OF AB544 FROM PARKING CONTROL FEES	\$37,933.50
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$311,172.44

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
DATA TICKET, INC.	17676	05/23/2016	69984	ADMIN CITATION PROCESSING-CODE (RED)-MAR16	\$28,522.89
		05/23/2016	70079	ADMIN CITATION PROCESSING-CODE-MAR16	
		05/23/2016	69552TPC	THIRD PARTY COLLECTIONS-CODE-MAR16	
		05/23/2016	69552	PARKING CITATION PROCESSING-CODE-MAR16	
		05/23/2016	68884	ADMIN CITATION PROCESSING-CODE (RED)-FEB16	
		05/23/2016	68827	ADMIN CITATION PROCESSING-CODE-FEB16	
		05/23/2016	70079TPC	THIRD PARTY COLLECTIONS-CODE-MAR16	
Remit to: NEWPORT BEACH, CA					FYTD: \$272,415.18

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
DMS FACILITY SERVICES	17678	05/23/2016	L40526	SPECIAL CLEANINGS FOR APR 2016 EVENT RENTALS-TOWNGATE COMM. CTR.	\$28,625.74
		05/23/2016	RC-L106925	JANITORIAL SERVICES-ANIMAL SHELTER-MAY16	
		05/23/2016	RC-L106941	JANITORIAL SERVICES-TOWNGATE COMM. CTR.-MAY16	
		05/23/2016	L40525	SPECIAL CLEANING FOR APR 1, 2016 EVENT RENTAL AT SENIOR CTR.	
		05/23/2016	RC-L106945	JANITORIAL SERVICES-23571 SUNNYMEAD POLICE SUBSTATION-MAY16	
		05/23/2016	RC-L106930	JANITORIAL SERVICES-EMERGENCY OP'S CTR.-MAY16	
		05/23/2016	RC-L106942	JANITORIAL SERVICES-TRANSP. TRAILER-MAY16	
		05/23/2016	RC-L106940	JANITORIAL SERVICES-SUNNYMEAD ELEMEN.-MAY16	
		05/23/2016	RC-L106939	JANITORIAL SERVICES-SUNNYMEAD MIDDLE/THINK-MAY16	
		05/23/2016	RC-L106938	JANITORIAL SERVICES-SENIOR CTR-MAY16	
		05/23/2016	RC-L106937	JANITORIAL SERVICES-RED MAPLE ELEMEN. PORTABLE-MAY16	
		05/23/2016	RC-L106936	JANITORIAL SERVICES-RAINBOW RIDGE PORTABLE-MAY16	
		05/23/2016	RC-L106935	JANITORIAL SERVICES-PUBLIC SAFETY BLDG.-MAY16	
		05/23/2016	RC-L106932	JANITORIAL SERVICES-GANG TASK FORCE OFFICE-MAY16	
		05/23/2016	RC-L106933	JANITORIAL SERVICES-LIBRARY-MAY16	
		05/23/2016	RC-L106926	JANITORIAL SERVICES-ANNEX 1-MAY16	
		05/23/2016	RC-L106931	JANITORIAL SERVICES-EMPLOYEE RESOURCE CTR.-MAY16	
		05/23/2016	L40524	SPECIAL CLEANINGS FOR APR 2016 EVENT RENTALS-COTTONWOOD GOLF CTR	
		05/23/2016	RC-L106944	JANITORIAL SERVICES-23819 SUNNYMEAD POLICE SUBSTATION-MAY16	
		05/23/2016	RC-L106929	JANITORIAL SERVICES-CONFERENCE & REC. CTR.-MAY16	
		05/23/2016	RC-L106928	JANITORIAL SERVICES-CITY YARD-MAY16	
		05/23/2016	RC-L106927	JANITORIAL SERVICES-CITY HALL-MAY16	
		05/23/2016	RC-L106934	JANITORIAL SERVICES-MARCH FIELD PARK COMM. CTR.-MAY16	

Remit to: MONROVIA, CA

FYTD: \$326,364.86

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



**City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016**

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
EASTERN MUNICIPAL WATER DISTRICT	228447	05/16/2016	APR-16 5/16/16	WATER CHARGES	\$27,250.41
	228576	05/31/2016	MAY-16 5/31/16	WATER CHARGES	\$30,633.30
Remit to: LOS ANGELES, CA					FYTD: \$1,373,715.38
EMPLOYMENT DEVELOPMENT DEPARTMENT	17609	05/13/2016	2016-00000374	CA TAX - STATE TAX WITHHOLDING	\$31,326.95
	17726	05/27/2016	2016-00000396	CA TAX - STATE TAX WITHHOLDING	\$30,358.69
Remit to: SACRAMENTO, CA					FYTD: \$851,955.50
ENCO UTILITY SERVICES MORENO VALLEY LLC	17507	05/02/2016	0405-MTS1-SP125	ELECTRIC METER FEES	\$296,530.07
	17563	05/02/2016	0405-1-206	DISTRIBUTION CHARGES 1/22-2/23/16	\$291,968.93
		05/09/2016	0405-1-207	DISTRIBUTION CHARGES 2/23-3/25/16	
		05/09/2016	40-322A-05	MVU-WORK AUTHORIZATION 40-322A	
		05/09/2016	40-329-03	MVU-WORK AUTHORIZATION 40-329	
		05/09/2016	40-317B-02	MVU-WORK AUTHORIZATION 40-317B	
		05/09/2016	40-325A-03	MVU-WORK AUTHORIZATION 40-325A	
		05/09/2016	40-327B-02	MVU-WORK AUTHORIZATION 40-327B	
		05/09/2016	40-328-03	MVU-WORK AUTHORIZATION 40-328	
05/09/2016	40-309B-09	MVU-WORK AUTHORIZATION 40-309B			
Remit to: ANAHEIM, CA					FYTD: \$3,991,870.78
ENERGY AMERICA, LLC	17629	05/16/2016	100003	ENERGY FOR RESOURCE ADEQUACY	\$38,280.00
Remit to: HOUSTON, TX					FYTD: \$151,800.00

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
EXELON GENERATION COMPANY, LLC	17631	05/16/2016	MVEU-00030A	ENERGY PURCHASE	\$652,250.88
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$8,349,845.11
HITACHI DATA SYSTEMS/AVRIO RMS GROUP	17516	05/02/2016	7235369	ANNUAL MAINT./SUPPORT-CITY WIDE CAMERA SYSTEM	\$73,640.20
Remit to: SANTA CLARA, CA					<u>FYTD:</u> \$759,072.75
INTERNAL REVENUE SERVICE CENTER	17611	05/13/2016	2016-00000376	FED TAX - FEDERAL TAX WITHHOLDING	\$126,423.06
	17727	05/27/2016	2016-00000397	FED TAX - FEDERAL TAX WITHHOLDING	\$123,473.45
Remit to: OGDEN, UT					<u>FYTD:</u> \$3,231,439.67
ITERIS, INC.	17572	05/09/2016	65596	NASON ST. - CAMERA EQUIPMENT	\$27,631.80
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$27,631.80
JTB SUPPLY CO., INC.	17639	05/16/2016	100770	BATTERY BACK-UP & SERVICE CABINET	\$32,015.52
		05/16/2016	100750	TRAFFIC SIGNAL MAINT. SUPPLIES	
Remit to: ORANGE, CA					<u>FYTD:</u> \$63,117.80
KEYSTONE BUILDERS, INC	17691	05/23/2016	15	CITY YARD - CONSTRUCTION SERVICES	\$170,252.05
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$1,954,169.31

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
LANDCARE USA, LLC	17692	05/23/2016	8093902	LANDSCAPE MAINT.-ZONE M-APR 2016	\$38,069.52
		05/23/2016	8093908	LANDSCAPE MOWING-CFD #1-APR 2016	
		05/23/2016	8093907	LANDSCAPE MAINT.-ZONE S-APR 2016	
		05/23/2016	8093906	LANDSCAPE MOWING-ZONE A PARKS-APR 2016	
		05/23/2016	8093903	LANDSCAPE MAINT.-ZONES E-7, SD LMD ZN 01, 01A & 08-APR 2016	
		05/23/2016	8093905	LANDSCAPE MAINT.-SD LMD ZN 04-APR 2016	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,256,111.65
LEONIDA BUILDERS, INC	17749	05/31/2016	MV-2	ELSWORTH ST./SHERMAN AVE. - SIDEWALK IMPROVEMENTS	\$130,324.85
Remit to: GLENDORA, CA					<u>FYTD:</u> \$145,954.03
LIBRARY SYSTEMS & SERVICES, LLC	17575	05/09/2016	SI-000355	LIBRARY CONTRACTUAL SERVICES & MATERIALS-APR16	\$122,000.91
		05/09/2016	SI-000357	LIBRARY I.T. SERVICES-APR16	
Remit to: ROCKVILLE, MD					<u>FYTD:</u> \$1,220,009.10
LOZANO SMITH, LLP	228583	05/31/2016	2002546	LEGAL SERVICES-RE: WLC PROJECT	\$34,887.67
		05/31/2016	2002548	LEGAL SERVICES-RE: WLC PROJECT	
		05/31/2016	2002549	LEGAL SERVICES-RE: WLC PROJECT	
		05/31/2016	2002547	LEGAL SERVICES-RE: WLC PROJECT	
Remit to: FRESNO, CA					<u>FYTD:</u> \$217,509.70

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
 For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MARIPOSA HORTICULTURAL ENTERPRISES, INC.	17695	05/23/2016	72665	LANDSCAPE MAINT.-FIRE STATIONS #2, 6, 48, 58, 65, 91 & 99- APR16	\$41,842.86
		05/23/2016	72666	LANDSCAPE MAINT.-VETERAN'S MEMORIAL-APR16	
		05/23/2016	72664	LANDSCAPE MAINT.-CITY HALL-APR16	
		05/23/2016	72648	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY- DELPHINIUM/PERHAM TO JFK-APR16	
		05/23/2016	72663	LANDSCAPE MAINT.-UTILITY FIELD OFFICE-APR16	
		05/23/2016	72650	LANDSCAPE MAINT.-NORTH AQUEDUCT-APR16	
		05/23/2016	72768	LANDSCAPE MAINT.-SD LMD ZN 02-APR 2016	
		05/23/2016	72660	LANDSCAPE MAINT.-LIBRARY-APR16	
		05/23/2016	72767	LANDSCAPE MAINT.-ZONE D-APR 2016	
		05/23/2016	72653	LANDSCAPE MAINT.-SOUTH AQUEDUCT B-APR16	
		05/23/2016	72645	LANDSCAPE MAINT.-TOWNGATE COMM. CTR.-APR16	
		05/23/2016	72647	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/BAY AVE. TO GRAHAM- APR16	
		05/23/2016	72649	LANDSCAPE MAINT.-AQUEDUCT BIKEWAY/VANDENBERG TO FAY- APR16	
		05/23/2016	72667	LANDSCAPE MAINT.-ANNEX 1-APR16	
		05/23/2016	72659	LANDSCAPE MAINT.-ELECTRIC SUBSTATION-APR16	
		05/23/2016	72646	LANDSCAPE MAINT.-TOWNGATE AQUEDUCT BIKEWAY-APR16	
		05/23/2016	72651	LANDSCAPE MAINT.-PAN AM SECTION AQUEDUCT-APR16	
		05/23/2016	72662	LANDSCAPE MAINT.-SENIOR CTR-APR16	
		05/23/2016	72658	LANDSCAPE MAINT.-CONFERENCE & REC. CTR.-APR16	
		05/23/2016	72657	LANDSCAPE MAINT.-CITY YARD-APR16	
		05/23/2016	72656	LANDSCAPE MAINT.-ASES ADMIN. BLDG.-APR16	
		05/23/2016	72654	LANDSCAPE MAINT.-AQUEDUCT/SCE & OLD LAKE DRIVE-APR16	
		05/23/2016	72661	LANDSCAPE MAINT.-PUBLIC SAFETY BLDG.-APR16	
		05/23/2016	72652	LANDSCAPE MAINT.-SOUTH AQUEDUCT A-APR16	
		05/23/2016	72655	LANDSCAPE MAINT.-ANIMAL SHELTER-APR16	

Remit to: IRWINDALE, CA

FYTD: \$1,042,672.36



City of Moreno Valley
Payment Register
 For Period 5/1/2016 through 5/31/2016

CHECKS IN THE AMOUNT OF \$25,000 OR GREATER

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
MORENO VALLEY UTILITY	228456	05/16/2016	MAY-16 5/16/16	ELECTRICITY CHARGES	\$66,370.69
		05/16/2016	7013411-01/APR16	ELECTRICITY-UTILITY FIELD OFFICE	
Remit to: HEMET, CA					FYTD: \$906,725.55
NATIONWIDE COST RECOVERY SERVICES, LLC	228392	05/09/2016	MV M06-A	CONSULTANT SERVICES-FORECLOSURE REGISTRATION PROGRAM	\$31,360.00
		05/09/2016	MV M07-A	CONSULTANT SERVICES-FORECLOSURE REGISTRATION PROGRAM	
Remit to: DIAMOND BAR, CA					FYTD: \$163,840.00
NATIONWIDE RETIREMENT SOLUTIONS CP	17615	05/13/2016	2016-00000380	8010 - DEFERRED COMP 457 - NATIONWIDE	\$25,040.86
	17725	05/27/2016	2016-00000393	8010 - DEFERRED COMP 457 - NATIONWIDE	\$25,060.03
Remit to: COLUMBUS, OH					FYTD: \$803,810.49
NOBLE AMERICAS ENERGY SOLUTIONS	17581	05/09/2016	160980005504800	ELECTRICITY-CREDIT FOR PRIOR PERIOD ADJUSTMENT-ISO TRUE-UP CHARGES	\$203,903.06
		05/09/2016	161040005534885	ELECTRICITY POWER PURCHASE FOR MVU	
Remit to: PASADENA, CA					FYTD: \$1,972,742.89
PERS HEALTH INSURANCE	17608	05/09/2016	W160501	EMPLOYEE HEALTH INSURANCE	\$196,390.20
Remit to: SACRAMENTO, CA					FYTD: \$2,069,676.39
PERS RETIREMENT	17548	05/06/2016	P160422	PERS RETIREMENT DEPOSIT - CLASSIC	\$218,159.77
	17719	05/20/2016	P160506	PERS RETIREMENT DEPOSIT - CLASSIC	\$217,642.05
Remit to: SACRAMENTO, CA					FYTD: \$6,248,422.69

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
PI PROPERTIES NO. 72 LLC	228393	05/09/2016	05052016	FULL RELEASE OF DEPOSIT-RE: WALTER TERRACE APT.	\$45,000.00
Remit to: ARCADIA, CA					<u>FYTD:</u> \$95,000.00
PROACTIVE ENGINEERING CONSULTANTS, INC.	17527	05/02/2016	2851	STAGE II CACTUS AVE EAST BOUND 3RD LANE - DESIGN SERVICES	\$34,193.25
Remit to: CORONA, CA					<u>FYTD:</u> \$95,522.80
PSIP INTEGRA MORENO VALLEY, LLC	228489	05/16/2016	PA13-0054	RELEASE OF GRADING & EROSION CONTROL SECURITY DEPOSIT	\$46,632.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$46,632.00
ROSENOW SPEVACEK GROUP (RSG, INC.)	228592	05/31/2016	I001023	AFFORDABLE MULTI-FAMILY RENTAL COMPLIANCE MONITORING SERVICES-DEC15	\$42,478.68
		05/31/2016	I001326	HABITAT ELIGIBILITY REVIEW-MYERS PROJECT	
		05/31/2016	I001396	AFFORDABLE MULTI-FAMILY RENTAL COMPLIANCE MONITORING SERVICES-APR16	
		05/31/2016	I001200	AFFORDABLE MULTI-FAMILY RENTAL COMPLIANCE MONITORING SERVICES-FEB16	
		05/31/2016	I000579	HABITAT ELIGIBILITY REVIEW-MYERS PROJECT	
		05/31/2016	I001134	AFFORDABLE MULTI-FAMILY RENTAL COMPLIANCE MONITORING SERVICES-JAN16	
		05/31/2016	I001341	AFFORDABLE MULTI-FAMILY RENTAL COMPLIANCE MONITORING SERVICES-MAR16	
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$44,191.18
SOFTWARE ONE, INC / FORMERLY COMPUCOM	17765	05/31/2016	US-PSI-484042	MICROSOFT ENTERPRISE LICENSING AGREEMENT (2ND YEAR)	\$126,974.68
Remit to: WAUKESHA, WI					<u>FYTD:</u> \$128,055.88

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SOUTHERN CALIFORNIA EDISON 1	228463	05/16/2016	APR-16 5/16/16	ELECTRICITY CHARGES	\$113,997.01	
		05/16/2016	721-3449/APR-16	IFA CHARGES-SUBSTATION		
		05/16/2016	707-6081/APR-16	ELECTRICITY CHARGES		
	228464		05/16/2016	587-9520/APR-16	ELECTRICITY-FERC CHARGES/MVU	\$49,930.98
			05/16/2016	7500653021	WDAT CHARGES-MVU/NANDINA AVE.-MAR16	
			05/16/2016	7500653020	WDAT CHARGES-MVU/GLOBE ST.-MAR16	
			05/16/2016	7500653023	WDAT CHARGES-MVU/SUBSTATION 115KV INTERCONNECTION-MAR16	
			05/16/2016	7500653026	WDAT CHARGES-MVU/24417 NANDINA AVE. SUBSTATION-MAR16	
			05/16/2016	7500653022	WDAT CHARGES-MVU/FREDERICK AVE.-MAR16	
			05/16/2016	7500653019	WDAT CHARGES-MVU/GRAHAM ST.-MAR16	
			05/16/2016	7500653018	WDAT CHARGES-MVU/IRIS AVE.-MAR16	
			05/16/2016	7500654891	RELIABILITY SERVICE-DLAP_SCE_SEES_HV-JAN16	
			228522	05/23/2016	APR-16 5/23/16	
	228597		05/31/2016	7500657300	WDAT CHARGES-MVU/GLOBE ST.-APR16	\$52,124.36
			05/31/2016	7500657306	WDAT CHARGES-MVU/24417 NANDINA AVE. SUBSTATION-APR16	
			05/31/2016	7500657301	WDAT CHARGES-MVU/NANDINA AVE.-APR16	
			05/31/2016	7500657299	WDAT CHARGES-MVU/GRAHAM ST.-APR16	
			05/31/2016	7500657323	RELIABILITY SERVICE-DLAP_SCE_SEES_HV-FEB16	
			05/31/2016	7500657302	WDAT CHARGES-MVU/FREDERICK AVE.-APR16	
			05/31/2016	7500657303	WDAT CHARGES-MVU/SUBSTATION 115KV INTERCONNECTION-APR16	
05/31/2016			7500657298	WDAT CHARGES-MVU/IRIS AVE.-APR16		

Remit to: ROSEMEAD, CA

FYTD: \$2,956,473.39

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SOUTHERN CALIFORNIA EDISON 3	228570	05/25/2016	05182016	SCE INTERIM AGREEMENT-KITCHING 115 KV SUBSTATION	\$200,000.00
Remit to: ROSEMEAD, CA					<u>FYTD:</u> \$200,000.00
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	17596	05/09/2016	201605	MAY 2016 RETIREE MEDICAL BENEFIT BILLING	\$40,754.59
		05/09/2016	92040	FLEX & COBRA ADMIN FEES-APR16	
Remit to: TEMECULA, CA					<u>FYTD:</u> \$576,373.95
THINK TOGETHER, INC	17535	05/02/2016	111-15/16-10	ASES PROGRAM MANAGEMENT SERVICES	\$492,538.98
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$4,925,392.38
TWRITE, INC.	228341	05/02/2016	15-00123	CITY WEBSITE MAINT. & SUPPORT SERVICES	\$28,299.88
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$28,299.88
U.S. BANK/CALCARDS	17536	05/02/2016	04-27-16	APR. 2016 CALCARD ACTIVITY	\$187,304.42
Remit to: ST. LOUIS, MO					<u>FYTD:</u> \$2,371,059.08
VANCE CORPORATION	17712	05/23/2016	6	RECHE VISTA REALIGNMENT - CONSTRUCTION SERVICES	\$401,769.25
Remit to: RIALTO, CA					<u>FYTD:</u> \$1,773,870.67
WELLS FARGO CORPORATE TRUST	17666	05/16/2016	W160506	2013 TRIP COP DEBT SERVICE/TRUSTEE FEE/AUTHORITY FEE	\$500,657.88
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$9,025,858.67

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WEST COAST ARBORISTS, INC.	17604	05/09/2016	114550	TREE TRIMMING SERVICES-ZONE S	\$53,030.00
		05/09/2016	114248-A	TREE TRIMMING/REMOVAL SERVICES-ZONE D	
		05/09/2016	114249-A	TREE TRIMMING/REMOVAL SERVICES-SD LMD ZN 02	
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$113,052.00
WHEELER PAVING, INC.	17775	05/31/2016	6065-02	JFK DR. - STREET IMPROVEMENTS - PROJECT 8010060	\$114,483.96
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$143,267.77
WILLDAN ENGINEERING	17539	05/02/2016	002-16360	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY-JAN16	\$43,207.27
		05/02/2016	002-16457	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY-FEB16	
	17605	05/09/2016	002-16291	TEMPORARY STAFFING-CODE-DEC. 2015 (A. APODACA)	\$37,570.00
		05/09/2016	002-16361	TEMPORARY STAFFING-CODE-JAN. 2016 (A. APODACA)	
		05/09/2016	002-16458	TEMPORARY STAFFING-CODE-FEB. 2016 (A. APODACA)	
		05/09/2016	002-16200	TEMPORARY STAFFING-CODE-NOV. 2015 (A. APODACA)	
	05/09/2016	002-16100	TEMPORARY STAFFING-CODE-OCT. 2015 (A. APODACA)		
17776	05/31/2016	002-16556	PLAN CHECK & INSPECTION SERVICES FOR BLDG. & SAFETY-MAR16	\$60,132.99	
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$515,156.60
WRCOG WESTERN RIVERSIDE CO. OF GOVTS.	228471	05/16/2016	APR-16 TUMF	TUMF FEES COLLECTED FOR 4/1-4/30/16 (RESIDENTIAL)	\$62,111.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,206,921.61
WRCRCA	228607	05/31/2016	APR-2016 MSHCP	MSHCP FEES COLLECTED FOR APR. 2016-RESIDENTIAL	\$74,176.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$852,278.12
TOTAL AMOUNTS OF \$25,000 OR GREATER					\$14,665,139.0

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
3SI SECURITY SYSTEMS	228571	05/31/2016	0000435371	ANNUAL USAGE-MONETARY TRACKER SERVICE	\$2,040.00
Remit to: NEW YORK, NY					<u>FYTD:</u> \$2,040.00
4G WIRELESS, INC	228610	05/31/2016	BL#16435-YR2016	REFUND OF OVERPAYMENT FOR BL#16435	\$35.81
Remit to: IRVINE, CA					<u>FYTD:</u> \$35.81
4IMPRINT	17668	05/23/2016	4579760	PROMOTIONAL ITEMS-SUMMER GIVEAWAY	\$6,101.98
Remit to: OSHKOSH, WI					<u>FYTD:</u> \$6,757.93
AAMCO TRANSMISSION OF MORENO VALLEY	228352	05/02/2016	BL#24912-YR2016	REFUND OF OVERPAYMENT FOR BL#24912	\$61.56
Remit to: CORONA, CA					<u>FYTD:</u> \$61.56
ABILITY COUNTS, INC	17616	05/16/2016	ACI112396	LANDSCAPE MAINT-CDF#1-APR16	\$2,065.00
Remit to: CORONA, CA					<u>FYTD:</u> \$20,650.00
ABUSAIF, ABDULGADER	228444	05/16/2016	040316	SPORTS OFFICIATING SERVICES-SOFTBALL	\$42.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$231.00
ACCELA, INC.	17669	05/23/2016	INV-ACC19596	TRAVEL EXPENSES-DEV'T. SERVICES PROJECT	\$279.70
Remit to: CHICAGO, IL					<u>FYTD:</u> \$147,184.29
ADLERHORST INTERNATIONAL INC.	17550	05/09/2016	60838	MONTHLY K-9 TRAINING-APR16	\$615.42
		05/09/2016	60869	SUPPLIES FOR K-9 OZZI	
	17729	05/31/2016	61668	SUPPLIES FOR K-9 OZZI	\$524.70
		05/31/2016	61652	MONTHLY K-9 TRAINING-MAY16	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$6,123.66

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
ADMINSURE	228367	05/09/2016	9290	WORKERS' COMP CLAIMS ADMINISTRATION-MAY16	\$2,175.00
Remit to: DIAMOND BAR, CA					FYTD: \$23,925.00
ADVANCED ELECTRIC	228491	05/23/2016	10511	ELECTRICAL SERVICE-RELOCATED SERVER ROOM UPS POWER SYSTEM	\$3,576.84
		05/23/2016	12046	EMERGENCY SERVICE CALL-MARCH FIELD COMM CTR	
		05/23/2016	11413	ELECTRICAL SERVICE-INSTALL DEMO WALL LIGHTS (2)-ANIMAL SHELTER	
Remit to: RIVERSIDE, CA					FYTD: \$166,975.44
AEI-CASC ENGINEERING	17495	05/02/2016	35240	PLAN CHECK SERVICES-PWQMP	\$5,612.20
	17617	05/16/2016	0035403	PLAN CHECK SERVICES-PWQMP	\$3,793.00
		05/16/2016	0035402	PLAN CHECK SERVICES-PWQMP	
Remit to: COLTON, CA					FYTD: \$30,586.27
AEROTEK, INC.	17551	05/09/2016	OP06249547	TEMPORARY STAFFING-CODE 2/15-2/17/16 (H. DELGADO FLORES)	\$222.80
	17618	05/16/2016	OP06380601	TEMPORARY STAFFING-FIRE PREV. 4/25-4/29/16 (V. ADAMS)	\$3,954.00
		05/16/2016	OP06341696	TEMPORARY STAFFING-FIRE PREV. 4/4-4/8/16 (V. ADAMS)	
		05/16/2016	OP06354640	TEMPORARY STAFFING-FIRE PREV. 4/11-4/15/16 (V. ADAMS)	
		05/16/2016	OP06276471	TEMPORARY STAFFING-FIRE PREV. 3/1-3/4/16 (V. ADAMS)	
		05/16/2016	OP06367651	TEMPORARY STAFFING-FIRE PREV. 4/18-4/22/16 (V. ADAMS)	
	17670	05/23/2016	OP06328830	TEMPORARY STAFFING-FIRE PREV. 3/28-4/1/16 (V. ADAMS)	\$3,315.20
		05/23/2016	OP06393519	TEMPORARY STAFFING-FIRE PREV. 5/2-5/6/16 (V. ADAMS)	
		05/23/2016	OP06303003	TEMPORARY STAFFING-FIRE PREV. 3/14-3/18/16 (V. ADAMS)	
		05/23/2016	OP06316028	TEMPORARY STAFFING-FIRE PREV. 3/21-3/25/16 (V. ADAMS)	
	17730	05/31/2016	OP06406170	TEMPORARY STAFFING-FIRE PREV. 5/9-5/13/16 (V. ADAMS)	\$828.80
Remit to: CHICAGO, IL					FYTD: \$55,703.00

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ALDI, INC.	228416	05/09/2016	7014047-01	PBI SOLAR INCENTIVE REBATE	\$23,009.25
Remit to: MORENO VALLEY, CA					FYTD: \$23,009.25
ALMAGUER, ARGEL	228417	05/09/2016	C10659	REFUND-ADMIN CITATION OVERPAYMENT	\$122.00
Remit to: POMONA, CA					FYTD: \$122.00
ALMASRI, MOSALLAM	17619	05/16/2016	5/15-5/19/16	TRAVEL PER DIEM, MILEAGE & PARKING FOR AUTO CAD TRAINING	\$401.20
Remit to: RIVERSIDE, CA					FYTD: \$401.20
ALVAREZ, MARTIN	228346	05/02/2016	MV1654	FULL AND FINAL SETTLEMENT	\$2,227.82
Remit to: PALM DESERT, CA					FYTD: \$2,227.82
AM CONSERVATION GROUP INC	228366	05/02/2016	0196117-IN	PROMOTIONAL ITEMS FOR MVU-LED BULBS	\$4,510.00
Remit to: CHARLESTON, SC					FYTD: \$4,510.00
AMERICAN AUTOMOBILE ASSOCIATION	228311	05/02/2016	MV1633	FULL AND FINAL SETTLEMENT	\$3,901.00
Remit to: PALM DESERT, CA					FYTD: \$3,901.00
AMERICAN FORENSIC NURSES	17496	05/02/2016	67730	PHLEBOTOMY SERVICES	\$1,300.00
		05/02/2016	67709	PHLEBOTOMY SERVICES	
	17552	05/09/2016	67779	PHLEBOTOMY SERVICES	\$1,040.00
		05/09/2016	67803	PHLEBOTOMY SERVICES	
	17671	05/23/2016	67844	PHLEBOTOMY SERVICES	\$780.00
		05/23/2016	67845	PHLEBOTOMY SERVICES	
		05/23/2016	67868	PHLEBOTOMY SERVICES	
Remit to: LA QUINTA, CA					FYTD: \$24,630.00

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ANDERSON, BARBARA	228418	05/09/2016	R16-096660	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: RUNNING SPRINGS, CA					<u>FYTD:</u> \$75.00
ANIMAL EMERGENCY CLINIC, INC.	17497	05/02/2016	146BB	AFTER HOURS EMERGENCY VET SERVICES-ANIMAL SHELTER	\$938.00
		05/02/2016	146BC	AFTER HOURS EMERGENCY VET SERVICES-ANIMAL SHELTER	
		05/02/2016	146BD	AFTER HOURS EMERGENCY VET SERVICES-ANIMAL SHELTER	
		05/02/2016	146BF	AFTER HOURS EMERGENCY VET SERVICES-ANIMAL SHELTER	
Remit to: GRAND TERRACE, CA					<u>FYTD:</u> \$3,791.00
ANSARI, AHMAD	228493	05/23/2016	CERT 51318/JUN16	REIMBURSEMENT-PE (CIVIL) LICENSE RENEWAL	\$115.00
Remit to: CORONA, CA					<u>FYTD:</u> \$275.00
APPLE ONE EMPLOYMENT SERVICES	17498	05/02/2016	01-4026013	TEMPORARY STAFFING-LAND DEV'T. 4/4-4/8/16 (D. SPIKES)	\$862.08
	17620	05/16/2016	01-3935526	TEMPORARY STAFFING-CM/TECH SERVICES 1/19-1/20/16 (R. RUSSELL)	\$4,292.09
		05/16/2016	01-3926649	TEMPORARY STAFFING-CM/TECH SERVICES 1/11-1/14/16 (R. RUSSELL)	
		05/16/2016	01-4041698	TEMPORARY STAFFING-LAND DEV'T 4/18-4/22/16 (D. SPIKES)	
		05/16/2016	01-4050757	TEMPORARY STAFFING-LAND DEV'T. 4/25-4/29/16 (D. SPIKES)	
	17672	05/23/2016	01-4058091	TEMPORARY STAFFING-CITY COUNCIL 5/2-5/6/16 (R. FLORES)	\$1,077.60
Remit to: GLENDALE, CA					<u>FYTD:</u> \$109,275.44
ARC OF RIVERSIDE COUNTY, THE	228472	05/16/2016	6/17/16 EVENT	REGISTRATION-50TH ANNUAL AWARDS BANQUET-MAYOR PRO TEM GIBA	\$50.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$2,300.00
ARROYO, AMELIA	228611	05/31/2016	MV1662	CLAIM SETTLEMENT	\$114.10
Remit to: PALM DESERT, CA					<u>FYTD:</u> \$114.10
ASTORGA, DANNY	228368	05/09/2016	WINTER 2016	TUITION REIMBURSEMENT	\$527.99
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,185.74

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AT&T MOBILITY	228369	05/09/2016	872455379X040616	CELLULAR PHONE SERVICE-POLICE MOBILE COMMAND CTR	\$98.38
	228572	05/31/2016	872455379X050616	CELLULAR PHONE SERVICE-POLICE MOBILE COMMAND CTR	\$98.38
Remit to: CAROL STREAM, IL					FYTD: \$1,172.48
AT&T/MCI	228370	05/09/2016	7946210	LANDLINE PHONE SERVICE-GANG TASK FORCE	\$182.93
Remit to: CAROL STREAM, IL					FYTD: \$1,273.38
AUDIO DYNAMIX, INC	228494	05/23/2016	16320	SOUND MACHINE FOR COTTONWOOD GOLF COURSE CTR	\$4,999.92
Remit to: SANTA ANA, CA					FYTD: \$4,999.92
BANC OF AMERICA PUBLIC CAPITAL CORP	17543	05/02/2016	W160503	DEBT SERVICE-97 COPS INTEREST	\$11,329.60
Remit to: ATLANTA, GA					FYTD: \$1,126,242.60
BARONS AUTO SERVICE	228541	05/23/2016	16091009	REFUND OVERCHARGE TO CUSTOMER FOR 16091009	\$93.00
Remit to: MORENO VALLEY, CA					FYTD: \$93.00
BAYLESS, PAT	228353	05/02/2016	R16-096703	ANIMAL SHELTER REFUND-RABIES DEPOSIT	\$20.00
Remit to: RIVERSIDE, CA					FYTD: \$20.00
BIA RIVERSIDE COUNTY CHAPTER	228411	05/09/2016	3397	REGISTRATION (ADDL)-5/26/16 EVENT-MAYOR PRO TEM GIBA	\$40.00
Remit to: RIVERSIDE, CA					FYTD: \$40.00
BIA RIVERSIDE COUNTY CHAPTER	228365	05/02/2016	5/26/16 EVENT	REGISTRATION-FIESTA DEL SOL FESTIVITIES-MAYOR PROTEM GIBA	\$25.00
Remit to: RIVERSIDE, CA					FYTD: \$25.00
BID4ASSETS, INC	17667	05/13/2016	W160505	PROPERTY BID DEPOSIT-APN 487370015-5	\$2,535.00
Remit to: SILVER SPRING, MD					FYTD: \$2,535.00

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
BIO-TOX LABORATORIES	228312	05/02/2016	32023	BLOOD TOXICOLOGY ANALYSIS	\$10,299.04
		05/02/2016	32024	BLOOD TOXICOLOGY ANALYSIS	
	228573	05/31/2016	32161	BLOOD TOXICOLOGY ANALYSIS	\$268.94
Remit to: RIVERSIDE, CA					FYTD: \$78,079.36
BLACK, MIA	228419	05/09/2016	1354869	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
BLACKMAN, ROBYN	228420	05/09/2016	R16-097245	ANIMAL SHELTER REFUND-OVERPAYMENT ON WEB LICENSE RENEWAL	\$19.00
Remit to: MORENO VALLEY, CA					FYTD: \$19.00
BMW MOTORCYCLES OF RIVERSIDE	17499	05/02/2016	6013075	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$733.80
		05/02/2016	6013026	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
	17673	05/23/2016	6013178	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$611.10
	17731	05/31/2016	6013391	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$2,358.71
		05/31/2016	6013357	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
Remit to: RIVERSIDE, CA					FYTD: \$107,480.17
BOONE, SEABURN	228421	05/09/2016	C09538	REFUND-ADMIN CITATION OVERPAYMENT	\$521.00
Remit to: MORENO VALLEY, CA					FYTD: \$521.00

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
BOSCO LEGAL SERVICE, INC.	17732	05/31/2016	219330	LEGAL COURIER SERVICE	\$1,619.50
		05/31/2016	219589	LEGAL COURIER SERVICE	
		05/31/2016	219612	LEGAL COURIER SERVICE	
		05/31/2016	219621	LEGAL COURIER SERVICE	
		05/31/2016	219794	LEGAL COURIER SERVICE	
		05/31/2016	219805	LEGAL COURIER SERVICE	
		05/31/2016	219810	LEGAL COURIER SERVICE	
		05/31/2016	220037	LEGAL COURIER SERVICE	
		05/31/2016	219614	LEGAL COURIER SERVICE	
		05/31/2016	219625	LEGAL COURIER SERVICE	
		05/31/2016	219333	LEGAL COURIER SERVICE	
		05/31/2016	219329	LEGAL COURIER SERVICE	
		05/31/2016	219332	LEGAL COURIER SERVICE	
Remit to: RIVERSIDE, CA					FYTD: \$1,619.50

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BOX SPRINGS MUTUAL WATER COMPANY	228371	05/09/2016	721-1 4/28/16	WATER USAGE-ZONE 01 TOWNGATE	\$314.52
		05/09/2016	45-4 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	189-13 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	1085-1 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	204-9 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	1084-1 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	1086-1 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	1087-1 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	1088-1 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
		05/09/2016	195-5 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY	
	05/09/2016	80-4 4/28/16	WATER ASSESSMENT ON VACANT LOT OWNED BY THE HOUSING AUTHORITY		
Remit to: MORENO VALLEY, CA					FYTD: \$3,879.09
BOYS & GIRLS CLUB	228479	05/16/2016	1356338	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$500.00
Remit to: REDLANDS, CA					FYTD: \$500.00
BOYS AND GIRLS CLUB	228443	05/09/2016	5/6/16 EVENT	REGISTRATION-STUDENT OF THE YEAR AWARD-COUNCIL MEMBER JEMPSON	\$50.00
Remit to: REDLANDS, CA					FYTD: \$50.00

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BRAUN BLAISING MCLAUGHLIN	228372	05/09/2016	16053	LEGAL SERVICES-CASL: SCE GRC PHASE 2-MAR16	\$37.00
	228445	05/16/2016	16065	LEGAL SERVICES-MVU-MAR16	\$3,656.36
Remit to: SACRAMENTO, CA					FYTD: \$27,456.92
BROWN, DEREK	228422	05/09/2016	1353630	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$500.00
Remit to: MORENO VALLEY, CA					FYTD: \$500.00
BUCHANAN, JARON	228423	05/09/2016	R16-097247	ANIMAL SHELTER REFUND-OVERPAYMENT ON WEB LICENSE RENEWAL	\$19.00
Remit to: MORENO VALLEY, CA					FYTD: \$19.00
BUREAU OF OFFICE SERVICES, INC	17554	05/09/2016	87133	TRANSCRIPTION SERVICES-MAR16	\$921.40
		05/09/2016	87071	TRANSCRIPTION SERVICES-FEB16	
		05/09/2016	86964	TRANSCRIPTION SERVICES-DEC15	
		05/09/2016	87016	TRANSCRIPTION SERVICES-JAN16	
	17621	05/16/2016	87183	TRANSCRIPTION SERVICES-APR16	\$211.34
Remit to: BURR RIDGE, IL					FYTD: \$2,993.21
BURKE, WILLIAMS & SORENSEN, LLP.	228373	05/09/2016	200411	LEGAL REVIEW SERVICES FOR SALES TAX ALLOCATION ISSUES-MAR16	\$150.00
	228574	05/31/2016	201265	LEGAL REVIEW SERVICES FOR SALES TAX ALLOCATION ISSUES-APR16	\$21.67
Remit to: LOS ANGELES, CA					FYTD: \$3,785.83
CALGO VEBA CITY OF MORENO VALLEY	17500	05/02/2016	2016-00000354	4020 - EXEC VEBA	\$13,705.78
	17622	05/16/2016	2016-00000369	4020 - EXEC VEBA	\$12,815.25
	17733	05/31/2016	2016-00000381	4020 - EXEC VEBA	\$1,770.00
Remit to: MORENO VALLEY, CA					FYTD: \$248,959.31

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CALIFORNIA BUILDING STANDARDS COMMISSION	228313	05/02/2016	1ST QTR 2016	SB1473 FEES COLLECTED FOR 1/1-3/31/16	\$1,155.60
Remit to: SACRAMENTO, CA					FYTD: \$4,857.30
CALIFORNIA SHOPPING CART RETRIEVAL CORP.	17674	05/23/2016	161139	SHOPPING CART RETRIEVAL SERVICE-MAR16	\$1,800.00
Remit to: LOS ANGELES, CA					FYTD: \$18,000.00
CALIFORNIA UTILITIES EMERGENCY ASSOCIATION	228314	05/02/2016	1617015	ANNUAL DUES FOR 2016/2017	\$500.00
Remit to: RANCHO CORDOVA, CA					FYTD: \$500.00
CANAL ALARM DEVICES, INC. DBA 123SECURITYPRODUCTS.	228375	05/09/2016	SI-607215	NASON ST. - CAMERAS & EQUIPMENT	\$2,803.65
Remit to: RONKONKOMA, NY					FYTD: \$2,803.65
CANON SOLUTIONS AMERICA, INC.	17623	05/16/2016	1103031201404153	COPIER SERVICE-EMPLOYEE RESOURCE CTR.-JAN THRU MAR 2016	\$2,671.45
Remit to: CHICAGO, IL					FYTD: \$10,188.37
CFLC	228376	05/09/2016	5/20/16 EVENT	SPONSORSHIP/JDCEYA	\$1,000.00
Remit to: HEMET, CA					FYTD: \$1,000.00
CHANDLER ASSET MANAGEMENT, INC	17555	05/09/2016	20112	INVESTMENT MANAGEMENT SERVICES-APR16	\$4,188.00
Remit to: SAN DIEGO, CA					FYTD: \$45,541.00
CHARLES ABBOTT ASSOCIATES, INC	17624	05/16/2016	55719	CONSULTING SERVICES-NPDES/SWMP-APR16	\$8,889.00
Remit to: MISSION VIEJO, CA					FYTD: \$149,803.50

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CHUCK GALLEY	228495	05/23/2016	MAY-2016	INSTRUCTOR SERVICES-ELECTRIC GUITAR & BASS INSTRUCTION CLASS	\$120.00
Remit to: RIALTO, CA					<u>FYTD:</u> \$570.00
CISNEROS, MARIA	228480	05/16/2016	R16-097074	ANIMAL SHELTER REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$50.00
COLONIAL SUPPLEMENTAL INSURANCE	228412	05/09/2016	7133069-0401465	SUPPLEMENTAL INSURANCE	\$6,259.84
	228413	05/09/2016	7133069-0501594	SUPPLEMENTAL INSURANCE	\$6,222.34
Remit to: COLUMBIA, SC					<u>FYTD:</u> \$66,718.96
COMMONWEALTH LAND TITLE COMPANY	228496	05/23/2016	00001198	PRELIMINARY REPORT (APN487-370-015 PROPERTY NEXT TO MORRISON PARK)	\$550.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$2,750.00
COMMUNITY WORKS DESIGN GROUP	17734	05/31/2016	11900	CONSULTANT SERVICES-JFK PARK/HSG GRANT	\$6,385.40
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$29,673.33
CONTINUING EDUCATION OF THE BAR	228315	05/02/2016	ACCT 207114	LAW LIBRARY PUBLICATIONS & UPDATES	\$471.77
Remit to: OAKLAND, CA					<u>FYTD:</u> \$1,431.89
CONTRERAS, SANDRA E.	17556	05/09/2016	WINTER 2016	TUITION REIMBURSEMENT	\$906.59
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,184.99
COSTAR REALTY INFORMATION, INC	228377	05/09/2016	103686513	REAL ESTATE DATABASE-MAY16	\$1,036.26
Remit to: BALTIMORE, MD					<u>FYTD:</u> \$6,072.52

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COSTCO	228316	05/02/2016	22849	SNACK SUPPLIES-COTTONWOOD GOLF COURSE	\$177.86
	228446	05/16/2016	22469	SPECIAL EVENTS SUPPLIES	\$311.16
		05/16/2016	22487	SPECIAL EVENTS SUPPLIES	
	228497	05/23/2016	22980	SNACK SUPPLIES-COTTONWOOD GOLF COURSE	\$2,366.26
		05/23/2016	23063	MISC. SUPPLIES FOR EMERGENCY OP'S CTR.	
	228575	05/23/2016	23043	SNACK SUPPLIES-A CHILD'S PLACE	
		05/31/2016	23103	SNACK SUPPLIES-SKATE PARK	\$584.68
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$27,756.30
COTTEN, KACEY	228542	05/23/2016	1358293	REFUND LACK OF REGISTRATION	\$102.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$102.00
COUNSELING TEAM, THE	228378	05/09/2016	31075	EMPLOYEE SUPPORT SERVICES-MAR16	\$1,250.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$36,637.50
COUNTRY SQUIRE ESTATES	228498	05/23/2016	FEB 2016	UTILITY USERS TAX REFUND FOR FEB 2016	\$55.71
		05/23/2016	MARCH 2016	UTILITY USERS TAX REFUND MARCH 2016	
Remit to: ONTARIO, CA					<u>FYTD:</u> \$439.83
COUNTY OF RIVERSIDE	228317	05/02/2016	16-113480	RECORDATION NOTICE OF SPECIAL TAX LIEN	\$184.00
		05/02/2016	16-107718	MAP RECORDING FEES	
	228379	05/09/2016	9990085000-1603	TRAFFIC MOTOR RADIO COMMUNICATIONS FOR POLICE-MAR16	\$2,790.78
228499		05/23/2016	16-60147	RECORDING FEES FOR LIEN RELEASE	\$207.00
		05/23/2016	16-142777	MAP RECORDING FEES	
		05/23/2016	16-151091	RECORDATION NOTICE-DELINQUENT/SPECIAL TAX ASSESSMENT	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$64,731.85
COUNTY OF RIVERSIDE 1	228473	05/16/2016	PU0000003696	POLICE STATION JANITORIAL SUPPLIES	\$1,547.56
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$15,418.99

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COUNTY OF RIVERSIDE SHERIFF	228534	05/23/2016	SH0000027956	CDBG POP OVERTIME-POLICE	\$12,321.34
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$28,262,873.11
COWAN, DELORES R	17502	05/02/2016	APR-2016	INSTRUCTOR SERVICES-CHEERLEADING & POM POM CLASS	\$1,326.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$3,234.00
CRIME SCENE STERI-CLEAN, LLC	17503	05/02/2016	35455	BIO HAZARD REMOVAL SERVICE	\$750.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$7,500.00
CROSBY, LAURA	228481	05/16/2016	1355795	COTTONWOOD GOLF CTR RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
CURTIS, RAYMOND	228543	05/23/2016	1354312	REFUND LACK OF CLASS REGISTRATION	\$52.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$52.00
CUTWATER INVESTOR SERVICES CORP	17675	05/23/2016	20880A	INVESTMENT MANAGEMENT SERVICES-APR16	\$2,729.50
Remit to: DENVER, CO					<u>FYTD:</u> \$29,880.31
DATA TICKET, INC.	17558	05/09/2016	70077TPC	THIRD PARTY COLLECTIONS-ANIMAL SHELTER-MAR16	\$3,016.98
		05/09/2016	70077	ADMIN CITATION PROCESSING-ANIMAL SHELTER-MAR16	
	17625	05/16/2016	70094	ADMIN CITATION PROCESSING-PARKS RANGERS-MAR16	\$5.00
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$272,415.18
DEBRON GRAPHICS	17736	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-CREATIVE WRITING CLASS	\$21.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$336.00
DELTA DENTAL OF CALIFORNIA	17559	05/09/2016	BE001597283	EMPLOYEE DENTAL INSURANCE-PPO	\$10,936.22
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$116,520.99

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DELTACARE USA	17560	05/09/2016	BE001598278	EMPLOYEE DENTAL INSURANCE-HMO	\$4,874.04
Remit to: DALLAS, TX					<u>FYTD:</u> \$53,703.45
DENNIS GRUBB & ASSOCIATES, LLC	17677	05/23/2016	1460	PLAN REVIEW SERVICES-APR16	\$8,225.00
Remit to: MIRA LOMA, CA					<u>FYTD:</u> \$66,750.00
DEPARTMENT OF CONSUMER AFFAIRS	228380	05/09/2016	CERT NO. TR 1931	PROFESSIONAL ENGINEER LICENSE RENEWAL-ERIC C. LEWIS	\$115.00
Remit to: SACRAMENTO, CA					<u>FYTD:</u> \$115.00
DEPARTMENT OF ENVIRONMENTAL HEALTH	228318	05/02/2016	IN0255708	HEALTH PERMIT RENEWAL-CELEBRATION PARK	\$385.00
	228381	05/09/2016	OCT-DEC 2015	VECTOR CONTROL SERVICES-CODE	\$5,943.09
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$29,698.00
DIMENSION DATA NORTH AMERICA INC/FORMERLY NEXUS	17626	05/16/2016	33038	PROFESSIONAL SERVICES - SV9500 UPGRADE WITH REMOTE SITES	\$3,685.72
Remit to: PITTSBURGH, PA					<u>FYTD:</u> \$124,843.16

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DMS FACILITY SERVICES	17504	05/02/2016	RC-L106769	JANITORIAL SERVICES-23819 SUNNYMEAD POLICE SUBSTATION-APR16	\$3,816.13
		05/02/2016	RC-L106757	JANITORIAL SERVICES-GANG TASK FORCE OFFICE-APR16	
		05/02/2016	RC-L106761	JANITORIAL SERVICES-RAINBOW RIDGE ELEMENTRY PORTABLE-APR16	
		05/02/2016	L40371	SPECIAL CLEANINGS FOR MAR 2016 EVENT RENTALS AT CONFERENCE & REC. CTR.	
		05/02/2016	L40373	SPECIAL CLEANINGS FOR MAR 2016 EVENT RENTALS-TOWNGATE COMM. CTR.	
		05/02/2016	RC-L106762	JANITORIAL SERVICES-RED MAPLE ELEMENTARY PORTABLE-APR16	
		05/02/2016	L40372	SPECIAL CLEANING FOR MAR 5, 2016 EVENT RENTAL AT SENIOR CTR.	
		05/02/2016	RC-L106765	JANITORIAL SERVICES-SUNNYMEAD ELEMENTARY-APR16	
		05/02/2016	RC-L106764	JANITORIAL SERVICES-SUNNYMEAD MIDDLE/THINK-APR16	
		05/02/2016	L40370	SPECIAL CLEANINGS FOR MAR 2016 EVENT RENTALS-COTTONWOOD GOLF CTR.	
		05/02/2016	RC-L106770	JANITORIAL SERVICES-23571 SUNNYMEAD POLICE SUBSTATION-APR16	
	17561	05/09/2016	L40355	CARPET CLEANING- MARCH ANNEX #823	\$320.00
Remit to: MONROVIA, CA					FYTD: \$326,364.86
DRAYTON, TAMI JANOHNE	17737	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-LINE DANCING CLASS	\$72.00
Remit to: MORENO VALLEY, CA					FYTD: \$739.80
DUVAL, ROBERTA	17738	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-CPR & FIRST AID CLASS	\$274.40
Remit to: SUN CITY, CA					FYTD: \$2,095.20
DYMEK, SAMANTHA	228354	05/02/2016	R16-097120	ANIMAL SHELTER REFUND-1 YR LICENSE REFUND	\$15.00
Remit to: MORENO VALLEY, CA					FYTD: \$15.00

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E.R. BLOCK PLUMBING & HEATING, INC.	17562	05/09/2016	120890a	REPLACED BACKFLOW DEVICE-ZONE M	\$2,649.56
		05/09/2016	120320	REPLACED BACKFLOW DEVICE-PUBLIC SAFETY BLDG.	
		05/09/2016	120329	BACKFLOW DEVICE TEST-EMERGENCY OP'S CTR.	
	17627	05/16/2016	120889	REPLACED BACKFLOW DEVICE-ZONE D	\$1,094.32
	17679	05/23/2016	120861a	BACKFLOW DEVICE TESTS-FIRE STATION #6	\$50.00
	17739	05/31/2016	120963	REPLACED 8-INCH SHUT OFF VALVE-PUBLIC SAFETY BLDG.	\$14,412.00
Remit to: RIVERSIDE, CA					FYTD: \$65,992.52
EAGLE AERIAL IMAGING	17505	05/02/2016	19760	48 X 60 COLOR PRINT (WALL MURAL)	\$1,608.77
Remit to: IRVINE, CA					FYTD: \$1,608.77
EARL, KATHLEEN	228544	05/23/2016	R16-097636	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PERRIS, CA					FYTD: \$75.00
EARLY, PAUL	228347	05/02/2016	5/3-5/6/16	TRAVEL PER DIEM-2016 CITY ATTORNEYS SPRING CONFERENCE	\$160.00
Remit to: SUN CITY, CA					FYTD: \$160.00
EASTERN MUNICIPAL WATER DISTRICT	228319	05/02/2016	238815,16,17-01	INITIAL WATER BILLS/BACKFLOW TEST FEES RE: NEW CITY YARD BLDG.	\$23,470.57
		05/02/2016	APR-16 5/2/16	WATER CHARGES	
	228348	05/02/2016	WS20160000153	DEPOSIT FOR ENGINEERING REVIEW-ANNEX 1 WATERLINE PROJECT	\$500.00
	228382	05/09/2016	APR-16 5/9/16	WATER CHARGES	\$13,154.06
	228502	05/23/2016	MAY-16 5/23/16	WATER CHARGES	\$12,302.79
		05/23/2016	APR-16 5/23/16	WATER CHARGES	
Remit to: LOS ANGELES, CA					FYTD: \$1,373,715.38

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EDGELANE MOBILE HOME PARK	17680	05/23/2016	APRIL 2016	UTILITY USERS TAX REFUND FOR APRIL 2016	\$3.28
		05/23/2016	MARCH 2016	UTILITY USERS TAX REFUND FOR MARCH 2016	
Remit to: LOS ANGELES, CA					<u>FYTD:</u> \$20.54
EMERGENT BATTERY TECHNOLOGIES, INC.	17506	05/02/2016	28225	REPLACEMENT BATTERIES FOR BATTERY BACKUP SYSTEMS	\$6,210.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$24,613.20
EMPLOYMENT DEVELOPMENT DEPARTMENT	17728	05/24/2016	1ST QTR 2016	UNEMPLOYMENT INSURANCE 1/1-3/31/16	\$6,467.00
Remit to: WEST SACRAMENTO, CA					<u>FYTD:</u> \$851,955.50

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**City of Moreno Valley
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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>	
ENCO UTILITY SERVICES MORENO VALLEY LLC	17628	05/16/2016	40-325A-04	MVU-WORK AUTHORIZATION 40-325A	\$23,724.38	
		05/16/2016	40-308B-13	MVU-WORK AUTHORIZATION 40-308B		
		05/16/2016	40-328-04	MVU-WORK AUTHORIZATION 40-328		
		05/16/2016	40-329-04	MVU-WORK AUTHORIZATION 40-329		
		05/16/2016	40-309B-10	MVU-WORK AUTHORIZATION 40-309B		
		05/16/2016	40-332A-01	MVU-WORK AUTHORIZATION 40-332A		
		05/16/2016	40-334-01	MVU-WORK AUTHORIZATION 40-334		
		05/16/2016	40-317B-03	MVU-WORK AUTHORIZATION 40-317B		
		05/16/2016	40-323A-04	MVU-WORK AUTHORIZATION 40-323A		
		05/16/2016	40-322A-06	MVU-WORK AUTHORIZATION 40-322A		
		05/31/2016	40-330A-02	HEACOCK ST. - PERRIS VALLEY STORM DRAIN TO CACTUS - ELECTRICAL		\$6,612.86
		05/31/2016	0402-MF-01885A	SOLAR METER INSTALLATION		
		05/31/2016	40-330A-01	HEACOCK ST. - PERRIS VALLEY STORM DRAIN TO CACTUS - ELECTRICAL		
		05/31/2016	0402-MF-01884A	SOLAR METER INSTALLATION		
05/31/2016	0402-MF-01886A	SOLAR METER INSTALLATION				
05/31/2016	0402-MF-01883A	SOLAR METER INSTALLATION				
05/31/2016	0402-MF-01882A	SOLAR METER INSTALLATION				
Remit to: ANAHEIM, CA					FYTD: \$3,991,870.78	
ENVIRONMENTAL & REGULATORY SPECIALST,INC	17508	05/02/2016	2677	ENVIRONMENTAL STUDIES-POORMAN'S/HEACOCK CHANNEL	\$1,600.00	
Remit to: NEWPORT BEACH, CA					FYTD: \$4,681.25	
ESGIL CORPORATION	17681	05/23/2016	04164632	PLAN CHECK SERVICES 4/1-4/30/16	\$1,569.48	
		05/23/2016	03164599	PLAN CHECK SERVICES 3/1-3/31/16		
Remit to: SAN DIEGO, CA					FYTD: \$20,064.35	

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EVANS ENGRAVING & AWARDS	17682	05/23/2016	51616-6	PLAQUE FOR OUTGOING PLANNING COMMISSIONER-MELI VAN NATTA	\$32.40
Remit to: BANNING, CA					<u>FYTD:</u> \$803.52
EXCEL LANDSCAPE, INC	17630	05/16/2016	87192	IRRIGATION REPAIRS-WQB/NPDES	\$499.92
		05/16/2016	87189	IRRIGATION REPAIRS-WQB/NPDES	
		05/16/2016	87190	IRRIGATION REPAIRS-WQB/NPDES	
	17741	05/31/2016	86970	LANDSCAPE MAINT-WQB/NPDES-MAR16	\$6,680.28
Remit to: CORONA, CA					<u>FYTD:</u> \$70,498.98
FAIR HOUSING COUNCIL OF RIV CO, INC.	17632	05/16/2016	MAR 2016 (FH)	FAIR HOUSING DISCRIMINATION PROGRAM-CDBG	\$4,834.65
		05/16/2016	MAR 2016 (LT)	LANDLORD/TENANT MEDIATION PROGRAM-CDBG	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$40,974.29
FAMILY SERVICE ASSOCIATION	228383	05/09/2016	03-2016-063	CDBG REIMBURSEMENT-SENIOR FOOD PROGRAM	\$5,000.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$10,000.00
FAST SIGNS	228577	05/31/2016	70-35998	NAMEPLATE INSERT FOR JANELLE KEPLER	\$21.60
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$5,940.39
FIELDMAN, ROLAPP & ASSOC.	228503	05/23/2016	22519	FINANCIAL ADVISOR-CHANGE PROCEEDINGS FOR CDF #7 (2/18- 4/25/16)	\$8,740.82
Remit to: IRVINE, CA					<u>FYTD:</u> \$10,924.32
FIRE SAFETY FIRE PROTECTION, INC.	228612	05/31/2016	FP14-0002	REFUND-FIRE PLAN CHECK FEE-PROJECT CANCELLED	\$240.00
Remit to: THOUSAND OAKS, CA					<u>FYTD:</u> \$240.00

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FIRST AMERICAN CORE LOGIC, INC.	17564	05/09/2016	81678593	REAL QUEST WEB SERVICES-MAR16 (IMAGING)	\$640.00
	17683	05/09/2016	81679575	REAL QUEST WEB SERVICES-MAR16 (ACCESS) REAL	\$640.00
		05/23/2016	81685689	QUEST WEB SERVICES-APR16 (ACCESS)	
		05/23/2016	81686810	REAL QUEST WEB SERVICES-APR16 (IMAGING)	
Remit to: DALLAS, TX					<u>FYTD:</u> \$6,400.00
FIRST AMERICAN DATA TREE, LLC	228448	05/16/2016	20027760416	ONLINE SOFTWARE SUBSCRIPTION-APR16	\$99.00
Remit to: PASADENA, CA					<u>FYTD:</u> \$1,039.00

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FIRST CHOICE SERVICES	17565	05/09/2016	585920	WATER PURIF. UNIT RENTAL-LIBRARY-MAY16	\$504.90
		05/09/2016	585909	WATER PURIF. UNITS RENTAL-CITY HALL/2ND FLOOR-MAY16	
		05/09/2016	585910	WATER PURIF. UNIT RENTAL-CONFERENCE & REC. CTR.-MAY16	
		05/09/2016	585914	WATER PURIF. UNIT RENTAL-FIRE STATION #6-MAY16	
		05/09/2016	585915	WATER PURIF. UNIT RENTAL-FIRE STATION #48-MAY16	
		05/09/2016	585907	WATER PURIF. UNIT RENTAL-ANNEX #1-MAY16	
		05/09/2016	585911	WATER PURIF. UNIT RENTAL-CITY YARD-MAY16	
		05/09/2016	585913	WATER PURIF. UNIT RENTAL-FIRE STATION #2-MAY16	
		05/09/2016	585922	WATER PURIF. UNIT RENTAL-SENIOR CTR.-MAY16	
		05/09/2016	585921	WATER PURIF. UNIT RENTAL-PUBLIC SAFETY BLDG.-MAY16	
		05/09/2016	585917	WATER PURIF. UNIT RENTAL-FIRE STATION #65-MAY16	
		05/09/2016	585912	WATER PURIF. UNIT RENTAL-EMERGENCY OP'S CTR.-MAY16	
		05/09/2016	585918	WATER PURIF. UNIT RENTAL-FIRE STATION #91-MAY16	
		05/09/2016	585923	WATER PURIF. UNIT RENTAL-TRANSP. TRAILER-MAY16	
		05/09/2016	585916	WATER PURIF. UNIT RENTAL-FIRE STATION #58-MAY16	
		05/09/2016	585906	WATER PURIF. UNITS RENTAL-ANIMAL SHELTER-MAY16	
		05/09/2016	585908	WATER PURIF. UNITS RENTAL-CITY HALL/1ST FLOOR-MAY16	
		05/09/2016	585919	WATER PURIF. UNIT RENTAL-FIRE STATION #99-MAY16	
Remit to: ONTARIO, CA					FYTD: \$2,833.82
FIRST INDUSTRIAL REALTY TRUST	17509	05/02/2016	2611579	PROPERTY LEASE RENT-MAY15	\$531.00
Remit to: PASADENA, CA					FYTD: \$5,813.30
FORM PRINT COMPANY FPC GRAPHICS	228384	05/09/2016	91617	ANIMAL SHELTER DOOR HANGERS-15 DAY NOTICE (5,000 SETS)	\$1,106.62
Remit to: RIVERSIDE, CA					FYTD: \$5,408.59

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FRANCHISE TAX BOARD	228320	05/02/2016	2016-00000355	1015 - GARNISHMENT - CREDITOR	\$17.03
Remit to: SACRAMENTO, CA					FYTD: \$7,379.14
FRANCHISE TAX BOARD (1)	228385	05/09/2016	F/Y 2014-15	FORM 199 FILING FEE-MV PUBLIC FACILITIES FINANCING CORP	\$25.00
Remit to: RANCHO CORDOVA, CA					FYTD: \$25.00
FRANKLIN, L. C.	17633	05/16/2016	APR-2016	MILEAGE REIMBURSEMENT	\$240.84
Remit to: PERRIS, CA					FYTD: \$2,017.66
FRIZZEL, WILLIAM	228613	05/31/2016	BL#30953-YR2016	REFUND OF OVERPAYMENT FOR BL#30953	\$62.00
Remit to: RIVERSIDE, CA					FYTD: \$62.00
FRONTIER COMMUNICATIONS/ FORMERLY VERIZON	17510	05/02/2016	7002Z183-S-16096	BACKBONE COMMUNICATION SERVICE 3/28-5/4/16	\$2,434.97
	17684	05/23/2016	7002Z183-S-16126	BACKBONE COMMUNICATION SERVICE 5/5-6/4/16	\$1,963.42
Remit to: ROCHESTER, NY					FYTD: \$20,208.13
FRONTIER COMMUNICATIONS/ FORMERLY VERIZON CALIF.	228321	05/02/2016	082109-5/APR16	PHONE CHARGES FOR ERC 4/4-5/3/16	\$761.71
		05/02/2016	3101548661/APR16	FIOS SERVICES FOR FIRE STATION #99	
	228449	05/16/2016	082109-5/MAY16	PHONE CHARGES FOR EMPLOYEE RESOURCE CTR. 5/4-6/3/16	\$619.14
	228504	05/23/2016	3101548661/MAY16	FIOS SERVICES FOR FIRE STATION #99	\$117.23
Remit to: CINCINNATI, OH					FYTD: \$10,452.92

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FUEL PROS, INC	17685	05/23/2016	25022	REPLACED GAS PUMP AT FIRE STATION #65	\$3,397.26
		05/23/2016	24371	INSTALLED NEW PUMP AT FIRE STATION #2	
	17742	05/31/2016	24950	REPLACED DIESEL PUMP-FIRE STATION #65	\$131.25
Remit to: CHINO, CA					FYTD: \$12,856.18
FULCHER, RICKIYA	228545	05/23/2016	1358366	REFUND PICNIC SHELTER CANCELLATION	\$92.00
Remit to: MORENO VALLEY, CA					FYTD: \$92.00
G/M BUSINESS INTERIORS, INC.	228505	05/23/2016	0219087-IN	WORKSTATIONS WITH OVERHEAD STORAGE (2)-FIRE STATION #65	\$6,961.37
Remit to: RIVERSIDE, CA					FYTD: \$56,930.42
GALLS INC., INLAND UNIFORM	17511	05/02/2016	BC0256437	UNIFORMS & EQUIPMENT FOR PARK RANGER-ARIEL MUNOZ	\$1,795.70
Remit to: CHICAGO, IL					FYTD: \$8,202.70
GARDUNO , JOSUE	228482	05/16/2016	R16-096952/951	ANIMAL SHELTER REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					FYTD: \$20.00
GENERAL TRUCK BODY, INC	228506	05/23/2016	P2160677	USAR VEHICLE EQUIPMENT UPFIT-TUNNEL & TOOLS (6 BOXES)	\$3,000.00
Remit to: MONTEBELLO, CA					FYTD: \$3,000.00
GIBBS, GIDEN, LOCHER,TURNER, SENET & WITTBRODT LLP	17686	05/23/2016	232664	LEGAL SERVICES-BOND SAFEGUARD (RANCHO VERDE PARK-EMPIRE LLC)	\$610.20
Remit to: LOS ANGELES, CA					FYTD: \$828.70
GILCREASE, CLEVELAND DURRELL	228424	05/09/2016	C11762	REFUND-ADMIN CITATION OVERPAYMENT	\$400.00
Remit to: MORENO VALLEY, CA					FYTD: \$400.00
GILL, TIM	228483	05/16/2016	1354897	COTTONWOOD GOLF CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: PERRIS, CA					FYTD: \$200.00

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GIRON, VICENTE B.	17687	05/23/2016	SPRING 2016	TUITION REIMBURSEMENT	\$500.00
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$805.32
GLOBAL SOFTWARE, INC	17512	05/02/2016	A59119	EXECUTIVE DASH/SPREADSHEET SERVER MAINT. RENEWAL 5/1/16-4/30/17	\$23,178.00
Remit to: RALEIGH, NC					<u>FYTD:</u> \$23,178.00
GOLDEN, MARIA	228484	05/16/2016	R16-097328	ANIMAL SHELTER REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$50.00
GONG ENTERPRISES, INC.	17513	05/02/2016	7344	CONSULTANT PLAN CHECK SERVICES-PA15-0041 (HYUNDAI DEALERSHIP)	\$1,800.00
Remit to: HUNTINGTON BEACH, CA					<u>FYTD:</u> \$8,914.50
GONZALEZ DE LEON, ARACELI	228450	05/16/2016	APR-2016	INSTRUCTOR SERVICES-INTRODUCTION TO SALSA CLASS	\$54.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$54.00
GONZALEZ, VIVIAN	228485	05/16/2016	1357154 1357155	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
GOZDECKI, DAN	17634	05/16/2016	MAY-2016 YOUTH	INSTRUCTOR SERVICES-KUNG FU CLASS	\$529.20
		05/16/2016	MAY-2016 ADULT	INSTRUCTOR SERVICES-KUNG FU CLASS	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,649.40
GRAVES & KING, LLP	228322	05/02/2016	1603-0009808-05	LEGAL SERVICES-CLAIM MV1622 (K. CABRERA)	\$6,549.81
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$24,100.98

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GROUP DELTA CONSULTANTS, INC	17566	05/09/2016	28666	ELSWORTH ST./SHERMAN AVE. - GEOTECH SERVICES	\$474.84
	17743	05/31/2016	28831R	ELSWORTH/SHERMAN - GEOTECH SERVICES	\$5,108.70
Remit to: IRVINE, CA					FYTD: \$5,583.54
GUTIERREZ, YXSTIAN	228414	05/09/2016	11/19-11/21/15	TRAVEL PER DIEM-USC PRICE EXED LOCAL LEADERS PROGRAM	\$106.50
Remit to: MORENO VALLEY, CA					FYTD: \$725.81
HABITAT FOR HUMANITY RIVERSIDE	17567	05/09/2016	07/MAR 2016	HELPING HAND PROGRAM-CDBG	\$1,893.16
Remit to: RIVERSIDE, CA					FYTD: \$943,145.20
HATZL-PATTERSON, NINA MICHELE	228490	05/17/2016	5/21-5/25/16	TRAVEL PER DIEM & MILEAGE FOR ICSC RECON CONFERENCE	\$429.52
Remit to: RIVERSIDE, CA					FYTD: \$975.19
HDL COREN & CONE	228507	05/23/2016	0022624-IN	CONTRACT SERVICES-PROPERTY TAX MAINT - APR-JUN 2016	\$9,750.00
		05/23/2016	0022377-IN	CONTRACT SERVICES-PROPERTY TAX MAINT - JAN-MAR 2016	
Remit to: DIAMOND BAR, CA					FYTD: \$19,500.00
HDL SOFTWARE LLC	228508	05/23/2016	0009991-IN	BUSINESS LICENSE SOFTWARE & WEB ANNUAL MAINT. 8/1/15-7/31/16	\$13,660.02
Remit to: DIAMOND BAR, CA					FYTD: \$13,660.02
HEARTBEAT OF GOD ASSEMBLY	228546	05/23/2016	1360263-1360265	COTTONWOOD GOLF CTR. RENTAL REFUND DEPOSIT PLUS BALANCE ON ACCOUNT	\$226.25
Remit to: MORENO VALLEY, CA					FYTD: \$226.25

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HENDERSON, NICHOLAS J.	17514	05/02/2016	4/19-4/20/16	REIMBURSE PER DIEM, PARKING & TRANSP. COSTS FOR CALBO TRAINING	\$163.33
Remit to: MORENO VALLEY, CA					FYTD: \$423.01
HENDRICK RANCH ASB	228547	05/23/2016	1358245	REFUND FOR SPLASH PAD	\$60.00
Remit to: MORENO VALLEY, CA					FYTD: \$60.00
HERNANDEZ, SANDRA	228426	05/09/2016	002402	REFUND-LOST BOOK FEES/OVERPAYMENT (BOOK FOUND & RETURNED)	\$26.95
Remit to: MORENO VALLEY, CA					FYTD: \$26.95
HETHERMAN, ANTHONY CHRISTOPHER	17515	05/02/2016	4/20/16 RCT	REIMBURSEMENT FOR FAUCET - COTTONWOOD GOLF CTR. RENOVATION	\$65.31
Remit to: TEMECULA, CA					FYTD: \$369.88
HILLTOP GEOTECHNICAL, INC.	17635	05/16/2016	15415	CYCLE 2 PAVEMENT RESURFACING - GEOTECH SERVICES	\$3,732.00
Remit to: SAN BERNARDINO, CA					FYTD: \$46,075.25
HITACHI DATA SYSTEMS/AVRIO RMS GROUP	17568	05/09/2016	7234000	CAMERA EQUIPMENT - CITY YARD	\$10,789.84
	17636	05/16/2016	7235499	CAMERA & LICENSING (4 UNITS)-CITY YARD OLD BLDG.	\$11,612.65
		05/16/2016	7235895	CAMERA & LICENSING (6 UNITS)-ANNEX 1	
Remit to: SANTA CLARA, CA					FYTD: \$759,072.75
HLP, INC.	17517	05/02/2016	11815	WEB LICENSE MONTHLY FEES	\$47.95
	17688	05/23/2016	11907	WEB LICENSE MONTHLY FEES	\$35.00
Remit to: LITTLETON, CO					FYTD: \$17,979.80

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HONDA YAMAHA OF REDLANDS	17569	05/09/2016	75111	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$558.87
		05/09/2016	74916	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
		05/09/2016	75047	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
	17744	05/31/2016	71489	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	\$4,590.20
		05/31/2016	76013	MAINT & REPAIRS-TRAFFIC MOTORCYCLE	
Remit to: REDLANDS, CA					FYTD: \$24,188.72
HOUSER, MELANIE JEAN	17689	05/23/2016	1007	TRANSCRIPTION SERVICES FOR PLANNING COMMISSION MEETINGS	\$195.24
Remit to: ST. PETERSBURG, FL					FYTD: \$3,115.44
HUNSAKER & ASSOCIATES IRVINE, INC	228578	05/31/2016	16030170	JFK DR. STREET IMPROVEMENTS - SURVEY SERVICES	\$4,441.25
Remit to: RIVERSIDE, CA					FYTD: \$68,849.32
HYUNDAI LEASE TITLING TRUST AND JUAN GARCIA	228608	05/31/2016	CK 227197 1/4/16	REISSUE LOST CK-RE: UNCLAIMED CK 225483 (RE: FINAL SETTLEMENT)	\$530.00
Remit to: PALM DESERT, CA					FYTD: \$530.00
ICMA RETIREMENT CORP	17610	05/13/2016	2016-00000375	8030 - DEFERRED COMP 457 - ICMA	\$8,316.40
	17721	05/27/2016	2016-00000388	8030 - DEFERRED COMP 457 - ICMA	\$8,316.40
Remit to: BALTIMORE, MD					FYTD: \$191,646.62
IHEARTMEDIA	228386	05/09/2016	1017518665	99.1 KGGI HHW RADIO PROMOTION-4/16/16 EVENT	\$1,680.00
Remit to: LOS ANGELES, CA					FYTD: \$1,680.00
IL SORRENTO MOBILE PARK	228509	05/23/2016	APRIL 2016	UTILITY USERS TAX REFUND FOR APRIL 2016	\$60.39
Remit to: MORENO VALLEY, CA					FYTD: \$759.04

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IMAGE DISTRIBUTION SERVICES/DBA FONTIS	228451	05/16/2016	INV265364	NOTICE OF CITATION CORRECTION FORM	\$641.52
Remit to: IRVINE, CA					<u>FYTD:</u> \$641.52
INLAND EMPIRE BUSINESS PUBLICATIONS, LLC	17570	05/09/2016	33	1/2 PAGE ADVERTISEMENT-INLAND EMPIRE BUSINESS REVIEW	\$624.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$4,996.00
INLAND EMPIRE MAGAZINE	228323	05/02/2016	INV40129	AD PLACEMENT FOR CONFERENCE & REC. CTR.-APRIL 2016 ISSUE	\$895.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,790.00
INLAND EMPIRE PROPERTY SERVICE, INC	17571	05/09/2016	3267	NUISANCE ABATEMENT SERVICES-21768 BAY AVE	\$937.00
	17745	05/31/2016	3263	WEED ABATEMENT-HIDDEN SPRINGS #3	\$4,804.00
		05/31/2016	3262	WEED ABATEMENT-MORRISON PARK #2	
		05/31/2016	3264	WEED ABATEMENT-MARKBOURGH #4	
		05/31/2016	3261	WEED ABATEMENT-EQUESTRIAN CTR. #1	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$96,672.13

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
INLAND OVERHEAD DOOR COMPANY	228510	05/23/2016	39999	VEHICLE MAINT. ROLL UP DOOR REPLACEMENT-CITY YARD	\$4,377.00
	228579	05/31/2016	40021	DOOR REPAIR SERVICE CALL-FIRE STATION #2	\$1,846.01
		05/31/2016	39696	ROLL UP DOOR REPAIR-FIRE STATION #99	
		05/31/2016	39781	VEHICLE GATE REPAIR-PUBLIC SAFETY BLDG.	
		05/31/2016	39992	DOOR REPAIR-FIRE STATION #2 (DOOR #2)	
		05/31/2016	39990	FRONT DOOR REPAIR-FIRE STATION #65	
		05/31/2016	40024	AUTO GATE REPAIR-FIRE STATION #2	
		05/31/2016	39944	ROLL UP DOOR REPAIR-FIRE STATION #65	
		05/31/2016	39952	VEHICLE GATE REPAIRS (GATES #2 & #5)-PUBLIC SAFETY BLDG.	
		05/31/2016	39944-1	FRONT ROLL UP DOOR REPAIR-FIRE STATION #2	
	05/31/2016	39714	DOOR REPAIR-CITY YARD SOUTH DOOR "C"		
Remit to: COLTON, CA					FYTD: \$32,277.38
INSIDE PLANTS, INC.	17637	05/16/2016	59864	INDOOR PLANT MAINT. AT CONFERENCE & REC. CTR.-MAY16	\$343.00
Remit to: CORONA, CA					FYTD: \$3,773.00
INTERPRETERS UNLIMITED	228580	05/31/2016	M16M3-13197	LANGUAGE INTERPRETATION	\$64.00
Remit to: SAN DIEGO, CA					FYTD: \$108.00
IRON MOUNTAIN, INC	17518	05/02/2016	200931302	OFF-SITE DATA STORAGE-MAR16	\$959.44
	17746	05/31/2016	200960092	OFF-SITE DATA STORAGE-APR16	\$892.54
Remit to: PASADENA, CA					FYTD: \$25,948.60
JACK HENRY & ASSOCIATES	228324	05/02/2016	2211400	ONLINE PAYMENT PROCESSING-MVU-FEB16	\$30.00
		05/02/2016	2235721	ONLINE PAYMENT PROCESSING-MVU-MAR16	
Remit to: MONETT, MO					FYTD: \$859.82

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JDH CONTRACTING	17519	05/02/2016	042816-02	INSTALL DRINKING FOUNTAIN-MARCH COMM. CTR.	\$3,441.00
		05/02/2016	042816-01	INSTALL ADA RAILS AT WATER FOUNTAINS-RIDGECREST & FAIRWAY PARKS	
	17573	05/09/2016	042316-01	RELOCATE EXISTING DOOR-ANNEX 1/PURCHASING OFFICE PATCH	\$2,571.00
	17638	05/16/2016	050416-01	CONCRETE FROM SEWER REPAIR-COTTONWOOD GOLF CTR.	\$2,581.00
		05/16/2016	051316-01	REPLACED CEILING TILES-SENIOR CTR	
Remit to: RIVERSIDE, CA					FYTD: \$223,004.90
JIMENEZ, CLEMENT	228452	05/16/2016	MILEAGE REIMB.	MILEAGE REIMBURSEMENT FOR TRAINING ON 2/25/16 & 5/9-5/12/16	\$197.64
Remit to: HEMET, CA					FYTD: \$617.64
JOE A. GONSALVES & SON	17520	05/02/2016	26095	LOBBYIST SERVICES-MAY16	\$3,000.00
	17747	05/31/2016	26173	LOBBYIST SERVICES-JUN16	\$3,045.00
Remit to: SACRAMENTO, CA					FYTD: \$36,180.00
JOHNSON MEZZCAP	17690	05/23/2016	1092	LITE OWLS & E-SERIES EQUIPMENT LEASE-JUN16	\$2,243.51
Remit to: DALLAS, TX					FYTD: \$26,922.12
JOHNSON, DARIN	228427	05/09/2016	C11448	REFUND-ADMIN VIOLATION CITATION DISMISSED	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
JOHNSON, TRACY	228387	05/09/2016	APR-2016	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$338.40
Remit to: MORENO VALLEY, CA					FYTD: \$3,371.80
JOHNSON, WINDA	228568	05/23/2016	CK NO. 226068	REISSUE UNCLAIMED CHECK-RE: REFUND-CLASS CANCELLED	\$112.00
Remit to: MORENO VALLEY, CA					FYTD: \$112.00

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JTB SUPPLY CO., INC.	17748	05/31/2016	100811	TRAFFIC SIGNAL MAINT. SUPPLIES	\$8,008.40
Remit to: ORANGE, CA					<u>FYTD:</u> \$63,117.80
KENASTON FLOORING	228453	05/16/2016	14148	COTTONWOOD GOLF CTR RENOVATION-PH2 FLOORING	\$23,722.00
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$71,485.00
KISTLER, LISA	228614	05/31/2016	1360537	REFUND SPECIAL EVENT PERMIT 29776 AND WATER REFUND	\$148.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$148.00
KOA CORPORATION	228325	05/02/2016	JB54042x8	RECHE VISTA REALIGNMENT - DESIGN SERVICES	\$7,851.50
	228581	05/31/2016	JB54042x9	RECHE VISTA REALIGNMENT - SURVEY SERVICES	\$19,988.50
Remit to: MONTEREY PARK, CA					<u>FYTD:</u> \$217,881.59
LAMBERTH, SUSAN	228548	05/23/2016	R16-096353	ANIMAL SHELTER REFUND-SPAY/NEUTER & RABIES DEPOSITS	\$95.00
Remit to: SAN JACINTO, CA					<u>FYTD:</u> \$95.00
LATITUDE GEOGRAPHICS	228454	05/16/2016	INV0003347	UPGRADE & MIGRATION OF GIS SITE TO HTML5	\$16,757.15
Remit to: VICTORIA, BC					<u>FYTD:</u> \$35,521.15
LAWRENCE ROLL-UP DOORS, INC	228511	05/23/2016	1699368	FRONT ROLL UP DOOR REPAIR-FIRE STATION #99	\$396.16
Remit to: BALDWIN PARK, CA					<u>FYTD:</u> \$396.16
LAWYERS TITLE COMPANY	228582	05/31/2016	615674069	LITIGATION GUARANTEE-11761 DAVIS ST.	\$396.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$8,437.00
LAZARUS, MARGERY A.	228388	05/09/2016	WINTER 2016	TUITION REIMBURSEMENT	\$279.00
Remit to: CORONA, CA					<u>FYTD:</u> \$279.00

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LEE, MIKE	17640	05/16/2016	5/22-5/25/16	TRAVEL PER DIEM FOR ICSC RECON CONFERENCE	\$160.00
Remit to: CHINO HILLS, CA					FYTD: \$570.77
LEE-MCDUFFIE, PRECIOUS	17693	05/23/2016	MAY-2016	INSTRUCTOR SERVICES-ACTING FOR KIDS CLASS	\$417.60
Remit to: MORENO VALLEY, CA					FYTD: \$2,134.40
LEIVAS, INC. DBA. LEIVAS LIGHTING	17574	05/09/2016	237216A	LANDSCAPE LIGHTING MAINT-NOV15	\$1,835.83
		05/09/2016	237220A	LANDSCAPE LIGHTING MAINT-MAR16	
		05/09/2016	237215A	LANDSCAPE LIGHTING MAINT-OCT15	
		05/09/2016	237221A	LANDSCAPE LIGHTING MAINT-APR16	
		05/09/2016	237218A	LANDSCAPE LIGHTING MAINT-JAN16	
		05/09/2016	237219A	LANDSCAPE LIGHTING MAINT-FEB16	
		05/09/2016	237217A	LANDSCAPE LIGHTING MAINT-DEC15	
Remit to: RIVERSIDE, CA					FYTD: \$14,519.61
LEONIDA BUILDERS, INC	228389	05/09/2016	MV-1	ELSWORTH ST./SHERMAN AVE. - SIDEWALK IMPROVEMENTS	\$15,629.18
Remit to: GLENDORA, CA					FYTD: \$145,954.03
LEOTTI, SCOTT	228549	05/23/2016	P16-041	REFUND-PLANNING FEES (ADMIN PLOT PLAN NOT REQUIRED)	\$850.00
Remit to: ROWLAND HEIGHTS, CA					FYTD: \$850.00
LEVEL 3 COMMUNICATIONS/ FORMERLY TW TELCOM	17641	05/16/2016	43469329(a)	INTERNET & DATA SERVICES	\$4,666.94
		05/16/2016	43469329	TELEPHONE SERVICES-LOCAL/LONG DISTANCE CALLS	
	17750	05/31/2016	44059400	TELEPHONE SERVICES-LOCAL/LONG DISTANCE CALLS	\$4,662.64
		05/31/2016	44059400(a)	INTERNET & DATA SERVICES	
Remit to: BROOMFIELD, CO					FYTD: \$55,519.51

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LEVINSON, STEVAN	228550	05/23/2016	1357726	REFUND DEPOSIT - PERMIT NUMBER 29560	\$75.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$75.00
LEWIS, JANNA	228355	05/02/2016	R16-095047	ANIMAL SHELTER REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
LEXISNEXIS PRACTICE MGMT.	17751	05/31/2016	1604077453	LEGAL RESEARCH TOOLS-APR16	\$1,180.00
Remit to: MIAMISBURG, OH					<u>FYTD:</u> \$14,160.00
LOWE, LISA	228356	05/02/2016	R16-096457	ANIMAL SHELTER REFUND-SPAY/NEUTER & RABIES DEPOSITS	\$95.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$95.00
LYONS SECURITY SERVICE, INC	17521	05/02/2016	22841	SECURITY GUARD SERVICES-SENIOR CTR-MAR16	\$252.60
	17576	05/09/2016	22885	SECURITY GUARD SERVICES-MVU-APR16	\$198.12
	17642	05/16/2016	22883	SECURITY GUARD SERVICES-COTTONWOOD GOLF CTR SPECIAL EVENTS-APR16	\$2,542.54
		05/16/2016	22879	SECURITY GUARD SERVICES-CITY YARD-APR16	
		05/16/2016	22878	SECURITY GUARD SERVICES-LIBRARY-APR16	
	17694	05/23/2016	22839	SECURITY GUARD SERVICES-CONFERENCE & REC CTR-MAR16	\$12,162.86
		05/23/2016	22884	SECURITY GUARD SERVICES-TOWNGATE COMM CTR-APR16	
		05/23/2016	22877	SECURITY GUARD SERVICES-CITY HALL-APR16	
	17752	05/31/2016	22840	SECURITY GUARD SERVICES-CONFERENCE & REC CTR SPECIAL EVENTS-MAR16	\$132.08
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$117,056.53
MADRID, AARON	228551	05/23/2016	R16-095581	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$24.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$24.00
MALIG, TONY	228357	05/02/2016	1351890	REFUND INSTRUCTOR NO LONGER AVAILABLE	\$88.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$88.00

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MANDELL MUNICIPAL COUNSELING	228512	05/23/2016	APR 2016	LEGAL COUNSEL FOR SPECIAL FINANCING DISTRICTS	\$1,775.00
Remit to: LOS ANGELES, CA					FYTD: \$8,475.00
MARCH JOINT POWERS AUTHORITY	228584	05/31/2016	38823	GAS CHARGES-BLDG 823-MAR16	\$21.95
		05/31/2016	38810	GAS CHARGES-BLDG 823-FEB16	
		05/31/2016	38849	GAS CHARGES-BLDG 938-APR16	
		05/31/2016	38836	GAS CHARGES-BLDG 823-APR16	
		05/31/2016	38813	GAS CHARGES-BLDG 938-FEB16	
		05/31/2016	38826	GAS CHARGES-BLDG 938-MAR16	
Remit to: RIVERSIDE, CA					FYTD: \$949,448.93
MARIPOSA HORTICULTURAL ENTERPRISES, INC.	17577	05/09/2016	72440	LANDSCAPE EXTRA WORK-MAR16-ZONE D/IRRIGATION REPAIR-AREA 41	\$4,982.46
		05/09/2016	72438	LANDSCAPE EXTRA WORK-MAR16-ZONE D/IRRIGATION REPAIR	
		05/09/2016	72437	LANDSCAPE EXTRA WORK-MAR16-ZONE D/IRRIGATION REPAIR-AREA 7	
		05/09/2016	72441	LANDSCAPE EXTRA WORK-MAR16-ZONE D/IRRIGATION REPAIR	
		05/09/2016	72442	LANDSCAPE EXTRA WORK-MAR16-SD LMD ZN 02/REPLACE 13 FENCE PANELS	
		05/09/2016	72443	LANDSCAPE EXTRA WORK-MAR16-SD LMD ZN 02/IRRIGATION REPAIR	
		05/09/2016	72439	LANDSCAPE EXTRA WORK-MAR16-ZONE D/IRRIGATION REPAIR	
	17643	05/16/2016	70834-R	BALANCE REMAINING ON INVOICE FOR ZONE D IRRIGATION REPAIR-OCT15	\$30.00
Remit to: IRWINDALE, CA					FYTD: \$1,042,672.36

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MARTINEZ JR., RENE B	228390	05/09/2016	5/2/16 REIMB.	MILEAGE REIMBURSEMENT-ACCELA SOCIAL USER GROUP MEETING	\$117.72
Remit to: HEMET, CA					<u>FYTD:</u> \$117.72
MARTINEZ, KATHLEEN	228486	05/16/2016	R16-097392	ANIMAL SHELTER REFUND-RETURN ADOPTION FEES	\$65.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$65.00
MATSUMOTO, MICHAEL	228428	05/09/2016	R16-096864	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: MOORPARK, CA					<u>FYTD:</u> \$75.00
MATTRESS BROTHERS	228429	05/09/2016	BL#18311-YR2016	REFUND OF OVERPAYMENT FOR BL#18311	\$71.59
Remit to: REDLANDS, CA					<u>FYTD:</u> \$71.59
MCADOO, ANGIE	228487	05/16/2016	R16-095190	ANIMAL SHELTER REFUND-RABIES DEPOSIT	\$20.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$20.00
MCKINNEY, BROOKE	17522	05/02/2016	REIMB. 4/21/16	REIMBURSE LODGING COST FOR CMTA ANNUAL CONFERENCE	\$595.62
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,279.49
MCLELLAN, MICHAEL,	228620	05/31/2016	5/3-5/6/16	REIMBURSE TRAVEL PER DIEM, TRANSP. & PARKING-UTILITY ENERGY FORUM	\$386.96
Remit to: MURRIETA, CA					<u>FYTD:</u> \$386.96

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MEEKS, DANIEL	17644	05/16/2016	042816	SPORTS OFFICIATING SERVICES-SOFTBALL	\$315.00
		05/16/2016	050116	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	033116	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	040716 / 041716	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	042416	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	042116	SPORTS OFFICIATING SERVICES-SOFTBALL	
Remit to: PERRIS, CA					FYTD: \$2,142.00
MELLENDEZ, JACKIE	17665	05/17/2016	5/21-5/25/16	TRAVEL PER DIEM FOR ICSC RECON CONFERENCE	\$224.00
Remit to: UPLAND, CA					FYTD: \$507.27
MENGISTU, YESHIALEM	17645	05/16/2016	APR-2016	MILEAGE REIMBURSEMENT	\$182.52
Remit to: MORENO VALLEY, CA					FYTD: \$1,455.67
MERCHANTS LANDSCAPE SERVICES INC	17696	05/23/2016	47579	LANDSCAPE MAINT.-SD LMD ZN 03 & 03A-APR 2016	\$21,406.05
		05/23/2016	47578	LANDSCAPE MAINT.-ZONES E-8, SD LMD ZN 05, 06 & 07-APR 2016	
Remit to: MONTEREY PARK, CA					FYTD: \$282,041.62
MESA FENCE CO, INC.	228391	05/09/2016	4935	INSTALLED PLY GEM VINYL FENCE-UTILITY FIELD OFFICE	\$9,881.50
Remit to: PERRIS, CA					FYTD: \$20,081.50
MEYERS, ROBERT	17578	05/09/2016	CK NO. 222290	REISSUE UNCLAIMED CHECK-RE: JUN 2014 INSTRUCTOR SERVICES	\$63.00
	17697	05/23/2016	MAY-2016	INSTRUCTOR SERVICES-PHOTOGRAPHY CLASS	\$132.60
		05/23/2016	CK NO. 218886	REISSUE UNCLAIMED CHECK-RE: JAN. 2013 INSTRUCTOR SERVICES	
Remit to: MORENO VALLEY, CA					FYTD: \$828.60
MEZA, VERONICA	228552	05/23/2016	R16-097733	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PERRIS, CA					FYTD: \$75.00

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MICHAEL BAKER INTERNATIONAL, INC	17579	05/09/2016	940589	NASON ST. - CONSTRUCTION SURVEY SERVICES	\$3,016.35
	17646	05/16/2016	940477	CONSULTANT PLAN CHECK SERVICES/PA15-0002	\$1,756.69
		05/16/2016	940438	CONSULTANT PLAN CHECK SERVICES/PA13-0037 NANDINA LOGISTICS CTR.	
Remit to: LOS ANGELES, CA					FYTD: \$40,112.79
MIRACLE RECREATION EQUIPMENT	17523	05/02/2016	772948	PLAYGROUND EQUIPMENT PARTS-CITY PARKS	\$210.99
Remit to: DALLAS, TX					FYTD: \$81,120.24
MNSD, LLC	228615	05/31/2016	BL#12655-YR2016	REFUND OF OVERPAYMENT FOR BL#12655	\$88.56
Remit to: PRESCOTT, AZ					FYTD: \$88.56
MONTGOMERY, BRIDGETTE	17524	05/02/2016	3/10-4/28/16	MILEAGE REIMBURSEMENT FOR TRAINING ON 3/10/16, 4/27-4/28/16	\$102.60
Remit to: YUCAIPA, CA					FYTD: \$2,279.98
MOORE, WILLIAM JOSEPH	228553	05/23/2016	R16-097546	ANIMAL SHELTER REFUND-SPAY/NEUTER & RABIES DEPOSITS	\$95.00
Remit to: LAS VEGAS, NV					FYTD: \$95.00
MORALES, GEORGIA	228554	05/23/2016	1360271	COTTONWOOD GOLF CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: FULLERTON, CA					FYTD: \$200.00
MORENO VALLEY BALLET FOLKLORIC ASSOCIATION	228430	05/09/2016	1353644	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$387.00
Remit to: MORENO VALLEY, CA					FYTD: \$387.00

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MORENO VALLEY CHAMBER OF COMMERCE	228455	05/16/2016	5177	WAKE-UP MEETING ATTENDANCE-4/27/16	\$100.00
Remit to: MORENO VALLEY, CA					FYTD: \$12,090.00
MORENO VALLEY CITY EMPLOYEES ASSOCIATION	17612	05/13/2016	2016-00000377	8710 - MVCEA EMPLOYEE DUES	\$1,233.50
	17722	05/27/2016	2016-00000390	8710 - MVCEA EMPLOYEE DUES	\$1,228.00
Remit to: MORENO VALLEY, CA					FYTD: \$29,414.00
MORENO VALLEY MANAGEMENT ASSOCIATION	17525	05/02/2016	2016-00000356	8705 - MVMA EMPLOYEE DUES	\$528.00
	17647	05/16/2016	2016-00000370	8705 - MVMA EMPLOYEE DUES	\$518.00
	17753	05/31/2016	2016-00000382	8705 - MVMA EMPLOYEE DUES	\$480.00
Remit to: MORENO VALLEY, CA					FYTD: \$15,322.00
MORENO VALLEY MILITARY AFFAIRS COMMITTEE	228474	05/16/2016	6/10/16 EVENT	REGISTRATION FOR TWO-15TH ANNUAL "RALLY 'ROUND THE FLAG" BARBEQUE	\$70.00
	228513	05/23/2016	6-10-16 EVENT	REGISTRATION FOR ONE-15TH ANNUAL "RALLY 'ROUND THE FLAG" BARBEQUE	\$35.00
	228585	05/31/2016	6/10/16 EVENT(a)	REGISTRATION FOR TWO-15TH ANNUAL "RALLY 'ROUND THE FLAG" BARBEQUE	\$70.00
Remit to: MORENO VALLEY, CA					FYTD: \$175.00
MORENO VALLEY UNIFIED SCHOOL DISTRICT	228586	05/31/2016	UUT REFUND	REFUND OF UTILITY USER TAXES CHARGED ON SUNNYMEAD ELEMENTARY SCE BILLS	\$5,374.34
Remit to: MORENO VALLEY, CA					FYTD: \$21,515.27
MOUSSA'S QUALITY AUTO SERVICE	228358	05/02/2016	BL#04639-YR2016	REFUND OF OVERPAYMENT FOR BL#04639	\$298.86
Remit to: MORENO VALLEY, CA					FYTD: \$298.86

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MTGL, INC	17754	05/31/2016	53961	JFK DR. STREET IMPROVEMENTS - GEOTECH SERVICES	\$2,607.50
Remit to: ANAHEIM, CA					FYTD: \$2,607.50
MUNOZ, JASMINE R	228616	05/31/2016	C12802	REFUND-ADMIN VIOLATION DISMISSED	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
MUSIC CHANGING LIVES	228555	05/23/2016	1358679 1358680	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$584.00
Remit to: MORENO VALLEY, CA					FYTD: \$584.00
MUSICSTAR	228326	05/02/2016	APR-2016	INSTRUCTOR SERVICES-GUITAR & PIANO FOR KIDS CLASSES	\$513.00
	228514	05/23/2016	MAY-2016	INSTRUCTOR SERVICES-GUITAR & PIANO FOR KIDS CLASSES	\$594.00
Remit to: RIVERSIDE, CA					FYTD: \$8,104.80
N.E.A.D., INC	228327	05/02/2016	1296	MY CITY MOBILE APP MAINT. FEES-APR-JUN 2016	\$1,500.00
Remit to: HUNTINGTON BEACH, CA					FYTD: \$6,000.00
NAMEKATA, DOUGLAS	228328	05/02/2016	APR-2016	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$338.40
Remit to: RIVERSIDE, CA					FYTD: \$3,105.40
NAMEKATA, JAMES	228329	05/02/2016	APR-2016	INSTRUCTOR SERVICES - SHITO-RYU KARATE CLASSES	\$338.40
Remit to: RIVERSIDE, CA					FYTD: \$3,105.40
NATIONAL CONSTRUCTION RENTALS	228535	05/23/2016	943259	SPONSORSHIP-COMMUNITY CLEAN UP EVENT AT OLD 215 FRWY ON 5/28/16	\$270.00
Remit to: FONTANA, CA					FYTD: \$270.00

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NATIONWIDE RETIREMENT SOLUTIONS CP	17613	05/13/2016	2016-00000378	8020 - DEFERRED COMP PST - NATIONWIDE	\$3,083.31
	17723	05/27/2016	2016-00000391	8020 - DEFERRED COMP PST - NATIONWIDE	\$3,347.86
Remit to: COLUMBUS, OH					FYTD: \$803,810.49
NBS GOVERNMENT FINANCE GROUP	17580	05/09/2016	416000085	FEE COMPARISON SURVEY	\$3,600.00
		05/09/2016	416000086	2015 COMPREHENSIVE USER FEE STUDY	
Remit to: TEMECULA, CA					FYTD: \$10,840.00
NEW HORIZON MOBILE HOME PARK	17698	05/23/2016	APRIL 2016	UTILITY USERS TAX REFUND FOR APRIL 2016	\$10.53
		05/23/2016	MARCH 2016	UTILITY USERS TAX REFUND FOR MARCH 2016	
Remit to: LOS ANGELES, CA					FYTD: \$61.79
NOBLES, BARBARA	228488	05/16/2016	R16-097571	ANIMAL SHELTER REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					FYTD: \$50.00
NOEMI FERNANDEZ	228359	05/02/2016	1352492	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
NUNEZ, GUADALUPE	228431	05/09/2016	1354236	RENTAL REFUND - CELEBRATION PARK PICNIC SHELTER	\$191.00
Remit to: MORENO VALLEY, CA					FYTD: \$191.00
ORROCK, POPKA, FORTINO & BRISLIN	17699	05/23/2016	90-042M STMT 14	LEGAL SERVICES-CLAIM MV1506 (L. SPARKS)	\$4,856.30
Remit to: REDLANDS, CA					FYTD: \$60,506.86

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OVERLAND PACIFIC & CUTLER, INC.	17648	05/16/2016	1603121	APPRAISAL SERVICES FOR FIRE STATION #99 (MORRISON)	\$4,650.00
	17700	05/23/2016	1604042	RECHE VISTA REALIGNMENT - ACQUISITION SERVICES	\$1,050.00
	17755	05/31/2016	1604268	PRE-ACQUISITION DUE DILIGENCE SERVICES-BOULDER RIDGE	\$446.25
Remit to: LONG BEACH, CA					<u>FYTD:</u> \$37,513.75
P & F SMOKE & GIFT SHOP	228617	05/31/2016	BL#30241-YR2016	REFUND OF OVERPAYMENT FOR BL#30241	\$62.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$62.00
PACIFIC ALARM SERVICE, INC	17582	05/09/2016	R120210	BURGLAR ALARM SYSTEM RENT/SERVICE/MONITORING-MVU SUBSTATION-MAY16	\$244.00
Remit to: BEAUMONT, CA					<u>FYTD:</u> \$2,684.00
PACIFIC PRODUCTS & SERVICES, INC	228457	05/16/2016	20630	TRAFFIC SUPPLIES-TELESPAR TUBINGS	\$9,967.86
Remit to: HIGHLAND, CA					<u>FYTD:</u> \$33,016.68
PACIFIC TELEMAGEMENT SERVICES	17649	05/16/2016	835461	PAY PHONE SERVICES-JUN16	\$250.56
Remit to: SAN RAMON, CA					<u>FYTD:</u> \$3,413.88
PALMER, ANGELA	228432	05/09/2016	1354901	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT	\$200.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$200.00
PANATTONI DEVELOPMENT COMPANY, INC.	228569	05/23/2016	PA13-0022	REFUND-TIME & MATERIALS REMAINING BALANCE	\$1,711.59
Remit to: NEWPORT BEACH, CA					<u>FYTD:</u> \$1,711.59

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PAUL'S X-RAY, INC.	228515	05/23/2016	P0505161	DIGITAL X-RAY EQUIPMENT (VETERINARY CLINIC)	\$24,858.72
Remit to: RIVERSIDE, CA					FYTD: \$24,858.72
PEDLEY SQUARE VETERINARY CLINIC	17526	05/02/2016	MAR-2016	VETERINARY SERVICES FOR ANIMAL SHELTER	\$12,185.85
Remit to: RIVERSIDE, CA					FYTD: \$125,455.73
PERCEPTIVE ENTERPRISES, INC.	17701	05/23/2016	MVL-21	DBE - CONSULTANT SERVICES	\$1,920.00
Remit to: LOS ANGELES, CA					FYTD: \$4,327.50
PEREZ, GRISELDA	228556	05/23/2016	1360253	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT MINUS BALANCE DUE	\$150.00
Remit to: MORENO VALLEY, CA					FYTD: \$150.00
PERS LONG TERM CARE PROGRAM	228330	05/02/2016	2016-00000357	4720 - PERS LONG TERM CARE	\$460.33
	228458	05/16/2016	2016-00000371	4720 - PERS LONG TERM CARE	\$460.33
	228587	05/31/2016	2016-00000383	4720 - PERS LONG TERM CARE	\$460.33
Remit to: PASADENA, CA					FYTD: \$11,047.92
PERS RETIREMENT	17546	05/06/2016	P160408a	PERS RETIREMENT - CLASSIC FINAL	\$444.66
	17547	05/06/2016	P160408b	PERS RETIREMENT - PEPRA FINAL	\$12,189.38
	17549	05/06/2016	P160422P	PERS RETIREMENT DEPOSIT - PEPRA	\$24,239.97
	17717	05/20/2016	P160422a	PERS RETIREMENT - CLASSIC FINAL	\$8,869.35
	17718	05/20/2016	P160422b	PERS RETIREMENT - PEPRA FINAL	\$4,711.90
	17720	05/20/2016	P160506P	PERS RETIREMENT DEPOSIT - PEPRA	\$24,182.45
Remit to: SACRAMENTO, CA					FYTD: \$6,248,422.69
PETTY CASH - FINANCE	228475	05/16/2016	APR 2016	PETTY CASH FUND REPLENISHMENT	\$341.36
Remit to: MORENO VALLEY, CA					FYTD: \$6,878.86

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PGI - PACIFIC GRAPHICS, INC	17702	05/23/2016	35401	PRINT BALLOT DOCUMENTS FOR LMD 2014-02, ZONE 04	\$1,342.00
Remit to: INDUSTRY, CA					<u>FYTD:</u> \$9,612.51
PITASSI ARCHITECTS, INC	17583	05/09/2016	5	CITY YARD - DESIGN SERVICES	\$2,973.25
Remit to: RANCHO CUCAMONGA, CA					<u>FYTD:</u> \$41,436.67
PLACEWORKS, INC	228588	05/31/2016	58870	LOGISTIC CTR. ENVIRONMENTAL IMPACT REPORT (EIR) PEER REVIEW-MAR16	\$2,713.20
		05/31/2016	59235	LOGISTIC CTR. ENVIRONMENTAL IMPACT REPORT (EIR) PEER REVIEW-APR16	
Remit to: SANTA ANA, CA					<u>FYTD:</u> \$27,258.35
PLANNING SERVICES	228360	05/02/2016	1351671	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$100.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$100.00
PROFESSIONAL COMMUNICATIONS NETWORK PCN	228394	05/09/2016	151700383	LIVE ANSWERING SERVICE FOR ROTATIONAL TOW VEHICLES PROGRAM	\$531.50
		05/23/2016	151800378	LIVE ANSWERING SERVICE FOR ROTATIONAL TOW VEHICLES PROGRAM	\$553.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$6,481.00

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PRUDENTIAL OVERALL SUPPLY	17528	05/02/2016	22225143	UNIFORM RENTAL & LAUNDERING SERVICE-PURCHASING DIV. STAFF	\$6.18
		05/02/2016	22228680	UNIFORM RENTAL & LAUNDERING SERVICE-PURCHASING DIV. STAFF	
	17584	05/09/2016	22235673	UNIFORM RENTAL & LAUNDERING SERVICE-STREET SWEEPING STAFF	\$363.21
		05/09/2016	22232181	UNIFORM RENTAL & LAUNDERING SERVICE-STREET MAINT. STAFF	
		05/09/2016	22232176	UNIFORM RENTAL & LAUNDERING SERVICE-CONCRETE MAINT. STAFF	
		05/09/2016	22232183	UNIFORM RENTAL & LAUNDERING SERVICE-VEHICLE/EQUIPMENT MAINT. STAFF	
		05/09/2016	22232178	UNIFORM RENTAL & LAUNDERING SERVICE-TREE MAINT. STAFF	
		05/09/2016	22235677	UNIFORM RENTAL & LAUNDERING SERVICE-STREET MAINT. STAFF	
		05/09/2016	22235678	UNIFORM RENTAL & LAUNDERING SERVICE-GRAFFITI REMOVAL STAFF	
		05/09/2016	22232769	UNIFORM RENTAL & LAUNDERING SERVICE-FACILITIES MAINT. STAFF	
		05/09/2016	22236256	UNIFORM RENTAL & LAUNDERING SERVICE-FACILITIES MAINT. STAFF	
		05/09/2016	22232182	UNIFORM RENTAL & LAUNDERING SERVICE-GRAFFITI REMOVAL STAFF	
		05/09/2016	22235679	UNIFORM RENTAL & LAUNDERING SERVICE-VEHICLE/EQUIPMENT MAINT. STAFF	
		05/09/2016	22232177	UNIFORM RENTAL & LAUNDERING SERVICE-STREET SWEEPING STAFF	
		05/09/2016	22235674	UNIFORM RENTAL & LAUNDERING SERVICE-TREE MAINT. STAFF	
		05/09/2016	22235672	UNIFORM RENTAL & LAUNDERING SERVICE-CONCRETE MAINT. STAFF	

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PRUDENTIAL OVERALL SUPPLY	17650	05/16/2016	22235670	UNIFORM RENTAL & LAUNDERING SERVICE-SIGNS & STRIPING STAFF	\$299.59
		05/16/2016	22235671	UNIFORM RENTAL & LAUNDERING SERVICE-PARKS MAINT. STAFF	
		05/16/2016	22239226	UNIFORM RENTAL & LAUNDERING SERVICE-TRAFFIC SIGNAL MAINT. STAFF	
		05/16/2016	22235675	UNIFORM RENTAL & LAUNDERING SERVICE-TRAFFIC SIGNAL MAINT. STAFF	
		05/16/2016	22235676	UNIFORM RENTAL & LAUNDERING SERVICE-CFD #1 STAFF	
		05/16/2016	22232173	UNIFORM RENTAL & LAUNDERING SERVICE-GOLF COURSE STAFF	
		05/16/2016	22239221	UNIFORM RENTAL & LAUNDERING SERVICE-SIGNS & STRIPING STAFF	
		05/16/2016	22232175	UNIFORM RENTAL & LAUNDERING SERVICE-PARKS MAINT. STAFF	
		05/16/2016	22232174	UNIFORM RENTAL & LAUNDERING SERVICE-SIGNS & STRIPING STAFF	
		05/16/2016	22232180	UNIFORM RENTAL & LAUNDERING SERVICE-CFD #1 STAFF	
		05/16/2016	22207908	UNIFORM RENTAL & LAUNDERING SERVICE-FACILITIES MAINT. STAFF	
		05/16/2016	22235669	UNIFORM RENTAL & LAUNDERING SERVICE-GOLF COURSE STAFF	
		05/16/2016	22232179	UNIFORM RENTAL & LAUNDERING SERVICE-TRAFFIC SIGNAL MAINT. STAFF	

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PRUDENTIAL OVERALL SUPPLY	17703	05/23/2016	22221400	UNIFORM RENTAL & LAUNDERING SERVICE-TREE MAINT. STAFF	\$316.09
		05/23/2016	22207301	UNIFORM RENTAL & LAUNDERING SERVICE-VEHICLE/EQUIPMENT MAINT. STAFF	
		05/23/2016	22207293	UNIFORM RENTAL & LAUNDERING SERVICE-TREE MAINT. STAFF	
		05/23/2016	22221405	UNIFORM RENTAL & LAUNDERING SERVICE-VEHICLE/EQUIPMENT MAINT. STAFF	
		05/23/2016	22207290	UNIFORM RENTAL & LAUNDERING SERVICE-CONCRETE MAINT. STAFF	
		05/23/2016	22221404	UNIFORM RENTAL & LAUNDERING SERVICE-GRAFFITI REMOVAL STAFF	
		05/23/2016	22207299	UNIFORM RENTAL & LAUNDERING SERVICE-GRAFFITI REMOVAL STAFF	
		05/23/2016	22207291	UNIFORM RENTAL & LAUNDERING SERVICE-STREET SWEEPING STAFF	
		05/23/2016	22207297	UNIFORM RENTAL & LAUNDERING SERVICE-STREET MAINT. STAFF	
		05/23/2016	22221398	UNIFORM RENTAL & LAUNDERING SERVICE-CONCRETE MAINT. STAFF	
		05/23/2016	22221399	UNIFORM RENTAL & LAUNDERING SERVICE-STREET SWEEPING STAFF	
		05/23/2016	22221403	UNIFORM RENTAL & LAUNDERING SERVICE-STREET MAINT. STAFF	

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PRUDENTIAL OVERALL SUPPLY	17756	05/31/2016	22217904	UNIFORM RENTAL & LAUNDERING SERVICE-CFD #1 STAFF	\$382.40
		05/31/2016	22228670	UNIFORM RENTAL & LAUNDERING SERVICE-SIGNS & STRIPING STAFF	
		05/31/2016	22228675	UNIFORM RENTAL & LAUNDERING SERVICE-TRAFFIC SIGNAL MAINT. STAFF	
		05/31/2016	22235680	UNIFORM RENTAL & LAUNDERING SERVICE-PURCHASING DIV. STAFF	
		05/31/2016	22239230	UNIFORM RENTAL & LAUNDERING SERVICE-VEHICLE/EQUIPMENT MAINT. STAFF	
		05/31/2016	22217897	UNIFORM RENTAL & LAUNDERING SERVICE-GOLF COURSE STAFF	
		05/31/2016	22239222	UNIFORM RENTAL & LAUNDERING SERVICE-PARKS MAINT. STAFF	
		05/31/2016	22239228	UNIFORM RENTAL & LAUNDERING SERVICE-STREET MAINT. STAFF	
		05/31/2016	22232184	UNIFORM RENTAL & LAUNDERING SERVICE-PURCHASING DIV. STAFF	
		05/31/2016	22217899	UNIFORM RENTAL & LAUNDERING SERVICE-PARKS MAINT. STAFF	
		05/31/2016	22239231	UNIFORM RENTAL & LAUNDERING SERVICE-PURCHASING DIV. STAFF	
		05/31/2016	22239229	UNIFORM RENTAL & LAUNDERING SERVICE-GRAFFITI REMOVAL STAFF	
		05/31/2016	22239224	UNIFORM RENTAL & LAUNDERING SERVICE-STREET SWEEPING STAFF	
		05/31/2016	22239225	UNIFORM RENTAL & LAUNDERING SERVICE-TREE MAINT. STAFF	
		05/31/2016	22239227	UNIFORM RENTAL & LAUNDERING SERVICE-CFD #1 STAFF	
		05/31/2016	22239223	UNIFORM RENTAL & LAUNDERING SERVICE-CONCRETE MAINT. STAFF	
		05/31/2016	22232172	UNIFORM RENTAL & LAUNDERING SERVICE-SECURITY GUARD STAFF	
	05/31/2016	22239220	UNIFORM RENTAL & LAUNDERING SERVICE-GOLF COURSE STAFF		
Remit to: RIVERSIDE, CA					FYTD: \$9,388.53
PSOMAS	17704	05/23/2016	118059	CITY YARD - SURVEY SERVICES	\$1,725.00
Remit to: LOS ANGELES, CA					FYTD: \$80,704.26
PW ENHANCEMENT CENTER	17651	05/16/2016	1/JAN-2016	EMERGENCY SHELTER COMPONENT REIMBURSEMENTS	\$1,796.42
Remit to: MORENO VALLEY, CA					FYTD: \$6,841.85

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PYRO SPECTACULARS, INC.	228331	05/02/2016	53419	DEPOSIT (50%) FOR 7/4/16 FIREWORKS SHOW	\$15,000.00
Remit to: RIALTO, CA					<u>FYTD:</u> \$30,666.00
RAMIREZ, BLANCA	228361	05/02/2016	R16-097001	ANIMAL SHELTER REFUND-RETURN ADOPTION FEES	\$50.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$50.00
RAMOS, LILIA	228433	05/09/2016	R16-097361	ANIMAL SHELTER REFUND-OVERPAYMENT ON WEB LICENSE RENEWAL	\$19.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$19.00
RANCHO BELAGO DANCE COMPANY	17757	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-DANCE CLASSES	\$520.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,042.00
REGALADO, BLANCA E	17585	05/09/2016	APR-2016	INSTRUCTOR SERVICES-FOLKLORIC DANCE ADULT & YOUTH CLASSES	\$228.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$2,856.00
RENE'S	17758	05/31/2016	5/30/16 EVENT	CATERING FOR THE MEMORIAL DAY CEREMONY	\$907.20
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$1,402.80

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REPUBLIC MASTER CHEFS TEXTILE RENTAL SERVICE	17529	05/02/2016	11828225	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	\$222.80
		05/02/2016	S540206	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
		05/02/2016	11833211	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	
		05/02/2016	S538471	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
	17652	05/16/2016	11838225	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	\$22.00
	17705	05/23/2016	11848223	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	\$242.43
		05/23/2016	S545386	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
		05/23/2016	S545384	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
		05/23/2016	11843216	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	
		05/23/2016	S543696	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
		05/23/2016	S543698	LINENS RENTAL FOR CONFERENCE & REC. CTR. SPECIAL EVENTS	
	17759	05/31/2016	11853717	LINENS RENTAL FOR CONFERENCE & REC. CTR. BALL ROOM	\$22.00
Remit to: LOS ANGELES, CA					FYTD: \$2,118.57
REYES, RICHARD	228536	05/23/2016	5/31-6/3/16	TRAVEL PER DIEM-SO. CALIF. GANG CONFERENCE	\$224.00
Remit to: MORENO VALLEY, CA					FYTD: \$224.00
RHA LANDSCAPE ARCHITECTS-PLANNERS	228395	05/09/2016	0416034	SHADOW MOUNTAIN PARK PLAYGROUND PROJECT DESIGN-APR16	\$1,980.00
Remit to: RIVERSIDE, CA					FYTD: \$13,419.37
RICHARDSON, JANE	228434	05/09/2016	R16-096909	ANIMAL SHELTER REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					FYTD: \$50.00
RICK ENGINEERING COMPANY	17586	05/09/2016	48395	ELSWORTH ST./SHERMAN AVE. - SURVEY SERVICES	\$7,165.00
		05/09/2016	48387	RECHE VISTA REALIGNMENT - SURVEY SERVICES	
Remit to: RIVERSIDE, CA					FYTD: \$79,615.00

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RIGHTWAY SITE SERVICES, INC.	228332	05/02/2016	128277	PORTABLE RESTROOM RENTAL-COTTONWOOD GOLF COURSE	\$1,093.50
		05/02/2016	128279	PORTABLE RESTROOM RENTAL-MARCH MIDDLE SCHOOL	
		05/02/2016	128278	PORTABLE RESTROOM RENTAL-EQUESTRIAN CTR	
		05/02/2016	125605	PORTABLE RESTROOM RENTAL-PUBLIC SAFETY EXPO EVENT	
	228396	05/09/2016	127532	PORTABLE RESTROOM RENTAL-PUBLIC SAFETY BLDG CAR WASH AREA-APR16	\$318.94
		05/09/2016	128560	PORTABLE RESTROOM RENTAL-MAINT & OP'S @ CITY YARD	
	228589	05/31/2016	131585	PORTABLE RESTROOM RENTAL-PUBLIC SAFETY BLDG CAR WASH AREA-MAY16	\$318.94
		05/31/2016	132658	PORTABLE RESTROOM RENTAL-MAINT & OPS @ CITY YARD	
Remit to: LAKE ELSINORE, CA					<u>FYTD:</u> \$10,651.35
RIVERSIDE AREA RAPE CRISIS CENTER	228397	05/09/2016	FEB 2016	CDBG REIMBURSEMENT-CHILD ABUSE PREVENTION PROGRAM	\$1,326.73
		05/09/2016	JAN 2016	CDBG REIMBURSEMENT-CHILD ABUSE PREVENTION PROGRAM	
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$10,266.73
RIVERSIDE CONSTRUCTION COMPANY, INC	17544	05/04/2016	W160504	RETENTION RELEASE PER ESCROW AGREEMENT-INV#160105 (PPR #23)	\$4,395.45
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$127,487.68
RIVERSIDE COUNTY BLACK CHAMBER	228435	05/09/2016	1353626	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$500.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$500.00
RIVERSIDE COUNTY DEPARTMENT OF HEALTH	228398	05/09/2016	HS0000005174	FRA-RABIES TESTING @ PUBLIC HEALTH LAB	\$50.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$627.00

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



**City of Moreno Valley
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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
RIVERSIDE COUNTY FLOOD CONTROL & WATER, CONSERVATION DISTRICT	228459	05/16/2016	FC0000015398	MORENO TOWNSITE STORM DRAIN - DESIGN RCFC PLAN CHECK	\$7,056.04
Remit to: RIVERSIDE, CA					FYTD: \$82,484.12
RIVERSIDE COUNTY INFORMATION TECHNOLOGY (RCIT)	228333	05/02/2016	9990170000-1603	VPN CONNECTION FOR CODE ENFORCEMENT STAFF-MAR16	\$18.20
Remit to: RIVERSIDE, CA					FYTD: \$3,068.70
RIVERSIDE COUNTY OFFICE OF EDUCATION	228476	05/16/2016	5/10/16 EVENT	REGISTRATION-2016 CELEBRATING EDUCATORS LUNCHEON-MAYOR PRO TEM GIBA	\$55.00
	228557	05/23/2016	1360272	CANCELLED EVENT AT TOWNGATE COMM. CTR.	\$545.00
Remit to: RIVERSIDE, CA					FYTD: \$284.00
RIVERSIDE COUNTY SHERIFF CIVIL DIVISION-WEST	228334	05/02/2016	2016-00000358	1015 - GARNISHMENT - CREDITOR	\$400.00
	228460	05/16/2016	2016-00000372	1015 - GARNISHMENT - CREDITOR	\$400.00
	228590	05/31/2016	2016-00000384	1015 - GARNISHMENT - CREDITOR	\$400.00
Remit to: RIVERSIDE, CA					FYTD: \$12,143.49
RIVERSIDE MEDICAL CLINIC	228399	05/09/2016	04222016	PRE-EMPLOYMENT DRUG SCREENING	\$2,421.00
		05/09/2016	04072016	HEALTH INSURANCE CLAIM-CHARLIE M. JAMES	
Remit to: RIVERSIDE, CA					FYTD: \$2,634.00
RMA GROUP	228400	05/09/2016	51753	RECHE VISTA REALIGNMENT - GEOTECH SERVICES	\$4,420.00
	228461	05/16/2016	51815	CITY YARD - GEOTECH SERVICES	\$5,751.50
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$82,721.00

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
RODRIGUEZ, ALIA A	228517	05/23/2016	SPRING 2016	TUITION REIMBURSEMENT	\$2,000.00
Remit to: RIVERSIDE, CA					FYTD: \$2,000.00
RODRIGUEZ, VALERIE	228436	05/09/2016	1355312	REFUND FOR CLASS	\$80.00
Remit to: MORENO VALLEY, CA					FYTD: \$80.00
ROMAN TINT, INC	228591	05/31/2016	1985	PROVIDE/INSTALL SOLAR FILM AT EMPLOYMENT RESOURCE CTR	\$1,914.00
Remit to: RIALTO, CA					FYTD: \$9,660.00
RON TURLEY ASSOC. INC	228518	05/23/2016	46695	FLEET MANAGEMENT SOFTWARE	\$9,692.40
Remit to: GLENDALE, AZ					FYTD: \$11,912.40
SAN BERNARDINO & RIVERSIDE CO FIRE EQUIP	17587	05/09/2016	83781	1 YEAR SPRINKLER RECERTIFICATION-CITY YARD	\$900.00
	17760	05/31/2016	81399	SPRINKLER ANNUAL RECERTIFICATION-FIRE STATION #65	\$200.00
Remit to: SAN BERNARDINO, CA					FYTD: \$7,313.04
SAN BERNARDINO CO. SHERIFF DEPT	228593	05/31/2016	15489	POLYGRAPH SERVICES (CRIMINAL)	\$275.00
Remit to: SAN BERNARDINO, CA					FYTD: \$275.00
SANDOVAL, ELIAS M	228362	05/02/2016	BL#24823-YR2016	REFUND OF OVERPAYMENT FOR BL#24823	\$67.60
Remit to: LA HABRA HEIGHTS, CA					FYTD: \$67.60
SANDOVAL, SOCORRO	17706	05/23/2016	SPRING 2016	TUITION REIMBURSEMENT	\$2,000.00
Remit to: MENIFEE, CA					FYTD: \$2,000.00
SCHIEFELBEIN, LORI C.	228519	05/23/2016	APR 2016	CONSULTANT SERVICES-ROTATIONAL TOW SERVICE PROGRAM	\$715.00
Remit to: BULLHEAD CITY, AZ					FYTD: \$14,025.00

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
SEARLE CREATIVE GROUP, LLC	17761	05/31/2016	16287	EDD BRAND/WEBSITE DEVELOPMENT-25% PROGRESS	\$10,487.50
Remit to: VENTURA, CA					FYTD: \$10,487.50
SECTRAN SECURITY, INC	228520	05/23/2016	16050755	ARMORED TRANSPORT SERVICES-MAY16	\$468.00
Remit to: LOS ANGELES, CA					FYTD: \$5,213.25
SECURITY LOCK & KEY	17762	05/31/2016	27797	LOCK REPAIR-MORRISON PARK MEN'S RESTROOM INSTALLATION	\$811.10
		05/31/2016	27778	OF SECURITY LOCKS-POLICE WAR ROOM (SECURED FILE ROOM)	
Remit to: YUCAIPA, CA					FYTD: \$5,288.25
SIBLEY, DENNIS	228363	05/02/2016	R16-097037	ANIMAL SHELTER REFUND-TRAP DEPOSIT	\$50.00
Remit to: MORENO VALLEY, CA					FYTD: \$50.00
SIEMENS INDUSTRY, INC	228401	05/09/2016	5600825096	TRAFFIC SIGNAL COORDINATION PROGRAM - EQUIPMENT	\$3,411.72
		05/09/2016	5600833470	TRAFFIC SIGNAL COORDINATION PROGRAM - EQUIPMENT	
	228462	05/16/2016	5600836257	TRAFFIC SIGNAL COORDINATION PROGRAM - EQUIPMENT	\$7,230.17
Remit to: BUFFALO GROVE, IL					FYTD: \$10,641.89
SIGMA BETA XI, INC.	228477	05/16/2016	5/21/16 EVENT	FUNDING ASSISTANCE-FREE ANNUAL HEALTH & DENTAL FAIR	\$460.00
Remit to: MORENO VALLEY, CA					FYTD: \$460.00
SIMMONS, SCOTT	228609	05/31/2016	6/7-6/9/16	TRAVEL PER DIEM & MILEAGE FOR POWERSHELL TRAINING	\$226.14
Remit to: CORONA, CA					FYTD: \$226.14
SKECHERS	228437	05/09/2016	7013669-02	PBI SOLAR INCENTIVE REBATE	\$6,302.81
Remit to: MANHATTAN BEACH, CA					FYTD: \$6,302.81

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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
SKY PUBLISHING	17530	05/02/2016	16-2_151	FULL PAGE ADVERTISEMENT-PUBLIC SAFETY EXPO	\$13,347.23
		05/02/2016	16-3P_313	SOARING RECREATION GUIDE FOR SUMMER 2016 PRINTING	
	17588	05/09/2016	16-3_272	1/2 PAGE ADVERTISEMENT-YOUR VILLA MAGAZINE-APR 28-30 ISSUE	\$2,350.00
		05/09/2016	16-3_326	FULL PAGE ADVERTISEMENT-FLOOD PLAIN MANAGEMENT PUBLIC SERVICE MESSAGE	
	17653	05/16/2016	16-3_275	1/2 PAGE ADVERTISEMENT-BOTTLES & CANS RECYCLING	\$850.00
Remit to: MORENO VALLEY, CA					FYTD: \$55,093.45
SKY TRAILS MOBILE VILLAGE	17707	05/23/2016	MARCH 2016	UTILITY USERS TAX REFUND FOR MARCH 2016	\$85.04
		05/23/2016	APRIL 2016	UTILITY USERS TAX REFUND FOR APRIL 2016	
Remit to: LOS ANGELES, CA					FYTD: \$549.15
SNYDER, REBECCA LYNN	228438	05/09/2016	C11653	REFUND-ADMIN CITATION OVERPAYMENT	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
SOCAL OFFICE TECHNOLOGIES, INC.	17589	05/09/2016	IN186544	COPY MACHINE BILLABLE CHARGE FOR 12/15/15-3/14/16	\$254.91
	17654	05/16/2016	IN207383	COPY MACHINES BILLABLE CHARGES FOR EXCESS COLOR COPIES 1/1-3/31/16	\$14,647.98
		05/16/2016	IN197113	QUARTERLY CHARGE FOR COPY MACHINES LEASE 4/1-6/30/16	
Remit to: CYPRESS, CA					FYTD: \$58,893.55
SOCIETY FOR HUMAN RESOURCE MANAGEMENT	228402	05/09/2016	9006602607	MEMBERSHIP RENEWAL-KIM SCHMITZ (ID#01687712)	\$190.00
Remit to: BALTIMORE, MD					FYTD: \$380.00

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
SOCO GROUP, INC	17763	05/31/2016	0277288-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	\$20,705.93
		05/31/2016	0271300-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0272553-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0273253-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0275252-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0276480-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0274533-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
		05/31/2016	0278410-IN	FUEL FOR CITY VEHICLES & EQUIPMENT	
Remit to: PERRIS, CA					FYTD: \$229,535.31
SOCRATA INC.	17764	05/31/2016	3533	SOFTWARE SUBSCRIPTION AND SUPPORT 5/30/16-5/29/17	\$12,555.00
Remit to: SEATTLE, WA					FYTD: \$12,555.00
SOLARCITY CORPORATION	228558	05/23/2016	B1502570-9258035	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$133.76
		05/23/2016	B1502117-9257421	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$146.32
		05/23/2016	B1502115-9257421	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$133.76
		05/23/2016	B1501326-9256421	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$133.76
		05/23/2016	B1403360-9254684	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$133.76
		05/23/2016	B1500833-9255872	REFUND-80% PERMIT FEES-PROJECT CANCELLED	\$133.76
Remit to: RIVERSIDE, CA					FYTD: \$133.76
SOSA, HUGO	17531	05/02/2016	APR-2016	INSTRUCTOR SERVICES-TRADITIONAL KARATEDO CLASS	\$453.60
	17766	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-TRADITIONAL KARATEDO CLASS	\$291.60
Remit to: RANCHO CUCAMONGA, CA					FYTD: \$3,027.12

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
SOUTH COAST AIR QUALITY MGMT DISTRICT	228521	05/23/2016	2961439	HOT SPOT PROGRAM FEE (7/2015-6/2016)-CONFERENCE & REC. CTR	\$245.06
		05/23/2016	2961398	HOT SPOT PROGRAM FEE (7/2015-6/2016)-FIRE STATION #99	
	228594	05/31/2016	2964753	ANNUAL EMISSIONS FEE-CITY HALL DIESEL GENERATOR	\$479.21
		05/31/2016	2963545	ANNUAL OPERATING FEE-CITY HALL DIESEL GENERATOR	
	228595	05/31/2016	2946785	HOT SPOTS PROGRAM FEE (7/2015-6/2016)-ANIMAL SHELTER	\$245.06
		05/31/2016	2946895	HOT SPOTS PROGRAM FEE (7/2015-6/2016)-CITY HALL	
Remit to: LOS ANGELES, CA					FYTD: \$5,030.59
SOUTHERN CALIFORNIA EDISON 1	228335	05/02/2016	APR-16 5/2/16	ELECTRICITY CHARGES	\$1,979.07
		05/02/2016	MAR-16 5/2/16	ELECTRICITY CHARGES	
	228403	05/09/2016	APR-16 5/9/16	ELECTRICITY CHARGES	\$6,843.75
		05/09/2016	MAR-16 5/9/16	ELECTRICITY CHARGES	
	228596	05/31/2016	MAY-16 5/31/16	ELECTRICITY CHARGES	\$1,388.02
		05/31/2016	APR-16 5/31/16	ELECTRICITY CHARGES	
Remit to: ROSEMEAD, CA					FYTD: \$2,956,473.39
SOUTHERN CALIFORNIA GAS CO.	228465	05/16/2016	APR-2016	GAS CHARGES	\$5,749.82
		05/16/2016	03944468960 4/27	GAS CHARGES FOR NEW CITY YARD BLDG.	
Remit to: MONTEREY PARK, CA					FYTD: \$105,063.55
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	17655	05/16/2016	0516	SHARED COST FOR ASTORIA PROJECT-SCPPA RESTRUCTURING-MAY16	\$9.43
Remit to: GLENDORA, CA					FYTD: \$2,541.95
SOUTHERN PET SUPPLIES	17590	05/09/2016	9563	PET SUPPLIES-ASSORTED COLLARS, LEADS & HARNESSSES	\$495.35
Remit to: SAN DIEGO, CA					FYTD: \$3,188.05

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Vendor Name	Check/EFT Number	Payment Date	Inv Number	Invoice Description	Payment Amount
SPARKLETTS	17532	05/02/2016	10050036 040216	BOTTLED WATER SERVICE/COOLER RENTAL FOR EOC/ERF	\$18.99
		05/02/2016	7363683 040216	BOTTLED WATER SERVICE-ARMADA ELEMENTARY "A CHILD'S PLACE"	
	17767	05/31/2016	7364551 042316	BOTTLED WATER SERVICE-SUNNYMEAD & RAINBOW RIDGE ELEMENTARY CHILD CARE SITES	\$150.83
		05/31/2016	7364596 050216	BOTTLED WATER SERVICE-CREEKSIDE ELEMENTARY CHILD CARE SITE	
		05/31/2016	7364551 052316	BOTTLED WATER SERVICE-SUNNYMEAD & RAINBOW RIDGE ELEMENTARY CHILD CARE SITES	
		05/31/2016	7363683 050216	BOTTLED WATER SERVICE-RED MAPLE & ARMADA ELEMENTARY CHILD CARE SITES	
Remit to: DALLAS, TX					FYTD: \$1,496.08
SPINITAR	228404	05/09/2016	347424	NEC MONITORS-COTTONWOOD GOLF CTR. RENOVATION	\$2,370.17
	228466	05/16/2016	347599	SKB CASE FOR PROJECTOR	\$516.11
Remit to: LA MIRADA, CA					FYTD: \$16,745.02
SPRINT	228467	05/16/2016	634235346-068	CELLULAR PHONE SERVICE-POLICE SET UNIT	\$57.82
	228598	05/31/2016	LCI-254345	GPS/CELLULAR PINGS	\$30.00
Remit to: KANSAS CITY, MO					FYTD: \$874.04
STANDARD INSURANCE CO	17591	05/09/2016	160501a	LIFE & DISABILITY INSURANCE	\$23,424.43
	228415	05/09/2016	160501	SUPPLEMENTAL INSURANCE	\$1,137.99
Remit to: PORTLAND, OR					FYTD: \$297,243.39

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STANLEY CONVERGENT SECURITY SOLUTIONS, INC	17533	05/02/2016	13361741	ALARM SYSTEM MONITORING SERVICES-POLICE GANG TASK FORCE OFFICE/MAY-JUL 2016	\$1,154.78
		05/02/2016	13370820	SECURITY SYSTEM MONITORING SERVICES-LASSELLE SPORTS PARK/MAY-JUL 2016	
		05/02/2016	13357102	ALARM SYSTEM MONITORING SERVICES-RED MAPLE ELEMENTARY/MAY-JUL 2016	
		05/02/2016	13354774	SECURITY SYSTEM MONITORING SERVICES-MORRISON PARK SNACK BAR/MAY-JUL 2016	
		05/02/2016	13356623	SECURITY SYSTEM MONITORING SERVICES-SUNNYMEAD & BETHUNE PARKS SNACK BARS	
	17592	05/09/2016	13370703	ALARM SYSTEM MONITORING SERVICES-LIBRARY/MAY-JUL 2016	\$1,471.02
		05/09/2016	13370713	ALARM SYSTEM MONITORING SERVICES-CITY HALL/MAY-JUL 2016	
		05/09/2016	13356496	ALARM SYSTEM MONITORING SERVICES-EOC/MAY16	
		05/09/2016	13371498	ALARM SYSTEM MONITORING SERVICES-FIRE STATION #99/MAY16	
		05/09/2016	13372861	ALARM SYSTEM MONITORING SERVICES-COTTONWOOD GOLF CTR./MAY-JUL16	
		05/09/2016	13371060	ALARM SYSTEM MONITORING SERVICES-ANNEX 1 FIRE ALARM/MAY-JUL 2016	
	17708	05/23/2016	13410516	SECURITY SYSTEM SERVICE CALL-MARCH FIELD PARK COMM. CTR.- LABOR/PARTS TO REPLACE KEYPAD	\$1,758.84
		05/23/2016	13310499	SECURITY SYSTEM SERVICE CALL-CITY HALL-PANIC BUTTON REPAIR/PARTS	
	17768	05/31/2016	13310960	SECURITY SYSTEM SERVICE CALL-COTTONWOOD GOLF CTR./HIDE EXPOSED WIRING	\$1,450.84
		05/31/2016	13443998	ALARM SYSTEM MONITORING SERVICES-EOC/JUN16	
	05/31/2016	13448737	SECURITY SYSTEM MONITORING SERVICES-SUNNYMEAD & BETHUNE PARKS SNACK BARS		
	05/31/2016	13457263	ALARM SYSTEM MONITORING SERVICES-CITY YARD SANTIAGO OFFICE 4/21-6/30/16		
	05/31/2016	13463148	ALARM SYSTEM MONITORING SERVICES-FIRE STATION #99/JUN16		

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Remit to: PALATINE, IL

FYTD: \$44,356.78



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STATE BOARD OF EQUALIZATION 1	17716	05/23/2016	043016	SALES & USE TAX REPORT FOR 4/1-4/30/16	\$2,533.00
Remit to: SACRAMENTO, CA					FYTD: \$27,619.32
STATE DISBURSEMENT UNIT	17614	05/13/2016	2016-00000379	1005 - GARNISHMENT - CHILD SUPPORT	\$3,840.68
	17724	05/27/2016	2016-00000392	1005 - GARNISHMENT - CHILD SUPPORT	\$3,840.68
Remit to: WEST SACRAMENTO, CA					FYTD: \$79,472.93
STATE OF CALIFORNIA DEPT. OF JUSTICE	228336	05/02/2016	161538	BLOOD ALCOHOL ANALYSIS SERVICES FOR POLICE-MAR 2016	\$2,590.00
		05/02/2016	156999	LIVE SCAN FINGERPRINTING APPS FOR POLICE-MAR 2016	
	228523	05/23/2016	167108	BLOOD ALCOHOL ANALYSIS SERVICES FOR POLICE-APR 2016	\$2,030.00
		05/23/2016	162689	LIVE SCAN FINGERPRINTING APPS FOR POLICE-APR 2016	
	228599	05/31/2016	157159 (OEM)	FINGERPRINTING SERVICES-OFFICE OF EMERGENCY MGMT/ EMERGENCY RESPONSE FORCE VOLUNTEERS RELATED-MAR16	\$382.00
		05/31/2016	157159 (BL)	FINGERPRINTING SERVICES-BUSINESS LICENSE RELATED-MAR16	
Remit to: SACRAMENTO, CA					FYTD: \$38,130.00
STEPS AHEAD	228537	05/23/2016	DONATION	DONATION TO THE STEPS AHEAD MENTORING PROGRAM	\$200.00
Remit to: MORENO VALLEY, CA					FYTD: \$200.00
STEVEN B. QUINTANILLA A PROFESSIONAL CORPORATION	17656	05/16/2016	FEB-2016	INTERIM CITY ATTORNEY LEGAL SERVICES 2/1-2/29/16	\$23,175.00
Remit to: RANCHO MIRAGE, CA					FYTD: \$255,774.25
STILES ANIMAL REMOVAL, INC.	228405	05/09/2016	105398	DECEASED LARGE ANIMAL REMOVAL SERVICE	\$150.00
Remit to: GUAISTI, CA					FYTD: \$2,100.00

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STK ARCHITECTURE, INC.	17657	05/16/2016	20926	WATER & SEWER PLAN REVISION-ANNEX 1	\$750.00
Remit to: TEMECULA, CA					FYTD: \$750.00
STRADLING, YOCCA, CARLSON & RAUTH	17593	05/09/2016	307324-0002	LEGAL SERVICES-HOUSING AUTHORITY (DAY & ALESSANDRO)-MAR16	\$22,892.84
		05/09/2016	307320-0031	LEGAL SERVICES-HOUSING AUTHORITY (GENERAL)-MAR16	
		05/09/2016	307321-0039	LEGAL SERVICES-BOULDER RIDGE-MAR16	
		05/09/2016	307328-0000	LEGAL SERVICES-SUCCESSOR AGENCY-MAR16	
		05/09/2016	305543-0039	LEGAL SERVICES-BOULDER RIDGE-FEB16	
		05/09/2016	305547-0000	LEGAL SERVICES-BOULDER RIDGE-FEB16	
	17769	05/31/2016	308533-0000	LEGAL SERVICES-SUCCESSOR AGENCY-APR16	\$150.00
Remit to: NEWPORT BEACH, CA					FYTD: \$106,050.12
SUMMERVILLE, HEIDI	228364	05/02/2016	R16-097031	ANIMAL SHELTER REFUND-OVERPAYMENT ON WEB LICENSE RENEWAL	\$7.00
Remit to: MORENO VALLEY, CA					FYTD: \$7.00
SUNNYMEAD ACE HARDWARE	228337	05/02/2016	66186	MISC. SUPPLIES FOR POLICE	\$50.75
		05/02/2016	66100	MISC. SUPPLIES FOR FIRE STATION #58	
	228468	05/16/2016	66308	MISC. SUPPLIES FOR POLICE	\$32.81
	228524	05/23/2016	66558	MISC. SUPPLIES FOR POLICE	\$2.15
Remit to: MORENO VALLEY, CA					FYTD: \$2,327.91

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



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<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
SUNNYMEAD VETERINARY CLINIC	228406	05/09/2016	311936	VETERINARY SERVICES-ANIMAL SHELTER	\$340.00
		05/09/2016	305841	VETERINARY SERVICES-ANIMAL SHELTER	
		05/09/2016	306395	VETERINARY SERVICES-ANIMAL SHELTER	
	228525	05/23/2016	314109	CREDIT (DISCOUNT)	\$769.50
		05/23/2016	287676	AFTER HOURS EMERGENCY VETERINARY SERVICES-ANIMAL SHELTER	
		05/23/2016	321852	VETERINARY SERVICES-ANIMAL SHELTER	
		05/23/2016	309752	AFTER HOURS EMERGENCY VETERINARY SERVICES-ANIMAL SHELTER	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$12,754.50
TEAMCALIFORNIA ECONOMIC DEVELOPMENT CORPORATION	17594	05/09/2016	02092016	MARKETING CONSULTANT SERVICES	\$1,500.00
Remit to: GRANITE BAY, CA					<u>FYTD:</u> \$4,000.00
TEK TIME SYSTEMS, LLC	17595	05/09/2016	2050860	REPAIR OF RAPIDPRINT TIME STAMP	\$224.83
Remit to: SAN BERNARDINO, CA					<u>FYTD:</u> \$422.78
THAI, THANH	228439	05/09/2016	BL#30823-YR2016	REFUND OF OVERPAYMENT FOR BL#30823	\$62.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$62.00
THE ADVANTAGE GROUP/ FLEX ADVANTAGE	17534	05/02/2016	2016-00000359	4511 - FSA - MED CARE REIMBURSEMENT	\$4,933.83
	17658	05/16/2016	2016-00000373	4511 - FSA - MED CARE REIMBURSEMENT	\$6,388.17
	17770	05/31/2016	2016-00000385	4511 - FSA - MED CARE REIMBURSEMENT	\$4,650.49
Remit to: TEMECULA, CA					<u>FYTD:</u> \$576,373.95
THE PIN CENTER	228526	05/23/2016	0416037	3/4" CITY LOGO LAPEL PINS (500 PCS)	\$695.00
Remit to: LAS VEGAS, NV					<u>FYTD:</u> \$695.00

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



**City of Moreno Valley
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THE ROTARY CLUB OF MORENO VALLEY	228527	05/23/2016	5/21/16 EVENT	DONATION-34TH ANNUAL BENEFIT TRUCK PARTY	\$125.00
Remit to: MORENO VALLEY, CA					FYTD: \$125.00
THE SAUCE CREATIVE SERVICES	228338	05/02/2016	2328	BANNER-4TH OF JULY WINDOW CLINGS	\$197.00
Remit to: MONROVIA, CA					FYTD: \$788.00
THERMAL COMBUSTION INNOVATORS	228407	05/09/2016	156417	HAZARDOUS MATERIAL PICK-UP SERVICES-MAR16	\$101.37
	228469	05/16/2016	157669	HAZARDOUS MATERIAL PICK-UP SERVICES-APR16	\$101.20
Remit to: COLTON, CA					FYTD: \$959.54
THERMAL-COOL INC.	228339	05/02/2016	WO-8985	A/C UNIT ROUTING MAINT-EQUESTRIAN CTR	\$170.00
		05/02/2016	WO-8984	A/C UNIT ROUTINE MAINT-SUNNYMEAD PARK SNACK BAR	
	228408	05/09/2016	WO-8749	REPLACED A/C VARIABLE FREQUENCY DRIVE (VFD)-CITY HALL 1ST FLOOR	\$5,189.76
	228528	05/23/2016	WO-8666	INITIAL SERVICE CALL-PUBLIC SAFETY BLDG. FIRE CHIEF'S OFFICE	\$1,979.44
		05/23/2016	WO-8996	REPLACED ZONE CONTROL W/ CARRIER BACNET-PUBLIC SAFETY BLDG. FIRE CHIEF'S OFFICE	
Remit to: RIVERSIDE, CA					FYTD: \$83,563.32
THOMPSON COBURN LLP	17597	05/09/2016	3160412	LEGAL SERVICES-MVU RELIABILITY STANDARD COMPLIANCE-MAR16	\$20.80
Remit to: WASHINGTON, DC					FYTD: \$10,892.12
THOMSON REUTERS-WEST PUBLISHING CORP.	228340	05/02/2016	833760679	AUTO TRACK SERVICES FOR POLICE INVESTIGATIONS-MAR16	\$904.78
	228600	05/31/2016	833946509	AUTO TRACK SERVICES FOR POLICE INVESTIGATIONS-APR16	\$904.78
Remit to: CAROL STREAM, IL					FYTD: \$14,723.72

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TOTALPLAN BUSINESS INTERIORS, INC	228529	05/23/2016	078456	TASK CHAIRS (2) FOR FIRE STATION #2	\$799.20
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$799.20
TRICHE, TARA	17709	05/23/2016	MAY-2016	INSTRUCTOR SERVICES-DANCE CLASSES	\$1,798.20
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$21,345.00
TYLER TECHNOLOGIES/ FORMERLY NEW WORLD SYSTEMS	17771	05/31/2016	049806	COMPUTER SOFTWARE - SW ESCROW ACCOUNT ANNUAL ADMIN FEE	\$1,274.00
Remit to: PLANO, TX					<u>FYTD:</u> \$13,274.00
U.S. HEALTHWORKS MEDICAL GROUP	17598	05/09/2016	2897506-CA	PRE-EMPLOYMENT PHYSICAL EXAM & DRUG SCREENING	\$423.00
		05/09/2016	2825198-CA	PRE-EMPLOYMENT PHYSICAL EXAM & DRUG SCREENING	
Remit to: VALENCIA, CA					<u>FYTD:</u> \$10,974.26
U.S. POSTAL SERVICE	228349	05/02/2016	PERMIT 656/APR16	POSTAGE DEPOSIT-POSTCARD MAILING FOR CSD & ZN 04	\$8,859.64
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$55,189.46

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ULTRASERV AUTOMATED SERVICES, LLC	228409	05/09/2016	3590:036593	COFFEE SERVICE SUPPLIES-CITY YARD	\$470.75
	228530	05/09/2016	3590:036366	COFFEE SERVICE SUPPLIES-CITY HALL/BREAKROOM LOCATION	\$1,047.75
		05/23/2016	3590:036891	COFFEE SERVICE SUPPLIES-CITY HALL	
		05/23/2016	3590:036889	COFFEE SERVICE SUPPLIES-CITY YARD	
		05/23/2016	3590:037152	COFFEE SERVICE SUPPLIES-ANNEX 1	
		05/23/2016	3590:037150	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	
		05/23/2016	3590:036595	COFFEE SERVICE SUPPLIES-ANNEX 1	
		05/23/2016	3590:037148	COFFEE SERVICE SUPPLIES-CITY YARD	
	228601	05/31/2016	3590:037399	COFFEE SERVICE SUPPLIES-CITY HALL/PUBLIC WORKS LOCATION	\$470.30
		05/31/2016	3590:037403	COFFEE SERVICE SUPPLIES-CITY HALL	
	05/31/2016	3590:037401	COFFEE SERVICE SUPPLIES-CITY YARD		
Remit to: COSTA MESA, CA					FYTD: \$30,112.74
UNDERGROUND SERVICE ALERT	17659	05/16/2016	420160461(a)	DIGALERT TICKETS SUBSCRIPTION SERVICE-APR16	\$156.00
		05/16/2016	420160461(b)	DIGALERT TICKETS SUBSCRIPTION SERVICE-APR16	
		05/16/2016	420160461(d)	DIGALERT TICKETS SUBSCRIPTION SERVICE-APR16	
		05/16/2016	420160461(c)	DIGALERT TICKETS SUBSCRIPTION SERVICE-APR16	
Remit to: CORONA, CA					FYTD: \$3,433.50
UNION BANK OF CALIFORNIA 1	228602	05/31/2016	979693	INVESTMENT CUSTODIAL SERVICES-APR16	\$334.67
Remit to: LOS ANGELES, CA					FYTD: \$5,955.72

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UNITED ROTARY BRUSH CORP	17599	05/09/2016	290001	STREET SWEEPER BROOM KITS/RECONDITIONING-NET OF 2.5% DISCOUNT	\$422.08
	17710	05/23/2016	290227	STREET SWEEPER BROOM KITS/RECONDITIONING	\$3,009.64
		05/23/2016	290345	STREET SWEEPER BROOM KITS/RECONDITIONING	
		05/23/2016	290120	STREET SWEEPER BROOM KITS/RECONDITIONING	
Remit to: KANSAS CITY, MO					<u>FYTD:</u> \$39,443.04
UNITED SITE SERVICES OF CA, INC.	17600	05/09/2016	114-3940677	FENCE RENTAL AT ANIMAL SHELTER	\$106.65
Remit to: PHOENIX, AZ					<u>FYTD:</u> \$7,275.96
URBAN FUTURES, INC.	228603	05/31/2016	CD-2016-87	CONTINUING DISCLOSURE SERVICE-2013 TRIP COPS	\$750.00
Remit to: ORANGE, CA					<u>FYTD:</u> \$750.00
URRUTIA, DIALENA	17537	05/02/2016	APR-2016	INSTRUCTOR SERVICES-INTERNATIONAL LATIN DANCE CLASS	\$108.00
	17772	05/31/2016	MAY-2016	INSTRUCTOR SERVICES-INTERNATIONAL LATIN DANCE CLASS	\$27.00
Remit to: RIVERSIDE, CA					<u>FYTD:</u> \$1,086.00
US ARCHITECTURAL LIGHTING/ SUN VALLEY LIGHTING	228604	05/31/2016	143468	PARK SECURITY LIGHT POLE REPLACEMENTS	\$4,150.44
Remit to: PALMDALE, CA					<u>FYTD:</u> \$4,150.44

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VACATE TERMITE & PEST ELIMINATION COMPANY	17601	05/09/2016	64030	PEST CONTROL SERVICE-FIRE STATION #2	\$1,110.00
		05/09/2016	64024	PEST CONTROL SERVICE-FIRE STATION #65	
		05/09/2016	64023	PEST CONTROL SERVICE-FIRE STATION #99	
		05/09/2016	64276	PEST CONTROL SERVICE-TRANSP. TRAILER	
		05/09/2016	64263	PEST CONTROL SERVICE-COTTONWOOD GOLF CTR. PEST	
		05/09/2016	64029	CONTROL SERVICE-SENIOR CTR.	
		05/09/2016	64273	PEST CONTROL SERVICE-ANIMAL SHELTER	
		05/09/2016	64267	PEST CONTROL SERVICE-CONFERENCE & REC. CTR.	
		05/09/2016	64022	PEST CONTROL SERVICE-FIRE STATION #48	
		05/09/2016	64025	PEST CONTROL SERVICE-TOWNGATE COMM. CTR.	
		05/09/2016	64028	PEST CONTROL SERVICE-LIBRARY	
		05/09/2016	64272	PEST CONTROL SERVICE-ANNEX 1	
		05/09/2016	64026	PEST CONTROL SERVICE-FIRE STATION #6	
		05/09/2016	64268	PEST CONTROL SERVICE-CITY HALL	
		05/09/2016	64031	PEST CONTROL SERVICE-FIRE STATION #91	
		05/09/2016	64264	PEST CONTROL SERVICE-CITY YARD	
		05/09/2016	64274	PEST CONTROL SERVICE-MARCH FIELD ASES BLDG.	
		05/09/2016	64275	PEST CONTROL SERVICE-MARCH FIELD PARK COMM. CTR.	
		05/09/2016	64262	PEST CONTROL SERVICE-PUBLIC SAFETY BLDG.	
		05/09/2016	64191	PEST CONTROL SERVICE-FIRE STATION #58	
		05/09/2016	64027	PEST CONTROL SERVICE-UTILITY FIELD OFFICE	
		05/09/2016	64269	PEST CONTROL SERVICE-EMERGENCY OP'S CTR.	

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VACATE TERMITE & PEST ELIMINATION COMPANY	17711	05/23/2016	65000	PEST CONTROL SERVICE-MARCH FIELD ASES BLDG.	\$1,110.00
		05/23/2016	64729	PEST CONTROL SERVICE-UTILITY FIELD OFFICE	
		05/23/2016	64727	PEST CONTROL SERVICE-TOWNGATE COMM. CTR.	
		05/23/2016	64730	PEST CONTROL SERVICE-LIBRARY	
		05/23/2016	65002	PEST CONTROL SERVICE-TRANSP. TRAILER	
		05/23/2016	65001	PEST CONTROL SERVICE-MARCH FIELD PARK COMM. CTR.	
		05/23/2016	64999	PEST CONTROL SERVICE-ANIMAL SHELTER	
		05/23/2016	64758	PEST CONTROL SERVICE-FIRE STATION #58	
		05/23/2016	64733	PEST CONTROL SERVICE-FIRE STATION #91	
		05/23/2016	64725	PEST CONTROL SERVICE-FIRE STATION #99	
		05/23/2016	64994	PEST CONTROL SERVICE-CITY YARD	
		05/23/2016	64684	PEST CONTROL SERVICE-PUBLIC SAFETY BLDG.	
		05/23/2016	64732	PEST CONTROL SERVICE-FIRE STATION #2	
		05/23/2016	64728	PEST CONTROL SERVICE-FIRE STATION #6	
		05/23/2016	64726	PEST CONTROL SERVICE-FIRE STATION #65	
		05/23/2016	64724	PEST CONTROL SERVICE-FIRE STATION #48	
		05/23/2016	64690	PEST CONTROL SERVICE-ANNEX 1	
		05/23/2016	64689	PEST CONTROL SERVICE-EMERGENCY OP'S CTR.	
		05/23/2016	64688	PEST CONTROL SERVICE-CITY HALL	
		05/23/2016	64686	PEST CONTROL SERVICE-CONFERENCE & REC. CTR.	
		05/23/2016	64685	PEST CONTROL SERVICE-COTTONWOOD GOLF CTR.	
		05/23/2016	64731	PEST CONTROL SERVICE-SENIOR CTR.	

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VACATE TERMITE & PEST ELIMINATION COMPANY	17773	05/31/2016	64698	RODENT CONTROL SERVICES-SHADOW MOUNTAIN PARK	\$1,192.50
		05/31/2016	64693	RODENT CONTROL SERVICES-MARCH FIELD/SKATE PARK	
		05/31/2016	64696	RODENT CONTROL SERVICES-MORRISON PARK	
		05/31/2016	64692	RODENT CONTROL SERVICES-SUNNYMEAD PARK	
		05/31/2016	64695	RODENT CONTROL SERVICES-COTTONWOOD GOLF CTR.	
		05/31/2016	64700	RODENT CONTROL SERVICES-EL POTRERO PARK	
		05/31/2016	64997	PEST CONTROL SERVICES-MORRISON PARK (SNACK BAR)	
		05/31/2016	64699	RODENT CONTROL SERVICES-EDISON EASEMENT PARK	
		05/31/2016	64697	RODENT CONTROL SERVICES-EQUESTRIAN CTR.	
		05/31/2016	64998	PEST CONTROL SERVICES-SUNNYMEAD PARK	
		05/31/2016	64996	PEST CONTROL SERVICES-MARCH FIELD/SKATE PARK	
		05/31/2016	64995	PEST CONTROL SERVICES-CELEBRATION PARK (RESTROOM)	
		05/31/2016	64702	RODENT CONTROL SERVICES-ELECTRICAL SUBSTATION	
		05/31/2016	64701	RODENT CONTROL SERVICES-CONFERENCE & REC. CTR.	
		05/31/2016	64694	RODENT CONTROL SERVICES-CELEBRATION PARK	
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$27,742.50
VAL VERDE UNIFIED SCHOOL DISTRICT	228350	05/02/2016	5-6-16 EVENT	REGISTRATION-STUDENT OF THE YEAR DINNER-MAYOR GUTIERREZ	\$50.00
		05/02/2016	5/6/16 EVENT	REGISTRATION-STUDENT OF THE YEAR DINNER-COUNCIL MEMBER JEMPSON	
Remit to: PERRIS, CA					<u>FYTD:</u> \$13,278.50
VEHICLE REGISTRATION COLLECTIONS	228342	05/02/2016	2016-00000360	1015 - GARNISHMENT - CREDITOR	\$28.02
Remit to: RANCHO CORDOVA, CA					<u>FYTD:</u> \$894.95

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VERIZON WIRELESS	228410	05/09/2016	9763612348	CELLULAR SERVICE FOR POLICE TRAFFIC TICKET WRITERS	\$48.48
	228440	05/09/2016	BL#30811-2016	REFUND OF OVERPAYMENT FOR BL#30811	\$62.00
	228605	05/31/2016	9765257189	CELLULAR SERVICE FOR POLICE TRAFFIC TICKET WRITERS	\$99.90
Remit to: DALLAS, TX					<u>FYTD:</u> \$1,635.93
VICKERS, JASON	228538	05/23/2016	5/31-6/3/16	TRAVEL PER DIEM-SO. CALIF. GANG CONFERENCE	\$224.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$428.00
VICTOR MEDICAL CO	228343	05/02/2016	3969739	ANIMAL MEDICAL SUPPLIES/VACCINES	\$2,642.22
	228531	05/23/2016	3989459	ANIMAL MEDICAL SUPPLIES/VACCINES	\$978.75
		05/23/2016	3989396	ANIMAL MEDICAL SUPPLIES/VACCINES	
Remit to: LAKE FOREST, CA					<u>FYTD:</u> \$15,504.48
VILLA CAMILLE, LP	228441	05/09/2016	PA14-0042	REFUND ADVANCE ENERGY FEES PAID	\$1,863.00
Remit to: SAN CLEMENTE, CA					<u>FYTD:</u> \$1,863.00
VISION SERVICE PLAN	17602	05/09/2016	160501	EMPLOYEE VISION INSURANCE	\$4,045.90
Remit to: SAN FRANCISCO, CA					<u>FYTD:</u> \$44,086.78
VOYA INSURANCE AND ANNUITY COMPANY	228344	05/02/2016	2016-00000361	8792 - VOYA (FORMERLY ING) - EMPLOYEE	\$325.00
	228606	05/31/2016	2016-00000386	8792 - VOYA (FORMERLY ING) - EMPLOYEE	\$325.00
Remit to: DES MOINES, IA					<u>FYTD:</u> \$3,575.00
VOYAGER FLEET SYSTEM, INC.	17660	05/16/2016	869336602618 -AS	FUEL CARD CHARGES-ANIMAL SERVICES	\$19.84
	17661	05/16/2016	869211615618	CNG FUEL PURCHASES	\$1,578.83
	17713	05/23/2016	869336602618 -PD	FUEL CARD CHARGES-POLICE TRAFFIC MOTORS	\$1,187.61
Remit to: HOUSTON, TX					<u>FYTD:</u> \$36,502.99

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VULCAN MATERIALS CO, INC.	17603	05/09/2016	71080150	ASPHALTIC MATERIALS	\$223.21
		05/09/2016	71080151	ASPHALTIC MATERIALS	
	17662	05/16/2016	71106458	ASPHALTIC MATERIALS	\$4,563.41
		05/16/2016	71115878	ASPHALTIC MATERIALS	
		05/16/2016	71104182	ASPHALTIC MATERIALS	
		05/16/2016	71110938	ASPHALTIC MATERIALS	
		05/16/2016	71110937	ASPHALTIC MATERIALS	
		05/16/2016	71119734	ASPHALTIC MATERIALS	
		05/16/2016	71108349	ASPHALTIC MATERIALS	
		05/16/2016	71117818	ASPHALTIC MATERIALS	
		05/16/2016	71101363	ASPHALTIC MATERIALS	
		05/16/2016	71117819	ASPHALTIC MATERIALS	
		05/16/2016	71104181	ASPHALTIC MATERIALS	
Remit to: LOS ANGELES, CA					FYTD: \$42,467.76
WASTE MANAGEMENT	228532	05/23/2016	4729752-2371-1	ROLL-OFF BINS RENTAL (10 YD OPEN TOP)-CITY YARD	\$308.56
Remit to: LOS ANGELES, CA					FYTD: \$1,219,790.23
WATER SPECIALIST CONSULTANTS	228351	05/02/2016	6/8/16 TRAINING	RECYCLED WATER MANDATORY TRAINING	\$45.00
Remit to: LA MESA, CA					FYTD: \$45.00
WCC CHARITIES	228539	05/23/2016	5/21/16 EVENT	DONATION-WCC PUSHUPS FOR CHARITY EVENT	\$100.00
Remit to: MORENO VALLEY, CA					FYTD: \$100.00
WEEKS, YAMMAH	228442	05/09/2016	1354885 1354886	TOWNGATE COMM. CTR. RENTAL REFUND DEPOSIT AND CREDIT ON ACCOUNT	\$250.00
Remit to: MORENO VALLEY, CA					FYTD: \$250.00

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WELLS FARGO CORPORATE TRUST	17538	05/02/2016	1304068	TRUSTEE FEE-2007 LRB	\$2,000.00
	17663	05/16/2016	1313914	TRUSTEE FEE-2007 CDF 5	\$2,000.00
Remit to: MINNEAPOLIS, MN					<u>FYTD:</u> \$9,025,858.67
WESCOM CREDIT UNION	228564	05/23/2016	RCT#429757	REFUND-PAID IN ERROR TO THE CITY	\$50.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$50.00
WEST COAST ARBORISTS, INC.	17774	05/31/2016	115246	TREE TRIMMING SERVICES FOR PARKS/CONTRACT AREAS	\$8,380.00
Remit to: ANAHEIM, CA					<u>FYTD:</u> \$113,052.00
WEST, KATHLEEN	228565	05/23/2016	R16-096463	ANIMAL SHELTER REFUND-SPAY/NEUTER DEPOSIT	\$75.00
Remit to: PERRIS, CA					<u>FYTD:</u> \$75.00
WESTERN MUNICIPAL WATER DISTRICT	228533	05/23/2016	23866-018292/AP6	WATER CHARGES-SKATE PARK	\$1,299.10
		05/23/2016	23821-018257/AP6	WATER CHARGES-MARCH FIELD PARK COMM. CTR. LANDSCAPE	
		05/23/2016	24753-018620/AP6	WATER CHARGES-MARCH AIR RESERVE BASE BALLFIELDS	
		05/23/2016	23821-018258/AP6	WATER CHARGES-MARCH FIELD PARK COMM. CTR. BLDG. 938	
Remit to: ARTESIA, CA					<u>FYTD:</u> \$23,105.24
WHITE, KATHY	228566	05/23/2016	1353567	REFUND LACK OF REGISTRATION FOR CLASS	\$52.00
Remit to: MORENO VALLEY, CA					<u>FYTD:</u> \$52.00
WILLDAN FINANCIAL SERVICES	17540	05/02/2016	010-30944	PROFESSIONAL SERVICES-ZONE 4 BALLOTING	\$2,100.00
	17606	05/09/2016	010-31021	CONSULTING SERVICES-CFD NO. 7 IA1 SALES OF BONDS	\$7,572.00
	17714	05/23/2016	010-30943	ENGINEER'S REPORT PREPARATION FOR LMD 2014-01 & LMD 2014-02	\$3,900.00
Remit to: TEMECULA, CA					<u>FYTD:</u> \$83,506.00

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



**City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016**

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
WILLIAMS , ANTWION	228567	05/23/2016	1360148	REFUND FOR WINTER YOUTH BASKETBALL LEAGUE	\$44.00
Remit to: MORENO VALLEY, CA					FYTD: \$44.00
WILLIS, ROBERT H	228470	05/16/2016	042416	SPORTS OFFICIATING SERVICES-SOFTBALL	\$294.00
		05/16/2016	042116	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	040716 / 041716	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	050116	SPORTS OFFICIATING SERVICES-SOFTBALL	
		05/16/2016	033116	SPORTS OFFICIATING SERVICES-SOFTBALL	
Remit to: PERRIS, CA					FYTD: \$2,331.00
WRCOG WESTERN RIVERSIDE COUNTY OF GOVERNMENTS	228540	05/23/2016	6/1/16 EVENT	REGISTRATION-PUBLIC ENGAGEMENT SEMINAR-MAYOR PRO TEM GIBA	\$30.00
Remit to: RIVERSIDE, CA					FYTD: \$1,206,921.61
XEROX CAPITAL SERVICES, LLC	17664	05/16/2016	084464365	COPIER LEASE FOR PARKS & COMM. SERVICES-APR16	\$1,796.84
		05/16/2016	084464364	COPIER LEASE/BILLABLE PRINTS FOR PARKS & COMM. SERVICES-APR16	
	17777	05/31/2016	084464362	COPIER LEASE/BILLABLE PRINTS FOR GRAPHICS-APR16 COPIER LEASE	\$1,063.08
		05/31/2016	084464363	FOR GRAPHICS -MAY16	
		05/31/2016	141901158	SUPPLIES FOR COPIER (STAPLES)	
Remit to: PASADENA, CA					FYTD: \$30,114.38
XEROX FINANCIAL SERVICES LLC	17607	05/09/2016	519527	ECONOMIC DEV'T COLOR COPIER LEASE 4/15-5/14/16	\$404.35
Remit to: DALLAS, TX					FYTD: \$6,582.33
YAHOO!	228345	05/02/2016	304755	USER ACCOUNT ACCESS FOR SEARCH WARRANT	\$126.60
Remit to: CAROL STREAM, IL					FYTD: \$126.60
ZEARAGOZA, HAILEY	228619	05/31/2016	1360653	CONFERENCE & REC. CTR. RENTAL REFUND DEPOSIT	\$100.00
Remit to: MORENO VALLEY, CA					FYTD: \$100.00

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



City of Moreno Valley
Payment Register
For Period 5/1/2016 through 5/31/2016

CHECKS UNDER \$25,000

<u>Vendor Name</u>	<u>Check/EFT Number</u>	<u>Payment Date</u>	<u>Inv Number</u>	<u>Invoice Description</u>	<u>Payment Amount</u>
TOTAL CHECKS UNDER \$25,000					\$1,326,130.85
GRAND TOTAL					\$15,991,269.92

Attachment: May 2016 Payment Register (2159 : PAYMENT REGISTER - MAY 2016)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: August 16, 2016

TITLE: RECEIPT OF QUARTERLY INVESTMENT REPORT FOR JUNE 2016

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Quarterly Investment Report for quarter ended March 31, 2016, in compliance with the City's Investment Policy.

SUMMARY

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended June 30, 2016. This report is in compliance with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. It is recommended that the City Council receive and file the attached Quarterly Investment Report.

DISCUSSION

The City maintains a portfolio of investments in order to earn interest on cash balances that are not currently required to fund operations. California Government Code Sections 53601 and 53646 establish the types of investments allowed, the governing restrictions on these investments, the third-party custodian arrangement for certain investments, and the reporting practices related to the portfolios of local agencies. The City has implemented an Investment Policy which was revised and adopted on June 9, 2015 and is in full compliance with the requirements of both of the above-mentioned Code Sections.

The attached Quarterly Investment Report presents the City's cash and investments for the quarter that ended June 30, 2016. The report complies with California Government Code Section 53646 regarding the reporting of detailed information on all securities, investments, and monies of the City, as well as the reporting of the market value of the investments held. All of the investments contained within the portfolio are in full compliance with the City's Investment Policy and Government Code Section 53601 as to the types of investments allowed. As stated in the attached report, there is more than adequate liquidity within the portfolio for the City to meet its budgeted expenditures over the next six months.

The City's investment policy has set the primary goals of the portfolio management as Safety and Liquidity followed by Yield. The City currently utilizes two investment management firms who use an active investment management approach in which securities are purchased but not necessarily held to maturity, and may be actively traded based on market conditions and the City's investment goals. The City's cash flow requirements are evaluated on an ongoing basis, with short-term needs accommodated through the City's pooled investment funds with the State Local Agency Investment Fund (LAIF). LAIF is a pool of public funds managed by the State Treasurer of California, providing 24-hour liquidity while yielding a rate of return approximately equivalent to a one-year treasury bill. With the combined use of a conservative approach to evaluating cash flow needs and LAIF liquidity, the City will not have to liquidate securities at current market rates that are intended to be held for longer-term investment.

The table shows some of the key portfolio measure for the month.

	Portfolio Balance	Avg. Yield to Maturity Trends		
		June 2016	May 2016	June 2015
Chandler	\$82,995,248	1.49%	1.49%	1.38%
Insight	\$54,552,897	1.09%	1.10%	1.08%
LAIF	\$39,271,705	0.576%	0.552%	0.299%

Bond proceeds are held and invested by a Trustee. The investment of these funds is governed by an investment policy approved by the City Council as a part of the governing documents for each specific bond issue. Deferred Compensation Plan funds are included in the report but these funds are held and invested by the respective plan administrators based on the direction of the participating employees. These funds are placed in a trust separate from City funds.

ALTERNATIVES

1. Receive and file the Quarterly Investment Report for June 30, 2016. **Staff recommends this alternative as it accomplishes timely investment reporting.**
2. Do not accept and file the Quarterly Investment Report and provide staff with additional direction. **Staff does not recommend this alternative as it will not accomplish timely investment reporting.**

FISCAL IMPACT

The Treasury Yield Curve flattened out in June with rates generally showing decline from the previous month for maturities of 2 years and beyond. This directly impacts the ability of the portfolio to generate interest income and the ability to generate additional income through the active management of the portfolio. The budget anticipated investment income for the General Fund of \$2 million. Through June investment income has totaled \$1.3 million.

NOTIFICATION

Publication of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

None

ATTACHMENTS

- 1. 06-2016 Investment Report
- 2. Chandler Newsletter July 2016
- 3. Insight Market Update 06 24 16

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/28/16 4:48 PM
City Attorney Approval	<u>✓ Approved</u>	7/28/16 2:24 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 11:29 AM

CITY OF MORENO VALLEY
Treasurer's Cash and Investments Report
June 2016

General Portfolio	Cost Value	Market Value	Par Value	Average Maturity (in years)	Average Yield to Maturity	Average Duration (in years)
Bank Accounts	2,713,561	2,713,561	2,713,561			
State of California LAIF Pool	39,271,706	39,296,102	39,271,706	0.46	0.58%	
Investments-Chandler	82,632,784	84,084,726	82,995,248	2.57	1.49%	2.50
Investments-Insight	54,606,303	54,991,224	54,552,897	1.68	1.09%	1.63
Total General Portfolio	179,224,354	181,085,614	179,533,412			

Bond Proceeds with Fiscal Agents	Market Value
Construction Funds	11,364,718
Principal & Interest Accounts	549,884
Debt Service Reserve Funds	3,256,080
Custody Accounts	11
Arbitrage Rebate Accounts	100,459
Other Accounts	491,044
Total Bond Proceeds	15,762,196

Deferred Compensation Funds	Market Value as of June 30, 2016
Nationwide	12,702,809
ICMA	5,012,834
Total Deferred Compensation Funds	17,715,643

Total Investment Portfolio 214,563,453

1. I hereby certify that the investments are in compliance with the investment policy adopted by the City Council. There are no items of non-compliance for this period.
2. The market values for the specific investments in the General Portfolio are provided by the City's investment advisor, Chandler Asset Management.
3. The market value for LAIF is provided by the State Treasurer.
4. The market values for investments held by fiscal agents and the deferred compensation plans are provided by each respective trustee or fiscal agent.
5. The City has the ability to meet its budgeted expenditures for the next six months pending any future action by City Council or any unforeseen catastrophic event.

/S/ Marshall Eyerman
 City Treasurer

Attachment: 06-2016 Investment Report [Revision 1] (2205 : RECEIPT OF QUARTERLY INVESTMENT

PORTFOLIO PERFORMANCE - 36 MONTH TREND

Period	Total General Portfolio (1)		Local Agency Investment Fund (LAIF)		Chandler				Insight			
	Asset Balance (par)	Avg YTM (2)	Balance	Yield	Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)		Asset Balance (par)	Weighted Avg YTM (2)	Rate of Return (3)	
							Investment Portfolio (4)	Benchmark 1-5 Gov(5)			Investment Portfolio (4)	Benchmark 1-3 Treas(5)
Jul-13	157,035,166	1.29%	8,901,042	0.267%	147,301,329	1.35%	0.12%	0.19%				
Aug-13	158,668,278	1.21%	14,860,042	0.271%	142,774,990	1.32%	-0.28%	-0.21%				
Sep-13	150,411,661	1.25%	7,060,042	0.257%	141,116,654	1.32%	0.17%	0.22%				
Oct-13	149,690,495	1.25%	11,790,903	0.266%	136,377,517	1.35%	0.53%	0.58%				
Nov-13	147,673,632	1.27%	10,460,903	0.263%	136,646,743	1.35%	0.45%	0.53%				
Dec-13	145,466,714	1.31%	5,860,903	0.264%	137,209,798	1.37%	0.13%	0.10%				
Jan-14	153,675,086	1.23%	14,867,528	0.244%	137,482,068	1.36%	0.68%	0.65%				
Feb-14	151,951,962	1.25%	13,817,528	0.236%	137,665,484	1.36%	0.65%	0.57%				
Mar-14	154,404,223	1.25%	13,117,528	0.236%	138,016,774	1.37%	0.32%	0.23%				
Apr-14	149,658,747	1.28%	8,825,043	0.233%	138,347,433	1.38%	0.36%	0.24%				
May-14	160,395,026	1.20%	25,225,043	0.228%	133,887,981	1.39%	1.22%	1.19%				
Jun-14	163,989,443	1.17%	28,875,043	0.228%	132,945,464	1.39%	1.67%	1.64%				
Jul-14	158,687,404	1.21%	23,590,023	0.244%	133,130,769	1.39%	1.18%	1.12%				
Aug-14	160,506,483	1.20%	25,565,023	0.260%	133,367,483	1.40%	1.69%	1.72%				
Sep-14	152,073,866	1.27%	16,590,023	0.246%	133,855,708	1.42%	1.06%	0.97%				
Oct-14	152,298,081	1.29%	16,278,901	0.261%	134,092,495	1.43%	1.14%	1.12%				
Nov-14	150,092,073	1.30%	14,663,901	0.261%	134,235,952	1.43%	1.29%	1.29%				
Dec-14	145,143,985		9,263,901	0.267%	80,691,698	1.47%	1.46%	1.42%	53,692,099	1.36%	1.36%	1.24%
Jan-15	171,144,833		26,173,346	0.262%	80,832,606	1.38%	1.99%	1.90%	53,730,540	1.28%	1.28%	1.24%
Feb-15	165,574,345		29,773,346	0.266%	80,993,392	1.33%	1.40%	1.27%	53,725,495	1.18%	1.26%	1.17%
Mar-15	157,317,763		21,802,285	0.278%	81,136,574	1.37%	2.05%	1.98%	53,915,294	1.07%	1.07%	1.00%
Apr-15	159,454,599		22,517,329	0.283%	81,292,994	1.36%	1.81%	1.75%	53,944,656	1.06%	1.06%	0.91%
May-15	163,652,299		27,267,329	0.290%	81,390,841	1.37%	1.22%	1.19%	54,009,777	1.06%	1.06%	1.06%
Jun-15	169,260,808		28,867,329	0.299%	81,816,933	1.38%	1.39%	1.38%	54,061,403	1.08%	1.08%	0.87%
Jul-15	161,937,644		24,936,318	0.320%	81,941,821	1.38%	1.11%	1.14%	54,083,574	1.08%	1.16%	1.00%
Aug-15	156,052,639		18,526,318	0.330%	82,043,091	1.39%	1.12%	1.11%	54,065,279	1.09%	1.14%	0.80%
Sep-15	157,437,337		17,626,318	0.337%	82,154,547	1.41%	1.64%	1.65%	54,180,338	1.08%	1.13%	1.15%
Oct-15	155,196,031		17,843,566	0.357%	82,223,743	1.41%	1.56%	1.47%	54,198,446	(6)	(6)	0.78%
Nov-15	156,098,310		17,593,566	0.374%	82,355,838	1.42%	1.30%	1.22%	54,238,929	(6)	(6)	0.39%
Dec-15	156,285,206		16,633,566	0.400%	82,433,426	1.43%	1.19%	1.05%	54,312,737	(6)	(6)	0.68%
Jan-16	168,824,464		30,850,627	0.446%	82,510,170	1.43%	1.13%	1.01%	54,319,684	(6)	0.51%	0.65%
Feb-16	175,430,692		37,750,627	0.467%	82,617,177	1.44%	1.17%	1.23%	54,372,589	(6)	0.59%	0.98%
Mar-16	173,065,238		34,310,627	0.506%	82,721,056	1.46%	1.61%	1.69%	54,499,863	1.08%	0.84%	0.92%
Apr-16	169,665,429		32,296,705	0.525%	82,769,869	1.47%	1.62%	1.61%	54,517,986	1.08%	0.88%	0.91%
May-16	186,737,459		40,246,705	0.552%	82,923,233	1.49%	1.50%	1.48%	54,535,685	1.10%	0.82%	0.73%
Jun-16	179,533,412		39,271,706	0.576%	82,995,248	1.49%	2.58%	2.39%	54,552,897	1.09%	1.26%	1.31%

Notes:

(1) Total General Portfolio includes all assets that comprise the City's Investment Portfolio which is LAIF as well as assets managed by Chandler and Cutwater.

(2) Yield to Maturity (YTM): The rate of return on an investment or security if it were to be held until maturity. This yield does not reflect changes in the market value of a security

(3) Rate of Return represents the gain or loss on an investment or portfolio of investments over a specified period, expressed as a percentage of increase over the initial investment cost. Gains on investments are considered to be any income received from the security or portfolio plus any realized capital gain. This measure of return recognizes the changes in market values of a security or portfolio of securities.

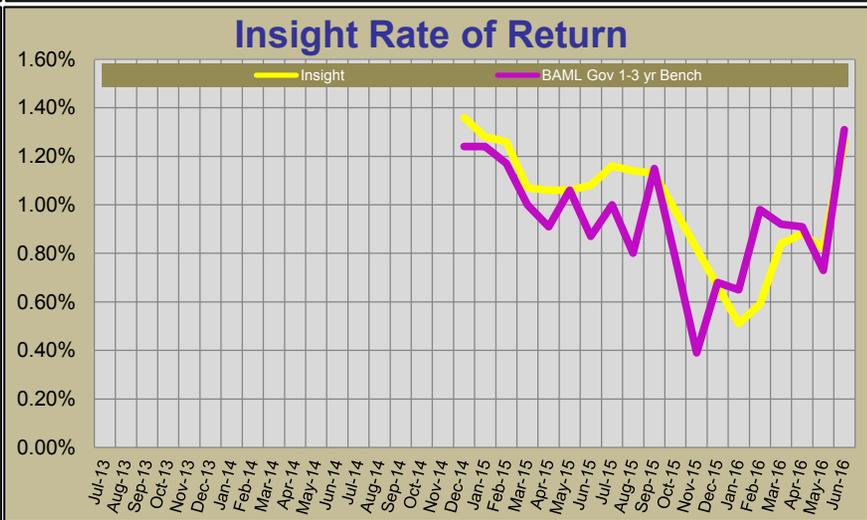
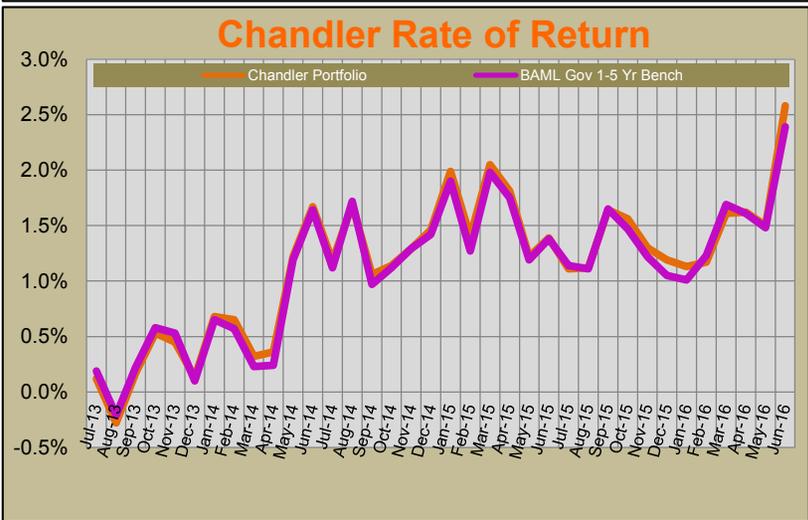
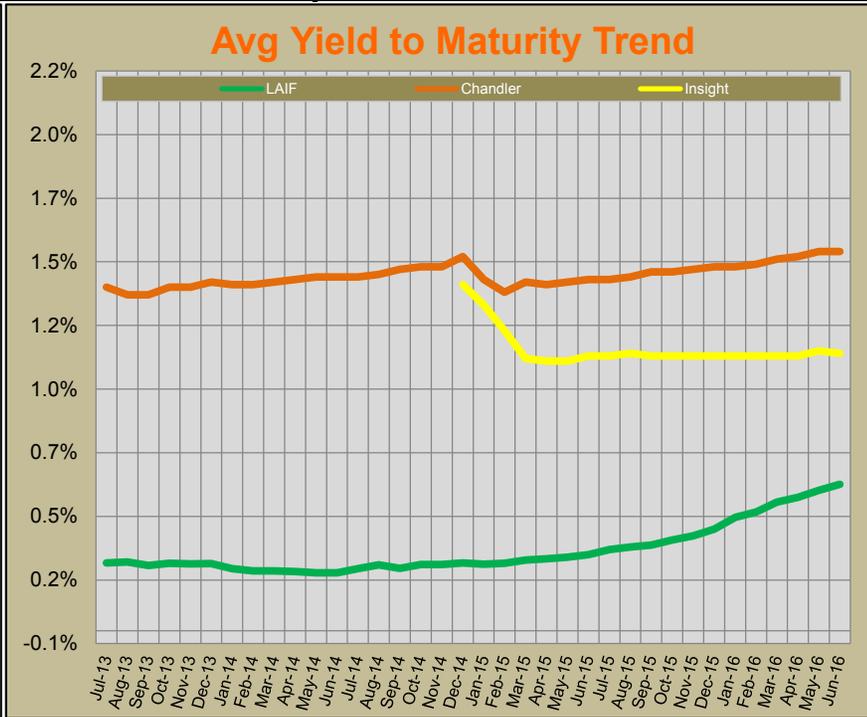
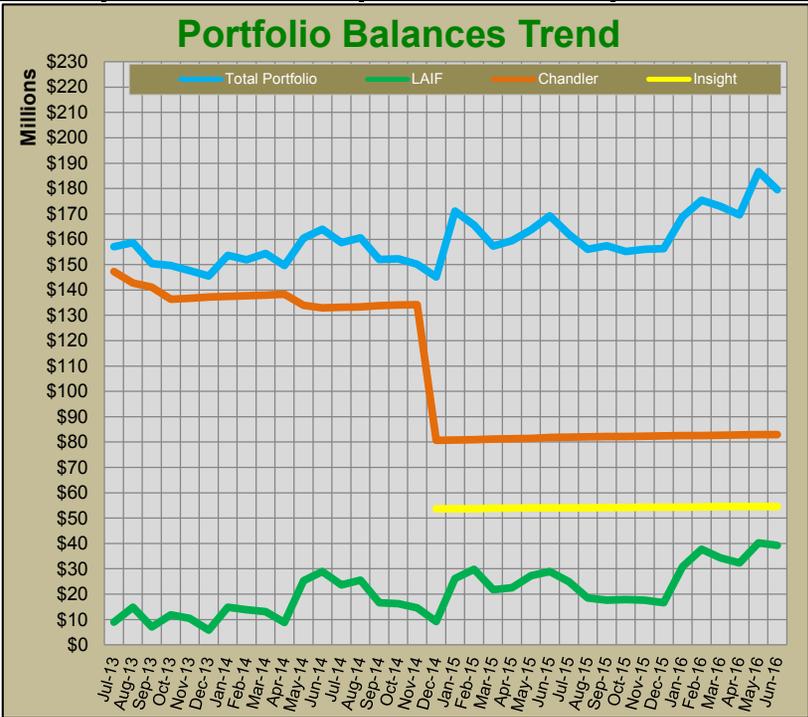
(4) The Rate of Return for the investment portfolio reflects the performance of the portfolio during the past twelve months.

(5) The portfolio benchmarks are: Chandler-Bank of America-Merrill Lynch 1 to 5 year Government Index and Insight- Bank of America-Merrill Lynch 1 to 3 year Treasury Index

(6) As the result of a transition to a new reporting platform Weighted Avg Yield to Maturity and Total Return Yield data is not available. Insight staff are working to rectify this problem.

Attachment: 06-2016 Investment Report [Revision 1] (2205 : RECEIPT OF QUARTERLY INVESTMENT

PORTFOLIO PERFORMANCE - 36 MONTH TREND



PORTFOLIO CHARACTERISTICS
The portfolio invested in LAIF represents the City's immediate cash liquidity needs and is managed by City staff in a manner to fund the day to day operations of the City.
The portfolio managed by Insight is comprised of idle cash balances related to funds that generally expect to expend cash within the next 36 months. (Example: Gen Fund, Zone A, Measure A, NSP etc.)
The portfolio managed by Chandler is comprised of idle cash balances related to funds that generally expect to expend cash with the next 24 to 60 months. (Example: Facility & Equip Replacement, Endowments etc.)

Attachment: 06-2016 Investment Report [Revision 1] (2205 : RECEIPT OF QUARTERLY INVESTMENT

FUNDS WITH FISCAL AGENTS

Account Name	Account Number	Investment	Issuer	Purchase Date	Maturity Date	Market Value	Stated Rate	Yield	Price	% of Portfolio
Wells Fargo 2007 Taxable Lease Revenue Bonds - Electric Utility										
bond fund	22277600	money mkt fund	WF Govt Fund	06/30/16	07/01/16	55	0.01%	0.01%	1.00000	0.000%
interest fund	22277601	money mkt fund	WF Govt Fund	06/30/16	07/01/16	12	0.01%	0.01%	1.00000	0.000%
principal fund	22277602	money mkt fund	WF Govt Fund	06/30/16	07/01/16	9	0.01%	0.01%	1.00000	0.000%
						76				
Wells Fargo CFD # 5										
Series B Revenue	22333500	money mkt fund	WF Govt Fund	06/30/16	07/01/16	220,892	0.01%	0.01%	1.00000	1.401%
Series A Principal	22333501	money mkt fund	WF Govt Fund	06/30/16	07/01/16	1	0.01%	2.71%	1.00000	0.000%
Series B reserve	22333503	money mkt fund	WF Govt Fund	06/30/16	07/01/16	546,153	0.01%	0.01%	1.00000	3.465%
Series B admin fund	22333504	money mkt fund	WF Govt Fund	06/30/16	07/01/16	26,812	0.01%	0.01%	1.00000	0.170%
						793,858				
Wells Fargo 2007 Redevelopment Agency Tax Allocation Bonds Sereis A										
debt service fund	22631700	money mkt fund	WF Govt Fund	06/30/16	07/01/16	1	0.01%	0.01%	1.00000	0.000%
interest fund	22631701	money mkt fund	WF Govt Fund	06/30/16	07/01/16	6	0.01%	0.01%	1.00000	0.000%
principal fund	22631702	money mkt fund	WF Govt Fund	06/30/16	07/01/16	1	0.01%	0.01%	1.00000	0.000%
						8				
Wells Fargo Community Facilities District 87-1 (IA-1)										
special tax funds	22631800	money market fund	WF Govt Fund	06/30/16	07/01/16	1,011,684	0.01%	0.01%	1.00000	6.418%
interest acct	22631801	money market fund	WF Govt Fund	06/30/16	07/01/16	166	0.01%	0.01%	1.00000	0.001%
reserve fund	22631802	money market fund	WF Govt Fund	06/30/16	07/01/16	2	0.01%	0.01%	1.00000	0.000%
reserve fund	22631804	money market fund	WF Govt Fund	06/30/16	07/01/16	1,028,834	0.01%	0.01%	1.00000	6.527%
admin exp acct	22631805	money market fund	WF Govt Fund	06/30/16	07/01/16	227,346	0.01%	0.01%	1.00000	1.442%
debt service acct	22631809	money market fund	WF Govt Fund	06/30/16	07/01/16	536,266	0.01%	0.01%	1.00000	3.402%
surplus acct	22631810	money market fund	WF Govt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
special tax funds	22631900	money market fund	WF Govt Fund	06/30/16	07/01/16	303,975	0.01%	0.01%	1.00000	1.929%
interest acct	22631901	money market fund	WF Govt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
principal fund	22631902	money market fund	WF Govt Fund	06/30/16	07/01/16	1	0.01%	0.01%	1.00000	0.000%
reserve fund	22631904	money market fund	WF Govt Fund	06/30/16	07/01/16	365,432	0.01%	0.01%	1.00000	2.318%
admin exp acct	22631905	money market fund	WF Govt Fund	06/30/16	07/01/16	15,994	0.01%	0.01%	1.00000	0.101%
surplus acct	22631907	money market fund	WF Govt Fund	06/30/16	07/01/16	100,459	0.01%	0.01%	1.00000	0.637%
						3,590,159				
Wells Fargo 2013 Total Road Improvement COPs										
revenue fund	46612400	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
interest fund	46612401	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	43	0.01%	0.01%	1.00000	0.000%
principal fund	46612402	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
reserve fund	46612403	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
admin fund	46612404	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	2,735	0.01%	0.01%	1.00000	0.017%
acquisition fund	46612407	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	1,576,698	0.01%	0.01%	1.00000	10.003%
						1,579,476				
Wells Fargo 2013 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	48360700	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	3	0.01%	0.01%	1.00000	0.000%
interest fund	48360701	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	4	0.01%	0.01%	1.00000	0.000%
principal fund	48360702	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	1	0.01%	0.01%	1.00000	0.000%
cost of issuance	48360705	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
						8				
Wells Fargo 2014 Partial Refunding of the 2005 Lease Revenue Bonds										
revenue fund	83478300	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	8	0.01%	0.01%	1.00000	0.000%
interest fund	83478301	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	10	0.01%	0.01%	1.00000	0.000%
principal fund	83478302	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
redemption fund	83478303	money mkt fund	WF Muni Cash Mgmt Fund	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
						18				
Wells Fargo 2015 Taxable Lease Revenue Bonds (Electric Utility)										
revenue fund	84457000	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	10,573	0.01%	0.01%	1.00000	0.067%
interest fund	84457001	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
principal fund	84457002	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
reserve fund	84457005	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
construction fund	84457006	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	775,726	0.01%	0.01%	1.00000	4.921%
construction fund	84457006	money mkt fund	Local Agency Investment Fund	06/30/16	07/01/16	9,012,294	0.01%	0.01%	1.00000	57.177%
cost of issuance	84467007	money mkt fund	WF Treasury Plus	06/30/16	07/01/16	0	0.01%	0.01%	1.00000	0.000%
						9,798,593				
Totals						15,762,196	100.000%			

Type	Summary of Bond Proceeds with Fiscal Agents	
1	Construction Funds	11,364,718
2	Principal & Interest Accounts	549,884
3	Debt Service Reserve Funds	3,256,080
4	Custody Accounts	11
5	Arbitrage Rebate Accounts	100,459
6	Other Accounts	491,044
Total Fiscal Agent Funds		15,762,196

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DEFERRED COMPENSATION FUNDS

Nationwide

Fund	Market Value as of June 30, 2016	Fund	Market Value as of June 30, 2016	Fund	Market Value as of June 30, 2016
Liquid Savings	\$1,315,115	Nationwide US Sm Cap Val Ins Svc	10,347	Federated Kaufmann Fund	110,747
Nationwide Fixed (Part Time Employee)	478,244	American Century Balanced	43	Invesco Mid Cap Core Equity	33,245
Liquid Savings (Part Time Employees)	272,327	Am Century Growth	82,900	Nationwide Ret Inc Inst Svc	13,357
Certificates of Deposit 1 year		Am Century Select	159,555	Nationwide InvDes Mod Cons Fund SC	37,884
Certificates of Deposit 3 years	269	JP Morgan Mid Cap Value A	1,163,312	Nationwide InvDes Mod Aggr Fund	1,029,633
Certificates of Deposit 5 years	127,465	Vanguard Index 500	105,281	Nationwide InvDes Aggr Fund	142,247
Bond Fund of America	68,617	Vanguard Institutional Index	633,932	Nationwide InvDes Mod Fd	885,682
Growth Fund of America	105,096	Vanguard Wellington	23,699	Nationwide Inv Des Cons	119,906
Investment Co. of America	66,638	Vanguard Windsor II	132,382	Nationwide Large Cap Growth	51,382
Income Fund of America	142,358	Vanguard Total Bond Index	229,104	Nationwide Fund A	8,117
Brown Cap Mgmt Inc SM Co	127,884	Washington Mutual Inv	101,054	Nationwide Dest 2015 Inst Svc	33,211
Fidelity Independence	2,531	DFA US Micro Cap Port	91,956	Nationwide Dest 2020 Inst Svc	196,360
Fidelity Equity Income	72,026	EuroPacific Growth	257,732	Nationwide Dest 2025 Inst Svc	360,329
Fidelity Magellan	289,934	Stable Fund C	2,632,545	Nationwide Dest 2030 Inst Svc	1,634
Fidelity Puritan	70,634	N B Socially Responsive Fund	37,520	Nationwide Dest 2035 Inst Svc	7,104
Fidelity Contrafund	278,612	Dtsch High Income Fund A	94,385	Nationwide Dest 2040 Inst Svc	12,542
Janus Fund	32,813	Dtsch Eq Divd A	76,114	Nationwide Dest 2045 Inst Svc	19,937
Janus Advisor Forty	22,890	Oppenheimer Global Fund A	334,178	Total Nationwide Deferred	\$12,702,809

ICMA

Fund	Market Value as of June 30, 2016	Fund	Market Value as of June 30, 2016
Aggressive Oppor.	\$99,825	VT Vantagepoint Discovery	127,316
International	237,982	VT Gold Sach Mid Cap Value	0
Global Equity Growth	232,318	VT Contrafund	151,699
Growth and Income	101,834	VT Vantagepoint Overseas Equity Index Fund	152,543
Broad Market	6,454	VT Diversified International	129,162
500 Stock Index	240,755	VT Allianz NFJ Div Value	145,141
Equity Income	432,149	Vantage Growth Fund	239,913
MS Retirement Income	25,471	VT Puritan	22,544
Core Bond	25,432	VT Vantagepoint Select Value	14,993
Cash Management	19,613	VT TR Price Growth Stock Adv	51,860
Plus Fund	1,050,301	VT Nuveen Real Estate Secs	157,920
Retirement Income Advantage	0	VT TR Price Small Cap Value	0
Conservative Growth	106,208	VT Invesco Diversified	4,694
Traditional Growth	188,405	VT Vantagepoint Inflation Focused	73,394
Long-Term Growth	507,265	VT Oppenheimer Main Street	12,003
Western Asset Core Plus Bond	63,350	VT Vantagepoint Mid/Sm Index	72,654
Milestone 2010	11,362	VT PIMCO Total Return	0
Milestone 2020	103,352	VT PIMCO High Yield	68,253
Milestone 2025	14,053	VT Harbor Mid Cap Growth	0
Milestone 2030	1,257	VT Harbor International Admi	0
Milestone 2035	28,994	VT AMG TimesSquare Mid Cap Growth Admin	75,001
Milestone 2040	17,364	Total ICMA	\$5,012,834

Summary by Plan

Deferred Compensation Plan	Market Value as of June 30, 2016
Total Nationwide	\$12,702,809
Total ICMA	5,012,834
Total Deferred Compensation Plans	\$17,715,643

Summary by Investment Type

Investment Type	Market Value as of June 30, 2016
Savings Deposits and CD's	\$4,698,500
Mutual Funds	13,017,143
Total Deferred Compensation Plans	\$17,715,643

Monthly Account Statement

City of Moreno Valley

June 1, 2016 through June 30, 2016

Chandler Team

For questions about your account,
please call (800) 317-4747 or
Email operations@chandlerasset.com

Custodian

Union Bank N.A.
Tina Guzman
(619)-230-3547

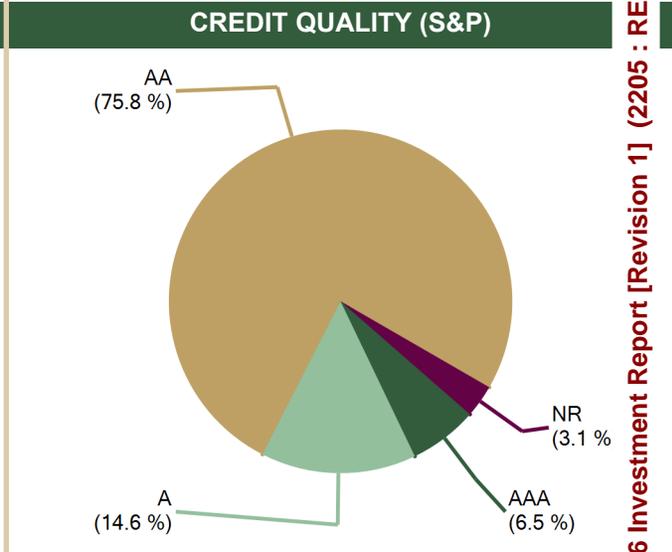
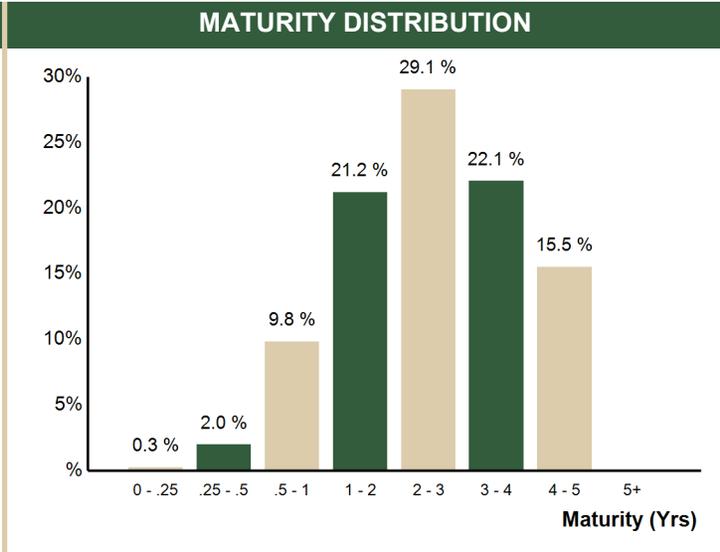
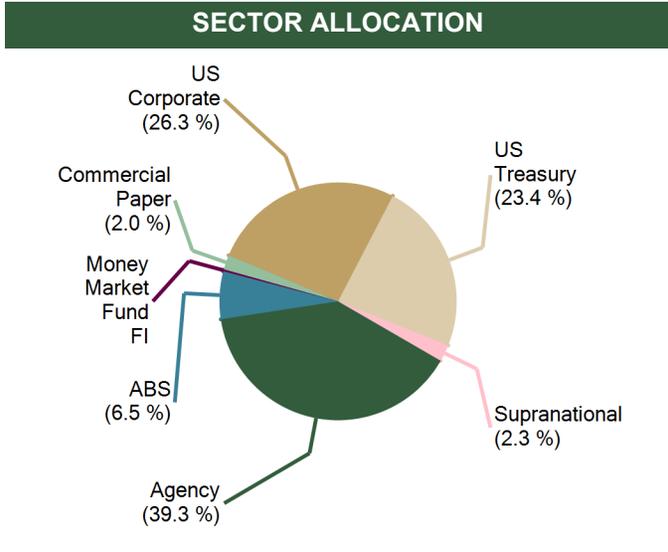
Information contained herein is confidential. We urge you to compare this statement to the one you receive from your qualified custodian. Prices are provided by IDC, an independent pricing source.



PORTFOLIO CHARACTERISTICS	
Average Duration	2.50
Average Coupon	1.39 %
Average Purchase YTM	1.49 %
Average Market YTM	0.90 %
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.68 yrs
Average Life	2.57 yrs

ACCOUNT SUMMARY		
	Beg. Values as of 5/31/16	End Values as of 6/30/16
Market Value	83,455,856	84,084,726
Accrued Interest	228,994	264,113
Total Market Value	83,684,850	84,348,839
Income Earned	101,744	102,151
Cont/WD		0
Par	82,923,233	82,995,248
Book Value	82,684,866	82,767,082
Cost Value	82,553,565	82,632,784

TOP ISSUERS	
Issuer	% Portfolio
Government of United States	23.4 %
Federal National Mortgage Assoc	18.7 %
Federal Home Loan Mortgage Corp	14.0 %
Federal Home Loan Bank	6.5 %
John Deere ABS	2.5 %
Honda ABS	2.3 %
Intl Bank Recon and Development	2.3 %
General Electric Co	2.2 %
	72.0 %



PERFORMANCE REVIEW										
Total Rate of Return As of 6/30/2016	Current Month	Latest 3 Months	Year To Date	1 Yr	Annualized				Since 5/31/2010	
					3 Yrs	5 Yrs	10 Yrs	5/31/2010		
City of Moreno Valley	0.79 %	0.72 %	2.31 %	2.58 %	1.88 %	1.68 %	N/A	1.93 %	12.30 %	
BAML 1-5 Yr US Treasury/Agency Index	0.94 %	0.79 %	2.35 %	2.39 %	1.65 %	1.42 %	N/A	1.64 %	10.38 %	
BAML 1-5 Yr US Issuers Corp/Govt Rated AAA-A Index	0.93 %	0.83 %	2.42 %	2.53 %	1.80 %	1.57 %	N/A	1.82 %	11.62 %	

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COMPLIANCE WITH INVESTMENT POLICY

Assets managed by Chandler Asset Management are in full compliance with State law and with the City's investment policy.

Category	Standard	Comment
Treasury Issues	No Limitation	Complies
Agency Issues	No Limitation	Complies
Supranationals	30% max; 5% max per issuer; "AA" rated by a NRSRO; Issued by IBRD, IFC or IADB only;	Complies
Municipal Securities (Local Agency/State)	No Limitation	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	25% maximum; 5% max issuer; 270 days max maturity; "A-1/P-1/F-1" minimum ratings; "A" rated issuer or higher, if long term debt	Complies
Negotiable Certificates of Deposit	30% maximum; 5% max issuer	Complies
Medium Term Notes	30% maximum; 5% max issuer; "A" rated or better by a NRSRO	Complies
Money Market Mutual Funds	20% maximum; AAA/Aaa or Highest rating	Complies
Collateralized Certificates of Deposit (CD)/ Time Deposit (TD)	5% max issuer	Complies
FDIC Insured Certificates of Deposit (CD)/Time Deposit (TD)	5% max issuer	Complies
Asset-Backed (ABS), Mortgage Backed (MBS) and Collateralized Mortgage Obligations (CMO)	20% maximum; 5% max issuer; "AA" rated or better by a NRSRO; "A" rated issuer	Complies
Repurchase Agreements	No limitation; 1-year max maturity	Complies
Local Agency Investment Fund - L.A.I.F.	Maximum program limitation	Complies
Prohibited Securities	Inverse floaters; Ranges notes, Interest only strips from mortgages; Reverse repurchase agreements; Futures/Option contracts	Complies
Issuer Maximum	5% per issuer for all non-government issuers and agencies	Complies
Maximum maturity	5 years	Complies
Weighted Average Maturity	3 years	Complies



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
ABS									
477879AC4	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	56,674.75	08/27/2013 0.88 %	56,667.03 56,672.55	99.99 0.97 %	56,667.21 21.91	0.07 % (5.34)	Aaa / NR AAA	1. 0.
89231MAC9	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	527,850.66	03/11/2014 0.69 %	527,753.11 527,831.81	99.93 0.90 %	527,495.42 157.18	0.63 % (336.39)	Aaa / AAA NR	1. 0.
43814GAC4	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	672,605.35	05/13/2014 0.78 %	672,524.50 672,581.61	99.95 0.89 %	672,265.01 187.02	0.80 % (316.60)	Aaa / AAA NR	1. 0.
47787VAC5	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	885,846.10	04/02/2014 0.93 %	885,704.19 885,809.01	99.98 0.96 %	885,691.96 362.21	1.05 % (117.05)	Aaa / NR AAA	1. 0.
43814HAC2	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	822,269.14	08/12/2014 0.89 %	822,110.52 822,212.43	99.98 0.93 %	822,078.37 321.60	0.97 % (134.06)	NR / AAA AAA	1. 0.
477877AD6	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	560,799.44	08/26/2014 1.08 %	560,676.96 560,746.84	100.04 1.00 %	561,036.66 266.69	0.67 % 289.82	Aaa / NR AAA	2. 0.
47788MAC4	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	635,000.00	02/23/2016 1.37 %	634,900.05 634,908.09	100.37 1.17 %	637,330.45 383.82	0.76 % 2,422.36	Aaa / NR AAA	3. 1.
89231UAD9	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	845,000.00	05/02/2016 1.31 %	844,956.82 844,958.88	100.46 1.07 %	848,863.34 488.22	1.01 % 3,904.46	Aaa / AAA NR	3. 1.
43814QAC2	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	460,000.00	05/24/2016 1.40 %	459,991.08 459,991.28	100.73 1.04 %	463,360.30 284.18	0.55 % 3,369.02	Aaa / NR AAA	3. 2.
Total ABS		5,466,045.44	1.04 %	5,465,284.26 5,465,712.50	0.99 %	5,474,788.72 2,472.83	6.49 % 9,076.22	Aaa / AAA Aaa	2. 0.

AGENCY									
3133787M7	FHLB Note 1.05% Due 2/27/2017	1,100,000.00	02/27/2012 1.03 %	1,101,012.00 1,100,133.57	100.40 0.45 %	1,104,365.90 3,978.33	1.31 % 4,232.33	Aaa / AA+ AAA	0. 0.
3137EADC0	FHLMC Note 1% Due 3/8/2017	750,000.00	03/14/2012 1.29 %	739,537.50 748,562.05	100.33 0.52 %	752,459.25 2,354.17	0.89 % 3,897.20	Aaa / AA+ AAA	0. 0.
3133782N0	FHLB Note 0.875% Due 3/10/2017	1,310,000.00	03/13/2013 0.70 %	1,318,894.90 1,311,539.50	100.29 0.46 %	1,313,747.91 3,534.27	1.56 % 2,208.41	Aaa / AA+ AAA	0. 0.
3137EADF3	FHLMC Note 1.25% Due 5/12/2017	1,650,000.00	05/29/2012 1.06 %	1,665,300.45 1,652,665.73	100.58 0.58 %	1,659,489.15 2,807.29	1.97 % 6,823.42	Aaa / AA+ AAA	0. 0.
3137EADH9	FHLMC Note 1% Due 6/29/2017	1,650,000.00	Various 0.86 %	1,660,600.20 1,652,241.65	100.41 0.59 %	1,656,712.20 91.67	1.96 % 4,470.55	Aaa / AA+ AAA	1. 0.
3135G0ZL0	FNMA Note 1% Due 9/27/2017	475,000.00	08/21/2014 1.12 %	473,304.25 474,319.60	100.46 0.63 %	477,174.55 1,240.28	0.57 % 2,854.95	Aaa / AA+ AAA	1. 1.
3137EADL0	FHLMC Note 1% Due 9/29/2017	1,050,000.00	10/25/2012 0.92 %	1,053,983.70 1,051,009.80	100.48 0.61 %	1,055,023.20 2,683.33	1.25 % 4,013.40	Aaa / AA+ AAA	1. 1.
3130A4GJ5	FHLB Note 1.125% Due 4/25/2018	1,625,000.00	03/20/2015 1.02 %	1,630,331.63 1,628,130.97	100.82 0.67 %	1,638,245.38 3,351.56	1.95 % 10,114.41	Aaa / AA+ AAA	1. 1.
3135G0WJ8	FNMA Note 0.875% Due 5/21/2018	1,800,000.00	07/29/2013 1.54 %	1,745,109.00 1,778,462.47	100.40 0.66 %	1,807,124.40 1,750.00	2.14 % 28,661.93	Aaa / AA+ AAA	1. 1.

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
AGENCY									
3135G0YM9	FNMA Note 1.875% Due 9/18/2018	950,000.00	12/23/2013 1.71 %	956,915.05 953,241.18	102.56 0.71 %	974,274.40 5,096.35	1.16 % 21,033.22	Aaa / AA+ AAA	2. 2.
3135G0YT4	FNMA Note 1.625% Due 11/27/2018	1,750,000.00	12/13/2013 1.71 %	1,743,035.00 1,746,608.18	102.13 0.73 %	1,787,252.25 2,685.76	2.12 % 40,644.07	Aaa / AA+ AAA	2. 2.
3135G0ZA4	FNMA Note 1.875% Due 2/19/2019	1,775,000.00	Various 1.65 %	1,793,583.78 1,784,865.87	102.77 0.81 %	1,824,112.48 12,203.13	2.18 % 39,246.61	Aaa / AA+ AAA	2. 2.
3137EADG1	FHLMC Note 1.75% Due 5/30/2019	2,125,000.00	Various 1.80 %	2,119,946.43 2,121,734.73	102.75 0.79 %	2,183,431.13 3,202.26	2.59 % 61,696.40	Aaa / AA+ AAA	2. 2.
3137EADK2	FHLMC Note 1.25% Due 8/1/2019	2,750,000.00	09/04/2014 1.83 %	2,674,980.00 2,702,755.86	101.23 0.85 %	2,783,737.00 14,322.92	3.32 % 80,981.14	Aaa / AA+ AAA	3. 3.
3135G0ZG1	FNMA Note 1.75% Due 9/12/2019	1,700,000.00	10/29/2014 1.70 %	1,703,859.00 1,702,535.05	102.77 0.87 %	1,747,073.00 9,007.64	2.08 % 44,537.95	Aaa / AA+ AAA	3. 3.
3135G0A78	FNMA Note 1.625% Due 1/21/2020	400,000.00	05/26/2015 1.55 %	401,417.20 401,082.91	102.36 0.95 %	409,447.60 2,888.89	0.49 % 8,364.69	Aaa / AA+ AAA	3. 3.
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,650,000.00	08/26/2015 1.56 %	1,636,522.80 1,638,959.58	101.51 0.97 %	1,674,875.40 3,781.25	1.99 % 35,915.82	Aaa / AA+ AAA	3. 3.
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,655,000.00	09/29/2015 1.49 %	1,655,893.70 1,655,751.39	101.92 1.01 %	1,686,794.21 620.63	2.00 % 31,042.82	Aaa / AA+ AAA	3. 3.
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,650,000.00	12/16/2015 1.90 %	1,618,815.00 1,622,209.17	101.70 1.11 %	1,677,988.95 2,131.25	1.99 % 55,779.78	Aaa / AA+ AAA	4. 4.
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,410,000.00	02/17/2016 1.46 %	1,404,303.60 1,404,721.40	101.18 1.11 %	1,426,626.72 7,162.60	1.70 % 21,905.32	Aaa / AA+ AAA	4. 4.
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,675,000.00	Various 1.47 %	1,667,519.85 1,667,808.47	101.04 1.15 %	1,692,353.00 7,996.96	2.02 % 24,544.53	Aaa / AA+ AAA	4. 4.
3135G0K69	FNMA Note 1.25% Due 5/6/2021	1,675,000.00	06/29/2016 1.18 %	1,680,695.00 1,680,691.78	100.37 1.17 %	1,681,277.90 2,617.19	2.00 % 586.12	Aaa / AA+ AAA	4. 4.
Total Agency		32,575,000.00	1.43 %	32,445,560.04 32,480,030.91	0.81 %	33,013,585.98 95,507.73	39.25 % 533,555.07	Aaa / AA+ Aaa	2. 2.
COMMERCIAL PAPER									
06538BKS1	Bank of Tokyo Mitsubishi NY Discount CP 0.74% Due 10/26/2016	1,680,000.00	06/27/2016 0.75 %	1,675,855.99 1,675,959.59	99.76 0.75 %	1,675,959.59 0.00	1.99 % 0.00	P-1 / A-1 F-1	0. 0.
Total Commercial Paper		1,680,000.00	0.75 %	1,675,855.99 1,675,959.59	0.75 %	1,675,959.59 0.00	1.99 % 0.00	P-1 / A-1 F-1	0. 0.

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
MONEY MARKET FUND FI									
60934N104	Federated Prime Value Oblig GOVT OBLIG MMF	213,602.69	Various 0.25 %	213,602.69 213,602.69	1.00 0.25 %	213,602.69 0.00	0.25 % 0.00	Aaa / AAA AAA	0. 0.
Total Money Market Fund FI		213,602.69	0.25 %	213,602.69 213,602.69	0.25 %	213,602.69 0.00	0.25 % 0.00	Aaa / AAA Aaa	0. 0.
SUPRANATIONAL									
459058ER0	Intl. Bank Recon & Development Note 1% Due 10/5/2018	1,915,000.00	09/30/2015 1.06 %	1,911,744.50 1,912,542.01	100.44 0.80 %	1,923,460.47 4,574.72	2.29 % 10,918.46	Aaa / AAA AAA	2. 2.
Total Supranational		1,915,000.00	1.06 %	1,911,744.50 1,912,542.01	0.80 %	1,923,460.47 4,574.72	2.29 % 10,918.46	Aaa / AAA Aaa	2. 2.
US CORPORATE									
24422ERL5	John Deere Capital Corp Note 2% Due 1/13/2017	1,215,000.00	09/11/2012 1.05 %	1,263,733.65 1,221,037.80	100.60 0.88 %	1,222,251.12 11,340.00	1.46 % 1,213.32	A2 / A NR	0. 0.
717081DJ9	Pfizer Inc. Note 1.1% Due 5/15/2017	565,000.00	05/12/2014 1.13 %	564,502.80 564,855.74	100.22 0.85 %	566,229.44 794.14	0.67 % 1,373.70	A1 / AA A+	0. 0.
166764AA8	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	1,500,000.00	Various 1.48 %	1,477,072.20 1,492,318.16	100.17 0.98 %	1,502,478.00 1,195.99	1.78 % 10,159.84	Aa2 / AA- NR	1. 1.
02665WAQ4	American Honda Finance Note 1.55% Due 12/11/2017	695,000.00	12/08/2014 1.58 %	694,353.65 694,688.62	100.83 0.97 %	700,759.47 598.47	0.83 % 6,070.85	A1 / A+ NR	1. 1.
458140AL4	Intel Corp Note 1.35% Due 12/15/2017	1,440,000.00	12/12/2012 1.29 %	1,444,175.55 1,441,217.87	100.59 0.94 %	1,448,533.44 864.00	1.72 % 7,315.57	A1 / A+ A+	1. 1.
89236TCA1	Toyota Motor Credit Corp Note 1.45% Due 1/12/2018	505,000.00	Various 1.47 %	504,702.60 504,860.93	100.73 0.97 %	508,681.96 3,437.51	0.61 % 3,821.03	Aa3 / AA- A	1. 1.
459200HZ7	IBM Corp Note 1.125% Due 2/6/2018	1,035,000.00	02/03/2015 1.23 %	1,031,843.25 1,033,315.06	100.43 0.85 %	1,039,454.64 4,689.84	1.24 % 6,139.58	Aa3 / AA- A+	1. 1.
713448CR7	PepsiCo Inc Note 1.25% Due 4/30/2018	875,000.00	Various 1.26 %	874,650.00 874,786.51	100.53 0.95 %	879,677.75 1,853.30	1.05 % 4,891.24	A1 / A A	1. 1.
037833AJ9	Apple Inc Note 1% Due 5/3/2018	1,400,000.00	05/22/2013 1.25 %	1,383,186.00 1,393,735.59	100.25 0.86 %	1,403,445.40 2,255.56	1.67 % 9,709.81	Aa1 / AA+ NR	1. 1.
74005PBH6	Praxair Note 1.25% Due 11/7/2018	1,035,000.00	01/08/2015 1.68 %	1,018,719.45 1,024,967.72	100.30 1.12 %	1,038,129.84 1,940.63	1.23 % 13,162.12	A2 / A NR	2. 2.
24422ESF7	John Deere Capital Corp Note 1.95% Due 12/13/2018	545,000.00	12/10/2013 1.99 %	543,839.15 544,431.02	102.09 1.08 %	556,403.58 531.38	0.66 % 11,972.56	A2 / A NR	2. 2.
36962G7G3	General Electric Capital Corp Note 2.3% Due 1/14/2019	1,750,000.00	01/08/2014 2.32 %	1,748,286.80 1,749,130.27	103.39 0.94 %	1,809,410.75 18,671.52	2.17 % 60,280.48	A1 / AA+ NR	2. 2.

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CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
US CORPORATE									
17275RAR3	Cisco Systems Note 2.125% Due 3/1/2019	1,305,000.00	Various 2.07 %	1,308,459.75 1,306,849.86	102.71 1.09 %	1,340,315.91 9,243.76	1.60 % 33,466.05	A1 / AA- NR	2. 2.
91159HHH6	US Bancorp Callable Note Cont 3/25/2019 2.2% Due 4/25/2019	1,365,000.00	Various 2.18 %	1,366,198.85 1,365,747.54	102.56 1.25 %	1,399,942.64 5,505.50	1.67 % 34,195.10	A1 / A+ AA	2. 2.
06406HCW7	Bank of New York Callable Note Cont 8/11/2019 2.3% Due 9/11/2019	1,675,000.00	Various 2.29 %	1,675,650.55 1,675,410.40	102.04 1.63 %	1,709,154.93 11,771.53	2.04 % 33,744.53	A1 / A AA-	3. 2.
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	1,050,000.00	01/26/2015 2.17 %	1,048,857.60 1,049,180.33	101.70 1.66 %	1,067,812.20 9,468.96	1.28 % 18,631.87	A2 / A AA-	3. 3.
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	665,000.00	02/05/2015 1.77 %	664,301.75 664,493.16	102.00 1.18 %	678,327.93 4,396.39	0.81 % 13,834.77	A1 / A+ A+	3. 3.
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	980,000.00	06/11/2015 2.49 %	969,146.50 971,443.82	102.78 1.51 %	1,007,260.66 2,511.26	1.20 % 35,816.84	A1 / A+ NR	3. 3.
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	425,000.00	10/29/2015 2.02 %	424,660.00 424,704.85	102.55 1.38 %	435,846.43 1,369.44	0.52 % 11,141.58	Aaa / AAA AA+	4. 4.
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	1,160,000.00	Various 1.97 %	1,173,322.80 1,172,994.88	103.10 1.53 %	1,196,013.36 8,448.54	1.43 % 23,018.48	Aaa / AA+ NR	4. 4.
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	580,000.00	05/16/2016 1.96 %	579,698.40 579,705.50	101.26 1.68 %	587,290.02 1,319.50	0.70 % 7,584.52	A1 / A AA-	4. 4.
Total US Corporate		21,765,000.00	1.77 %	21,759,361.30 21,749,875.63	1.15 %	22,097,419.47 102,207.22	26.32 % 347,543.84	A1 / AA- AA-	2. 2.
US TREASURY									
912828UU2	US Treasury Note 0.75% Due 3/31/2018	1,000,000.00	Various 1.29 %	977,009.02 990,876.16	100.27 0.59 %	1,002,734.00 1,885.24	1.19 % 11,857.84	Aaa / AA+ AAA	1. 1.
912828VE7	US Treasury Note 1% Due 5/31/2018	1,450,000.00	01/07/2014 1.46 %	1,421,684.55 1,437,660.54	100.77 0.59 %	1,461,214.30 1,228.14	1.73 % 23,553.76	Aaa / AA+ AAA	1. 1.
912828WD8	US Treasury Note 1.25% Due 10/31/2018	1,630,600.00	Various 1.30 %	1,623,839.75 1,628,886.23	101.39 0.65 %	1,653,211.54 3,434.01	1.96 % 24,325.31	Aaa / AA+ AAA	2. 2.
912828A34	US Treasury Note 1.25% Due 11/30/2018	1,625,000.00	Various 1.71 %	1,590,288.65 1,607,886.42	101.43 0.65 %	1,648,169.25 1,720.45	1.96 % 40,282.83	Aaa / AA+ AAA	2. 2.
912828SD3	US Treasury Note 1.25% Due 1/31/2019	1,625,000.00	06/17/2014 1.64 %	1,596,694.89 1,609,170.60	101.48 0.67 %	1,648,994.75 8,482.14	1.97 % 39,824.15	Aaa / AA+ AAA	2. 2.
912828SH4	US Treasury Note 1.375% Due 2/28/2019	2,000,000.00	03/31/2014 1.72 %	1,967,741.08 1,982,521.92	101.82 0.69 %	2,036,328.00 9,191.58	2.43 % 53,806.08	Aaa / AA+ AAA	2. 2.
912828ST8	US Treasury Note 1.25% Due 4/30/2019	2,000,000.00	06/10/2014 1.68 %	1,960,084.82 1,976,887.68	101.57 0.69 %	2,031,484.00 4,211.96	2.41 % 54,596.32	Aaa / AA+ AAA	2. 2.
912828UB4	US Treasury Note 1% Due 11/30/2019	1,600,000.00	03/30/2015 1.38 %	1,572,880.35 1,580,165.28	100.65 0.81 %	1,610,436.80 1,355.19	1.91 % 30,271.52	Aaa / AA+ AAA	3. 3.

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Holdings Report

As of 6/30/16

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Matur Durati
US TREASURY									
912828H52	US Treasury Note 1.25% Due 1/31/2020	450,000.00	07/29/2015 1.54 %	444,306.20 445,471.94	101.46 0.84 %	456,574.05 2,348.90	0.54 % 11,102.11	Aaa / AA+ AAA	3. 3.
912828VF4	US Treasury Note 1.375% Due 5/31/2020	1,750,000.00	07/10/2015 1.62 %	1,730,250.01 1,734,169.01	101.84 0.90 %	1,782,128.25 2,038.08	2.12 % 47,959.24	Aaa / AA+ AAA	3. 3.
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,650,000.00	Various 1.37 %	1,650,064.12 1,650,050.39	101.83 0.93 %	1,680,228.00 7,583.05	2.00 % 30,177.61	Aaa / AA+ AAA	4. 4.
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,600,000.00	03/09/2016 1.40 %	1,598,442.85 1,598,540.44	101.77 0.98 %	1,628,312.00 9,186.81	1.94 % 29,771.56	Aaa / AA+ AAA	4. 4.
912828B90	US Treasury Note 2% Due 2/28/2021	1,000,000.00	04/26/2016 1.40 %	1,028,089.29 1,027,071.91	104.61 0.99 %	1,046,094.00 6,684.78	1.25 % 19,022.09	Aaa / AA+ AAA	4. 4.
Total US Treasury		19,380,600.00	1.52 %	19,161,375.58 19,269,358.52	0.76 %	19,685,908.94 59,350.33	23.41 % 416,550.42	Aaa / AA+ Aaa	3. 3.
TOTAL PORTFOLIO		82,995,248.13	1.49 %	82,632,784.36 82,767,081.85	0.90 %	84,084,725.86 264,112.83	100.00 % 1,317,644.01	Aa1 / AA Aaa	2. 2.
TOTAL MARKET VALUE PLUS ACCRUED						84,348,838.69			

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Transaction Ledger

5/31/16 Thru 6/30/16

Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Purchase	06/01/2016	60934N104	146.72	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	146.72	0.00	146.72	0.00
Purchase	06/05/2016	60934N104	8,280.00	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	8,280.00	0.00	8,280.00	0.00
Purchase	06/11/2016	60934N104	5,386.25	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	5,386.25	0.00	5,386.25	0.00
Purchase	06/13/2016	60934N104	5,313.75	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	5,313.75	0.00	5,313.75	0.00
Purchase	06/15/2016	60934N104	9,720.00	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	9,720.00	0.00	9,720.00	0.00
Purchase	06/15/2016	60934N104	66,144.77	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	66,144.77	0.00	66,144.77	0.00
Purchase	06/15/2016	60934N104	22,568.47	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	22,568.47	0.00	22,568.47	0.00
Purchase	06/15/2016	60934N104	44,470.80	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	44,470.80	0.00	44,470.80	0.00
Purchase	06/15/2016	60934N104	76,814.62	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	76,814.62	0.00	76,814.62	0.00
Purchase	06/15/2016	60934N104	74,741.38	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	74,741.38	0.00	74,741.38	0.00
Purchase	06/15/2016	60934N104	266.42	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	266.42	0.00	266.42	0.00
Purchase	06/15/2016	60934N104	719.67	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	719.67	0.00	719.67	0.00
Purchase	06/16/2016	60934N104	1,037.47	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	1,037.47	0.00	1,037.47	0.00
Purchase	06/21/2016	60934N104	69,058.84	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	69,058.84	0.00	69,058.84	0.00
Purchase	06/22/2016	60934N104	12,412.50	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	12,412.50	0.00	12,412.50	0.00
Purchase	06/24/2016	60934N104	1,380,000.00	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	1,380,000.00	0.00	1,380,000.00	0.00
Purchase	06/28/2016	06538BKS1	1,680,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.74% Due 10/26/2016	99.753	0.75 %	1,675,855.99	0.00	1,675,855.99	0.00
Purchase	06/29/2016	60934N104	8,250.00	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	8,250.00	0.00	8,250.00	0.00
Purchase	06/30/2016	3135G0K69	1,675,000.00	FNMA Note 1.25% Due 5/6/2021	100.340	1.18 %	1,680,695.00	2,559.02	1,683,254.02	0.00
Subtotal			5,140,331.66				5,141,882.65	2,559.02	5,144,441.67	0.00

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Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
ACQUISITIONS										
Security Contribution	06/09/2016	60934N104	334.67	Federated Prime Value Oblig GOVT OBLIG MMF	1.000		334.67	0.00	334.67	0.00
	Subtotal		334.67				334.67	0.00	334.67	0.00
TOTAL ACQUISITIONS			5,140,666.33				5,142,217.32	2,559.02	5,144,776.34	0.00

DISPOSITIONS										
Sale	06/28/2016	60934N104	1,675,855.99	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	1,675,855.99	0.00	1,675,855.99	0.00
Sale	06/30/2016	3135G0E33	1,640,000.00	FNMA Note 1.125% Due 7/20/2018	100.829	0.72 %	1,653,595.60	8,200.00	1,661,795.60	15,183.00
Sale	06/30/2016	60934N104	21,458.42	Federated Prime Value Oblig GOVT OBLIG MMF	1.000	0.25 %	21,458.42	0.00	21,458.42	0.00
	Subtotal		3,337,314.41				3,350,910.01	8,200.00	3,359,110.01	15,183.00

Paydown	06/15/2016	43814HAC2	76,155.78	Honda Auto Receivables 2014-3 A3 0.88% Due 6/15/2018	100.000		76,155.78	658.84	76,814.62	0.00
Paydown	06/15/2016	43814QAC2	0.00	Honda Auto Receivables 2016-2 A3 1.39% Due 4/15/2020	100.000		0.00	266.42	266.42	0.00
Paydown	06/15/2016	477877AD6	43,931.58	John Deere Owner Trust 2014-B A3 1.07% Due 11/15/2018	100.000		43,931.58	539.22	44,470.80	0.00
Paydown	06/15/2016	477879AC4	22,511.06	John Deere Owner Trust 2013-B A3 0.87% Due 8/15/2017	100.000		22,511.06	57.41	22,568.47	0.00
Paydown	06/15/2016	47787VAC5	65,415.47	John Deere Owner Trust 2014-A A3 0.92% Due 4/16/2018	100.000		65,415.47	729.30	66,144.77	0.00
Paydown	06/15/2016	47788MAC4	0.00	John Deere Owner Trust 2016-A A3 1.36% Due 4/15/2020	100.000		0.00	719.67	719.67	0.00
Paydown	06/15/2016	89231MAC9	74,405.12	Toyota Auto Receivables Owner 2014-A 0.67% Due 12/15/2017	100.000		74,405.12	336.26	74,741.38	0.00
Paydown	06/16/2016	89231UAD9	0.00	Toyota Auto Receivables 2016-B 1.3% Due 4/15/2020	100.000		0.00	1,037.47	1,037.47	0.00

Attachment: 06-2016 Investment Report [Revision 1] (2205 : RECEIPT OF QUARTERLY INVESTMENT



Transaction Ledger

5/31/16 Thru 6/30/16

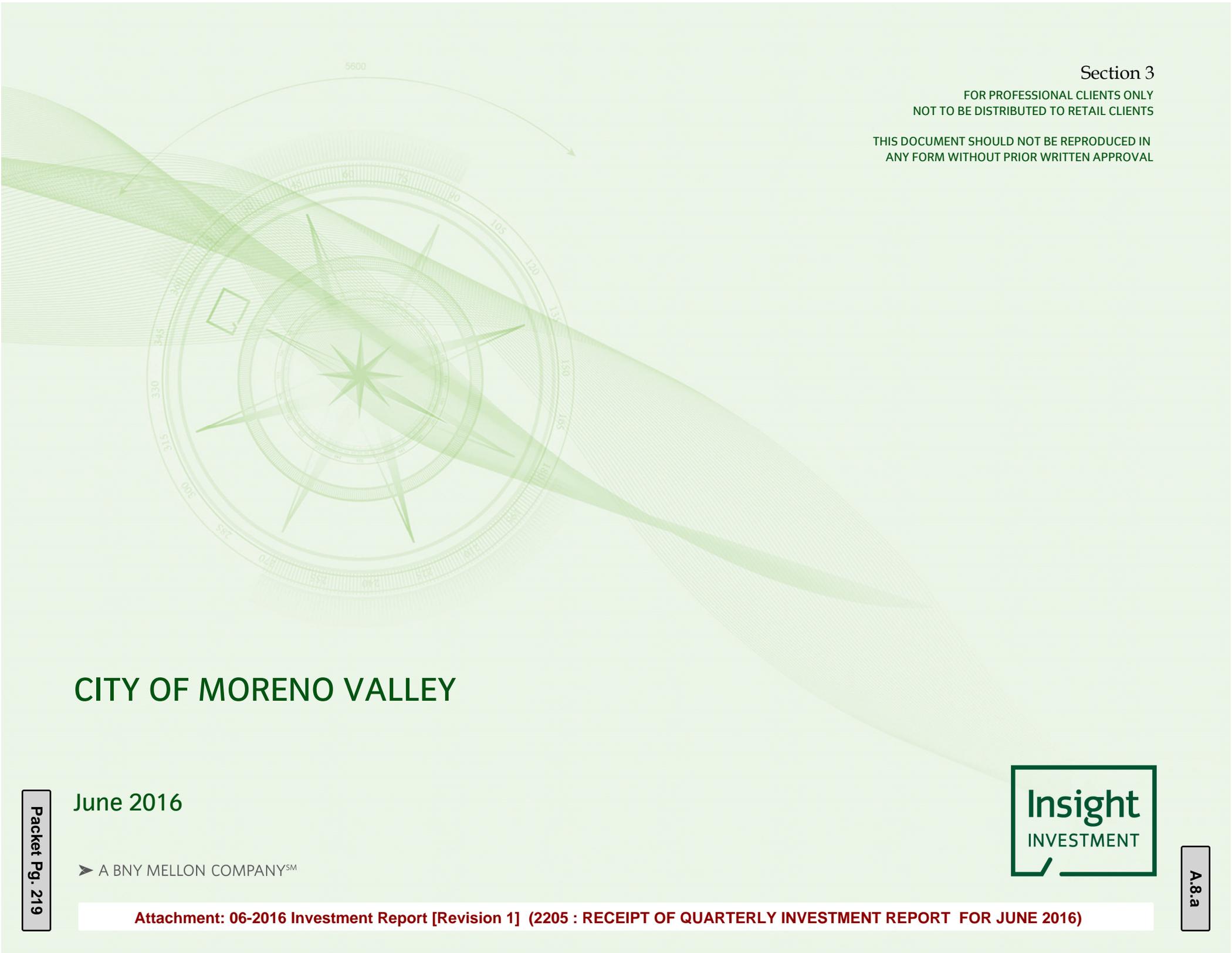
Transaction Type	Settlement Date	CUSIP	Quantity	Security Description	Price	Acq/Disp Yield	Amount	Interest Pur/Sold	Total Amount	Gain/Loss
DISPOSITIONS										
Paydown	06/21/2016	43814GAC4	68,583.24	Honda Auto Receivables 2014-2 A3 0.77% Due 3/19/2018	100.000		68,583.24	475.60	69,058.84	0.00
	Subtotal		351,002.25				351,002.25	4,820.19	355,822.44	0.00
Maturity	06/24/2016	06538BFQ1	1,380,000.00	Bank of Tokyo Mitsubishi NY Discount CP 0.7% Due 6/24/2016	99.769		1,380,000.00	0.00	1,380,000.00	0.00
	Subtotal		1,380,000.00				1,380,000.00	0.00	1,380,000.00	0.00
Security Withdrawal	06/09/2016	60934N104	334.67	Federated Prime Value Oblig GOVT OBLIG MMF	1.000		334.67	0.00	334.67	0.00
	Subtotal		334.67				334.67	0.00	334.67	0.00
TOTAL DISPOSITIONS			5,068,651.33				5,082,246.93	13,020.19	5,095,267.12	15,183.00
OTHER TRANSACTIONS										
Interest	06/05/2016	166764AA8	1,500,000.00	Chevron Corp Callable Note Cont 11/5/17 1.104% Due 12/5/2017	0.000		8,280.00	0.00	8,280.00	0.00
Interest	06/11/2016	02665WAQ4	695,000.00	American Honda Finance Note 1.55% Due 12/11/2017	0.000		5,386.25	0.00	5,386.25	0.00
Interest	06/13/2016	24422ESF7	545,000.00	John Deere Capital Corp Note 1.95% Due 12/13/2018	0.000		5,313.75	0.00	5,313.75	0.00
Interest	06/15/2016	458140AL4	1,440,000.00	Intel Corp Note 1.35% Due 12/15/2017	0.000		9,720.00	0.00	9,720.00	0.00
Interest	06/22/2016	3135G0D75	1,655,000.00	FNMA Note 1.5% Due 6/22/2020	0.000		12,412.50	0.00	12,412.50	0.00
Interest	06/29/2016	3137EADH9	1,650,000.00	FHLMC Note 1% Due 6/29/2017	0.000		8,250.00	0.00	8,250.00	0.00
	Subtotal		7,485,000.00				49,362.50	0.00	49,362.50	0.00
Dividend	06/01/2016	60934N104	125,585.44	Federated Prime Value Oblig GOVT OBLIG MMF	0.000		146.72	0.00	146.72	0.00
	Subtotal		125,585.44				146.72	0.00	146.72	0.00
TOTAL OTHER TRANSACTIONS			7,610,585.44				49,509.22	0.00	49,509.22	0.00

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Section 3

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CITY OF MORENO VALLEY

June 2016

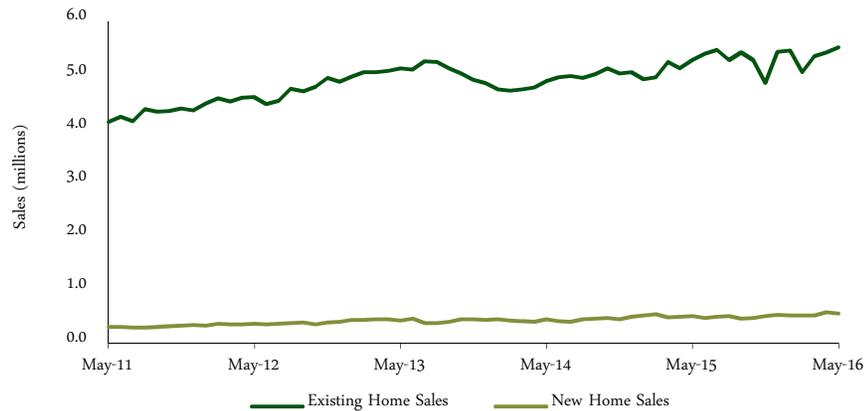
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Attachment: 06-2016 Investment Report [Revision 1] (2205 : RECEIPT OF QUARTERLY INVESTMENT REPORT FOR JUNE 2016)

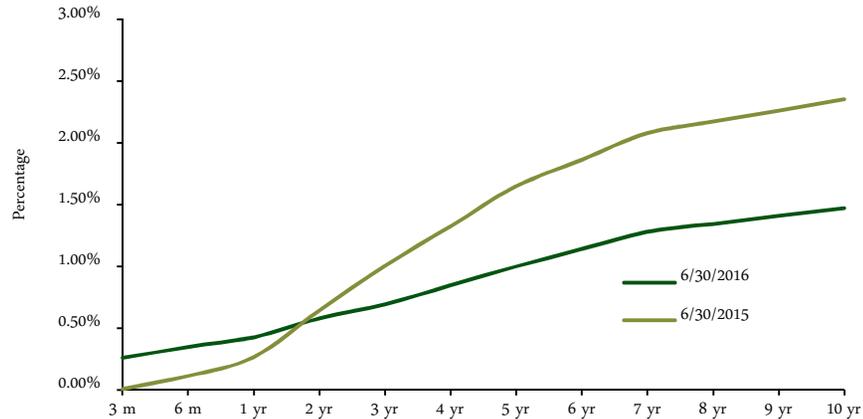
As of June 30, 2016

Chart 1: New and Existing Home Sales 05/31/2011 – 05/31/2016



Source: Bloomberg Finance LP, May 31, 2016

Chart 2: Treasury Yield Curves 6/30/2015 – 6/30/2016



Source: Bloomberg Finance LP, June 30, 2016. Past performance is no assurance of future returns. Please refer to the important disclosures at the back of this presentation.

Economic Indicators & Monetary Policy: The final estimate of Gross Domestic Product (GDP) showed that the economy grew at a 1.1% rate during the first quarter of 2016. The report showed that consumer spending accelerated during the first quarter, while business investment lagged behind. The upward revision marks the second consecutive positive revision for the first quarter. On an annual basis, GDP growth was 2.1%. The Institute for Supply Management (ISM) indices were mixed in May. The ISM manufacturing index rose to 51.3 from 50.8, while the ISM non-manufacturing index fell to 52.9 from 55.7. Both indices however, indicate economic growth as levels exceeded 50.

May was the weakest month for job creation in over five years as only 38,000 jobs were added to the workforce. The April jobs report was also revised downward to 123,000 from the original estimate of 160,000. The unemployment rate in May fell to 4.7% as the labor force participation rate dropped to 62.6%. Labor participation has now declined for two consecutive months after six months of growth. The unemployment rate remained at 9.7% and the wages increased slightly. Average hourly earnings grew 2.5% and 0.2% on a year-over-year and month-over-month basis.

Inflation indicators were mixed in May and continue to remain below the 2% long-term goal of the Federal Reserve (Fed). The Producer Price Index (PPI) including food and energy grew 0.4% on a month-over-month basis, while the core PPI increased 0.3%. On an annual basis, headline PPI grew 1.2% while core PPI increased 0.8%. On the consumer side, the headline and core Consumer Price Index (CPI) both increased 0.2% on a month-over-month basis. Headline CPI grew 1.0% on a year-over-year basis, while core CPI was 2.2% higher.

Existing home sales increased 1.8% in May after increasing 1.3% in April. New home sales however, retreated, falling 6.0% after a 12.3% increase in April. Home prices continue to rise across the United States, as the Case Shiller Index increased 5.4%.

The Federal Open Markets Committee voted to maintain its Fed funds target rate at 0.25 – 0.50% at their June meeting. Fed governors indicated that the economy may warrant an interest rate increase at some point this summer, however the Fed meeting took place before the United Kingdom voted to exit the European Union, which led to market uncertainty.

Yield Curve & Spreads: At the end of June, the 3-month US Treasury bill yielded 0.26%, the 6-month US Treasury bill yielded 0.35%, the 2-year US Treasury note yielded 0.58%, the 5-year US Treasury note yielded 0.99%, and the 10-year US Treasury note yielded 1.44% (See Chart 2).

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2016 - June 30, 2016

<u>Amortized Cost Basis Activity Summary</u>	
Opening balance	54,586,149.22
Income received	82,038.73
Total receipts	82,038.73
Total disbursements	0.00
Interportfolio transfers	0.00
Total Interportfolio transfers	0.00
Realized gain (loss)	0.00
Total amortization expense	(8,977.01)
Total OID/MKT accretion income	4,165.94
Return of capital	0.00
Closing balance	54,663,376.88
Ending fair value	54,991,224.29
Unrealized gain (loss)	327,847.41

<u>Detail of Amortized Cost Basis Return</u>				
	Interest earned	Accretion (amortization)	Realized gain (loss)	Total income
Cash and Cash Equivalents	49.60	0.00	0.00	49.60
Corporate Bonds	18,637.56	(3,977.78)	0.00	14,659.78
Government Agencies	24,786.17	(2,829.78)	0.00	21,956.39
Government Bonds	7,352.84	1,996.49	0.00	9,349.33
Total	50,826.17	(4,811.07)	0.00	46,015.10

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.26	0.18	0.03
Overnight Repo	0.32	0.22	0.04
Merrill Lynch 3m US Treas Bill	0.16	0.13	0.02
Merrill Lynch 6m US Treas Bill	0.27	0.18	0.03
ML 1 Year US Treasury Note	0.48	0.28	0.05
ML 2 Year US Treasury Note	0.78	0.40	0.06
ML 5 Year US Treasury Note	1.45	0.65	0.10

* rates reflected are cumulative

<u>Summary of Amortized Cost Basis Return for the Period</u>	
	Total portfolio
Interest earned	50,826.17
Accretion (amortization)	(4,811.07)
Realized gain (loss) on sales	0.00
Total income on portfolio	46,015.10
Average daily amortized cost	54,629,478.78
Period return (%)	0.08
YTD return (%)	0.54
Weighted average final maturity in days	604

ACTIVITY AND PERFORMANCE SUMMARY

For the period June 1, 2016 - June 30, 2016

<u>Fair Value Basis Activity Summary</u>		
Opening balance		54,719,715.95
Income received	82,038.73	
Total receipts		82,038.73
Total disbursements		0.00
Interportfolio transfers	0.00	
Total Interportfolio transfers		0.00
Unrealized gain (loss) on security movements		0.00
Return of capital		0.00
Change in fair value for the period		189,469.61
Ending fair value		54,991,224.29

<u>Detail of Fair Value Basis Return</u>			
	Interest earned	Change in fair value	Total income
Cash and Cash Equivalents	49.60	0.00	49.60
Corporate Bonds	18,637.56	42,862.01	61,499.57
Government Agencies	24,786.17	101,550.42	126,336.59
Government Bonds	7,352.84	45,057.18	52,410.02
Total	50,826.17	189,469.61	240,295.78

<u>Comparative Rates of Return (%)</u>			
	* Twelve month trailing	* Six month trailing	* One month
Fed Funds	0.26	0.18	0.03
Overnight Repo	0.32	0.22	0.04
Merrill Lynch 3m US Treas Bill	0.19	0.15	0.04
Merrill Lynch 6m US Treas Bill	0.52	0.41	0.12
ML 1 Year US Treasury Note	0.59	0.65	0.24
ML US Treasury 1-3	1.31	1.43	0.60
ML US Treasury 1-5	2.43	2.39	0.97

* rates reflected are cumulative

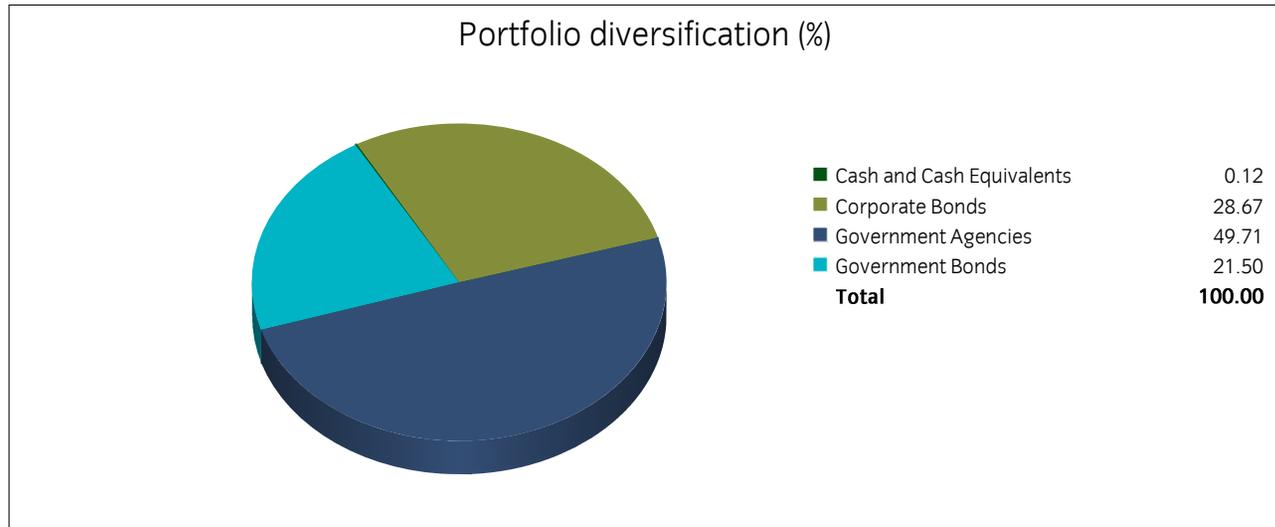
<u>Summary of Fair Value Basis Return for the Period</u>	
	Total portfolio
Interest earned	50,826.17
Change in fair value	189,469.61
Total income on portfolio	240,295.78
Average daily total value *	55,016,327.98
Period return (%)	0.44
YTD return (%)	1.26
Weighted average final maturity in days	604

* Total value equals market value and accrued interest

RECAP OF SECURITIES HELD

As of June 30, 2016

	Historical cost	Amortized cost	Fair value	Unrealized gain (loss)	Weighted average final maturity (days)	Percent of portfolio	Weighted average effective duration (years)
Cash and Cash Equivalents	62,896.82	62,896.82	62,896.82	0.00	1	0.12	0.00
Corporate Bonds	15,653,876.00	15,639,034.31	15,717,178.12	78,143.81	637	28.67	1.70
Government Agencies	27,147,279.95	27,158,492.44	27,323,689.55	165,197.11	623	49.71	1.68
Government Bonds	11,742,249.73	11,802,953.31	11,887,459.80	84,506.49	519	21.50	1.41
Total	54,606,302.50	54,663,376.88	54,991,224.29	327,847.41	604	100.00	1.63

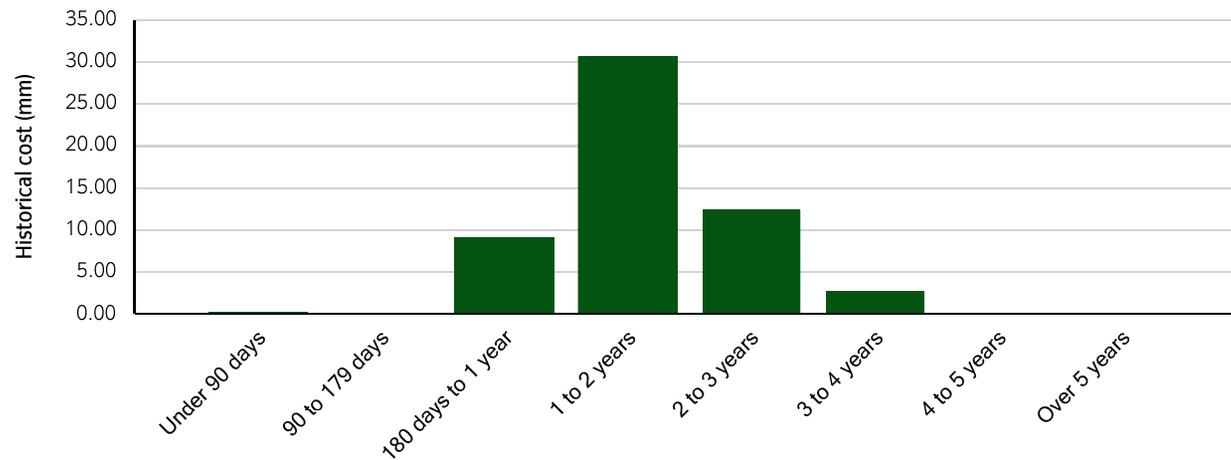


MATURITY DISTRIBUTION OF SECURITIES HELD

As of June 30, 2016

Maturity	Historic cost	Percent
Under 90 days	62,896.82	0.12
90 to 179 days	0.00	0.00
180 days to 1 year	8,997,382.20	16.48
1 to 2 years	30,596,286.84	56.03
2 to 3 years	12,391,584.64	22.69
3 to 4 years	2,558,152.00	4.69
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
	54,606,302.50	100.00

Maturity distribution



SECURITIES HELD

As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Cash and Cash Equivalents											
Cash and Cash Equivalents	0.000		62,896.82	62,896.82 0.00	62,896.82 0.00	62,896.82 0.00	0.00	0.00	0.00	0.00	0.12
Total Cash and Cash Equivalents			62,896.82	62,896.82 0.00	62,896.82 0.00	62,896.82 0.00	0.00	0.00	0.00	0.00	0.12
Corporate Bonds											
46623EJY6 JPMORGAN CHASE & CO 1.35% 15/02/2017	1.350	02/15/2017	1,000,000.00	1,003,660.00 0.00	1,001,098.00 (146.40)	1,002,032.00 57.00	934.00	0.00	1,087.50	5,062.50	1.84
24422ERN1 JOHN DEERE CAPITAL CORP 1.4% 15/03/2017	1.400	03/15/2017	800,000.00	807,064.00 0.00	802,484.58 (292.30)	803,052.80 (456.00)	568.22	0.00	902.23	3,266.67	1.48
36962G7J7 GENERAL ELECTRIC CO 1.25% 15/05/2017 (CALLABLE 13/04/17)	1.250	05/15/2017 04/13/2017	1,000,000.00	1,005,930.00 0.00	1,002,223.75 (211.79)	1,002,816.50 466.50	592.75	0.00	1,006.94	1,562.50	1.84
717081DJ9 PFIZER INC 1.1% 15/05/2017	1.100	05/15/2017	1,000,000.00	1,003,800.00 0.00	1,001,524.84 (145.22)	1,002,305.00 1,002.50	780.16	0.00	886.11	1,375.00	1.84
713448CB2 PEPSICO INC 1.25% 13/08/2017	1.250	08/13/2017	500,000.00	501,065.00 0.00	500,546.75 (40.70)	502,298.50 785.50	1,751.75	0.00	503.47	2,378.47	0.92
0258M0DR7 AMERICAN EXPRESS CREDIT 1.55% 22/09/2017	1.550	09/22/2017	740,000.00	745,379.80 0.00	742,647.96 (179.73)	743,283.38 2,003.92	635.42	0.00	923.97	3,122.39	1.37
68389XAN5 ORACLE CORP 1.2% 15/10/2017	1.200	10/15/2017	1,000,000.00	1,003,020.00 0.00	1,001,524.76 (98.37)	1,003,732.50 144.50	2,207.74	0.00	966.67	2,500.00	1.84
40AL4 CORP 1.35% 15/12/2017	1.350	12/15/2017	500,000.00	501,300.00 0.00	500,378.33 (21.61)	502,963.00 1,563.50	2,584.67	3,375.00	543.75	281.25	0.92

SECURITIES HELD

As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
459200HZ7 IBM CORP 1.125% 06/02/2018	1.125	02/06/2018	1,000,000.00	998,600.00 0.00	999,254.71 38.81	1,004,304.00 2,924.00	5,049.29	0.00	906.25	4,500.00	1.83
24422ESB6 JOHN DEERE CAPITAL CORP 1.3% 12/03/2018	1.300	03/12/2018	1,000,000.00	998,550.00 0.00	999,203.41 39.05	1,005,303.00 3,487.00	6,099.59	0.00	1,047.22	3,900.00	1.83
191216BA7 COCA-COLA CO/THE 1.15% 01/04/2018	1.150	04/01/2018	1,000,000.00	995,110.00 0.00	997,202.55 133.00	1,006,943.00 4,821.00	9,740.45	0.00	926.39	2,843.06	1.82
931142DF7 WAL-MART STORES INC 1.125% 11/04/2018	1.125	04/11/2018	1,130,000.00	1,128,960.40 0.00	1,129,631.43 17.25	1,135,723.45 2,712.00	6,092.02	0.00	1,024.06	2,789.69	2.07
037833AJ9 APPLE INC 1% 03/05/2018	1.000	05/03/2018	500,000.00	493,995.00 0.00	497,765.82 101.10	501,230.50 1,885.50	3,464.68	0.00	402.78	791.67	0.90
91159HHE3 US BANCORP 1.95% 15/11/2018 (CALLABLE 15/10/18)	1.950	11/15/2018 10/15/2018	215,000.00	215,455.80 0.00	215,227.37 (7.98)	219,514.79 1,016.09	4,287.42	0.00	337.73	524.06	0.39
17275RBB7 CISCO SYSTEMS INC 1.6% 28/02/2019	1.600	02/28/2019	700,000.00	702,331.00 0.00	702,056.76 (64.28)	710,535.70 3,854.90	8,478.94	0.00	902.22	3,764.44	1.29
17275RAR3 CISCO SYSTEMS INC 2.125% 01/03/2019	2.125	03/01/2019	500,000.00	503,740.00 0.00	501,991.21 (62.16)	513,531.00 2,366.50	11,539.79	0.00	855.90	3,512.15	0.92
89236TDE2 TOYOTA MOTOR CREDIT CORP 1.4% 20/05/2019	1.400	05/20/2019	1,500,000.00	1,504,395.00 (1,925.00)	1,504,349.00 (46.00)	1,508,784.00 4,389.00	4,435.00	0.00	408.33	2,333.33	2.75

SECURITIES HELD

As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Corporate Bonds											
02665WAH4 AMERICAN HONDA FINANCE 2.25% 15/08/2019	2.250	08/15/2019	1,500,000.00	1,541,520.00 0.00	1,539,923.08 (1,064.61)	1,548,825.00 11,529.00	8,901.92	0.00	2,718.75	12,656.25	2.82
Total Corporate Bonds			15,585,000.00	15,653,876.00 (1,925.00)	15,639,034.31 (2,051.94)	15,717,178.12 44,552.41	78,143.81	3,375.00	16,350.27	57,163.43	28.67
Government Agencies											
3137EADC0 FREDDIE MAC 1% 08/03/2017	1.000	03/08/2017	1,000,000.00	986,050.00 0.00	998,072.65 233.15	1,003,279.00 1,211.00	5,206.35	0.00	805.55	3,111.11	1.81
313378WF4 FEDERAL HOME LOAN BANK 1.125% 10/03/2017	1.125	03/10/2017	1,000,000.00	1,003,560.00 0.00	1,000,506.55 (60.78)	1,003,840.00 70.00	3,333.45	0.00	906.25	3,437.50	1.84
3137EADF3 FREDDIE MAC 1.25% 12/05/2017	1.250	05/12/2017	1,000,000.00	1,009,273.00 0.00	1,001,621.74 (155.93)	1,005,751.00 1,483.00	4,129.26	0.00	1,006.95	1,666.67	1.85
313379VE6 FEDERAL HOME LOAN BANK 1.01% 19/06/2017	1.010	06/19/2017	915,000.00	923,363.10 0.00	916,654.60 (142.23)	918,961.95 2,122.80	2,307.35	4,620.75	744.45	282.38	1.69
3137EADH9 FREDDIE MAC 1% 29/06/2017	1.000	06/29/2017	1,500,000.00	1,510,875.00 0.00	1,502,201.99 (184.01)	1,506,102.00 2,632.50	3,900.01	7,500.00	1,208.34	41.67	2.77
3133EFEU7 FEDERAL FARM CREDIT BANK 0.78% 28/08/2017	0.780	08/28/2017	1,600,000.00	1,602,000.00 0.00	1,601,202.88 (86.33)	1,602,256.00 4,048.00	1,053.12	0.00	1,005.33	4,229.33	2.93
3133EAY28 FEDERAL FARM CREDIT BANK 0.83% 21/09/2017	0.830	09/21/2017	1,645,000.00	1,645,000.00 0.00	1,645,000.00 0.00	1,649,063.15 5,576.55	4,063.15	0.00	1,099.86	3,754.71	3.01
3135G0RT2 NIE MAE 0.875% 2/2017	0.875	12/20/2017	1,850,000.00	1,845,264.00 0.00	1,848,556.60 81.71	1,856,536.05 6,617.45	7,979.45	8,093.75	1,303.99	449.65	3.38

SECURITIES HELD

As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
3134G6PM9 FREDDIE MAC 1.05% 29/12/2017 CALLABLE	1.050	12/29/2017	1,000,000.00	1,000,600.00 0.00	1,000,238.69 0.00	1,006,500.00 4,020.00	6,261.31	5,250.00	845.84	29.17	1.83
3137EADN6 FREDDIE MAC 0.75% 12/01/2018 #1	0.750	01/12/2018	1,850,000.00	1,833,275.85 0.00	1,844,129.67 319.04	1,853,170.90 6,835.75	9,041.23	0.00	1,117.71	6,475.00	3.36
3135G0TG8 FANNIE MAE 0.875% 08/02/2018	0.875	02/08/2018	1,500,000.00	1,475,430.00 0.00	1,491,536.67 439.27	1,507,648.50 7,306.50	16,111.83	0.00	1,057.29	5,177.08	2.70
3135G0VC4 FANNIE MAE 1.13% 28/02/2018 CALLABLE	1.130	02/28/2018	2,000,000.00	2,001,040.00 0.00	2,000,636.09 (31.80)	2,014,560.00 13,660.00	13,923.91	0.00	1,820.56	7,658.89	3.66
3135G0WJ8 FANNIE MAE 0.875% 21/05/2018	0.875	05/21/2018	1,000,000.00	969,505.00 0.00	988,016.68 527.90	1,003,958.00 5,397.00	15,941.32	0.00	704.86	947.92	1.78
31331KNA4 FEDERAL FARM CREDIT BANK 2.58% 08/06/2018	2.580	06/08/2018	1,200,000.00	1,248,852.00 0.00	1,233,694.36 (1,448.19)	1,240,116.00 5,124.00	6,421.64	15,480.00	2,494.00	1,892.00	2.29
3135G0YM9 FANNIE MAE 1.875% 18/09/2018	1.875	09/18/2018	2,000,000.00	2,036,700.00 0.00	2,028,628.15 (1,076.25)	2,051,104.00 11,420.00	22,475.85	0.00	3,020.83	10,625.00	3.73
3135G0YT4 FANNIE MAE 1.625% 27/11/2018	1.625	11/27/2018	1,000,000.00	996,020.00 0.00	998,066.86 66.89	1,021,287.00 6,197.00	23,220.14	0.00	1,309.02	1,489.58	1.82
313376BR5 FEDERAL HOME LOAN BANK 1.75% 14/12/2018	1.750	12/14/2018	2,000,000.00	2,043,800.00 (583.33)	2,043,117.15 (682.85)	2,047,732.00 3,932.00	4,614.85	0.00	972.23	1,555.56	3.74
3137EADZ9 FREDDIE MAC 1.125% 4/2019	1.125	04/15/2019	2,000,000.00	2,000,040.00 0.00	2,000,036.61 (1.09)	2,016,994.00 16,906.00	16,957.39	0.00	1,812.50	6,187.50	3.66

SECURITIES HELD

As of June 30, 2016

Cusip/ Description	Coupon	Maturity/ Call date	Par value or shares	Historical cost/ Accrued interest purchased	Amortized cost/ Accretion (amortization)	Fair value/ Change in fair value	Unrealized gain (loss)	Interest received	Interest earned	Total accrued interest	% Port cost
Government Agencies											
313380FB8 FEDERAL HOME LOAN BANK 1.375% 13/09/2019	1.375	09/13/2019	1,000,000.00	1,016,632.00 (4,010.42)	1,016,574.50 (57.50)	1,014,830.00 (1,802.00)	(1,744.50)	0.00	76.39	4,086.81	1.86
Total Government Agencies			27,060,000.00	27,147,279.95 (4,593.75)	27,158,492.44 (2,259.00)	27,323,689.55 102,757.55	165,197.11	40,944.50	23,311.95	63,097.53	49.71
Government Bonds											
912828SC5 USA TREASURY 0.875% 31/01/2017	0.875	01/31/2017	1,245,000.00	1,254,682.10 0.00	1,246,234.67 (172.28)	1,248,101.30 1,155.36	1,866.63	0.00	897.84	4,519.11	2.30
912828TG5 USA TREASURY 0.5% 31/07/2017	0.500	07/31/2017	3,100,000.00	3,069,373.67 0.00	3,092,499.67 568.20	3,099,032.80 9,083.00	6,533.13	0.00	1,277.48	6,429.95	5.62
912828TS9 USA TREASURY 0.625% 30/09/2017	0.625	09/30/2017	2,875,000.00	2,860,759.64 0.00	2,870,980.47 263.87	2,877,696.75 9,099.37	6,716.28	0.00	1,472.85	4,467.64	5.24
912828UA6 USA TREASURY 0.625% 30/11/2017	0.625	11/30/2017	1,200,000.00	1,192,312.50 0.00	1,194,589.50 313.35	1,200,984.00 4,406.40	6,394.50	0.00	614.75	614.75	2.18
912828UU2 USA TREASURY 0.75% 31/03/2018	0.750	03/31/2018	1,000,000.00	976,018.98 0.00	991,017.66 421.71	1,002,734.00 4,765.00	11,716.34	0.00	614.75	1,864.75	1.79
912828WD8 USA TREASURY 1.25% 31/10/2018	1.250	10/31/2018	1,700,000.00	1,679,818.19 0.00	1,690,344.88 339.57	1,723,573.90 11,422.30	33,229.02	0.00	1,732.34	3,522.42	3.08

TRANSACTION REPORT

For the period June 1, 2016 - June 30, 2016

Trade date Settle date	Cusip	Transaction	Sec type	Description	Maturity	Par value or shares	Realized gain(loss)	Principal	Interest	Transaction total
06/08/2016 06/08/2016	31331KNA4	Income	Government Agencies	FEDERAL FARM CREDIT BANK	06/08/2018	1,200,000.00	0.00	0.00	15,480.00	15,480.00
06/10/2016 06/10/2016	313373SZ6	Income	Government Agencies	FHLB CONS BD DTD 05-10-2011	06/10/2016	2,775,000.00	0.00	0.00	29,484.38	29,484.38
06/10/2016 06/10/2016	313373SZ6	Capital Change	Government Agencies	FHLB CONS BD DTD 05-10-2011	06/10/2016	(2,775,000.00)	0.00	2,775,000.00	0.00	2,775,000.00
06/15/2016 06/15/2016	458140AL4	Income	Corporate Bonds	INTEL CORP 1.35% 15/12/2017	12/15/2017	500,000.00	0.00	0.00	3,375.00	3,375.00
06/15/2016 06/15/2016	949746QU8	Income	Corporate Bonds	WELLS FARGO & CO STP-UP	06/15/2016	1,600,000.00	0.00	0.00	14,704.00	14,704.00
06/15/2016 06/15/2016	949746QU8	Capital Change	Corporate Bonds	WELLS FARGO & CO STP-UP	06/15/2016	(1,600,000.00)	0.00	1,600,000.00	0.00	1,600,000.00
06/17/2016 06/20/2016	313376BR5	Bought	Government Agencies	FEDERAL HOME LOAN BANK	12/14/2018	2,000,000.00	0.00	(2,043,800.00)	(583.33)	(2,044,383.33)
06/19/2016 06/19/2016	313379VE6	Income	Government Agencies	FEDERAL HOME LOAN BANK	06/19/2017	915,000.00	0.00	0.00	4,620.75	4,620.75
06/20/2016 06/20/2016	3135G0RT2	Income	Government Agencies	FANNIE MAE 0.875%	12/20/2017	1,850,000.00	0.00	0.00	8,093.75	8,093.75
06/20/2016 06/23/2016	89236TDE2	Bought	Corporate Bonds	TOYOTA MOTOR CREDIT CORP	05/20/2019	1,500,000.00	0.00	(1,504,395.00)	(1,925.00)	(1,506,320.00)
06/27/2016 06/28/2016	313380FB8	Bought	Government Agencies	FEDERAL HOME LOAN BANK	09/13/2019	1,000,000.00	0.00	(1,016,632.00)	(4,010.42)	(1,020,642.42)
06/29/2016 06/29/2016	3134G6PM9	Income	Government Agencies	FREDDIE MAC 1.05%	12/29/2017	1,000,000.00	0.00	0.00	5,250.00	5,250.00
06/29/2016 06/29/2016	3137EADH9	Income	Government Agencies	FREDDIE MAC 1% 29/06/2017	06/29/2017	1,500,000.00	0.00	0.00	7,500.00	7,500.00
06/30/2016		Income	Cash and Cash Equivalents	Cash		0.00	0.00	0.00	49.60	49.60

BOND MARKET REVIEW

A MONTHLY REVIEW OF
FIXED INCOME MARKETS



WHAT'S INSIDE

- Market Summary 1
 - Yield Curve
 - Current Yields

- Economic Round-Up. 2
 - Credit Spreads
 - Economic Indicators

Since 1988, Chandler Asset Management has specialized in the management of fixed income portfolios. Chandler's mission is to provide fully customizable, client-centered portfolio management that preserves principal, manages risk and generates income in our clients' portfolios.

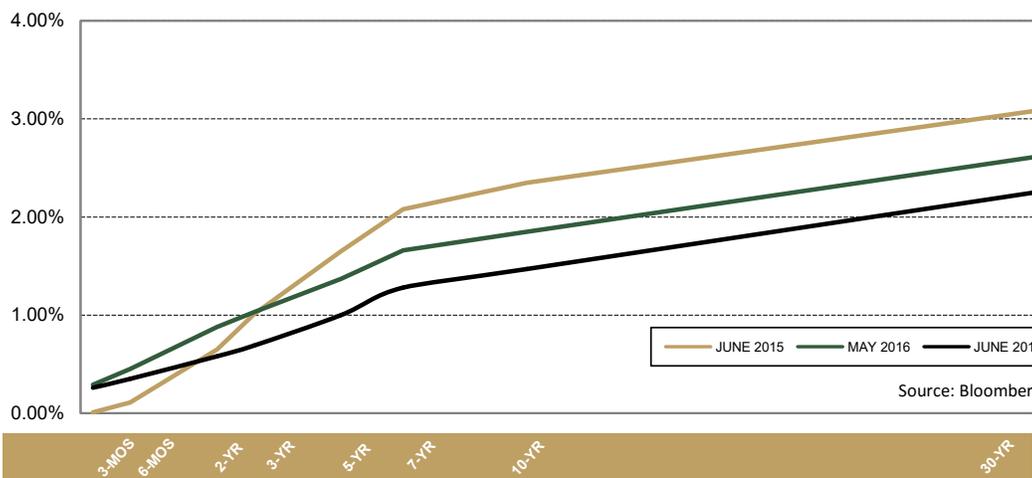
Market Summary

The Federal Open Market Committee (FOMC) voted to keep the fed funds rate unchanged at the June 14 meeting. The FOMC statement was mostly balanced, noting that the pace of labor market gains slowed economic activity picked up. Brexit fears and the corresponding volatility in sovereign bond yields, along with the disappointing May jobs report, likely prompted the Fed to keep monetary policy on hold. In her pre-conference, Fed Chair Yellen conceded that the Fed can more effectively respond to an overshoot of inflation than they can to a weakening labor market and/or deflation. In hindsight, the Fed's cautious stance in June seems to have been prudent. Just a week later, Britain's unexpected vote to leave the European Union was a shock to the financial markets and prompted a broad selloff of risk assets and spike in volatility. The long-term implications of the Brexit vote are highly uncertain. Near term, we expect financial market volatility to remain elevated and interest rates to stay lower for longer. We believe the hurdle rate for future fed funds rate hikes has moved materially higher. Furthermore, we expect the Federal Reserve to remain on hold over near-term.

Although the global economy faces headwinds, domestic economic data continues to point toward modest growth, in our view. Nonfarm payroll growth was lower in the second quarter than the first quarter, but remained high enough to absorb new entrants into the labor market. The unemployment rate was 4.9% in June and wage growth continued to tick higher during the month. Consumer confidence remains strong and consumer spending has recently improved. The housing sector appears healthy and pricing remains firm. Meanwhile, manufacturing trends have improved but remain sluggish. Inflation pressures are muted (for example, with the Core PCE index up just 1.6% year-over-year in May). First quarter 2016 GDP grew 1.1%, following growth of 1.4% in the fourth quarter. Market participants are forecasting a modest rebound in GDP growth to 2.5% in the second quarter of 2016.

In June, the 2-year Treasury yield declined nearly 30 basis points and the 10-year Treasury yield declined almost 38 basis points. Negative interest rates in Europe and Japan, investors' hunt for yield, and a global flight to quality continue to fuel demand for US Treasury securities. Elevated market volatility, the potential for a further slowdown in global economic growth, and highly accommodative monetary policies by other global central banks will continue to influence the Federal Reserve. The FOMC's median projection calls for two rate hikes before year-end, but we believe this projection is unlikely to be met.

THE TREASURY YIELD CURVE FLATTENED SLIGHTLY



In June the Treasury yield curve flattened. Over the past three months, the 2-year Treasury yield declined 30 basis points and the 10-year Treasury yield declined 38 basis points. The flattening is even more pronounced on a year-over-year basis with the 2-year Treasury yield down 6 basis points and the 10-year Treasury yield down nearly 90 basis points.

TREASURY YIELDS	6/30/2016	5/31/2016	CHANGE
3 Month	0.26	0.29	(0.03)
2 Year	0.58	0.88	(0.30)
3 Year	0.69	1.03	(0.34)
5 Year	1.00	1.37	(0.37)
7 Year	1.28	1.66	(0.38)
10 Year	1.47	1.85	(0.38)
30 Year	2.29	2.65	(0.36)

Source: Bloomberg

Economic Roundup

Consumer Prices

The Consumer Price Index (CPI) was up just 1.0% year-over-year in May, vs. 1.1% in April. Core CPI (CPI less food and energy) was up 2.2% year-over-year in May, vs. 2.1% in April. The Personal Consumption Expenditures (PCE) index was up 0.9% year-over-year in May, vs. up 1.1% in April. Core PCE (excluding food and energy) was unchanged in May, up 1.6% year-over-year. Although Core CPI is trending above 2.0%, the Fed's primary inflation gauge is PCE which remains below the Fed's 2.0% target.

Retail Sales

Retail sales rose 2.5% in May on a year-over-year basis, following a 3.0% increase in April. Retail sales were up 0.5% month-over-month. Excluding autos and gas, retail sales were up 0.3% month-over-month, in line with expectations.

Labor Market

Nonfarm payrolls were much stronger than expected in June, up 287,000 versus the consensus forecast of 180,000. However, May payrolls (which were already quite low) were revised down to 11,000 from 38,000. During the second quarter, payrolls increased by an average of 147,000 per month compared to an average of 196,000 during the first quarter. Job growth has decelerated but remains consistent with slow domestic economic growth. The unemployment rate increased to 4.9% in June from 4.7% in May, as the participation rate increased to 62.7% from 62.6%. A broader measure of unemployment called the U-6, which includes those who are marginally attached to the labor force and employed part time for economic reasons, edged down to 9.6% from 9.7%. Wages inched up 0.1% in June, following growth of 0.2% in May. On a year-over-year basis, wages were up 2.6% in June.

Housing Starts

Total housing starts slipped 0.3% on a month-over-month basis in May, but were up 9.5% on a year-over-year basis. Month-over-month, single-family starts rose 0.3% in May while multi-family starts declined 1.2%. However, year-over-year, single-family starts were up 10.1% in May and multi-family starts were up 8.4%. Housing starts tend to be volatile on a month-to-month basis and the data is subject to revision. Multi-family starts were particularly strong in 2015, making the year-over-year comparison challenging. We believe underlying trends in the housing market remain healthy.

Credit Spreads Widened in June

CREDIT SPREADS	Spread to Treasuries (%)	One Month Ago (%)	Change (%)
3-month top-rated commercial paper	0.29	0.20	0.09
2-year A corporate note	0.59	0.48	0.11
5-year A corporate note	0.80	0.72	0.08
5-year Agency note	0.19	0.15	0.04

Source: Bloomberg

Data as of 6/30/2016

Economic Data Points to Modest Growth

ECONOMIC INDICATOR	Current Release	Prior Release	One Year Ago
Trade Balance	(41.1) \$Bln MAY 16	(37.4) \$Bln APR 16	(40.2) \$Bln MAY 15
GDP	1.1% MAR 16	1.4% DEC 15	0.6% MAR 15
Unemployment Rate	4.9% JUN 16	4.7% MAY 16	5.3% JUN 15
Prime Rate	3.5% JUN 16	3.5% MAY 16	3.25% JUN 15
CRB Index	192.57 JUN 16	186.15 MAY 16	227.17 JUN 15
Oil (West Texas Int.)	\$48.33 JUN 16	\$49.10 MAY 16	\$59.47 JUN 15
Consumer Price Index (y/o/y)	1.0% MAY 16	1.1% APR 16	0.0% MAY 15
Producer Price Index (y/o/y)	(2.3%) MAY 16	(1.3%) APR 16	(2.9%) MAY 15
Dollar/EURO	1.11 JUN 16	1.11 MAY 16	1.11 JUN 15

Source: Bloomberg

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PLEASE SEE THE REVERSE SIDE FOR IMPORTANT DISCLOSURES AND ADDITIONAL INFORMATION



WEEKLY ECONOMIC UPDATE

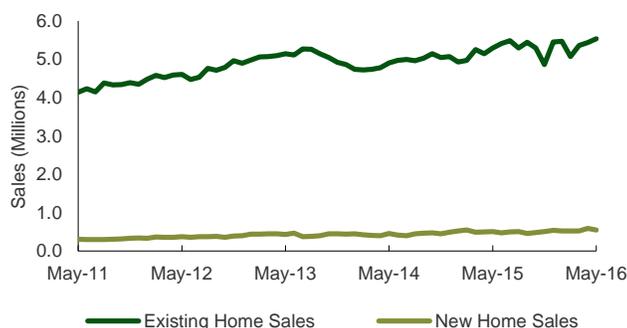
June 24, 2016

UK VOTES TO LEAVE EUROPEAN UNION, HOME SALES MIXED IN MAY

The electorate of the United Kingdom voted to leave the European Union (EU), becoming the first EU member to remove itself from the 28 nation economic and political organization. As a result of the vote, the British Pound fell to a 31 year low compared to the U.S. Dollar. Britain will now begin a two year negotiation period with the European Union to determine future trade agreements and economic policy. In the United States housing data showed mixed results in May. Existing home sales increased 1.8 percent to an annualized rate of 5.53 million, while new home sales fell 6.0 percent to an annualized rate of 551,000. Durable goods orders also declined in May, falling 2.2 percent.

New and Existing Home Sales

5/2011 – 5/2016



Source: National Association of Realtors

Selected current economic data

Data	Period	(%)
GDP QoQ	Q1 16	0.8%
GDP YoY	Q1 16	2.0%
PPI YoY	May-16	-0.1%
CPI YoY	May-16	1.0%
Jobless Rate	May-16	4.7%
Fed Funds Target	Jun-16	0.25 - 0.50%

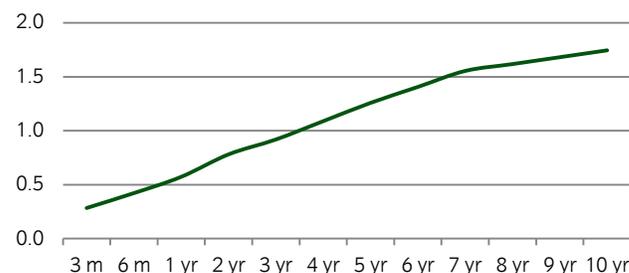
Source: Bloomberg Finance LP.

Agency Yields

Term	6/23/16	6/16/16	Change
3 month	0.28%	0.34%	-0.07%
6 month	0.45%	0.45%	0.00%
2 year	0.85%	0.77%	0.08%
5 year	1.36%	1.23%	0.13%
10 Year	2.04%	1.90%	0.14%

Source: Bloomberg Finance LP.

Treasury yield curve 6/23/2016



Source: Bloomberg Finance LP.

Treasury yields

Term	6/23/16	6/16/16	Change
3 month	0.28%	0.26%	0.02%
6 month	0.42%	0.35%	0.07%
1 year	0.57%	0.50%	0.07%
2 year	0.78%	0.68%	0.10%
5 year	1.26%	1.09%	0.17%
10 year	1.74%	1.58%	0.16%
30 year	2.56%	2.40%	0.16%

Source: Bloomberg Finance LP.

Commercial Paper Yields (A-1/P-1 dealers)

Term	6/23/16	6/16/16	Change
1 month	0.51%	0.53%	-0.02%
3 month	0.64%	0.64%	0.00%
6 month	0.86%	0.86%	0.00%
9 month	1.05%	1.03%	0.02%

Source: Bloomberg Finance LP.

UPCOMING KEY ECONOMIC DATA

June 28: Gross Domestic Product
July 1: ISM Manufacturing

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Report to City Council

TO: Mayor and City Council

FROM: Terrie Stevens, Administrative Services Director

AGENDA DATE: August 16, 2016

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting are presented for City Council ratification.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Terrie Stevens
Administrative Services Director

Department Head Approval:
Terrie Stevens
Administrative Services Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. List of Personnel Changes

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	8/02/16 9:00 AM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 8:27 AM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:16 PM

City of Moreno Valley
Personnel Changes
August 16, 2016

New Hires

Brandon Miranda
Traffic Signing & Marking Technician, Public Works

Raul Lopez
Maintenance Worker I, Public Works

Mario Zavala
Maintenance Worker I, Public Works

Perry Singerman
Building Inspector II, Community Development

Rosa Washington
Recycling Specialist, Public Works

Janell Gilbert
Financial Resources Division Manager, Financial & Management Services

Martha Acosta
Management Analyst I, Public Works/Special Districts

Brigitta Bartha
Principal Accountant, Financial & Management Services

Promotions

Barry Verduco
From: Maintenance Worker II
To: Landscape Services Inspector

Transfers

None

Separations

Joseph Jones
Senior Citizens Center Coordinator

Attachment: List of Personnel Changes (2084 : LIST OF PERSONNEL CHANGES)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: August 16, 2016

TITLE: COUNCIL DISCRETIONARY EXPENDITURE REPORTS
FOR FISCAL YEAR 2015/2016 AS OF 5/31/16

RECOMMENDED ACTION

Recommendation:

1. Receive and file the Fiscal Year 2015/2016 Council Discretionary Expenditure Reports as of May 31, 2016.

SUMMARY

This staff report is prepared at the request of City Council to provide transparency with respect to the expenditure of City funds from the City Council Discretionary Expenditure accounts. This report is for each council member's year to date expenditures for the Fiscal Year 2015/2016, as of May 31, 2016. Each Council District receives an annual budget allocation of \$3,000. In addition, the Mayor receives an additional \$3,000 annually. The reports include each transaction with a clear description of the expenditure.

These new reports have been posted to the City's website. The reports are also included routinely in the City Council agenda as an additional means of distributing the report to the Council and public.

The expenditure reports for the Mayor Differential and five independent council districts list, in date order, the transactions allocated to the discretionary expenditure accounts. These reports are unaudited as of the date of this transmittal. Since the reports are reconciled to the City's general ledger, they will be considered audited and final with the completion of the independent audit for FY 2015/16 when completed by Vasquez & Company.

These reports will continue to be provided on a monthly basis. Once available, they are

posted to the City’s website and included on the next scheduled City Council agenda. The reports will follow the same cycle, and will appear with, the monthly payment register on City Council agendas in the future.

PREPARATION OF STAFF REPORT

Prepared By:
Dena Heald
Financial Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

CITY COUNCIL GOALS

None

ATTACHMENTS

- 1. District Spending FY 15.16

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/27/16 4:00 PM
City Attorney Approval	<u>✓ Approved</u>	7/27/16 3:09 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 11:30 AM



MAYOR DIFFERENTIAL

Fiscal Year 2015/2016 Council Discretionary Expenditures

Account: 1010-10-01-10010-620130

As of May 31, 2016

Date	Amount	Description
9/11/2015	\$ 7.99	Mayor's Meet & Greet 9/11/15 - Refreshments (Petty Cash)
11/19/2015	\$ 19.80	Mayor's Meet & Greet 10/9/15, 10/23/15, 11/6/15 - Refreshments (Petty Cash)
12/15/2015	\$ 65.59	Mayor's Employee Thank You 12/16/15 - Refreshments
12/15/2015	\$ 63.92	Mayor's Employee Thank You 12/16/15 - Refreshments (Petty Cash)
12/16/2015	\$ 200.00	Sponsor - Support MVPD Operation Holiday Cheer Program
1/29/2016	\$ 300.00	Sponsor - Faith Southern Baptist Church - Homeless Kitchen
1/30/2016	\$ 500.00	Sponsor - Salvation Army - Moreno Valley Programs
	\$ 1,157.30	SUBTOTAL Council Discretionary Expenditures
Date	Amount	Description
1/27/2016	\$ 47.97	Mayor's Meet & Greet 1/27/16 - Refreshments (Petty Cash)
2/9/2016	\$ 32.55	Reception Mayor Michoacan Mexico Key to Sister City 2/9/16 - Refreshments (Petty Cash)
2/25/2016	\$ 500.00	Sponsor - Chaparral Hills Elementary Public School - 5th Grade Field Trip
3/24/2016	\$ 25.00	Moreno Valley College Cesar Chavez Scholarship Breakfast 3/25/16
3/30/2016	\$ 125.00	Time for Change Foundation 13th Annual Awards Gala 4/15/16
3/31/2016	\$ 26.64	IEEP 3rd Annual Red Tape to Red Carpet Awards 2/25/16
4/11/2016	\$ 65.00	Riverside County School Boards Association Spring Conference 4/25/16
4/28/2016	\$ 25.00	Val Verde Unified School District Student of the Year Dinner 5/6/16
5/11/2016	\$ 35.00	15th Annual Rally Round the Flag BBQ 6/10/16
	\$ 882.16	SUBTOTAL Council Discretionary Expenditures
	\$ 2,039.46	TOTAL Council Discretionary Expenditures for FY 15/16 (Mayor Differential)
	\$ 3,000.00	FY 15/16 Budget Amount
	\$ 960.54	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.

Updated as of: 6/29/16



COUNCIL DISTRICT 1
 Fiscal Year 2015/2016 Council Discretionary Expenditures
 Account: 1010-10-01-10010-620111
 As of May 31, 2016

Date	Amount	Description
9/2/2015	\$ 35.00	State of the City Address 8/27/15
9/3/2015	\$ 15.00	Wake-up Moreno Valley Meeting 8/26/15
10/21/2015	\$ 10.00	Ride MoVal 2015 10/25/15
11/9/2015	\$ 25.00	LCC Riverside County Division General Meeting 11/9/15
11/16/2015	\$ 50.00	2015 State of Riverside County 11/19/15
12/4/2015	\$ 10.00	Employee Retirement Celebration 12/15/15 (Petty Cash)
12/15/2015	\$ 15.00	Wake-up Moreno Valley Meeting 11/18/15
12/22/2015	\$ 500.00	Sponsor - United States Veterans Initiative (U.S. VETS-Inland Empire)
1/21/2016	\$ 500.00	Sponsor - Teleton USA Fundacion
3/8/2016	\$ 20.00	Wake-up Moreno Valley Meeting 2/24/16
3/24/2016	\$ 25.00	Moreno Valley College Cesar Chavez Scholarship Breakfast 3/25/16
3/25/2016	\$ 27.00	Mail Theft Meeting 3/25/16 - Refreshments (Petty Cash)
3/30/2016	\$ 14.66	Wake-up Moreno Valley Meeting 3/23/16
4/1/2016	\$ 2.53	Mail Theft Meeting 3/25/16 - Beverage Cups (Petty Cash)
4/19/2016	\$ 22.61	Community Book Reading Groups - Audio 7-Habits of Highly Effective Families
5/16/2016	\$ 20.00	Wake-up Moreno Valley Meeting 4/27/16
<hr/>		
\$	1,291.80	TOTAL Council Discretionary Expenditures for FY 15/16
\$	3,000.00	FY 15/16 Budget Amount
\$	1,708.20	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.
 Updated as of: 6/29/16

Attachment: District Spending FY 15.16 (2163 : COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF



Fiscal Year 2015/2016 Council Discretionary Expenditures
 Account: 1010-10-01-10010-620112
 As of May 31, 2016

Date	Amount	Description
9/2/2015	\$ 35.00	State of the City Address 8/27/15
9/3/2015	\$ 15.00	Wake-up Moreno Valley Meeting 8/26/15
9/8/2015	\$ 13.50	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Parking (Petty Cash)
9/10/2015	\$ 177.50	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Travel Per Diem
9/10/2015	\$ 45.38	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Vehicle Rental
9/10/2015	\$ 8.00	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Parking
9/10/2015	\$ 9.50	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Fuel for Rental Vehicle
9/20/2015	\$ 30.00	2015 Advancing Choice Expo 10/9/15
10/1/2015	\$ 45.00	MASH Bash 10/3/15 (Petty Cash)
10/2/2015	\$ 125.00	BIA Riverside County Installation & Awards Celebration 10/16/15
10/13/2015	\$ 125.00	Inland Empire Navy Birthday & Ball 240 Years 10/17/15
10/20/2015	\$ 125.00	Riverside County Education Summit 10/28/15
11/9/2015	\$ 25.00	LCC Riverside County Division General Meeting 11/9/15
12/4/2015	\$ 10.00	Employee Retirement Celebration 12/15/15 (Petty Cash)
12/7/2015	\$ 16.99	City Holiday Events - Candy Canes
12/8/2015	\$ 16.99	City Holiday Events - Candy Canes (Petty Cash)
12/8/2015	\$ 25.00	March Field Air Museum Annual Holiday Party 12/7/15
12/16/2015	\$ 100.00	Sponsor - Support MVPD Operation Holiday Cheer Program
12/23/2015	\$ 259.46	LCC Policy Committee Meeting 1/22/16 - Airfare
1/3/2016	\$ 90.00	BIA Riverside County Meeting 1/27/16
1/31/2016	\$ 20.00	Wake-up Moreno Valley Meeting 1/27/16
2/29/2016	\$ 40.00	LCC Riverside County Division General Meeting 1/11/16
2/29/2016	\$ 40.00	BIA Desert Region Mayor's Luncheon 2/10/16
3/3/2016	\$ 49.00	Riverside County State of Education Address & Luncheon 2/15/16
3/7/2016	\$ 35.00	LCC Riverside County Division General Meeting 3/14/16
3/8/2016	\$ 20.00	Wake-up Moreno Valley Meeting 2/24/16
3/9/2016	\$ 35.00	Soroptimist Int'l of MV Annual Fashion Show & Tea 3/12/16 (Petty Cash)
3/24/2016	\$ 25.00	Moreno Valley College Cesar Chavez Scholarship Breakfast 3/25/16
3/31/2016	\$ 7.00	City Holiday Events - Candy Canes (Petty Cash)
3/31/2016	\$ 64.30	Java with Jeff - District 2 Public Open Forum Meeting 2/27/16 - Refreshments
3/31/2016	\$ 75.00	Fair Housing Council 14th Annual Champions for Justice Awards Banquet 4/7/16
4/8/2016	\$ 100.00	Sponsor - Palm Middle School PTSA Autism Awareness Month for Melissa Neir
4/18/2016	\$ 125.00	RCCD Foundation 2016 Annual Recognition Awards & Arts Gala 4/26/16
4/22/2016	\$ 40.00	LCC Riverside County Division General Meeting 5/9/16
4/22/2016	\$ 75.00	US Veterans Initiative We Remember A Night for Veterans Dinner 4/29/16
4/28/2016	\$ 25.00	BIA Riverside County Fiesta del Sol Festivities 5/26/16
5/6/2016	\$ 40.00	Registration (additional) - BIA Riverside County Fiesta del Sol Festivities 5/26/16
5/11/2016	\$ 35.00	15th Annual Rally Round the Flag BBQ 6/10/16
5/11/2016	\$ 55.00	Riverside County 2016 Celebrating Educators Luncheon 5/10/16
5/11/2016	\$ 30.00	WRCOG Vital Leadership Skill in Difficult Times Public Engagement 6/1/16
5/16/2016	\$ 50.00	ARC of Riverside County 50th Annual Awards Banquet 6/17/16
5/23/2016	\$ 100.00	Sponsor - Wholesale Capital Corp. Pushups for Charity Event 5/21/16
5/23/2016	\$ 135.00	Sponsor - Community Clean-up Event @ Old 215 Fwy. 5/28/16 - Portable Restrooms
5/23/2016	\$ 200.00	Sponsor - Steps Ahead - Mentoring Program
	\$ 2,717.62	TOTAL Council Discretionary Expenditures for FY 15/16
	\$ 3,000.00	FY 15/16 Budget Amount
	\$ 282.38	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.
 Updated as of: 6/29/16



COUNCIL DISTRICT 3

Fiscal Year 2015/2016 Council Discretionary Expenditures

Account: 1010-10-01-10010-620113

As of May 31, 2016

Date	Amount	Description
7/28/2015	\$ 15.00	Wake-up Moreno Valley Meeting 7/22/15
9/2/2015	\$ 35.00	State of the City Address 8/27/15
9/3/2015	\$ 15.00	Wake-up Moreno Valley Meeting 8/26/15
11/9/2015	\$ 25.00	LCC Riverside County Division General Meeting 11/9/15
11/16/2015	\$ 50.00	2015 State of Riverside County 11/19/15
12/4/2015	\$ 10.00	Employee Retirement Celebration 12/15/15 (Petty Cash)
12/8/2015	\$ 25.00	March Field Air Museum Annual Holiday Party 12/7/15
12/15/2015	\$ 15.00	Wake-up Moreno Valley Meeting 11/18/15
12/16/2015	\$ 100.00	Sponsor - Support MVPD Operation Holiday Cheer Program
12/23/2015	\$ 259.46	LCC Policy Committee Meeting 1/22/16 - Airfare
1/12/2016	\$ 15.00	Wake-up Moreno Valley Meeting 12/16/15
1/19/2016	\$ 24.30	Thank You Reception for Storm Response Team 1/20/16 - Refreshments
1/19/2016	\$ 60.05	Thank You Reception for Storm Response Team 1/20/16 - Refreshments
1/22/2016	\$ 71.75	LCC Policy Committee Meeting 1/22/16 - Parking/Tax (Petty Cash)
1/31/2016	\$ 20.00	Wake-up Moreno Valley Meeting 1/27/16
3/3/2016	\$ 55.00	Riverside County State of Education Address & Luncheon 2/15/16
3/7/2016	\$ 35.00	LCC Riverside County Division General Meeting 3/14/16
3/21/2016	\$ 76.75	District 3 Public Open Forum Meeting 3/21/16 - Refreshments (Petty Cash)
3/30/2016	\$ 14.66	Wake-up Moreno Valley Meeting 3/23/16
3/31/2016	\$ 50.00	Envisioning A New Ontario Airport Meeting 3/4/16
4/1/2016	\$ 181.46	LCC Policy Committee Meeting 6/3/16 - Airfare
4/7/2016	\$ 161.88	LCC Policy Committee Meeting 4/8/16 - Lodging
4/7/2016	\$ 21.33	LCC Policy Committee Meeting 4/8/16 - Breakfast/Parking (Petty Cash)
5/16/2016	\$ 20.00	Wake-up Moreno Valley Meeting 4/27/16
5/20/2016	\$ 125.00	Moreno Valley Rotary 34th Annual Benefit Truck Party 5/21/16
5/20/2016	\$ 35.00	15th Annual Rally Round the Flag BBQ 6/10/16
5/23/2016	\$ 100.00	Ceremonial Sponsor & Program Listing - 15th Annual Rally Round the Flag BBQ 6/10/16
5/23/2016	\$ 135.00	Sponsor - Community Clean-up Event @ Old 215 Fwy. 5/28/16 - Portable Restrooms
	\$ 1,751.64	TOTAL Council Discretionary Expenditures for FY 15/16
	\$ 3,000.00	FY 15/16 Budget Amount
	\$ 1,248.36	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.

Updated as of: 6/29/16

Attachment: District Spending FY 15.16 (2163 : COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF



COUNCIL DISTRICT 4

Fiscal Year 2015/2016 Council Discretionary Expenditures

Account: 1010-10-01-10010-620114

As of May 31, 2016

Date	Amount	Description
7/28/2015	\$ 15.00	Wake-up Moreno Valley Meeting 7/22/15
9/2/2015	\$ 35.00	State of the City Address 8/27/15
9/8/2015	\$ 13.50	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Parking (Petty Cash)
9/10/2015	\$ 45.38	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Vehicle Rental
9/10/2015	\$ 8.00	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Parking
9/10/2015	\$ 9.49	LCC 2015 Mayor & Council Forum 6/24/15-6/26/15 - Fuel for Rental Vehicle
11/5/2015	\$ 106.50	USC Price EXED Local Leaders Program 11/20/-11/21/15 - Travel Per Diem
11/9/2015	\$ 25.00	LCC Riverside County Division General Meeting 11/9/15
11/13/2015	\$ 75.00	BIA Casino Noir 11/19/15
1/21/2016	\$ 500.00	Sponsor - Teleton USA Fundacion
2/16/2016	\$ 45.00	452nd Air Mobility Wing Annual Awards Banquet 2/6/16
3/1/2016	\$ 129.12	IEEP 2016 State of the Region Address 3/24/16
3/3/2016	\$ 24.99	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Registration
3/9/2016	\$ 229.47	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Airfare
3/10/2016	\$ 7.50	District 4 Meet & Greet with Senior Citizens - Refreshments (Petty Cash)
3/11/2016	\$ 70.00	BIA St. Patrick's Day Mega Mixer 3/17/16
3/16/2016	\$ 442.44	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Lodging
3/28/2016	\$ 27.54	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Mileage
3/28/2016	\$ 96.00	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Travel Per Diem
3/30/2016	\$ 14.66	Wake-up Moreno Valley Meeting 3/23/16
3/31/2016	\$ 56.75	Eventbrite/Latino Equity Summit 3/29-3/31/16 - Shuttle/Taxi Fare To/From (Petty Cash)
	\$ 1,976.34	TOTAL Council Discretionary Expenditures for FY 15/16
	\$ 3,000.00	FY 15/16 Budget Amount
	\$ 1,023.66	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.

Updated as of: 6/29/16

Attachment: District Spending FY 15.16 (2163 : COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF



COUNCIL DISTRICT 5
 Fiscal Year 2015/2016 Council Discretionary Expenditures
 Account: 1010-10-01-10010-620115
 As of May 31, 2016

Date	Amount	Description
9/2/2015	\$ 35.00	State of the City Address 8/27/15
9/28/2015	\$ 15.00	Wake-up Moreno Valley Meeting 9/23/15
10/8/2015	\$ 140.40	ADA Handicap Toilet Rental Edgemont Cleanup 10/9/15
11/9/2015	\$ 25.00	LCC Riverside County Division General Meeting 11/9/15
12/4/2015	\$ 10.00	Employee Retirement Celebration 12/15/15 (Petty Cash)
12/16/2015	\$ 100.00	Sponsor - Support MVPD Operation Holiday Cheer Program
1/12/2016	\$ 15.00	Wake-up Moreno Valley Meeting 12/16/15
2/29/2016	\$ 500.00	Sponsor - New Dog Beds for MV Animal Shelter
3/8/2016	\$ 20.00	Wake-up Moreno Valley Meeting 2/24/16
3/11/2016	\$ 500.00	City Council 2016 Sponsorship - MV Ballet Folklorico Scholarship Assoc.
3/30/2016	\$ 125.00	Time for Change Foundation 13th Annual Awards Gala 4/15/16
3/31/2016	\$ 132.30	PIP Printing - Peace March Flyers for 3/26/16 Event
4/5/2016	\$ 218.00	Sponsor - Boys & Girls Club - Cottonwood Foot-golf Banquet
4/11/2016	\$ 65.00	Riverside County School Boards Association Spring Conference 4/25/16
4/28/2016	\$ 25.00	Val Verde Unified School District Student of the Year Dinner 5/6/16
5/6/2016	\$ 50.00	Boys & Girls Club Student of the Year Awards 5/6/16
5/11/2016	\$ 460.00	Sponsor - Free Annual Health & Dental Fair 5/21/16 - Portable Restrooms
5/11/2016	\$ 35.00	15th Annual Rally Round the Flag BBQ 6/10/16
	\$ 2,470.70	TOTAL Council Discretionary Expenditures for FY 15/16
	\$ 3,000.00	FY 15/16 Budget Amount
	\$ 529.30	FY 15/16 Budget Amount Remaining

Source: Unaudited financial data from the City's accounting records.
 Updated as of: 6/29/16

Attachment: District Spending FY 15.16 (2163 : COUNCIL DISCRETIONARY EXPENDITURE REPORTS FOR FISCAL YEAR 2015/2016 AS OF



Report to City Council

TO: Mayor and City Council

FROM: Marie Macias, Interim City Clerk

AGENDA DATE: August 16, 2016

TITLE: APPOINT A VOTING DELEGATE AND ALTERNATE DELEGATES FOR THE LEAGUE OF CALIFORNIA CITIES (LCC) 2016 ANNUAL CONFERENCE BUSINESS MEETING

RECOMMENDED ACTION

Recommendation:

1. Appoint Mayor Pro Tem Jeffrey J. Giba as the voting delegate and Council Member Jesse Molina as an alternate voting delegate for the League of California Cities (LCC) 2016 Annual Conference business meeting.

SUMMARY

The League of California Cities Annual Conference is scheduled October 5 – October 7, 2016, in Long Beach. At this meeting, the League membership will consider and take action on resolutions that establish League policy. The city must designate a voting delegate and may appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve. Designation of a voting delegate must be done by City Council action.

NOTIFICATION

Publication of the agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Angel Migao
Executive Assistant to the Mayor/City Council

Department Head Approval:
Marie Macias
Interim City Clerk

CITY COUNCIL GOALS

None

ATTACHMENTS

None

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/26/16 5:29 PM
City Attorney Approval	<u>✓ Approved</u>	7/27/16 3:07 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 11:31 AM



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN PARCELS INTO COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) — AS AMENDMENT NO. 16

RECOMMENDED ACTION

Recommendation:

1. Acting as the legislative body of Community Facilities District No. 2014-01 (Maintenance Services), adopt Resolution No. 2016-63, a Resolution of the City Council of the City of Moreno Valley, California, ordering the annexation of territory to City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) and approving the amended map for said district.

SUMMARY

Approval of the proposed resolution will certify annexation of eleven parcels into Community Facilities District (CFD) No. 2014-01 (Maintenance Services) ("District"). This action affects one property owner, not the general citizens or taxpayers of the City.

The City requires property owners of new development projects to mitigate the cost of certain impacts created by the proposed development (i.e. the ongoing cost for operation and maintenance of public landscaping and/or street lights installed by the development). As a condition of approval, the property owner is required to provide an ongoing funding source for the annual costs. The City created CFD No. 2014-01 to provide the development community with a financing mechanism to assist in satisfying the requirement. After a property owner elects to annex their property into the District, the City can levy a special tax on the property tax bills of the annexed parcels. Revenue generated by the District provides a funding source to operate and maintain the improvements within the District.

Duke Realty Ltd. Partnership, property owner of a proposed 400,395 sq. ft. warehouse (northeast corner of Heacock St. and Iris Ave) (“Property Owner”), has elected to annex into the District. Annexing into the District will satisfy the condition to provide a funding source for the ongoing maintenance of the landscaped median their development will be constructing. A landowner petition approving the annexation was submitted and confirmed by the City Clerk.

DISCUSSION

District Formation

The District was formed by adoption of Resolution No. 2014-25 to provide an alternative financing tool for the development community. It provides a mechanism to fund the operation and maintenance of street lighting services and maintenance of public landscaping. After approval by a property owner to annex their property into the District and approval of the applicable special tax rate areas, the City is authorized to levy a special tax onto the annual property tax bills. Residential Tract 31618 (southwest corner of Moreno Beach Drive and Bay Avenue) formed the original boundaries of the District. Since formation of the District, eleven additional property owners have authorized annexation of their properties into the District.

The Rate and Method of Apportionment of Special Tax (RMA) for the District describes the different special tax rate areas, services provided, and the formula to calculate the special tax rate for each of the tax rate areas. Several special tax rate layers were created to accommodate a variety of scenarios to ensure costs are fairly shared between property owners. For example, there is a tax rate layer for single-family residential street lighting and one for street lighting for property other than single-family residential (e.g. commercial, industrial, or multifamily projects). Different tax rate layers are needed for street lighting because the spacing and size of lights differ based on the type of development. Likewise, there are several tax rate areas for maintenance of public landscaping. A property owner’s proportionate share of landscape maintenance costs will vary depending upon the total square footage of landscaping to be maintained for that development and the number of properties sharing in the cost.

Annexation to the District

On February 10, 2015, the City Council adopted Ordinance No. 889, which designated the entire territory of the City a future annexation area for the District. Adoption of the Ordinance provides a simplified process for the development community to voluntarily annex into the District. Annexations can occur without an additional public hearing as long as the annexing landowner provides unanimous consent. Once annexed, parcels are subject to the annual special tax to fund the service(s) they are receiving.

The Property Owner plans to construct a 400,395 sq. ft. warehouse (northeast corner of Heacock St. and Iris Ave.) and has elected to annex into Tax Rate Area No. LM-02A (landscaping for properties other than single-family residential) of the District.

The Property Owner has two options to satisfy the condition of approval to provide an ongoing funding source for maintenance and operation of the public landscaping installed by the developer:

- 1) Submit a landowner petition approving annexation of the parcels into the District. Approval of the petition and special tax rate allows the City to annually levy the special tax on the property tax bill. This option is only available if there are fewer than 12 registered voters living within the proposed annexation area. On June 28, 2016, the Office of the Riverside County Registrar of Voters confirmed there were no registered voters residing at Assessor's Parcel Numbers (APNs) 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024 ("Subject Property") allowing for a special election of the landowner to be conducted; or
- 2) Establish a homeowners or property owners association to provide the ongoing maintenance and operation of the improvements.

The Property Owner elected to annex the Subject Property into CFD No. 2014-01 and submitted a completed landowner petition to the City Clerk. On July 13, 2016, the City Clerk reviewed the landowner petition and confirmed the Property Owner unanimously approved the annexation of the Subject Property into the District (Attachment 3). Adoption of the attached resolution (Attachment 1) adds the Subject Property to Tax Rate Area LM-02A within CFD No. 2014-01 and directs the recordation of the boundary map for Amendment No. 16 (Attachment 2) and the amended notice of special tax lien.

Successful completion of the annexation satisfies the Property Owner's condition of approval to provide an ongoing funding source for the maintenance and operation of the public landscaping installed by the development.

ALTERNATIVES

1. Adopt the proposed resolution. *Staff recommends this alternative, as it will annex the parcels into CFD No. 2014-01, at the Property Owner's request and satisfy their condition of approval for the proposed development.*
2. Do not adopt the proposed resolution. *Staff does not recommend this alternative as it is contrary to the Property Owner's request, will not satisfy the condition of approval and may delay development of the project.*
3. Do not adopt the proposed resolution but rather continue the item to a future City Council meeting. *Staff does not recommend this alternative as it will delay the Property Owner from satisfying the project's condition of approval and may delay development of the project.*

FISCAL IMPACT

Revenue received from the special tax is restricted and can only be used to fund the services identified for and within each tax rate area. If the maximum special tax rate revenue exceeds what is necessary to fund the services within each tax rate area, a lower amount will be applied to the property tax bills for all properties within the affected tax rate area. The special taxes can only be collected on properties where property owners have previously approved the special tax to be levied on the property tax bill.

Property Owner/Project	Services/Tax Rate Area	Proposed Front Linear Footage ¹	FY 2016/17 Maximum Special Tax per Front Linear Foot	Estimated FY 2016/17 Maximum Special Tax for the Project ²
Duke Realty Ltd Partnership P16-026	Landscaping for Property Other than Single-Family Residential LM-02A	888.99	\$12.05	\$10,712.33
<p>¹ Proposed front linear footage based on current parcel configuration. The actual special tax calculation will be based on final parcel configuration.</p> <p>² The applied special tax may be lower than the maximum special tax and will be based on the final development of the project and the needs of the District.</p>				

The maximum special tax rates are subject to an annual inflation adjustment based on the change in the Consumer Price Index (CPI) or five percent (5%), whichever is greater. Each year, the City Council must authorize any proposed CPI adjustment prior to the levy of the special tax on property tax bills. Increases to the maximum special tax rate cannot exceed the annual inflationary adjustment without approval of the registered voters within the affected tax rate area.

NOTIFICATION

The annexation materials were mailed to the Property Owner on June 28, 2016. A cover letter, Landowner Petition, RMA, and an envelope to return the completed petition were included in the annexation materials.

PREPARATION OF STAFF REPORT

Prepared by:
Jennifer Terry,
Senior Management Analyst

Department Head Approval:
Ahmad Ansari, P.E.,
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel,
Special Districts Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. Proposed Resolution Ordering Amendment No. 16
- 2. Proposed Boundary Map for Amendment No. 16
- 3. Confirmation of Election Official for Amendment No. 16

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/25/16 8:19 AM
City Attorney Approval	<u>✓ Approved</u>	7/29/16 9:27 AM
City Manager Approval	<u>✓ Approved</u>	8/02/16 11:33 AM

RESOLUTION NO. 2016-63

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ORDERING THE ANNEXATION OF TERRITORY TO CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) AND APPROVING THE AMENDED MAP FOR SAID DISTRICT

WHEREAS, by its Resolution No. 2014-25, the City Council established the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services) (the "CFD") pursuant to the Mello-Roos Community Facilities Act of 1982 (Government Code Section 53311 *et seq.*) (the "Act"); and

WHEREAS, by its Ordinance No. 874, the City Council levied an annual special tax against all non-exempt parcels of real property within the CFD (the "Special Tax") to fund street lighting services and landscape maintenance services; and

WHEREAS, in order to permit landowners to efficiently annex developing parcels to the CFD, the City Council, by its Ordinance No. 889 designated the entire territory of the City as a future annexation area for the CFD and approved the second amended and restated rate and method of apportionment for the Special Tax; and

WHEREAS, the landowner of the parcels listed on Exhibit A to this Resolution, which is attached hereto and incorporated herein by reference, has submitted to the City a petition requesting and approving annexation of the listed parcels (the "Annexation Parcels") to the CFD; and

WHEREAS, the Annexation Parcels, comprised of the territory shown on the boundary map (the "Boundary Map") "Amendment No. 16 to Boundaries of City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, County of Riverside, State of California", which is included as Exhibit B to this Resolution; and

WHEREAS, the City Council desires to annex the Annexation Parcels to the CFD.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct and are herein incorporated.

2. Annexation Approved. The Annexation Parcels are hereby added to and made part of the CFD with full legal effect. The Annexation Parcels are subject to the Special Tax associated with the Tax Rate Area(s) indicated on Exhibit A to this

1
Resolution No. 2016-63
Date Adopted: August 16, 2016

Attachment: Proposed Resolution Ordering Amendment No. 16 [Revision 3] (2183 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN

Resolution.

3. Description of Services. The following is a general description of all services (the “Services”) provided in the CFD:

A. Landscape Maintenance Services: Maintaining, servicing, and operating landscape improvements and associated appurtenances located within the public right-of-way and within dedicated landscape easements for the CFD. These improvements may include but are not limited to parkways, medians, open space landscaping, fencing, monuments, ornamental lighting, drainage, turf, ground cover, shrubs, vines and trees, irrigation systems, and appurtenant facilities and structures. Fundable costs may include, but are not limited to: (i) contracting costs for landscape maintenance services, including litter removal, (ii) salaries and benefits of City staff, (iii) expenses related to equipment, apparatus, and supplies related to these services, (iv) City administrative and overhead costs associated with providing such services within the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

B. Street Lighting Services: Maintaining, servicing, and operating street lights and appurtenant improvements. Fundable costs may include, but are not limited to: (i) contracting costs for street light maintenance, (ii) salaries and benefits of City staff, if the City directly provides street light maintenance services, (iii) utility expenses and the expense related to equipment, apparatus, and supplies related to these services and authorized by the Act, (iv) City administrative and overhead costs associated with providing such services for the CFD, and (v) lifecycle costs associated with the repair and replacement of facilities.

The Annexation Parcels will only be provided with the services indicated on Exhibit A.

4. Amended Boundary Map. The Boundary Map attached hereto as Exhibit “B” is hereby approved. This map amends, and does not supersede, the existing maps of the CFD. The City Council directs that said map be filed with the Riverside County Recorder pursuant to Section 3113 of the Streets and Highways Code.

5. Notice of Special Tax Lien. The City Council directs that a revised notice of special tax lien be recorded pursuant to Section 3117.5 of the Streets and Highways Code with respect to the Annexation Parcels associated with the Boundary Map.

6. This Resolution shall be effective immediately upon adoption.

7. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

2
Resolution No. 2016-63
Date Adopted: August 16, 2016

APPROVED AND ADOPTED this 16th day of August, 2016.

Mayor of the City of Moreno Valley

ATTEST:

Interim City Clerk

APPROVED AS TO FORM:

Interim City Attorney

3
Resolution No. 2016-63
Date Adopted: August 16, 2016

Attachment: Proposed Resolution Ordering Amendment No. 16 [Revision 3] (2183 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Marie Macias, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-63 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

INTERIM CITY CLERK

(SEAL)

4
Resolution No. 2016-63
Date Adopted: August 16, 2016

EXHIBIT A

List of Annexation Parcels

Boundary Map Amendment No.	Assessor's Parcel Number	Services	Tax Rate Area & Maintenance Category
Amendment No. 16	485-230-014	Landscape Maintenance Services	LM-02A
	485-230-015	Landscape Maintenance Services	LM-02A
	485-230-016	Landscape Maintenance Services	LM-02A
	485-230-017	Landscape Maintenance Services	LM-02A
	485-230-018	Landscape Maintenance Services	LM-02A
	485-230-019	Landscape Maintenance Services	LM-02A
	485-230-020	Landscape Maintenance Services	LM-02A
	485-230-021	Landscape Maintenance Services	LM-02A
	485-230-022	Landscape Maintenance Services	LM-02A
	485-230-023	Landscape Maintenance Services	LM-02A
	485-230-024	Landscape Maintenance Services	LM-02A

Based on current development plans, it is anticipated that the Annexation Group will be in the Maintenance Category listed above; however all taxes will be calculated as set forth in the Rate and Method of Apportionment.

The parcels associated with the boundary maps constitute a separate Annexation Group for purpose of calculating the applicable Maintenance Category (where applicable) for each Tax Rate Area. The anticipated Maintenance Category (where applicable) is shown in parenthesis following the Tax Rate Area. All capitalized terms in this paragraph have the meanings set forth in the Rate and Method of Apportionment.

Attachment: Proposed Resolution Ordering Amendment No. 16 [Revision 3] (2183 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN

5
Resolution No. 2016-63
Date Adopted: August 16, 2016

EXHIBIT B

**AMENDMENT NO. 16 TO BOUNDARIES OF
CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT
NO. 2014-01 (MAINTENANCE SERVICES)**

SHEET 1 OF 1

CITY OF MORENO VALLEY

VICINITY MAP
1:11,500

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	485-230-024
2	485-230-023
3	485-230-022
4	485-230-021
5	485-230-020
6	485-230-019
7	485-230-018
8	485-230-017
9	485-230-016
10	485-230-015
11	485-230-014

LEGEND

▭ MAP REFERENCE NUMBER

▭ ADDITIONAL AREA TO (CF) 2014-01

**CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA**

This map is made by adding the additional territory shown within the boundary map for the City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, Riverside County, State of California, first recorded as Book 76 of Maps of Assessment and Community Facilities Districts at page 69 in the office of the County Recorder for the County of Riverside, State of California.

FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____ 201__

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____ 201__ BY ITS RESOLUTION NO. _____

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____ O'CLOCK _____ M. IN BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA, RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-006614.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA, TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS WITHIN THAT TERRITORY MAY BE ANNECTED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNECTED, RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 77, PAGE 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-0481134, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

ALBERT J. WEBB ASSOCIATES
ENGINEERING CONSULTANTS
3729 HUNTER STREET
RIVERSIDE, CA 92506
PH: (951) 686-1070
FAX: (951) 788-1256

Attachment: Proposed Resolution Ordering Amendment No. 16 [Revision 3] (2183 : PURSUANT TO LANDOWNER PETITION, ANNEX CERTAIN

**AMENDMENT NO. 16 TO BOUNDARIES OF
CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT
NO. 2014-01 (MAINTENANCE SERVICES)**



VICINITY MAP
NOT TO SCALE

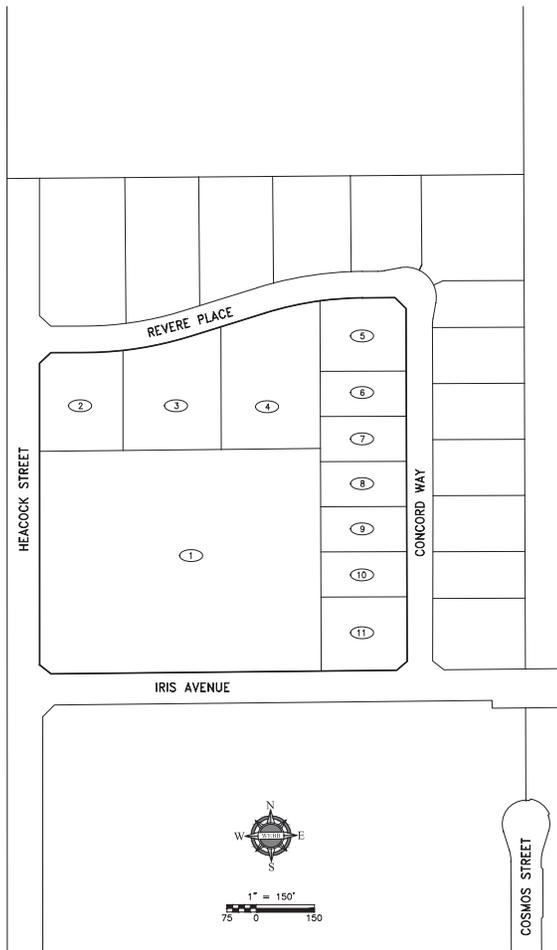
MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NUMBER
1	485-230-024
2	485-230-023
3	485-230-022
4	485-230-021
5	485-230-020
6	485-230-019
7	485-230-018
8	485-230-017
9	485-230-016
10	485-230-015
11	485-230-014

LEGEND

- MAP REFERENCE NUMBER
- ADDITIONAL AREA TO CFD 2014-01

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

(This map amends, by adding the additional territory shown herein, the boundary map for City of Moreno Valley Community Facilities District No. 2014-01 (Maintenance Services), City of Moreno Valley, Riverside County, State of California, prior recorded at Book 76 of Maps of Assessment and Community Facilities Districts at page 69, in the office of the County Recorder for the County of Riverside, State of California.)



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201____.

CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING AMENDED BOUNDARIES OF CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES), CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE ____ DAY OF _____, 201____. BY ITS RESOLUTION NO. _____

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 201____, AT THE HOUR OF _____ O'CLOCK _____, M. IN BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT AND INSTRUMENT NO. _____ IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

REFERENCE IS MADE TO THAT BOUNDARY MAP OF THE COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF THE CITY OF MORENO VALLEY RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON FEBRUARY 20, 2014 IN BOOK 76 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS, PAGE 69 AS INSTRUMENT NO. 2014-0066114.

REFERENCE IS FURTHER MADE TO ANNEXATION MAP NO. 2 OF COMMUNITY FACILITIES DISTRICT NO. 2014-01 (MAINTENANCE SERVICES) OF CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, CALIFORNIA (TERRITORY PROPOSED FOR ANNEXATION IN THE FUTURE, WITH THE CONDITION THAT PARCELS WITHIN THAT TERRITORY MAY BE ANNEXED ONLY WITH THE UNANIMOUS APPROVAL OF THE OWNER OR OWNERS OF EACH PARCEL OR PARCELS AT THE TIME THAT PARCEL OR THOSE PARCELS ARE ANNEXED) RECORDED WITH THE RIVERSIDE COUNTY RECORDER'S OFFICE ON DECEMBER 17, 2014 IN BOOK 77, PAGE 78 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2014-0481134, WHICH DESIGNATED THE TERRITORY SHOWN HEREIN AS TERRITORY FOR FUTURE ANNEXATION TO THE COMMUNITY FACILITIES DISTRICT REFERENCED THEREON.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

ALBERT A. WEBB ASSOCIATES
ENGINEERING CONSULTANTS
3788 McCRAY STREET
RIVERSIDE CA. 92506
PH. (951) 686-1070
FAX (951) 788-1256

**CERTIFICATE OF ELECTION OFFICIAL
AND CONFIRMATION OF LANDOWNER PETITION**

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

The undersigned, Election Official of the City of Moreno Valley, County of Riverside, State of California, Does Hereby Certify that on July 13, 2016, I did verify the completeness of the Landowner Petition for the annexation of property into

CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 2014-01
(MAINTENANCE SERVICES) – AMENDMENT NO. 16

WITNESS my hand this 13th day of July, 2016.

Ewa Lopez

ELECTION OFFICIAL
CITY OF MORENO VALLEY
STATE OF CALIFORNIA



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Gabriel Garcia, Parks & Community Services Director

AGENDA DATE: August 16, 2016

TITLE: AMEND THE CONTRACT WITH THINK TOGETHER, INC., TO OPERATE DAY-TO-DAY ACTIVITIES AND FUNCTIONS INVOLVING THE CITY'S AFTER SCHOOL EDUCATION AND SAFETY (ASES) GRANT PROGRAM EFFECTIVE FISCAL YEAR 2016/17

RECOMMENDED ACTION

Recommendation:

1. Authorize the City Manager to amend the contract entered into with THINK Together, Inc., on April 26, 2011, to operate day-to-day activities and functions of the City's Prop 49 State-funded ASES after school grant program, effective Fiscal Year 2016/17, as outlined within this document.

SUMMARY

An amendment is required to allocate the additional funds awarded by the California Department of Education effective FY 2016/17, in the amount of \$28,983, between THINK Together and the City. Parks and Community Services Department staff believes this contract amendment with THINK Together is in the best interest of the City. THINK Together has successfully provided comprehensive after school programming for the City since FY 2011/12. They have demonstrated effective programming, which successfully meets the terms and requirements of the grant.

BACKGROUND

The City of Moreno Valley originally applied for and received funding from the ASES Grant for FY 2006/07 through FY 2009/10. The grant has now been renewed for additional 3-year cycles three times and is currently funded through FY 2018/19. This funding serves students in after school programs at 43 school sites in the Moreno Valley (MVUSD) and Val Verde (VVUSD) Unified School Districts. The City partnered with THINK Together in FY 2011/12 to operate the program in all 43 sites. THINK Together was successful in providing comprehensive after school programming. Attendance increased, and there were waiting lists at several of the school sites. The City applied for and received funding increases in FY 2012/13 and FY 2013/14. The increase in FY 2013/14 brought most of our middle schools to the maximum funding level of \$150,000 to serve 112 students at each site, for a total grant amount of \$5,079,900.

However, in FY 2015/16, funding was reduced by \$28,983, due to difficulties achieving minimum attendance levels at Sunnymead Middle School. Fortunately, these difficulties were resolved and attendance at that site now exceeds minimum requirements. Therefore, the City applied for and was awarded additional funding effective FY 2016/17 which restored the program to prior funding levels, once again at \$5,079,900.

DISCUSSION

Both THINK Together and City staffs wish to continue to collaborate, and keep effective working relationships in place, to provide afterschool services to students within our city. The afterschool program provides numerous benefits to our students. Not only does the program offer constructive alternatives to gangs, drugs, and crime, but can also help improve school day attendance, increase academic achievement, and boost graduation rates.

THINK Together was able to use various recruitment tools and successfully increase attendance at Sunnymead Middle School to exceed minimum levels, which consequently supported restoring the grant funding level by \$28,983 effective FY 2016/17. Attachment A is the amended contract and payment schedule proposed for THINK Together effective FY 2016/17.

ALTERNATIVES

1. Authorize the City Manager to amend the contract entered into with THINK Together, Inc., on April 26, 2011, to operate day-to-day activities and functions of the City's Prop 49 state-funded ASES after school grant program, effective FY 2016/17, as outlined within this document. ***Staff recommends this alternative as it will allow us to continue to offer this after school program.***
2. Do not authorize the amendment to the contract and provide direction to staff. ***Staff does not recommend this alternative as it will not allow us to continue to provide this after school program.***

FISCAL IMPACT

This amendment will allocate the additional funding received from the California Department of Education effective FY 2016/17 in Fund 2202 ASES Grant, according to attached amendment. All grant funds must be used for ASES Grant Expenditures. **There is no impact to the General Fund.**

NOTIFICATION

Posting of the agenda

PREPARATION OF STAFF REPORT

Prepared By:
Sandra Contreras
Senior Management Analyst

Department Head Approval:
Gabriel Garcia
Director of Parks & Community Services

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

- 1. 16-17 4th Amended Contract

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/29/16 3:32 PM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 12:31 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:27 PM

ATTACHMENT 1

FOURTH AMENDMENT TO THINK TOGETHER, INC. CONTRACT

This Fourth Amendment to the THINK Together, Inc., Contract is made and entered into between the Community Services District of the City of Moreno Valley (hereinafter referred to as "CSD"), and THINK Together, Inc. (hereinafter referred to as "Contractor") and is effective the date the CSD signs this Amendment.

Whereas, the CSD and Contractor entered into an Agreement dated July 13, 2011; and

Whereas, the Contractor is providing operation of the After School Education and Safety Grant Program (ASES); and

Whereas, the CSD desires to renew the Agreement with the Contractor for the July 1, 2016 to June 30, 2019 grant cycle; and

Whereas, the CSD received an increase of \$28,982.62 in ASES Grant funding effective FY 2016/17; and

Whereas, the Contractor desires to continue to operate the ASES program

Section 1 – Amendment to THINK Together, Inc., Contract

- 1.1 The Contractor will continue to provide services, July 1, 2016 to June 30, 2019, for the ASES using the second of two (2) subsequent automatic three-year renewals.
- 1.2 As of July 1, 2016, the contractor shall no longer pay the monthly benefit allowance of \$1,264.58 to one of the Program Coordinator positions set forth on page 3 of the Agreement. The annual amount of \$15,175 will revert back to the CSD.
- 1.3 The Contractor's compensation shall be changed to 100% of the grant award from California Department of Education (CDE), less \$131,000 for administrative costs, according to Schedule A – Fourth Amendment, attached hereto.

Section 2 – Other Terms to Remain

- 2.1 Except as otherwise specifically provided in this Amendment, the terms and conditions of the Contract shall remain in full force and effect.

IN WITNESS THEREOF, the parties have each caused their authorized representative to execute this Contract.

SIGNATURE PAGE TO FOLLOW:

Attachment: 16-17 4th Amended Contract (2201 : AMEND CONTRACT WITH THINK TOGETHER, INC.)

FOURTH AMENDMENT TO THINK TOGETHER, INC. CONTRACT

Community Services District of the
City of Moreno Valley

THINK Together, Inc.

BY: _____
City Manager

BY: _____
Randy Barth

TITLE: Founder and CEO

Date

Date

<u>INTERNAL USE ONLY</u>
ATTEST:
_____ City Clerk <i>(only needed if Mayor signs)</i>
APPROVED AS TO LEGAL FORM:
_____ City Attorney
_____ Date
RECOMMENDED FOR APPROVAL:
_____ Department Head
_____ Date

Attachment: 16-17 4th Amended Contract (2201 : AMEND CONTRACT WITH THINK TOGETHER, INC.)

Schedule A – Fourth Amendment
Payment Schedule

Ten monthly payments, due on the 1st of each month from September 1 through June 1, according to the following:

School Name	Components	Amount Awarded	Total Payment to THINK Together	Monthly Payment Amount (x10)
			(after \$131,000 carve-out)	10%
Armada Elementary	ASES After School Base	\$ 112,500.00	\$ 109,598.86	\$ 10,959.89
Badger Springs Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Bear Valley Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Box Springs Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Butterfield Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Chaparral Hills Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Cloverdale Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Creekside Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Edgemont Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Hendrick Ranch Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Hidden Springs Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Honey Hollow Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
La Jolla Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Landmark Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
March Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Midland Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Moreno Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Mountain View Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Palm Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Ramona Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Ridge Crest Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Seneca Elementary	ASES After School Base	98,550.00	96,008.60	9,600.86
Serrano Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Sugar Hill Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Sunnymead Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Sunnymead Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Sunnymeads Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
TownGate Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Avalon Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Columbia Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Lakeside Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Lasselle Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Manuel L. Real Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Mary McLeod Bethune Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
May Ranch Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Mead Valley Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Rainbow Ridge Elementary	ASES After School Base	112,500.00	109,598.86	10,959.89
Sierra Vista Elementary	ASES After School Base	112,500.00	109,598.86	10,959.88
Tomas Rivera Middle	ASES After School Base	150,000.00	146,131.81	14,613.17
Triple Crown Elementary	ASES After School Base	112,500.00	109,598.86	10,959.88
Val Verde Elementary	ASES After School Base	112,500.00	109,598.86	10,959.88
Victoriano Elementary	ASES After School Base	112,500.00	109,598.86	10,959.88
Vista Verde Middle	ASES After School Base	68,850.00	67,074.54	6,707.45
		\$5,079,900.00	\$ 4,948,900.00	\$ 494,890.00

Attachment: 16-17 4th Amended Contract (2201 : AMEND CONTRACT WITH THINK TOGETHER, INC.)



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Gabriel Garcia, Parks & Community Services Director

AGENDA DATE: August 16, 2016

TITLE: ACCEPTANCE OF GRANT MONIES FROM THE CALIFORNIA DEPARTMENT OF EDUCATION, CHILD DEVELOPMENT SERVICES, FOR CHILD CARE SERVICES FOR FISCAL YEAR 2016/17 AND ADOPTION OF THE RESOLUTION TO CERTIFY THE APPROVAL OF THE GOVERNING BOARD

RECOMMENDED ACTION

Recommendations:

1. Authorize the acceptance of grant monies in the amount of \$631,386 for Fiscal Year (FY) 2016/17 from the California Department of Education, Child Development Division, for the purpose of providing school age child care and development services; and
2. Adopt Resolution No. CSD 2016-25, a resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, certifying the approval of the governing board to enter into this transaction with the California Department of Education for the purpose of providing child care and development services and to authorize designated personnel to sign contract documents for FY 2016/17.

SUMMARY

This report recommends the acceptance of Child Development Grant Funds to continue the Child's Place licensed after school program. This program is supported by grant funds, parent fees, and food program revenue. Grant operating revenue is a combination of federal and state funding.

DISCUSSION

The focus of the grant application submitted by the City of Moreno Valley Parks and Community Services Department (“Department”) was based on the high demand assessed by the Department within its own programs. This included the need for after school care during the traditional school year and full day care on school vacation days. The program utilizes five elementary schools: Creekside, Sunnymead, Rainbow Ridge, and Armada during the school year and Red Maple during school breaks. The Child’s Place program serves low-income parents who work or go to school, and accommodates up to 142 children between the ages of kindergarten through 12 years of age.

A Child’s Place is state licensed and operates under the following conditions. The program utilizes five elementary schools: Creekside, Sunnymead, Rainbow Ridge, Armada and Red Maple. The program serves children between the ages of kindergarten through 12 years of age and has been in effect since January of 1997. The program fosters the healthy social and emotional development of every child by providing activities, schedules, materials, and equipment to ensure that children are both challenged and successful. Programming for the students includes a nutritious daily snack, arts and crafts, indoor and outdoor games, story time, homework time, and social time. The program also includes field trips with bus transportation, parent conferences, and special parenting classes and programs on topics including health issues, substance abuse, nutrition, personal safety, community awareness, literacy, and more. The program works closely with parents and school site staff to incorporate applicable school rules into the program and provide emotional support for children.

A Child’s Place operates at school sites under the “modified traditional” school schedule, between the hours of 11:30 a.m. and 6:00 p.m. on school days, and 7:00 a.m. to 6:00 p.m. on school vacation days, Monday through Friday.

As part of the City’s policy, the City Council, acting as the Board of Directors for the Community Services District, must formally accept this funding from the California Department of Education, Child Development Services and adopt the corresponding resolution.

ALTERNATIVES

1. Authorize the acceptance of grant monies in the amount of \$631,386 for FY 2016/17 from the California Department of Education, Child Development Division for the purpose of providing school age child care and development services; and approve the proposed resolution to certify the approval of the governing board to enter into a contract with the California Department of Education for the purpose of providing school age child care and development services. ***Staff recommends this alternative as it will allow us to continue to provide this child care and development services to school age children.***

- 2. Do not accept grant funding and eliminate the Child Care Grant Program. **Staff does not recommend this alternative as it will not allow us to continue to provide this child care and development services to school age children.**

FISCAL IMPACT

The proposed grant funds program expenditures is on a cost reimbursement basis. **The grant funds, as well as program fees and food program revenue, are used to provide licensed school age child care and development services, and are restricted to this program.** There is no impact to the General Fund. This grant is budgeted in the FY 2016/17 Operating Budget (2201-50-58-75011). The proposed adjustments reflect the distribution between federal and state funding, as well as the increase from the original estimated budget.

Description	Fund	GL Account No.	Type (Rev/Exp)	FY 16/17 Budget	Proposed Adjustments	FY 16/17 Amended Budget
Federal Grant Operating Revenue	Child Care	2201-50-58-75011-485000	Rev	\$0	\$275,419	\$275,419
State Grant Operating Revenue	Child Care	2201-50-58-75011-486000	Rev	\$593,054	(\$237,087)	\$355,967
Grant Expenditures*	Child Care	2201-50-58-75011-various	Exp	\$593,054	\$38,332	\$631,386

*Chart reflects only affected revenue and expenditure accounts, not the entire program budget. All grant funds are fully expended during each grant year.

NOTIFICATION

Posting of the Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Sandra Contreras
Senior Management Analyst

Department Head Approval:
Gabriel Garcia
Director of Parks and Community Services

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

- 1. Contract No. CCTR-6168-00
- 2. Resolution No. CSD 2016-25

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/28/16 5:08 PM
City Attorney Approval	<u>✓ Approved</u>	8/03/16 3:18 PM
City Manager Approval	<u>✓ Approved</u>	8/03/16 3:40 PM



DATE: July 01, 2016

CONTRACT NUMBER: CCTR-6168

PROGRAM TYPE: GENERAL CHILD CARE & DEV PROGRAMS

PROJECT NUMBER: 33-2186-00-6

LOCAL AGREEMENT FOR CHILD DEVELOPMENT SERVICES

CONTRACTOR'S NAME: CITY OF MORENO VALLEY

This Agreement is entered into between the State Agency and the Contractor named above. The Contractor agrees to comply with the terms and conditions of the CURRENT APPLICATION; the GENERAL TERMS AND CONDITIONS (GTC-610)*; the GENERAL CHILD CARE AND DEVELOPMENT PROGRAM REQUIREMENTS*; the FUNDING TERMS AND CONDITIONS (FT&C)* and any subsequent changes to the FT&C*, which are by this reference made a part of this Agreement. Where the GTC-610 conflicts with either the Program Requirements or the FT&C, the Program Requirements or the FT&C will prevail.

Funding of this Agreement is contingent upon appropriation and availability of sufficient funds. This Agreement may be terminated immediately by the State if funds are not appropriated or available in amounts sufficient to fund the State's obligations under this Agreement.

The period of performance for this Agreement is July 01, 2016 through June 30, 2017. For satisfactory performance of the required services, the Contractor shall be reimbursed in accordance with the Determination of Reimbursable Amount Section of the FT&C, at a rate not to exceed \$38.29 per child per day of full-time enrollment and a Maximum Reimbursable Amount (MRA) of \$631,386.00.

SERVICE REQUIREMENTS

Minimum Child Days of Enrollment (CDE) Requirement	16,490.0
Minimum Days of Operation (MDO) Requirement	250

Any provision of this Agreement found to be in violation of Federal and State statute or regulation shall be invalid, but such a finding shall not affect the remaining provisions of this Agreement.

Items shown with an Asterisk (*), are hereby incorporated by this reference and made part of this Agreement as if attached hereto. These documents can be viewed at <http://www.cde.ca.gov/fg/aa/cd/ftc2016.asp>

STATE OF CALIFORNIA		CONTRACTOR				
BY (AUTHORIZED SIGNATURE)		BY (AUTHORIZED SIGNATURE)				
PRINTED NAME OF PERSON SIGNING Sueshil Chandra, Manager		PRINTED NAME AND TITLE OF PERSON SIGNING				
TITLE Contracts, Purchasing and Conference Services		ADDRESS				
AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 631,386	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE		Department of General Services use only		
PRIOR AMOUNT ENCUMBERED FOR THIS CONTRACT \$ 0	(OPTIONAL USE) See Attached					
TOTAL AMOUNT ENCUMBERED TO DATE \$ 631,386	ITEM See Attached	CHAPTER	STATUTE			FISCAL YEAR
OBJECT OF EXPENDITURE (CODE AND TITLE) 702						
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above.		T.B.A. NO.	B.R. NO.			
SIGNATURE OF ACCOUNTING OFFICER See Attached		DATE				

Attachment: Contract No. CCTR-6168-00 (2198 : ACCEPTANCE OF GRANT FUNDS FROM CDE FOR CHILD CARE SERVICES 16/17)

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 188,730	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Federal		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 13609-2186	FC# 93.596	PC# 000321	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 188,730	ITEM 30.10.020.001 6100-194-0890	CHAPTER B/A	STATUTE 2016	FISCAL YEAR 2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 86,689	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE Federal		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 15136-2186	FC# 93.575	PC# 000324	
TOTAL AMOUNT ENCUMBERED TO DATE \$ 86,689	ITEM 30.10.020.001 6100-194-0890	CHAPTER B/A	STATUTE 2016	FISCAL YEAR 2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-5025 Rev-8290			

AMOUNT ENCUMBERED BY THIS DOCUMENT \$ 355,967	PROGRAM/CATEGORY (CODE AND TITLE) Child Development Programs	FUND TITLE General		
PRIOR AMOUNT ENCUMBERED \$ 0	(OPTIONAL USE)0656 23254-2186			
TOTAL AMOUNT ENCUMBERED TO DATE \$ 355,967	ITEM 30.10.020.001 6100-194-0001	CHAPTER B/A	STATUTE 2016	FISCAL YEAR 2016-2017
	OBJECT OF EXPENDITURE (CODE AND TITLE) 702 SACS: Res-6105 Rev-8590			

Attachment: Contract No. CCTR-6168-00 (2198 : ACCEPTANCE OF GRANT FUNDS FROM CDE FOR CHILD CARE SERVICES 16/17)

I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure stated above. SIGNATURE OF ACCOUNTING OFFICER	T.B.A. NO.	B.R. NO.
	DATE	

RESOLUTION NO. CSD 2016-25

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, CERTIFYING THE APPROVAL OF THE GOVERNING BOARD TO ENTER INTO A CONTRACT WITH THE CALIFORNIA DEPARTMENT OF EDUCATION FOR THE PURPOSE OF PROVIDING CHILD CARE AND DEVELOPMENT SERVICES AND TO AUTHORIZE DESIGNATED PERSONNEL TO SIGN CONTRACT DOCUMENTS FOR FY 2016/17

WHEREAS, the Moreno Valley Community Services District Board of Directors desires to provide school age child care services to the citizens of Moreno Valley during FY 2016/17; and

WHEREAS, the Moreno Valley Community Services District Board of Directors further desires to enter into a contract with the California Department of Education for the purpose of providing child care and development services; and

WHEREAS, the Moreno Valley Community Services District Board of Directors authorizes the persons listed below to sign the transaction for the Governing Board:

Gabriel Garcia, Director of Parks and Community Services _____

Mel Alonzo, Parks & Community Services Division Manager _____

Marshall Eyerman, Chief Financial Officer _____

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Accept the grant monies from the California Department of Education, Child Development Division, in the amount of \$631,386 to provide child care services for FY 2016/17; and
2. Certify the approval of the Governing Board to enter into contract number CCTR-6168, Project Number 33-2186-00-6 with the California Department of Education for the purpose of providing child care and development services; and
3. Authorize designated personnel to sign contract documents on behalf of the Governing Board for FY 2016/17.

APPROVED AND ADOPTED this 16th day of August, 2016.

Mayor of the City of Moreno Valley,
acting in the capacity of President of the Board
of Directors of the Moreno Valley Community
Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Legal Counsel of the Moreno
Valley Community Services District

2
Resolution No. CSD 2016-25
Date Adopted: August 16, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Marie Macias, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. CSD 2016-25 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District of the City of Moreno Valley at a regular meeting held on the 16th day of August, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

CITY CLERK

(SEAL)

3
Resolution No. CSD 2016-25
Date Adopted: August 16, 2016

Attachment: Resolution No. CSD 2016-25 [Revision 3] (2198 : ACCEPTANCE OF GRANT FUNDS FROM CDE FOR CHILD CARE SERVICES 16/17)



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: August 16, 2016

TITLE: PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #1 TO THE FISCAL YEAR 2016-17 ACTION PLAN

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct a Public Hearing to allow public comment on the proposed Substantial Amendment #1 to the FY 2016-2017 Annual Action Plan.
2. Review and adopt the proposed Substantial Amendment #1 to the FY 2016-2017 Annual Action Plan.
3. Authorize the Chief Financial Officer to reallocate grant funds between HUD-approved grant activities.

SUMMARY

This report recommends that the Council conduct a Public Hearing to update the FY 2016-17 Annual Action Plan to reflect the inclusion of the Boulder Ridge Apartment project with the modified funding sources. The update to the Action Plan will provide for the required budget changes between the specific Housing and Urban Development (HUD) activity categories as the first step towards meeting HUD's recommendation to begin closing out the Neighborhood Stabilization Program (NSP) grant.

The reallocation of the grant funds will not impact any projects or funding of those projects, as previously approved by the City Council. The actions recommended in this report are required to allow for the proposed adjustments within HUD's financial systems.

DISCUSSION

As a recipient of federal grant funding, the City of Moreno Valley completes a five-year Consolidated Plan and an Annual Action Plan Update that details the use of the grant funds issued to the City by the Department of Housing and Urban Development (HUD). Federal law requires that in cases where there are substantial changes to an approved Plan that cities notify its citizens of the proposed amendment(s) and provide them the opportunity to comment by holding a Public Hearing, then submitting the Council-approved 'Substantial Amendment(s)' to HUD for final approval.

This staff report requests the City Council approve the reallocation of grant funds and formally include the multi-family affordable housing development project known as the Boulder Ridge Apartments to the approved FY 2016-17 Annual Action Plan based on the revised financing plan. The Boulder Ridge project as previously presented to the City Council proposes to develop a 141-unit affordable apartment complex on an 8.5 acre parcel located at Alessandro Blvd. and Lasselle St. It is being proposed by Rancho Belago Developers. All except the manager's unit shall be rent restricted for income eligible households earning 60% of the area median income (AMI). The project is currently fully entitled. Development is contingent on the developer successfully securing Low Income Housing Tax Credits (LIHTC). The award announcements are anticipated in September 2016. This project will be built in two phases. The first phase shall consist of 4 three-story buildings containing 72 units. The first phase shall also incorporate a senior housing component. One building (10 units) shall be dedicated for seniors age 62 and older, earning between 30% and 60% AMI. The first phase will also construct a community/recreation room, laundry facility, and garages. At full completion, there will be a total of 8 buildings with units ranging from 1 to 3 bedrooms. Each unit will contain energy-efficient appliances. The buildings will use materials that exceed recommended standards, where available. The landscaping will be comprised of materials that promote water conservation, low maintenance, and durability.

Details of this project have been shared with Council during recent City Council and Finance Subcommittee Meetings. Council has also been advised that due to the complexity of the project, stringent benchmarks, timing of commitment and release of funds for the various funding sources, the project would require various Council actions. Below is a summary of the meetings along with important State Tax Credit Allocation Committee (TCAC) dates.

- February 24, 2016 - The City's Finance Subcommittee reviewed the structure of the Disposition and Development/Affordable Housing Agreement for the project.
- March 15, 2016 - City Council reviewed and approved the Disposition and Development / Affordable Housing Agreement and adopted Resolution 2016-13 supporting the project; affirming its intent to provide financial assistance to the developers for Phase One.
- May 17, 2016 - City Council adopted resolution 2016-32 accepting a portion of land adjacent to the project site to provide for a desilting basin to help the project meet the required conditions of approval.
- June 2016 – TCAC Application submitted by the Developer.
- August 16, 2016 (Tonight's Meeting) – City Council to review/discuss the project for the City's approved 2016-17 Annual Action Plan.
- September 2016 - TCAC results anticipated.

The project will provide the City with multiple benefits. It would allow for the City to better meet the performance goals, including spend down requirements established for the NSP and HOME Programs. It would potentially exhaust the remainder of the NSP funds which in turn would help facilitate the completion and closure of the NSP program, but most noticeably, it would increase the number of the affordable housing units available to the low-income persons in our community.

ALTERNATIVES

Alternative 1. Conduct the Public Hearing, adopt Substantial Amendment #1, affecting NSP and HOME, to the FY 2016/17 Annual Action Plan; and authorize the Chief Financial Officer to reallocate grant funds between HUD-approved grant activities. **Staff recommends this action because it complies with HUD’s substantial amendment requirements, would allow for the City to better meet the performance goals established for the NSP and HOME Programs, assist to meet grant spend down requirements, facilitate the completion and closure of the NSP program, and increase the number of the affordable housing units available to the low-income persons in our community.**

Alternative 2: Decline to adopt Substantial Amendment #1, affecting NSP and HOME, to the FY 2016/17 Annual Action Plan; and not authorize the Chief Financial Officer to reallocate grant funds between HUD-approved grant activities. **Staff DOES NOT recommend this action because it does not comply with HUD’s substantial amendment requirements, would not allow for the City to better meet the performance goals established for the NSP and HOME Programs, not assist to meet grant spend down requirements, not facilitate the completion and closure of the NSP program, and would not increase the number of the affordable housing units available to the low-income persons in our community.**

FISCAL IMPACT

The NSP and HOME funds are HUD grants and do not require any matching funds. All NSP and HOME revenue and expenditures have been included in the FY 2015/16 and 2016/17 amended budgets. There will be no impact on the General Fund.

The following reallocation of grant funds between HUD-approved grant activities is proposed in the following chart for both NSP grants and HOME:

NSP Activity 1	Current Grant Activity Allocations	Proposed Reallocation	Proposed Grant Activity Allocations
Activity 1, Single-Family Residential Acq./Rehabilitation/Resale (SFR-ARR)	6,426,000.00	(558,161.68)	5,867,838.32
Activity 2, Multi-Family Residential Acq./Rehabilitation/Rental (MFR-ARR)	4,509,942.28	(42,479.75)	4,467,462.53
Activity 3, Neighborhood Stabilization Homeownership Program (NSHP)	-	-	-
Activity 4, Demolition	-	-	-
Activity 5, Land banking	-	-	-
Activity 6, Redevelopment	827,000.00	3,322,563.33	4,149,563.33
Administration* (includes salaries and is capped at 10% of overall grant)	1,524,840.00	(16,018.08)	1,508,821.92
Unallocated Funds due to Program Income	2,705,903.82	(2,705,903.82)	-
Totals	\$ 15,993,686.10	\$ -	\$ 15,993,686.10

NSP Activity 3	Current Grant Activity Allocations	Proposed Reallocation	Proposed Grant Activity Allocations
Activity 1, Acq./Rehabilitation	2,582,287.11	(53,993.50)	2,528,293.61
Activity 2, Financing Mechanism	-	-	-
Activity 3, Demolition	-	-	-
Activity 4, Land Banking	-	-	-
Activity 5, Redevelopment	1,976,857.57	177,436.67	2,154,294.24
Administration* (includes salaries and is capped at 10% of overall grant)	519,347.10	-	519,347.10
Unallocated Funds due to Program Income	123,443.17	(123,443.17)	-
Totals	\$ 5,201,934.95	\$ -	\$ 5,201,934.95

2016/17 HOME ACTIVITY	Current Grant Activity Allocations	Proposed Reallocation	Proposed Grant Activity Allocations
Planning & Administration	52,729.80	-	52,729.80
Mandatory CHDO Set-aside	79,094.70	-	79,094.70
Habitat for Humanity Mobilehome Grant Rehabilitation Program	120,000.00	-	120,000.00
Boulder Ridge Apartments	-	1,000,000.00	1,000,000.00
Anticipated 2016/17 Allocation, Unallocated	275,473.00	(275,473.00)	-
Available HOME, Program Income	473,662.27	(419,209.21)	54,453.06
Prior Year, Unallocated	305,317.79	(305,317.79)	-
Totals	\$ 1,306,277.56	\$ -	\$ 1,306,277.56

NOTIFICATION

Notice of this meeting was published in the Press-Enterprise newspaper on August 1, 2016. The official 30-day public review period occurred from July 7, 2016 to August 7, 2016. Respondents were given the opportunity to provide comments via email, telephone, and in person. Staff

would like to note that at the time of submission of this report there were no comments received from the public either in support or opposing the project.

PREPARATION OF STAFF REPORT

Prepared By:
Isa Rojas
Management Analyst

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

Concurred By:
Dena Heald
Financial Operations Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. Proposed Amendment
- 2. Public Notices

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	8/02/16 11:13 AM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 9:00 AM
City Manager Approval	<u>✓ Approved</u>	8/02/16 5:29 PM

ATTACHMENT 1

**CITY OF MORENO VALLEY
FY 2016/17 ANNUAL ACTION PLAN
AMENDMENT NO. 1 AFFECTING NSP & HOME**

The Annual Action Plan addresses the City's plan for use of grant funds during Fiscal Year 2016/17. The Plan is the annual update to the 5-year, 2013-2018 Consolidated Plan and facilitates the strategies outlined in the (Consolidated) Plan by addressing community needs through various mechanisms.

This amendment to the FY 2016/17 Annual Action Plan required citizen participation (including public hearing, public notice and 30-day review period) because per the City's Citizen Participation Manual the issue is considered "substantial." A more detailed description of the proposed substantial amendment was made available for public review from July 7, 2016 through August 7, 2016. A public hearing was conducted on August 16, 2016, Moreno Valley City Council Meeting at 6:00 p.m.

The amendment includes the following changes:

FY 2016-17 Amendment affecting Neighborhood Stabilization Program (NSP) and HOME Investment Partnership Program (HOME) amends the Action Plan to include a new affordable housing project referred to as the Boulder Ridge Apartments. The project proposes to develop a 141-unit affordable housing project on an 8.5 acre parcel located at Alessandro Blvd. and Lasselle St. All except the manager's unit shall be rent restricted for income eligible households earning 60% of the area median income (AMI). The budget is proposed to include \$3.5 million in NSP funding and \$1 million in HOME. Project development is contingent on the developer successfully securing Low Income Housing Tax Credits (LIHTC). If successful, the \$24 million project will be built in two phases. The first phase shall be 72 units. The project will also include one building (10 units) dedicated for seniors age 62 and older, earning between 30% and 60% AMI. The first phase will also construct a community/recreation room, laundry facility, and garages. At completion, the project will include eight apartment buildings, two clubhouses, tot lots, and pool(s). The apartments include a unit mix of 1 to 3 bedrooms. Each unit will contain energy-efficient appliances. The building will use materials that exceed recommended standards, where available. The landscaping will be comprised of materials that promote water conservation.

Approved by: _____
Michelle Dawson, City Manager

CUSTOMER:	MORENO VALLEY FINANCIAL	PROOF TIME	7/12/2016 9:58:25 AM
REP ID:	OCAFUSILIER	LAST RUN:	07/14/16
DESIGNER	Rchung	SIZE:	3X5.25

**CITY OF MORENO VALLEY
UPDATED NOTICE OF PUBLIC COMMENT PERIOD
PROPOSED FY 2016-17 ACTION PLAN AMENDMENT #1**

(THIS NOTICE CORRECTS ORIGINAL NOTICE PRINTED ON JULY 7, 2016)

As a recipient of federal grant funding, the City of Moreno Valley is mandated to complete a five-year Consolidated Plan and an Annual Action Plan that details the use of its grant funds. In cases where there are changes to an approved Plan, cities must notify their citizens of the proposed change and provide them the opportunity to comment. A Public Hearing must also be held and with prior to the 'Substantial Amendment' being forwarded to the Department of Housing and Urban Development (HUD) for review and final approval.

The 'Substantial Amendment' proposes the following changes:

FY 2016-17 Amendment affecting Neighborhood Stabilization Program (NSP) and HOME amends the Action Plan to include a new affordable housing project referred to as the Boulder Ridge Apartments. The project proposes to develop a 141-unit affordable housing project on an 8.5 acre parcel located at Alessandro Blvd. and Lasselle St. The budget is proposed to include \$3.5 million in NSP funding and \$1 million in HOME. Project development is contingent on the developer successfully securing Low Income Housing Tax Credits (LIHTC). If successful, the \$24 million project will be built in two phases. The first phase shall be 72 units, all except the manager's unit shall be rent restricted for income eligible households earning 60% of the area median income (AMI). The project shall also include one building (10 units) dedicated for seniors age 62 and older, earning between 30% and 60% AMI. The first phase will also construct a community/recreation room, laundry facility, and garages. At completion, the project will include eight apartment buildings, two clubhouses, tot lots, and pool(s).The apartments include a unit mix of 1 to 3 bedrooms. Each unit will contain energy-efficient appliances. The building will use materials that exceed recommended standards, where available. The landscaping will be comprised of materials that promote water conservation.

Anyone interested in providing comments or obtaining additional information may do so by contacting the City of Moreno Valley's Financial Operations Division within the Finance Department, at 14177 Frederick Street, Moreno Valley, CA, 951.413.3450, np@moval.org. The proposed Amendment will be made available for public review from July 7, 2016 through August 7, 2016. Comments must be received no later than 5:00 pm on August 8, 2016 but will also be accepted at the Public Hearing to be held on Tuesday, August 16, 2016 at 6:00 p.m. at the City Council Chambers, Moreno Valley City Hall, 14177 Frederick Street, Moreno Valley, CA 92552.

Originally published July 7, 2016
Published: July 14, 2016

PLEASE READ ALL COPY CAREFULLY. CHECK SPELLING AND PHONE NUMBERS.

Once proof is approved FREEDOM COMMUNICATIONS will not accept responsibility for incorrect copy or layout.

NOTICE OF PUBLIC HEARING
CITY OF MORENO VALLEY
PROPOSED FY 2016-17
ACTION PLAN AMENDMENT

As a recipient of federal grant funding, the City of Moreno Valley is mandated to complete a five-year Consolidated Plan and an Annual Action Plan that details the use of its grant funds. In cases where there are changes to an approved Plan, cities must notify their citizens of the proposed change and provide them the opportunity to comment. A Public Hearing must also be held and with prior to the 'Substantial Amendment' being forwarded to the Department of Housing and Urban Development (HUD) for review and final approval.

The 'Substantial Amendment' proposes the following changes:

To amend the Action Plan to include a new affordable housing project referred to as the Boulder Ridge Apartments. The project proposes to develop a 141-unit affordable housing project on an 8.5 acre parcel located at Alessandro Blvd. and Lasselle St. All except the manager's unit shall be rent restricted for income eligible households earning 60% of the area median income (AMI). The budget is proposed to include \$3.5 million in NSP funding and \$1 million in HOME. Project development is contingent on the developer successfully securing Low Income Housing Tax Credits (LIHTC). If successful, the \$24 million project will be built in two phases. The first phase shall be 72 units. The project will also include one building (10 units) dedicated for seniors age 62 and older, earning between 30% and 60% AMI. The first phase will also construct a community/recreation room, laundry facility, and garages. At completion, the project will include eight apartment buildings, two clubhouses, tot lots, and pool(s).The apartments include a unit mix of 1 to 3 bedrooms. Each unit will contain energy-efficient appliances. The building will use materials that exceed recommended standards, where available. The landscaping will be comprised of materials that promote water conservation.

A Public Hearing will be held on **Tuesday, August 16, 2016 at 6:00 p.m.** to review the proposed amendment. The meeting will take place at:

City of Moreno Valley, City Hall Council Chambers
14177 Frederick Street, Moreno Valley, CA 92552

The general public is encouraged to attend. For more information or if unable to attend, comment may still be provided by contacting the Financial Operations Division within the Financial and Management Services Department either in person at the address provided, by phone at (951) 413-3450 or by e-mailing np@moval.org.

Upon request, this invitation public notice will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in these activities should direct such requests to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the activity. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility and participation in this meeting or event.

PLEASE READ ALL COPY CAREFULLY. CHECK SPELLING AND PHONE NUMBERS.

Attachment: Public Notices [Revision 1] (2202 : PUBLIC HEARING TO ADOPT SUBSTANTIAL AMENDMENT #1 TO THE FY 2016-17 ACTION

OC-0010185030-01

CUSTOMER:	MORENO VALLEY FINANCIAL	PROOF TIME	7/27/2016 12:12:49 PM
REP ID:	OCAFUSILIER	LAST RUN:	07/30/16
DESIGNER	Pharmon	SIZE:	3X10.5



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM MAIL BALLOT PROCEEDING

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Conduct the Public Hearing and accept public testimony regarding the mail ballot proceeding for Duke Realty Ltd. Partnership for approval of the National Pollutant Discharge Elimination System (NPDES) maximum commercial/industrial regulatory rate to be applied to the property tax bill.
2. Direct the City Clerk to count the returned NPDES ballot.
3. Verify and accept the results of the mail ballot proceeding as maintained by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If approved, authorize and impose the NPDES maximum commercial/industrial regulatory rate to the Assessor's Parcel Numbers mentioned in this report.

SUMMARY

The action before the City Council is to conduct a Public Hearing for a National Pollutant Discharge Elimination System (NPDES) mail ballot proceeding. The process to accept eleven parcels into the City's NPDES program affects one property owner, not the general citizens or taxpayers of the City.

The City requires property owners of new development projects to mitigate the cost of certain impacts created by the proposed development, such as the cost of complying

with the Federal NPDES requirements. The City offers the NPDES program as a financing mechanism to assist property owners in satisfying the requirement. After a property owner elects to participate in the program and approves the NPDES rate through a mail ballot proceeding, the City can levy the NPDES rate on the property tax bill of the authorized parcel(s). Attachment 2 outlines the steps to participate in the City's NPDES program.

The revenue generated by the NPDES program provides a funding source for pollution control of storm water runoff into municipally owned drainage facilities, lessening the financial impact of compliance with the federal requirements on the general taxpayer in Moreno Valley.

Duke Realty Ltd. Partnership, property owner of a proposed 400,395 sq. ft. warehouse (northeast corner of Heacock St. and Iris Ave.), has requested the City conduct a mail ballot proceeding which, if approved, will satisfy the project's condition of approval.

DISCUSSION

New development projects are subject to the current NPDES Permit requirements for storm water management as mandated by the 1972 Federal Clean Water Act (the "Act"). Public agencies are required to obtain NPDES Permits to discharge urban storm water runoff from municipally owned drainage facilities, including streets, highways, storm drains, and flood control channels. To comply with the Act and account for the increase in compliance activities related to new development, the Land Development Division (Public Works Department) requires property owners of new development projects to provide an ongoing funding source for the NPDES program as a condition of approval. The additional funding lessens the impact to the General Fund to ensure compliance with the federal requirements. The City Council adopted a NPDES residential regulatory rate on June 10, 2003, and the commercial/industrial regulatory rate on January 10, 2006.

With revenue received from the NPDES commercial/industrial regulatory rate, the City annually inspects site design, source and treatment control Best Management Practices, monitors maintenance records for those on-site facilities that require periodic monitoring, and performs annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

Duke Realty Ltd Partnership plans to construct a 400,395 sq. ft. warehouse (northeast corner of Heacock St. and Iris Ave.). Detailed parcel information for the property subject to the condition of approval is in the following table.

Property Owner/Project	Assessor's Parcel Numbers	Location	FY 2016/17 Maximum Commercial/Industrial Rate
-------------------------------	----------------------------------	-----------------	--

Duke Realty Ltd. Partnership P16-026	485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024	Northeast corner of Heacock St. and Iris Ave.	\$232.28/parcel
--	---	---	-----------------

The property owner has two options to satisfy the condition of approval:

- 1) Approve the NPDES rate to be collected on the annual Riverside County property tax bill by participating in a mail ballot proceeding; or
- 2) Fund an endowment that will be used to satisfy the parcel's annual requirement.

The property owner has elected to participate in a mail ballot proceeding. A mail ballot proceeding is a legally required process to approve new charges or an increase to existing charges on the property tax bills (Proposition 218). A notice explaining the purpose of the proposed charge and how the charge will be determined annually was mailed to the property owner along with a ballot to cast their vote (Attachment 1). The property owner must be provided 45 days to review the notice and an opportunity to address the City Council. The ballot is due to the City Clerk prior to the close of the Public Hearing. At the close of the Public Hearing, the ballot can be opened and counted, and results announced.

Approval of the NPDES rate satisfies the project's condition of approval to provide a funding source for the NPDES program. In the event the property owner does not approve the NPDES rate, does not return the ballot, or returns an invalid ballot (unmarked or unsigned), this condition of approval will remain unsatisfied and may cause a delay in the development.

ALTERNATIVES

1. Conduct the Public Hearing and upon its close, count and verify the returned ballots and accept the results. *Staff recommends this alternative as it satisfies the property owner's condition of approval, if the property owner approves the ballot.*
2. Open the Public Hearing and continue it to a future regular City Council meeting. *Staff does not recommend this alternative as it will delay announcement of the ballot results and may delay development of the project.*
3. Do not conduct the Public Hearing. *Staff does not recommend this alternative as it will delay the property owner from satisfying the condition of approval and may delay the development of the project. Additional costs will be incurred to start the 45-day noticing period over.*
4. Do not conduct the Public Hearing at this time but reschedule it to a date certain during a regular City Council meeting. *Staff does not recommend this alternative*

as it may delay development of the project and will incur additional costs for the 45-day noticing period to start over.

FISCAL IMPACT

The fiscal year (FY) 2016/17 NPDES maximum commercial/industrial regulatory rate is \$232.28 per parcel, and any division thereof. The NPDES maximum regulatory rate for FY 2017/18 and each subsequent FY is subject to an annual inflationary adjustment, provided the City Council approves such increase each year. The annual increases cannot exceed the annual inflationary adjustment without approval of the property owners subject to the charge.

Revenue received from the NPDES rate is restricted and can only be used within the Storm Water Management program. The revenue is used to offset the current NPDES Permit expenses and reduce the level of General Fund support necessary to remain in compliance with unfunded federal mandates, as administered by the State. The NPDES rate is only applied to the property tax bills of those parcels where the property owner previously approved the rate to be applied to the property tax bill.

NOTIFICATION

The property owner was provided the required 45-day noticing period to review the ballot documents. The documents included a notice to the property owner, map of the project area, NPDES ballot, NPDES commercial/industrial rate schedule, instructions for marking and returning the ballot, and a postage paid return envelope addressed to the City Clerk (Attachment 1).

Newspaper advertising for the August 16, 2016 Public Hearing was published in The Press-Enterprise on July 21, 2016 and again on July 28, 2016.

PREPARATION OF STAFF REPORT

Prepared by:
Jennifer Terry,
Senior Management Analyst

Department Head Approval:
Ahmad Ansari, P.E.,
Public Works Director/City Engineer

Concurred by:
Candace E. Cassel,
Special Districts Division Manager

Concurred by:
Michael Lloyd,
Land Development Division Manager

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

ATTACHMENTS

- 1. Ballot Documents for Duke Realty
- 2. NPDES Flowchart

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/20/16 1:16 PM
City Attorney Approval	<u>✓ Approved</u>	8/02/16 12:18 PM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:17 PM

TEL: 951.413.3480
 FAX: 951.413.3498
 WWW.MOVAL.ORG



14331 FREDERICK STREET, SUITE 2
 P. O. BOX 88005
 MORENO VALLEY, CA 92552-0805

Duke Realty Ltd Partnership
 Attention: Adam Schmid
 300 Spectrum Center Drive, Suite 1450
 Irvine, CA 92618

June 30, 2016

NOTICE TO PROPERTY OWNER-MAIL BALLOT PROCEEDING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) MAXIMUM COMMERCIAL/INDUSTRIAL REGULATORY RATE FOR APNs 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024

***** OFFICIAL BALLOT ENCLOSED *****

Introduction

In November of 1996, California voters passed Proposition 218 (“The Right to Vote on Taxes Act”). As a result, any new or proposed increase in a property-related charge requires approval by the property owner of record. In compliance with Proposition 218 legislation, the City of Moreno Valley Special Districts Division is conducting a mail ballot proceeding to provide the owner of Assessor’s Parcel Numbers (APNs) 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024 the opportunity to express support for or opposition to the approval of the NPDES Maximum Commercial/Industrial Regulatory Rate and services. Approval of the NPDES Maximum Commercial/Industrial Regulatory Rate through a mail ballot proceeding fulfills Land Development Division’s Condition of Approval to provide a funding source for the NPDES program.

Background

The current NPDES Permit, as administered by the State, regulates the volume and amount of pollutants in stormwater runoff from all development types. The City provides the services necessary to meet mandates of the Federal Clean Water Act related to the NPDES permit. NPDES Maximum Commercial/Industrial Regulatory Rate provides financial support for inspecting site design, source and treatment control Best Management Practices, monitoring maintenance records for those facilities that require periodic maintenance, and performing annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements.

Services Provided

In compliance with the Federal Clean Water Act, the City of Moreno Valley shall annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those facilities that require periodic maintenance, and perform

annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements.

How is the Amount of the Charge Determined?

Each fiscal year (FY), the City of Moreno Valley determines the type of services necessary to comply with NPDES Permit requirements and levies the rate applicable for that service, not to exceed the rate previously approved by the property owner.

Proposed Charge

For FY 2016/17, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$232.28 per parcel. The total amount of the NPDES rates levied for FY 2015/16 for the program as a whole was \$446,716.88.

Annual Adjustment

Beginning in FY 2017/18, the NPDES Maximum Commercial/Industrial Regulatory Rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor’s Bureau of Labor Statistics.

Duration of the Charge

Upon approval of the NPDES Maximum Commercial/Industrial Regulatory Rate, the annual levy amount will be assessed to APNs 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024 (and any division thereof) and shall be placed on the Riverside County property tax bill or included as a monthly charge on a utility bill. The NPDES Maximum Commercial/Industrial Regulatory Rate will be levied each following year at the proposed rate, which includes an annual inflation adjustment.

Public Hearing

To provide information concerning this mail ballot proceeding the City has scheduled a Public Hearing, which will be held at the **Moreno Valley City Hall Council Chamber located at 14177 Frederick Street, Moreno Valley.**

Public Hearing
Tuesday, August 16, 2016
6:00 P.M.
(Or As Soon Thereafter As The
Matter May Be Called)

Tabulation of returned ballots will commence after the close of the public testimony portion of the Public Hearing. All ballots received shall be tabulated under the direction of the City Clerk in compliance with the City’s Policy For Conducting Mail Ballot Proceedings Policy #1.12.

Effect if the Charge is Approved

Approval of the NPDES Maximum Commercial/Industrial Regulatory Rate will be confirmed if the ballot is marked in favor of the NPDES rate. Approving the NPDES Maximum Commercial/Industrial Regulatory Rate through a mail ballot proceeding will fulfill the Land Development Division’s Condition of Approval to provide an ongoing funding source for the

Attachment: Ballot Documents for Duke Realty (2184 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION

NPDES program.

Effect if the Charge is Not Approved

Not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to meet federally mandated NPDES Permit requirements will not satisfy the Land Development Division's Condition of Approval to provide a funding source for the NPDES program. If the returned ballot is marked "No", the NPDES rate will not be levied on the property tax bill.

Effect if the Ballot is Deemed Invalid or Incomplete

Not marking the corresponding box on the ballot next to the APN (in support of or opposition to the proposed program and annual rate) and/or not signing the ballot will result in an invalid ballot. In order to satisfy the Land Development Division's Condition of Approval by placement of the charge on the annual property tax bill, the mail ballot proceeding and 45-day noticing period will need to start over. Reinitiating the process will require payment of the mail ballot proceeding fee.

For More Information

If you have any questions about the mail ballot proceeding process, please contact Jennifer Terry, Senior Management Analyst, with the City's Special Districts Division at 951.413.3505 or via email at JenniferT@moval.org during the City's business hours.

Questions regarding the NPDES program, the annual rate, or the Land Development Division's Condition of Approval should be directed to the Land Development Division at 951.413.3120 or via email at landdevelopment@moval.org during the City's business hours.

The City's business hours are Monday through Thursday from 7:30 a.m. to 5:30 p.m. and Friday from 7:30 a.m. to 4:30 p.m.

Completing Your Ballot

Please follow the instructions below to complete and return your ballot. Procedures for the completion, return, and tabulation of the ballot are also on file in the City Clerk's office.

1. Mark the enclosed ballot in support of or opposition to the proposed program and annual rate **by placing a mark in the corresponding box next to the APN.** Ballots received without a designated vote will be considered invalid.
2. Sign your name on the ballot. Ballots received without signature(s) will be considered invalid *and will not be counted.*
3. Mail or personally deliver your completed ballot in a sealed envelope to the City Clerk's office, 14177 Frederick Street, Moreno Valley, California, 92553. For your convenience, a postage-paid envelope has been included for return of the ballot.
4. Ballot(s) must be **received** by the City Clerk prior to the close of the public testimony portion of the Public Hearing scheduled for **Tuesday, August 16, 2016**, at the Moreno Valley City Hall Council Chamber. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called. Ballots received after the close of the Public Hearing cannot be legally counted.

Ballot Marks

Appropriate ballot markings include any one of the following for either the YES/Approved or NO/Not Approved blank box:

-  A check mark substantially inside a box;
-  An X mark substantially inside a box;
-  A dot or oval mark substantially inside a box;
-  A completely shaded or filled mark substantially inside a box;
-  A line, single or dashed, or combination of lines, through the box area. Lines may be any one of the following marks: horizontal, vertical, or diagonal. The mark may either run from side to side or corner to corner. All valid lines must be substantially within the box area and not marking any part of another blank box on the ballot;
-  A circle around the box and/or associated clause; or
-  A square or rectangle around the box and/or associated clause.

Balloting marks shall not extend past one box area into any portion of another nor surround the perimeter or any portion of more than one box area. Markings that extend past one box area into any portion of another or surround the perimeter or any portion of more than one box area shall be considered invalid and not counted.

Ballot Mark Revisions (Changes): An error or desire to revise (change) a selection made on the ballot may be completed and returned any time **prior** to the conclusion of public testimony at the Public Hearing. **The revision must be initialed by the record owner(s) of property. Initials must be clearly printed and placed at the right top corner of the revised selection.**

Attachment: Ballot Documents for Duke Realty (2184 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION

COMMON INTEREST, COMMERCIAL, INDUSTRIAL AND QUASI-PUBLIC USE NPDES RATE SCHEDULE
 Adopted by the City Council on January 10, 2006

LEVEL 1		LEVEL II			
NPDES Administration <i>(Not covered by CSA 152)</i>		Site Design, Source Control and Treatment Control BMPs Monitoring and Maintenance			
Costs associated with personnel, administration and management of the storm water management program. Administrative tasks include development and filing of various stormwater reports and data collection and management.		Costs associated with stormwater and non-stormwater runoff monitoring, inspection of the project's site design, source control and treatment control BMPs; evaluation of site stormwater compliance activities, review of site-specific technical reports and treatment control BMP maintenance records.			
Level I is levied on all parcels conditioned for the NPDES Rate Schedule.					
Fiscal Year (FY) 2005/2006 - Base Year Calculation, subject to an annual inflation factor based on the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics					
PARCEL RATE	Per Month \$3.39	Per Year \$40.62	PARCEL RATE	Per Month \$15.97	Per Year \$191.66

Inflation Factor Adjustments

- FY 2006/2007 - 4.5% = (\$33.00 & \$158.00)
- FY 2007/2008 - 3.1% = (\$34.00 & \$163.00)
- FY 2008/2009 - 4.2% = (\$35.00 & \$170.00)
- FY 2009/2010 - no change = (\$35.00 & \$170.00)
- FY 2010/2011 - no change = (\$35.00 & \$170.00)
- FY 2011/2012 - 3.8% = (\$36.00 & \$176.00)
- FY 2012/2013 - 2.7% = (\$37.00 & \$181.00)
- FY 2013/2014 - 2.0% = (\$38.00 & \$185.00) rounded to the nearest dollar
- FY 2014/2015 - 1.14% = (\$39.52 & \$186.49) Pursuant to City Council approval on June 10, 2014.
- FY 2015/2016 - 0.73% = (\$39.81 & \$187.85)
- FY 2016/2017 - 2.03% = (\$40.62 & \$191.66)

P16-026 Plot Plan to construct a 400,935 sq. ft. warehouse Duke Realty

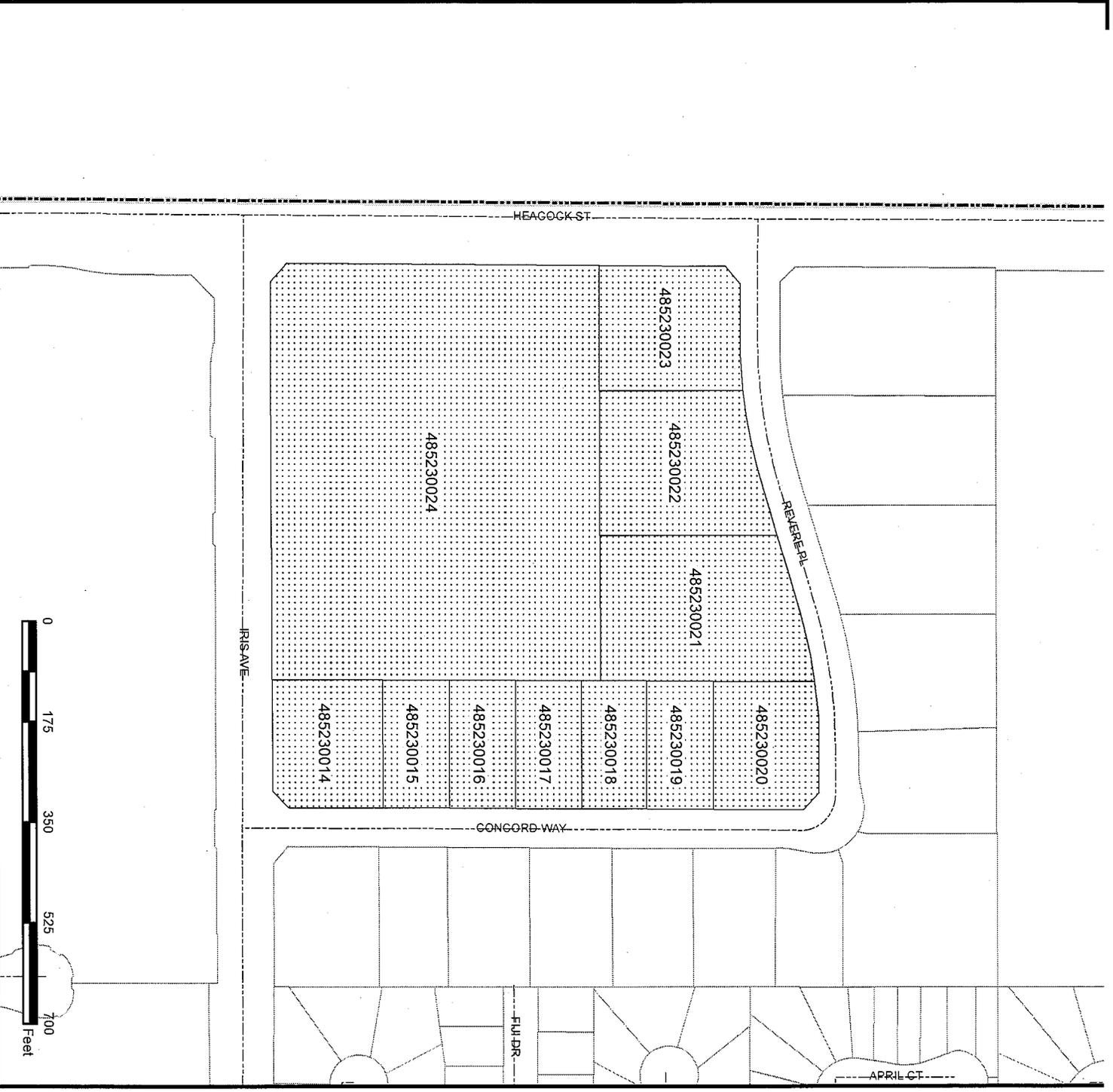
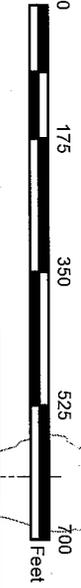
-  APNs
-  Roads
-  Parcels
-  City Boundary

Map reflects all changes indicated on Riverside County Assessor Maps as of June 23, 2016.



G:\AVP\SDAP\16-026 Duke Realty.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.



OFFICIAL MAIL BALLOT for
Assessor's Parcel Numbers (APNs) 485-230-014, 485-230-015, 485-230-016,
485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022,
485-230-023, and 485-230-024
National Pollutant Discharge Elimination System (NPDES)
Maximum Commercial/Industrial Regulatory Rate

YES* — as property owner of APNs 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024, **I approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. For fiscal year (FY) 2016/17, the NPDES Maximum Commercial/Industrial Regulatory Rate is \$232.28 per parcel. Upon approval of the maximum regulatory rate, the annual levy amount shall be placed on the annual Riverside County property tax bill or included as a monthly charge on a utility bill. Beginning FY 2017/18, the maximum regulatory rate will be subject to an annual adjustment based on the percentage change calculated for the previous year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics. The City will annually inspect site design, source and treatment control Best Management Practices, verify monitoring and maintenance records for those facilities that require periodic maintenance, and perform annual inspections of the affected areas to ensure compliance with federally mandated NPDES Permit requirements, as administered by the State.

NO** — as property owner of APNs 485-230-014, 485-230-015, 485-230-016, 485-230-017, 485-230-018, 485-230-019, 485-230-020, 485-230-021, 485-230-022, 485-230-023, and 485-230-024, **I do not approve** the NPDES Maximum Commercial/Industrial Regulatory Rate and services. I understand that not approving the NPDES Maximum Commercial/Industrial Regulatory Rate to fund federally mandated NPDES Permit requirements will not satisfy the project's Conditions of Approval. The NPDES maximum commercial/industrial regulatory rate will not be levied on the annual Riverside County property tax bill.

Assessor's Parcel Numbers	YES*	NO**	Fiscal Year 2016/17 NPDES Maximum Commercial/Industrial Regulatory Rate
485-230-014 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-015 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-016 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-017 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-018 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-019 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-020 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-021 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-022 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-023 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28
485-230-024 (and any division thereof)	<input type="checkbox"/>	<input type="checkbox"/>	\$232.28

This ballot must be received by the City Clerk of the City of Moreno Valley prior to the close of the public testimony portion of the Public Hearing to be held on August 16, 2016, at the Moreno Valley City Hall Council Chamber, 14177 Frederick Street, Moreno Valley, California. The Public Hearing will be held at 6:00 p.m. or as soon thereafter as the matter may be called.

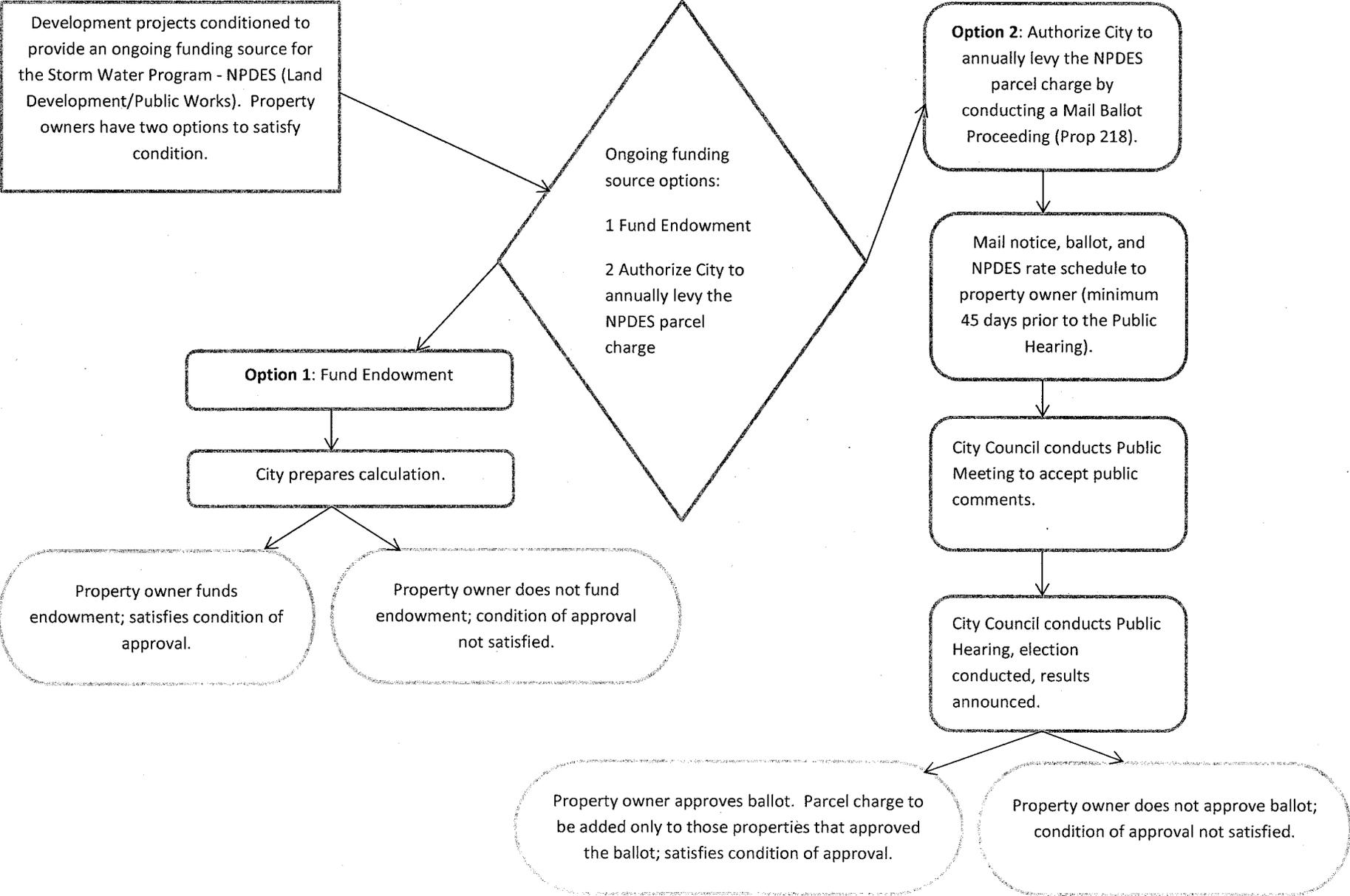
PROPERTY OWNER SIGNATURE DATE

Please remember to mark the appropriate box, sign and date the ballot, and return to the City Clerk's office in the enclosed envelope prior to the close of the public testimony portion of the August 16, 2016 Public Hearing.

Ballot(s) deemed invalid or incomplete will be discarded and a new process must be initiated in order to place the charge on the annual Riverside County property tax bill, which includes payment of the mail ballot fee.

Attachment: Ballot Documents for Duke Realty (2184 : PUBLIC HEARING FOR THE NATIONAL POLLUTANT DISCHARGE ELIMINATION

Process Flow for Property Owners/Developers to Satisfy Funding Requirement for the Storm Water Program



This process flow is simplified for illustration purposes. Contact the Special Districts Division at 951.413.3480 for the detailed process.

November 12, 2014



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: August 16, 2016

TITLE: APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Acting as the legislative body of Community Facilities District No. 7, adopt Resolution No. 2016-64, a Resolution of the City Council of the City of Moreno Valley, California, Authorizing the Issuance of Not to Exceed \$4,000,000 Aggregate Principal Amount of Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016, Approving the Execution and Delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Agreement and the Preparation of an Official Statement and Other Matters Related Thereto.
2. Establish funds and budget for Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley as requested within the report.

SUMMARY

Approval of the proposed resolution will authorize the issuance of up to \$4,000,000 in bonds for Improvement Area ("IA") No. 1 of Community Facilities District (CFD) No. 7 ("CFD No. 7" or "District"). This action affects two property owners, not the general citizens or taxpayers of the City.

FR/CAL and I-215 Logistics, LLC are the only two property owners in IA No. 1 of the District. The property owners have requested the City (acting as the legislative body for the District) issue bonds on behalf of the District. The bonds will be secured by a special tax lien recorded against the properties in IA No. 1 of the District and will not be

an obligation of the City, its general fund, or any other property owners in the City. FR/CAL constructed public improvements on behalf of all the properties in the IA in 2008. Issuance of the bonds allows I-215 Logistics, LLC to repay FR/CAL for its share of the cost of the improvements constructed by FR/CAL.

Approval of the bond documents, in substantial form as attached, will authorize the Financing Team (as defined below) to proceed with the sale of bonds. The Finance Subcommittee reviewed this item during its July 7, 2016 meeting and recommended it be advanced for City Council consideration.

DISCUSSION

On June 24, 2008, the City Council formed CFD No. 7, with three individual IAs. The District was formed to finance the acquisition of street improvements and flood control facilities. Individual IAs were established to allow property owners within each IA to finance the construction of certain public improvements constructed within that IA through the payment of a special tax levied on their properties. The special tax provides the funding to make the debt service payments against bonds issued on behalf of the District. IA No. 2 was dissolved in 2012 and property owners in IA No. 3 are not expected to request issuance of bonds to finance their public improvements.

In 2008, FR/CAL constructed the public infrastructure improvements for IA No. 1 (see Attachment 6 for a boundary map of IA No. 1). Street and certain flood control facilities were accepted by the City and certain flood control facilities were accepted by Riverside County Flood Control and Water Conservation District (RCFCD) in 2009. Due to market conditions, bonds were not issued after the improvements were constructed.

With the market recovering, the property owners within IA No. 1 submitted a Petition (Attachment 7) to amend the rate and method of apportionment of special tax (the "RMA") with the intent to issue bonds. An Amended and Restated RMA was approved on June 21, 2016 following a special election and unanimous approval of the two property owners within the IA.

The RMA establishes the calculation of the annual special tax, the properties subject to the special tax and at which rate, the formula to calculate a prepayment of the special tax, and the term of the special tax. The amendment changed the boundaries of the zones within the IA, apportioned the special tax to only those properties located within Zone 2 of the IA, and limited the facilities to be refinanced to only those storm drain facilities accepted by RCFCD at a not to exceed amount of \$2,703,341.58. The special tax will fund debt service and administration costs related to the proposed bond issue. The debt will be secured by a special tax lien recorded against the eligible properties in IA No. 1 of the District and will not be an obligation of the City.

Cost of Improvements

In January 2011, Willdan Financial Services (Special Tax Consultant) completed an Acquisition Audit of the public improvements installed by FR/CAL and recommended a purchase price of \$5,211,763.21 (Attachment 8). On April 7, 2016, RCFCD approved a

payment request of \$4,280,000.00 of which \$3,600,000.00 is for the RCFCD flood control facilities (Attachment 9). The proposed bond issue is to refinance I-215's share of the improvements at a cost of \$2,703,341.58. The property owners negotiated this amount, which was included as part of the special election for the RMA amendment.

Special Tax Bonds

The Financing Team recommends issuing Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016 (the "2016 Special Tax Bonds") at a maximum amount of \$4 million with a maximum interest rate of 5.50%. This will include the cost of the facilities, establishment of a reserve fund, cost of issuance (e.g. consultant fees and printing expenses), and the City's annual administrative fee, etc. The final amount of the 2016 Special Tax Bonds will be subject to the final project sizing and interest rates negotiated with investors at the time of the bond sale. Setting the maximum amount for the bonds will provide the Financing Team flexibility to structure the bonds appropriately for the market, achieving the best terms for the property owners in IA No. 1.

The Financing Team drafted the following bond related documents, which are in substantially the form as included as Attachments 2, 3, 4 and 5. Both property owners actively participated in the development of the documents.

Document	Prepared by	Purpose
Indenture	City's Bond Counsel Orrick, Herrington & Sutcliffe LLP	An agreement between the City and Trustee (Wells Fargo Bank, National Association). Provides for the issuance of the bonds. Specifies the interest and principal payment dates; the pledge of special tax revenues to pay debt service; the funds to be created and held by the trustee, including payment of costs of issuance (e.g. Financing Team fees and any other costs of issuance); the covenants the City must follow including the covenant to foreclosure due to non-payment of special taxes; and the duties and responsibilities of the trustee.
Bond Purchase Agreement	Underwriter's Counsel Jones Hall	An agreement between the City and the Underwriter (Stifel Nicolaus & Company). Specifies the terms whereby the City agrees to sell the bonds to Stifel and Stifel agrees to buy the bonds from the City and resell them to investors.
District Continuing Disclosure Agreement	City's Disclosure Counsel Stradling, Yocca, Carlson & Rauth	Specifies the required information the City must provide to the bond market on an annual basis, identifies types of events that are considered material and requires the City to file material event notices.
Preliminary Official Statement	City's Disclosure Counsel Stradling, Yocca, Carlson & Rauth	Contains specific information about the District to enable potential investors to make an informed decision about purchasing the Bonds. Details the current development status of CFD No. 7 and provides potential investors with information related to the Amazon Fulfillment Center and contains the following information: Square footage of the building; Current assessed value of the building and the improvements; Leasing information; Information about the special taxes and the proposed annual special taxes; General risk factors about non-rated credits; General information about the City.

Financing Team

Following a formal Request for Proposal process, the City Council designated the Financing Team in March of 2015.

FINANCING TEAM	
Consultant	Professional Service
Orrick, Herrington & Sutcliffe LLP	Bond Counsel
Stifel, Nicolaus & Co., Inc.	Underwriter of the bonds, which will be sold on a negotiated basis
Stradling, Yocca, Carlson & Rauth	Disclosure Counsel
Willdan Financial Services	Dissemination Agent
Fieldman Rolapp & Associates	Financial Advisor

Through a separate process, the City selected Wells Fargo Bank, National Association, to serve as Trustee for its bond issues and Willdan Financial Services as its Special Tax Consultant.

Costs of Issuance fees, which includes fees for services provided by members of the Financing Team and other eligible reimbursements (e.g. costs for the RMA amendment process) will be paid from bond proceeds, pursuant to Article III of the Indenture. The City will not incur any expenses related to a bond issue. The total cost of issuing the

2016 Special Tax Bonds and the costs related to the RMA amendment is approximately \$360,000.

Special Districts Financing Policy

The City's Special Districts Financing Policy stipulates the effective tax rate for any parcel within a district shall not exceed 1.75%. Under normal circumstances, bonds are issued prior to completion of a project's development. The intent of the 1.75% effective tax rate is to protect property owners (e.g. residential homeowners) and to minimize the amount of taxes annually levied on the property tax bill. The lower effective tax rate also provides additional security to future bondholders when the ultimate property owner or tenant is unknown at the time bonds are sold.

In this case, Zone 2 (the zone subject to the special tax), includes five parcels, of which two are undeveloped sliver parcels. In accordance with the RMA, undeveloped parcels are levied the special tax only if additional monies are needed to satisfy the special tax requirement. The tax rate for the two sliver parcels and one of the smaller parcels exceeds 1.75%; however, on an aggregate basis, the effective tax rate of all of the parcels is 1.41%. In this situation, the Financing Team does not believe a waiver of the effective tax rate requirement will negatively impact the ability to issue the bonds and secure a favorable interest rate, nor will it impact the City's credibility in the bond market.

ALTERNATIVES

1. Adopt the proposed resolution authorizing the issuance of the 2016 Special Tax Bonds and related budget amendment. *Staff recommends this alternative, as it is consistent with the purpose of the CFD and fulfills the request of the property owners.*
2. Do not adopt the proposed resolution. *Staff does not recommend this alternative, as it is inconsistent with the purpose of the CFD and is contrary to the request of the property owners.*
3. Do not adopt the proposed resolution but continue the item. *Staff does not recommend this alternative, as it will delay issuance of bonds, may negatively impact the terms of the financing, and may result in additional costs to update the bond documents.*

FISCAL IMPACT

Based on current rates, the City will issue approximately \$3,325,000 of 2016 Special Tax Bonds. The bond authorizing resolution has a maximum issuance amount of \$4,000,000 to refinance \$2,703,341.58 of RCFCD flood control facilities (pursuant to the RMA), establish a reserve fund, and pay costs of issuance/RMA amendment costs, etc. This figure also provides additional flexibility to accommodate structuring options to achieve the lowest interest rates.

The 2016 Special Tax Bonds will be structured with a thirty-year term with final maturity contemplated for September 1, 2045. Current interest rates are projected at 4%.

Average annual debt service payments are projected to be about \$190,000 with total debt service of about \$5,759,353 to be paid over the life of the bonds. Payment for the 2016 Special Tax Bonds is secured by a special tax lien recorded against eligible properties in IA No. 1 of CFD No. 7. The special taxes will be collected on the annual property tax bill or via handbill, if necessary, until the bonds have been paid in full.

With the issuance of the bonds, the City's 2016-17 Adopted Budget needs to be amended to establish a debt service fund and an administration fund for the District.

Fund Level Budget Adjustment				
Description	Fund	GL Account No.	Type (Rev/Exp)	FY 16/17 Budget Amendment
Revenue	CFD No. 7	XXXX-99-99	Rev	\$4,000,000
Expense	CFD No. 7	XXXX-99-99	Exp	\$4,000,000

NOTIFICATION

The item has been posted as part of the normal agenda posting process. Issuance of the bonds was requested by the two property owners affected. The property owners have been actively involved in preparation of the documents.

PREPARATION OF STAFF REPORT

Prepared by:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad Ansari, P.E.
Public Works Director/City Engineer

Concurred by:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Resolution Authorizing Issuance of Bonds
2. Indenture
3. Bond Purchase Agreement
4. District Continuing Disclosure Agreement
5. Preliminary Official Statement
6. Boundary Map
7. Property Owner Petition
8. Acquisition Audit Cover Letter 012811
9. Payment Request
10. Amended and Restated RMA

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	7/26/16 5:25 PM
City Attorney Approval	<u>✓ Approved</u>	7/29/16 9:21 AM
City Manager Approval	<u>✓ Approved</u>	8/02/16 4:27 PM

RESOLUTION NO. 2016-64

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING THE ISSUANCE OF NOT TO EXCEED \$4,000,000 AGGREGATE PRINCIPAL AMOUNT OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY SPECIAL TAX BONDS, SERIES 2016, APPROVING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT AND THE PREPARATION OF AN OFFICIAL STATEMENT AND OTHER MATTERS RELATED THERETO

WHEREAS, the City Council (the "City Council") of the City of Moreno Valley (the "City") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), (i) to form a community facilities district comprising three improvement areas within the City of Moreno Valley, designated and known as "Community Facilities District No. 7 of the City of Moreno Valley" (the "Community Facilities District"), with "Improvement Area No. 1," "Improvement Area No. 2" and "Improvement Area No. 3," (ii) to authorize a special tax to finance the acquisition and construction of certain public facilities, (iii) to authorize the issuance of debt to finance the facilities, and (iv) to establish the appropriations limit for the Community Facilities District, all as set forth in the City Council's Resolution No. 2008-82 (the "Resolution of Formation"), adopted on June 24, 2008;

WHEREAS, an election was held within the Community Facilities District on June 24, 2008, and on that date the qualified electors approved, by more than two-thirds of the votes cast at such special election, the proposition to incur bonded indebtedness and levy the Special Tax;

WHEREAS, FR/CAL Moreno Valley, LLC, a Delaware limited liability company and I-215 Logistics, LLC, a Delaware limited liability company (together, the "Owners"), as the respective present legal owners of all of the property (the "Property"), which is included within the territory of Improvement Area No. 1 filed a petition with the City (the "Petition"), requested the City Council to enter into certain change proceedings (the "Proposed Amendments") pursuant to Article 3 of the Act;

WHEREAS, the Proposed Amendments are described in the Memorandum of Understanding between the Owners, dated as of February 19, 2015, which is attached as Exhibit B to the Petition;

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WHEREAS, among other changes, the Proposed Amendments specifically limited the facilities which may be financed by special tax bonds issued in connection with Improvement Area No. 1 to the Perris Valley MDP-Lateral B-3, Stage 2 and the Perris Valley MPD-Lateral B-3.2 (the "Facilities"), and limited the cost of the Facilities to \$2,703,341.58;

WHEREAS, on Tuesday, May 17, 2016, the City Council adopted its Resolution of Consideration considering the Proposed Amendments and scheduled a Public Hearing thereon on June 21, 2016;

WHEREAS, an election was held within the Community Facilities District on June 21, 2016, and on that date the qualified electors approved, by more than two-thirds of the votes cast at such special election, the Proposed Amendments;

WHEREAS, in order to provide the moneys required to refinance the Facilities, the City Council desires to authorize the issuance of Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016 (the "Bonds"), in an aggregate principal amount of not to exceed \$4,000,000;

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with Wells Fargo Bank, National Association, or such other bank or national association as may be designated by the City, as trustee (the "Trustee") (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Indenture");

WHEREAS, Stifel, Nicolaus & Company, Incorporated (the "Underwriter") has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Purchase Agreement");

WHEREAS, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 ("Rule 15c2-12") requires that, in order to be able to purchase or sell the Bonds, the Underwriter must have reasonably determined that the Community Facilities District has undertaken in a written agreement or contract for the benefit of the holders of the Bonds to provide disclosure of certain financial information and certain material events on an ongoing basis;

WHEREAS, in order to cause such requirement to be satisfied, the Community Facilities District desires to execute a Continuing Disclosure Agreement, to be acknowledged and accepted by the dissemination agent named therein (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Continuing Disclosure Agreement");

WHEREAS, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Agreement; and
- (d) the Preliminary Official Statement to be used in connection with the offering and sale of the Bonds (such Preliminary Official Statement in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Preliminary Official Statement"); and

WHEREAS, the Community Facilities District desires to proceed to issue and sell the Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Bonds.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. Subject to the provisions of Section 2 hereof, the issuance of the Bonds, in the aggregate principal amount of not to exceed \$4,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, is hereby authorized and approved. The Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be issued in the form, shall be subject to call and redemption and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

Section 2. The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. The Mayor of the City, and such other members of the City Council as the Mayor may designate, the Mayor Pro Tem of the City, the City Manager, the Chief Financial Officer, and the City Clerk (the "Authorized Officers") are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such

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changes, insertions and omissions shall not authorize an aggregate principal amount of Bonds in excess of \$4,000,000, shall not result in a final maturity date of the Bonds later than September 1, 2047 and shall not result in a true interest cost for the Bonds in excess of 5.50%.

Section 3. The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Bonds in excess of 2.00% of the aggregate principal amount of the Bonds. The City Council hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

Section 4. The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

Section 5. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District, to certify to the Underwriter that the Preliminary Official Statement has been "deemed final" for purposes of Rule 15c2-12.

Section 6. The preparation and delivery of a final Official Statement (the "Official Statement"), and its use in connection with the offering and sale of the Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. The Authorized Officers are, and each of them is, hereby authorized and directed to execute the final

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Official Statement and any amendment or supplement thereto, for and in the name of the Community Facilities District.

Section 7. Pursuant to Section 53345.8 of the Act, the City Council hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Bonds will be at least three times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within Improvement Area No. 1 of the Community Facilities District or a special assessment levied on property within Improvement Area No. 1 of the Community Facilities District.

Section 8. The Authorized Officers are, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the issuance of the Bonds and the transactions contemplated by this Resolution.

Section 9. All actions heretofore taken by the Authorized Officers and by the officers and staff of any member of the City with respect to the Community Facilities District or the issuance and sale of the Bonds, or in connection with or related to any of the agreements or documents referenced herein, are hereby approved, confirmed and ratified.

Section 10. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 16th day of August, 2016.

Mayor of the City of Moreno Valley

ATTEST:

Interim City Clerk

APPROVED AS TO FORM:

Interim City Attorney

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Resolution No. 2016-64
Date Adopted: August 16, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Marie Macias, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-64 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 16th day of August, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

INTERIM CITY CLERK

(SEAL)

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Resolution No. 2016-64
Date Adopted: August 16, 2016

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Resolution No. 2016-64
Date Adopted: August 16, 2016

INDENTURE

by and between

**COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY**

and

**WELLS FARGO BANK, NATIONAL ASSOCIATION,
as Trustee**

Dated as of [September 1, 2016]

**Relating to
Improvement Area No. 1 of
Community Facilities District No. 7
of the City of Moreno Valley
Special Tax Bonds, Series 2016**

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Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

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Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

INDENTURE

THIS INDENTURE (the “Indenture”) is dated as of [September 1, 2016], by and between **COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY**, a Community Facilities District organized and existing under and by virtue of the laws of the State of California (the “Community Facilities District”), and **WELLS FARGO BANK, NATIONAL ASSOCIATION**, a national banking association organized and existing under the laws of the United States, as trustee (the “Trustee”).

WITNESSETH:

WHEREAS, the City Council (the “City Council”) of the City of Moreno Valley (the “City”) conducted proceedings under and pursuant to the terms and provisions of the “Mello-Roos Community Facilities Act of 1982,” being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the “Act”), (i) to form a Community Facilities District comprising three improvement areas within the City of Moreno Valley, designated and known as “Community Facilities District No. 7 of the City of Moreno Valley” (the “Community Facilities District”), with “Improvement Area No. 1,” “Improvement Area No. 2” and “Improvement Area No. 3,” (ii) to authorize a special tax to finance the acquisition and construction of certain public facilities, (iii) to authorize the issuance of debt to finance the facilities, and (iv) to establish the appropriations limit for the Community Facilities District, all as set forth in the City Council’s Resolution No. 2008-82 (the “Resolution of Formation”), adopted on June 24, 2008;

WHEREAS, an election was held within the Community Facilities District on June 24, 2008, and on that date the qualified electors approved, by more than two-thirds of the votes cast at such special election, the proposition to incur bonded indebtedness and levy the Special Taxes, as herein defined;

WHEREAS, FR/CAL Moreno Valley, LLC, a Delaware limited liability company and I-215 Logistics, LLC, a Delaware limited liability company (together, the “Owners”), as the respective present legal owners of all of the property (the “Property”), which is included within the territory of Improvement Area No. 1 of the Community Facilities District filed a petition with the City (the “Petition”), requested the City Council to enter into certain change proceedings (the “Proposed Amendments”) pursuant to Article 3 of the Act;

WHEREAS, the Proposed Amendments are described in the Memorandum of Understanding between the Owners, dated as of February 19, 2015, which is attached as Exhibit B to the Petition;

WHEREAS, among other changes, the Proposed Amendments specifically limited the facilities which may be financed by special tax bonds issued in connection with Improvement Area No. 1 to the Perris Valley MDP-Lateral B-3, Stage 2 and the Perris Valley MPD-Lateral B-3.2 (the “Facilities”), and limited the hard cost of the Facilities to \$2,703,341.58;

WHEREAS, on Tuesday, May 17, 2016, the City Council adopted its Resolution of Consideration considering the Proposed Amendments and scheduled a Public Hearing thereon on June 21, 2016;

WHEREAS, an election was held within Improvement Area No. 1 of the Community Facilities District on June 21, 2016, and on that date the qualified electors approved, by more than two-thirds of the votes cast at such special election, the Proposed Amendments;

WHEREAS, the City Council, as the legislative body of the Community Facilities District, is authorized under the Act to levy special taxes sufficient to pay debt service on bonds the proceed of which are used to provide the refinancing of the Facilities and to pay certain administrative costs, secured by recordation of a continuing lien against all nonexempt real property in Improvement Area No. 1 of the Community Facilities District, which special taxes will be annually levied within Improvement Area No. 1 of the Community Facilities District, and to issue bonds secured by said special taxes under the Act;

WHEREAS, in order to provide the moneys required to finance the Facilities, the Community Facilities District desires to provide for the issuance of Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016 (the "Series 2016 Bonds"), in the aggregate principal amount of not to exceed \$4,000,000;

WHEREAS, the Community Facilities District desires to provide for the issuance of additional bonds, provided that said issuance is solely for the purpose of refunding previously issued bonds of the Community Facilities District (the "Additional Bonds") payable from the Special Taxes on a parity with the Series 2016 Bonds (the Series 2016 Bonds and any such Additional Bonds being collectively referred to as the "Bonds");

WHEREAS, in order to provide for the authentication and delivery of the Series 2016 Bonds, to establish and declare the terms and conditions upon which the Series 2016 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this Indenture;

WHEREAS, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Series 2016 Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of Improvement Area No. 1 of the Community Facilities District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture has been in all respects duly authorized;

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of, premium, if any, and the interest on all Series 2016 Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Series 2016 Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Series 2016 Bonds by the owners thereof, and for other valuable

consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Series 2016 Bonds, as follows:

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

ARTICLE I

DEFINITIONS; EQUAL SECURITY

Section 1.01. Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture, of any Supplemental Indenture and of any certificate, opinion or other document herein or therein mentioned, have the meanings herein specified.

“Act” means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

“Additional Bonds” means Bonds other than Series 2016 Bonds issued hereunder in accordance with the provisions of Sections 3.05 and 3.06.

“Administrative Expense Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.08.

“Administrative Expenses” means costs directly related to the administration of Improvement Area No. 1 of the Community Facilities District, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture, the costs incurred by Improvement Area No. 1 of the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and this Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of Improvement Area No. 1 of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with Section 6.09, an allocable share of the salaries of the staff of the City, or of any member thereof, providing services on behalf of Improvement Area No. 1 of the Community Facilities District directly related to the foregoing and a proportionate amount of general administrative overhead of the City, or of any member thereof, related thereto, and the costs of foreclosure of delinquent Special Taxes.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest due on the Outstanding Series 2016 Bonds in such Bond Year, assuming that the Outstanding Series 2016 Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal amount of the Outstanding Series 2016 Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year).

“Auditor” means the Auditor-Controller of the County.

“Authorized Representative” means (a) with respect to the Community Facilities District, the Mayor, the Clerk of the City, the City Manager and the Chief Financial Officer of the City, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee, and (b) with respect to the Trustee, the President, any Vice President, any Assistant Vice President or any Trust Officer of the Trustee, and when used with reference to any act or document also means any other

Person authorized to perform such act or sign any document by or pursuant to a resolution of the Board of Directors of the Trustee or the by-laws of the Trustee.

“Average Annual Debt Service” means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

“Beneficial Owner” means, whenever used with respect to a Series 2016 Bond, the person whose name is recorded as the beneficial owner of such Series 2016 Bond or a portion of such Series 2016 Bond by a Participant on the records of such Participant or such person’s subrogee.

“Book-Entry Bonds” means the Series 2016 Bonds registered in the name of the nominee of DTC, or any successor securities depository for the Series 2016 Bonds, as the registered owner thereof pursuant to the terms and provisions of Section 2.09.

“Bond Counsel” means a firm of nationally recognized bond counsel selected by the Community Facilities District.

“Bond Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.03.

“Bond Year” means each twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 20__.

“Business Day” means a day which is not (a) a Saturday, Sunday or legal holiday, (b) a day on which banking institutions in the State of California, or in any state in which the Office of the Trustee, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

“Cede & Co.” means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to the Series 2016 Bonds.

“City” means the City of Moreno Valley, and any successor thereto.

“City Council” means the City Council of the City.

“Closing Date” means the date upon which the Series 2016 Bonds are delivered to the Original Purchaser, being _____, 2016.

“Code” means the Internal Revenue Code of 1986.

“Community Facilities District” means Community Facilities District No. 7 of the City of Moreno Valley, and any successor thereto.

“Costs of Issuance” means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Series 2016 Bonds, including but not limited to printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys,

financial advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Series 2016 Bonds and any other cost, charge or fee in connection with the original issuance of the Series 2016 Bonds.

“Costs of Issuance Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.03.

“County” means the County of Riverside, a political subdivision duly organized and existing under the Constitution and laws of the State of California.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Series 2016 Bonds, including any such successor appointed pursuant to Section 2.09.

“Facilities” means the Perris Valley MDP-Lateral B-3, Stage 2 and the Perris Valley MPD-Lateral B-3.2

“Federal Securities” means (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America), and (b) obligations of any agency, department or instrumentality of the United States of America the timely payment of principal of and interest on which are fully guaranteed by the United States of America.

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District designated in a Written Certificate of the Community Facilities District delivered to the Trustee.

“Improvement Area No. 1 of the Community Facilities District” means Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley, and any successor thereto.

“Indenture” means this Indenture, as originally executed and as it may be amended or supplemented from time to time by any Supplemental Indenture.

“Independent Consultant” means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the domination of the Community Facilities District or the City, (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the City, or any owner of real property in the Community Facilities District, or any real property in the Community Facilities District, and (d) is not connected with the Community Facilities District or the City as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the City.

“Interest Payment Dates” means [March 1 and September 1 of each year, commencing March 1, 201_,] so long as any Series 2016 Bonds remain Outstanding.

“Issuer Continuing Disclosure Agreement” means the Continuing Disclosure Agreement, dated as of the date hereof, executed by the Community Facilities District and acknowledged and accepted by Willdan Financial Services, in its capacity as Dissemination Agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

“Maximum Annual Debt Service” means the largest Annual Debt Service for any Bond Year, including the Bond Year the calculation is made.

“Moody’s” means Moody’s Investors Service, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“MSRB” means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

“Net Special Tax Revenues” means Special Tax Revenues, less amounts required to pay Administrative Expenses.

“Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Community Facilities District by the Trustee in writing.

“Ordinance” means any ordinance adopted by the City Council levying the Special Taxes.

“Original Purchaser” means the original purchaser of the Series 2016 Bonds from the Community Facilities District.

“Outstanding” when used as of any particular time with reference to Series 2016 Bonds, means (subject to the provisions of Section 11.09) all Series 2016 Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except:

- (a) Series 2016 Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation;
- (b) Series 2016 Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with Section 10.01, including Series 2016 Bonds (or portions of Series 2016 Bonds) disqualified under Section 11.09; and
- (c) Series 2016 Bonds for the transfer or exchange of or in lieu of or in substitution for which other Series 2016 Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture.

“Owner” means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

“Participant” means any entity which is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

“Participating Underwriter” shall have the meaning ascribed thereto in the Continuing Disclosure Agreement.

“Permitted Investments” means the following, to the extent that such securities are otherwise eligible legal investments of the Community Facilities District:

- (a) Federal Securities;
- (b) any of the following direct or indirect obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank; (ii) certificates of beneficial ownership issued by the Farmers Home Administration; (iii) participation certificates issued by the General Services Administration; (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation or the Federal Housing Administration; (v) project notes issued by the United States Department of Housing and Urban Development; and (vi) public housing notes and bonds guaranteed by the United States of America;
- (c) interest-bearing demand or time deposits (including certificates of deposit) in a federal or state chartered bank (including the Trustee and its affiliates) or a state licensed branch of a foreign bank or a state or federal association (as defined in Section 5102 of the California Financial Code), provided that (i) the unsecured short-term obligations of such commercial bank or savings and loan association shall be rated, at the time of purchase, A1 or better by S&P, or (ii) such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation;
- (d) commercial paper rated, at the time of purchase, in the highest short-term rating category by S&P, issued by corporations which are organized and operating within the United States of America, and which matures not more than 180 days following the date of investment therein;
- (e) bankers acceptances, consisting of bills of exchange or time drafts drawn on and accepted by a commercial bank whose short-term obligations are rated, at the time of purchase, in the highest short-term rating category by S&P, which mature not more than 270 days following the date of investment therein;
- (f) obligations the interest on which is excludable from gross income pursuant to Section 103 of the Code and which are rated, at the time of purchase, A or better by S&P;
- (g) obligations issued by any corporation organized and operating within the United States of America having assets in excess of \$500,000,000, which obligations are rated, at the time of purchase, A or better by S&P;

(h) money market funds which are rated, at the time of purchase, Am or better by S&P, including funds for which the Trustee and its affiliates provide investment advisory or other management services;

(i) an investment agreement or guaranteed investment contract with, or guaranteed by, a financial institution or corporation, the long-term unsecured obligations of which are or, in the case of a monoline financial guaranty insurance company, the claims paying ability of which is, rated “AA-” or better by S&P at the time of initial investment; provided, that the investment agreement shall be subject to a downgrade provision with at least the following requirements:

(1) the agreement shall provide that within ten Business Days after the financial institution’s long-term unsecured credit rating has been withdrawn, suspended, or reduced below “AA-” by S&P (such events referred to as “rating downgrades”) the financial institution shall give notice to the Community Facilities District and the Trustee and, within such ten-day period, and for as long as the rating downgrade is in effect, shall deliver in the name of the Community Facilities District or the Trustee Federal Securities with an aggregate current market value equal to at least 105% of the principal amount of the investment agreement invested with the financial institution at that time, and shall deliver additional Federal Securities as needed to maintain an aggregate current market value equal to at least 105% of the principal amount of the investment agreement within three days after each evaluation date, which shall be at least weekly, and

(2) the agreement shall provide that, if the financial institution’s long-term unsecured credit rating is reduced below “A-” by S&P, the financial institution shall give notice of the downgrade to the Community Facilities District and the Trustee within five Business Days, and the Trustee may, upon five Business Days’ written notice to the financial institution, withdraw all amounts invested pursuant to the investment agreement, with accrued but unpaid interest thereon to the withdrawal date, and terminate the agreement.

(j) repurchase agreements with (i) any domestic bank, or domestic branch of a foreign bank, the long-term debt of which is rated, at the time of purchase, at least “A” by S&P and Moody’s; (ii) any broker-dealer with “retail customers” or a related affiliate thereof, which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated, at the time of purchase, at least “A” by S&P and Moody’s, which broker-dealer falls under the jurisdiction of the Securities Investors Protection Corporation; or (iii) any other entity (or entity whose obligations are guaranteed by an affiliate or parent company) rated, at the time of purchase, at least “A” by S&P and Moody’s, provided that:

(1) the market value of the collateral is maintained at levels and upon such conditions as would be acceptable to S&P and Moody’s to maintain an “A” rating in an “A” rated structured financing (with a market value approach);

(2) the Trustee or a third party acting solely as agent therefor or for the Community Facilities District (the “Holder of the Collateral”) has possession of the

collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor's books);

(3) the repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(4) all other requirements of S&P in respect of repurchase agreements shall be met; and

(5) the repurchase agreement shall provide that if during its term the provider's rating by either S&P or Moody's is withdrawn or suspended or falls below "A-" or "A3" respectively, the provider must immediately notify the Community Facilities District and Trustee and the provider must, at the direction of the Community Facilities District or the Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Community Facilities District or Trustee;

(k) the Local Agency Investment Fund established pursuant to Section 16429.1 of the California Government Code.

"Person" means an individual, corporation, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"Property Owner" means I-215 Logistics, LLC, a Delaware limited liability company.

"Property Owner Continuing Disclosure Agreement" means the Continuing Disclosure Agreement, dated as of the Closing Date, executed by the Property Owner and accepted and agreed to by Willdan Financial in its capacity as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

"Rate and Method" means the Amended and Restated Rate and Method of Apportionment of the Special Taxes approved by the qualified electors of Improvement Area No. 1 of the Community Facilities District.

"Rebate Fund" means the fund by that name established and held by the Trustee pursuant to Section 5.07.

"Rebate Requirement" has the meaning ascribed thereto in the Tax Certificate.

"Record Date" means the 15th calendar day of the month preceding each Interest Payment Date, whether or not such day is a Business Day.

“Redemption Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.04.

“Redemption Price” means the aggregate amount of principal of and premium, if any, on the Series 2016 Bonds upon the redemption thereof pursuant hereto.

“Registration Books” means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Series 2016 Bonds pursuant to Section 2.04.

“Representation Letter” means the Letter of Representations from the Community Facilities District to DTC, or any successor securities depository for the Series 2016 Bonds, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by DTC or such successor depository.

“Reserve Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.05.

“Reserve Requirement” means, as of the date of any calculation, the least of (a) 10% of the original aggregate principal amount of the Series 2016 Bonds, (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.

“Resolution of Formation” means Resolution No. 2008-82 adopted by the City Council on June 24, 2008.

“S&P” means Standard & Poor’s Ratings Services, a division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under and by virtue of the laws of the State of New York, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

“Securities Depository” means, initially, The Depository Trust Company, New York, N.Y., or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other securities depositories, or no such depositories, as designated by the Trustee.

“Series 2016 Bonds” means Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016, issued hereunder.

“Special Tax Fund” means the fund by that name established and held by the Trustee pursuant to Section 5.02.

“Special Tax Revenues” means the proceeds of the Special Taxes received by or on behalf of Improvement Area No. 1 of the Community Facilities District, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon.

“**Special Taxes**” means the special taxes levied within Improvement Area No. 1 of the Community Facilities District pursuant to the Act, the Ordinance and this Indenture.

“**Supplemental Indenture**” means any supplemental indenture amendatory of or supplemental to this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

“**Tax Certificate**” means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2016 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

“**Trustee**” means Wells Fargo Bank, National Association, a national banking association organized and existing under the laws of the United States, or any successor thereto as Trustee hereunder, appointed as provided herein.

“**Written Certificate**” and “**Written Request**” of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

Section 1.02. Equal Security. In consideration of the acceptance of the Series 2016 Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Series 2016 Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Series 2016 Bonds which may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements, conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of Improvement Area No. 1 of the Community Facilities District shall be for the equal and proportionate benefit, protection and security of all Owners of the Series 2016 Bonds without distinction, preference or priority as to security or otherwise of any Series 2016 Bonds over any other Series 2016 Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

ARTICLE II

THE SERIES 2016 BONDS

Section 2.01. Authorization of Series 2016 Bonds. The Community Facilities District hereby authorizes the issuance of the Series 2016 Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State of California. The Series 2016 Bonds shall be designated as the “Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016.”

Section 2.02. Terms of Series 2016 Bonds. (a) The aggregate principal amount of Series 2016 Bonds that may be issued and Outstanding under this Indenture shall not exceed \$4,000,000.

(b) The Series 2016 Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Series 2016 Bond shall have more than one maturity date. The Series 2016 Bonds shall be dated as of the Closing Date, shall be issued in the aggregate principal amount of \$XX,000,000 shall mature on September 1 of each year and shall bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the rates per annum as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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(c) Interest on the Series 2016 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2016 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date, (ii) a Series 2016 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2016 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Series 2016 Bond Owners at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2016 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2016 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Series 2016 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee. Payment of principal of any Series 2016 Bond shall be made only upon presentation and surrender of such Bond at the Office of the Trustee.

(e) The Series 2016 Bonds shall be subject to redemption as provided in Article IV.

(f) The Series 2016 Bonds shall be in substantially the form set forth in Exhibit A hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

Section 2.03. Transfer and Exchange of Series 2016 Bonds. Any Series 2016 Bond may, in accordance with its terms, be transferred upon the Registration Books by the Person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Series 2016 Bond for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2016 Bond or Series 2016 Bonds shall be surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2016 Bond or Series 2016 Bonds in a like aggregate principal amount, in any authorized denomination. The Trustee shall require the Bond Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

The Series 2016 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2016 Bonds of other authorized denominations. The Trustee shall require the payment by the Bond Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Trustee shall not be obligated to make any transfer or exchange of Series 2016 Bonds pursuant to this Section during the period established by the Trustee for the selection of Series 2016 Bonds for redemption, or with respect to any Series 2016 Bonds selected for redemption.

Section 2.04. Registration Books. The Trustee will keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Series 2016 Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District; and, upon presentation for such purpose, the Trustee shall,

under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Series 2016 Bonds as hereinbefore provided.

Section 2.05. Execution of Series 2016 Bonds. The Series 2016 Bonds shall be executed in the name and on behalf of Improvement Area No. 1 of the Community Facilities District with the facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the Clerk of the City. The Series 2016 Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers of the City who shall have signed or attested any of the Series 2016 Bonds shall cease to be such officers before the Series 2016 Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Series 2016 Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Series 2016 Bonds may be signed and attested on behalf of Improvement Area No. 1 of the Community Facilities District by such Persons as at the actual date of execution of such Series 2016 Bonds shall be the proper officers of the City although at the nominal date of such Series 2016 Bonds any such Person shall not have been such officer of the City.

Section 2.06. Authentication of Series 2016 Bonds. Only such of the Series 2016 Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit A hereto for the Series 2016 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of or on behalf of the Trustee shall be conclusive evidence that the Series 2016 Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.07. Temporary Series 2016 Bonds. The Series 2016 Bonds may be issued in temporary form exchangeable for definitive Series 2016 Bonds when ready for delivery. Any temporary Series 2016 Bonds may be printed, lithographed or typewritten, shall be of such authorized denominations as may be determined by the Community Facilities District, shall be in fully registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Series 2016 Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Series 2016 Bonds. If the Community Facilities District issues temporary Series 2016 Bonds it shall execute and deliver definitive Series 2016 Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Series 2016 Bonds may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver in exchange for such temporary Series 2016 Bonds an equal aggregate principal amount of definitive Series 2016 Bonds of authorized denominations. Until so exchanged, the temporary Series 2016 Bonds shall be entitled to the same benefits under this Indenture as definitive Series 2016 Bonds authenticated and delivered hereunder.

Section 2.08. Series 2016 Bonds Mutilated, Lost, Destroyed or Stolen. If any Series 2016 Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Series 2016 Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like tenor in exchange and substitution for the Series 2016 Bond so mutilated, but only upon surrender to the Trustee of the Series 2016 Bond so mutilated. Every

mutilated Series 2016 Bond so surrendered to the Trustee shall be canceled by it and disposed of in a manner deemed appropriate by it. If any Series 2016 Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Series 2016 Bond of like tenor in lieu of and in replacement for the Series 2016 Bond so lost, destroyed or stolen (or if any such Series 2016 Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Series 2016 Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Series 2016 Bond issued under this Section and of the expenses which may be incurred by the Community Facilities District and the Trustee. Any Series 2016 Bond issued under the provisions of this Section in lieu of any Series 2016 Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Series 2016 Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Series 2016 Bonds secured by this Indenture.

Section 2.09. Book-Entry Bonds. (a) Except as provided in subsection (c) of this Section, the registered Owner of all of the Series 2016 Bonds shall be DTC and the Series 2016 Bonds shall be registered in the name of Cede & Co., as nominee for DTC. Notwithstanding anything to the contrary contained in this Indenture, payment of interest with respect to any Series 2016 Bond registered as of each Record Date in the name of Cede & Co. shall be made by wire transfer of same-day funds to the account of Cede & Co. on the payment date for the Series 2016 Bonds at the address indicated on the Record Date for Cede & Co. in the Registration Books or as otherwise provided in the Representation Letter.

(b) The Series 2016 Bonds shall be initially issued in the form of separate single fully registered Series 2016 Bonds in the amount of each separate stated maturity of the Series 2016 Bonds. Upon initial issuance, the ownership of such Series 2016 Bonds shall be registered in the Registration Books in the name of Cede & Co., as nominee of DTC. The Trustee and the Community Facilities District may treat DTC (or its nominee) as the sole and exclusive Owner of the Series 2016 Bonds registered in its name for the purposes of payment of the principal, premium, if any, or interest with respect to the Series 2016 Bonds, selecting the Series 2016 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Owners of Series 2016 Bonds under this Indenture, registering the transfer of Series 2016 Bonds, obtaining any consent or other action to be taken by Owners of Series 2016 Bonds and for all other purposes whatsoever, and neither the Trustee nor the Community Facilities District shall be affected by any notice to the contrary. Neither the Trustee nor the Community Facilities District shall have any responsibility or obligation to any Participant, any person claiming a beneficial ownership interest in the Series 2016 Bonds under or through DTC or any Participant, or any other person which is not shown on the Registration Books as being an Owner, with respect to the accuracy of any records maintained by DTC or any Participant, the payment by DTC or any Participant of any amount in respect of the principal, premium, if any, or interest with respect to the Series 2016 Bonds, any notice which is permitted or required to be given to Owners of Series 2016 Bonds under this Indenture, the selection by DTC or any Participant of any person to receive payment in the event of a partial redemption of the Series 2016 Bonds, or any consent given or other action taken by DTC

as Owner of Series 2016 Bonds. The Trustee shall pay all principal, premium, if any and interest with respect to the Series 2016 Bonds, only to DTC, and all such payments shall be valid and effective to fully satisfy and discharge the Community Facilities Districts obligations with respect to the principal, premium, if any, and interest with respect to the Series 2016 Bonds to the extent of the sum or sums so paid. Except under the conditions of subsection (c) of this Section, no person other than DTC shall receive an executed Series 2016 Bond for each separate stated maturity. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, the term "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) In the event (i) DTC, including any successor as securities depository for the Series 2016 Bonds, determines not to continue to act as securities depository for the Series 2016 Bonds, or (ii) the Community Facilities District determines that the incumbent securities depository shall no longer so act, and delivers a written certificate to the Trustee to that effect, then the Community Facilities District will discontinue the book-entry system with the incumbent securities depository for the Series 2016 Bonds. If the Community Facilities District determines to replace the incumbent securities depository for the Series 2016 Bonds with another qualified securities depository, the Community Facilities District shall prepare or direct the preparation of a new single, separate fully registered Series 2016 Bond for the aggregate outstanding principal amount of Series 2016 Bonds of each maturity, registered in the name of such successor or substitute qualified securities depository, or its nominee, or make such other arrangement acceptable to the Community Facilities District, the Trustee and the successor securities depository for the Series 2016 Bonds as are not inconsistent with the terms of this Indenture. If the Community Facilities District fails to identify another qualified successor securities depository of the Series 2016 Bonds to replace the incumbent securities depository, then the Series 2016 Bonds shall no longer be restricted to being registered in the Registration Books in the name of the incumbent securities depository or its nominee, but shall be registered in whatever name or names the incumbent securities depository for the Series 2016 Bonds, or its nominee, shall designate. In such event the Trustee shall authenticate and deliver a sufficient quantity of Series 2016 Bonds as to carry out the transfers and exchanges provided in Sections 2.03, 2.07 and 2.08. All such Series 2016 Bonds shall be in fully registered form in denominations authorized by this Indenture.

(d) Notwithstanding any other provision of this Indenture to the contrary, so long as any Series 2016 Bond is registered in the name of DTC, or its nominee, all payments with respect to the principal, premium, if any, and interest with respect to such Series 2016 Bond and all notices with respect to such Series 2016 Bond shall be made and given, respectively, as provided in the Representation Letter.

(e) In connection with any notice or other communication to be provided to Owners of Book-Entry Bonds pursuant to this Indenture by the Community Facilities District or the Trustee with respect to any consent or other action to be taken by Owners, the Community Facilities District or the Trustee, as the case may be, shall establish a record date for such consent or other action and give DTC notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

ARTICLE III

ISSUANCE OF SERIES 2016 BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Series 2016 Bonds. The Community Facilities District may, at any time, execute the Series 2016 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2016 Bonds and deliver the Series 2016 Bonds to the Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

Section 3.02. Application of Proceeds of the Series 2016 Bonds. On the Closing Date, the proceeds of the sale of the Series 2016 Bonds received by the Trustee, \$_____ shall be deposited by the Trustee as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Reserve Fund.
- (b) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (c) The Trustee shall deposit the amount of \$_____ in the Administrative Expense Fund.
- (d) The Trustee shall deposit in the Improvement Fund the amount of \$_____.

Section 3.03. Costs of Issuance Fund. The Trustee shall establish and maintain a separate fund designated the “Costs of Issuance Fund.” On the Closing Date there shall be deposited in the Costs of Issuance Fund the amount specified in Section 3.02(b).

The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On January 1, 2017, all amounts, if any, remaining in the Costs of Issuance Fund shall be withdrawn therefrom by the Trustee and transferred to the Reserve Fund to the extent the amount on deposit therein is less than the Reserve Requirement and such remainder to the Bond Fund, and the Costs of Issuance Fund shall be closed.

Section 3.04. Improvement Fund. (a) The Trustee shall establish and maintain a separate fund designated the “Improvement Fund.” On the Closing Date, there shall be deposited in the Improvement Fund the amount specified in Section 3.02(d).

(b) The moneys in the Improvement Fund shall be used and withdrawn by the Trustee to pay the costs of the Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the

purpose for which the obligation was incurred, (iv) that such payment constitutes a cost of the Facilities and is a proper charge against the Improvement Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Improvement Fund, in each case together with a statement or invoice for each amount requested thereunder. Upon payment of the cost of the Facilities on the Closing Date the Trustee shall close the Improvement Fund

Section 3.05. Conditions for the Issuance of Additional Bonds. The Community Facilities District may at any time issue one or more Series of Additional Bonds (in addition to the Series 2016 Bonds) payable from Net Special Tax Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) The issuance of such Additional Bonds shall have been authorized under and pursuant to the Act and under and pursuant hereto and shall have been provided for by a Supplemental Indenture which shall specify the following:

(1) The purpose for which such Additional Bonds are to be issued; provided, that the proceeds of the sale of such Additional Bonds shall be applied only for the purpose of (i) providing funds to refund any Bonds issued hereunder, (ii) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (iii) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (6) below;

(2) The principal amount and designation of such Series of Additional Bonds and the denomination or denominations of the Additional Bonds;

(3) The date, the maturity date or dates, the interest payment dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, that (i) the serial Bonds of such Series of Additional Bonds shall be payable as to principal annually on September 1 of each year in which principal falls due, and the term Bonds of such Series of Additional Bonds shall have annual mandatory sinking fund redemptions on September 1, (ii) the Additional Bonds shall be payable as to interest semiannually on March 1 and September 1 of each year, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve months and the interest shall be payable thereafter semiannually on March 1 and September 1, (iii) all Additional Bonds of a Series of like maturity shall be identical in all respects, except as to number or denomination, and (iv) serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(4) The redemption premiums and terms, if any, for such Additional Bonds;

(5) The form of such Additional Bonds;

(6) The amount to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund; provided, that the Reserve Fund shall be increased at the time that such Additional Bonds become Outstanding to an amount at least equal to the Reserve

Requirement, and an amount at least equal to the Reserve Requirement shall thereafter be maintained in the Reserve Fund; and

(7) Such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(b) Upon the issuance of such Additional Bonds, the Community Facilities District shall be in compliance with all agreements, conditions, covenants and terms contained herein required to be observed or performed by it; and

(c) Annual Debt Service in each Bond Year, calculated for all Bonds to be Outstanding after the issuance of such Additional Bonds, shall be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds Outstanding immediately prior to the issuance of such Additional Bonds.

Nothing contained herein shall limit the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued hereunder will be Outstanding.

Section 3.06. Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Community Facilities District for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) A certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) A Written Request of the Community Facilities District as to the delivery of such Additional Bonds;

(c) An opinion of Bond Counsel substantially to the effect that (i) this Indenture and all Supplemental Indentures have been duly authorized, executed and delivered by, and constitute the valid and binding obligations of, the Community Facilities District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), (ii) such Additional Bonds constitute valid and binding special obligations of the Community Facilities District payable solely from Net Special Tax Revenues as provided herein and are enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors rights and by the application of equitable principles and by the exercise of judicial discretion in appropriate cases and subject to the limitations on legal remedies against political subdivisions in the State of California), and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on the Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

- (d) The proceeds of the sale of such Additional Bonds; and
- (e) Such further documents or money as are required by the provisions hereof or by the provisions of the Supplemental Indenture authorizing the issuance of such Additional Bonds.

Section 3.07. Additional Bonds. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds, except pursuant to Sections 3.05 and 3.06. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior or subordinate to the Bonds.

ARTICLE IV

REDEMPTION OF SERIES 2016 BONDS

Section 4.01. Redemption of Series 2016 Bonds. (a) *Optional Redemption.* The Series 2016 Bonds shall be subject to optional redemption, in whole or in part, on any Interest Payment Date on or after September 1, 20__, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
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The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2016 Bonds pursuant to this subsection not less than 60 days prior to the applicable redemption date, unless such notice shall be waived by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2016 Bonds shall be subject to mandatory redemption, in whole or in part, on any Interest Payment Date, from and to the extent of any prepayment of Special, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2016 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Interest Payments Dates from ____ 1, 20__ through March 1, 20__	102%
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

(c) *Mandatory Sinking Fund Redemption.* The Series 2016 Bonds maturing September 1, 20__ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

Sinking Fund
Redemption Date
(September 1)

Principal Amount
to be
Redeemed

If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(a), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Series 2016 Bonds maturing on September 1, 20__ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2016 Bonds maturing on September 1, 20__ are redeemed pursuant to Section 4.01(b), the principal amount of Series 2016 Bonds maturing on September 1, 20__ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2016 Bonds maturing on September 1, 20__ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a *pro rata* basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District filed with the Trustee.

Section 4.02. Notice of Redemption. In the case of any redemption of Series 2016 Bonds, the Trustee shall give notice, as hereinafter in this section provided, that Series 2016 Bonds, identified by serial numbers, Series and maturity date (and interest rate in the case of bifurcated maturities), have been called for redemption and, in the case of Series 2016 Bonds to be redeemed in part only, the portion of the principal amount thereof that has been called for redemption (or if all the Outstanding Series 2016 Bonds are to be redeemed, so stating, in which event such serial numbers may be omitted), that they will be due and payable on the date fixed for redemption (specifying such date) upon surrender thereof at the Principal Corporate Trust Office, at the redemption price (specifying such price), together with any accrued interest to such date, and that all interest on the Series 2016 Bonds, the respective series of Series 2016 Bonds, or portions thereof, as applicable, so to be redeemed will cease to accrue on and after such date and that from and after such date such Series 2016 Bond or such portion shall no longer be entitled to any lien, benefit or security under the Indenture, and the Owner thereof shall have no rights in respect of such redeemed Series 2016 Bond or such portion except to receive payment from such moneys of such redemption price plus accrued interest to the date fixed for redemption.

Such notice shall be mailed by first class mail, postage prepaid, at least twenty (20) but not more than sixty (60) days before the date fixed for redemption, to the Security Depository,

the MSRB and the Owners of such Series 2016 Bonds, or portions thereof, so called for redemption, at their respective addresses as the same shall last appear on the Series 2016 Bond Register. No notice of redemption need be given to the Owner of a Series 2016 Bond to be called for redemption if such Owner waives notice thereof in writing, and such waiver is filed with the Trustee prior to the redemption date. Neither the failure of an Owner to receive notice of redemption of Series 2016 Bonds hereunder nor any error in such notice shall affect the validity of the proceedings for the redemption of Series 2016 Bonds.

Any notice of redemption may be expressly conditional and may be rescinded by Written Request of the Agency given to the Trustee not later than the date fixed for redemption. Upon receipt of such Written Request of the Agency, the Trustee shall promptly mail notice of such rescission to the same parties that were mailed the original notice of redemption.

Section 4.03. Selection of Series 2016 Bonds for Redemption. Whenever provision is made in this Indenture for the redemption of less than all of the Series 2016 Bonds, the Trustee shall select the Series 2016 Bonds to be redeemed among maturities from all Series 2016 Bonds not previously called for redemption (a) with respect to any optional redemption of Series 2016 Bonds, among maturities of Series 2016 Bonds as directed in a Written Request of the Community Facilities District and (b) with respect to any redemption pursuant to Section 4.01(b), among maturities of Series 2016 Bonds on a *pro rata* basis as nearly as practicable, and by lot among Series 2016 Bonds with the same maturity in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Series 2016 Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Series 2016 Bonds which may be separately redeemed.

Section 4.04. Partial Redemption of Series 2016 Bonds. Upon surrender of any Series 2016 Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Series 2016 Bond or Series 2016 Bonds of authorized denominations equal in aggregate principal amount representing the unredeemed portion of the Series 2016 Bonds surrendered.

Section 4.05. Effect of Notice of Redemption. Notice having been mailed as aforesaid, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside in the Redemption Fund, the Series 2016 Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Series 2016 Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Series 2016 Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Series 2016 Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Series 2016 Bonds shall be held in trust for the account of the Owners of the Series 2016 Bonds so to be redeemed without liability to such Owners for interest thereon.

All Series 2016 Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

ARTICLE V

SECURITY FOR SERIES 2016 BONDS; FLOW OF FUNDS; INVESTMENTS

Section 5.01. Pledge. Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, all of the Net Special Tax Revenues and any other amounts (including proceeds of the sale of the Series 2016 Bonds) held in the Bond Fund, the Reserve Fund and the Redemption Fund are hereby pledged to secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds in accordance with their terms, the provisions of this Indenture and the Act. Said pledge shall constitute a first lien on such assets.

Section 5.02. Special Tax Fund. The Trustee shall establish and maintain a separate fund designated the “Special Tax Fund.” As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than ten Business Days after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the Redemption Price of Series 2016 Bonds in accordance with the provisions hereof shall be identified to the Trustee as such by the Community Facilities District and shall be deposited in the Redemption Fund.

Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund and transfer, first, to the Bond Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Bond Fund to be equal to the principal and interest due on the Series 2016 Bonds on such Interest Payment Date, and, second, to the Reserve Fund, Net Special Tax Revenues in the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

Section 5.03. Bond Fund. The Trustee shall establish and maintain a separate fund designated the “Bond Fund.” There shall be deposited in the Bond Fund the amount, if any, required to be deposited therein pursuant to Section 3.02(a). There shall be deposited in the Bond Fund the amounts required to be deposited therein pursuant to Section 5.02.

In the event that, on the Business Day prior to an Interest Payment Date, amounts in the Bond Fund are insufficient to pay the principal, if any, of and interest on the Series 2016 Bonds due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Series 2016 Bonds, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Bond Fund.

On each Interest Payment Date, the Trustee shall withdraw from the Bond Fund for payment to the Owners of the Series 2016 Bonds the principal, if any, of and interest on the Series 2016 Bonds then due and payable, including principal due and payable by reason of mandatory sinking fund redemption of such Series 2016 Bonds.

Section 5.04. Redemption Fund. The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” As soon as practicable after the receipt by the Community Facilities District of prepaid Special Taxes, but in any event not later than ten Business Days after such receipt, the Community Facilities District shall transfer such prepaid Special Taxes to the Trustee for deposit in the Redemption Fund. Additionally, the Trustee shall deposit in the Redemption Fund amounts received from the Community Facilities District in connection with the Community Facilities District’s exercise of its rights to optionally redeem Series 2016 Bonds pursuant to Section 4.01(a) and any other amounts required to be deposited therein pursuant to Section 3.04 or Section 5.05 or pursuant to any Supplemental Indenture.

Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2016 Bonds redeemed pursuant to Section 4.01(a) or Section 4.01(b).

Section 5.05. Reserve Fund. The Trustee shall establish and maintain a special fund designated the “Reserve Fund.” The Trustee shall deposit in the Reserve Fund the amount specified in Section 3.02(a)

Except as otherwise provided in this Section, all amounts deposited in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of making transfers to the Bond Fund in the event of any deficiency at any time in the Bond Fund of the amount then required for payment of the principal of and interest on the Series 2016 Bonds or, in accordance with the provisions of this Section, for the purpose of redeeming Series 2016 Bonds from the Bond Fund. Transfers shall be made from the Reserve Fund to the Bond Fund in the event of a deficiency in the Bond Fund, in accordance with Section 5.03.

So long as no Event of Default shall have occurred and be continuing, any amount in the Reserve Fund in excess of the Reserve Requirement on February 15 and August 15 of each year shall be withdrawn from the Reserve Fund by the Trustee and shall be deposited in the Bond Fund. Notwithstanding the foregoing before any such deposit shall be made, such amount shall be available for the payment of any rebate that may be owed under the Code, as specified in a Written Request of the Community Facilities District delivered to the Trustee.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Series 2016 Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Bond Fund or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Series 2016 Bonds.

Whenever Series 2016 Bonds are to be redeemed pursuant to Section 4.01(a) or Section 4.01(b) or the corresponding provisions of a Supplemental Indenture, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the Business Day prior to the date on which such Series 2016 Bonds are to be redeemed, be transferred by the

Trustee from the Reserve Fund to the Redemption Fund and shall be applied to the redemption of said Series 2016 Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Series 2016 Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of \$5,000 that is not larger than the amount equal to the product of (a) the amount on deposit in the Reserve Fund on the date five Business Days prior to the date notice of redemption of such Series 2016 Bonds is required to be given pursuant to the provisions hereof, times (b) a fraction, the numerator of which is the principal amount of Series 2016 Bonds to be so redeemed and the denominator of which is the principal amount of Series 2016 Bonds to be Outstanding on the day prior to the date on which such Series 2016 Bonds are to be so redeemed.

Section 5.06. Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series 2016 Bonds pursuant to Article X hereof or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate (which is incorporated herein by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District’s calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Series 2016 Bonds and after payment of any amounts described in this Section, shall be withdrawn by the Trustee and remitted to the Community Facilities District.

Section 5.07. Administrative Expense Fund. The Trustee shall establish and maintain a special fund designated the “Administrative Expense Fund.” The Trustee shall deposit in the Administrative Expense Fund the amount specified in Section 3.02(c). There shall additionally be deposited in the Administrative Expense Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02.

The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating (a) the Person to whom payment is to be made, (b) the amount to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Administrative Expense Fund, and (e) that such amounts have not been the subject of a prior disbursement from the Administrative Expense Fund; in each case together with a statement or invoice for each amount requested thereunder.

Section 5.08. Investment of Moneys. Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture and held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in writing by the Community Facilities District two Business Days prior to the making of such investment. Moneys in all funds and accounts held by the Trustee shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Series 2016 Bonds; provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Series 2016 Bonds. Absent timely written direction from the Community Facilities District, the Trustee shall invest any funds held by it in Permitted Investments described in clause (h) of the definition thereof. The Trustee may rely upon any investment direction by the Community Facilities District as a certification to it that such investment constitutes a Permitted Investment.

The Community Facilities District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically will not receive such confirmations to the extent permitted by law. The Community Facilities District understands that it may receive brokerage confirmations at no additional cost upon written request. The Trustee will furnish the Community Facilities District periodic cash transaction statements which include detail for all investment transactions made by the Trustee hereunder.

Subject to the provisions of Section 5.06, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture shall be retained therein.

Permitted Investments acquired as an investment of moneys in any fund established under this Indenture shall be credited to such fund. For the purpose of determining the amount in any fund, all Permitted Investments credited to such fund shall be valued by the Trustee at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. In making any valuations of Permitted Investments, the Trustee may utilize such securities pricing services as may be available to it, including those within its regular accounting system and rely thereon.

The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments is credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder.

Section 5.09. State Reporting. If at any time the Trustee fails to pay principal or interest due on any scheduled payment date for the Series 2016 Bonds, or if funds are withdrawn from the Reserve Fund to pay principal or interest on the Series 2016 Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within 10 days of the failure to make such payment or the date of such withdrawal.

ARTICLE VI

COVENANTS

Section 6.01. Collection of Special Tax Revenues. The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

Prior to August 1 of each year, the Community Facilities District shall ascertain from the Assessor-County Clerk-Recorder, or then current title for the County tax assessor, the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 10 that the Series 2016 Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which Auditor will accept the transmission of the Special Tax amounts for the parcels within Improvement Area No. 1 of the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Community Facilities District shall fix and levy the amount of Special Taxes within Improvement Area No. 1 of the Community Facilities District in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied, in an amount sufficient to yield the amount required for the payment of principal of and interest on any Outstanding Series 2016 Bonds and the Escrow Bonds becoming due and payable during the ensuing year, the amount required for any necessary replenishment of the Reserve Fund and the amount estimated to be sufficient to pay the Administrative Expenses during such year, taking into account the balances in the funds and accounts established hereunder.

The Special Taxes shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable, and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the ad valorem taxes on real property.

Section 6.02. Foreclosure. Pursuant to Section 53356.1 of the Act, the Community Facilities District hereby covenants with and for the benefit of the Owners of the Series 2016 Bonds that it will determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within Improvement Area No. 1 of the Community Facilities District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the Community Facilities District will order and cause to be commenced no later than October 1, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due; provided, however, that the Community Facilities District shall not be required to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in Improvement Area No. 1 of the Community Facilities District for such Fiscal

Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement.

Section 6.03. Punctual Payment. The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Series 2016 Bonds, in strict conformity with the terms of the Series 2016 Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in this Indenture and received by the Community Facilities District or the Trustee.

Section 6.04. Extension of Payment of Series 2016 Bonds. The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Series 2016 Bonds or the time of payment of any claims for interest by the purchase of such Series 2016 Bonds or by any other arrangement, and in case the maturity of any of the Series 2016 Bonds or the time of payment of any such claims for interest shall be extended, such Series 2016 Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Series 2016 Bonds then Outstanding and of all claims for interest thereon which shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Community Facilities District to issue Series 2016 Bonds for the purpose of refunding any Outstanding Series 2016 Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Series 2016 Bonds.

Section 6.05. Against Encumbrances. The Community Facilities District shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Special Tax Revenues and other assets pledged under this Indenture while any of the Series 2016 Bonds are Outstanding, except as permitted by this Indenture.

Section 6.06. Power to Issue Series 2016 Bonds and Make Pledge. The Community Facilities District is duly authorized pursuant to the Act to issue the Series 2016 Bonds and to enter into this Indenture and to pledge the Net Special Tax Revenues and other assets pledged under this Indenture in the manner and to the extent provided in this Indenture. The Series 2016 Bonds and the provisions of this Indenture are and will be the legal, valid and binding special obligations of the Community Facilities District in accordance with their terms, and the Community Facilities District and the Trustee (subject to the provisions of Article VIII) shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of Net Special Tax Revenues and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all Persons whomsoever.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Series 2016 Bonds, the Special Tax Revenues and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Community Facilities District, during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under this Indenture.

Section 6.08. Compliance with Law. The Community Facilities District shall comply with all applicable provisions of the Act and all other laws insofar as applicable.

Section 6.09. Tax Covenants. (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2016 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2016 Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2016 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

Section 6.10. Continuing Disclosure to Owners. The Community Facilities District and Wildan Financial shall comply with and carry out all of the provisions of the Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Community Facilities District or Wildan Financial to comply with the Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2016 Bonds, shall, to the extent indemnified to its satisfaction) or any holder or beneficial owner of the Series 2016 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

The Property Owner has executed a Property Owner Continuing Disclosure Agreement and Willdan Financial, in its capacity as dissemination agent, has agreed and accepted the Property Owner Continuing Disclosure Agreement. Notwithstanding any other provision of this Indenture, failure of the Property Owner or the dissemination agent to comply with the Property Owner Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the holders of at least 25% aggregate principal amount of Outstanding Series 2016 Bonds, and upon indemnification of the Trustee to its reasonable satisfaction, shall) or any holder or beneficial owner of the Series 2016 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Section 6.11. Annual Reports to the California Debt and Investment Advisory Commission. Not later than October 30 of each year, commencing October 30, 2016 and until the October 30 following the final maturity of the Series 2016 Bonds, the Community Facilities District

shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

Section 6.12. Further Assurances. The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the Series 2016 Bonds of the rights and benefits provided in this Indenture.

ARTICLE VII

EVENTS OF DEFAULT AND REMEDIES OF BOND OWNERS

Section 7.01. Events of Default. The following events shall be Events of Default:

(a) Failure to pay any installment of principal of any Series 2016 Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise.

(b) Failure to pay any installment of interest on any Series 2016 Bonds when and as the same shall become due and payable.

(c) Failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Series 2016 Bonds contained, if such failure shall have continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee or the Owners of not less than 25% in aggregate principal amount of the Series 2016 Bonds at the time Outstanding; provided, however, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 60 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 60 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time.

(d) The Community Facilities District or the City shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Section 7.02. Foreclosure. If the Community Facilities District fails to comply with its covenant to foreclose contained in Section 6.02, and if any Event of Default shall occur under Section 7.01(a) or Section 7.01(b) then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the direction of the Owners of not less than a majority in aggregate principal amount of the Series 2016 Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in Improvement Area No. 1 of the Community Facilities District with delinquent Special Taxes, as provided in Section 53356.1 of the Act.

Section 7.03. Other Remedies. If an Event of Default shall have occurred under Section 7.01, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Series 2016 Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by this Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things which are unlawful, or the violation of any of the Trustee's or Bond Owner's rights; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

Section 7.04. Application of Net Special Tax Revenues After Default. If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) To the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners of the Series 2016 Bonds and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) To the payment of the principal of and interest then due with respect to the Series 2016 Bonds (upon presentation of the Series 2016 Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

First: To the payment to the Persons entitled thereto of all installments of interest then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

Second: To the payment to the Persons entitled thereto of the unpaid principal of any Series 2016 Bonds which shall have become due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Series 2016 Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Series 2016 Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference.

(c) Any remaining funds shall be transferred by the Trustee to the Bond Fund.

Section 7.05. Trustee to Represent Bond Owners. The Trustee is hereby irrevocably appointed (and the successive respective Owners of the Series 2016 Bonds, by taking and holding the same, shall be conclusively deemed to have so appointed the Trustee) as trustee and true and lawful attorney-in-fact of the Owners of the Series 2016 Bonds for the purpose of exercising and prosecuting on their behalf such rights and remedies as may be available to the Owners under the provisions of the Series 2016 Bonds, this Indenture, the Act and applicable provisions of any other law. Upon the occurrence and continuance of an Event of Default or other occasion giving rise to a

right in the Trustee to represent the Bond Owners, the Trustee in its discretion may, and upon the written request of the Owners of a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding, and upon being indemnified to its satisfaction therefor, shall, proceed to protect or enforce its rights or the rights of such Owners by such appropriate action, suit, mandamus or other proceedings as it shall deem most effectual to protect and enforce any such right, at law or in equity, either for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the enforcement of any other appropriate legal or equitable right or remedy vested in the Trustee and such Owners under the Series 2016 Bonds, this Indenture, the Act or any other law. All rights of action under this Indenture or the Series 2016 Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Series 2016 Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Series 2016 Bonds, subject to the provisions of this Indenture.

Section 7.06. Bond Owners Direction of Proceedings. Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee hereunder, provided that such direction shall not be otherwise than in accordance with law and the provisions of this Indenture, and that the Trustee shall have the right to decline to follow any such direction which in the opinion of the Trustee would be unjustly prejudicial to Bond Owners not parties to such direction.

Section 7.07. Limitation on Bond Owners' Right to Sue. No Owner of any Series 2016 Bonds shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Series 2016 Bonds, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Series 2016 Bonds of any remedy hereunder or under law; it being understood and intended that no one or more Owners of Series 2016 Bonds shall have any right in any manner whatever by his or their action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners of Series 2016 Bonds, or to enforce any right under the Series 2016 Bonds, this Indenture, the Act or other applicable law with respect to the Series 2016 Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and

maintained in the manner herein provided and for the benefit and protection of all Owners of the Outstanding Series 2016 Bonds, subject to the provisions of this Indenture.

Section 7.08. Absolute Obligation. Nothing in Section 7.07 or in any other provision of this Indenture or in the Series 2016 Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Series 2016 Bonds to the respective Owners of the Series 2016 Bonds at their respective dates of maturity, or upon call for redemption, as herein provided, but only out of the Net Special Tax Revenues and other assets herein pledged therefor and received by the Community Facilities District or the Trustee, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Series 2016 Bonds.

Section 7.09. Termination of Proceedings. In case any proceedings taken by the Trustee or any one or more Bond Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Bond Owners, then in every such case the Community Facilities District, the Trustee and the Bond Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Community Facilities District, the Trustee and the Bond Owners shall continue as though no such proceedings had been taken.

Section 7.10. Remedies Not Exclusive. No remedy herein conferred upon or reserved to the Trustee or to the Owners of the Series 2016 Bonds is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

Section 7.11. No Waiver of Default. No delay or omission of the Trustee or of any Owner of the Series 2016 Bonds to exercise any right or power arising upon the occurrence of any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners of the Series 2016 Bonds may be exercised from time to time and as often as may be deemed expedient.

ARTICLE VIII

TRUSTEE

Section 8.01. Duties and Liabilities of Trustee. (a) *Duties of Trustee Generally.* The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default which may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture and no implied duties shall be read into the Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default which has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such persons own affairs.

(b) *Removal of Trustee.* The Community Facilities District may upon 30 days prior written notice remove the Trustee at any time unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding (or their attorneys duly authorized in writing) or if at any time the Trustee shall cease to be eligible in accordance with subsection (e) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee and thereupon shall appoint a successor Trustee by an instrument in writing.

(c) *Resignation of Trustee.* The Trustee may at any time resign by giving 30 days written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Bond Owners at the respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. The Trustee shall not be relieved of its duties until such successor Trustee has accepted appointment.

(d) *Appointment of Successor Trustee.* Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that under any circumstances the successor Trustee shall be qualified as provided in subsection (e) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee or any Bond Owner (on behalf of himself and all other Bond Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and after payment by the Community Facilities District of all unpaid fees and expenses of the predecessor Trustee, then such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates,

properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the Community Facilities District shall execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the Community Facilities District shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each rating agency which then maintains a rating on the Series 2016 Bonds and to the Bond Owners at the addresses shown on the Registration Books. If the Community Facilities District fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the Community Facilities District.

(e) *Qualifications of Trustee.* The Trustee shall be a trust company or bank having trust powers in good standing in or incorporated under the laws of the State of California, having (or if such bank or trust company is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$75,000,000, and subject to supervision or examination by federal or state agency. If such bank or trust company publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or trust company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in this Section.

Section 8.02. Merger or Consolidation. Any bank or trust company into which the Trustee may be merged or converted or with which it may be consolidated or any bank or trust company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or trust company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or trust company shall be eligible under subsection (e) of Section 8.01 shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 8.03. Liability of Trustee. (a) The recitals of facts herein and in the Series 2016 Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same, or make any representations as to the validity or sufficiency of this Indenture or of the Series 2016 Bonds or shall incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Series 2016 Bonds assigned to or imposed upon it. The Trustee shall,

however, be responsible for its representations contained in its certificate of authentication on the Series 2016 Bonds. The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Series 2016 Bonds, or in respect of the security afforded by the Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to: (i) the issuance of the Series 2016 Bonds for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or (iii) the application of any moneys paid to the Community Facilities District or others in accordance with this Indenture. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by the Indenture. The Trustee may become the Owner of Series 2016 Bonds with the same rights it would have if it were not Trustee, and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Series 2016 Bonds then Outstanding.

(b) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(c) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Series 2016 Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(d) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Series 2016 Bonds.

(e) No provision of this Indenture or any other document related hereto shall require the Trustee to risk or advance its own funds.

(f) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(g) The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the negligence or willful misconduct of such attorneys, agents or receivers if selected by it with reasonable care.

(h) Before taking action under Article VII hereof or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder, except for failure to cause to be made any of the payments required to

be made to the Trustee, unless the Trustee shall be specifically notified in writing by the Community Facilities District or by the Owners of at least 25% in aggregate principal amount of the bonds, and in the absence of such notice the Trustee may conclusively assume no default exists.

(j) Under no circumstances shall the Trustee be liable in its individual capacity for the obligations evidenced by the Series 2016 Bonds.

Section 8.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with counsel, who may be counsel of or to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

Whenever in the administration of the duties imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

Section 8.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

Section 8.06. Compensation and Indemnification. Subject to the provisions of Section 11.01, the Community Facilities District shall pay to the Trustee from time to time all reasonable compensation for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture. Subject to the provisions of Section 11.01, the Community Facilities District further agrees, to the extent permitted by law, to indemnify and save the Trustee harmless against any liabilities, costs, claims or expenses, including those of its attorneys, which it may incur in the exercise and performance of its powers and duties hereunder and under any related documents, including the enforcement of any remedies and the defense of any suit, and which are not due to its negligence or its willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the termination and discharge of this Indenture and the removal or resignation of the Trustee.

ARTICLE IX

MODIFICATION OR AMENDMENT

Section 9.01. Amendments Permitted. (a) This Indenture and the rights and obligations of the Community Facilities District, the Owners of the Series 2016 Bonds and the Trustee may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into with the written consent of the Owners of a majority in aggregate principal amount of all Series 2016 Bonds then Outstanding, which shall have been filed with the Trustee. No such modification or amendment shall (i) extend the fixed maturity of any Series 2016 Bonds, or reduce the amount of principal thereof or the rate of interest borne thereby, or extend the time of payment, without the consent of the Owner of each Series 2016 Bond so affected, or (ii) reduce the aforesaid percentage of Series 2016 Bonds the consent of the Owners of which is required to effect any such modification or amendment, or (iii) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under this Indenture prior to or on a parity with the lien created by this Indenture or deprive the Owners of the Series 2016 Bonds of the lien created by this Indenture on such Net Special Tax Revenues and other assets (except as expressly provided in this Indenture), without the consent of the Owners of all of the Series 2016 Bonds then Outstanding. It shall not be necessary for the consent of the Bond Owners to approve the particular form of any Supplemental Indenture, but it shall be sufficient if such consent shall approve the substance thereof. Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture pursuant to this subsection (a), the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners of the Series 2016 Bonds at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

(b) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners of the Series 2016 Bonds may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Bond Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District in this Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Series 2016 Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture;

(iii) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended,

or any similar federal statute hereafter in effect, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute;

(iv) to modify, amend or supplement this Indenture in such manner as to cause interest on the Series 2016 Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and

(v) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the interests of the Bond Owners hereunder, in the opinion of Bond Counsel filed with the Community Facilities District and the Trustee.

Section 9.02. Effect of Supplemental Indenture. Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Community Facilities District, the Trustee and all Owners of Series 2016 Bonds Outstanding shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes. The Trustee shall not be obligated to enter into any amendment that adversely impacts its rights.

Section 9.03. Endorsement of Series 2016 Bonds; Preparation of New Series 2016 Bonds. Series 2016 Bonds delivered after the execution of any Supplemental Indenture pursuant to this Article may, and if the Community Facilities District so determines shall, bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Series 2016 Bonds Outstanding at the time of such execution and presentation of his Series 2016 Bonds for the purpose at the Office of the Trustee a suitable notation shall be made on such Series 2016 Bonds. If the Supplemental Indenture shall so provide, new Series 2016 Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee, and upon demand of the Owners of any Series 2016 Bonds then Outstanding shall be exchanged at the Office of the Trustee, without cost to any Bond Owner, for Series 2016 Bonds then Outstanding, upon surrender for cancellation of such Series 2016 Bonds, in equal aggregate principal amount of the same interest rate and maturity.

Section 9.04. Amendment of Particular Series 2016 Bonds. The provisions of this Article shall not prevent any Bond Owner from accepting any amendment as to the particular Series 2016 Bonds held by such Owner.

ARTICLE X

DEFEASANCE

Section 10.01. Discharge of Indenture. If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Series 2016 Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners of such Series 2016 Bonds shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets as provided herein, and all agreements, covenants and other obligations of the Community Facilities District to the Owners of such Series 2016 Bonds hereunder shall thereupon cease, terminate and become void and be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant hereto which are not required for the payment of the principal of and interest and premium, if any, on such Series 2016 Bonds.

Subject to the provisions of the above paragraph, when any of the Series 2016 Bonds shall have been paid and if, at the time of such payment, the Community Facilities District shall have kept, performed and observed all of the covenants and promises in such Series 2016 Bonds and in this Indenture required or contemplated to be kept, performed and observed by the Community Facilities District or on its part on or prior to that time, then this Indenture shall be considered to have been discharged in respect of such Series 2016 Bonds and such Series 2016 Bonds shall cease to be entitled to the lien of this Indenture and such lien and all covenants, agreements and other obligations of the Community Facilities District hereunder shall cease, terminate become void and be completely discharged as to such Series 2016 Bonds.

Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Series 2016 Bonds, those provisions of this Indenture relating to the maturity of the Series 2016 Bonds, interest payments and dates thereof, exchange and transfer of Series 2016 Bonds, replacement of mutilated, destroyed, lost or stolen Series 2016 Bonds, the safekeeping and cancellation of Series 2016 Bonds, non-presentment of Series 2016 Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners of the Series 2016 Bonds and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Series 2016 Bonds, to pay to the Owners of Series 2016 Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the satisfaction and discharge of this Indenture or the discharge of this Indenture in respect of any Series 2016 Bonds, those provisions of this Indenture contained in Section 8.06 relating to the compensation of the Trustee shall remain in effect and shall be binding upon the Trustee and the Community Facilities District.

Section 10.02. Series 2016 Bonds Deemed To Have Been Paid. If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Series 2016 Bonds and the interest thereon at the maturity or redemption date thereof, such Series 2016 Bonds shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Series 2016 Bonds shall prior to the maturity date or redemption date thereof be

deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if (a) in case any of such Series 2016 Bonds are to be redeemed on any date prior to their maturity date, the Community Facilities District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.04, notice of redemption of such Series 2016 Bonds on said redemption date, said notice to be given in accordance with Section 4.04, (b) there shall have been deposited with the Trustee either (i) money in an amount which shall be sufficient, or (ii) Federal Securities, the interest on and principal of which when paid will provide money which, together with the money, if any deposited with the Trustee at the same time, shall, as verified by an independent certified public accountant, be sufficient to pay when due the interest to become due on such Series 2016 Bonds on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Series 2016 Bonds, and (c) in the event such Series 2016 Bonds are not by their terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the owners of such Series 2016 Bonds that the deposit required by clause (b) above has been made with the Trustee and that such Series 2016 Bonds, are deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Series 2016 Bonds.

Section 10.03. Payment of Series 2016 Bonds After Discharge of Indenture.

Notwithstanding any provisions of this Indenture, to the extent permitted by law, any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Series 2016 Bonds and remaining unclaimed for two years after the date of deposit of such moneys, shall be repaid to the Community Facilities District free from the trusts created by this Indenture, and all liability of the Trustee with respect to such moneys shall thereupon cease; provided, however, that before the repayment of such moneys to the Community Facilities District as aforesaid, the Trustee may (at the cost of the Community Facilities District) first mail, by first class mail postage prepaid, to the Owners of Series 2016 Bonds which have not yet been paid, at the respective addresses shown on the Registration Books, a notice, in such form as may be deemed appropriate by the Trustee with respect to the Series 2016 Bonds so payable and not presented and with respect to the provisions relating to the repayment to the Community Facilities District of the moneys held for the payment thereof.

ARTICLE XI

MISCELLANEOUS

Section 11.01. Special Obligations. All obligations of the Community Facilities District under this Indenture shall be special obligations of Improvement Area No. 1 of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor hereunder; provided, however, that all obligations of Improvement Area No. 1 of the Community Facilities District under the Series 2016 Bonds shall be special obligations of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein), the City, or the State of California, or any political subdivision thereof, is pledged to the payment of the Series 2016 Bonds.

Section 11.02. Successor Is Deemed Included in All References to Predecessor. Whenever in this Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained by or on behalf of Improvement Area No. 1 of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

Section 11.03. Limitation of Rights. Nothing in this Indenture or in the Series 2016 Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners of the Series 2016 Bonds, any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners of the Series 2016 Bonds.

Section 11.04. Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the Person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 11.05. Destruction of Series 2016 Bonds. Whenever in this Indenture provision is made for the cancellation by the Trustee the Trustee shall cancel and dispose of such Series 2016 Bonds in a manner it deems appropriate.

Section 11.06. Severability of Invalid Provisions. If any one or more of the provisions contained in this Indenture or in the Series 2016 Bonds shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Indenture and such invalidity, illegality or unenforceability shall not affect any other provision of this Indenture, and this Indenture shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein. The Community Facilities District hereby declares that it would have entered into this Indenture and

each and every other Section, subsection, paragraph, sentence, clause or phrase hereof and authorized the issuance of the Series 2016 Bonds pursuant thereto irrespective of the fact that any one or more Sections, subsections, paragraphs, sentences, clauses or phrases of this Indenture may be held illegal, invalid or unenforceable.

Section 11.07. Notices. Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

City of Moreno Valley
 Community Facilities District No. 7
 c/o City of Moreno Valley
 14177 Frederick Street
 Moreno Valley, CA 92553
 Attention: Chief Financial Officer/City Treasurer
 e-mail:specialdistricts@moval.org

If to the Trustee:

Wells Fargo Bank, National Association
 333 S Grand Ave., Floor 5
 Los Angeles, CA 90071
 Attention: Corporate Trust Department
 e-mail:Dania.D.Samai@wellsfargo.com

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if personally served or delivered, upon delivery, (b) if given by electronic communication, whether by telex, telegram or telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, (d) if given by overnight courier, with courier charges prepaid, 24 hours after delivery to said overnight courier, or (e) if given by any other means, upon delivery at the address specified in this Section.

Section 11.08. Evidence of Rights of Bond Owners. Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Bond Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Series 2016 Bonds transferable by delivery, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in this Section.

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

The ownership of Series 2016 Bonds shall be proved by the Registration Books.

Any request, consent, or other instrument or writing of the Owner of any Series 2016 Bond shall bind every future Owner of the same Series 2016 Bond and the Owner of every Series 2016 Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

Section 11.09. Disqualified Series 2016 Bonds. In determining whether the Owners of the requisite aggregate principal amount of Series 2016 Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Series 2016 Bonds which are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Series 2016 Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Series 2016 Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Series 2016 Bonds so owned which have been pledged in good faith may be regarded as Outstanding for the purposes of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Series 2016 Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Series 2016 Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee.

Section 11.10. Money Held for Particular Series 2016 Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Series 2016 Bonds (or portions of Series 2016 Bonds in the case of Series 2016 Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners of the Series 2016 Bonds entitled thereto, subject, however, to the provisions of Section 10.03 but without any liability for interest thereon.

Section 11.11. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of Section 6.07 and for the protection of the security of the Series 2016 Bonds and the rights of every Owner thereof.

Section 11.12. Payment on Non-Business Days. In the event any payment is required to be made hereunder on a day which is not a Business Day, such payment shall be made on the next succeeding Business Day with the same effect as if made on such non-Business Day.

Section 11.13. Waiver of Personal Liability. No member, officer, agent or employee of the Community Facilities District or the City shall be individually or personally liable for the payment of the principal of or premium or interest on the Series 2016 Bonds or be subject to any personal liability or accountability by reason of the issuance thereof; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law or by this Indenture.

Section 11.14. Interpretation. (a) Unless the context otherwise indicates, words expressed in the singular shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and shall be deemed to include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(c) All references herein to “Articles”, “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words “herein”, “hereof”, “hereby”, “hereunder” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 11.15. Conflict with Act. In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

Section 11.16. Conclusive Evidence of Regularity. Series 2016 Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 11.17. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

Section 11.18. Governing Laws. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the Community Facilities District has caused this Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY OF MORENO VALLEY
COMMUNITY FACILITIES DISTRICT
NO. 7**

By: _____
City Manager

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Officer

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

fifteenth calendar day of the month preceding such Interest Payment Date. “Office of the Trustee” means the principal corporate trust office of the Trustee in Los Angeles, California, provided for registration, transfer, exchange, surrender and payment of Bonds, means the corporate trust office of the Trustee, St. Paul, Minnesota or such other office as may be specified to the Community Facilities District by the Trustee in writing.

This Series 2016 Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District on _____, pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of certain public improvements, and is one of the series of bonds designated “City of Moreno Valley Community Facilities District No. 7 (Improvement Area No. 1—Storm Drain Project) Special Tax Bonds, Series 2016” (the “Series 2016 Bonds”) in the aggregate principal amount of \$XX,000,000. The Series 2016 Bonds are issued pursuant to the Indenture, dated as of [September 1, 2016] (the “Indenture”), by and between the Community Facilities District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Series 2016 Bond assents to said terms and conditions. The Indenture is entered into, and this Series 2016 Bond is issued under, the Act and the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of and interest on the Series 2016 Bonds are payable solely from the annual special tax authorized under the Act to be collected within Improvement Area No. 1 of the Community Facilities District (the “Special Tax”), after the payment therefrom of certain administrative expenses, and certain funds held under the Indenture. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, all of the Net Special Tax Revenues (as defined in the Indenture) and any other amounts (including proceeds of the sale of the Series 2016 Bonds) held in the Bond Fund, the Reserve Fund and the Redemption Fund established under the Indenture are pledged to secure the payment of the principal of, premium, if any, and interest on the Series 2016 Bonds in accordance with their terms, the provisions of the Indenture and the Act. Said pledge constitutes a first lien on such assets.

The Series 2016 Bonds shall be subject to optional, mandatory and special redemption as provided in the Indenture.

The Trustee on behalf and at the expense of the Community Facilities District shall mail (by first class mail) notice of any redemption to the respective owners of any Series 2016 Bonds designated for redemption, at their respective addresses appearing on the Registration Books maintained by the Trustee, at least twenty (20) but not more than sixty (60) days before the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Series 2016 Bonds or the cessation of the accrual of interest thereon. The redemption price of the Series 2016 Bonds to be redeemed shall be paid only upon presentation and surrender thereof at the Office of the Trustee. From and after the date fixed for redemption of any Series 2016 Bonds, interest on such Series 2016 Bonds will cease to accrue.

The Series 2016 Bonds are issuable as fully registered Series 2016 Bonds without coupons in denominations of \$5,000 or any integral multiple thereof. Subject to the limitations and upon payment of the charges, if any, provided in the Indenture, fully registered Series 2016 Bonds may be

exchanged at the Office of the Trustee for a like aggregate principal amount and maturity of fully registered Series 2016 Bonds of other authorized denominations.

This Series 2016 Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Series 2016 Bond. Upon such transfer a new fully registered Series 2016 Bond or Series 2016 Bonds, of authorized denomination or denominations, for the same aggregate principal amount and of the same maturity will be issued to the transferee in exchange herefor. The Community Facilities District and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Community Facilities District and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the Community Facilities District, the owners of the Series 2016 Bonds and the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the fixed maturity of any Series 2016 Bonds, or reduce the principal thereof or the rate of interest borne thereby, or extend the time of payment, without the consent of the owner of such Series 2016 Bond, (b) reduce the percentage of Series 2016 Bonds the consent of the owners of which is required to effect any such amendment or modification, or (c) permit the creation of any lien on the Net Special Tax Revenues and other assets pledged under the Indenture prior to or on a parity with the lien created by the Indenture, or deprive the Bond owners of the lien created under the Indenture on such Net Special Tax Revenues and such other assets (except as expressly provided in the Indenture), without the consent of the owners of all outstanding Series 2016 Bonds.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of interest on, and the principal and premium, if any, of any of the Series 2016 Bonds so that such Series 2016 Bonds shall no longer be deemed to be outstanding under the terms of the Indenture.

All obligations of the Community Facilities District under the Indenture shall be special obligations of Improvement Area No. 1 of the Community Facilities District, payable solely from Special Tax Revenues and the other assets pledged therefor thereunder; provided, however, that all obligations of the Community Facilities District under the Series 2016 Bonds shall be special obligations of Improvement Area No. 1 of the Community Facilities District, payable solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein and in the Indenture), the City of Moreno Valley or the State of California, or any political subdivision thereof, is pledged to the payment of the Series 2016 Bonds.

Unless this Series 2016 Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Series 2016 Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

IN WITNESS WHEREOF, the Community Facilities District has caused this Series 2016 Bond to be signed in its name and on its behalf by the facsimile signatures of the Mayor of the City of Moreno Valley and the City Clerk of the City of Moreno Valley, all as of the Dated Date identified above.

**CITY OF MORENO VALLEY
COMMUNITY FACILITIES DISTRICT
NO. 7**

By: _____
Mayor of the City of Moreno Valley

Attest:

By: _____
City Clerk of the City of Moreno Valley

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

FORM OF TRUSTEE’S CERTIFICATE OF AUTHENTICATION

This is one of the Series 2016 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: _____

**WELLS FARGO BANK, NATIONAL
ASSOCIATION, as Trustee**

By: _____
Authorized Signatory

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Series 2016 Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature(s) must be guaranteed by an eligible guarantor.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Series 2016 Bond in every particular without alteration or enlargement or any change whatsoever.

Attachment: Indenture (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR IMPROVEMENT

BOND PURCHASE AGREEMENT

\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY

SPECIAL TAX BONDS, SERIES 2016

[____], 2016

Improvement Area No. 1
Of Community Facilities District No. 7
of the City of Moreno Valley
c/o City of Moreno Valley
14177 Frederick Street
P.O Box 88005
Moreno Valley, CA 92552
Attention: Chief Financial Officer

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley (the “**Issuer**”), which, upon your acceptance of this offer, will be binding upon the Issuer and the Underwriter. Capitalized terms used in this Purchase Agreement and not otherwise defined herein have the meanings given to such terms in the Bond Indenture described below.

This offer is made subject to the acceptance by the Issuer of this Purchase Agreement on or before 5:00 p.m. (California time) on the date set forth above.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned bonds (the “**Bonds**”) at a purchase price (the “**Purchase Price**”) of \$[_____] (equal to the par amount of the Bonds (\$[_____] .00) [plus/less] a net original issue [premium/discount] of \$[_____] , less an Underwriter’s discount of \$[_____]).

The Bonds will be issued by the Issuer under the authority of the Mello-Roos Community Facilities Act of 1982 (constituting Section 53311 et seq. of the California Government Code) (the “**Act**”), and Resolution No. [2016-] (the “**Bond Resolution**”) adopted on [August 16], 2016

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

by the City Council (the “**City Council**”) of the City of Moreno Valley (the “**City**”), acting as the legislative body of the Issuer.

The special taxes that will provide a source of payment for the Bonds (the “**Special Taxes**”) are being levied pursuant to (i) Resolution No. 2008-82, adopted by the City Council on June 24, 2008 (the “**Resolution of Formation**”), which established the Issuer and authorized the levy of a special tax on taxable property located within the boundaries of the Issuer (ii) a two-thirds vote of the qualified electors at an election held in the boundaries of the Issuer on June 24, 2008, (iii) Resolution No. 2016-30, adopted by the City Council on May 17, 2016 (the “**Resolution of Consideration**”), considering Proposed Amendments (as defined in the Bond Indenture), including amending the rate and method of apportionment of special taxes for the Issuer (the “**Rate and Method**”), (iv) a two-thirds vote of the qualified electors at an election held in the boundaries of the Issuer on June 21, 2016, whereby the Proposed Amendments were approved, and (v) Ordinance No. 911 enacted by the City Council on [July 5], 2016 (the “**Ordinance**”), pursuant to which the Special Taxes were levied on the taxable property in the boundaries of the Issuer. Together, the Bond Resolution, the Resolution of Formation, the Resolution of Consideration and the Ordinance are referred to as the “**Resolutions and the Ordinance**” in this Purchase Agreement.

The Bonds will be issued pursuant to the terms of an Indenture of Trust, dated as of September 1, 2016 (the “**Bond Indenture**”), by and between the Issuer and Wells Fargo Bank, National Association, as trustee (the “**Trustee**”).

The proceeds of the sale of the Bonds will be applied in accordance with the Bond Indenture to (i) refinance certain public facilities (the “**Facilities**”); (ii) fund a debt service reserve fund for the Bonds; (iii) pay certain administrative expenses of the Issuer; and (iv) pay costs of issuing the Bonds.

2. The Bonds will mature on the dates and in the principal amounts, and will bear interest at the rates, and will be subject to redemption, as set forth in Exhibit B hereto. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth on Exhibit B hereto. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change any of the principal amounts or the interest rates set forth on Exhibit B. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices. The Bonds will be subject to redemption as set forth on Exhibit B.

3. The Issuer agrees to deliver to the Underwriter as many copies of the Official Statement dated the date hereof relating to the Bonds (as supplemented and amended from time to time, the “**Final Official Statement**”) as the Underwriter shall reasonably request as necessary to comply with paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “**Rule**”). The Issuer agrees to deliver such Final Official Statements within seven (7) business days after the execution hereof, or such earlier date identified by the Underwriter to be necessary to allow the Underwriter to meet its obligations under the Rule and Rule G-32 of the Municipal Securities Rulemaking Board (“**MSRB**”). The Underwriter agrees to file the Final Official Statement in compliance with MSRB Rule G-32. The Underwriter agrees to deliver a copy of the Final Official Statement to each of its customers purchasing Bonds that request the same no later than the settlement date of the transaction.

The Issuer has authorized and approved the Preliminary Official Statement dated [____], 2016 relating to the Bonds (the “**Preliminary Official Statement**”) and the Final Official Statement and consents to their distribution and use by the Underwriter in connection with the offer and sale of the Bonds. The Issuer deems such Preliminary Official Statement final as of its date for purposes of the Rule, except for information allowed by the Rule to be omitted, and has executed a certificate to that effect in the form of Exhibit C.

In connection with issuance of the Bonds, and in order to assist the Underwriter in complying with the Rule, the Issuer will execute a Continuing Disclosure Agreement dated as of September 1, 2016 (the “**Issuer Continuing Disclosure Agreement**”), by and between the Issuer and Willdan Financial Services, as dissemination agent (the “**Dissemination Agent**”). In addition, I-215 Logistics, LLC, a Delaware limited liability company (the “**Property Owner**”), owner of taxable property in the District, will execute a Continuing Disclosure Agreement dated as of September 1, 2016 (the “**Property Owner Continuing Disclosure Agreement**”), by and between the Property Owner and the Dissemination Agent. The forms of the Issuer Continuing Disclosure Agreement and the Property Owner Continuing Disclosure Agreement are attached as Appendix E and Appendix F, respectively, to the Final Official Statement.

4. The Issuer represents and warrants to the Underwriter that:

(a) The Issuer is a community facilities district duly organized and validly existing under the laws of the State of California (the “**State**”), including the Act. The Issuer has the full legal right, power and authority, among other things, (i) upon satisfaction of the conditions in this Purchase Agreement and the Bond Indenture, to issue the Bonds for the purpose specified in Section 1 hereof, (ii) to secure the Bonds in the manner contemplated in the Bond Indenture and (iii) to levy the Special Taxes according to the Rate and Method.

(b) The City Council has the full legal right, power and authority to adopt the Resolutions and the Ordinance, and the Issuer has the full legal right, power and authority (i) to enter into this Purchase Agreement, the Bond Indenture and the Issuer Continuing Disclosure Agreement (such documents are collectively referred to herein as the “**Issuer Documents**”), (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate all other transactions on its part contemplated by each of the Issuer Documents and the Resolutions and the Ordinance, and the Issuer and the City Council have complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.

(c) The Issuer has duly authorized (i) the execution and delivery by the Issuer and the execution, delivery and due performance by the Issuer of its obligations under the Issuer Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Issuer in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.

(d) The Resolutions and the Ordinance have been duly adopted by the City Council, acting as legislative body of the Issuer, and are in full force and effect; and each of the Issuer Documents, when executed and delivered by the Issuer and the other party

thereto, will constitute a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally.

(e) When delivered to the Underwriter, the Bonds will have been duly authorized by the City Council, acting as legislative body of the Issuer, and duly executed, issued and delivered by the Issuer and will constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors' rights generally, and will be entitled to the benefit and security of the Bond Indenture.

(f) The statements and information contained in the Final Official Statement (other than information relating to DTC and its book-entry only system and information in Appendix G thereto) are correct in all material respects, and the information contained in the Final Official Statement (other than information relating to DTC and its book-entry only system and information in Appendix G thereto) does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading.

(g) If, at any time prior to the date twenty-five (25) days following the End of the Underwriting Period, any event of which the Issuer has knowledge shall occur which might or would cause the Final Official Statement to contain an untrue statement of a material fact or to omit to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer will promptly notify the Underwriter in writing of the circumstances and details of such event. If, as a result of such event or any other event, it is necessary, in the opinion of the Underwriter, the Issuer or their respective counsel, to amend or supplement the Final Official Statement in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer will forthwith cooperate with the Underwriter in the prompt preparation and furnishing to the Underwriter of a reasonable number of copies of an amendment of or a supplement to the Final Official Statement, in form and substance reasonably satisfactory to the Underwriter, which will so amend or supplement the Final Official Statement so that, as amended or supplemented, it will not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date (as described in Section 6 below).

(h) None of the adoption of the Resolutions and the Ordinance, the execution and delivery of the Issuer Documents or the Final Official Statement, the consummation of the transactions on the part of the Issuer contemplated herein or therein and the compliance by the Issuer with the provisions hereof or thereof will conflict with, or constitute on the part of the Issuer, a material violation of, or a material breach of or default under, (i) any indenture, mortgage, commitment, note or other agreement or

instrument to which the Issuer is a party or by which it is bound, (ii) any provision of the State Constitution, or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer (or the members of the City Council or any of its officers in their respective capacities as such) is subject, that would have a material adverse affect on the ability of the Issuer to perform its obligations under the Issuer Documents.

(i) The Issuer has never been in default at any time, as to principal of or interest on any obligation which it has issued, including those which it has issued as a conduit for another entity, which default may have an adverse effect on the ability of the Issuer to consummate the transactions on its part under the Issuer Documents, except as specifically disclosed in the Final Official Statement; and other than the Bond Indenture, the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Net Special Taxes following issuance of the Bonds.

(j) Except as is specifically disclosed in the Final Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Issuer has been served with process or known by the official of the Issuer executing this Purchase Agreement to be threatened, which in any way questions the powers of the City Council or the Issuer referred to in paragraph (b) above, or the validity of any proceeding taken by the City Council in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions on the part of the Issuer contemplated by this Purchase Agreement, or of any other Issuer Document, or which, in any way, could adversely affect the validity or enforceability of the Resolutions and the Ordinance, the Bond Indenture, the Bonds or this Purchase Agreement or which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the interest on the Bonds under State tax laws or regulations.

(k) Any certificate signed by an official of the Issuer authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the Issuer Documents shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements therein contained.

(l) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.

(m) The Bonds will be paid from Net Special Tax Revenues received by the Issuer and moneys held in certain funds and accounts established under the Bond Indenture and pledged thereunder to the payment of the Bonds.

(n) The Special Taxes may lawfully be levied in accordance with the Amended and Restated Rate and Method and the Ordinance, and, when levied, will be secured by a lien on the property on which they are levied.

(o) The Bond Indenture creates a valid pledge of and first lien upon the Net Special Tax Revenues deposited thereunder, and the moneys in certain funds and accounts established pursuant to the Bond Indenture, subject in all cases to the

provisions of the Bond Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

(p) Except as disclosed in the Preliminary Official Statement and the Final Official Statement, the Issuer, the City, and any related entities have not failed in any material respect to comply with any undertaking under the Rule in the previous five years. The report of [Applied Best Practices] prepared in connection with the issuance of the Bonds lists (1) all of the securities for which the Issuer, the City and any related entities were obligated to provide continuing disclosure in the previous five years and (2) all “material”/enumerated events of which the Issuer, the City and any related entities were obligated to provide notice in the previous five years.

(q) The Issuer acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriter, (ii) in connection with such transaction and the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is acting solely as a principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters) or any other obligation to the Issuer except the obligations expressly set forth in this Purchase Agreement, (iv) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein, and (v) the Underwriter has financial interests that may differ from and be adverse to those of the Issuer.

5. The Issuer covenants with the Underwriter that the Issuer will cooperate with the Underwriter (at the cost and written directions of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the Issuer shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Issuer consents to the use by the Underwriter of the Issuer Documents, the Preliminary Official Statement and the Final Official Statement in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions related to the offering and sale of the Bonds.

6. At 9:00 a.m. on [____], 2016 (the “**Closing Date**”) or at such other time and/or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver or cause to be delivered to the Underwriter: (i) the Bonds in definitive form duly executed and authenticated by the Trustee together with the other documents mentioned in Section 8 hereof and (ii) the certificates, opinions and other instruments described in Section 8 hereof. The Underwriter will accept such delivery and pay the Purchase Price of the Bonds by delivering to the Trustee for the account of the Issuer a check payable in federal funds or making a wire transfer in federal funds payable to the order of the Trustee.

The activities relating to the final execution and delivery of the Bonds and the Bond Indenture and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Purchase Agreement shall occur at the offices of Orrick, Herrington & Sutcliffe

LLP, Los Angeles, California (“**Bond Counsel**”). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the “**Closing**.” The Bonds will be delivered as fully registered, book-entry only Bonds initially in denominations equal to the principal amount of each maturity thereof. The Bonds will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, and will be made available for checking by the Underwriter at such place as the Underwriter and the Trustee shall agree not less than 24 hours prior to the Closing.

7. The Underwriter shall have the right to cancel its obligations to purchase the Bonds if between the date hereof and the date of Closing:

(a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body under the Bond Indenture or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds, to be includable in gross income for purposes of federal income taxation, and such legislation, in the Underwriter’s opinion, materially adversely affects the market price of the Bonds; or

(b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, circular, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer under the Bond Indenture or upon interest received on obligations of the general character of the Bonds, or the Bonds and also including adversely affecting the tax-exempt status of the Issuer under the Code, which, in the opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or

(c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Bond Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Bond Indenture as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or

(e) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Final Official Statement includes an untrue statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer fails to amend or supplement such Final Official Statement to cure such omission or misstatement pursuant to Section 4(g); or

(f) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(g) there shall be in force a general suspension of trading on the New York Stock Exchange, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or

(h) a general banking moratorium shall have been declared by federal, New York or State authorities; or

(i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Issuer; or

(j) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds; or

(k) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or

(l) an amendment to the federal or State constitution shall be enacted or action taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the

ability of the Issuer to issue the Bonds and levy the Special Tax as contemplated by the Bond Indenture, the Rate and Method and the Final Official Statement; or

8. The obligation of the Underwriter to purchase the Bonds shall be subject (a) to the performance by the Issuer of its obligations to be performed by it hereunder at and prior to the Closing, (b) to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the Issuer herein, and (c) to the following conditions, including the delivery by the Issuer of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

(a) At the time of Closing, (i) the Final Official Statement, this Purchase Agreement, the Issuer Continuing Disclosure Agreement, the Property Owner Continuing Disclosure Agreements and the Bond Indenture shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and (ii) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances (including, but not limited to, the Resolutions and the Ordinance) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.

(b) Delivery of the Bonds to the Underwriter, executed by the Issuer and authenticated by the Trustee, at or prior to the Closing. The terms of the Bonds, when delivered, shall in all instances be as described in Final Official Statement.

(c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the Issuer:

(i) A final approving opinion of Bond Counsel dated the date of Closing in the form attached to the Final Official Statement as Appendix C.

(ii) A letter or letters of Bond Counsel addressed to the Underwriter, which includes a statement to the effect that Bond Counsel's final approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter, and further provides:

(A) the statements contained in the Official Statement on the cover page and under the captions "INTRODUCTION," "ESTIMATED SOURCES AND USES," "THE BONDS" (other than information relating to DTC and its book-entry only system, as to which no opinion need be expressed), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," and "TAX MATTERS," and in Appendices B and C thereto, are accurate insofar as such statements expressly summarize certain provisions of the Bonds, the Bond Indenture and Bond Counsel's opinion concerning certain federal tax matters relating to the Bonds;

(B) this Purchase Agreement constitutes the legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought; and

(C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Bond Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

(iii) A letter of Stradling Yocca Carlson & Rauth, a Professional Corporation ("**Disclosure Counsel**"), addressed to the Issuer and the Underwriter, to the effect that:

(A) during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Final Official Statement (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Official Statement, information regarding DTC, and the appendices to the Official Statement, as to which no opinion need be expressed), as of the date thereof or the Closing Date, contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and

(B) the Bonds are exempt from registration pursuant to the Securities Act of 1933, as amended.

(iv) A letter of Jones Hall, A Professional Law Corporation ("**Underwriter's Counsel**"), addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(v) The Final Official Statement executed on behalf of the Issuer by a duly authorized officer of the Issuer.

(vi) Certified copies of the Resolutions and the Ordinance.

(vii) Evidence of recordation in the real property records of the County of Riverside of the Amended and Restated Notice of Special Tax Lien in the form required by the Act.

(viii) A certificate, in form and substance as set forth in Exhibit A hereto, of the Issuer, dated as of the Closing Date.

(ix) Evidence that Federal Form 8038 has been executed by the Issuer and will be filed with the Internal Revenue Service.

(x) Executed copies of the Bond Indenture, the Issuer Continuing Disclosure Agreement, and the Property Owner Continuing Disclosure Agreement.

(xi) A tax certificate in form satisfactory to Bond Counsel and the Underwriter.

(xii) An opinion, dated the Closing Date and addressed to the Underwriter, of the City Attorney, to the effect that:

(A) the Issuer is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State, with full legal right, power and authority to adopt the Resolutions and the Ordinance;

(B) the Resolutions and the Ordinance were each duly adopted at a meeting of the City Council, acting as legislative body of the Issuer, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions and the Ordinance are in full force and effect and have not been amended or repealed, except as set forth therein;

(C) the Issuer Documents were duly authorized, executed and delivered by the Issuer, and constitute the legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought.

(D) no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the Issuer has been served with process or to the knowledge of the City Attorney, is threatened, in any way affecting the existence of the Issuer or the titles of the Issuer's officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Bond Indenture, or the collection or application of the Special Taxes to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents or any action of the Issuer contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Final Official Statement or the powers of the Issuer or its authority with respect to the Bonds, the Issuer Documents or any action on the part of the Issuer contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(E) the execution and delivery of the Bonds and the Issuer Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note,

ordinance, resolution, indenture, contract, agreement or other instrument of which the Issuer is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Issuer to perform its obligations under the Bonds or the Issuer Documents;

(F) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Issuer, to perform its obligations under the Bonds or the Issuer Documents, have been obtained or made, as the case may be, and are in full force and effect; and

(G) based upon the information made available to the City Attorney in the course of its participation in the transaction and without having undertaken to determine independently or assume any responsibility for the accuracy, completeness or fairness of the statements contained in the Final Official Statement, nothing has come to the attention of the City Attorney which has led the City Attorney to believe that the Final Official Statement (excluding therefrom the financial and statistical data included in the Final Official Statement, as to which no opinion need be expressed) contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading in any material respect.

(xiii) In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the Issuer in the form attached hereto as Exhibit C.

(xiv) A certificate in form and substance as set forth in Exhibit D hereto of the Trustee and an opinion of its counsel in form and substance satisfactory to the Underwriter.

(xv) A certificate in form and substance as set forth in Exhibit E hereto, of Willdan Financial Services, in its capacity as special tax consultant (“**Special Tax Consultant**”), dated as of the Closing Date.

(xvi) A certificate in form and substance as set forth in Exhibit F hereto, of Willdan Financial Services, in its capacity as Dissemination Agent, dated as of the Closing Date.

(xvii) With respect to historical continuing disclosure compliance, (i) a report of [Applied Best Practice] addressed to the Underwriter in form and substance acceptable to the Underwriter as to compliance by the Issuer, the City and all related entities with their continuing disclosure undertakings during the previous five years and (ii) evidence satisfactory to the Underwriter of compliance by the Property Owner with its continuing disclosure undertakings during the previous five years.

(xviii) Executed certificates of the Property Owner in the form of Exhibits G and H hereto.

(xix) An opinion and/or negative assurance letter of counsel to the Property Owner, addressed to the Underwriter, in the form attached hereto as Exhibit I.

(xx) A computerized litigation search of on-line resources, in applicable districts of state and federal courts where the Property Owner is organized and where the Property is located, relating to the Property Owner, dated within five days of the date of the certificate of the Property Owner attached as Exhibit G hereto.

(xxi) Certificates of the City in the forms attached hereto as Exhibit J and Exhibit K.

(xxii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 hereof shall continue in full force and effect.

9. The obligations of the Issuer to issue and deliver the Bonds on the Closing Date shall be subject, at the option of the Issuer, to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date, and to the delivery by Bond Counsel of the opinion described in Section 8(c)(i) and by Disclosure Counsel of the letter described in Section 8(c)(iii).

10. All representations, warranties and agreements of the Issuer hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, and shall survive the Closing.

11. The Issuer shall pay or cause to be paid all expenses incident to the performance of its obligations under this Purchase Agreement, including, but not limited to, delivery of the Bonds, costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement, any amendment or supplement to the Preliminary Official Statement or Final Official Statement and this Purchase Agreement, fees and disbursements of Bond Counsel and Disclosure Counsel, the financial advisor, the Appraiser, the Market Absorption Consultant and other consultants engaged by the Issuer, including the fees and expenses of the Special Tax Consultant, the California Debt Investment and Advisory Commission fee and fees of the Trustee. The Issuer shall be under no obligation to pay, and the Underwriter shall pay, the cost of preparation of any "blue sky" or other state securities laws; and all other expenses incurred

by the Underwriter in connection with its public offering and distribution of the Bonds (except those specifically enumerated in this Section 11 above), including the fees and disbursements of its counsel and any advertising expenses.

12. Any notice or other communication to be given to the Issuer under this Purchase Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to the following: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Sara Brown.

13. This Purchase Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser of the Bonds, shall acquire or have any right hereunder or by virtue hereof.

14. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State applicable to contracts made and performed in the State.

15. This Purchase Agreement shall become effective upon acceptance hereof by the Issuer.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Authorized Representative

Accepted and agreed to as of
the date first above written and the time set
forth below:

IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY

By: _____
Authorized Representative

Time: _____ (Pacific Time)

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT A

**§ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7**

**OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016**

ISSUER CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am the _____ of the City of Moreno Valley, the City Council of which is the legislative body for Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley (the “**Issuer**”), a community facilities district duly organized and existing under the laws of the State of California (the “**State**”) and that as such, I am authorized to execute this Certificate on behalf of the Issuer in connection with the issuance of the above-referenced bonds (the “**Bonds**”).

I hereby further certify on behalf of the Issuer that:

(A) no litigation is pending with respect to which the Issuer has been served with process or, to my best knowledge after reasonable inquiry, threatened (1) to restrain or enjoin the issuance of any of the Bonds, the levy or collection of Special Taxes, or the pledge of Net Special Tax Revenues under the Bond Indenture; (2) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds, the Bond Indenture, the Issuer Continuing Disclosure Agreement or the Purchase Agreement; or (3) in any way contesting the existence or powers of the Issuer;

(B) the representations and warranties made by the Issuer in the Issuer Documents are true and correct in all material respects on the Closing Date, with the same effect as if made on the Closing Date;

(C) no event has occurred since the date of the Final Official Statement that, as of the Closing Date, would cause any statement or information contained in the Final Official Statement to be incorrect or incomplete in any material respect or would cause the information in the Final Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading; and

(D) as of the date hereof, the Bond Indenture is in full force and effect in accordance with its terms and has not been amended, modified or supplemented except in such case as may have been agreed to by the Underwriter; and

(E) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Issuer Documents prior to issuance of the Bonds.

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

Capitalized terms used in this Certificate and not defined herein shall have the same respective meanings given them in the Bond Purchase Agreement dated [____], 2016, between the Issuer and Stifel, Nicolaus & Company, Incorporated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date set forth below.

Dated: [____], 2016

IMPROVEMENT AREA NO 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

By: _____
Authorized Representative

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT B

\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016

Serial Bonds

<u>Maturity</u> <u>Date (Sept. 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>	<u>Price</u>
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Redemption Provisions

Optional Redemption. The Bonds shall be subject to optional redemption, in whole, or in part, on any Interest Payment Date, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption</u> <u>Price</u>
-------------------------	-----------------------------------

Mandatory Redemption from Special Tax Prepayments. The Bonds shall be subject to mandatory redemption, in whole, or in part, on any Interest Payment Date, from and to the extent of prepaid Special Taxes or amounts required to be applied thereto pursuant to the Indenture, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 2016 through March 1, 20__	102%
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

Mandatory Sinking Fund Redemption. Bonds maturing on September 1, 20__ (the "Term Bonds") shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Term Bonds Due on September 1, 20__

Year (September 1)	Principal Amount
(Maturity)	

EXHIBIT C

\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016

RULE 15C2-12 CERTIFICATE

The undersigned hereby certifies and represents that the undersigned is the duly elected and acting _____ of the City of Moreno Valley, the City Council of which is the legislative body of Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley (the "Issuer"), and is duly authorized to execute and deliver this Certificate and further hereby certifies on behalf of the Issuer as follows:

(1) This Certificate is delivered in connection with the offering and sale of the above-referenced bonds (the "Bonds") in order to enable the underwriter of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the "Rule").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds and the Issuer (the "Preliminary Official Statement").

(3) As used herein, "Permitted Omissions" shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.

(4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand as of [____], 2016.

IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 7 OF
THE CITY OF MORENO VALLEY

By: _____
Authorized Representative

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT D

\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY

CERTIFICATE OF TRUSTEE

The undersigned hereby states and certifies that the undersigned is an authorized officer of Wells Fargo Bank, National Association (the "Bank"), which is acting as trustee under that certain Indenture of Trust, dated as of September 1, 2016 (the "Bond Indenture"), by and between Improvement Area No. 1 of Community Facilities District No. 7 the City of Moreno Valley (the "Issuer") and the Bank, and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Bank:

(1) The Bank is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Bond Indenture.

(2) The Bond Indenture has been duly authorized, executed and delivered by the Bank, and is a legal, valid and binding agreement of the Bank enforceable upon the Bank in accordance with their respective terms.

(3) The Bonds have been authenticated by a duly authorized representative of the Bank in accordance with the Bond Indenture.

(4) To the best knowledge of the Bank, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Bank or threatened against the Bank which in the reasonable judgment of the Bank would affect the existence of the Bank or in any way contesting or affecting the validity or enforceability of the Bond Indenture or contesting the powers of the Bank or its authority to enter into and perform its obligations under the Bond Indenture.

Dated: [____], 2016

WELLS FARGO BANK, NATIONAL ASSOCIATION

By _____
Authorized Officer

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT E

\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY

CERTIFICATE OF SPECIAL TAX CONSULTANT

Willdan Financial Services. (the “**Special Tax Consultant**”) has been retained as Special Tax consultant for Improvement Area No. 1 of Community Facilities District No. 7 the City of Moreno Valley (the “**Issuer**”) and has reviewed the Amended and Restated Rate and Method of Apportionment of Special Tax for the Issuer (the “**Rate and Method**”), a copy of which is set forth in Appendix A to the Official Statement, dated [____], 2016 (the “**Official Statement**”) relating to the above-captioned bonds (the “**Bonds**”).

Based upon such review, the Special Tax Consultant hereby certifies that the special taxes levied under the Rate and Method (the “**Special Taxes**”), if collected in the maximum amounts permitted pursuant to the Rate and Method on the date hereof, would generate at least 110% debt service coverage on the Bonds, provided that the annual debt service amounts on the attached debt service schedule, which were relied upon by Special Tax Consultant, are accurate.

Although the Special Tax if collected in the maximum amounts pursuant to the Rate and Method, would generate the debt service coverage described in the previous paragraph, no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method in the Official Statement and all other information in the Official Statement sourced to the Special Tax Consultant is true and correct as of the date of the Official Statement and as of the date hereof, and a true and correct copy of the Rate and Method is attached to the Official Statement as Appendix A.

Dated: [____], 2016

WILLDAN FINANCIAL SERVICES

By: _____
Authorized Officer

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT F

§ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016

CERTIFICATE OF DISSEMINATION AGENT

The undersigned hereby states and certifies that the undersigned is an authorized officer of Willdan Financial Services, as dissemination agent (the “**Dissemination Agent**”) pursuant to a continuing disclosure agreement dated as of September 1, 2016 (the “**Continuing Disclosure Agreement**”), by and between Improvement Area No. 1 of Community Facilities District No. 7 the City of Moreno Valley (the “**Issuer**”) and the Dissemination Agent, as well as pursuant to a continuing disclosure agreement dated as of September 1, 2016 (the “**Property Owner Continuing Disclosure Agreement**”), by and between I-215 Logistics, LLC, a Delaware limited liability company the “**Property Owner**”) and the Dissemination Agent, and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Dissemination Agent:

(1) The Dissemination Agent has the full power and authority to enter into and perform its duties under the Issuer Continuing Disclosure Agreement and the Property Owner Continuing Disclosure Agreement.

(2) The Issuer Continuing Disclosure Agreement and the Property Owner Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Dissemination Agent, and are legal, valid and binding agreements of the Dissemination Agent enforceable upon the Dissemination Agent in accordance with its terms.

(3) To the best knowledge of the Dissemination Agent, after due inquiry, there is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Dissemination Agent or threatened against the Dissemination Agent which in the reasonable judgment of the Dissemination Agent would affect the existence of the Dissemination Agent or in any way contesting or affecting the validity or enforceability of the Issuer Continuing Disclosure Agreement or the Property Owner Continuing Disclosure Agreement or contesting the powers of the Dissemination Agent or its authority to enter into and perform its obligations under the Issuer Continuing Disclosure Agreement or the Property Owner Continuing Disclosure Agreement.

Dated: [____], 2016

WILLDAN FINANCIAL SERVICES

By _____
Authorized Officer

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT G

\$ _____
**IMPROVEMENT AREA NO 1
 OF COMMUNITY FACILITIES DISTRICT NO. 7
 OF THE CITY OF MORENO VALLEY
 SPECIAL TAX BONDS, SERIES 2016**

CERTIFICATE OF PROPERTY OWNER

[____], 2016

In connection with the issuance, sale and delivery by Improvement Area No. 1 of Community Facilities District No. 7 the City of Moreno Valley (the "Issuer" or the "District") of the bonds captioned above (the "Bonds"), and pursuant to the Bond Purchase Agreement, dated [____], 2016 (the "Bond Purchase Agreement") to be executed by and between the District and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), the undersigned, in his or her capacity as a duly authorized officer or representative of I-215 Logistics, LLC, a Delaware limited liability company (the "Property Owner"), hereby certifies, on behalf of the Property Owner, as follows as of the date hereof:

- (1) As used in this Certificate of Property Owner (the "Certificate"), the following capitalized terms have the meaning set forth below:
 - (a) "Actual Knowledge of the Undersigned" means the knowledge that the undersigned currently has as of the date of this Certificate or has obtained through (i) interviews with such current officers and responsible employees of the Property Owner and its Relevant Entities as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Certificate, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Certificate. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Property Owner's current business and operations. The undersigned has not contacted any former officers, members, or employees of the Property Owner.
 - (b) "Property" means the real property in Zone 2 of Improvement Area No. 1 of the District held in the name of the Property Owner.
 - (c) "Relevant Entity" means, with respect to the Property Owner, any other person directly, or indirectly through one or more intermediaries, currently under management control of the Property Owner, and about whom information is material to potential investors in their investment decision regarding the Bonds (*i.e.* information relevant to (i) the Property Owner's ownership of the

Property or ability to pay its Special Taxes related to the Property prior to delinquency, or (ii) such person's assets or funds that would materially affect the Property Owner's ability to own the Property as described in the Preliminary Official Statement, pay its Special Taxes on the Property, or (iii) the Property Owner's ability to comply with its obligations under the Property Owner Continuing Disclosure Agreement).

- (2) The undersigned is duly authorized to execute this Certificate on behalf of the Property Owner, and the undersigned is in a position to have the necessary knowledge to make the representations as contained in this Certificate.
- (3) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement (the "Preliminary Official Statement"), setting forth certain information concerning, among other things, the Bonds, the Property Owner and the Property.
- (4) As of the date of the Preliminary Official Statement, solely with respect to information contained therein describing the Property Owner and the Property, as set forth under the captions entitled "THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1 - Description of Property within Improvement Area No. 1," "- Amazon Lease," and "- I-215 Logistics" (excluding therefrom information which is identified as having been provided by a source other than the Property Owner), is true and correct in all material respects and does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (5) To the Actual Knowledge of the Undersigned, and except as disclosed in the Preliminary Official Statement, the Property Owner has never failed in any material respect to comply with previous undertakings by it to provide periodic continuing disclosure reports or notices of material events with respect to community facilities districts or assessment districts within the past five years.
- (6) The Property Owner cannot represent with assurance that neither it nor any Relevant Entity has never been delinquent in the payment of ad valorem property taxes; however, to the Actual Knowledge of the Undersigned, during the last five years, neither it nor any Relevant Entity has been delinquent to any material extent in the payment of any ad valorem property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district or (b) resulted in the filing of a judicial foreclosure action against the property
- (7) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, there are no events of monetary default or events which with the passage of time would constitute a monetary default

under any loan or obligation to repay borrowed money to which the Property Owner or any Relevant Entity is a party, the result of which could reasonably be expected to have a material adverse effect on the ownership of the Property as described in the Preliminary Official Statement.

- (8) The Property Owner is able to pay its bills as they become due and there are no proceedings pending against the Property Owner (with service of process to the Property Owner having been accomplished) or, to the Actual Knowledge of the Undersigned, overtly threatened in writing in which the Property Owner may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from any or all of its debts or obligations, be granted an extension of time to pay its debts or obligations, or be granted a reorganization or readjustment of its debts or obligations.
- (9) To the Actual Knowledge of the Undersigned, Relevant Entities of the Property Owner are able to pay their bills as they become due and there are no proceedings pending against any Relevant Entities (with service of process to such Relevant Entity having been accomplished) or, to the Actual Knowledge of the Undersigned, overtly threatened in writing in which the Relevant Entities of the Property Owner may be adjudicated as bankrupt, become the debtor in a bankruptcy proceeding, be discharged from any or all of their debts or obligations, be granted an extension of time to pay their debts or obligations, or be granted a reorganization or readjustment of their debts or obligations. Except as disclosed in the Preliminary Official Statement, the Property Owner and its Relevant Entities have not previously been adjudicated as bankrupt or been the debtor in a bankruptcy proceeding, or been discharged from all of their respective debts or obligations, or granted an extension of time to pay their respective debts or undergone a reorganization or readjustment of their debts at any point in the past 5 years.
- (10) To the Actual Knowledge of the Undersigned, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body, is pending against the Property Owner (with proper service of process to the Property Owner having been accomplished), or to the Actual Knowledge of the Undersigned, overtly threatened in writing against the Property Owner (a) which, if successful, is reasonably likely to materially and adversely affect the Property Owner's ability to own the Property as described in the Preliminary Official Statement or to pay its Special Taxes or ordinary ad valorem property tax obligations related to the Property prior to delinquency, or (b) which challenges or questions the validity or enforceability of the Bonds or the Property Owner Continuing Disclosure Agreement to be executed by the Property Owner in connection with the issuance of the Bonds.
- (11) Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, no other public debt secured by a tax or assessment on the Property is in the process of being authorized and no assessment districts or community facilities districts are in the process of being formed which include any portion of the Property.

- (12) If between the date hereof and the Closing Date any event relating to or affecting the Property Owner or the Property, shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the undersigned shall notify the City and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Property Owner shall reasonably cooperate with the City and the District in the preparation of an amendment or supplement the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof in form and substance reasonably satisfactory to counsel to the City and to the Underwriter.
- (13) Capitalized terms not defined herein have the same meaning as is set forth set forth in the Bond Purchase Agreement relating to the Bonds.
- (14) This Certificate is being provided pursuant to Section 8(c)(xviii) of the Bond Purchase Agreement and is for the sole benefit of the Underwriter, the District, and the City.

The undersigned has executed this Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Certificate. Any liability arising from or relating to this Certificate may only be asserted against the Property Owner.

I-215 Logistics, LLC,

a Delaware limited liability company

By: LIT Holdings GP, LLC,
A Delaware limited liability company,
Its manager

By: Lion Industrial Properties, L.P.,
A Delaware limited partnership,
Its sole member

By: LIT GP Sub, LLC,
A Delaware limited liability company,
Its general partner

By: Lion Industrial Trust,
A Maryland real estate investment trust,
Its sole member

By: _____
Name: Stacey Magee
Title: Vice President

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT H

**§ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016**

CLOSING CERTIFICATE OF PROPERTY OWNER

[____], 2016

In connection with the issuance, sale and delivery by Improvement Area No. 1 of Community Facilities District No. 7 the City of Moreno Valley (the "Issuer" or the "District") of the bonds captioned above (the "Bonds"), and pursuant to the Bond Purchase Agreement, dated [____], 2016 (the "Bond Purchase Agreement") executed by and between the District and Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"), the undersigned, in his or her capacity as a duly authorized officer or representative of I-215 Logistics, LLC, a Delaware limited liability company (the "Property Owner"), hereby certifies, on behalf of the Property Owner, as follows as of the date hereof (the "Closing Date"):

- (1) The undersigned is duly authorized to execute this Closing Certificate of the Property Owner (the "Closing Certificate") on behalf of the Property Owner.
- (2) The Property Owner is duly authorized to execute, deliver and perform its obligations under its Property Owner Continuing Disclosure Agreement.
- (3) The Property Owner has duly executed and delivered its Property Owner Continuing Disclosure Agreement.
- (4) The Property Owner has full power and authority to own the Property and to carry on its business as presently conducted and as described in the Official Statement dated _____, 2016 relating to the Bonds (the "Final Official Statement").
- (5) The Property Owner has received the Final Official Statement relating to the Bonds. The representations and warranties made by the Property Owner in the Certificate of Property Owner dated _____, 2016 (the "Certificate") are true and correct in all material respects on and as of the date hereof, with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Final Official Statement.
- (6) To the Actual Knowledge of the Undersigned (as defined in the Certificate), no event has occurred since the date of the Official Statement affecting the statements and information described in Paragraph 4 of the Certificate relating to the Property Owner or the Property which should be disclosed in the Final Official Statement for the purposes for which it is to be used in

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

order to make such statements and information contained in the Final Official Statement not misleading in any material respect.

- (7) The Property Owner covenants that, while the Bonds are outstanding, the Property Owner will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body which in any way seeks to challenge or overturn the District, the levy of the Special Tax in accordance with the Rate and Method or the validity of the Bonds or the proceedings leading up to their issuance. The foregoing covenant shall not prevent the Property Owner from bringing an action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body (a) contending that the Special Tax has not been levied in accordance with the methodology contained in the Rate and Method, (b) contending improper application or use of the Special Taxes levied and collected or (c) enforcing the obligations of the District or the City under any agreement which the Property Owner is a party or beneficiary, so long as any such action or suit does not seek to interfere, or have the effect of interfering, with the levy and collection of the Special Tax in amounts and at times sufficient to pay the principal of and interest on the Bonds when due.
- (8) For the period through 25 days after the date hereof, if any event relating to the information described in Paragraph 4 of the Certificate relating to the Property Owner or the Property shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City, to amend or supplement the Final Official Statement in order to make the Final Official Statement not misleading in the light of the circumstances existing at the time it is delivered to a purchaser, the Property Owner shall reasonably cooperate with the City and the Underwriter in the preparation of an amendment or supplement to the information described in Paragraph 4 of the Certificate relating to the Property Owner or the Property in form and substance satisfactory to the Underwriter and counsel to the City which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Final Official Statement is delivered to a purchaser, not misleading.
- (9) Capitalized terms not defined herein have the same meaning as is set forth set forth in the Certificate and the Bond Purchase Agreement relating to the Bonds.
- (10) This Closing Certificate is being provided pursuant to Section 8(c)(xviii) of the Bond Purchase Agreement and is for the sole benefit of the Underwriter, the District, and the City.

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Property Owner and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Property Owner.

I-215 Logistics, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
A Delaware limited liability company,
Its manager

By: Lion Industrial Properties, L.P.,
A Delaware limited partnership,
Its sole member

By: LIT GP Sub, LLC,
A Delaware limited liability company,
Its general partner

By: Lion Industrial Trust,
A Maryland real estate investment trust,
Its sole member

By: _____
Name: Stacey Magee
Title: Vice President

EXHIBIT I

\$ _____
**IMPROVEMENT AREA NO. 1
 OF COMMUNITY FACILITIES DISTRICT NO. 7
 OF THE CITY OF MORENO VALLEY
 SPECIAL TAX BONDS, SERIES 2016**

FORM OF OPINION OF COUNSEL TO PROPERTY OWNER.

A letter of counsel to I-215 Logistics, LLC , a Delaware limited liability company (the "Property Owner"), addressed to the Underwriter, which contains the following opinions:

(1) The Property Owner is a limited liability company, duly formed, validly existing and in good standing under the laws of the State of Delaware, and has full power and authority to enter into its Property Owner Continuing Disclosure Agreement.

(2) The Property Owner has duly and validly executed and delivered its Property Owner Continuing Disclosure Agreement and its Property Owner Continuing Disclosure Agreement constitutes the legal, valid and binding obligations of the Property Owner, subject to customary exceptions.

(3) Based upon counsel's review of the Final Official Statement, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Final Official Statement, no facts came to our attention that would lead us to believe that the information in the sections of the Final Official Statement entitled "THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1 - Description of Property within Improvement Area No. 1," and "- I-215 Logistics" to the extent that they relate to the Property Owner and its respective managers and/or members, the Property Owner's organization, its property in the District and development related thereto, or representations made by the Property Owner, contains any untrue statement of a material fact or omits any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading, subject to customary exceptions.

EXHIBIT J

**\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016**

**CERTIFICATE OF REPRESENTATIONS
AND WARRANTIES OF THE CITY (POS)**

[insert date of POS]

To: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, CA 94104

Ladies and Gentlemen:

We are delivering to you this certificate in connection with the distribution of the Preliminary Official Statement for the captioned bonds (the "Bonds"). All capitalized terms used herein without definition shall have the meanings assigned to such terms in the Preliminary Official Statement.

The undersigned, in his or her capacity as an officer of the City of Moreno Valley (the "City") and not in his or her individual capacity, on behalf of the City, represents and warrants to you that:

(1) The information contained in the following sections of the Preliminary Official Statement are true and correct in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading: "INTRODUCTION - The District and Improvement Area No. 1," and "THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1 - General Information Regarding the District and Improvement Area No. 1," "- Change Proceedings within Improvement Area No. 1," and "- The Facilities."

(2) Except as is specifically disclosed in the Preliminary Official Statement, there is no litigation pending with respect to which the City has been served with process or, to my best knowledge after reasonable inquiry, threatened (A) to restrain or enjoin the issuance of any of the Bonds, the levy or collection of Special Taxes, or the pledge of Net Special Tax Revenues under the Bond Indenture; (B) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the Bond Indenture; or (C) in any way contesting the authority of the City to expend the proceeds of the Bonds as described in the Preliminary Official Statement.

(3) Except as disclosed in the Preliminary Official Statement, the City and its related entities have not failed in any material respect to comply with any undertaking under Rule 15c2-12 in the previous five years. The securities listed in the report of [Applied Best Practices] dated [_____] are all of the securities with respect to which the City and its related were obligated to

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

provide continuing disclosure pursuant to undertakings under Rule 15c2-12 during the past five years.

CITY OF MORENO VALLEY

By: _____
Authorized Representative

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

EXHIBIT K

**\$ _____
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016**

**CERTIFICATE OF REPRESENTATIONS
AND WARRANTIES OF THE CITY (CLOSING)**

[____], 2016

To: Stifel, Nicolaus & Company, Incorporated
One Montgomery Street, 35th Floor
San Francisco, CA 94104

Ladies and Gentlemen:

We are delivering to you this certificate in connection with the issuance of the captioned bonds (the "Bonds"). All capitalized terms used herein without definition shall have the meanings assigned to such terms in the final Official Statement for the Bonds.

The undersigned, in his or her capacity as an officer of the City of Moreno Valley (the "City") and not in his or her individual capacity, on behalf of the City, represents and warrants to you that the representations and warranties made by the City in the Certificate of Representations and Warranties of the City (POS) are true and correct in all material respects on the date hereof, with the same effect as if made on the date hereof, except that all references to the Preliminary Official Statement shall be deemed to be references to the Preliminary Official Statement and the final Official Statement. If at any time subsequent hereto and within 25 days after the date hereof any such statements in the final Official Statement become untrue, the Property Owner agrees to notify immediately Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley, as issuer of the Bonds, and Stifel, Nicolaus & Company, Incorporated, as underwriter of the Bonds.

CITY OF MORENO VALLEY

By: _____
Authorized Representative

Attachment: Bond Purchase Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

DISTRICT CONTINUING DISCLOSURE AGREEMENT

This District Continuing Disclosure Agreement (the “Disclosure Agreement”) is dated as of _____ 1, 2016, by and between the Community Facilities District No. 7 of the City of Moreno Valley (the “District”) and Willdan Financial Services, in its capacity as dissemination agent (the “Dissemination Agent”), in connection with the issuance by the District of its Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016 in the aggregate principal amount of \$_____ (the “Bonds”). The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the “Act”), and an Indenture, dated as of _____ 1, 2016 (the “Indenture”), by and between the District and Wells Fargo Bank, National Association, as trustee (the “Trustee”), in order to provide funds to refinance certain public improvements to support development within Improvement Area No. 1 of the District (“Improvement Area No. 1”). The District and the Dissemination Agent hereby covenant and agree as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Agreement is being executed and delivered by the parties hereto for the benefit of the owners and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with Rule 15c2-12(b)(5) promulgated under the Securities and Exchange Act of 1934.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, which apply to any capitalized terms used in this Disclosure Agreement, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“*Annual Report*” shall mean any Annual Report provided by the District pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

“*Annual Report Date*” shall mean March 31 in each year, the date that is nine months after the end of the District’s fiscal year, which fiscal year end, as of the date of this Disclosure Agreement, is June 30.

“*Beneficial Owner*” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

“*Bonds*” shall mean the Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016.

“*City*” shall mean the City of Moreno Valley, California.

“*Dissemination Agent*” shall mean Willdan Financial Services, or any successor Dissemination Agent designated in writing by the District, which successor must have filed a written acceptance of such designation with the District.

“*District*” shall mean Community Facilities District No. 7 of the City of Moreno Valley.

“*EMMA*” shall mean the Electronic Municipal Market Access system of the MSRB.

“*Improvement Area No. 1*” shall mean Improvement Area No. 1 of the District.

“*Listed Events*” shall mean any of the events listed in Section 5(a) of this Disclosure Agreement.

“*MSRB*” shall mean the Municipal Securities Rulemaking Board and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

“*Official Statement*” means the Official Statement relating to the Bonds.

“*Participating Underwriter*” shall mean Stifel, Nicolaus & Company, Incorporated, the original underwriter of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

“*Rule*” shall mean Rule 15c2-12(b)(5), adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“*Special Taxes*” shall mean an annual special tax to be levied on certain real property within Zone 2 of Improvement Area No. 1, which special tax shall secure the payment of debt service on the Bonds.

Section 3. Provisions of Annual Reports.

(a) The District shall, or shall cause the Dissemination Agent to, not later than the Annual Report Date, commencing March 31, 2017, provide to MSRB an Annual Report that is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than 15 business days prior to said date, the District shall provide its Annual Report to the Dissemination Agent, if such Dissemination Agent is a different entity than the District. The Annual Report must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as is prescribed by MSRB, and may include by reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the City may be submitted separately from and later than the balance of the Annual Report if they are not available by the applicable Annual Report Date. If the District’s fiscal year changes, the District shall provide written notice of such change in the same manner as for a Listed Event under Section 5(c). The District shall provide written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished hereunder. The Dissemination Agent may conclusively rely upon such certification of the District and shall have no duty or obligation to review such Annual Report.

(b) If the District is unable to provide MSRB an Annual Report by the date required in subsection (a), the Dissemination Agent in a timely manner shall send a notice to MSRB in substantially the form attached as Exhibit A. Such notice must be submitted in an electronic format as prescribed by MSRB, accompanied by such identifying information as prescribed by MSRB.

(c) The Dissemination Agent shall:

1. provide any Annual Report received by it to MSRB by the date required in subsection (a); and

2. file a report with the District certifying that the Annual Report has been provided to MSRB pursuant to this Disclosure Agreement and stating the date it was so provided.

Section 4. Content of Annual Reports. The District's Annual Report shall contain or incorporate by reference the following:

(a) Financial Statements. The audited financial statements of the District for the most recent fiscal year of the District then ended, when and if available. If no audited financial statements are prepared for the District, then no financial statements shall be included in the Annual Report. If the audited financial statements are prepared but not available by the time the Annual Report is required to be filed, the Annual Report may be filed without audited financial statements, and the audited financial statements shall be filed in the same manner as the Annual Report if and when they become available. If audited financial statements of the District are prepared, such audited financial statements shall be audited by such auditor as shall then be required or permitted by State law or the Indenture. If audited financial statements of the District are prepared, such audited financial statements shall be prepared in accordance with generally accepted accounting principles as prescribed for governmental units by the Governmental Accounting Standards Board; provided, however, that the District may from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the District shall modify the basis upon which its financial statements are prepared, the District shall provide a notice of such modification to EMMA, including a reference to the specific federal or State law or regulation specifically describing the legal requirements for the change in accounting basis.

(b) Financial and Operating Data. The following information with respect to the Bonds and the property in Improvement Area No. 1 subject to the levy of Special Taxes:

1. Principal amount of the Bonds (including principal amount and years of maturity of Bonds, if any, called for redemption in advance of maturity), and any bonds issued to refund the same.
2. Balance in the funds and accounts established under the Indenture.
3. A statement as to whether or not the amount on deposit in the Reserve Fund is equal to the Reserve Requirement and, if not, the amount of the delinquency or surplus, as applicable.
4. The amount of delinquent Special Taxes for the most recent fiscal year.
5. Concerning delinquent parcels:
 - number of parcels in Improvement Area No. 1 delinquent in payment of Special Tax,
 - total of such delinquency and percentage of delinquency in relation to total Special Tax levy,

- status of the actions taken by the City or the District related to any foreclosure proceedings upon delinquent properties within Improvement Area No. 1.

6. Identity of any delinquent taxpayer and the amount of delinquent Special Taxes such entity owes, plus:

- assessed value of applicable properties, and
- summary of results of foreclosure sales, if available.

7. A table reflecting the property owner(s) responsible for the annual Special Tax most recently enrolled, the allocation of current outstanding debt for each property owner and the allocable Maximum Special Tax.

8. A table in the form of Table 2 and reasonably representing the information contained therein, reflecting the parcel-by-parcel value-to-lien ratios within Improvement Area No. 1 based on the allocation of current outstanding Bonds for each parcel and the current assessed value for each parcel.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District, the City, or related public entities that are available to the public on MSRB's internet website or filed with the Securities and Exchange Commission. The District shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the District shall give, or cause the Dissemination Agent to give, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes; and

9. bankruptcy, insolvency, receivership or similar proceedings.

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;
2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms;
3. appointment of a successor or additional fiscal agent or the change of the name of a fiscal agent;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. notices of redemption; and
7. release, substitution or sale of property securing repayment of the Bonds.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with MSRB in a timely manner not more than 10 business days after the event.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Agreement is the responsibility of the District and that, except as may be set forth in another agreement with the Dissemination Agent, the Dissemination Agent shall not be responsible for determining whether the

District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

Section 6. Termination of Reporting Obligation. The obligations of the District and the Dissemination Agent under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption, or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the District shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days written notice to the District. The Dissemination Agent shall not be responsible for the content of any report or notice prepared by the District. The Dissemination Agent shall have no duty to prepare any information report nor shall the Dissemination Agent be responsible for filing any report not provided to it by the District in a timely manner and in a form suitable for filing. If at any time there is no designated Dissemination Agent, the District shall act as the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Agreement, the District and the Dissemination Agent may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived; provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to annual or event information to be provided hereunder, it may only be made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or interpretations thereof, or a change in the identity, nature, or status of the District or the type of business conducted thereby;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by owners of the Bonds in the manner provided in the Indenture for amendments to such Indenture with the consent of owners of the Bonds, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interest of the owners of the Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the annual financial information containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared

on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the District to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB.

Section 9. Additional Information. Nothing in this Disclosure Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the District chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

The District acknowledges and understands that other state and federal laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended may apply to the District, and that under some circumstances compliance with this Disclosure Agreement, without additional disclosures or other action, may not fully discharge all duties and obligations of the District under such laws.

Section 10. Default. In the event of a failure of the District to comply with any provisions of this Disclosure Agreement any owner of a Bond, the Participating Underwriter, or the Trustee may (but in no event is obligated to or has a duty to) take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the District to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed a default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the District or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense, cost, suit, claim, judgment, damages and liabilities that it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees and expenses) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the District under this section shall survive resignation or removal of the Dissemination Agent and payment of all of the Bonds. The Dissemination Agent shall not be responsible in any manner for the format or content of any notice or Annual Report prepared by the District pursuant to this Disclosure Agreement. The District shall pay the reasonable fees and expenses of the Dissemination Agent for its duties hereunder.

Section 12. Beneficiaries. This Disclosure Agreement shall inure solely to the benefit of the City, the District, the Dissemination Agent, the Trustee, the Participating Underwriter, and the owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Section 13. Counterparts. This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

Section 14. Future Determination of Obligated Persons. In the event the Securities Exchange Commission amends, clarifies or supplements the Rule in such a manner that requires any landowner within the District to be an obligated person as defined in the Rule, nothing contained herein shall be construed to require the District to meet the continuing disclosure requirements of the Rule with respect to such obligated person and nothing in this Disclosure Agreement shall be deemed to obligate the District to disclose information concerning any owner of land within the District except as required as part of the information required to be disclosed by the District pursuant to Section 4 and Section 5 hereof. The validity, interpretation and performance of this Disclosure Agreement shall be governed by the laws of the State of California.

Section 15. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

Section 16. Merger. Any person succeeding to all or substantially all of the Dissemination Agent's corporate trust business shall be the successor Dissemination Agent without the filing of any paper or any further act.

Section 17. Governing Law. This Disclosure Agreement shall be governed under the laws of the state of California.

Date: _____ 1, 2016

COMMUNITY FACILITIES DISTRICT NO. 7 OF
THE CITY OF MORENO VALLEY

By: _____
Authorized Signatory

WILLDAN FINANCIAL SERVICES,
as Dissemination Agent

By: _____
Authorized Signatory

Attachment: District Continuing Disclosure Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX

EXHIBIT A TO CONTINUING DISCLOSURE AGREEMENT

NOTICE TO MSRB OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer: Community Facilities District No. 7 of the City of Moreno Valley

Name of Bond Issue: Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016

NOTICE IS HEREBY GIVEN that Community Facilities District No. 7 of the City of Moreno Valley (the "District") has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of _____ 1, 2016. The District anticipates that the Annual Report will be filed by _____.

Dated: _____

COMMUNITY FACILITIES DISTRICT NO. 7 OF
THE CITY OF MORENO VALLEY

By: _____
Authorized Signatory

Attachment: District Continuing Disclosure Agreement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST __, 2016

NEW ISSUE — BOOK-ENTRY-ONLY

NO RATING

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS" herein.

\$3,320,000*

**IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016**

Dated: Date of Delivery

Due: September 1, as shown on the inside cover page

The Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds Series 2016 (the "Bonds") are being issued and delivered by Community Facilities District No. 7 of the City of Moreno Valley (the "District") to (i) provide refinancing for certain public facilities and costs with respect thereto related to the development within Improvement Area No. 1 of the District ("Improvement Area No. 1"), (ii) fund a reserve fund with respect to the Bonds, (iii) provide financing for certain administrative expenses of the District, and (iv) pay the costs of issuance with respect to the Bonds. See "ESTIMATED SOURCES AND USES OF FUNDS" herein. The District has been formed by and is located in the City of Moreno Valley, California (the "City").

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to an Indenture, dated as of September 1, 2016 by and between the District and Wells Fargo Bank, National Association, as Trustee. The Bonds are special obligations of the District and are payable solely from Net Special Tax Revenues (as defined herein) levied within Improvement Area No. 1, and the other asset pledged therefor under the Indenture, all as further described herein. Special Taxes (as defined herein) are to be levied according to the amended and restated rate and method of apportionment approved by the City Council of the City of Moreno Valley and the qualified electors within Improvement Area No. 1. The City Council is the legislative body of the District.

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York. Individual purchases of Bonds may be made in principal amounts of \$5,000 and integral multiples thereof. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable on each September 1 and March 1, commencing March 1, 2017. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who are expected to remit such payments to the beneficial owners of the Bonds. See "THE BONDS — General Provisions" and APPENDIX H — "INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OF MORENO VALLEY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The purchase of the Bonds involves certain risks. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Orrick, Herrington & Sutcliffe, LLP, Los Angeles, California, as Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the City and the District by the City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, San Francisco, California. It is anticipated that the Bonds will be available for delivery to DTC or its agent in book-entry form on or about September __, 2016.

[STIFEL LOGO]

Dated: _____, 2016

* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

Attachment: Preliminary Official Statement (2197) : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

MATURITY SCHEDULE

<i>Maturity Date (September 1)</i>	<i>Principal Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP[†] No.</i>
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					

\$ _____ % Term Bonds due September 1, 2046, Yield: _____ % Price: _____ CUSIP[†] No. _____
 \$ _____ % Term Bonds due September 1, 20__, Yield: _____ % Price: _____ CUSIP[†] No. _____

[†] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2016 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service Bureau. CUSIP® numbers are provided for convenience of reference only. Neither the District nor the Underwriter takes any responsibility for the accuracy of such numbers.

CITY OF MORENO VALLEY**CITY COUNCIL**

Dr. Yxstian A. Gutierrez, Mayor
 Jeffrey J. Giba, Mayor Pro Tem
 D. LaDonna Jempson, Council Member
 Jesse L. Molina, Council Member
 George E. Price, Council Member

STAFF

Michelle Dawson, City Manager
 Ahmad R. Ansari, P.E., Public Works Director/City Engineer
 Marshall Eyerman, Chief Financial Officer
 Candace E. Cassel, Special Districts Division Manager
 Leslie Keane, Interim City Clerk
 Steve Quintanilla, Interim City Attorney

BOND COUNSEL

Orrick Herrington & Sutcliffe LLP
 Los Angeles, California

FINANCIAL ADVISOR

Fieldman, Rolapp & Associates
 Irvine, California

DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth, a Professional Corporation,
 Newport Beach, California

TRUSTEE

Wells Fargo Bank, National Association
 Los Angeles, California

SPECIAL TAX CONSULTANT AND DISSEMINATION AGENT

Willdan Financial Services
 Temecula, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include, but are not limited to certain statements contained in the information under the caption “THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1.”

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the District’s Continuing Disclosure Agreement, a form of which is attached hereto as APPENDIX E, neither the District nor the City plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. I-215 Logistics, the owner of all the taxable property in Improvement Area No. 1, has also agreed to provide certain continuing disclosure information concerning itself and its property within Improvement Area No. 1 in the form attached hereto as APPENDIX F. See “CONTINUING DISCLOSURE.”

A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City and others. No such information is a part of or incorporated into this Official Statement.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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Attachment: Preliminary Official Statement (2197) : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

[INSERT AREA MAP]

[INSERT AERIAL PHOTO]

\$3,320,000*
IMPROVEMENT AREA NO. 1
OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
SPECIAL TAX BONDS, SERIES 2016

INTRODUCTION

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices, is to provide certain information concerning the issuance of the Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016, in the aggregate principal amount set forth on the front cover page (the “Bonds”). The proceeds of the Bonds will be used to refinance certain public facilities and costs with respect thereto related to storm drain facilities within the Community Facilities District No. 7 of the City of Moreno Valley (the “District”), to fund a reserve fund for the Bonds (the “Reserve Fund”), provide financing for certain administrative expenses of the District, and pay costs of issuance of the Bonds.

The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to the Indenture, dated as of September 1, 2016 (the “Indenture”), by and between the District and Wells Fargo Bank, National Association, as trustee (the “Trustee”). The Bonds are secured under the Indenture by a pledge of, constituting a lien on and security interest in, the Net Special Tax Revenues (as defined herein) and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund established pursuant to the Indenture.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of the Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions” herein.

The District and Improvement Area No. 1

Improvement Area No. 1 is located east of Interstate 215 and south of State Route 60 in the City. Only Zone 2 within Improvement Area No. 1 is subject to the special tax. Zone 2 of Improvement Area No. 1 consists of the property on the north side of San Michele Road, on the south side of Cardinal Avenue, on the west side of Indian Street and on the east side of Heacock

* Preliminary, subject to change.

Street. References in this Official Statement to the property within Improvement Area No. 1 include only Zone 2 of Improvement Area No. 1.

Zone 2 of Improvement Area No. 1 consists of approximately 73.48 acres which have been fully developed into an approximately 1.25 million square foot, one story with mezzanine warehouse currently being leased and operated as an Amazon.com “Fulfillment Center.” See “THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1 — General Information Regarding the District and Improvement Area No. 1 — *Description of Property Within Improvement Area No. 1*” and “— *Amazon Lease*.”

The District was formed to finance certain public facilities and costs with respect thereto related to the development within the District. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State of California (the “State”). Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. The legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City Council adopted the necessary resolutions stating its intent to establish the District and designate three Improvement Areas therein (Improvement Area Nos. 1, 2 and 3, each an “Improvement Area” and, collectively, the “Improvement Areas”), to authorize the levy of special taxes on taxable property within the boundaries of the District and each Improvement Area therein, and to have the District incur bonded indebtedness on behalf of each Improvement Area. Following public hearings conducted pursuant to the provisions of the Act, the City Council adopted resolutions establishing the District and calling special elections to submit the levy of the special taxes and the incurring of bonded indebtedness to the qualified voters within each Improvement Area of the District.

On June 24, 2008, at elections held pursuant to the Act, the landowner who comprised the qualified voters of each Improvement Area within the District, authorized the District to incur bonded indebtedness in the aggregate principal amount of not to exceed \$10,000,000, \$3,500,000 and \$4,750,000 with respect to Improvement Area Nos. 1, 2 and 3, respectively, and approved the rate and method of apportionment of the special taxes for each Improvement Area to pay the principal of and interest on the bonds of the District issued on behalf of such Improvement Area.

Subsequent to the formation of the District and the Improvement Areas therein, I-215 Logistics, LLC, a Delaware limited liability company (“I-215 Logistics”) and FR/CAL Moreno Valley, LLC, a Delaware limited liability company (“FR/CAL”), being the sole owners of the property within Improvement Area No. 1, petitioned the City to modify Improvement Area No. 1 to (i) amend the original boundary map of Improvement Area No. 1 and the original rate and method of apportionment with respect to Improvement Area No. 1 (the “Original Rate and Method”) to shift certain property from Zone 2 to Zone 1 of Improvement Area No. 1, (ii) amend the Original Rate and Method (as amended and restated, the “Rate and Method”) to provide that only property within Zone 2 of Improvement Area No. 1 shall be subject to the Special Tax, and (iii) provide that only certain storm drain facilities (the “Storm Drain Facilities”) shall be financed by the Bonds and only up to the amount of \$2,703,341.58 (collectively the “Modifications”).

The City Council adopted Resolution No. 2016-30 on May 17, 2016 to consider the Modifications with respect to Improvement Area No. 1 (the “Resolution of Consideration”). On June 21, 2016, the City Council adopted Resolution No. 2016-49 calling a landowner election within Improvement Area No. 1. FR/CAL and I-215 Logistics, as the sole property owners within Improvement Area No. 1, unanimously voted in favor of the Modifications. On June 21, 2016, the City Council adopted Resolution No. 2016-50 confirming the election results and confirming the Modifications (the “Change Proceedings”). The Rate and Method and boundaries of Improvement Area No. 1 described in this official statement are the Rate and Method and boundaries of Improvement Area No. 1 approved by the Change Proceedings.

Only Zone 2 within Improvement Area No. 1 is subject to Special Taxes following the Change Proceedings. I-215 Logistics owns all of the taxable property in Zone 2 of Improvement Area No. 1 (the “Property”). Special taxes levied within the other Improvement Areas within the District are neither pledged nor available for debt service on the Bonds.

The City Council, as the legislative body of the District, is authorized under the Act to levy special taxes sufficient to pay debt service on bonds the proceeds of which are used to refinance the Storm Drain Facilities and to pay certain administrative costs, secured by recordation of a continuing lien against all nonexempt real property in Improvement Area No. 1 of the District, which special taxes will be annually levied within Improvement Area No. 1 of the District, and to issue bonds secured by said special taxes under the Act.

Upon the issuance of the Bonds, a principal amount of \$6,680,000* will remain authorized but unissued. However, the City has covenanted not to issue additional indebtedness secured by the Special Taxes on a parity with the Bonds except to refund the Bonds in whole or in part, and only in circumstances where the issuance of such Additional Bonds results in a reduction in the amount of Annual Debt Service on the outstanding Bonds (including such Additional Bonds) in each Bond Year. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes may be levied on the property within Improvement Area No. 1. See “SPECIAL RISK FACTORS — Parity Taxes and Special Assessments.”

Security and Sources of Payment for the Bonds

Under the Indenture, the City has pledged to repay the Bonds from Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. The Indenture defines “Net Special Tax Revenues” to mean Special Tax Revenues less amounts required to pay Administrative Expenses. The term “Special Tax Revenues” is defined in the Indenture to mean the proceeds of the Special Taxes received by or on behalf of Improvement Area No. 1 of the District, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes, which shall be limited to the amount of said lien and interest and penalties thereon. “Administrative Expenses” is defined in the Indenture to mean costs directly related to the administration of Improvement Area No. 1, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by Improvement Area No. 1 in complying with the disclosure provisions of any continuing disclosure

* Preliminary, subject to change.

undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of Improvement Area No. 1 related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the City staff providing services on behalf of Improvement Area No. 1 directly related to the foregoing and a proportionate amount of general administrative overhead of the City related thereto, and the costs of foreclosure of delinquent Special Taxes.

Net Special Tax Revenues are the primary security for the repayment of the Bonds. In the event that Net Special Tax Revenues are not paid when due, the only sources of funds available to pay the debt service on the Bonds are the amounts held by the Trustee for such purpose in the Special Tax Fund, the Bond Fund and the Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Description of the Bonds

The Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of integral multiples of \$5,000 under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX H — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described herein. See APPENDIX H — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

The Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described herein. For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” herein.

The Bonds are subject to redemption as described herein. For more complete descriptions of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Tax Matters

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California (the “State”) personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.

Professionals Involved in the Offering

Wells Fargo Bank, National Association, Los Angeles, California, will act as Trustee under the Indenture. Stifel, Nicolaus & Company, Incorporated, is the Underwriter of the Bonds. All proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Orrick Herrington & Sutcliffe LLP, Bond Counsel to the District. Fieldman, Rolapp & Associates, Irvine, California, is acting as Financial Advisor for the City in connection with the Bonds. Willdan Financial Services is acting as the Special Tax Consultant to the District and as the initial Dissemination Agent under the District Continuing Disclosure Agreement and the Owner Continuing Disclosure Agreement (each defined below). Certain legal matters will be passed on for the City by its City Attorney, and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, San Francisco, California.

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the Bonds, see “FINANCIAL INTERESTS” herein.

Continuing Disclosure

The District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system available on the Internet at <http://emma.msrb.org> (“EMMA”) certain annual financial information and operating data. The District will further agree to provide notice of certain listed events. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). In addition, I-215 Logistics will agree to provide or cause to be provided to EMMA certain information with respect to I-215 Logistics and its property within Improvement Area No. 1 and notice of certain listed events. See the form of District Continuing Disclosure Agreement attached as APPENDIX E hereto (the “District Continuing Disclosure Agreement”) for a description of the specific nature of the annual reports to be filed by the District and notices of listed

events to be provided by the District. See the form of Owner Continuing Disclosure Agreement attached as APPENDIX F hereto (the "Owner Continuing Disclosure Agreement") for a description of the specific nature of the annual reports to be filed by I-215 Logistics and notices of listed events to be provided by I-215 Logistics. See "CONTINUING DISCLOSURE."

Bond Owners' Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture.

Copies of the Indenture, the District Continuing Disclosure Agreement, the Owner Continuing Disclosure Agreement and other documents and information referred to herein are available for inspection and (upon request and payment to the City of a charge for copying, mailing and handling) for delivery from the City at 14177 Frederick Street, Moreno Valley, California 92553, Attention: Special Districts Division Manager.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds.

Sources:	
Principal Amount of the Bonds	\$
[Less: Net Original Issue Discount]	
[Plus: Net Original Issue Premium]	
Less: Underwriter's Discount	
Total	\$ _____
Uses:	
Improvement Fund	\$
Reserve Fund ⁽¹⁾	
Administrative Expense Fund	
Cost of Issuance Fund	
Total	\$ _____

⁽¹⁾ Equal to the Reserve Requirement.

THE BONDS

General Provisions

The Bonds will be issued in fully registered form without coupons in denominations of \$5,000 and any integral multiple thereof (“Authorized Denominations”). The Bonds will be dated the date of issuance thereof. The Bonds are scheduled to mature on September 1, in the years and in the principal amounts, and will bear interest at the rates per annum, shown on the inside front cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2017 (each an “Interest Payment Date”). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) such Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day (the “Record Date”) in which event interest thereon will be payable from such Interest Payment Date, (ii) such Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date or (iii) interest on such Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been previously paid or duly provided for.

The interest on, and principal of and redemption premiums, if any, on the Bonds are payable in lawful money of the United States of America. Interest is payable by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date (except that interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be payable on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee pursuant to the Indenture). Payment of principal of any Bond will be made only upon presentation and surrender thereof at maturity or upon earlier redemption at the Office of the Trustee.

The Bonds will initially be issued in book-entry form, and The Depository Trust Company of New York, New York (“DTC”) will act as securities depository. So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC for distribution to the Beneficial Owners of the Bonds in accordance with procedures adopted by DTC. See APPENDIX H — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM.”

The Bonds are not general obligations of the District but are special obligations of the District payable solely from Net Special Tax Revenues and the other amounts held under the Indenture in the Special Tax Fund, the Bond Fund and the Reserve Fund. Neither the faith and credit nor the taxing power of the City, the District (except to the limited extent set forth in the Indenture), the State or any political subdivision thereof is pledged to the payment of the Bonds. See “SPECIAL RISK FACTORS — Bonds Are Limited Obligations.”

Redemption

Optional Redemption. * The Bonds are subject to optional redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date beginning September 1, 20__, from any source of available funds, at the following respective Redemption Price (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

Redemption Dates *Redemption Price*

Mandatory Sinking Fund Redemption. The Bonds maturing September 1, 20__ (the “20__ Term Bonds”) shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Term Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

*Sinking Fund
Redemption Date
(September 1)* *Principal Amount
to be Redeemed*

(maturity)

The Bonds maturing September 1, 2046 (the “2046 Term Bonds,” and, together with the 20__ Term Bonds, the “Term Bonds”) shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20__, at a Redemption Price equal to the principal amount of the Term Bonds to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

* Preliminary, subject to change.

***Sinking Fund
Redemption Date
(September 1)***

***Principal Amount
to be Redeemed***

2046 (maturity)

If some but not all of the Term Bonds of a maturity are redeemed pursuant to the optional redemption provisions of the Indenture described above, the principal amount of such Term Bonds to be redeemed described above on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the District in a Written Certificate of the District filed with the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of Term Bonds so optionally redeemed.

If some but not all of the Term Bonds of a maturity are redeemed pursuant to the mandatory redemption from Special Tax Prepayments provisions of the Indenture, the principal amount of such Term Bonds to be redeemed described above on any subsequent September 1 shall be reduced by the aggregate principal amount of the Term Bonds so redeemed, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the District.

Mandatory Redemption from Special Tax Prepayments.* The Bonds are subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of prepaid Special Taxes required to be applied thereto and any related proportional amounts in the Reserve Fund required to be applied thereto pursuant to the Indenture (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund”) at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Price</i>
Any Interest Payment Date through March 1, 2024	103%
September 1, 2024 and March 1, 2025	102
September 1, 2025 and March 1, 2026	101
September 1, 2026 and any Interest Payment Date thereafter	100

Selection of Bonds for Redemption. Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed from all Bonds not previously called for redemption (i) with respect to any optional redemption of Bonds, among maturities of the Bonds as directed in a Written Request of the District, and (ii) with respect to any redemption of Bonds from prepayments of Special Taxes, among maturities of all Series of Bonds on a *pro rata* basis as nearly as practicable. The Trustee shall select for redemption the Bonds

* Preliminary, subject to change.

of the same Series with the same maturity by lot in any manner in which the Trustee, in its sole discretion, shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations, and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

Notice of Redemption. If the Bonds are held in book-entry form, notice of redemption will be mailed to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry system. Neither the District nor the Trustee is responsible for giving notice of redemption to the Beneficial Owners. See APPENDIX H — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

The Indenture provides that the Trustee on behalf and at the expense of the District will give notice of any redemption by first class mail to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice of redemption will state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole). The notice of redemption will require that the Bonds to be redeemed be surrendered at the Office of the Trustee for redemption at the Redemption Price, and give notice that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof will have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

Debt Service Schedule

<i>Year Ending September 1</i>	<i>Principal⁽¹⁾</i>	<i>Interest</i>	<i>Total</i>
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
	\$ _____	\$ _____	\$ _____

⁽¹⁾ Includes mandatory sinking fund redemptions.
Source: The Underwriter.

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are special obligations of the District, and, except as otherwise provided in the Indenture, they are payable solely from Net Special Tax Revenues. The Indenture defines “Net Special Tax Revenues” to mean Special Tax Revenues less amounts required to pay Administrative Expenses. The term “Special Tax Revenues” is defined in the Indenture to mean the proceeds of the Special Taxes received by or on behalf of the District, including any scheduled payments and any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of

property sold as a result of foreclosure of the lien of the Special Taxes (which shall be limited to the amount of said lien and interest and penalties thereon). The Indenture defines the term “Special Taxes” as the special taxes levied within Zone 2 of Improvement Area No. 1 pursuant to the Act, the Ordinance Levying Special Taxes, and the Indenture. “Administrative Expenses” is defined in the Indenture to mean costs directly related to the administration of Improvement Area No. 1, consisting of the costs of computing the Special Taxes and preparing the annual Special Tax schedules and the costs of collecting the Special Taxes, the costs of remitting the Special Taxes to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by Improvement Area No. 1 in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of Improvement Area No. 1 related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the staff of the City providing services on behalf of Improvement Area No. 1 directly related to the foregoing and a proportionate amount of City general administrative overhead of the City related thereto, and the costs of foreclosure of delinquent Special Taxes.

Under the Rate and Method, parcels of Taxable Property within Zone 2 of Improvement Area No. 1 are levied each fiscal year at up to the Maximum Special Tax of \$3,500 per acre. The taxable property within Improvement Area No. 1 is fully built out. See “THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1 — General Information Regarding the District and Improvement Area No. 1.” Under no circumstances may the amount of Special Taxes levied by the District in any year exceed the maximum rates approved by the qualified electors within Improvement Area No. 1, as set forth in the Rate and Method. A copy of the Rate and Method is attached to this Official Statement as APPENDIX A.

In addition to the Net Special Tax Revenues, any other amounts held by the Trustee in the Special Tax Fund, the Bond Fund and the Reserve Fund are pledged pursuant to the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds and any Additional Bonds in accordance with their respective terms, the Indenture and the Act. However, those amounts are pledged subject to the provisions of the Indenture permitting the application thereof for the purposes set forth in the Indenture. Amounts on deposit in the Costs of Issuance Fund, the Administrative Expense Fund and the Rebate Fund are not pledged to the payment of any of the Bonds or any Additional Bonds.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

In accordance with the provisions of the Act, the City Council established the District and Improvement Area Nos. 1, 2 and 3 therein on June 24, 2008 for the purpose of financing certain

public infrastructure improvements necessary for the proposed development within the District and the Improvement Areas therein. At a special election held on June 24, 2008, the owners of the property within the District and the Improvement Areas therein authorized the District to incur indebtedness in an amount not to exceed \$10,000,000, \$3,500,000 and \$4,750,000 with respect to Improvement Area Nos. 1, 2 and 3, respectively, and approved a rate and method of apportionment of the Special Taxes for each Improvement Area to pay the principal of and interest on the bonds of the District issued on behalf of such Improvement Area.

Subsequent to the formation of the District and the Improvement Areas therein, FR/CAL and I-215 Logistics, as the sole owners of all of the property within Improvement Area No. 1, filed a petition with the City requesting the City Council of the City to enter into certain change proceedings pursuant to the Act to, among other things: (i) amend the boundaries of Improvement Area No. 1 and Original Rate and Method to shift certain property from Zone 2 to Zone 1 of Improvement Area No. 1, (ii) amend the Original Rate and Method to provide that only property within Zone 2 of Improvement Area No. 1 shall be subject to the Special Tax, and (iii) provide that only the Storm Drain Facilities shall be financed by the Bonds and only up to the amount of \$2,703,341.58.

The City Council adopted Resolution No. 2016-83 on May 17, 2016 to consider the Modifications with respect to Improvement Area No. 1. On June 21, 2016, the City Council adopted Resolution No. 2016-49 calling a landowner election within Improvement Area No. 1. FR/CAL and I-215 Logistics, as the sole property owners within Improvement Area No. 1, unanimously voted in favor of the Modifications. On June 21, 2016, the City Council adopted Resolution No. 2016-50 confirming the election results and confirming the Modifications. The amended and restated rate and method of apportionment of the Special Tax approved by the City Council and the qualified electors within Improvement Area No. 1 on June 21, 2016 is set forth in APPENDIX A hereto.

Pursuant to the Indenture, the District has covenanted that it will fix and levy the amount of Special Taxes in each Fiscal Year in accordance with the Rate and Method in an amount sufficient (subject to the limitations contained in the Rate and Method as to the maximum Special Tax that may be levied) to yield Special Tax Revenues in the amount required for (i) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Corresponding Bond Year, (ii) any necessary replenishment of the Reserve Fund, and (iii) the payment of Administrative Expenses estimated to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established under the Indenture. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Certain Covenants Under the Indenture.” Notwithstanding this covenant, the amount of Special Taxes actually collected each year may be less than the amount described for a variety of different reasons. See “SPECIAL RISK FACTORS — Levy of the Special Tax.”

The Maximum Special Tax are at least _____% of debt service on the Bonds in each Bond Year. The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. See APPENDIX A — “AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See “SPECIAL RISK FACTORS — Levy of the Special Tax” and — Exempt Properties.”

Rate and Method of Apportionment

General. The Rate and Method is to be applied by the District each year for the purpose of determining the amount of the Special Tax to be levied against each Assessor’s Parcel of Taxable Property within Improvement Area No. 1. For purposes of the discussion of the Rate and Method only, terms with initial capital letters that are not otherwise defined in this Official Statement shall have the respective meanings assigned to them in the Rate and Method, a copy of which appears in APPENDIX A.

Under the terms of the Indenture, prior to August 1 of each year, the District will ascertain from the County of Riverside Assessor–County Clerk–Recorder the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year. The District will levy the Special Taxes by August 10 of each Fiscal Year that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the auditor of the County (the “Auditor”) will accept the transmission of the Special Tax amounts for the parcels within Zone 2 of Improvement Area No. 1 for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the District will prepare, or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll.

The Special Taxes levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See APPENDIX A — “AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” hereto. There is no assurance that the proceeds of the Special Taxes will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See “SPECIAL RISK FACTORS — Levy of the Special Tax” herein.

Rate and Method of Apportionment of Special Tax. The District is legally authorized and has covenanted to cause the levy of the Special Taxes in an amount determined according to a methodology, *i.e.*, the Rate and Method, which the City Council and the qualified electors within Improvement Area No. 1 have approved. The Rate and Method apportions the total amount of the Special Tax to be collected among the Taxable Property in Improvement Area No. 1 as more particularly described below.

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method which is attached as APPENDIX A — “AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in APPENDIX A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the Rate and Method attached as APPENDIX A.

“*Building Permit*” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for commercial or industrial use.

“*CFD Administrator*” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for Improvement Area No. 1.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Provisional Property” means all Assessor’s Parcels identified under Section I of the Rate and Method, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Public Property” means any property within the boundaries of Improvement Area No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by the District pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for Improvement Area No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years’ Special Taxes, and (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, less (vi) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Amended and Restated Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

“Zone 1” means the area within Improvement Area No. 1 designated as zone 1 by reference to the Boundary Map.

“Zone 2” means the area within Improvement Area No. 1 designated as zone 2 by reference to the Boundary Map.

Exempt Property. The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor’s Parcels used or owned exclusively by a property owners’ association, or (iii) Assessor’s Parcels with public or utility easements, including Assessor’s Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 73.48 Acres within Zone 2. Public Property that cannot be classified as

Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with the fourth step described under the heading “*Method of Apportionment of Special Tax*” below. All other Assessor’s Parcels that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with the third step described under the heading “*Method of Apportionment of Special Tax*” below.

Maximum Special Tax. The Maximum Special Tax provided for in the Rate and Method is as follows:

Taxable Property in Zone 1

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$0 per Acre.

Taxable Property in Zone 2

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$3,500 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to Improvement Area No. 1, or if there is an adjustment to the Special Tax in accordance with Section D of the Rate and Method. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$3,500 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (73.48).

$$[\$3,500 \times 73.48 = \$257,180]$$

2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3 of the Rate and Method.

3) The new Maximum Special Tax for Taxable Property within Zone 2, exclusive of Annexed Property, shall equal the result calculated in Step 1, minus the result calculated in Step 2, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (73.48 Acres), exclusive of Annexed Property.

$(\$257,180 - \text{Step 2 result})/73.48 = \text{Maximum Special Tax per Acre for Taxable Property within Zone 2}$

Method of Apportionment of Special Tax. Commencing in Fiscal Year 2016-17 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

First: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor’s Parcel of Annexed Property up to 100% of the

applicable Maximum Special Tax, and (ii) each Assessor's Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement;

Third: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Prepayment of Special Taxes. The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium plus the Defeasance Amount plus the Administrative Fees and Expenses, and less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any), all as specified in APPENDIX A — "AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX — Section F."

Estimated Debt Service Coverage. The principal amount of the Bonds has been established to produce debt service coverage on the Bonds from Special Taxes of at least 110%, net of estimated Administrative Expenses in each Bond Year. The District may levy up to the Maximum Special Tax rates on Taxable Property within Zone 2 of Improvement Area No. 1. See "— Rate and Method of Apportionment — *Maximum Special Tax.*"

Future Annexation Area. Pursuant to an Area Drainage Plan Fee Agreement, by and among the City, acting for itself and on behalf of the District, FR/CAL, First Industrial and FR/CAL IA, effective as of February 3, 2010 (the "ADP Fee Agreement"), the owners of the parcels designated within the future annexation area set forth in the future annexation area boundary map attached as Appendix G hereto (the "Future Annexation Area") may choose to annex into Improvement Area No. 1 in lieu of paying area drainage plan fees ("ADP Fees") established by the Flood Control District. The ADP Fees are broken into a "Local Component," currently in the amount of \$_____ for the Perris Valley ADP, and a "Regional Component," currently in the amount of \$_____ per acre for the Perris Valley ADP. The Future Annexation Area is within the Perris Valley Area Drainage Plan (the Perris Valley ADP). The ADP Fees are subject to increase in accordance with the rules and regulations of the Flood Control District.

Under the ADP Fee Agreement, the owners of the parcels within the Future Annexation Area have the option to annex such parcels to Improvement Area No. 1 for the purpose of financing such parcel's applicable share of the cost of the Flood Control Facilities. In the event the owners of the Future Annexation Area choose not to annex into Improvement Area No. 1, the Local Component of

the ADP Fees are required to be paid as a condition precedent to (a) the issuance of grading permits for such parcel or (b) the issuance of building permits for such parcel if grading permits are not required for the development of such parcel.

The owner of Parcel No. _____ of the Future Annexation Area has chosen not to annex into Improvement Area No. 1 and instead paid the Local Component of the ADP Fees for such parcel in the amount of \$19,512.50 (the “ADP Fees Prepayment”). Such amount will be deposited in the Special Tax Fund at Bond issuance to reduce the Fiscal Year 2016-17 Special Tax levy.

If owners of the Future Annexation Area parcels choose not to annex into Improvement Area No. 1, then the City shall allocate the Local Component of the ADP Fees collected for such Future Annexation Area parcels to Improvement Area No. 1, and such Local Component of the ADP Fees shall be deposited in the Special Tax Fund to reduce the Special Tax levy in the following fiscal year.

In the event parcels within the Future Annexation Area are annexed into Improvement Area No. 1, the Maximum Special Tax with respect to the current Taxable Property within Zone 2 of Improvement Area No. 1 will be reduced in accordance with Section C of the Rate and Method. See “— Maximum Special Tax” and APPENDIX A — “AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

Collection and Application of Special Taxes

The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes; provided, however, that the District may directly bill the Special Taxes, may collect Special Taxes at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor’s Parcels as permitted by the Act.

The District has made certain covenants in the Indenture for the purpose of ensuring that the current maximum rates and method of collection of the Special Taxes are not altered in a manner that would impair the District’s ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District has covenanted that, to the extent it is legally permitted to do so, it will not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds and if an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

Although the Special Taxes constitute liens on Taxable Property within Improvement Area No. 1, they do not constitute a personal indebtedness of the owners of such property within Improvement Area No. 1. Moreover, other overlapping general obligation debt already exists on the property located within Improvement Area No. 1 and other future special tax and assessment liens and overlapping general obligation debt could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners therein. See “SPECIAL RISK FACTORS — Parity Taxes and Special Assessments” herein. There is no assurance that current or future property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled “SPECIAL RISK FACTORS.”

Under the terms of the Indenture, the Trustee shall establish and maintain a separate fund designated the “Special Tax Fund.” As soon as practicable after the receipt by the District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that any portion of any such Special Tax Revenues that represents prepaid Special Taxes that are to be applied to the payment of the redemption price of Bonds in accordance with the provisions hereof shall be identified to the Trustee as such by the District and shall be deposited in the Redemption Fund. See “—Special Tax Fund” below, “THE BONDS — Redemption — *Mandatory Redemption from Special Tax Prepayments*” and APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

Covenant for Superior Court Foreclosure

Pursuant to Section 53356.1 of the Act, the District has covenanted in the Indenture that it will determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within Improvement Area No. 1 are delinquent in the payment of Special Taxes and that, if such delinquencies exist, the District will order and cause to be commenced no later than October 1, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due. Notwithstanding the foregoing, the District is not required under the Indenture to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in Improvement Area No. 1 for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement.

The mere commencement of foreclosure proceedings will not assure a prompt and favorable resolution of Special Tax delinquencies. The ability of the District to foreclose the lien of delinquent unpaid Special Taxes may be limited. See “SPECIAL RISK FACTORS — Bankruptcy and Legal Delays” and “— FDIC/Federal Government Interests in Properties.” Moreover, even if a judgment of foreclosure and order of sale is obtained, the District must cause a notice of levy to be issued. Under current law, the property owner has 120 days from the date of service of the notice of levy in which to redeem the subject property. If the property owner fails to redeem the property and it is sold, the property owner’s only remedy is an action to set aside the sale, which action must be brought within 90 days of the date of sale. If such an action results in the setting aside of the foreclosure sale, the judgment is revived, and the District would be entitled to receive interest on the revived judgment as if the sale had not been made. Under former law a property owner had a period of one year within which to redeem property to be sold, and the constitutionality of the legislation that eliminated the one year redemption period has not been tested.

There can be no assurance that, even if the subject property is sold, the proceeds from such sale will be sufficient to pay the delinquent installments of the Special Tax. The Act does not require the District or any other governmental agency to purchase or otherwise acquire any Assessor’s Parcel being sold if there is no other purchaser at such sale. The Act does require that property being sold pursuant to foreclosure under the Act must be sold for not less than the judgment amount (which must include reasonable attorneys’ fees, together with interest, penalties, and other authorized charges and costs) plus post judgment interest and authorized costs, unless a lower bid price is authorized by the Owners of not less than a majority by value of the Bonds Outstanding.

Special Tax Fund

The Indenture provides that the Trustee will establish and maintain a separate fund designated the “Special Tax Fund.” The Indenture requires that the District transfer Special Tax Revenues (other than prepaid Special Taxes) to the Trustee for deposit into the Special Tax Fund as soon as practicable after the District’s receipt thereof, but in any event no later than ten Business Days after such receipt. On the Business Day immediately preceding each Interest Payment Date, after having made any requested transfers to the Administrative Expense Fund, as requested by the District, to have sufficient amounts available therein to pay Administrative Expenses, the Trustee is required by the Indenture to make transfers from the Special Tax Fund to the Interest Account in the Bond Fund, the Principal Account in the Bond Fund and the Reserve Fund in the amounts and in the priority specified in the Indenture. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

As soon as practicable after the District’s receipt of prepaid Special Taxes, but in any event no later than ten Business Days after such receipt, the District is required to transfer any prepaid Special Taxes to the Trustee and, in connection therewith, deliver to the Trustee a Written Certificate identifying such amounts as prepaid Special Taxes, identifying the portion of such prepaid Special Taxes so transferred that is to be applied to the Redemption Price of the Bonds and identifying the portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed. The portion of such prepaid Special Taxes that is to be applied to the Redemption Price will be deposited by the Trustee in the Redemption Fund and will be applied to the redemption of the Bonds pursuant to the Indenture. The portion of such prepaid Special Taxes that is to be applied to the payment of interest on the Bonds to be so redeemed will be deposited by the Trustee in the Interest Account and will be applied to the payment of such interest.

Reserve Fund

The Indenture provides that the Trustee will establish and maintain a special fund designated the “Reserve Fund.” On the Closing Date, the Trustee will deposit in the Reserve Fund the amount specified under the caption “ESTIMATED SOURCES AND USES OF FUNDS.” The Trustee is also required, on the Business Day immediately preceding each Interest Payment Date, transfer from the Special Tax Fund (after the requisite transfers to the Administrative Expense Fund, the Interest Account and the Principal Account) the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement. The Indenture defines “Reserve Requirement” to mean, as of the date of any calculation, the least of (i) 10% of the original aggregate principal amount of the Bonds, (ii) Maximum Annual Debt Service and (iii) 125% of Average Annual Debt Service.

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund are to be used and withdrawn by the Trustee solely for the purpose of (i) making transfers to the Interest Account in accordance with the Indenture in the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, (ii) making transfers to the Principal Account in accordance with the Indenture in the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable (including principal due and payable by reason of mandatory sinking fund redemption of the Bonds), amounts in the Principal Account are insufficient to pay such principal, and (iii) redeeming Bonds in accordance with the Indenture as described in the following paragraph.

Whenever Bonds are to be optionally redeemed or redeemed from Special Tax prepayments, a proportionate share (determined as provided below) of the amount on deposit in the Reserve Fund will, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and will be applied to the redemption of said Bonds; provided that, such amount will be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share will be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of (i) the amount on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee will, upon receipt of a Written Request of the District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds. If, as a result of the scheduled payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, the Trustee will transfer an amount equal to the amount of such reduction to the Interest Account.

Investment of Moneys

All moneys held by the Trustee in any of the funds or accounts established pursuant to the Indenture are required to be invested by the Trustee solely in Permitted Investments, as directed in writing by the District. As used in the Indenture, the phrase “Permitted Investments” includes a variety of investments, some of which may not be rated by a national rating service. See APPENDIX B — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions.”

No Additional Bonds Except for Refunding Bonds

So long as any of the Bonds remain Outstanding, the District will not issue any Additional Bonds or obligations payable from Net Special Tax Revenues senior to the Bonds. The District may issue Additional Bonds or obligations payable on a parity with the Bonds, if, among other things: (i) upon the issuance of such Additional Bonds, no Event of Default will occur or be continuing under the Indenture; (ii) the proceeds of the Additional Bonds will be applied to refund the Bonds or Additional Bonds previously issued under the Indenture, pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and/or make any requisite deposit to the Reserve Fund; and (iii) the Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds. Nothing contained in the Indenture limits the issuance of any special tax bonds payable from Special Taxes if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued under the Indenture will be Outstanding.

The District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the Bonds.

THE COMMUNITY FACILITIES DISTRICT AND IMPROVEMENT AREA NO. 1

General Information Regarding the District and Improvement Area No. 1

The District and Improvement Area Nos. 1, 2 and 3 therein was formed by the City Council under the Act by the adoption of Resolution No. 2008-82 on June 24, 2008 (the “Resolution of Formation”). The Bonds are secured by the levy of Special Taxes within Improvement Area No. 1 only. Special taxes levied within the other Improvement Areas within the District are neither pledged nor available for debt service on the Bonds.

The District was formed to provide for the financing of certain public improvements related to the planned developments within the District and each Improvement Area therein. The qualified electors within the boundaries of the District and each Improvement Area therein authorized the District to incur bonded indebtedness with respect to each Improvement Area to finance certain public facilities to meet the needs of new development within the District and each Improvement Area therein and approved the Original Rate and Method for each Improvement Area and authorized the levy of a special tax within each Improvement Area.

Subsequent to the formation of the District, the City on behalf of the District, FR/CAL Moreno Valley, LLC, a Delaware limited liability company (“FR/CAL”), First Industrial, L.P., a Delaware limited liability partnership (“First Industrial”) and FR/CAL Indian Avenue, LLC, a Delaware limited liability company (“FR/CAL IA,” and together with FR/CAL and First Industrial, the “Property Owners”) entered into an Acquisition Agreement, dated as of July 14, 2008 (the “Original Acquisition Agreement”). Subsequent to the Original Acquisition Agreement, the City, on behalf of the District, and the Property Owners entered into an Amended and Restated Acquisition/Financing Agreement, dated as of February 1, 2010 (the “Amended and Restated Acquisition/Financing Agreement”) which superceded and replaced the Original Acquisition Agreement. Pursuant to the Amended and Restated Acquisition/Financing Agreement, the City and the Property Owners agreed that, among other facilities, certain flood control facilities (the “Flood Control Facilities”) would be constructed by the Property Owners and subsequently acquired by the Riverside County Flood Control and Water Conservation District (the “Flood Control District”).

The Amended and Restated Acquisition/Financing Agreement further provided that the purchase price for the Flood Control Facilities would be paid from the proceeds of bonds issued by the District pursuant to the Act, secured solely by the levy of special taxes on property within the respective Improvement Area for which the bonds were sold. The maximum purchase price of the Flood Control Facilities payable from proceeds of the Bonds is \$2,703,341.58.

Subsequent to the execution of the Amended and Restated Acquisition/Financing Agreement, I-215 Logistics, LLC, a Delaware limited liability company (“I-215 Logistics”) acquired approximately 72.24 acres of property located in Zone 2 of Improvement Area No. 1 from the Komar family (“Komar,” the owner of property at the time the District was formed); and FR/CAL acquired the balance of the Komar property, approximately 20 acres (which had been previously transferred to two parties Alvaraz and Marsal) located in Zone 2 of Improvement Area No. 1.

Komar, as the landowner in Improvement Area No. 1 voted in favor of the issuance of bonds secured solely by the levy of special taxes on property within Improvement Area No. 1, and I-215 Logistics and FR/CAL acquired the Komar property interest with the expectation that special tax bonds would be issued pursuant to the Act to acquire the Flood Control Facilities.

Change Proceedings within Improvement Area No. 1

Subsequent to the acquisition of the Komar property, FR/CAL and I-215 Logistics, as the sole owners of all of the property within Improvement Area No. 1, filed a petition with the City (the “Change Proceedings Petition”), requesting the City Council of the City to enter into certain change proceedings pursuant to the Act to, among other things: (i) amend the boundaries of Improvement Area No. 1 and the Original Rate and Method to shift certain property from Zone 2 to Zone 1 of Improvement Area No. 1, (ii) amend the Original Rate and Method to provide that only property within Zone 2 of Improvement Area No. 1 shall be subject to the Special Tax, and (iii) provide that only the Storm Drain Facilities shall be financed by the Bonds and only up to the amount of \$2,703,341.58 (collectively the “Modifications”).

The City Council adopted Resolution No. 2016-30 on May 17, 2016 to consider the Modifications with respect to Improvement Area No. 1 (the “Resolution of Consideration”). On June 21, 2016, the City Council adopted Resolution No. 2016-49 calling a landowner election within Improvement Area No. 1. FR/CAL and I-215 Logistics, as the sole property owners within Improvement Area No. 1, unanimously voted in favor of the Modifications. On June 21, 2016, the City Council adopted Resolution No. 2016-50 confirming the election results and confirming the Modifications (the “Change Proceedings”). The Rate and Method and boundaries of Improvement Area No. 1 described in this official statement are the Rate and Method and boundaries of Improvement Area No. 1 approved by the Change Proceedings.

Description of Property Within Improvement Area No. 1

Improvement Area No. 1 is located east of Interstate 215 and south of State Route 60 in the City. Only Zone 2 within Improvement Area No. 1 is subject to the Special Tax. Zone 2 of Improvement Area No. 1 consists of the property on the north side of San Michele Road, on the south side of Cardinal Avenue, on the west side of Indian Street and on the east side of Heacock Street. References in this official statement to the property within Improvement Area No. 1 include only Zone 2 of Improvement Area No. 1.

Zone 2 of Improvement Area No. 1 consists of approximately 73.48 acres comprised of five Assessor Parcel Nos.: 316-170-018, 316-170-020, 316-170-023, 316-170-025 and 316-170-026. I-215 Logistics owns all of the property within Zone 2 of Improvement Area No. 1. Zone 2 of Improvement Area No. 1 is completely built out with an approximately 1.25 million square foot, build-to-suit one story with mezzanine warehouse (the “Warehouse”), with approximately 240,000 square feet of mezzanine space and a 2,400 car stall parking lot supporting the Warehouse. The Warehouse is a tilt-up concrete construction and was completed in April, 2014. The Warehouse includes approximately 55,000 square feet of office space, locker rooms, various break rooms, equipment repair areas and tool storage rooms, significant inflow and outflow employee screening areas including turnstiles and detectors at the two entrances, electrical services providing 16,000 Amps of power and back-up generators providing protection to early suppression fast response sprinklers and fire pump and critical building systems. The address of the Warehouse is 24208 San Michele Road in the City.

The Warehouse is located on two parcels, Parcel Nos. 316-170-023 and 316-170-025, totaling approximately 53.83 acres. The parking lot for the Warehouse is located on Parcel No. 316-170-026 totaling approximately 19.41 acres. Two sliver parcels at the northwest end of Zone 2 of Improvement Area No. 1 totaling 0.24 acres, Parcel Nos. 316-170-018 and 316-170-020, are undeveloped and are not intended to be developed.

The entirety of the Warehouse is currently being leased by Amazon.com through a subsidiary and is being used as an Amazon “Fulfillment Center.” Amazon utilizes the Warehouse to handle small items and apparel. Approximately 20 million items are handled through the Warehouse. Approximately 3,000 full time employees work at the Warehouse. A separate, approximately 769,320 square foot Amazon support facility for the Warehouse is located across the street and in Zone 1 of Improvement Area No. 1 at 24300 Nandina Avenue in the City.

Water and sewer service to the property within Improvement Area No. 1 is supplied by Eastern Municipal Water District. Electricity is supplied by Moreno Valley Utility, gas by Southern California Gas Company, telephone services by Frontier (formerly Verizon), police services and fire services by the City.

Like all of Southern California, the land within Improvement Area No. 1 is subject to seismic activity. Improvement Area No. 1 is not located in a designated Earthquake Study Zone.

The Federal Emergency Management Agency has determined that Improvement Area No. 1 is located in a Zone “X” flood area (an area of minimal flooding, outside the 500-year flood plain), and flood insurance is not required.

An aerial photo showing the taxable property within Improvement Area No. 1 and a map showing the general location of Improvement Area No. 1 and the surrounding area appears on the pages before page 1. General information about the City is set forth in APPENDIX D.

Amazon Lease

The Warehouse is leased to Amazon pursuant to a Lease Agreement, by and between Golden State FL LLC, a Delaware limited liability company (“Golden State LLC”) and I-215 Logistics, dated October 30, 2013 (the “Amazon Lease”). Golden State LLC is a 100% subsidiary of Amazon.com. The term of the Amazon Lease is 12 years from the date Golden State LLC took possession of the completed Warehouse. Golden State LLC took possession of the completed Warehouse in May 2014.

The Amazon Lease provides for Golden State LLC to pay a base rent plus I-215 Logistics’ estimate of operating expenses, which includes all taxes, including the Special Taxes, related to the Property. Golden State LLC pays all utilities with respect to the Property. I-215 Logistics is required under the Amazon Lease to maintain all risk property insurance with respect to all improvements on the Property (but excluding all tenant improvements and furniture, fixtures and equipment).

Under the Amazon Lease, Golden State LLC is required to repair, replace and maintain all portion of the Warehouse, subject to reasonable wear and tear. Golden State LLC’s repair and replacement obligations under the Amazon Lease may include capital expenditures and repairs whose benefit may extend beyond the term of the Amazon Lease.

Under the Amazon Lease, Golden State LLC is entitled for the term of the lease to the exclusive use of the parking areas and trucking courts located in and around the Warehouse within Zone 2 of Improvement Area No. 1. I-215 Logistics is obligated to use all commercially reasonable efforts to enforce Golden State LLC's parking rights against any third parties.

Under the Amazon Lease, Golden State LLC has the option to extend the Amazon Lease term for four additional terms of five years each, upon notice to I-215 Logistics of at least nine months.

Under the Amazon Lease, I-215 Logistics may, but is not required to, maintain earthquake, flood and rent loss insurance. Golden State LLC is also required to maintain insurance all risk property insurance with respect to all of the tenant property and tenant improvements located on the Property. Golden State LLC is also required to maintain workers compensation in an amount not less than \$1 million, business automobile liability insurance with limits of \$1 million combined single limit per occurrence, commercial general liability insurance in an amount not less than \$1 million per occurrence and \$2 million in aggregate, and umbrella/excess liability insurance in an amount not less than \$5 million. All policies required to be maintained under the Amazon Lease must be provided by an insurer rated "A-: VIII" or better as set forth in the most current issue of A.M. Best Insurance Reports, unless otherwise approved by both parties in writing.

There is no assurance that such policies will be maintained, that proceeds of such policies will be available to I-215 Logistics in the event of damage to the Property or that I-215 Logistics would use such proceeds if available to repair the Property if damaged. I-215 Logistics and any future property owner within Improvement Area No. 1 is not personally obligated to pay the Special Tax. See "SPECIAL RISK FACTORS— Payment of the Special Tax is Not a Personal Obligation of the Owners."

I-215 Logistics

I-215 Logistics is the owner of all of the taxable property within Zone 2 of Improvement Area No. 1. I-215 Logistics is a single purpose entity set up to own and operate the property within Zone 2 of Improvement Area No. 1. I-215 Logistics is a subsidiary of Lion Industrial Trust, an open-ended, privately-held real estate investment trust ("Lion Industrial Trust").

Lion Industrial Trust. Lion Industrial Trust is one of the largest owners and operators of institutional-quality industrial properties in the United States, with a total portfolio of 537 investments consisting of approximately 89.3 million stabilized square feet, 2.7 million square feet in initial lease-up, and a development portfolio of 12.7 million square feet. The Lion Industrial Trust portfolio consists primarily of bulk distribution and warehouse properties, such as the Warehouse, with less than 10% of the portfolio in higher-finish service-center properties. Lion Industrial Trust's holdings are located primarily in the major national distribution hubs of Los Angeles, Dallas, Atlanta, Northern New Jersey and Chicago, with additional holdings in select strategic regional markets.

As of December 2015, the above five markets accounted for approximately 51% of the Lion Industrial Trust's total portfolio, and the top 10 national industrial markets in the United States constituted approximately 63% of Lion Industrial Trust's total portfolio, both measured by the Lion Industrial Trust's gross asset value. Beyond the core markets, Lion Industrial Trust focuses on key regional distribution markets with the strategy of establishing strong market positions in each market Lion Industrial Trust enters.

Lion Industrial Trust manages its real estate investments through its staff of four regional asset directors and eight asset directors, each of whom specializes in the management of industrial properties in designated markets. The regional asset directors make major business decisions regarding their regions and have broad responsibilities that include formulating and executing an annual business plan for their region and for each asset. The asset directors are responsible for formulating leasing strategies, establishing leasing terms and conditions, negotiating leases, approving and monitoring leases and capital expenditures, planning and implementing renovation, expansion and development, establishing annual operating and capital budgets, and determining exit strategies.

At the end of 2015, the operating portfolio of the Lion Industrial Trust contained 537 investments totaling 89.3 million stabilized square feet, including 446 buildings representing 24 markets throughout the United States. At the end of 2015, such properties had occupancy of approximately 95.7% and were leased to over 1,000 tenants. Lion Industrial Trust's average lease, in-place at year-end, totaled 74,505 square feet with a weighted average rental rate of \$4.20 per square foot and a weighted average remaining lease term of 55 months. In 2015, Lion Industrial Trust had revenues of approximately \$429.7 million with a net income before depreciation and amortization of approximately \$242.0 million.

Clarion Partners. Under an asset management agreement which has been in place since 2002, the assets of Lion Industrial Trust are managed by Clarion Partners, a registered investment adviser with the Securities and Exchange Commission (the "SEC") and Financial Industry Regulatory Authority ("FINRA") member firm. Clarion Partners is a large real estate investment management firm with over 200 domestic and international institutional investors and approximately \$41.5 billion in total assets under management. Clarion Partners' investments include office, retail, industrial, multifamily residential and hotel properties. Clarion Partners' management team is experienced in real estate investing, averaging approximately 27 years of experience across real estate sectors. Clarion Partners, has been a leading U.S. real estate investment manager for 33 years. Clarion Partners is headquartered in New York and has offices in Atlanta, Boston, Dallas, London, Los Angeles, São Paulo, Seattle and Washington, D.C.

Information concerning Clarion Partners' management and operations can be found at Clarion Partners' website at www.clarionpartners.com. *This internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.*

In the second quarter of 2016, Legg Mason, Inc., a Maryland corporation ("Legg Mason") acquired an 83% ownership stake in Clarion Partners for \$585 million, with the management team of Clarion Partners retaining 17% of the outstanding equity in Clarion Partners.

Legg Mason is a global asset management company. Legg Mason was formed in 1981 to serve as a holding company for various subsidiaries. The predecessor companies to Legg Mason trace back to Legg & Co., a Maryland-based broker-dealer formed in 1899. Legg Mason is publicly traded under the symbol ("LM"). Legg Mason is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act") and in accordance therewith files reports, proxy statements and other information with the SEC. Such filings, particularly the Annual Report on Form 10-K and its most recent Quarterly Report on Form 10-Q, may be inspected and copied at the public reference facilities maintained by the SEC at 450 Fifth Street, N.W.,

Washington, D.C. 20549 at prescribed rates. Such files can also be accessed over the internet at the SEC's website at www.sec.gov. *This internet address is included for reference only and the information on the internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.*

Copies of Legg Mason's Annual Report and related financial statements, prepared in accordance with generally accepted accounting standards, are available from Legg Mason's website at www.leggmason.com. *This internet address is included for reference only and the information on the Internet site is not a part of this Official Statement and is not incorporated by reference into this Official Statement. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on the internet site.*

The Facilities

Pursuant to the Amended and Restated Acquisition/Financing Agreement, the City and the Property Owners agreed that certain Flood Control Facilities would be constructed by the Property Owners and subsequently acquired by the Flood Control District pursuant to the terms of the Amended and Restated Acquisition/Financing Agreement and the Joint Community Facilities Agreement, by and among the City, the Property Owners and the Flood Control District, dated as of September 1, 2009 (the "Joint Community Facilities Agreement"). The Flood Control Facilities include approximately 3,240 feet of reinforced concrete pipes of various widths and approximately 3,560 feet of reinforced concrete box under Indian Street, San Michele Road and Nandina Avenue rights-of-way, and related manholes, junction structures and transition structures. All of the Flood Control Facilities were completed and accepted by the Flood Control District in 2009.

Direct and Overlapping Debt

Improvement Area No. 1 is included within the boundaries of numerous overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within Improvement Area No. 1 is shown in Table 1 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within Improvement Area No. 1; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments. Based upon Fiscal Year 2015-16 tax rates for other levying entities and the projected Fiscal Year 2016-17 Special Taxes, the total combined effective tax rate of the five parcels within Zone 2 of Improvement Area No. 1 is approximately 1.39% of the total Fiscal Year 2015-16 assessed value within Zone 2 of Improvement Area No. 1.

**TABLE 1
CITY OF MORENO VALLEY
COMMUNITY FACILITIES DISTRICT NO. 7
IMPROVEMENT AREA NO. 1
DIRECT AND OVERLAPPING DEBT**

<i>Assessor Parcel No.</i>	<i>Fiscal Year 2015-16 Assessed Value</i>	<i>Acres</i>	<i>Projected Fiscal Year 2016-17 Special Tax Levy⁽¹⁾</i>	<i>Metropolitan Water District GO Bonds⁽²⁾</i>	<i>Riverside County Flood Control and Water Conservation District Zone 4 Promissory Notes⁽²⁾</i>	<i>Riverside City Community College District GO Bonds⁽²⁾</i>	<i>Val Verde Unified School District GO Bonds⁽²⁾</i>	<i>City of Moreno Valley CFD No. 7, Improvement Area No. 1 Special Tax Bonds^{*(4)}</i>	<i>Total Direct and Overlapping Tax and Assessment Debt*</i>
316-170-018	\$ 42,295	0.15	\$ 0.00	\$ 3.31	\$ 20.67	\$ 128.07	\$ 677.17	\$ 0.00	\$ 829.22
316-170-020	25,392	0.09	0.00	1.99	12.41	76.89	406.54	0.00	497.83
316-170-023	48,066,793	35.40	113,930.10	3,767.07	23,496.13	145,543.50	769,577.66	1,604,696.89	2,547,081.25
316-170-025	26,832,251	18.43	59,314.65	2,102.89	13,116.21	81,246.52	429,600.14	835,439.65	1,361,505.41
316-170-026	<u>8,998,655</u>	<u>19.41</u>	<u>62,468.45</u>	<u>705.24</u>	<u>4,398.74</u>	<u>27,247.41</u>	<u>144,073.77</u>	<u>879,863.46</u>	<u>1,056,288.63</u>
Total	\$ 83,965,386	73.48	\$ 235,713.10	\$11,120.47	\$ 69,361.10	\$ 429,647.67	\$ 2,271,810.44	\$ 3,320,000.00	\$ 6,101,939.68

* Preliminary, subject to change.

(1) Does not include the ADP Fees Prepayment.

(2) Allocated based on assessed valuation.

(3) Allocated based on the Maximum Special Tax.

(4) Issue to be sold. Except for the Bonds, there is no other land secured bonded debt within Zone 2 of Improvement Area No. 1. Allocated based on projected Fiscal Year 2016-17 Special Tax levy.

Source: Willdan Financial Services.

Attachment: Preliminary Official Statement (2197) : APPROVAL OF DOCUMENTS RELATED TO THE

Value-to-Lien Ratios

The value of the property within Improvement Area No. 1 is significant because, in the event of a delinquency in the payment of Special Taxes, the District may foreclose only against delinquent parcels. Likewise, the ratio of the value of a parcel to its “share” of the Bonds is important because it provides an indication of the extent of the relative burden imposed on each parcel by the applicable Special Tax. As indicated above, the Fiscal Year 2015-16 assessed value of the taxable property within Improvement Area No. 1 (Zone 2 only) is \$83,965,386. The ratio of that value to the \$3,320,000* total principal amount of the Bonds is approximately 25.29*-to-1. This ratio does not include other overlapping general obligation debt within Improvement Area No. 1. There is no other overlapping land secured special tax or assessment debt within Improvement Area No. 1. See “— Direct and Overlapping Debt.” Taking other overlapping general obligation debt within Improvement Area No. 1 into account, the ratio of the Fiscal Year 2015-16 assessed value of the taxable property within Improvement Area No. 1 (Zone 2 only) to the total amount of the Bonds are existing general obligation bonds debt for Improvement Area No.1 of \$4,966,202.34* is approximately 16.91*-to-1. Table 2 sets forth the assessed value-to-lien ratios of each of the five parcels of taxable property within Zone 2 of Improvement Area No. 1.

TABLE 2
CITY OF MORENO VALLEY
COMMUNITY FACILITIES DISTRICT NO. 7
IMPROVEMENT AREA NO. 1
VALUE-TO-LIEN RATIOS BY PARCEL

<i>Assessor Parcel No.</i> ⁽¹⁾	<i>Zone</i> ⁽²⁾	<i>Projected Fiscal Year 2016-17 Special Tax Levy</i> ⁽³⁾	<i>Percentage of Projected Fiscal Year 2016-17 Special Tax</i>	<i>Bonds Outstanding</i> ⁽⁴⁾	<i>Fiscal Year 2015-16 Assessed Value</i>	<i>Estimated Assessed Value-to-Lien Ratio</i> [*]
316-170-018	2	\$ 0.00	0.00%	\$ 0.00	\$ 42,295	N/A
316-170-020	2	0.00	0.00	0.00	25,392	N/A
316-170-023	2	113,930.10	48.33	1,604,697	48,066,793	29.95:1
316-170-025	2	59,314.65	25.16	835,440	26,832,251	32.12:1
316-170-026	2	<u>62,468.45</u>	<u>26.50</u>	<u>879,863</u>	<u>8,998,655</u>	<u>10.23:1</u>
Total		\$235,713.10	100.00%	\$ 3,320,000	\$ 83,965,386	42.74:1

* Preliminary, subject to change.

(1) All parcels within Zone 2 of Improvement Area No. 1 are owned by I-215 Logistics.

(2) Only property within Zone 2 of Improvement Area No. 1 is subject to Special Taxes; therefore, property within Zone 1 was not included in this table.

(3) Does not include the ADP Fees Prepayment.

(4) Other than the Bonds, there is no other overlapping land secured special tax or assessment debt within Improvement Area No. 1.

Source: Willdan Financial Services.

SPECIAL RISK FACTORS

The principal source of payment of debt service on the Bonds will be payments of the Special Tax made with respect to the Property. As discussed under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes,” the Special Tax is to be levied annually against all such Property either at the maximum rate authorized by the Rate and Method or at such lower rates as are determined by the District Administrator to raise sufficient funds to comply with the

agreements, conditions, covenants and terms contained in the Indenture, and in accordance with the Act. The Special Tax is to be collected on the tax roll of Improvement Area No. 1 at the same time and in the same manner as general *ad valorem* real property taxes are collected. The Special Tax cannot be levied at a tax rate higher than the maximum tax rate even if the maximum tax rate will not produce sufficient Net Special Tax Revenues to pay the principal and interest then payable with respect to the Bonds. See discussions below under “— Levy of the Special Tax” and “— Collection of the Special Tax.”

Payment of the Special Tax levied on a parcel is secured by a continuing lien against such parcel. In the event an installment of the Special Tax included in the tax bill for a parcel of Property is not paid when due, the District has covenanted to institute foreclosure proceedings in court to cause the parcel to be sold in order to attempt to recover the delinquent amount from the sale proceeds. Foreclosure and sale may not always result in the recovery of the full amount of delinquent installments of the Special Tax. See “— Collection of the Special Tax.” The sufficiency of the foreclosure sale proceeds to cover the delinquent amount depends in part upon the market for and the value of the parcel at the time of the sale. Sufficiency of the foreclosure sale proceeds to cover a delinquency may also depend upon the value of prior or parity liens and similar claims. Further, other governmental claims, such as hazardous substance claims, may affect the realizable value even though such claims may not rise to the status of liens. See “— Hazardous Substances.”

Timely foreclosure and sale proceedings with respect to a parcel of Property may be forestalled or delayed by a stay in the event the owner of the parcel becomes the subject of bankruptcy proceedings. Not only may foreclosure and sale proceedings be forestalled or delayed, but the sale of a parcel may also be similarly affected by a bankruptcy stay. Further, should the stay not be lifted, payment of the Special Tax may be subordinated to bankruptcy law priorities. See “— Bankruptcy and Legal Delays.”

Although bankruptcy proceedings may forestall or delay a foreclosure and sale or a tax sale of a delinquent parcel of Property, the Special Tax is secured by a lien which, assuming proper procedures are followed, may be enforced against the parcel. There may not be any recourse against a bankrupt property owner since the owner is not personally obligated to pay the Special Tax. Further, if proper disclosure of the authorization of the Special Tax is not made to the owner, the willingness or ability of an owner to pay the Special Tax may be adversely affected. See “— Payment of the Special Tax is Not a Personal Obligation of the Owners.”

The District is not obligated to advance funds to pay such debt service except from moneys on deposit in the Reserve Fund. See “— Bonds Are Limited Obligations.”

Even if debt service is timely paid, interest on the Bonds may have to be included in the gross income of the owner of the Bonds by reason of some circumstance occurring subsequent to issuance of the Bonds, thereby reducing the after-tax yield. See “— Loss of Tax Exemption.”

Risks of Real Estate Secured Investments Generally – Declines in Value

Purchasers of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of Improvement Area No. 1, the supply of or demand for competitive properties in such area, and the market value of property in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses,

governmental rules and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

Levy of the Special Tax

The principal source of money with which to pay debt service on the Bonds is the proceeds derived from the annual levy and collection of the Special Tax applicable to the Property in Improvement Area No. 1. The amount of the Special Tax that can be levied is limited to the maximum tax rates authorized pursuant to the Rate and Method.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of a particular parcel and the amount of the levy of the Special Tax against such parcel. Thus, there will rarely, if ever, be a uniform relationship between the value of a parcel and its proportionate share of the debt service on the Bonds. The Special Tax levied in any particular Fiscal Year on a parcel is based upon the revenue needs of Improvement Area No. 1 and the application of the Rate and Method. The application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each parcel by comparison with similar development factors with respect to the other parcels in Improvement Area No. 1. Thus, in addition to annual variations in the revenue needs of Improvement Area No. 1 that must be met from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular parcel to vary from the Special Tax that might otherwise be expected:

Reduction in the number of parcels of Property, for reasons such as acquisition of such parcels by a governmental entity and failure of the governmental entity to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Property; and

Failure of the owners of certain parcels of Property to pay the applicable Special Tax and delays in the collection of or inability to collect such Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Property.

Collection of the Special Tax

The timely payment of the principal of and interest on the Bonds is ultimately dependent upon the timely payment of all Special Taxes. Any money on deposit in the Reserve Fund can be used to make such payment in the event of delinquencies, but the replenishment of the Reserve Fund will be dependent on the recovery of such delinquencies. The Indenture provides that the Special Tax is to be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the City Council shall determine, including direct billing of the affected property owners) and, except as provided in the special covenant for foreclosure described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure” and in the Act, is to be subject to the same proportionate penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* taxes on real property.

Pursuant to the Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a superior court action to foreclose the lien therefor within

specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted for the benefit of the owners of the Bonds that it will institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installments of the Special Tax under certain circumstances. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure.” In the event that foreclosure proceedings are commenced, such foreclosure proceedings could be stayed by the commencement of bankruptcy proceedings by or against the owner of the property being foreclosed. In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Reserve Fund is depleted.

The District may be unable to make full or timely payment of debt service on the Bonds if property owners in the District fail to pay installments of the Special Tax when due, if the Reserve Fund is depleted, or if the District is unable to sell foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

Concentration of Property Ownership

I-215 Logistics owns all of the Property in Improvement Area No. 1 and will be responsible for 100% of the total Fiscal Year 2016-17 Special Tax levied within Improvement Area No. 1. The inability or refusal of I-215 Logistics to pay the Special Tax when due could and would likely result in the depletion of the Reserve Fund prior to reimbursement thereof from sale or foreclosure proceedings, and/or insufficient money with which to pay the principal of and interest on the Bonds as the same became due.

Exempt Properties

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property in Improvement Area No. 1 acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. In addition, the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested.

In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property in Improvement Area No. 1, it may be unconstitutional. If for any reason property in Improvement Area No. 1 becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum authorized rates, the Special Tax will be reallocated to the remaining Taxable Properties in Improvement Area No. 1. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of property in Improvement Area No. 1 becomes exempt from the Special Tax because of public ownership, or otherwise, the Maximum Annual Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on

the Bonds when due and a default would occur with respect to the payment of such principal and interest.

Constitutional Limitations on Taxation and Appropriations

Articles XIII A and XIII B of the California Constitution. On June 6, 1978, California voters approved an amendment to the California Constitution, commonly known as Proposition 13 (the Jarvis/Gann Initiative), which added Article XIII A to the California Constitution. The effect of Article XIII A is to significantly limit the imposition of new *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. On November 7, 1978, California voters approved Proposition 8, which made certain clarifications to Article XIII A.

Article XIII A of the California Constitution limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2% per year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and allows local governments to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. Article XIII A requires a vote of two-thirds of the qualified electorate to impose special taxes on real property, while otherwise generally precluding the imposition of any additional *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. In addition, Article XIII A requires the approval of two-thirds of all members of the California Legislature to change any State laws resulting in increased tax revenues.

Enactment of Article XIII A has reduced the amount of general property tax revenues received by the City. This reduction in such revenues makes it less likely that the City or the District will have surplus funds, other than the Reserve Account for the Bonds, with which to advance funds to make any payments or to cure any deficiency in the Interest Account or Principal Account of the Special Tax Fund, should the City or the District, as applicable, in the exercise of its discretion, choose to do so. If there are additional delinquencies after exhaustion of funds in the Reserve Account for the Bonds, none of the City or the District has any obligation to transfer into the Interest Account or Principal Account of the Special Tax Fund the amount of any such delinquencies out of any surplus moneys of the City.

On July 2, 1979, the Fifth District Court of Appeal rendered a 3-0 decision in the case of County of Fresno v. Malmstrom (94 Cal.App.3d 974), that determined that special assessments are not subject to the limitations of Article XIII A (Proposition 13). The Court held the one percent tax limitation imposed by California Constitution Article XIII A on *ad valorem* taxes does not apply to special assessments levied pursuant to the Improvement Act of 1911 (Streets and Highways Code, Section 5000 et seq., the relevant portions of which are incorporated in the 1915 Act) and the 1913 Act. The Court further held that because special assessments pursuant to such acts are not within the definition of “special taxes” in Article XIII A, the Constitution does not require the levy of

assessments and the issuance of bonds to be approved by a two-thirds vote of the qualified electors in an assessment district. On September 12, 1979, the California Supreme Court refused to hear an appeal of the lower court's decision.

At the November 6, 1979, general election, Proposition 4 (the Gann Initiative) was approved by the voters of California. Such proposition added Article XIII B to the California Constitution.

Article XIII B of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the governmental entity. The "base year" for establishing such appropriation limit is the fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Appropriations subject to Article XIII B generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. "Proceeds of taxes" include, but are not limited to, all tax revenues and the proceeds to an entity of government from (i) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be allocated to fund schools or be returned by revising tax rates or fee schedules over the subsequent two years.

On December 17, 1980, the Third District Court of Appeal rendered a 3-0 decision in the case *County of Placer v. Corin* (113 Cal. App. 3d 443) that determined that special assessments are not subject to the limitation of Article XIII B (Proposition 4). The Court held that the definition of "proceeds of taxes" imposed by California Constitution Article XIII B does not apply to special assessments and improvement bonds issued pursuant to the 1915 Act and the 1913 Act. The decision of the Court was not appealed.

The enactment of Article XIII A of the California Constitution (Proposition 13) and subsequent legislative enactments effectively repeal the otherwise mandatory duty on the part of the City, under the 1915 Act, to levy and collect a special tax (in an amount necessary to meet delinquencies, but not to exceed ten cents on each \$100 of assessable property within the City in any one year) if other funds are not available to cover delinquencies.

In early 1990, the U.S. Supreme Court struck down as a violation of equal protection certain property tax assessment practices in West Virginia, which had resulted in vastly different assessments of similar properties. Since Article XIII A provides that property may only be assessed up to 2%, per year, except upon change of ownership or new construction, recent purchasers may pay substantially higher property taxes than long-time owners of comparable property in a community. The Supreme Court in the West Virginia case expressly declined to comment in any way on the constitutionality of Article XIII A.

Based on this decision, however, property owners in California brought three suits challenging the acquisition value assessment provisions of Article XIII A. Two cases involve residential property and one case involves commercial property. In all three cases, State trial and

appellate courts have upheld the constitutionality of Article XIII A's assessment rules and concluded that the West Virginia case did not apply to California's laws. On June 3, 1991, the U.S. Supreme Court agreed to hear the appeal in the challenge relating to commercial property, but the plaintiff subsequently decided to drop the case.

On October 7, 1991, the U.S. Supreme Court granted the plaintiff's petition for a writ of certiorari and agreed to hear the *Nordlinger v. Lynch* case. On June 18, 1992, the U.S. Supreme Court affirmed the Nordlinger decision (112 U.S. 2326) of the California Court of Appeal, Second Appellate District, which previously held that Article XIII A does not violate the U.S. Constitution.

The City cannot predict whether any other pending or future challenges to the State's present system of property tax assessment will be successful, when the ultimate resolution of any challenge will occur, or the ultimate effect any decision regarding the State's present system of property tax assessment will have on the City's revenues or on the State's financial obligations to local governments.

Articles XIII C and XIII D of the California Constitution. Proposition 218, a state ballot initiative known as the "Right to Vote on Taxes Act," was approved by California voters on November 6, 1996. Proposition 218 added Articles XIII C and XIII D to the State Constitution, and, with the exception of certain provisions, Articles XIII C and XIII D became effective on November 6, 1996.

Among other things, Proposition 218 imposed certain voting requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. Under Proposition 218 (i) all taxes imposed by local governments are deemed to be either general taxes, or special taxes, (ii) no local government may impose, extend, or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote, and (iii) no local government may impose, extend, or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote. Special purpose districts, including community facilities districts and assessment districts, have no power to levy general taxes. The City believes that the issuance of the Bonds does not require the conduct of further proceedings under the Refunding Act, the 1915 Act, the 1913 Act, the Mello-Roos Act, or Proposition 218, as applicable, other than as described herein.

Proposition 218 provides that the initiative power shall "not be prohibited or otherwise limited in matters reducing or repealing any local tax, assessment, fee or charge..." Thus, Proposition 218 removes limitations on the initiative power in matters of, among other things, the Special Taxes. Consequently, it is conceivable that the voters of the City or the District could, by future initiative, repeal, reduce, or prohibit the future imposition or increase of any Special Tax, subject to overriding federal constitutional principles relating to impairment of contracts.

Although the provisions of Article XIII C have not been interpreted by the courts, the City believes that the initiative power cannot be used to reduce or repeal the unpaid Special Taxes that are pledged as security for payment of the Bonds or to otherwise interfere with the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid Special Taxes that are pledged as security for payment of the Bonds.

The Appellate District, Division One, issued its opinion in 2014 in *City of San Diego v. Melvin Shapiro, et al.* (228 Cal. App. 4th 756) (the "San Diego Decision"). The case involved a

Convention Center Facilities District (the “CCFD”) established by the City of San Diego (the “City”). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in the entire City. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

The facts of the San Diego Decision show that there were hundreds of thousands of registered voters within the CCFD (viz., all of the registered voters in the City). There were no registered voters in the District at the time of formation and at the time of the subsequent changes to the District on October 2, 2012. In the San Diego Decision, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court’s holding does not apply to the Special Tax elections in the District. Moreover, Section 53341 of the Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. Voters in the District approved Special Tax and the issuance of bonds on June 24, 2008. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the City believes the Special Tax is being levied in accordance with the Rate and Method.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

Maximum Special Tax

Within the limits of the Special Tax, the District may adjust the Special Tax levied on all property in Improvement Area No. 1 to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to cure delinquencies and replenish the Reserve Fund to an amount equal to the Reserve Requirement for the respective Bonds and to pay Administrative Expenses. However, the amount of the Special Tax that may be levied against any property in Improvement Area No. 1 is subject to the Maximum Special Tax applicable to it. There is no assurance that the Maximum Special Tax on the property in Improvement Area No. 1 will be sufficient to pay the amounts required to be paid by the Indenture at all times. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Taxes.”

Payment of the Special Tax is Not a Personal Obligation of the Owners

An owner of a parcel of Property is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation only against the parcel of Property. If the value of a parcel is not sufficient, taking into account other obligations also payable thereby, to fully secure the Special Tax, the District has no recourse against the owner.

Disclosures to Future Purchasers

The District has recorded a notice of the Special Tax Lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, or a commercial or industrial facility in the District or the lending of money thereon. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the requirements for subdividers, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Parity Taxes and Special Assessments

The ability or willingness of a property owner in Improvement Area No. 1 to pay the Special Tax could be affected by the existence of other taxes and assessments imposed upon the property. The Special Tax and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special tax and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes, other special taxes, and certain special assessments regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of Improvement Area No. 1 could, with or in some circumstances without the consent of the owners of the land in Improvement Area No. 1, impose additional taxes or assessment liens on the property in Improvement Area No. 1 in order to finance public improvements to be located inside or outside of Improvement Area No. 1.

The District has no control over the ability of other entities and districts to issue indebtedness secured by special tax or assessments payable from all or a portion of the property in Improvement Area No. 1. In addition, the City is not prohibited itself from establishing assessment districts, community facilities districts or other districts which might impose assessments or taxes against property in Improvement Area No. 1. In the event any additional improvements are financed pursuant to the establishment of an assessment district, community facilities district or other district, any taxes or assessments levied to finance such improvements will have a lien on a parity with the lien of the Special Tax. The imposition of additional liens on a parity with the Special Tax could reduce the ability or willingness of the property owners to pay the Special Tax and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Tax or the principal of and interest on the Bonds when due.

Depletion of Reserve Fund

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. Money in said fund may be used to pay debt service on the Bonds in the event the proceeds of the levy and collection of the Special Tax against property in Improvement Area No. 1 are insufficient. If funds in the Reserve Fund are used to pay debt service on the Bonds, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid pursuant to the Indenture. However, no replenishment from the proceeds of a levy of the Special Tax can occur as long as the proceeds that are collected from the levy of the Special Tax at the maximum tax rates, together with other available funds, remain insufficient to pay all such amounts. Thus it is possible that the Reserve Fund will be depleted by its use to pay such amounts and will not be replenished by the levy of the Special Tax. There is no assurance that the amount in the Reserve Fund will, at any particular time, be sufficient to pay all such amounts or that any amounts of the Reserve Requirement used for debt service on the Bonds will be fully replenished from the proceeds of the levy and collection of the Special Tax.

Bankruptcy and Legal Delays

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, the bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings because federal bankruptcy laws may provide for an automatic stay of foreclosure and sale of tax sale proceedings. Any such delays could increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of the Special Tax, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws against Property, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

FDIC/Federal Government Interests In Properties

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Taxes may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the “FDIC”), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the nonpayment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County, California, in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of Property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or in the event a private deed of trust secured by a parcel of Property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Taxes may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of Property but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest.

The District's remedies may also be limited in the case of delinquent Special Taxes with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

Geologic, Topographic and Climatic Conditions

The value of the property within Improvement Area No. 1 can be adversely affected by a variety of additional factors, particularly those which may affect infrastructure and other public improvements and private improvements to property and the continued habitability and enjoyment of such private improvements. Such additional factors include, without limitation, geologic conditions such as earthquakes, topographic conditions such as earth movements, landslides and floods and climatic conditions such as droughts. One or more of such conditions could occur and could result in damage to improvements of varying seriousness. Such damage could entail significant repair or replacement costs and such repair or replacement might never occur either because of the cost or because repair or replacement will not facilitate habitability or other use, or because other considerations preclude such repair or replacement. Under any of these circumstances, the value of the Taxable Parcels may well be reduced.

Hazardous Substances

While governmental taxes, assessments, and charges are a common claim against the value of a parcel of Property, other less common claims may be relevant. One example is a claim with regard to a hazardous substance.

In general, the owners and operators of a parcel of Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Property be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of the property that is realizable upon a delinquency and foreclosure.

While the District is not aware that the owner (or operator) of any of Property has such a current liability with respect to any of the Property, it is possible that such liabilities do currently exist and that the District is not aware of them. I-215 Logistics has also represented to the District that it is not aware of any hazardous substances located on its property within Improvement Area No. 1.

Further, it is possible that liabilities may arise in the future with respect to any of the Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel of Property that is realizable upon a delinquency.

No Acceleration Provision

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

Bonds Are Limited Obligations

Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Indenture), the City, the State or any political subdivision thereof is pledged to the payment of the Bonds. The Bonds are limited obligations of the District; and, except as provided in the Indenture, they are payable solely from Net Special Tax Revenues. Net Special Tax Revenues could be insufficient to pay debt service on the Bonds as a result of delinquencies in the payment of Special Taxes or the insufficiency of proceeds derived from the sale of land within Improvement Area No. 1 following a delinquency in the payment of the applicable Special Tax. The District has no obligation to pay debt service on the Bonds in the event of insufficient Net Special Tax Revenues, except to the extent that money is available for such purpose in the Reserve Fund. The District's only obligation with respect to delinquent Special Taxes is to pursue judicial foreclosure proceedings under the circumstances described in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

Loss of Tax Exemption

As discussed under "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of the District's covenants with respect to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Tax.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Agreement (the "District Continuing Disclosure Agreement") with Willdan Financial Services, as dissemination agent, the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found on the Internet at www.emma.msrb.org ("EMMA") on an annual basis certain financial information and operating data concerning the District. The District has further agreed to provide notice to EMMA of certain listed events. The District's covenants have been made in order to assist the Underwriter in complying with Rule 15c2-12 adopted by the Securities and Exchange Commission.

Additionally, pursuant to the Owner Continuing Disclosure Agreement with Willdan Financial Services, as dissemination agent, I-215 Logistics has agreed to provide, or cause to be provided, to EMMA, on an annual basis certain information concerning I-215 Logistics and its ownership within Improvement Area No. 1. I-215 Logistics has further agreed to provide notice to EMMA of certain listed events. See APPENDIX F for a description of the specific nature of the annual reports to be filed by I-215 Logistics and notices of listed events to be provided by I-215 Logistics.

The District has not previously entered into any undertaking with respect to Rule 15c2-12. However, the City and its related entities, such as the Moreno Valley Public Financing Authority (the “Authority”) and the Moreno Valley Redevelopment Agency (the “Redevelopment Agency”), two entities with the City’s City Council as its legislative body, have previously entered into continuing disclosure undertakings under Rule 15c2-12 in connection with the issuance of municipal obligations. In the past five years, the City and its related entities failed to file certain event notices required by their respective continuing disclosure undertakings on a timely basis relating to bond insurer rating downgrades of which the City was unaware. The City has filed a corrective notice regarding such bond insurer rating downgrades. In addition, the City filed a notice of defeasance of the Authority’s 2005 Lease Revenue Bonds in July 2015, approximately 9 months after the defeasance of such obligations.

In order to promote compliance by the District, the City and the City’s related entities with their respective continuing disclosure undertakings, the City has retained Willdan Financial Services to serve as dissemination agent and assist such entities in complying with their continuing disclosure obligations. Willdan Financial Services will also perform these duties for the other land-secured financings involving the City’s other community facilities district bond issues. Additionally the City has taken the steps to amend its existing debt policy, which has been approved by the City Council, to ensure future compliance with Rule 15c2-12.

Except as disclosed above, the City has not in the past five years failed to comply with such continuing disclosure undertakings in any material respect.

Except as disclosed in this Official Statement, within the last five years, the City, the Redevelopment Agency and the Authority have not failed to timely comply with their respective prior continuing disclosure obligations under Rule 15c2-12(b)(5) in all material respects. The full text of the form of the District Continuing Disclosure Agreement is set forth in APPENDIX E.

I-215 Logistics has not previously entered into a continuing disclosure undertaking under Rule 15c2-12(b)(5). The full text of the form of the Owner Continuing Disclosure Agreement is set forth in APPENDIX F.

TAX MATTERS

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District (“Bond Counsel”), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the “Code”) and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although Bond Counsel observes that such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX C hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Bonds

which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a beneficial owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the beneficial owner or the beneficial owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise

prevent beneficial owners from realizing the full current benefit of the tax status of such interest. For example, the Obama Administration’s budget proposals in recent years have proposed legislation that would limit the exclusion from gross income of interest on the Bonds to some extent for high-income individuals. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel is expected to express no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel’s judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service (“IRS”) or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel’s engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the District and its appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the beneficial owners to incur significant expense.

ABSENCE OF LITIGATION

In connection with the issuance of the Bonds, the City Attorney of the City will deliver a certificate to the effect that, to the City Attorney’s actual knowledge, after due inquiry and investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or any unfavorable decision, ruling or finding, against or affecting the City or the District, which would adversely impact the ability of the City or the District to complete the transactions described in, or contemplated by, the Indenture or this Official Statement, restrain or enjoin the collection of the Special Taxes, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Taxes, or the transactions described herein.

ABSENCE OF RATINGS

The District has not made, and does not contemplate making, application to any rating organization for a rating on the Bonds.

CERTAIN LEGAL MATTERS

Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, will render an opinion with respect to the validity and enforceability of the Indenture and as to the validity of the Bonds. A

copy of the form of such approving opinion is attached hereto as APPENDIX C. Copies of such approving opinion will accompany each Bond. Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto. Certain legal matters will be passed upon for the City by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, San Francisco, California.

Although it is serving as Bond Counsel to the District in connection with the issuance and sale of the Bonds, Bond Counsel represents the Underwriter in connection with other financings and matters unrelated to the Bonds. Disclosure Counsel also represents the Underwriter in connection with other financings and matters unrelated to the Bonds.

UNDERWRITING

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of \$_____ (being \$_____ aggregate principal amount thereof, less net original issue discount of \$_____ and less Underwriter’s discount of \$_____). The purchase agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the purchase agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering price stated on the cover page thereof. The offering price may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Financial Advisor, Bond Counsel, Disclosure Counsel, Underwriter, and Underwriter’s Counsel are contingent upon the issuance and delivery of the Bonds.

NO RATINGS

The District has not made and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

FINANCIAL ADVISOR

The District has retained Fieldman, Rolapp & Associates, Irvine, California, as financial advisor (the “Financial Advisor”) for the sale of the Bonds. The Financial Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

Fieldman, Rolapp & Associates is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council of the City of Moreno Valley acting in its capacity as the legislative body of the District.

COMMUNITY FACILITIES DISTRICT NO. 7 OF
THE CITY OF MORENO VALLEY

By: _____
City Manager

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX A
AMENDED AND RESTATED
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX B
SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

[TO COME FROM BOND COUNSEL]

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX C
FORM OF OPINION OF BOND COUNSEL

Upon the delivery of the Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, proposes to render its final approving opinion with respect to the Bonds in substantially the following form:

[Delivery Date]

Community Facilities District No. 7
of the City of Moreno Valley, California

Improvement Area No. 1 of
Community Facilities District No. 7
of the City of Moreno Valley
Special Tax Bonds, Series 2016
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to Community Facilities District No. 7 of the City of Moreno Valley (the “Community Facilities District”) in connection with the issuance by the Community Facilities District of its Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley Special Tax Bonds, Series 2016 (the “Bonds”), in the aggregate principal amount of \$_____, pursuant to the Indenture, dated as of _____ 1, 2016 (the “Indenture”), by and between the Community Facilities District and Wells Fargo Bank, National Association, as trustee (the “Trustee”). Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

In such connection, we have reviewed the Indenture, the Tax Certificate, opinions of counsel to the Community Facilities District and the Trustee, certificates of the Community Facilities District, the Trustee and others and such other documents, opinions and matters to the extent we deemed necessary to render the opinions set forth herein.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions and cover certain matters not directly addressed by such authorities. Such opinions may be affected by actions taken or omitted or events occurring after the date hereof. We have not undertaken to determine, or to inform any person, whether any such actions are taken or omitted or events do occur or any other matters come to our attention after the date hereof. Accordingly, this letter speaks only as of its date and is not intended to, and may not, be relied upon or otherwise used in connection with any such actions, events or matters. Our engagement with respect to the Bonds has concluded with their issuance, and we disclaim any obligation to update this letter. We have assumed the genuineness of all documents and signatures presented to us (whether as originals or as copies) and the due and legal execution and delivery thereof by, and validity against, any parties other than the Community Facilities District. We have assumed, without undertaking to verify, the accuracy of the factual matters represented, warranted or certified in the documents referred to in the second paragraph hereof. Furthermore, we have assumed compliance with all

covenants and agreements contained in the Indenture and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause the interest on the Bonds to be included in gross income for federal income tax purposes. In addition, we call attention to the fact that the rights and obligations under the Bonds, the Indenture and the Tax Certificate and their enforceability may be subject to bankruptcy, insolvency, reorganization, arrangement, fraudulent conveyance, moratorium and other laws relating to or affecting creditors' rights, to the application of equitable principles, to the exercise of judicial discretion in appropriate cases, and to the limitations on legal remedies against governmental entities such as the Community Facilities District in the State of California. We express no opinion with respect to any indemnification, contribution, liquidated damages, penalty (including any remedy deemed to constitute a penalty), arbitration, judicial reference, choice of law, choice of forum, choice of venue, waiver or severability provisions contained in the foregoing documents, nor do we express any opinion with respect to the plans, specifications, maps, financial report or other engineering or financial details of the proceedings, or upon the Rate and Method or the validity of the Special Tax levied upon any individual parcel. Our services did not include financial or other non-legal advice. Finally, we undertake no responsibility for the accuracy, completeness or fairness of the Official Statement or other offering material relating to the Bonds and express no opinion with respect thereto.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions:

1. The Bonds constitute valid and binding special obligations of the Community Facilities District, payable, as provided in the Indenture, solely from Net Special Tax Revenues and the other assets pledged therefor under the Indenture.

2. The Indenture has been duly executed and delivered by, and constitutes a valid and binding obligation of, the Community Facilities District. Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, the Indenture creates a valid pledge of, lien on and security interest in all of the amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act.

3. Interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although we observe that it is included in adjusted current earnings when calculating corporate alternative minimum taxable income. We express no opinion regarding other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

APPENDIX D

**GENERAL INFORMATION CONCERNING
THE CITY OF MORENO VALLEY**

This appendix sets forth general information about the City of Moreno Valley (“Moreno Valley”) including information with respect to its finances. The following information concerning Moreno Valley, the County of San Bernardino (the “County”) and the State of California (the “State”) are included only for general background purposes. The Bonds are not obligations of the City, County or State or any political subdivision thereof and neither the faith and credit nor the taxing power of the City, County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

Location

The City of Moreno Valley (the “City”) is centrally located in Southern California, 66 miles east of Los Angeles and 100 miles north of San Diego. The City encompasses approximately 51 square miles of land area in western Riverside County. Geographically, the City is bordered by three low-lying mountain ranges, March Air Reserve Force Base and Lake Perris State Park. The City is situated at the junction of two major highways, California State Highway 60 (the Moreno Valley Freeway) and Interstate 215.

Population

The City is the second largest city in Riverside County with an estimated population of 200,670 as of January 1, 2015. The table below sets forth the total population of the City, the County of Riverside (the “County”) and the State of California (the “State”).

POPULATION
City of Moreno Valley, County of Riverside and State of California

	<i>Calendar Year</i>				
	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Moreno Valley	194,444	196,653	197,978	199,257	200,670
Riverside County	2,205,731	2,229,467	2,253,516	2,280,191	2,308,441
California	37,427,946	37,680,593	38,030,609	38,357,121	38,714,725

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties and the State, 2011–2015, with 2010 Benchmark. Sacramento, California, May 2015.

Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2010 through 2015 for the City, the County, the State and the nation as a whole.

CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA AND UNITED STATES Average Annual Civilian Labor Force, Employment and Unemployment

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2010				
City of Moreno Valley	88,000	75,100	12,900	14.7%
Riverside County	976,200	841,100	135,200	13.8%
California	18,336,300	16,091,900	2,244,300	12.2
United States ⁽⁴⁾	153,889,000	139,064,000	14,825,000	9.6
2011				
City of Moreno Valley	87,900	75,600	12,300	14.0%
Riverside County	939,600	810,400	129,200	13.8%
State of California	18,417,900	16,249,600	2,168,300	11.8
United States ⁽⁴⁾	153,617,000	139,869,000	13,747,000	8.9
2012				
City of Moreno Valley	88,400	77,400	10,900	12.4%
Riverside County	944,500	828,800	115,600	12.3%
State of California	18,519,000	16,589,700	1,929,300	10.4
United States ⁽⁴⁾	154,975,000	142,469,000	12,506,000	8.1
2013				
City of Moreno Valley	89,200	79,800	9,400	10.5%
Riverside County	953,200	855,300	97,900	10.3
State of California	18,596,800	16,933,300	1,663,500	8.9
United States ⁽⁴⁾	155,389,000	143,929,000	11,460,000	7.4
2014				
City of Moreno Valley	90,100	82,300	7,900	8.7%
Riverside County	1,011,500	928,200	83,400	8.2%
State of California	18,811,400	17,397,100	1,414,300	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2
2015				
City of Moreno Valley	91,600	85,100	6,600	7.2%
Riverside County	1,035,200	965,500	69,600	6.7%
State of California	18,981,800	17,798,600	1,183,200	6.2
United States ⁽⁴⁾	157,130,000	148,834,000	8,296,000	5.3

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

⁽⁴⁾ Not strictly comparable with data for prior years.

Source: California Employment Development Department, March 2015 Benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

The following tables show the largest employers located in the City and the County as of fiscal year 2015.

CITY OF MORENO VALLEY - MAJOR EMPLOYERS – 2015

<i>Employer</i>	<i>Number of Employees</i>
March Air Reserve Base	8,500
Amazon.com, Inc.	7,500
Moreno Valley Unified School District	3,565
Riverside County Regional Medical Center	3,000
Ross Dress for Less / D D's Discounts	1,921
Moreno Valley Mall (excludes major tenants)	1,390
Proctor & Gamble Co	987
Harbor Freight Tools	800
Kaiser Permanente Community Hospital	772
iHerb, Inc.	750

Source: City of Moreno Valley Fiscal Year Ending June 30, 2015 CAFR.

LARGEST EMPLOYERS County of Riverside 2015

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	20,684	County Government
2.	March Air Reserve Base	8,500	Military Reserve Base
3.	Stater Bros. Markets	6,900	Supermarkets
4.	Walmart	6,550	Super Store
5.	University of California, Riverside	5,768	University
6.	Kaiser Permanente Riverside Medical Center	5,300	Medical Center
7.	Pechanga Resort & Casino	5,300	Hotel & Casino
8.	Corona Norco Unified School District	4,932	School District
9.	Temecula Valley Unified School District	4,000	School District
10.	Riverside Unified School District	3,871	School District

Source: County of Riverside 'Comprehensive Annual Financial Report' for the year ending June 30, 2015.

Industry

Residents of the City find employment throughout the Riverside-San Bernardino-Ontario Labor Market Area. This labor market area, as defined for reporting purposes by the California Employment Development Department, has boundaries coterminous with those of Riverside and San Bernardino Counties. The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2011 through 2015.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2011	2012	2013	2014	2015
Civilian Labor Force	1,866,200	1,882,900	1,897,000	1,919,900	1,961,800
Civilian Employment	1,623,100	1,665,600	1,710,500	1,763,300	1,832,300
Civilian Unemployment	243,100	217,300	186,500	156,600	129,500
Civilian Unemployment Rate	13.0%	11.5%	9.8%	8.2%	6.6%
Total Farm	14,900	15,000	14,500	14,300	15,100
Total Nonfarm	1,154,500	1,185,200	1,233,300	1,289,300	1,347,400
Total Private	927,000	960,600	1,008,100	1,060,500	1,114,000
Goods Producing	145,200	150,500	158,600	170,200	182,100
Mining and Logging	1,000	1,200	1,200	1,300	1,300
Construction	59,100	62,600	70,000	77,600	85,200
Manufacturing	85,100	86,700	87,300	91,300	95,600
Service Providing	1,009,300	1,034,700	1,074,700	1,119,100	1,165,200
Trade, Transportation and Utilities	275,600	287,600	299,700	314,900	332,500
Wholesale Trade	49,200	52,200	56,400	58,900	61,700
Retail Trade	158,500	162,400	164,800	169,400	173,500
Transportation, Warehousing and Utilities	67,900	73,000	78,400	86,600	97,300
Information	12,200	11,700	11,500	11,300	11,300
Financial Activities	39,500	40,200	41,300	42,300	43,200
Professional and Business Services	126,000	127,500	132,400	139,300	144,400
Educational and Health Services	165,400	173,600	187,600	194,800	205,000
Leisure and Hospitality	124,000	129,400	135,900	144,800	151,500
Other Services	39,100	40,100	41,100	43,000	44,000
Government	<u>227,500</u>	<u>224,600</u>	<u>225,200</u>	<u>228,800</u>	<u>233,400</u>
Total, All Industries	<u>1,169,400</u>	<u>1,200,200</u>	<u>1,247,800</u>	<u>1,303,700</u>	<u>1,362,400</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix E.

Source: State of California, Employment Development Department, March 2015 Benchmark.

Assessed Valuation

The table below sets forth the City's assessed valuation of property for Fiscal Years 2010 through 2015.

ASSESSED VALUATION OF TAXABLE PROPERTY City of Moreno Valley Fiscal Years 2010 to 2015 (Dollars in Thousands)

<i>Fiscal Year Ended June 30</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed and Estimated Full Value</i>
2010	\$10,625,910	\$236,904	\$10,862,814
2011	10,516,338	238,786	10,755,124
2012	10,561,585	271,336	10,832,921
2013	10,646,415	342,094	10,988,509
2014	11,042,637	352,337	11,394,974
2015	12,102,252	366,400	12,468,652

Source: City of Moreno Valley Comprehensive Annual Financial Report for the year ending June 30, 2015.

Tax Levy and Tax Collection

Below is a summary of the property tax levies and total collections for Fiscal Years 2010 through 2015.

PROPERTY TAX LEVIES AND COLLECTIONS City of Moreno Valley Fiscal Years Ending June 30, 2010 to June 30, 2015

<i>Fiscal Year Ended June 30</i>	<i>Taxes Levied</i>	<i>Collected within the Fiscal Year of Levy</i>		<i>Collections in Subsequent Years</i>	<i>Total Collections to Date</i>	
		<i>Amount</i>	<i>Percent of Levy</i>		<i>Amount</i>	<i>Percent of Levy</i>
2010	\$35,573,656	\$35,492,693	99.77%	\$80,963	\$35,573,656	100.00%
2011	33,713,334	33,658,226	99.84	55,108	33,713,334	100.00
2012	33,226,437	33,172,713	99.84	53,724	33,226,437	100.00
2013	25,630,602	25,580,901	99.81 ⁽¹⁾	49,701	25,630,602	100.00
2014	26,906,254	26,862,040	99.84	44,214	26,906,254	100.00
2015	26,455,986	26,154,116	98.86	N/A	26,154,116	98.86

⁽¹⁾ Beginning in Fiscal Year 2013, redevelopment tax increment was no longer included in the calculation for the levy and the collections.

Source: City of Moreno Valley Comprehensive Annual Financial Report for the fiscal year ended June 30, 2015.

Largest Taxpayers

The principal property taxpayers in the City for 2015 are as follows:

<i>Taxpayer</i>	<i>2015 Assessed Valuation</i>	<i>% of Total Assessed Valuation</i>
HF Logistics SKX T1 (Skechers)	\$ 206,076,264	1.69%
Ross Dress for Less, Inc.	136,318,771	1.12
Walgreen Company	118,966,213	0.97
IIT Inland Empire Logistics Center	118,635,616	0.97
Stonegate 552	82,989,303	0.68
First Industrial LP	81,229,404	0.67
Kaiser Foundation Hospitals	80,446,780	0.66
Broadstone at Valley View	77,000,000	0.63
2250 Town Circle Holdings	73,374,738	0.60
I 215 Logistics	<u>56,220,375</u>	<u>0.46</u>
TOTAL:	\$ 1,031,257,464	8.45%

Source: City of Moreno Valley Fiscal Year Ending June 30, 2015 CAFR.

Building Activity

In addition to annual building permit valuations, the numbers of permits for new dwelling units issued each year from 2011 through 2015 are shown in the following tables for both the County and the City.

BUILDING PERMIT VALUATIONS County of Riverside 2011-2015 (Valuation in Thousands of Dollars)

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Valuation (\$000):					
Residential	\$873,411	\$1,079,405	\$1,375,593	\$1,621,751	\$1,536,742
Non-residential	<u>559,398</u>	<u>657,596</u>	<u>790,000</u>	<u>814,990</u>	<u>911,465</u>
Total*	\$1,432,809	\$1,737,001	\$2,165,593	\$2,436,741	\$2,448,207
Residential Units:					
Single family	2,659	3,720	4,716	5,007	5,007
Multiple family	<u>1,061</u>	<u>909</u>	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>
Total	3,720	4,629	6,143	6,938	6,196

* Totals may not add to sums because of rounding.

Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
City of Moreno Valley
2011-2015

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Valuation (\$000's)					
Residential	\$ 8,179.4	\$16,645.8	\$ 49,679.0	\$ 15,229.2	\$ 46,986
Non-Residential	<u>77,090.8</u>	<u>12,776.6</u>	<u>109,568.3</u>	<u>160,366.0</u>	<u>101,190</u>
Total	\$85,270.2	\$29,422.4	\$159,247.3	\$175,595.2	148,176
Units					
Single Family	23	12	133	46	133
Multiple Family	<u>0</u>	<u>54</u>	<u>60</u>	<u>0</u>	<u>0</u>
Total	23	66	193	46	133

Note: Totals may not add to sum because of rounding.
Source: Construction Industry Research Board.

Commercial Activity

Trade outlet and retail sales activity are summarized below based on reports of the State Board of Equalization.

TOTAL TAXABLE TRANSACTIONS AND NUMBER OF SALES PERMITS
City of Moreno Valley
2010 through 2014⁽¹⁾
(Dollars in Thousands)

<i>Calendar Year</i>	<i>Total Retail Stores</i>	<i>Total Retail Stores Permits</i>	<i>Total Taxable Transactions</i>	<i>Total Issued Permits</i>
2010	\$ 994,464	1,652	\$1,067,546	2,154
2011	1,092,691	1,693	1,172,223	2,198
2012	1,185,877	1,732	1,275,922	2,231
2013	1,240,243	1,616	1,349,129	2,116
2014 ⁽¹⁾	959,951	1,688	1,089,054	2,181

⁽¹⁾ Through third quarter.
Source: California State Board of Equalization.

RETAIL SALES
City of Moreno Valley
2010 through 2014⁽¹⁾
(Dollars in Thousands)

<i>Type of Business</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014⁽¹⁾</i>
Apparel Stores	\$ 72,118	\$ 74,107	\$ 87,871	\$ 98,978	\$ 23,915
General Merchandise Stores	239,866	250,607	255,502	258,862	58,107
Food Stores	81,341	82,516	84,447	84,981	20,834
Eating/Drinking Places	150,713	161,054	174,706	186,885	50,592
Home Furnishing	22,901	23,044	16,927	12,361	3,210
Building Materials	78,985	79,177	85,822	91,247	24,674
Auto Dealers	126,172	150,504	205,299	230,751	59,189
Service Stations	163,294	197,564	199,696	197,899	49,289
Other Retail Stores	<u>59,075</u>	<u>74,118</u>	<u>75,607</u>	<u>78,280</u>	<u>19,559</u>
Retail Stores Totals	\$ 994,464	\$ 1,092,691	\$ 1,185,877	\$ 1,240,243	\$ 309,369
All Other Outlets	<u>73,082</u>	<u>79,532</u>	<u>90,045</u>	<u>108,886</u>	<u>37,772</u>
Total All Outlets	<u>\$ 1,067,546</u>	<u>\$ 1,172,223</u>	<u>\$ 1,275,922</u>	<u>\$ 1,349,129</u>	<u>\$ 347,141</u>

⁽¹⁾ Through first quarter.

Source: California State Board of Equalization.

The table below present taxable sales for the years 2007 through 2014 for the County.

TAXABLE SALES
County of Riverside
2007-2014
(Dollars in Thousands)

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2007	45,279	\$29,023,609
2008	46,272	26,003,595
2009	42,765	22,227,877
2010	45,688	23,152,780
2011	46,886	25,641,497
2012	48,316	28,096,009
2013	46,805	30,065,467
2014	48,453	32,035,687

Source: California State Board of Equalization, Research and Statistics Division.

Personal Income

The following tables show the personal income and per capita personal income for the City, County, State of California and United States from 2010 through 2015.

PERSONAL INCOME City of Moreno Valley, County of Riverside, State of California, and United States 2010-2015⁽¹⁾

<i>Year</i>	<i>City of Moreno Valley</i>	<i>County of San Riverside</i>	<i>California</i>	<i>United States</i>
2010	\$3,836,808	\$65,532,154	\$1,583,446,730	\$12,459,613,000
2011	3,463,419	69,531,143	1,691,002,503	13,233,436,000
2012	3,491,186	72,303,147	1,812,314,643	13,904,485,000
2013	3,615,062	74,657,667	1,849,505,496	14,064,468,000
2014	3,612,548	78,239,388	1,939,527,656	14,683,147,000
2015	3,649,385	-- ⁽¹⁾	2,061,337,141	15,324,108,725

Note: Dollars in Thousands.

⁽¹⁾ 2015 figures not yet available for County of Riverside.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Moreno Valley Fiscal Year Ending June 30, 2015 CAFR.

PER CAPITA PERSONAL INCOME⁽¹⁾ City of Moreno Valley, County of Riverside, State of California, and United States 2009-2015⁽²⁾

<i>Year</i>	<i>City of Moreno Valley</i>	<i>County of Riverside</i>	<i>California</i>	<i>United States</i>
2010	\$19,230	\$29,869	\$42,411	\$40,277
2011	17,519	29,753	44,852	42,453
2012	17,425	31,879	47,614	44,266
2013	18,246	32,503	48,125	44,438
2014	18,130	33,590	49,985	46,049
2015	18,186	-- ⁽²⁾	52,651	47,669

⁽¹⁾ Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

⁽²⁾ 2015 figures not yet available for County of Riverside.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Moreno Valley Fiscal Year Ending June 30, 2015 CAFR.

Agriculture

Agriculture remains a leading source of income in the County. Principal agricultural products are milk, nursery stock, table grapes, hay, lemons, bell peppers, eggs, grapefruit, dates and avocados.

There are four areas in the County that account for all the agricultural activity: the Riverside/Corona and San Jacinto/Temecula Valley Districts in the western portion of the County, the Coachella Valley in the central portion and the Palo Verde Valley near the County's eastern border.

The climate and soil in Temecula/Rancho California are particularly favorable for growing avocado, grapes, and citrus crops. Avocados are produced on the majority of the agricultural land in the Santa Rosa Division. Grapes occupy approximately one-half of the agricultural land in the Rancho California Division and citrus occupies approximately one-third of agricultural land in the Rancho California Division.

The table below summarizes the value of agricultural production in the County for the years 2010 through 2014.

VALUE OF AGRICULTURAL PRODUCTION
County of Riverside

	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Citrus	\$ 140,500,922	\$ 119,942,513	\$ 125,711,000	\$ 142,404,000	\$ 170,891,000
Trees and Vine	164,993,960	232,649,262	217,214,000	232,536,000	223,593,000
Vegetables, Melons, Miscellaneous	292,002,337	278,628,295	286,234,000	340,407,000	337,404,000
Field and Seed Crops	81,328,229	149,198,052	147,352,000	154,582,000	156,575,000
Nursery	169,341,300	200,154,964	190,878,000	191,215,000	172,910,000
Apiculture	4,631,700	4,844,400	4,983,000	4,715,000	4,819,000
Aquaculture	<u>4,921,700</u>	<u>4,808,250</u>	<u>4,205,000</u>	<u>2,262,000</u>	<u>5,078,000</u>
Total Crop Valuation	\$ 857,720,148	\$ 990,225,736	\$ 976,577,000	\$ 1,068,121,000	\$ 1,071,270,000
Livestock and Poultry Valuation	<u>235,926,225</u>	<u>292,030,380</u>	<u>276,553,000</u>	<u>259,683,000</u>	<u>290,746,000</u>
Grand Total	<u>\$ 1,093,646,373</u>	<u>\$ 1,282,256,116</u>	<u>\$ 1,253,130,000</u>	<u>\$ 1,327,804,000</u>	<u>\$ 1,362,016,000</u>

Source: Riverside County 2014 Agricultural Production Report.

Utilities

The City receives water service from the Eastern Municipal Water District and Box Springs Mutual Water Company. The City is also serviced by Frontier (formerly Verizon) and Southern California Gas Company. Electrical service for most of the City's developed areas is provided by Southern California Edison. The City has established an electric utility that is providing service for the remainder of the City.

Transportation

The City is centrally located within the Inland Empire. Highways passing through the City include California State Highway 60 and Interstate 215. California State Highway 60 connects in Riverside to California State Highway 91, which connects to Orange County and Long Beach. California State Highway 60 and Interstate 215 provide access Interstate 10 within 15 miles of the City. Rail service in the City includes the Burlington Northern Santa Fe branch line. The main line service in Riverside has stop locations at the Union Pacific, Southern Pacific and Burlington Northern Santa Fe stations. Metrolink commuter rail service is available in Perris and in Riverside to Los Angeles and Orange County.

Ontario International Airport (owned and operated by Los Angeles World Airports), approximately 31 miles northwest of the City, is served by AeroMexico, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, United Airlines/United Express, US Airways and Volaris. Various airlines provide freight services at Ontario International Airport. Riverside Municipal Airport has general aviation facilities with 5,400 feet and 1,600 feet runways.

Education

The City is served by two public school districts: Moreno Valley Unified School District and Val Verde Unified School District. Moreno Valley Unified School District has 23 elementary schools, six middle schools, five comprehensive high schools, one charter school, one adult school, one continuation school, a community day school, one pre-school and one academic center. Val Verde Unified School District serves the communities of Perris, Mead Valley and Moreno Valley. Val Verde Unified District has one pre-school, 13 elementary schools, five middle schools and four high schools.

The City is also home to Moreno Valley Community College.

Recreation and Culture

Lake Perris State Park offers boating, swimming, water-skiing, fishing and camping within its 8,300 acres. Box Springs Mountain Park provides trails for hiking and horseback riding. The City centralized location allows residents to visit nearby mountain resorts, Palm Springs and the beach cities with relative ease. The City's park system consists of 29 parks with 328 acres. The City offers a variety of recreational activities for adults and youth. The City is served by the City's library system.

APPENDIX E
FORM OF DISTRICT
CONTINUING DISCLOSURE AGREEMENT

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX F
FORM OF OWNER CONTINUING DISCLOSURE AGREEMENT

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX G
FUTURE ANNEXATION AREA

Attachment: Preliminary Official Statement (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

APPENDIX H

INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such

other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

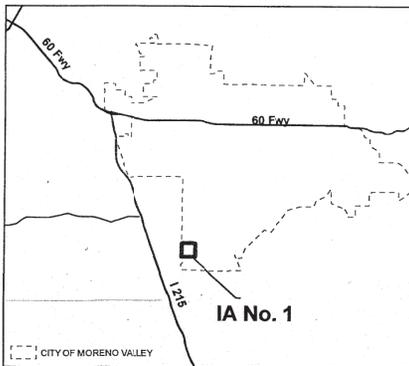
CITY

79
74

MAP OF PROPOSED AMENDED BOUNDARIES OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

VICINITY MAP



FILED IN THE OFFICE OF THE CITY CLERK THIS 23rd DAY OF May, 2016.
Archie A. Keane
CITY CLERK
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED AMENDED BOUNDARIES OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE 16th DAY OF MAY, 2016, BY ITS RESOLUTION NO. 2016-30.
Archie A. Keane
CITY CLERK
CITY OF MORENO VALLEY

FILED THIS 26th DAY OF MAY, 2016, AT THE HOUR OF 8:22 O'CLOCK A. M. IN BOOK 79 PAGE(S) 74 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: \$10.00
INSTRUMENT NO.: 2016-0214732

PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDER
Peter Aldana
BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

THIS AMENDED BOUNDARY DIAGRAM AMENDS IMPROVEMENT AREA NO. 1 OF THE MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, PRIOR RECORDED THE 16TH DAY OF MAY, 2008, IN BOOK 73, PAGES 6 TO 8 OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2008-0265595 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

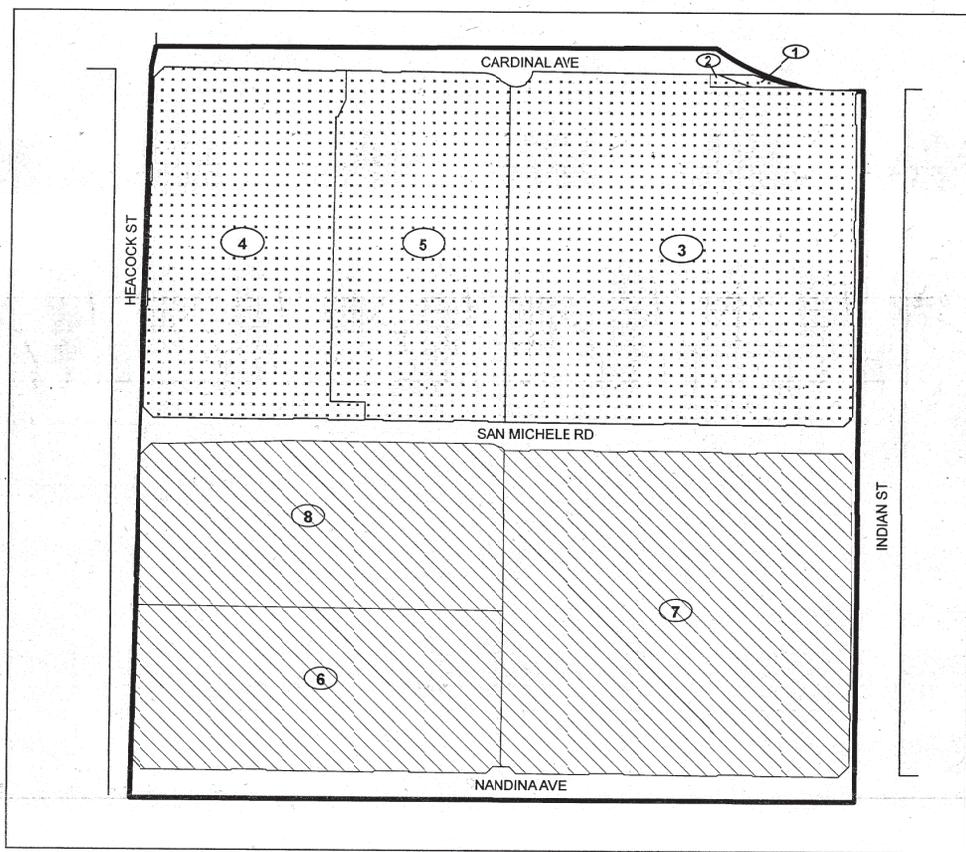
THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NO.
1	316-170-018
2	316-170-020
3	316-170-023
4	316-170-025
5	316-170-026
6	316-180-012
7	316-180-013
8	316-180-014

Legend

- IMPROVEMENT AREA NO. 1 (IA NO. 1) BOUNDARY
- MAP REFERENCE NUMBER
- ZONE 1
- ZONE 2



WILLDAN
Financial Services

27368 VIA INDUSTRIA, #200
TENECUCLA, CA 92590
PH: (951) 587-3500

**PETITION REQUESTING
CERTAIN AMENDMENTS RELATED TO
IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
(Including Waivers)**

City Council
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92553-9014

Members of the City Council:

This is a landowners' petition requesting certain change proceedings in connection with Improvement Area No. 1 ("Improvement Area No. 1") of Community Facilities District No. 7 of the City of Moreno Valley, State of California (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") and a waiver with respect to certain procedural matters under the Mello-Roos Act, and the undersigned hereby state as follows:

1. Petitioners. This petition is submitted by FR/CAL Moreno Valley, LLC, a Delaware limited liability company ("FR/CAL") and I-215 Logistics, LLC, a Delaware limited liability company ("I-215 Logistics") (together, the "Petitioners"), as the respective legal owners of the property described in Exhibit A attached hereto and made a part hereof (the "Property"), which is the site of Improvement Area No. 1 of the Community Facilities District. By submitting this petition, Petitioners warrant to the City of Moreno Valley (the "City") that they are the respective legal owners of the fee interest of all of the land included within Improvement Area No. 1. The City has previously approved a rate and method of apportionment of the special tax for Improvement Area No. 1 (referred to herein as the "RMA"). Petitioners have entered into a Memorandum of Understanding (the "MOU") dated as of February 19, 2015 and attached hereto as Exhibit B describing certain change proceedings they agree to petition the City to conduct pursuant to Article 3 of the Mello-Roos Act.

2. Proceedings Requested. Petitioners hereby request that the City Council of the City institute proceedings pursuant to the Mello-Roos Act to modify the RMA and the boundary map of Improvement Area No. 1 to reflect the changes specifically described in Sections 2, 3, 4, 5 and 6 of the MOU (collectively, the "Amendments").

3. Elections. Petitioners hereby request that a special election be held under the Mello-Roos Act in order to approve the Amendments, all to be consolidated into a single election and that the election be conducted by the City and its officials using mailed or hand-delivered ballots and

that such ballots be opened and canvassed and the results certified at the same meeting of the City Council as the public hearing on the proposed Amendments under the Mello-Roos Act or as soon thereafter as possible.

4. **Waiver.** To expedite the completion of the change proceedings for Improvement Area No. 1 of the Community Facilities District, Petitioners accompany this petition with an executed Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed-Ballot Election.

6. **Mailing Address.** The address of each Petitioner for receiving notices is: (i) with respect to FR/CAL, 19125 North Creek Parkway, Suite 120, Bothell, WA 98011: Attention: William G. Williams; e-mail: Williams.bill@principal.com; (ii) with respect to I-215 Logistics, c/o Clarion Partners, 717 McKinney Avenue, Suite 1900, Dallas, TX 75202, Attention: Stacey Magee, Director; e-mail: Stacey.magee@clarionpartners.com.

This petition is dated April 6, 2016.

FR/CAL MORENO VALLEY,
a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teacher’s Retirement System,
a public entity,
its sole member

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By: 

Name: William G. Williams III

Title: Investment Director – Asset Management

I-215 LOGISTICS, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
a Delaware limited liability company,
its manager

By: Lion Industrial Properties, L.P.,
a Delaware limited partnership,
its sole member

By: LIT GP Sub, LLC,
a Delaware limited liability company,
its general partner

By: Lion Industrial Trust,
a Maryland real estate investment trust,
its sole member

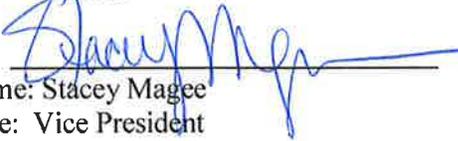
By: 
Name: Stacey Magee
Title: Vice President

EXHIBIT A
PROPERTY DESCRIPTION

That certain real property situated in the State of California, City of Moreno Valley, more particularly described as follows:

With respect to FR/CAL, the following Riverside County Parcel Numbers:

316-180-012, 316-180-013 and 316-180-014

With respect to I-215 Logistics, the following Riverside County Parcel Numbers:

316-170-023, 316-170-025, 316-170-026, 316-170-018 and 316-170-020

EXHIBIT B
MEMORANDUM OF UNDERSTANDING

Attachment: Property Owner Petition (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

Memorandum of Understanding

Improvement Area No. 1 of
Community Facilities District No. 7 of the City of Moreno Valley

This Memorandum of Understanding (“**MOU**”) is made and entered into effective as of February 19, 2015 (“**Effective Date**”). The MOU is by and between FR/Cal Moreno Valley, LLC, a Delaware corporation (“**FR/Cal**”), and I-215 Logistics, LLC, a Delaware limited liability company (“**I-215 Logistics**”). FR/Cal and I-215 Logistics may be referenced in this MOU individually as a “**Party**” and collectively as the “**Parties**.”

Recitals

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), Community Facilities District No. 7 of the City of Moreno Valley (“**CFD No. 7**”) was formed on June 24, 2008, by the City of Moreno Valley (“**City**”) with the consent and approval of the property owners within CFD No. 7 to facilitate financing of certain public improvements;

WHEREAS, CFD No. 7 consists of three Improvement Areas, which are additionally subdivided into Zones;

WHEREAS, Improvement Area No. 1, containing Zone 1 and Zone 2, was created at the formation of CFD No. 7, and is shown on the boundary map filed on May 16, 2008, at Book 73 of Maps of Assessment and Community Facilities Districts at Pages 6-8 in the office of the County Recorder of Riverside County (the “**Original Boundary Map**”) and attached hereto as Exhibit “**A**”;

WHEREAS, CFD No. 7 authorizes the financing by Improvement Area No. 1 of specific and distinct public improvements (“**Public Improvements**”);

WHEREAS, the financing of the Public Improvements is authorized by means of the issuance of special tax bonds by the City on behalf of Improvement Area No. 1, which authorization was approved by unanimous vote of property owners within CFD No. 7 on June 24, 2008 (the “**Bonds**”);

WHEREAS, the special taxes levied on assessor’s parcels within Improvement Area No. 1 shall be calculated and subject to the limitations set forth in the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 (the “**RMA**”), attached hereto as Exhibit “**B**”, as such RMA is amended pursuant to this MOU, and such special taxes shall be used to pay the annual debt service on the Bonds;

WHEREAS, the authorized Public Improvements for Improvement Area No. 1 include master planned storm drain facilities (“**Storm Drain Facilities**”) to be owned and operated by the Riverside County Flood Control and Water Conservation District (“**Flood Control District**”);

WHEREAS, the inclusion of the Storm Drain Facilities in CFD No. 7 required entering into the Joint Community Facilities Agreement relating to CFD No. 7, by and among the City, the Flood Control District, FR/Cal, First Industrial, LP, and FR/Cal Indian Avenue, LLC;

WHEREAS, FR/Cal constructed the Storm Drain Facilities, and the Final Audit Report, prepared by Willdan Financial Services, for the City and the Flood Control District, the summary cover letter of which is attached hereto as **Exhibit "C"**, recommended a purchase price for the Storm Drain Facilities of Five Million, Two Hundred and Eleven Thousand, Seven Hundred and Sixty Three Dollars and Twenty-One Cents (\$5,211,763.21) (herein, the "**Storm Drain Cost**");

WHEREAS, the Parties have determined that 51.87% of the Storm Drain Cost, and only 51.87% of the Storm Drain Cost, or \$2,703,341.58, should be financed by the issuance of Bonds;

WHEREAS, the Parties have determined to modify the definition of "Facilities" in the RMA to limit the Public Improvements that may be financed by Improvement Area No. 1 to the Storm Drain Facilities only and to further limit the amount of the Storm Drain Costs that may be financed by Improvement Area No. 1 to \$2,703,341.58, as further set forth in this MOU;

WHEREAS, on February 20, 2014, FR/Cal purchased property from Alvaraz & Marsal (the "**Alvaraz & Marsal Property**") immediately to the north of Parcel 1 of Parcel Map 35150, designated as Building A site owned by FR/Cal (bordered by San Michele Avenue on the north and Heacock Street on the west);

WHEREAS, pursuant to the Original Boundary Map, the Alvaraz & Marsal Property is located in Zone 2 of Improvement Area No. 1, but the Parties desire to have the Alvaraz & Marsal Property located in Zone 1 of Improvement Area No. 1;

WHEREAS, to accommodate the change in the Zone identification for the Alvaraz & Marsal Property, the Original Boundary Map must be amended, as set forth in this MOU;

WHEREAS, in addition, the Parties have determined that a change to the RMA is necessary (i) to modify the prepayment provisions to reflect the change in the definition of "Facilities," (ii) to reflect the change in the boundaries of Zone 1 and Zone 2 resulting from the change to the Original Boundary Map, and (iii) to revise the apportionment of special taxes under the RMA so that only the property in Zone 2 will be taxed; and

WHEREAS, the Parties desire to set forth their basic agreement in this MOU and provide the terms and conditions that shall be binding on the Parties.

NOW, THEREFORE, in consideration of mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Agreement

1. Petition for Change Proceedings.

- a) FR/Cal and I-215 Logistics shall collectively petition the City to conduct change proceedings under Article 3 of the Act. The petition shall conform to the provisions of Section 53332 of the Act.
- b) The petition shall state that FR/Cal (and FR/Cal only) will provide any fee or deposit required by Section 53332 of the Act to commence change proceedings.
- c) The petition shall request that the RMA and the Original Boundary Map be modified to reflect the changes described in Sections 2, 3, 4, 5, and 6 below.
- d) FR/Cal and I-215 Logistics shall cooperate with each other and the City in connection with, and not protest, the change proceedings within Improvement Area No. 1 provided that the change proceedings are conducted in a manner consistent with the terms of this MOU and provided that the changes proposed to be made and that are actually made to the RMA and the Original Boundary Map are consistent with the terms of this MOU.

2. Modification of Original Boundary Map. The Original Boundary Map shall be amended and restated so as to identify the Alvaraz & Marsal Property as being in Zone 1 and not in Zone 2 (as amended pursuant to this Agreement, herein referred to as the “**Amended and Restated Boundary Map**”).

3. Modification of the RMA – Revising the Zones. The RMA shall be amended as follows:

- a) The term “Boundary Map” in the RMA shall continue to be used but the definition shall be amended to reflect the name and recording information of the Amended and Restated Boundary Map.
- b) The term “Proportionately” shall be revised in full to read as follows:

“**Proportionately**” means, for Developed Property in Zone 2, that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means

that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Public Property in Zone 2. For Annexed Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor's Parcels of Annexed Property in Zone 2.

- c) The term "Provisional Property" in the RMA shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- d) The term "Taxable Public Property" in the RMA shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- e) Section C.1. of the RMA shall be amended to revise the calculation of the maximum special tax for Zone 1 using 62.78 acres (instead of 47.92 acres).
- f) Section C.2. of the RMA shall be amended to revise the calculation of the maximum special tax for Zone 2 using 67.67 acres (instead of 82.53 acres).
- g) Section D.2. of the RMA shall be amended shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- h) Section I of the RMA shall be amended to reflect that the minimum acres in Zone 1 are 62.78 acres (instead of 47.92 acres) and that the minimum acres in Zone 2 are 67.67 acres (instead of 82.53 acres).

4. **Modification of RMA - Apportionment.** Section E of the RMA shall be amended in full to read as follows:

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2015-2016 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property within Zone 2 until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor's Parcel of Annexed Property in Zone 2 up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor's Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax.
- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

5. **Modification of RMA - Facilities.** FR/Cal and I-215 Logistics agree that only the Storm Drain Facilities shall be financed by the Bonds and only up to the amount of \$2,703,341.58. Neither FR/Cal nor I-215 Logistics will request that the City or CFD finance (i) any Public Improvements other than the Storm Drain Facilities (notwithstanding that additional Public Improvements were authorized to be financed in Improvement Area No. 1) and (ii) any Storm Drain Costs in excess of \$2,703,341.58. Accordingly, the definition of "Facilities" in the RMA shall be amended to read as follows:

"Facilities" means only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MPD – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

6. **Modification of the RMA – Prepayment of the Special Tax.** Section F of the RMA shall be amended as follows:
- a) The definition of "Facilities Costs" in Section F of the RMA shall be amended and restated in full to read as follows:
- "Facilities Costs" means \$2,703,341.58.
- b) The term "Construction Inflation Index" shall be deleted.

7. **Issuance of Special Tax Bonds.** FR/Cal will take the lead in coordinating the issuance of Bonds by the City. The overall bond issuance process may take between six (6) to nine (9) months to accomplish. The process requires retention of professional services by the City, and the City may require that a deposit of certain costs of issuance be made prior to conducting any Bond issuance procedures. These professional services may include bond counsel, disclosure counsel, bond underwriter, market absorption consultant, special tax consultant, and appraisal services, as needed. FR/Cal will make any required deposits and enter into any required agreements for such deposits. I-215 Logistics will not be required to provide any deposits or advances in connection with the issuance of Bonds.
8. **Cooperation in Issuance of Bonds.** I-215 Logistics shall reasonably cooperate with both FR/Cal, the City, and any professionals hired by the City to assist in the issuance of Bonds, including, but not limited to, the following:
- a) If required by the underwriter for the Bonds, entering into a continuing disclosure undertaking providing for semi-annual reports to assist the underwriter in complying with Rule 15c2-12 of Securities Exchange Act of 1934. The continuing disclosure undertaking shall be customary for non-residential property in a CFD.
 - b) Providing non-proprietary, non-confidential, and reasonable information regarding the property owned by I-215 Logistics in Zone 2 and the tenant residing on the property to any appraiser, underwriter, or disclosure counsel; provided, however, that I-215 Logistics shall not be required to provide any confidential or proprietary information about its tenant, nor any information that could in any way violate or does violate the lease agreement with its tenant.
9. **Cooperation.** Both Parties agree to cooperate with each other and to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to effectuate the intent of this MOU. Both Parties shall perform the obligations under this MOU in an expeditious manner so as to cause the modification of the RMA and the Original Boundary Map to occur as soon as practicable.
10. **Indemnification.** Each Party agrees to indemnify and hold harmless the other Party, their officers, agents and employees from any and all liability, claims, demands, damages, or injuries to any person as a result of any breach of this MOU (after notice and reasonable opportunity to cure) by the Party against which the other Party seeks indemnification.
11. **Binding on Successors and Assigns.** This MOU shall be binding on the successors and assigns of the Parties, and each Party covenants that it will specifically include this MOU in any assignment or sale of the property it owns within Improvement Area No. 1 of CFD No. 7.
12. **California Law.** This MOU shall be interpreted and enforced under the laws of the State of California.

13. **Miscellaneous.** The terms of this MOU may not be modified or amended except by an instrument in writing executed by each of the Parties hereto. No subsequent agreement, representation or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby. In the event that enforcement or interpretation of the terms, of the provisions of this MOU become necessary, the prevailing Party (whether or not such enforcement or interpretation results in resolution for or against either Party) shall be entitled to seek and collect reimbursement of all of the costs in seeking such enforcement or interpretation (including by way of example only, court costs, arbitration or mediation costs, discovery costs, and service of process expenses), as well as all attorneys' fees, expert fees, mediator fees, arbitrator fees, accountant fees, other third-party fees and costs, and any other costs or expenses incurred in the bringing such action or seeking such interpretation.

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the Effective Date.

FR/CAL MORENO VALLEY,
a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teachers' Retirement System,
a public entity,
its sole member

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By: 
Name: William G. Williams III
Title: Investment Director – Asset Management

[Signatures on MOU continued on the next page]

[Signatures on MOU continued from the previous page]

I-215 LOGISTICS, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
a Delaware limited liability company,
its manager

By: Lion Industrial Properties, L.P.,
a Delaware limited partnership,
its sole member

By: LIT GP Sub, LLC,
a Delaware limited liability company,
its general partner

By: Lion Industrial Trust,
a Maryland real estate investment trust,
its sole member

By: 

Name: Stacey Magee

Title: Vice President

EXHIBIT "A"
THE ORIGINAL BOUNDARY MAP

Attachment: Property Owner Petition (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

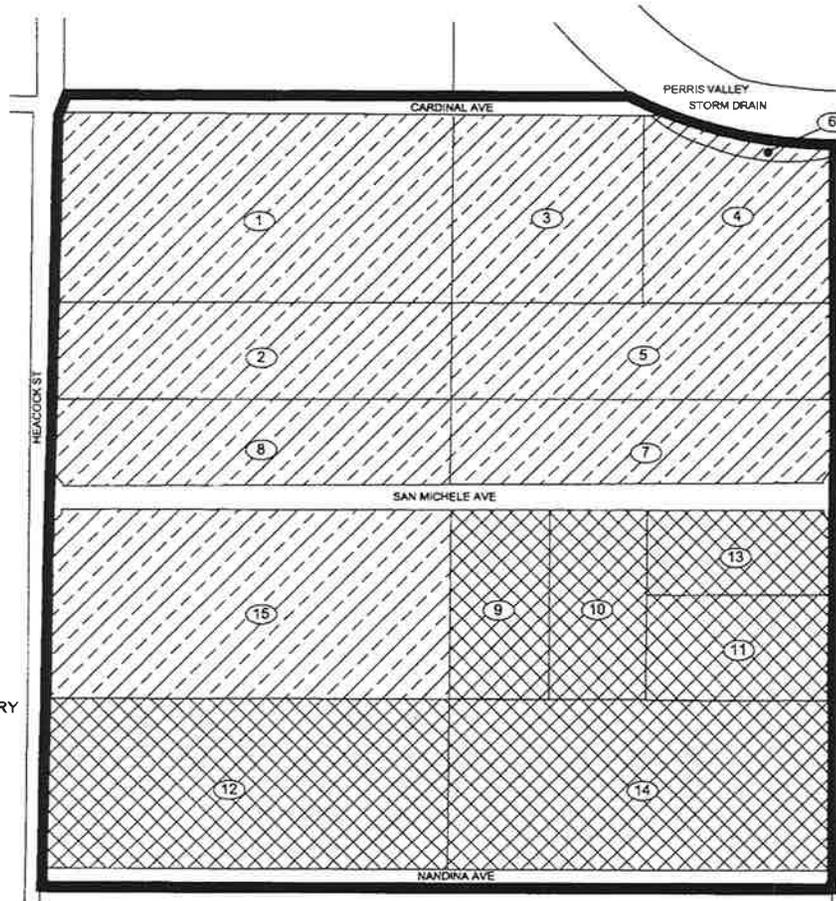


Vicinity Map

MAP REF. NO.	ASSESSOR'S PARCEL NO.
1	316-170-001
2	316-170-002
3	316-170-004
4	316-170-006
5	316-170-007
6	316-170-010
7	316-170-012
8	316-170-014
9	316-180-002
10	316-180-003
11	316-180-004
12	316-180-006
13	316-180-008
14	316-180-009
15	316-180-010

LEGEND FOR SHEET 1

- IMPROVEMENT AREA NO. 1 (IA NO. 1) BOUNDARY
- MAP REFERENCE NUMBER
- ZONE 1
- ZONE 2



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS 14 DAY OF May 2008.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF MORENO VALLEY AT A REGULAR MEETING THEREOF, HELD ON THE 13 DAY OF May, 2008, BY ITS RESOLUTION NO. 2008-50.

James H. Haskins
CITY CLERK
CITY OF MORENO VALLEY

RIVERSIDE COUNTY RECORDER'S CERTIFICATE

FILED THIS 14TH DAY OF MAY, 2008, AT THE HOUR OF 8 O'CLOCK A.M. IN BOOK 72 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) 1a-B IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE \$ 13.00

INSTRUMENT NO.: 2008-0265595

LARRY WARD, ASSESSOR-COUNTY CLERK-RECORDER

M. Garcia
BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAIL CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



EXHIBIT "B"
RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR CFD NO. 7

Attachment: Property Owner Petition (2197 : APPROVAL OF DOCUMENTS RELATED TO THE ISSUANCE OF SPECIAL TAX BONDS FOR

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

IMPROVEMENT AREA No. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year 2008-2009, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Bonds” means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

“Boundary Map” means the “Map of Proposed Boundaries of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 6-8 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Building Permit” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

“CFD No. 7” means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Exempt Property” means all Assessor’s Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

“Facilities” means those public facilities authorized to be funded by CFD No. 7 as set forth in the formation documents for CFD No. 7.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means all Assessor’s Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled “Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Goals and Policies” means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or “IA No. 1” means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. For Provisional Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property. For Taxable Public Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years Special Taxes, (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, and (vi) the acquisition or construction of eligible Facilities, provided that the inclusion of such amount does not cause an increase in the levy of the Special Tax on Undeveloped Property, less (vii) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- “Zone 1” means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- “Zone 2” means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2008-2009, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2008-2009, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$7,999 per Acre.

The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as follows:

1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 1, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 1 (\$7,999 per Acre) by the minimum taxable Acreage originally established for Zone 1 as defined in Section I (47.92 Acres).

$[\$7,999 \times 47.92 = \$383,312]$

2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

3) The new Maximum Special Tax for Taxable Property within Zone 1 shall equal the result calculated in Step 1, minus the result calculated in Step 2 multiplied by 49.44%, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 1 (47.92 Acres), exclusive of Annexed Property.

$$[\$383,312 - (\text{Step 2 result} \times 0.4944)] / 47.92 =$$

Maximum Special Tax per Acre for Taxable Property within Zone 1

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2008-2009, each Assessor's Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$4,750 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor's Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$4,750 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (82.53 Acres).

$$[\$4,750 \times 82.53 = \$392,018]$$

2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

3) The new Maximum Special Tax for Taxable Property within Zone 2 shall equal the result calculated in Step 1, minus the result calculated in Step 2 multiplied by 50.56%, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (82.53 Acres), exclusive of Annexed Property.

$$[\$392,018 - (\text{Step 2 result} \times 0.5056)] / 82.53 =$$

Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2008-2009 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Annexed Property and each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Step Two: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

Step Four: If additional monies are needed to satisfy the Special Tax Requirement after all previous steps have occurred, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

“Facilities Costs” means either \$6.15 million, expressed in 2008 dollars, which shall increase by the Construction Inflation Index on January 1, 2009, and on each January 1 thereafter, or such lower numbers as shall be determined either by (a) the CFD Administrator as sufficient to finance the Facilities, or (b) the City Council concurrently with a covenant that it will not issue any more CFD No. 7 Bonds secured by IA No. 1 (except refunding bonds) to be secured by Special Taxes levied under this Rate and Method of Apportionment.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the Calendar Year, which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the Facilities Costs minus that (a) portion of the Facilities Costs previously and actually funded (i) from the proceeds of all previously issued Bonds, (ii) from interest earnings on the Improvement Fund actually earned prior to the date of prepayment and (iii) directly from Special Tax revenues and (b) amount of the proceeds of all previously issued Bonds then on deposit in the Improvement Fund.

“Improvement Fund” means a fund specifically identified in the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Facilities.

“Outstanding Bonds” means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor’s Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor’s Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
less	Reserve Fund Credit
<u>less</u>	<u>Capitalized Interest Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor's Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor's Parcel.
2. For each Assessor's Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
3. For each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the "Bond Redemption Amount," for such Assessor's Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. If (a) all the Bonds authorized to be issued by CFD No. 7 for IA No. 1 have not been issued, and (b) the City Council has not restricted its ability to issue additional bonds in the future, then compute the Future Facilities Amount.
6. The "Future Facilities Amount" shall be calculated by multiplying the quotient computed pursuant to paragraph 2, by the amount if any, determined pursuant to paragraph 5. The product shall be the "Future Facilities Amount."
7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor's Parcel in the current Fiscal Year.
8. Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount less the Future Facilities Amount and Administrative Fee (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
9. Subtract the amount computed pursuant to paragraph 8 from the result computed pursuant to paragraph 7. This difference is the "Defeasance."

10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.
12. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to step 2 by the expected balance in the capitalized interest fund after such first interest payment (the "Capitalized Interest Credit").
13. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit and less the Capitalized Interest Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_F - A) \times F + A$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_F = the Prepayment Amount calculated according to Section F.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = Administrative Fees calculated in Section F, step 10

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the 2048-49 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

EXHIBIT "C"
SUMMARY COVER LETTER TO FINAL AUDIT REPORT

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
AND
CITY OF MORENO VALLEY**

**PRELIMINARY AUDIT REPORT
For
Payment Request No. 1**

**Improvement Area 1
Flood Control Facilities**

**Submitted by
First Industrial, LP**

**Per
Joint Community Facilities Agreement
Dated October 1, 2009
And
Amended and Restated
Acquisition/Financing Agreement
Dated February 2, 2010**

**Relating to
City of Moreno Valley
Community Facilities District No. 7**

**Prepared by:
WILLDAN FINANCIAL SERVICES
27368 Via Industria Suite 110
Temecula, CA 92590**

September 30, 2010



September 30, 2010

Ms. Candace Cassel
 Special District Division Manager
 City of Moreno Valley
 14325 Frederick Street, Suite 9
 P.O. Box 88005
 Moreno Valley, California 92552-0805

**Re: Community Facilities District No. 7
 Preliminary Audit Report for Payment Request No. 1
 Improvement Area 1, Flood Control Facilities
 Perris Valley MDP Lateral B-3 and B-3.2**

Dear Ms. Cassel:

In accordance with the Joint Community Facilities Agreement (the "JCFA"), dated October 1, 2009 between the City of Moreno Valley (the "City"), the Riverside County Flood Control and Water Conservation District (the "RCFCD"), FR/CAL Moreno Valley LLC, First Industrial, LP, and FR/CAL Indian Avenue LLC (collectively the "Owner"), and the Amended and Restated Acquisition/Financing Agreement (the "Agreement") dated February 2, 2010 between the City and the Owner, we are submitting this Preliminary Audit Report for Payment Request No. 1 ("Report") presenting our findings and recommended payment for the Improvement Area 1 Flood Control Facilities, namely Perris Valley MDP Lateral B-3, Stage 2 and Lateral B-3.2 (the "Facilities") as further described in "Exhibit C" of the JCFA.

This Report is in response to the Payment Request No. 1 that was received from the Owner requesting payment for the completed Facilities. Payment Request No. 1 included supporting documentation required by Section 8(c) of the Agreement, such as copies of contracts, change orders, invoices, lien releases, cancelled checks, and other relevant documents that were combined and are located in the following titled binders, which are considered an integral part of Payment Request No. 1 for the Facilities.

CITY OF MORENO VALLEY
 Community Facilities District No. 7

Volume No.'s I, II, and III

Submitted by:

First Industrial Realty Trust, Inc.
 898 North Sepulveda Boulevard
 El Segundo, California 90245
 Mr. Matt Englard

CONTRACTS AND COST DATA

This Report includes the following tables summarizing the Facilities' costs:

- Table 1 – Contract/Purchase Order Summary.** Lists the individual vendor contracts and/or purchase orders submitted with Payment Request No. 1. Information includes vendor's name, work description, contract/purchase order date and number, contract amount, and ineligible and eligible contract amounts relative to the Facilities.
- Table 2 – Summary of Audited Costs.** Identifies incidental, construction and construction management costs, and the *Amount Requested* by the Owner. As the result of "Audit Review Procedures" listed on the following page, the *Amount Recommended* represents the amount eligible for inclusion in the *Recommended Purchase Price*. The *Amount Recommended* is allocated between the RCFCD and City segments of the Facilities by using the agreed upon cost sharing percentages. Individual vendor invoice detail included in pages 2 through 14 of Table 2 provides additional descriptions, amount of work performed, and any audit comments.

Ms. Candace Cassel
 City of Moreno Valley
 September 30, 2010
 Page 2

REQUIRED DOCUMENTATION

This Report includes the following exhibits, which present documentation evidencing fulfillment by the Owner of obligations, as required by Section 3.3 of the JCFA for determination of Purchase Price and processing of the payment request.

1. **Exhibit A – Owner's Payment Request.** The request is in a form consistent with "Exhibit G" of the JCFA. Requested project costs total \$5,514,716.63, including Owner's project administration of \$108,131.70. Also included is a schedule labeled "Payment Request-Actual Cost," which shows the agreed upon allocation of H&H Construction, Inc. ("H&H"), contract costs between the RCFCD and City segments, with resulting percentage allocations of 96.4 percent and 3.6 percent, respectively. These percentages serve as the basis for allocating all joint costs.
2. **Exhibit B – Acceptance of Facilities.** These two documents include a letter from the RCFCD dated April 2, 2009, accepting the Facilities for operations and maintenance and City Resolution No. 2009-62 dated June 23, 2009, accepting the Facilities.
3. **Exhibit C – Notice of Completion.** The Notice of Completion for the Facilities was recorded with the Riverside County Recorder on April 8, 2009.
4. **Exhibit D – "As-Built" Plans.** Because of their volume, "Exhibit D" includes only page 1 of the final "As-Built" plans approved by the RCFCD and the City for Drawing No. 4-948 relating to the Facilities. The full set of "As-Built" plans is on file with the City's public works department and is incorporated in this Report by reference.
5. **Exhibit E – One year Maintenance Bond.** This is a letter from the City that, upon acceptance by the City on June 23, 2009, reduced the project's performance bond to 10 percent of the H&H contract cost and commenced the one year warranty period pursuant to Section 5 of the Agreement.
6. **Exhibit F – Release of Liens/Material & Labor Bond.** This is a letter from the City dated September 24, 2009, acknowledging that no mechanics' liens have been filed during the allotted time, thereby releasing 90 percent of the Material and Labor Bond. This letter serves as a substitute for the provision of Section 8. (c). (1) of the Agreement requiring written unconditional lien releases from all contractors.
7. **Exhibit G – Evidence of Dedication.** This is a letter from the RCFCD providing the Owner with a "Notice to Proceed" for the construction of Facilities; and a copy of Section 1, Item 10, of the Cooperation Agreement that requires an "Irrevocable Offer of Dedication" of the Facilities, as a condition precedent to providing the notice.
8. **Exhibit H – Amended and Restated Acquisition/Financing Agreement with Joint Community Facilities Agreement.** These are the governing documents relating to the identification, construction, acquisition, funding, and ownership of the Facilities. Due to its volume, only the first page of this document is included in Exhibit H. The document in its entirety is on file with the City and is incorporated in this Report by reference.

AUDIT PROCEDURES

Audit procedures were performed on the contracts, change orders, invoices, cancelled checks, and lien releases to verify the eligibility of costs presented in Payment Request No. 1. These procedures included:

1. Review of applicable sections of the JCFA and Agreement relating to payment provisions and identification of Facilities to be maintained by the RCFCD and City.
2. Verification of receipt of all required documents for the Owner's payment request.
3. Review of all contracts, including change orders, purchase orders, and other supporting documents.
4. Review of invoices and cancelled checks to the prime and subcontractors.
5. Review of contractor lien releases.
6. Verification of specific improvement costs and reasonableness of any cost allocations.

When discovered, missing documents and explanations for certain discrepancies were promptly requested from the Owner. The amounts that could not be verified or satisfactorily resolved were

Ms. Candace Cassel
 City of Moreno Valley
 September 30, 2010
 Page 3

communicated to the Owner, and deducted from the Amount Recommended on the detailed vendor spreadsheets.

AUDIT FINDINGS AND ADJUSTMENTS

The Owner has satisfied the documentary requirements of the JCFA and Agreement in support of Payment Request No.1. Requested amounts that were adequately supported with contracts, change orders, and cancelled checks and that were reasonably identified to the Facilities were included in the Amount Recommended in Table 2. Requested amounts that did not satisfy this requirement were excluded and are further discussed below.

Formation Costs: Permits and Fees to the City (page 2 of Table 2) include \$129,940.00 in deposits paid by the Owner to fund CFD formation costs, such as legal fees, special tax consultants, etc. These deposits were included by the Owner in the Payment Request No. 1 for the Facilities. The Owner's payment and formation cost details that were provided by the City have been reviewed; and the amounts appear to be eligible for reimbursement as a formation costs upon issuance of the bonds, but not eligible as a Facilities Cost. Therefore, the Amount Recommended for payment of Facilities Costs in Table 2 has been reduced by \$129,940.00.

Non-related Costs: Permits and Fees (pages 2 and 3 of Table 2) include fees that were identified to projects other than to the Facilities and are not eligible for payment. These include \$2,340.00 paid to the City, \$1,420.99 paid to the RCFCD, and \$1,856.00 paid to the State Water Resources Control Board. There are also two Albert A. Webb and Associates contracts that were related to street improvements or to a combination of street and storm drain that could not be clearly identified to the Facilities and are, therefore, not eligible for payment. These include Webb contract no. 2007-0262 (page 6 of Table 2) for \$39,978.65, and no. 2007-040 (page 11 of Table 2) for \$7,862.08. The Amount Recommended for payment has been reduced by a total of \$53,457.72 that relate to these non-related costs.

Overpayment: Permits and Fees (pages 3 of Table 2) include an apparent overpayment to the RCFCD for the cost of inspection fees. Pursuant to its letter dated October 25, 2007, the amount requested by RCFCD was \$100,936.15; but the amount paid was \$110,936.15. The Amount Recommended for payment for Facilities Costs has been reduced by a total of \$10,000 for this apparent overpayment.

Unallowable Over-time: Certain invoices relating to Albert Webb contract no. 20060146S (page 8 of Table 2) include survey team overtime charges for hours exceeding standard 8-hour work days. Justification by Webb for the overtime hours was to avoid a next-day trip to the job, which would have cost the project a minimum of 4 hours pursuant to the Survey Master Labor Agreement, Southern California Local 12, in affect at the time. By authorizing the occasional overtime hours, Webb had determined that this would be a cost saving to the project. However, it was determined that, in most instances, the number of hours charged at regular straight time rates were less than the eight hours required before overtime rates were applicable. Therefore, the Amount Recommended payment for payment for Facilities has been reduced by \$1,424 to account for these apparent excess charges.

Owner's Project Administration: Payment Request No. 1 includes a project administration charge by First Industrial Realty Trust, the Owners' representative, for \$108,131.70 that is computed at 2 percent of the total Facilities costs. However, the JCFA disallows payment for any portion of the Owner's overhead; and only allows for reimbursement to the Owner for actual reasonable costs, as defined in Article I, Section 1.1, of the JCFA. Therefore, the Amount Recommended for payment for Facilities has been reduced by \$108,131.70, the entire amount of this project's administration charge. The Owner has stated that the amount allowable for eventual payment will be discussed with the City and the RCFCD.

The aforementioned adjustments are summarized in the calculation of the Recommended Purchase Price and Allocation, shown below. The Recommended Purchase Price for the Facilities is \$5,211,763.21.

ALLOCATION OF FACILITIES COSTS BETWEEN RCFCD AND CITY SEGMENTS

"Exhibit C" of the JCFA identifies certain segments of the Facilities that, upon acceptance, are to be maintained separately by the RCFCD and the City. The H&H contract summarized on page 1 of Table 1 includes the primary construction costs for the Facilities. The allocation of these costs between the RCFCD and City segments were reviewed for reasonableness by representatives from the City and the Owner. The final allocation of the H&H contract costs resulted in a 96.4 percent allocation of cost to RCFCD segments, and 3.6 percent allocation to City segments. These percentages were determined to be a reasonable basis for allocating joint costs and were used to allocate all remaining Facilities Costs

Ms. Candace Cassel
 City of Moreno Valley
 September 30, 2010
 Page 4

that were not specific to a particular segment. The allocation of costs by major category is shown on page 1 of Table 2.

RECOMMENDED PURCHASE PRICE

The Recommended Purchase Price for the Improvement Area 1 Flood Control Facilities presented in Payment Request No. 1, and the allocation of the purchase price between the RCFCD and the City, is shown below.

<u>Recommended Purchase Price and Allocation</u>	
	<u>Improvement Area 1</u>
Owner's Payment Request	\$5,514,716.63
Ineligible Costs	
Costs of Formation	\$ (129,940.00)
Non-Related Costs	(53,457.72)
Overpayment	(10,000.00)
Unallowable Over-Time	(1,424.00)
Owner's Project Administration	(108,131.70)
	<u>\$ (302,953.42)</u>
Recommended Purchase Price	<u>\$5,211,763.21</u>
Allocation of Purchase Price	
RCFCD	96.4% \$5,025,481.27
City	3.6% \$ 186,281.94

Pursuant to the provisions of the Joint Community Facilities Agreement (See "Exhibit H"), the *Recommended Purchase Price* for both the FCFCD and City portions of the Facilities will be financed, in whole or in part, through the proceeds of bonds issued for the City of Moreno Valley's Community Facilities District No. 7.

Should you have any questions regarding the content of this Report, please call me at (951) 587-3527; I may also be reached via email at bquaid@willdan.com.

Yours truly,

Willdan Financial Services



Robert D. Quaid,
 Senior Project Manager

cc: Mr. Arturo Diaz, Riverside County Flood (aadiaz@rcflood.org)
 Mr. Ken Consaul, Riverside County Flood (keconsaul@rcflood.org)
 Ms. Cynthia Gordon, City of Moreno Valley (cynthiag@moval.org)
 Mr. Marshall Eyerman, City of Moreno Valley (marshalle@moval.org)
 Mr. Chris Fisher, Willdan Financial Services (cfisher@willdan.com)
 Mr. Habib Isaac, Willdan Financial Services (hisaac@willdan.com)
 Mr. Matt Enghard, First Industrial (matt.enghard@cox.net)
 Mr. Phil Lemoine, Webb Associates, (phil.lemoine@webbassociates.com)
 Mr. Dick Kopecky, Willdan Financial Services, (dkopecky4@hotmail.com)
 Mr. Tom Breitkreuz, (breitkreuz@roadrunner.com)
 Mr. Patrick Spillane (pspillane@idsrealestate.com)

January 28, 2011

Ms. Candace Cassel
 Special District Division Manager
 City of Moreno Valley
 14325 Frederick Street, Suite 9
 P.O. Box 88005
 Moreno Valley, California 92552-0805

**Re: Community Facilities District No. 7
 Final Audit Report for Payment Request No. 1
 Improvement Area 1, Flood Control Facilities
 Perris Valley MDP Lateral B-3 and B-3.2**

Dear Ms. Cassel:

In accordance with the Joint Community Facilities Agreement (the "JCFA"), dated October 1, 2009 between the City of Moreno Valley (the "City"), the Riverside County Flood Control and Water Conservation District (the "RCFCD"), FR/CAL Moreno Valley LLC, First Industrial, LP, and FR/CAL Indian Avenue LLC (collectively the "Owner"), and the Amended and Restated Acquisition/Financing Agreement (the "Agreement") dated February 2, 2010 between the City and the Owner, we are submitting this Preliminary Audit Report for Payment Request No. 1 ("Report") presenting our findings and recommended payment for the Improvement Area 1 Flood Control Facilities, namely Perris Valley MDP Lateral B-3, Stage 2 and Lateral B-3.2 (the "Facilities") as further described in "Exhibit C" of the JCFA.

This Report is in response to the Payment Request No. 1 that was received from the Owner requesting payment for the completed Facilities. Payment Request No. 1 included supporting documentation required by Section 8(c) of the Agreement, such as copies of contracts, change orders, invoices, lien releases, cancelled checks, and other relevant documents that were combined and are located in the following titled binders, which are considered an integral part of Payment Request No. 1 for the Facilities.

CITY OF MORENO VALLEY
 Community Facilities District No. 7

Volume No.'s I, II, and III

Submitted by:

First Industrial Realty Trust, Inc.
 898 North Sepulveda Boulevard
 El Segundo, California 90245
 Mr. Matt Enghard

CONTRACTS AND COST DATA

This Report includes the following tables summarizing the Facilities' costs:

- Table 1 – Contract/Purchase Order Summary.** Lists the individual vendor contracts and/or purchase orders submitted with Payment Request No. 1. Information includes vendor's name, work description, contract/purchase order date and number, contract amount, and ineligible and eligible contract amounts relative to the Facilities.
- Table 2 – Summary of Audited Costs.** Identifies incidental, construction and construction management costs, and the *Amount Requested* by the Owner. As the result of "Audit Review Procedures" listed on the following page, the *Amount Recommended* represents the amount eligible for inclusion in the *Recommended Purchase Price*. The *Amount Recommended* is allocated between the RCFCD and City segments of the Facilities by using the agreed upon cost sharing percentages. Individual vendor invoice detail included in pages 2 through 14 of Table 2 provides additional descriptions, amount of work performed, and any audit comments.

REQUIRED DOCUMENTATION

This Report includes the following exhibits, which present documentation evidencing fulfillment by the Owner of obligations, as required by Section 3.3 of the JCFA for determination of Purchase Price and processing of the payment request.

1. **Exhibit A – Owner’s Payment Request.** The request is in a form consistent with “Exhibit G” of the JCFA. Requested project costs total \$5,514,716.63, including Owner’s project administration of \$108,131.70. Also included is a schedule labeled “Payment Request-Actual Cost,” which shows the agreed upon allocation of H&H Construction, Inc. (“H&H”), contract costs between the RCFCD and City segments, with resulting percentage allocations of 89.0 percent and 11.0 percent, respectively. These percentages serve as the basis for allocating all joint costs.
2. **Exhibit B – Acceptance of Facilities.** These two documents include a letter from the RCFCD dated April 2, 2009, accepting the Facilities for operations and maintenance and City Resolution No. 2009-62 dated June 23, 2009, accepting the Facilities.
3. **Exhibit C – Notice of Completion.** The Notice of Completion for the Facilities was recorded with the Riverside County Recorder on April 8, 2009.
4. **Exhibit D – “As-Built” Plans.** Because of their volume, “Exhibit D” includes only page 1 of the final “As-Built” plans approved by the RCFCD and the City for Drawing No. 4-948 relating to the Facilities. The full set of “As-Built” plans is on file with the City’s public works department and is incorporated in this Report by reference.
5. **Exhibit E – One year Maintenance Bond.** This is a letter from the City that, upon acceptance by the City on June 23, 2009, reduced the project’s performance bond to 10 percent of the H&H contract cost and commenced the one year warranty period pursuant to Section 5 of the Agreement.
6. **Exhibit F – Release of Liens/Material & Labor Bond.** This is a letter from the City dated September 24, 2009, acknowledging that no mechanics’ liens have been filed during the allotted time, thereby releasing 90 percent of the Material and Labor Bond. This letter serves as a substitute for the provision of Section 8. (c). (1) of the Agreement requiring written unconditional lien releases from all contractors.
7. **Exhibit G – Evidence of Dedication.** This is a letter from the RCFCD providing the Owner with a “Notice to Proceed” for the construction of Facilities; and a copy of Section 1, Item 10, of the Cooperation Agreement that requires an “Irrevocable Offer of Dedication” of the Facilities, as a condition precedent to providing the notice.
8. **Exhibit H – Amended and Restated Acquisition/Financing Agreement with Joint Community Facilities Agreement.** These are the governing documents relating to the identification, construction, acquisition, funding, and ownership of the Facilities. Due to its volume, only the first page of this document is included in Exhibit H. The document in its entirety is on file with the City and is incorporated in this Report by reference.

AUDIT PROCEDURES

Audit procedures were performed on the contracts, change orders, invoices, cancelled checks, and lien releases to verify the eligibility of costs presented in Payment Request No. 1. These procedures included:

1. Review of applicable sections of the JCFA and Agreement relating to payment provisions and identification of Facilities to be maintained by the RCFCD and City.
2. Verification of receipt of all required documents for the Owner’s payment request.
3. Review of all contracts, including change orders, purchase orders, and other supporting documents.
4. Review of invoices and cancelled checks to the prime and subcontractors.
5. Review of contractor lien releases.
6. Verification of specific improvement costs and reasonableness of any cost allocations.

When discovered, missing documents and explanations for certain discrepancies were promptly requested from the Owner. The amounts that could not be verified or satisfactorily resolved were

communicated to the Owner, and deducted from the Amount Recommended on the detailed vendor spreadsheets.

AUDIT FINDINGS AND ADJUSTMENTS

The Owner has satisfied the documentary requirements of the JCFA and Agreement in support of Payment Request No.1. Requested amounts that were adequately supported with contracts, change orders, and cancelled checks and that were reasonably identified to the Facilities were included in the Amount Recommended in Table 2. Requested amounts that did not satisfy this requirement were excluded and are further discussed below.

Formation Costs: Permits and Fees to the City (page 2 of Table 2) include \$129,940.00 in deposits paid by the Owner to fund CFD formation costs, such as legal fees, special tax consultants, etc. These deposits were included by the Owner in the Payment Request No. 1 for the Facilities. The Owner's payment and formation cost details that were provided by the City have been reviewed; and the amounts appear to be eligible for reimbursement as a formation costs upon issuance of the bonds, but not eligible as a Facilities Cost. Therefore, the Amount Recommended for payment of Facilities Costs in Table 2 has been reduced by \$129,940.00.

Non-related Costs: Permits and Fees (pages 2 and 3 of Table 2) include fees that were identified to projects other than to the Facilities and are not eligible for payment. These include \$2,340.00 paid to the City, \$1,420.99 paid to the RCFCD, and \$1,856.00 paid to the State Water Resources Control Board. There are also two Albert A. Webb and Associates contracts that were related to street improvements or to a combination of street and storm drain that could not be clearly identified to the Facilities and are, therefore, not eligible for payment. These include Webb contract no. 2007-0262 (page 6 of Table 2) for \$39,978.65, and no. 2007-040 (page 11 of Table 2) for \$7,862.08. The Amount Recommended for payment has been reduced by a total of \$53,457.72 that relate to these non-related costs.

Overpayment: Permits and Fees (pages 3 of Table 2) include an apparent overpayment to the RCFCD for the cost of inspection fees. Pursuant to its letter dated October 25, 2007, the amount requested by RCFCD was \$100,936.15; but the amount paid was \$110,936.15. The Amount Recommended for payment for Facilities Costs has been reduced by a total of \$10,000 for this apparent overpayment.

Unallowable Over-time: Certain invoices relating to Albert Webb contract no. 20060146S (page 8 of Table 2) include survey team overtime charges for hours exceeding standard 8-hour work days. Justification by Webb for the overtime hours was to avoid a next-day trip to the job, which would have cost the project a minimum of 4 hours pursuant to the Survey Master Labor Agreement, Southern California Local 12, in affect at the time. By authorizing the occasional overtime hours, Webb had determined that this would be a cost saving to the project. However, it was determined that, in most instances, the number of hours charged at regular straight time rates were less than the eight hours required before overtime rates were applicable. Therefore, the Amount Recommended payment for payment for Facilities has been reduced by \$1,424 to account for these apparent excess charges.

Owner's Project Administration: Payment Request No. 1 includes a project administration charge by First Industrial Realty Trust, the Owners' representative, for \$108,131.70 that is computed at 2 percent of the total Facilities costs. However, the JCFA disallows payment for any portion of the Owner's overhead; and only allows for reimbursement to the Owner for actual reasonable costs, as defined in Article I, Section 1.1, of the JCFA. Therefore, the Amount Recommended for payment for Facilities has been reduced by \$108,131.70, the entire amount of this project's administration charge. The Owner has stated that the amount allowable for eventual payment will be discussed with the City and the RCFCD.

The aforementioned adjustments are summarized in the calculation of the Recommended Purchase Price and Allocation, shown below. The Recommended Purchase Price for the Facilities is \$5,211,763.21.

ALLOCATION OF FACILITIES COSTS BETWEEN RCFCD AND CITY SEGMENTS

"Exhibit C" of the JCFA identifies certain segments of the Facilities that, upon acceptance, are to be maintained separately by the RCFCD and the City. The H&H contract summarized on page 1 of Table 1 includes the primary construction costs for the Facilities. The allocation of these costs between the RCFCD and City segments were reviewed for reasonableness by representatives from the City and the Owner. The final allocation of the H&H contract costs resulted in an 89.0 percent allocation of cost to RCFCD segments, and 11.0 percent allocation to City segments. These percentages were determined to be a reasonable basis for allocating joint costs and were used to allocate all remaining Facilities

Ms. Candace Cassel
 City of Moreno Valley
 January 28, 2011
 Page 4

that were not specific to a particular segment. The allocation of costs by major category is shown on page 1 of Table 2.

RECOMMENDED PURCHASE PRICE

The Recommended Purchase Price for the Improvement Area 1 Flood Control Facilities presented in Payment Request No. 1, and the allocation of the purchase price between the RCFCD and the City, is shown below.

Recommended Purchase Price and Allocation		
	Improvement Area 1	
Owner's Payment Request		\$5,514,716.63
Ineligible Costs		
Costs of Formation	\$ (129,940.00)	
Non-Related Costs	(53,457.72)	
Overpayment	(10,000.00)	
Unallowable Over-Time	(1,424.00)	
Owner's Project Administration	(108,131.70)	
		\$ (302,953.42)
Recommended Purchase Price		\$5,211,763.21
Allocation of Purchase Price		
RCFCD	89.0%	\$4,638,469.25
City	11.0%	\$ 573,293.96

Pursuant to the provisions of the Joint Community Facilities Agreement (See "Exhibit H"), the *Recommended Purchase Price* for both the FCFCD and City portions of the Facilities will be financed, in whole or in part, through the proceeds of bonds issued for the City of Moreno Valley's Community Facilities District No. 7.

Should you have any questions regarding the content of this Report, please call me at (951) 587-3527; I may also be reached via email at bquaid@willdan.com.

Yours truly,

Willdan Financial Services



Robert D. Quaid,
 Senior Project Manager

cc: Mr. Arturo Diaz, Riverside County Flood (aadiaz@rcflood.org)
 Mr. Ken Consaul, Riverside County Flood (keconsaul@rcflood.org)
 Ms. Cynthia Gordon, City of Moreno Valley (cynthiag@moval.org)
 Mr. Marshall Eyerman, City of Moreno Valley (marshalle@moval.org)
 Mr. Chris Fisher, Willdan Financial Services (cfisher@willdan.com)
 Mr. Habib Isaac, Willdan Financial Services (hisaac@willdan.com)
 Mr. Matt Englhard, First Industrial (matt.englhard@cox.net)
 Mr. Phil Lemoine, Webb Associates, (phil.lemoine@webbassociates.com)
 Mr. Dick Kopecky, Willdan Financial Services, (dkopecky4@hotmail.com)
 Mr. Tom Breitkreuz, (breitkreuz@roadrunner.com)
 Mr. Patrick Spillane (pspillane@idsrealestate.com)

City of Moreno Valley Community Facilities District No 7**Improvement Area No 1****PAYMENT REQUEST NO. 1**

The undersigned (the "Owner") hereby requests payment in the total amount of **\$4,280,000.00¹** for the Purchase Price of the Improvement(s) (as defined in the Joint Community Facilities Agreement (the "Agreement") by and among the City of Moreno Valley (the "City"), the Riverside County Flood Control and Water Conservation District ("Flood Control District"), and the Owner and described in Exhibit C to that Agreement), all as more fully described in Attachment 1 hereto. In connection with this Payment Request, the undersigned hereby certifies, represents and warrants to the City and the Flood Control District as follows:

1. He (she) is a duly authorized officer of Owner, qualified to execute and submit this Payment Request on behalf of Owner and is knowledgeable as to the matters set forth herein.
2. The Purchase Price for the Improvement(s) has been calculated in conformance with the terms of the Agreement. All costs for which payment is requested hereby are eligible costs (as permitted in the Agreement) and have not been inflated in any respect. The payment which is hereby requested has not been the subject of any prior payment request paid by the City.
3. Supporting documentation (such as third party invoices, change orders and checks) is attached with respect to each cost for which payment is requested.
4. The Improvement(s) for which payment is requested were constructed substantially in accordance with the requirements of the Agreement.
5. Owner is in compliance with the terms and provisions of the Agreement.
6. No mechanics liens or other encumbrances have attached, or to the best knowledge of the Owner, after due inquiry, will attach to the Improvements.
7. Payment of the Purchase Price shall be made to the Owner and/or other parties pursuant to the instructions set forth in the Agreement.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

OWNER

FR/Cal Moreno Valley, a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teachers' Retirement System,
a public entity, its manager

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By:  1/29/2016
Name: William G. Williams III
Title: Investment Director – Asset Management

APPROVAL BY FLOOD CONTROL DISTRICT

The Flood Control District confirms that the Flood Control Facilities described in Attachment A has been constructed in accordance with the Plans and Specifications therefor. The Actual Cost of each Flood Control Facility as described in Attachment 1 has been reviewed, verified and approved by the Flood Engineer. The Purchase Price for said Flood Control Facility is established at \$ 3,600,000.00 as identified in Exhibit C of the Joint Community Facilities Agreement. Payment of the Purchase Price for the Flood Control Facility is hereby approved.

Date: 4/7/16

FLOOD ENGINEER

By: 

Payment Request Approved for Submission
to [Fiscal Agent or Trustee]

CITY OF MORENO VALLEY

By: _____
Name: _____

EXHIBIT C**Description of Facilities**

Proposed Flood Control Facilities to be authorized
For the Community Facilities District

Improvement Area No 1. Flood Control Facilities**RCFC&WCD Maintained Facilities**

Perris Valley MDP Lateral B-3, Stage 2 (Project No. 4-0-00526), a 1 cell RCB (varying in height from 6 feet to 4 feet and varying in base width from 12 feet to 8 feet), 54" RCP, and 48" RCP, located in the Indian Street right-of-way from the existing Lateral B-3 (Project No. 4-0-00256) northerly approximately 3,268 feet to the intersection of Indian Street and San Michele Road, then westerly in the San Michele Road right-of-way approximately 2,123 feet. The facility consists of approximately 3,560 linear feet of RCB and 1,830 linear feet of RCP, including, but not limited to, manholes, junction structures, inlets, and transition structures.

Perris Valley MDP Lateral B-3.2 (Project No. 4-0-00533), a 42" RCP, located in the Nandina Avenue right-of-way from the connection to Lateral B-3, Stage 2 (Project No. 4-0-00526) westerly approximately 1,340 feet, including, but not limited to, manholes, inlets, and junction structures.

Lateral B-3b, a 42" RCP, approximately 18 feet in length connecting to Lateral B-3 at Station 38+44.67.

Lateral B-3d, a 42" RCP, approximately 30 feet in length connecting to Lateral B-3 at Station 48+34.67.

Lateral B-3e, a 48" RCP, approximately 21 feet in length connecting to Lateral B-3 at Station 52+14.22.

Estimated cost for RCFC & ECD Facilities: \$3,600,000.00

City of Moreno Valley Maintained Facilities

Lateral B-3a, a 42" RCP, approximately 12 feet in length connecting to Lateral B-3 at Station 17+08.14.

Lateral B-3c, a 24" RCP, approximately 44 feet in length connecting to Lateral B-3 at Station 39+11.27.

Lateral B-3f, a 36" RCP, approximately 4 feet in length connecting to Lateral B-3 at Station 63+50.68.

Lateral B-3r, a 24" RCP, approximately 40 feet in length connecting to Lateral B-3 at Station 49+87.30.

Lateral B-3z, a 24" RCP, approximately 9 feet in length connecting to Lateral B-3 at Station 23+62.50.

Lateral B-3.2a, a 30" RCP, approximately 55 feet in length connecting to Lateral B-3.2 at Station 10+37.01.

Estimated cost for Moreno Valley Facilities \$680,000.00

Improvement Area No. 2 Flood Control Facilities

RCFC&WCD Maintained Facilities

Perris Valley MDP Lateral B-1 (Project No. 4-0-00486, Drawing No. 4-954), an 84" RCP, 78" RCP, and 72" RCP, located in Perris Boulevard right-of-way from the existing Lateral B-1 (Project No. 4-0-486, Drawing No. 4-838) northerly for approximately 1,345 feet. Lateral B-1 includes, but is not limited to, manholes, junction structures, inlets, laterals, and transition structures.

Perris Valley MDP Lateral B-1.2 (Project No. 4-0-00483, Drawing No. 4-954), a 78" RCP, 66" RCP, 60" RCP, 48" RCP and 42" RCP, located in the Nandina Avenue right-of-way from the connection to Lateral B-1, (Project No. 4-0-00486) westerly approximately 1,340 feet, including, but not limited to, manholes, inlets, and junction structures.

Estimated cost of RCFC & WCD Facilities: \$1,500,000.00

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year 2016-17, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Bonds” means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

“Boundary Map” means the “Map of Proposed Amended Boundaries of Improvement Area No. 1 of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 26, 2016 in Book 79, Page 74 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Building Permit” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for commercial or industrial use.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

“CFD No. 7” means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Exempt Property” means all Assessor’s Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

“Facilities” means only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MDP – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means all Assessor’s Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled “Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Goals and Policies” means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or **“IA No. 1”** means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property in Zone 2, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property in Zone 2. For Annexed Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Annexed Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 73.24 Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years’ Special Taxes, and (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, less (vi) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Amended and Restated Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 73.24 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- **“Zone 1”** means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- **“Zone 2”** means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2016-17, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$0 per Acre.

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$3,512 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

- 1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$3,512 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (73.24).

$$[\$3,512 \times 73.24 = \$257,218.88]$$

- 2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

- 3) The new Maximum Special Tax for Taxable Property within Zone 2, exclusive of Annexed Property, shall equal the result calculated in Step 1, minus the result calculated in Step 2, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (73.24 Acres), exclusive of Annexed Property.

(\$257,218.88 – Step 2 result)/73.24 =
Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A multiplied by the Annexed Property acreage.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Maximum Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than 73.24 Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2016-17 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor’s Parcel of Annexed Property up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor’s Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax.
- Step Two: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional monies are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

“Facilities Costs” means \$2,703,341.58.

“Improvement Fund” means a fund specifically identified in the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Facilities.

“Outstanding Bonds” means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor’s Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor’s Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable fee determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable fee, the City shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor's Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor's Parcel.
2. For each Assessor's Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
3. If Bonds have not been issued, then for each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. If Bonds have been issued, then for each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Facilities Costs. The product shall be the "Bond Redemption Amount," for such Assessor's Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor's Parcel in the current Fiscal Year.
6. Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
7. Subtract the amount computed pursuant to paragraph 6 from the result computed pursuant to paragraph 5. This difference is the "Defeasance."
8. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
9. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of

the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.

10. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_f - A) \times F + A$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_f = the Prepayment Amount calculated according to Section F.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = Administrative Fees calculated in Section F, step 8

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the 2056-57 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 73.24 Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.



Report to City Council

TO: Mayor and City Council

FROM: Michelle Dawson, City Manager

AGENDA DATE: August 16, 2016

TITLE: MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Review the draft *Momentum MoVal* strategic plan for the City of Moreno Valley.
2. Adopt *Momentum MoVal* strategic plan for the City of Moreno Valley as revised per the City Council's deliberation and discussion.

SUMMARY

This report is prepared for the City Council's continued deliberation on the proposed *Momentum MoVal* strategic plan. The City Council initiated public deliberation on this draft plan at its meeting of July 7, 2016. In addition to receiving public comments, Council Members offered comments and suggested revisions. To provide additional time for Council Members to prepare comments and proposed revisions for the Council's consideration, the report was continued to a subsequent City Council meeting within approximately 30 days.

Individual Council Member comments submitted to the City Clerk have been attached to this report for the City Council's consideration.

DISCUSSION

Momentum MoVal will outline the City Council's strategic vision for Moreno Valley's evolution as a premier community where residents and businesses will continue to thrive. This Strategic Plan will align the City's resources and creative energy toward meeting objectives identified by community stakeholders and approved by its elected leaders. As a dynamic and forward leaning endeavor, *Momentum MoVal* will identify the

City's top priorities for the next three to five years while allowing the Council to adjust priorities as needed to address emerging issues. It's a living document with a laser focus on achieving the aspirations of our diverse community.

This draft plan is the outcome of a process that has featured:

- Two community meetings to receive input from residents;
- An online survey that garnered over 350 responses as stakeholders embraced the opportunity to share their priorities for the community;
- The Council's day-long Planning Session, which resulted in consensus of the participating Council Members on key principles to guide development of the Strategic Plan as well as its implementation in the years ahead.
- Publication of the draft plan in May, providing a significant period for public review and comment.

Attachment 1 to this staff report is the *Momentum MoVal* strategic plan, as updated following the City Council's discussion during the July 7th Special Meeting.

Attachment 2 to this staff report is a redlined/strikeout version which shows each of the specific changes incorporated into the updated *Momentum MoVal* strategic plan since the City Council's July 7th deliberations.

The Council will also see that the updated report also includes a new appendix: *Profile of the City of Moreno Valley* prepared by the Southern California Association of Governments in May 2015. The profile provides information on the City's population, housing, transportation, employment, retail sales, and education. It has been added per the Council's July 7th discussion.

The documents are presented to the City Council for review, direction to staff and approval, including all agreed upon revisions, following the Council's deliberation.

FISCAL IMPACT

In developing priorities, objectives and initiatives, the City's financial capabilities have been fully considered. Priorities outlined herein can be achieved within existing staff levels and resources, unless otherwise noted. Staff's recommendations for annual operating and capital improvements budgets will reflect the City Council's policy direction as outlined in the plan as adopted by the Council.

PREPARATION OF STAFF REPORT

Department Head Approval:
Michelle Dawson
City Manager

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. MomentumMoVal
- 2. MomentumMoValRedline
- 3. Mayor Pro Tem Giba PowerPoint Presentation
- 4. Mayor Pro Tem Giba Red Line Comments
- 5. Supplemental Staff Report - Legal Opinion

APPROVALS

Budget Officer Approval	<u>✓ Approved</u>	8/03/16 11:38 AM
City Attorney Approval	<u>✓ Approved</u>	8/03/16 11:39 AM
City Manager Approval	<u>✓ Approved</u>	8/03/16 11:50 AM

MOMENTUM

MoVal

DRAFT dated August 16, 2016



Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



STRATEGIC PLANNING - INTRODUCTION

Momentum MoVal outlines the City Council’s strategic vision for Moreno Valley’s evolution as a premier community where residents and businesses will continue to thrive. This Strategic Plan will align the City’s resources and creative energy toward meeting objectives identified by community stakeholders and approved by its elected leaders. As a dynamic and forward leaning endeavor, Momentum MoVal identifies the City’s top priorities for the next five years while allowing the Council to adjust priorities as needed to address emerging issues. It’s a living document with a laser focus on achieving the aspirations of our diverse community.

A cornerstone to the Strategic Plan process has been active participation by residents and community stakeholders. Their valuable input has been incorporated throughout this document and is showcased in Appendix A.

Momentum MoVal is built around six top priorities toward which our collective efforts will be focused. The Plan features detailed objectives and specific initiatives to achieve the Council’s priorities. These components will serve as the primary Work Plan for efforts by all City employees to fulfill the direction given by the Council. Customer Care standards (Appendix B), which have been incorporated into all aspects of daily service delivery to residents and businesses, will continue to guide staff’s approach and manner in fulfilling the Council’s strategic vision.

This Plan is visionary, while remaining mindful that our community expects its City government to function at peak efficiency. In developing priorities, objectives and initiatives, the City’s financial capabilities have been fully considered. Priorities outlined herein can be aligned and achieved within existing staff levels and resources, unless otherwise noted. Staff’s recommendations for annual operating and capital improvements budgets will reflect the City Council’s policy direction as outlined in this strategic document.

Momentum MoVal is an ambitious plan, as the City Council has a bold vision for Moreno Valley’s future. Success in achieving these objectives won’t be easy, and it shouldn’t be. There is much to be done and community expectations are high. Because strategic vision and accountability go hand in hand, progress in accomplishing the initiatives will be reported regularly and publicly.

Momentum MoVal will take Moreno Valley to new heights...Where Dreams Soar.



Consultant's Comments

Momentum MoVal represents the results of active engagement by Moreno Valley residents and the City Council in charting the community's course into the future. This process was unique in the extensive degree to which resident input was sought by the Council and provided by community stakeholders. The community's buy-in to the Momentum MoVal program will ensure that it continues to reflect changing local needs.

The Council hosted 2 community meetings to receive input from residents. An online survey garnered over 350 responses as stakeholders embraced the opportunity to share their community priorities. The Council's day-long Planning Session, held as a public meeting, was a critical juncture in this process. In this discussion, the Council reached consensus on several key principles to guide development of the Strategic Plan as well as its implementation in the years ahead. These principles included:

- Maintain a unified front. Successful Councils work together, moving in the same strategic direction. Providing clear, unified direction will lead to results at the staff level. Celebrate success in terms of "We" rather than "I".
- Focus on Policy. As effective policy makers, the Council will focus on issues from the policy level (referred to as a "30,000 ft. level" for illustrative purposes). Doing so requires staff to communicate effectively with the Council, to earn the Council's collective confidence that staff is fulfilling Council's goals and policy direction.
- Keep communication open, don't be secretive. Sharing information equally with the Council Members is vital to keeping them all informed as policy makers.
- Maintain a respectful environment. Display courtesy toward one another and toward staff. Respect one another's roles and use of time.
- Focus on Customer Care. Council Members view constituent issues from a Citywide perspective. District Boundaries should not be barriers to assisting constituents; in working with residents, Council Members will keep the District Council Member informed.
- Maintain Perspective. Don't allow a few people to influence perspectives of, and behavior toward, one another. Take a broader perspective.
- Equip new Council Members for success. A comprehensive orientation to acquaint newly elected Council Members on the principles stated above will be very helpful to them in understanding organizational norms and their roles as policy makers.

Momentum MoVal marks a pivotal point in the City's development as a premiere community in Inland Southern California. It has been a distinct pleasure to work with the City Council and residents in identifying the objectives outlined in this visionary document.

Wayne McAfee Ph.D.
Nels Klyver Ph.D.



STRATEGIC PLAN PRIORITIES

ECONOMIC DEVELOPMENT

Meet the current and emerging needs of Moreno Valley by expanding the local economy through:

- new business opportunities;
- job creation;
- strategic partnerships; and
- workforce development.

Provide proactive business attraction, small business development, and business support services that grow the City's economic base to enhance the quality of life for Moreno Valley residents.

PUBLIC SAFETY

Provide effective public safety services to enhance the Quality of Life for Moreno Valley families and to attract businesses to our community. Public safety priorities focus on:

- reducing crime through traditional & innovative policing methods,
- preparing our community for emergencies;
- protecting life and property; and
- exploring cost effective solutions.

LIBRARY

Deliver library services that empower our residents through open access to knowledge, employing both traditional and contemporary methods at a level that is appropriate for a diverse community of over 200,000 citizens.

INFRASTRUCTURE

Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

BEAUTIFICATION, COMMUNITY ENGAGEMENT, AND QUALITY OF LIFE

Promote an active and engaged community where we work together to beautify our shared environment, care for each other, and enjoy access to cultural and recreational amenities that support a high quality of life for all of our residents as envisioned and articulated throughout the City's adopted General Plan.

YOUTH PROGRAMS

Improve the lives and futures of our City's youth by expanding healthy lifestyle choices and learning opportunities. Build systems that continually and effectively assess the conditions affecting families in Moreno Valley, and develop context appropriate strategies responsive to those needs that build on community strengths.

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



VISION

To transform our young city into a mature community that offers its residents and businesses an unsurpassed quality of life featuring abundant recreation, desirable private and public services, varied residential living choices, and well-paying employment opportunities.

MISSION

Maintain a safe and secure environment for the people who live, work, and play in the city.

Promote democracy, inviting citizen involvement while encouraging community self-determination and local control.

Enhance and sustain the economic prosperity of the community and the financial well-being of the city government.

Bring together our community and its resources to address local needs and issues and enhance the quality of life.

Build quality public and private facilities, emphasizing recreational and cultural activities for all ages and interests.

Foster harmony among diverse community groups by providing opportunities for improvement, respecting cultural differences, and treating people equally and fairly.

Respect and conserve our environmental resources for the health and enjoyment of our citizens and future generations.

Advocate for and effectively represent the city’s interests with other governmental and private institutions, and establish cooperative partnerships to improve the quality of life in the region.

Exemplify good government by operating a city business that is open and ethical, customer-friendly, cost-conscious, innovative, technologically advanced, and forward-thinking.

Cultivate a challenging and rewarding work environment– as a “model employer”–that supports our employees and their families, develops people, promotes teamwork, and celebrates humanity.

GOALS

1. Advocacy
2. Revenue Diversification and Preservation
3. Public Safety
4. Public Facilities and Capital Projects
5. Positive Environment
6. Community Image, Neighborhood Pride and Cleanliness



1. ECONOMIC DEVELOPMENT

Meet the current and emerging needs of Moreno Valley by expanding the local economy through:

- *new business opportunities;*
- *strategic partnerships; and*
- *job creation;*
- *workforce development.*

Provide proactive business attraction, small business development, and business support services that grow the City's economic base to enhance the quality of life for Moreno Valley residents.

Objective 1.1: Proactively attract high-quality businesses.

Initiative 1.1.1: Update the Council-adopted Economic Development Action Plan to focus business attraction efforts on key growth industries conducive to the Moreno Valley market such as logistics, green and clean technology, defense, aerospace, e-commerce, healthcare, medical device manufacturing, auto manufacturing (and related fields), robotics, and global trade. (1 year)

Initiative 1.1.2: In the next City budget cycle, allocate additional dollars to expand marketing efforts by increasing advertising placements and sponsorships. (6 months)

Initiative 1.1.3: Affirm competitive development impact fees. (1 year)

Initiative 1.1.4: Advance the Development Services Team as a "Center of Excellence" in serving all customers by use of technology services and tools and streamlining development processes via Accela's ACP project tracking software. Guarantee specific time frames for plan reviews, expedite permitting issuance processes, improve inspection functionality (6 months), and facilitate online applications and services. (9 months)

Initiative 1.1.5: Rebuild the Community Development Department's website presence by making pertinent and useful information easily accessible for review and to provide additional assistance throughout all aspects of the development review process. (9 months)

Initiative 1.1.6: Expand Economic Development digital and online marketing tools including the expansion of proactive marketing with monthly emails, the placement of ten (10) print and digital ads, and development of a dedicated Economic Development website to promote Moreno Valley as the best place to do business. (1 year)

Initiative 1.1.7: Actively participate in and sponsor commercial, medical, office, and industrial brokerage and development-related organizational events and conferences to promote and market Moreno Valley. (2 years)



Initiative 1.1.8: Promote investment in beautification improvements (landscaping, public art, etc.) along strategic business development corridors. (5 years)

Initiative 1.1.9: Conduct 12 business visits per year with major employers and key businesses in Moreno Valley to build relationships; determine business needs, developing new support industries; promote incentive programs such as Hire MoVal; and to identify industry and employer specific educational and training. (1 year)

Initiative 1.1.10: Pursue award opportunities to showcase the City’s innovative Economic Development initiatives. (1 year)

Initiative 1.1.11: Complete the re-brand of the Economic Development Department attraction efforts and launch a dedicated Economic Development website. (6 months)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Finance, Fire Prevention, Moreno Valley Utility, Riverside County Workforce Development, Searle Creative Marketing, Riverside University Health System, Kaiser Permanente, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce, Inland Empire Economic Partnership, Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State, and other business support partners, development and brokerage community, trade organizations

Resources: Economic consultant(s) for the Economic Development Action Plan, outside marketing agency, marketing budget, one (1) additional, full-time Economic Development staff member for business attraction

Objective 1.2: Market the opportunities for quality industrial development in Moreno Valley by promoting the largest industrial business project in California’s history, the World Logistics Center (WLC).

Initiative 1.2.1: Promote WLC on all appropriate marketing collateral, online, and via email outreach. Work with the WLC developer to educate the brokerage community on the status and availability of WLC projects. (years 1-5)

Partners: Economic Development, Community Development (Planning), City Manager’s Office, Media Section, WLC developer

Resources: Economic consultant(s) for the Economic Development Action Plan, outside marketing agency, marketing budget, WLC Development Agreement provisions

Objective 1.3: Promote local hiring through the expansion of local, quality, high paying jobs, and workforce development efforts.

Initiative 1.3.1: Set a target of 1,000 new jobs through business attraction and expansion per year. (years 1-5)

Initiative 1.3.2: Set a target of having an unemployment rate that is lower than the Riverside County unemployment rate. (5 years)

Initiative 1.3.3: Attract a supply chain/logistics and/or medical related trade school. Explore the potential use of City facilities for this purpose. (3 years)

Initiative 1.3.4: Continue to partner with the Riverside County Workforce Development Center to promote job readiness and basic skills training of the local workforce through the hosting of at least six (6) job preparedness and readiness workshops per year at the Moreno Valley Employment Resources Center (ERC) and/or other City facilities. Continue to expand upon existing recruitment service offerings. (1 year)

Initiative 1.3.5: Explore strategic partnerships with business organizations and nonprofits to identify industry specific workforce development training curriculum needs. (2 years)

Initiative 1.3.6: Encourage local partnerships to promote entrepreneurship, basic skills training, and financial literacy initiatives among Moreno Valley adults. (2 years)

Initiative 1.3.7: Promote the development of health care careers by establishing a “hot careers in health care” board at the ERC, giving first priority to health care job providers for recruitments, and hosting two (2) workshops focused on jobs in health care with local partners at the ERC. (1 year)

Initiative 1.3.8: Develop a strategy to utilize World Logistics Center Development Agreement funds dedicated to workforce training in the logistics industry. A total of \$6,993,000 is anticipated for the City’s use to provide and enhance educational and workforce development training in the supply chain and logistics industries. Funds will be received on an annual basis, and in conjunction with construction on the WLC site. Annual payments of \$100,000 will be provided during the first six years under the Development Agreement, with the amount increasing to \$125,000 from the 7th year through the end of the Agreement. A contribution of \$1 million will be provided upon issuance of the first building permit for a logistics building on the WLC property, and additional payments of 11¢ per square foot upon issuance of building permits for each succeeding building. (1 year)

Initiative 1.3.9: Incorporate Moreno Valley Utility (MVU) as part of the Business Visitation Program and enroll five (5) new companies into Hire MoVal. (1 year)



Initiative 1.3.10: Develop a Hire MoVal recognition program. Companies that adopt the "Hire MoVal First" criteria will be recognized at a City Council Special Presentation meeting to receive a City Proclamation. (1 year)

Initiative 1.3.11: Evaluate hiring City staff members to conduct job readiness/job training programs under direct supervision by the Economic Development Department.

Partners: Economic Development, Community Services and Library for provision of job readiness workshops, City Manager's Office, Media Section, Community Development (Planning), Finance, Riverside County Workforce Development, Moreno Valley College, Riverside Community College District, University of California Riverside, prospective trade/professional/non-profit training institutions, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce

Resources: Two (2) additional full-time Economic Development staff members to implement job creation/ workforce development initiatives

Objective 1.4: Promote the development of the Medical Corridor along Nason Street to meet health care demands for residents of Moreno Valley and the region, bring quality jobs, and create business opportunities for ancillary support businesses in the health care industry.

Initiative 1.4.1: Strengthen partnerships with existing medical providers such as Riverside University Health System and Kaiser Permanente to support and encourage expansion efforts. (6 months)

Initiative 1.4.2: Create focused medical/office and elderly care facility marketing collateral to highlight Moreno Valley's unique assets and development opportunities. (6 months)

Initiative 1.4.3: Identify strategic partners to encourage the development of job readiness in high demand health care industries. (6 months)

Initiative 1.4.4: Determine the highest/best use of the City's parcel at Nason Street and Alessandro Boulevard and the exploration of an urban village concept including opportunity to integrate enhanced transit connections between this area and the new Perris Valley Line Metrolink Station west of I-215. Complete land use analysis component of the Nason Street Corridor Study. (1 year)

Partners: Economic Development, City Manager's Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Fire Prevention, Riverside County Workforce Development, Moreno Valley College, University of California Riverside (School of Medicine), Riverside University Health System, Kaiser Permanente, Land Use consultant

Resources: A Land-Use consultant

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



Objective 1.5: Showcase Moreno Valley’s unique assets.

Initiative 1.5.1: Promote and market Moreno Valley’s advantages: second largest City in Riverside County with a growing population, strategic location, easy access to transportation corridors, proximity to ports and markets in Los Angeles, Orange, and San Diego counties, home of March Inland Port – Airport, availability of developable land, committed City leadership and staff, business friendly philosophy, Foreign Trade Zone designation, competitive incentives such as the award winning Hire MoVal program, and the Economic Development Rate Incentive discount from the Moreno Valley Utility. (3 years)

Initiative 1.5.2: Evaluate the current General Plan Community Development Element Land Use Map to identify three potential distinct “town centers” for the City. (1 year)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Moreno Valley Utility, Riverside County EDA, Inland Empire Economic Partnership, March Inland Port Airport - March Joint Power’s Authority

Resources: Funding for land use, architecture/ landscape architecture, engineering consultants to implement a City Gateway and Streetscapes plan would be required for 1.5.2 above

Objective 1.6: Establish Moreno Valley as the worldwide model in logistics development.

Initiative 1.6.1: Expand the State of the City to add an Economic Development Summit component that includes a keynote speaker to discuss annual economic trends and their impact on the City, and offer breakout sessions that would allow participants to provide feedback on issues relevant to business and the local economy. (1 year)

Initiative 1.6.2: Develop a Logistic and Industrial Developer Business Council comprised of logistic and industrial developers to meet and discuss issues impacting development. (1 year)

Initiative 1.6.3: Establish a webpage discussing the priorities and activities of the Logistic and Industrial Developer Business Council with a section that allows businesses to submit feedback and suggestions. (2 years)

Initiative 1.6.4: Pursue speaking and demonstration opportunities at the national and international levels to elevate Moreno Valley’s reputation for smart logistics development. (1 year)

Partners: City Manager’s Office, Media Section, City Clerk’s Office, Economic Development, Community Development (Planning), Community Service, Moreno Valley logistics-related companies, industrial developers

Resources: Additional funding for the State of the City event



Objective 1.7: Promote small business development and entrepreneurship.

Initiative 1.7.1: Continue to provide high quality business support programs such as five (5) Business Roundtables per year, twenty (20) Business Spotlight commercials, Hire MoVal, monthly Shop MoVal print and digital ads, and fifty (50) small business site visits per year.

Initiative 1.7.2: Leverage resources and city facilities to provide quality educational and small business support programs such as workshops, technical and financial assistance, networking, mentoring, and one-on-one counseling through the Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State, and other business support partners. (1 year)

Initiative 1.7.3: Research the feasibility and funding of a one-stop incubator that would include the ERC and a new BRC (Business Resources Center) to encourage the evolution of home-based and small businesses and the expansion of start-ups. (5 years)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development, Parks & Community Services, Finance, Moreno Valley Utility, Riverside County Workforce Development, Moreno Valley College, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce, Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State

Resources: One (1) full-time Economic Development staff member for business support services/small business development

Objective 1.8: Evaluate staff resources and dedicate City funding to invest in aggressive Economic Development activities that will result in increased revenues to the City, additional employment opportunities, and enhanced quality of life for our residents.

Initiative 1.8.1: Evaluate hiring one (1) full time staff member, or equivalent outsourced support, to business attraction such as proactive print and digital marketing, branding, website management, content and email marketing, trade show and industry events planning and attendance, lease mining, site selection assistance, demographics and market analysis, brochure development, database collection, real estate industry liaison, and new business relationship building efforts. (6 months)

Initiative 1.8.2: Evaluate hiring two (2) full time staff members, or equivalent outsourced support, for workforce development, including oversight of the Hire MoVal program, operations at the Moreno Valley Employment Resource Center, job readiness workshops, partnership and relationship building, and new job training initiatives. (6 months for first hire, 18 months for second hire)



Initiative 1.8.3: Evaluate hiring one (1) full time staff member, or equivalent outsourced support, for Business Support Services and Small Business Development, such as Business Visitations, Business Roundtable, Business Spotlight, Chamber of Commerce relations, grants and loan programs, energy efficiency programs outreach, small business visits, business training programs with the Small Business Development Center, SCORE, AmPac Tri-State, and the Small Business Administration, event sponsorships within Moreno Valley, Shop MoVal, Start-up MoVal, and the Business Ombudsman activities. (18 months)

Partners: Economic Development, City Manager’s Office, Administrative Services

Resources: Up to four (4) additional full-time Economic Development staff positions

Objective 1.9: Ensure the City’s General Plan articulates the vision for how Moreno Valley wants to evolve over time, and provides an orderly and predictable process through which this vision is developed and implemented, including new attention to economic development, sustainability, public health, and innovation.

Initiative 1.9.1: Prepare a General Plan Annual Report per Government Code Section 65400 for presentation to the City Council before April 1, 2017, that explains how current land use decisions relate to adopted goals, policies and implementation measures, and as appropriate, identify necessary course adjustments consistent with the Strategic Plan. (1 year)

Initiative 1.9.2: Form a working group of key City staff to research and evaluate the current General Plan as a prerequisite to initiating a comprehensive update of the General Plan. Develop recommendations for a scope of work, inclusive of completing the General Plan Economic Development Element (Chapter 3) envisioned with the last comprehensive General Plan Update completed in 2006, and prepare recommendations on budget and schedule. (1 year)

Initiative 1.9.3: Include consideration of incremental set-aside of funding in annual budget development in anticipation of future General Plan update. (1 year)

Initiative 1.9.4: Conduct a comprehensive update of the City General Plan and supporting environmental document, including all mandatory Elements (except Housing), an Economic Development Element, and other desired optional Elements authorized by the City Council. (3 years)

Partners: City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Finance (Housing), Economic Development, Community Service, Police and Fire

Resources: General plan consultant/firm

2. PUBLIC SAFETY

Provide effective public safety services to enhance the Quality of Life for Moreno Valley families and to attract businesses to our community. Public safety priorities focus on:

- *reducing crime through traditional & innovative policing methods;*
- *preparing our community for emergencies;*
- *protecting life and property; and*
- *exploring cost effective solutions.*

Objective 2.1: Reduce crime, the fear of crime, and the perception of crime in the community.

Initiative 2.1.1: Form a working group, with existing staff, to research, evaluate and test progressive law enforcement programs for use in the City. (6 months)

Initiative 2.1.2: Conduct at least one community survey each year using social media to correctly determine, address, and reduce fear of crime. (1 year)

Initiative 2.1.3: Enhance the use of social media sites to better provide a forum for reporting quality of life issues to include tips, complaints, and crime updates. (6 months)

Initiative 2.1.4: Expand the citywide camera system to include more parks, public gathering areas and sport complexes. (2 years)

Initiative 2.1.5: Add large signage to city entry points alerting the public to the existence of the camera system. (1 year)

Initiative 2.1.6: Provide Crime Prevention Through Environmental Design (CPTED) plan review training to key city staff engaged in plan reviews for new development projects. (1 year)

Partners: Police Department, Community Development, Parks & Community Services Department, Technology Services, Local Business Owners/Groups, Neighborhood Associations, Faith-Based Organizations, Riverside County Department of Public Social Services (DPSS), Neighborhood Watch Program, Homeowners Associations, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Grants and city approved funding sources

Objective 2.2: Engage the community in joint problem solving and crime prevention activities.

Initiative 2.2.1: Target 10% increased public participation at community outreach and education events, such as Coffee with a Cop, Zone Meetings, and Cops and Clergy. (1 year)

Initiative 2.2.2: Provide information regarding Neighborhood Watch programs to all Homeowners Associations in the City. (1 year)

Initiative 2.2.3: Host a CPTED community workshop, and post CPTED information on the city website for public information. (1 year)

Partners: Police Department, Local Businesses, Neighborhood Associations, Faith-Based Organizations, Neighborhood Watch Program, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Byrne Criminal Justice Innovation grant

Objective 2.3: Promote the concept of community policing with residents and Department members.

Initiative 2.3.1: Increase public trust by building our community oriented policing programs like the Officer Friendly Program and Crime-Free Multi-housing. (1 year)

Initiative 2.3.2: Work with new and existing affordable housing providers to help them solve problems and promote a Crime-Free Multi-housing Program. (6 months)

Initiative 2.3.3: Enhance volunteer programs by actively recruiting and sending five new city residents to the Citizen's Police Academy each year. (1 year)

Initiative 2.3.4: Raise public trust by increasing law enforcement's presence at community events. (6 months)

Partners: Police Department, Housing and Urban Development, Community Development, Finance (Housing), local business owners/groups, Neighborhood Associations, Faith-Based Organizations, Parks & Community Services Department, Neighborhood Watch Program, Crime Stoppers, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Byrne Criminal Justice Innovation grant, develop a career development program for High School/College Students for future entry in law enforcement

Objective 2.4: Work with government and non-government agencies to reduce homelessness in the City.

Initiative 2.4.1: Develop and maintain relationships with Housing and Urban Development, Veterans Affairs, Riverside County Department of Public Social Services (DPSS) and other non-governmental organizations to house our homeless. (1 year)



Partners: Police Department, Community Development, Housing and Urban Development, local business owners/groups, Riverside Community College Students, Neighborhood Associations, Faith-Based Organizations, DPSS, Department of Public Works, Parks and Recreation, Center for Problem-Oriented Policing, non-governmental organizations (i.e. Path of Life Ministries, University Women Homeless Center, Jubilee House Sober Living, D & R Turning Point), Family Assistance Program, Place, and the Riverside County 211 Program

Resources: City approved funding sources and grants

Obstacles: Identifying key leaders from various community groups to develop and execute a comprehensive homeless protocol, difficulty identifying funding sources, available staffing resources

Objective 2.5: Develop partnerships with local businesses and warehouse operators to reduce traffic related issues.

Initiative 2.5.1: Develop and implement a Commercial Vehicle Enforcement Team. (1 year)

Initiative 2.5.2: Work with local businesses to develop commercial traffic plans, routes and parking solutions. (1 year)

Partners: Caltrans, California Highway Patrol, Police Department Traffic Unit, local business owners/groups, neighborhood associations, Public Works, Community Development (including existing vendor support)

Resources: City approved funds and applicable grants, professional consultants

Obstacles: Identifying key leaders from various community and business groups to develop a committee/think tank to develop and implement traffic related solutions, available staffing resources, adequate funding

Objective 2.6: Enhance operational excellence and efficiency in delivery of Police services.

Initiative 2.6.1: Begin the important process of building the police department’s sworn staffing levels. Success and timing will reflect availability of resources and status of law enforcement costs. The Riverside Sheriff’s Department often refers to a ratio of 1 officer to each 1,000 residents as an important target for sworn staffing levels. (1 year)

Initiative 2.6.2: Rebuild special teams by adding sworn officers. These teams proactively target violent criminals, street gangs, street-level narcotics sales, and quality of life issues. (2 years)

Partners: Police Department, City Manager's Office, Financial & Management Services

Resources: Allocate funds and identify grants for the increase in police personnel

Objective 2.7: Fully integrate Fire Prevention activities into the City's Development Services processes to provide swift, seamless service.

Initiative 2.7.1: Team with Technology Services and all other development services department to adopt the Accela Civic Platform (ACP). (2016)

Partners: Fire Department, Technology Services, Economic Development, Community Development (Planning, Building and Safety), Land Development, TruePoint Solutions

Resources: ACP project team

Objective 2.8: Enhance communication and coordination with City departments to provide accountability in emergency preparedness activities and minimize redundancy of efforts citywide.

Initiative 2.8.1: Assess and assist other City department efforts to identify, prioritize, and mitigate facility and infrastructure hazards that would advance emergency preparedness. (1 year)

Initiative 2.8.2: Conduct a full-scale Emergency Operations Center Exercise. (2016)

Initiative 2.8.3: Conduct no less than 1 full-scale Emergency Operations Center Exercise in each calendar year. (2016)

Partners: City Manager's Office, Community Development Department, Office of Emergency Management, Fire Department, Police Department, Public Works, Parks and Community Services, Moreno Valley Utility, Media Section, Riverside County Emergency Management Department (EMD), Riverside County Fire, Riverside University Health System, Moreno Valley Kaiser, American Red Cross

Resources: Office of Emergency Management, Fire Department, Riverside County EMD staff, Alert MoVal

Objective 2.9: Building upon momentum established with the El Niño Preparedness initiative, maintain and expand partnerships with community organizations throughout the City.

Initiative 2.9.1: Develop and establish formal agreements or memorandums of understanding (MOU's) with private/non-profit organizations to enhance the City's preparedness and response efforts. (1 Year)

Partners: Office of Emergency Management, City Manager's Office, Fire Department, Police Department, faith-based organizations, community-based organizations, non-profit organizations, Economic Development, Public Works, and key community disaster response agencies

Resources: Existing City staff from City departments, Moreno Valley (MVUSD) and Val Verde (VVUSD) Unified School Districts, various meetings and committees (i.e. Operational Area Planning Committee, NorthWest Comm, Volunteer Organizations Active in Disaster, etc.)

Objective 2.10: Ensure that the City's emergency management program (including mitigation, preparedness, response and recovery) addresses needs of persons with disabilities and people with access and functional needs.

Initiative 2.10.1: Revise the City's Emergency Operations Plans to ensure each City department includes consideration of accommodations, services, and strategies for serving the City's population of persons with disabilities and people with access and functional needs and is compliant with state and federal regulations. (1 Year)

Initiative 2.10.2: Enhance the current system for identifying and locating persons with disabilities and people with access and functional needs during an emergency, document suitable shelter infrastructure, and ensure specialized equipment and other support is available during emergencies. (3 years)

Initiative 2.10.3: Enhance the level of emergency preparedness to meet the needs of People with Access and Functional Needs (PAFN) during major emergencies or disasters by: (2 years)

- strengthening existing and initiating 5 new relationships with civic stakeholders including schools, care and medical organizations who know of and provide services to PAFN;
- increasing resident registration of PAFN during an emergency with the City's alert and notification system, Alert MoVal, by 10% per year;
- identifying and building relationships with 5 vendors who provide specialized equipment and resources specifically designed to assist PAFN and that can be made available during disasters;
- coordinating and conducting an annual emergency preparedness seminar tailored to PAFN; and
- offering a PAFN Community Emergency Response Training class to members of the community and surrounding jurisdictions.

Partners: Office of Emergency Management, Riverside County Department of Public Social Services (DPSS), Moreno Valley (MVUSD) and Val Verde (VVUSD) Unified School Districts, Fire Department, Police Department, Parks and Community Services, Media Section, Technology Services, community-based organizations, faith-based organizations, non-profit organizations, and local medical providers



Resources: Office of Emergency Management staff, Alert MoVal (emergency alert and early warning notification system), various meetings and committees, civic stakeholders

Objective 2.11: Protect people and property against animal related injury and nuisance through enforcement of local and state animal welfare laws and ordinances.

Initiative 2.11.1: Provide effective training and public education programs regarding the importance of responsible pet ownership, rabies awareness, mandatory spay/neuter and micro-chip ordinances, leash law, control of the feral cat population and re-homing options in an effort to reduce the intake of animals by 3% annually over the next three years. (1 year)

Initiative 2.11.2: Respond to citizen calls for service the day they are received or within 24 hours for low priority calls received near or after the end of a work shift. (6 months)

Initiative 2.11.3: Conduct weekly proactive patrols in close proximity to schools, parks and areas identified as having the greatest number of stray animals reported in an effort to reduce dog bites by 5%. (6 months)

Partners: Local school district, civic groups, Animal Services, Police Department, Park Rangers

Resources: Current staffing levels in Animal Services allow the division to meet a minimal level of services

Objective 2.12: Evaluate results of Feasibility Study regarding the concept of forming a multi-agency Joint Powers Authority for provision of police services.

Initiative 2.12.1: Present results of Feasibility Study to the Public Safety Sub-Committee. (6 months)

Initiative 2.12.2: Present Public Safety Sub-Committee findings to the City Council via Study Session. (2017)

Partners: Finance, City Manager’s Office, local cities contracted with Matrix Consulting to complete the initial feasibility analysis

Resources: The initial funding for the contract has been approved by the City Council and Matrix Consulting is currently engaged on the project

Objective 2.13: Update the City’s Local Hazard Mitigation Plan to identify risks and vulnerabilities associated with disasters, including developing long-term strategies for protecting the health, safety and welfare of people and reduce harm to existing and future property from hazard events.



Initiative 2.13.1: Establish a planning committee to identify and assess potential hazards in the community. (6 months)

Initiative 2.13.2: Establish mitigation strategies for the recognized hazards including goals, objectives and associated costs. (6 months)

Initiative 2.13.3: Provide community outreach to encourage stakeholder and public participation in the monitoring and evaluation of the plan. (1 year)

Partners: Fire Department, Community Development, Economic Development, Public Works, City Manager’s Office, Parks and Community Services, Moreno Valley Utility, Financial & Management Services, Riverside County Emergency Management Department

Resources: Southern California Edison, Eastern Municipal Water District, Moreno Valley Unified School District, Val Verde Unified School District, Moreno Valley Community College, Riverside University Health System, Kaiser Permanente Moreno Valley and community members



3. LIBRARY

Deliver library services that empower our residents through open access to knowledge, employing both traditional and contemporary methods at a level that is appropriate for a diverse community of over 200,000 citizens.

Objective 3.1: Open a satellite branch library by December, 2017.

Initiative 3.1.1: Identify funding sources, including but not limited to, Development Impact Fees , grant opportunities, etc. (9 months)

Initiative 3.1.2: Identify appropriate location for a satellite branch library by conducting public outreach sessions and/or a community needs assessment to determine areas in greatest need and with greatest interest of neighborhood library services. Consider public transportation access to potential new locations. (1 year)

Initiative 3.1.3: Seek out public and private partnerships to expand Library services including joint use space with schools and private businesses. Investigate store-front or mall locations, as well as self-serve library options. (1 year)

Initiative 3.1.4: To reduce overall costs associated with opening a satellite branch, automate services to decrease additional staffing needs including self-check-out for books, DVD & CD kiosks and laptop kiosk. (9 months) To minimize the need for additional overall staffing to operate a satellite branch, maximize automation at Main Library and explore completely self-serve library options for other locations. (At satellite opening, by December 2017)

Initiative 3.1.5: Consider sale of surplus City properties for one-time revenue generation to be used to fund Library equipment and materials. (1 year)

Partners: Administrative Services, Finance, City Manager’s Office, Community Development

Resources: Approved expenditures for facilities as well as approved ongoing operating expenses for satellite location, professional consultants

Objective 3.2: Expand the library’s technology program to enhance job readiness in our community.

Initiative 3.2.1: Develop a robust training program to include basic computer classes and basic MS Office software training. (4 months)

Initiative 3.2.2: Investigate the feasibility of a Lend-and-Learn program enabling patrons to receive training on the use of new technology as well as the ability to check out devices from the library. (9 months)



Partners: Library, Amazon (tablet/e-reader donation), training partners

Resources: Approved funding for additional computer training courses and tablet/e-reader lend and learn program if unable to secure volunteer trainers and donated technology

Objective 3.3: Partner with outside organizations to expand the range of workshops and programs provided to the community.

Initiative 3.3.1: Expand reading and language (ESL, Spanish) classes. (years 1-5)

Initiative 3.3.2: Promote job readiness by providing workshops on resume writing, job interviewing, career readiness and life skills four times per year. (6 months)

Initiative 3.3.3: Conduct public information workshops on topics such as tax filing assistance, social security, signing up for Covered California. (6 months)

Initiative 3.3.4: Conduct health and wellness workshops to address areas of interest to various age groups six times per year. (1 year)

Initiative 3.3.5: Organize workshops and presentations on arts, entertainment and recreation subjects including gardening, painting, writing, history, music and other popular subjects on a monthly basis. (1 year)

Initiative 3.3.6: Introduce a Community Lending Library program by providing 6 library boxes to neighborhoods (as demonstration projects) and defining standards for private construction/installation of library boxes. (1 year)

Partners: Administrative Services (Library), Economic Development, Community Services, Community Development, individuals or organizations to sponsor "Little Libraries," volunteer/training/workshop partners, Moreno Valley Unified School District, Val Verde Unified School District

Resources: Funding for Little Libraries if unable to secure grant or donations



4. INFRASTRUCTURE

Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

Initiative 4.1.1: Contract with a consultant to assist the City in identifying and analyzing options regarding the organizational structure of the utility. (1 year)

Initiative 4.1.2: Prepare a comprehensive Strategic Plan that includes the following tasks. (2 years)

- 1) Update the Distribution System Plan to identify and prioritize infrastructure needed to meet customer demand for electricity; analyze the impacts of the proliferation of customer-owned solar systems on the distribution system.
- 2) Update the Integrated Resource Plan to identify future power supply needs for the utility and recommend the optimal mix of resources (such as purchase vs. utility-owned generation, renewable energy, etc.).
- 3) Update the utility rates model and review/explore the existing policy of maintaining parity with SCE rates.
- 4) Analyze financial reserve recommendations to fund a portion of the infrastructure identified in the Distribution System Plan, provide funding for the replacement of equipment and/or infrastructure in the event of an emergency, and provide operating and rate stabilization reserves.

Partners: Public Works, Finance, City Council and industry experts to evaluate items and complete a plan

Resources: Staffing and financial resources will be provided through the Utility

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Initiative 4.2.1: Present initial infrastructure needs assessment information to the City Council at a study session. (6 months)

Initiative 4.2.2: In partnership with the Riverside County Flood Control District, review and update Flood Control Master Plans and associated Area Drainage Fees such that plans reflect current stormwater needs. (1 year)

Initiative 4.2.3: Review and update development construction practices with developers to explore the installation of full street improvements along project frontages. (1 year)

Initiative 4.2.4: Develop/update a complete GIS-based inventory of all transportation and stormwater related assets. (2 years)

Initiative 4.2.5: Prepare an updated and fully comprehensive infrastructure needs assessment. (3 years)

Partners: Flood Control District, Building Industry Association (BIA), National Association of Industrial and Office Parks (NAIOP), Technology Services

Resources: Public Works, Community Development, Technology Services, Flood Control District staff, development community

Objective 4.3: Address deferred maintenance of City infrastructure assets.

Initiative 4.3.1: Prepare a Deferred Maintenance Plan that assesses safety, adequacy, and liability implications, estimates repair costs and recommends priorities to be programmed in future budgets. (2 years)

Initiative 4.3.2: Aggressively pursue funding strategies and identify sources to fund the Deferred Maintenance Plan activities. (2 years)

Initiative 4.3.3: Use a five-year Deferred Maintenance Plan to strategically finance identified needs such as the annual pavement crack treatment, slurry seal program, and associated ADA improvements at curb ramps and sidewalks. (2 years)

Partners: Public Works, Western Riverside Council Of Governments (WRCOG), Riverside County Transportation Commission (RCTC), City’s Traffic Safety Commission, Professional Organizations

Resources: WRCOG staff, RCTC staff, Professional consultants

Objective 4.4: Control Street Lighting costs.

Initiative 4.4.1: Determine whether or not to move forward with acquisition of Southern California Edison-owned street lights. (Prior to October 27, 2016)

Initiative 4.4.2: If acquisition of SCE street lights is pursued, fully analyze and determine ownership as City-owned or MVU-owned, establish policies and plans on converting from High Pressure Sodium Vapor (HPSV) to Light Emitting Diode (LED), and street light spacing. (2 Years)



Partners: Public Works, Finance, Southern California Edison (SCE), Moreno Valley Utility (MVU), ENCO Utility Services, City staff and Bond Financing Team

Resources: City staff and consultants (e.g. legal, lighting)

Objective 4.5: Explore green/renewable innovations and technologies for new developments such as the World Logistics Center.

Initiative 4.5.1: Develop renewable pavements such as porous asphalt and concrete for streets and sidewalks for drainage self-sufficiency. (3 years)

Initiative 4.5.2: Develop renewable landscape designs for drought tolerance and irrigation self-sufficiency. (4 years)

Partners: Public Works, Community Development, Building Industry Association (BIA), National Association of Industrial and Office Parks (NAIOP), Professional Organizations, development community, Riverside County Flood Control, Eastern Municipal Water District (EMWD)

Resources: Professional consultants, City staff, and all entities listed above under partners

Objective 4.6: Advance the development of a well-connected and balanced citywide transportation network that serves all modes.

Initiative 4.6.1: Complete the Juan Bautista De Anza Regional Trail. (3 years)

Initiative 4.6.2: Secure funding to construct Indian Street across Lateral A channel crossing. (4 years)

Initiative 4.6.3: Secure funding and construct Heacock Street connection to Harley Knox Boulevard. (5 years)

Initiative 4.6.4: Secure funding and construct Graham Street Bridge over SR-60. (6 years)

Partners: Public Works, Community Development, Department of Water Resources (DWR), Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), MVUSD, VVUSD, Caltrans, Lake Perris, City of Perris

Resources: Active Transportation Program (ATP), Caltrans Recreational Trails, and Congestion Mitigation and Air Quality (CMAQ) grants, WRCOG, RCTC, professional consultants



Objective 4.7: Demonstrate innovative and industry leading transportation systems.

Initiative 4.7.1: Seek a demonstration project for a Protected Intersection / Protected Bicycle Lanes (Cycle tracks) Corridor. (2 years)

Initiative 4.7.2: Develop roundabout corridors similar to Theodore proposed by WLC, to replace stops signs and/or traffic signals. (4 years)

Partners: Public Works, Community Development, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Caltrans, Active Transportation consultants

Resources: Active Transportation Program (ATP) / CMAQ Grants, WRCOG, RCTC

Objective 4.8: Promote transit as an essential mode of transportation.

Initiative 4.8.1: Collaborate with Riverside Transit Agency (RTA) to explore Transit Signal Priority Corridors. (2 years)

Initiative 4.8.2: Collaborate with RTA to explore Bus Rapid Transit Routes. (4 years)

Initiative 4.8.3: Collaborate with Riverside Transit Agency to consider a partnership with the City to build an Intermodal Transit Center at Alessandro/Nason. (3 years)

Initiative 4.8.4: Encourage Riverside Transit Agency to establish routes between Metrolink Station and major employers in the City. (3 years)

Partners: Public Works, Community Development, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Riverside Transit Agency (RTA)

Resources: RTA, WRCOG, RCTC

Objective 4.9: Expand upon existing Intelligent Transportation Systems.

Initiative 4.9.1: Approach research and development companies to develop Moreno Valley as a test-bed for connected vehicle technologies. (1 year)

Initiative 4.9.2: In partnership with local and regional agencies, host a Regional Transportation Summit. (1 year)

Partners: Public Works, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Caltrans, Fisker/Karma and other local manufacturers, Intelligent Transportation System (ITS) Consultants



Resources: WRCOG, RCTC, US Department of Transportation

Objective 4.10: Enhance Moreno Valley’s way-finding throughout the City for residents and visitors.

Initiative 4.10.1: Expand the installation of updated welcome and directional signs at all gateways into the City and other key destinations. (1 year)

Initiative 4.10.2: Identify opportunities and develop strategies to use technology, social media, communication applications, etc. to assist and enhance resident and visitor way-finding needs throughout the City. (2 years)

Initiative 4.10.3: Install solar powered lighting to all updated welcome and directional signs to enable night visibility. (2 years)

Partners: Public Works, Community Development, local businesses and HOAs

Resources: City budgets, City staff

5. BEAUTIFICATION, COMMUNITY ENGAGEMENT, AND QUALITY OF LIFE

Promote an active and engaged community where we work together to beautify our shared environment, care for each other, and enjoy access to cultural and recreational amenities that support a high quality of life for all of our residents as envisioned and articulated throughout the City's adopted General Plan.

Objective 5.1: Establish partnerships and volunteer programs with residents, business groups and service clubs to beautify our community.

Initiative 5.1.1: Fully implement the Volunteer Community Clean Up Program in which Code Compliance staff identifies distressed properties and partners with volunteers to provide labor to address compliance issues. Refocus outreach efforts from students to service clubs, commencing with Moreno Valley Noon Rotary. (6 months)

Initiative 5.1.2: Establish an annual Day of Volunteerism. (6 months)

Initiative 5.1.3: Identify funding and fully implement the Keep Moreno Valley Beautiful Adopt-a-Street Program. (1 year)

Initiative 5.1.4: Enhance branding program for Keep Moreno Valley Beautiful by partnering with other government agencies. (2 years)

Initiative 5.1.5: Expand existing weekend weed and litter abatement program performed by community service workers to include a weekday program. (2 years)

Initiative 5.1.6: Explore the development of a volunteer patrol to combat illegal dumping. (2 years)

Partners: Public Works, Community Development, Fire Department - Office of Emergency Management & Volunteer Services, School Districts, Service organizations/clubs, Keep Moreno Valley Beautiful Board, Keep America Beautiful National Organization, Chambers of Commerce, community service organizations, neighborhood groups/HOAs, business community, Riverside Transit Agency (RTA), school/college districts, contractors, Riverside County Sheriff's Department (community service workers)

Resources: City staff, consultant services, and contractors

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

Initiative 5.2.1: Assertively reach out and seek partnerships with property owners in existing landscape maintenance districts to stabilize funding to maintain or enhance residential tract landscaped areas (reverse landscaping). Conduct at least 3 mail ballot initiatives per year. (1 year)

Initiative 5.2.2: Develop comprehensive City Gateway and Streetscape plans establishing a framework guiding future landscape, tree planting, lighting, walls/fences, monuments, banners and identification signage within public right-of-way and freeway corridors. (3 years)

Initiative 5.2.3: Consider an ordinance requiring that vacant parcels near businesses and homes be enclosed by fences with privacy slats. (1 year)

Initiative 5.2.4: Develop a program to assist neighborhoods in installing landscaping in reverse frontages and annexation into special district to finance cost of improvements and ongoing maintenance. (1 year)

Initiative 5.2.5: Use the City’s media tools to educate the community on the benefits of well-maintained landscaping on property values, the positive impact on economic development, xeriscaping, and water conservation techniques. (1 year)

Initiative 5.2.6: Modify the Municipal Code to clarify property owner responsibility for parkway landscape maintenance, within City right of way, immediately fronting private property. (2 years)

Initiative 5.2.7: Implement a program to install decorative hardscape in reverse frontages. (5 years)

Initiative 5.2.8: Implement a fence program in applicable areas within the special districts. (3 years)

Partners: Community Development (Planning, Code Enforcement), Media Section, property owners, residents and businesses, Special Districts, Maintenance and Operations, City Attorney’s Office, Capital Projects, Land Development, Transportation Engineering, Moreno Valley Utility, utility companies

Resources: Funding/budgets, City staff, consultant services, and contractors

Objective 5.3: Achieve Tree City USA Community recognition through the Arbor Day Foundation.

Initiative 5.3.1: Adopt a Tree Care Ordinance. (1 year)

Initiative 5.3.2: Establish a Tree Board or Department. (1 year)



Initiative 5.3.3: Establish a Community Forestry Program with an annual budget of at least \$2 per capita. (1 year)

Initiative 5.3.4: Conduct an Arbor Day observance and proclamation. (1 year)

Partners: City staff, Arbor Day Foundation, property owners, utility companies

Resources: Public Works, Community Development

Objective 5.4: Actively and aggressively address homelessness in Moreno Valley.

Initiative 5.4.1: Compile updated, accurate resource information into one document/brochure and share with public safety, code enforcement, and nonprofit staff members. (6 months)

Initiative 5.4.2: Provide/expand training to public safety and code enforcement staff on effective strategies for interaction with homeless individuals. (6 months)

Initiative 5.4.3: Increase local nonprofit agency participation in the City-hosted quarterly roundtable meetings to assist the coordination of services throughout the City and region. Increase nonprofit agency participation by 10% each year. (1 year)

Initiative 5.4.4: Seek new or supplemental funding sources to provide ongoing programs (to include job training and emphasis upon homeless veterans) throughout the City and the region. Continually research best practices in addressing the issue. (years 1-5)

Initiative 5.4.5: Continue to monitor legislation for any changes that may impact the funding for services or the rights of homeless individuals. (years 1-5)

Partners: Finance, City Manager’s Office, Housing and Urban Development, Veterans Affairs, Riverside County Department of Public Social Services (DPSS), Riverside County Continuum of Care and local non-profit agencies, Community Development, Media Section

Resources: Financial, personnel, and technical resources may be provided from various partners, professional consultants

Objective 5.5: Promote a healthy community and lifestyle.

Initiative 5.5.1: Develop a “Healthy Moreno Valley” Campaign. Seek funding from local business partners, school districts, and service clubs, as well as pursue grant opportunities, for this purpose. (1 year)

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Initiative 5.5.2: Consider incorporation of a Health Element in the General Plan. (3 years)

Initiative 5.5.3: Explore a partnership with the County to enhance the use of Box Springs area as a major hiking, walking, and mountain biking recreational destination. (3 years)

Initiative 5.5.4: Explore and promote the San Jacinto wildlife area adjacent to the World Logistics Center as a major hiking and mountain biking destination. (5 years)

Initiative 5.5.5: Engage the community and cities in the region by hosting and/or participating in Mayor’s Cup sports competitions. (1 year)

Partners: Public Works, Community Services, Economic Development, Community Development, Media Section, County of Riverside, Western Riverside Council Of Governments (WRCOG), local health organizations, Inland Empire Biking Alliance, sporting goods stores, Office on Aging, Community Action Partnership, local churches, private health clubs and gyms, Moreno Valley Unified School District, Val Verde Unified School District, Recreational Trails Board, Inland Empire Health Plan, Riverside University Health System, Family Service Association

Resources: Funding for plan development and support for professional consultants

Objective 5.6: Enhance community outreach, partnership opportunities, and stakeholder ownership of the City’s parks and recreation services, programs and events.

Initiative 5.6.1: Implement a new and improved Parks and Community Services Department website providing interactive and user friendly applications for residents to reserve amenities and register for programs. (1 year)

Initiative 5.6.2: Reinvent and market the City’s Adopt-A-Park and Adopt-A-Trail programs to obtain at least two business, non-profit and/or service clubs to actively participate in these programs. (1 year)

Initiative 5.6.3: Enhance community awareness of the many ways that “Parks Make Life Better” by promoting a related poster and/or photography contest. (1 year)

Initiative 5.6.4: Collaborate with two service clubs and/or non-profits and a local radio station for in-kind and/or financial sponsorships of the City’s first Christmas Tree Lighting Ceremony. (1 year)

Initiative 5.6.5: Establish a collaborative, strategic partnership with a different community organization or stakeholder for each community “signature” special event. (1 year)

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



Partners: Community Services, City Council Office, local radio stations, service clubs, churches, private corporations

Resources: Media Section, new recreation management software, social media, Moreno Valley Chamber of Commerce, Hispanic Chamber of Commerce, Moreno Valley Black Chamber of Commerce

6. YOUTH PROGRAMS

Improve the lives and futures of our City's youth by expanding healthy lifestyle choices and learning opportunities. Build systems that continually and effectively assess the conditions affecting families in Moreno Valley, and develop context appropriate strategies responsive to those needs that build on community strengths.

Objective 6.1: Provide employment training and support for Moreno Valley youth between the ages of 16 – 21 years.

Initiative 6.1.1: Implement the Summer at City Hall program with the Val Verde Unified School District and analyze the effectiveness of the program with the intent to grow this initiative in future years. (6 months)

Initiative 6.1.2: Collaborate with the Youth Opportunity Center to strengthen interview and job skills for employment opportunities in utilizing the Expanded Subsidized Employment program. (6 months)

Initiative 6.1.3: Offer courses through contractors and in-house City staff such as computer training, technology skills, and resumé assistance for youth ages 16-21 years. (6 months)

Initiative 6.1.4: Partner with the Youth Opportunity Center to promote courses targeting at-risk, homeless, dropouts and foster children. (1 year)

Initiative 6.1.5: Implement a Parks and Community Services Department youth volunteer program to add at least 15 youth volunteers. (1 year)

Partners: Economic Development, Community Services, Library for provision of job readiness workshops, Youth Opportunity Center, Riverside County, Inland Coalition

Resources: Contract instructors, Moreno Valley College, Moreno Valley Unified School District, Val Verde Unified School District, University of California Riverside, social media, funding from school districts

Objective 6.2: Improve health, wellness and fitness for Moreno Valley youth through recreation and sports programs.

Initiative 6.2.1: Identify new trends and best practices of health and fitness recreation and athletic programs youth between the ages of 7-12 years. (1 year)

Initiative 6.2.2: Establish a collaborative partnership with local non-profit, school district and/or service club(s) in implementing a health and wellness program for Moreno Valley, including a

youth-focused element. (1 year)

Initiative 6.2.3: Implement a collaborative partnership with University of California, Riverside's Food Program at City camps and Time for Tots programs. (6 months)

Initiative 6.2.4: Promote nutrition education to improve students' health and reduce childhood obesity through family information sharing and after-school recreation health/wellness programs. (6 months)

Initiative 6.2.5: Develop a public/private partnership between the City and Boys & Girls Club to identify a facility for the Moreno Valley Boys and Girls Club. (1 year)

Initiative 6.2.6: Identify and develop a pilot program between the City and Boys & Girls Club to provide youth recreation and/or sports programming. (1 year)

Initiative 6.2.7: Actively engage community groups regarding opportunities to participate in and sponsor programs to serve Moreno Valley's youth. (3 years)

Partners: Community Services, Boys and Girls Club, Moreno Valley Unified School District, Val Verde Unified School District, hospitals, nutrition shops, Community Development Department

Resources: California Parks and Recreation Society, health and fitness clubs, Media Section, social media, fitness magazines, Peach Jar, National Recreation and Parks Association, University of California, Riverside

APPENDIX A-RESULTS OF THE PUBLIC SURVEY

City of Moreno Valley Council Priorities Survey

1. Please check up to 6 items that are most important to you.

Answer Options	Response Percent	Response Count
9. Attract more technology jobs and jobs that require high education levels; market MV College; add a 4 year college; livability & sustainability - increase per capita income	42.3%	151
27. Increase Public Safety to build a safer city	34.5%	123
3. Create a distinct plaza, downtown area for arts & music	33.6%	120
8. Attract more businesses to provide quality job creation; develop Edgemont area to create jobs; increase marketing efforts to businesses; advertise our successes	26.3%	94
31. Beautify residential sections of the city; remove trash from around the city; plant more trees	25.8%	92
1. Increase size of the library and/or add satellite library locations; grant more authority to the Library Commission; consider more private-public partnerships related to library services	23.5%	84
36. Attract more sit-down restaurants	21.0%	75
11. Strengthen the Hire MoVal program to keep residents working locally	20.2%	72
4. Attract a major sports complex/center that will have regional significance	19.9%	71
17. Unite behind World Logistics Center to make it successful; market success of World Logistics Center	18.8%	67
5. Place a Library in a building at the mall; host an under 21 club in evenings; have weekend hours; offer free Wi-Fi; significantly increase the size of the Library or open multiple branches; modernize the Library facility; recognize that the Library serves a Community Services program facility	18.5%	66
15. Make it easier to start businesses; be more business friendly; give assistance completing city forms	14.8%	53
38. Create more recreation activities for the youth; increase promotion of sports organizations	14.8%	53
22. Lower business taxes and utility fees	14.0%	50
44. Traffic signal coordination	14.0%	50
29. MV Ranch Golf Course rehabilitation plan; do not allow development but keep it as a golf course	13.4%	48
21. Attract grocery stores in areas where they are needed	13.2%	47
14. Market our successes attracting larger businesses; Moreno Valley as the place to be	12.9%	46
13. Attract more locally owned, small businesses	12.3%	44
40. Infrastructure improvements to handle flooding, earthquakes, streets	11.5%	41
26. Decrease delinquency	10.9%	39
20. Need first-time home buyer incentive program to raise everyone's home values	10.6%	38
12. A Technology Trade School is needed; regulate Trade schools	10.4%	37
7. Develop an Arts friendly environment; create an Arts district with businesses	10.1%	36
18. Develop a program to match residents to jobs; make it easier for new businesses to find local workers; train local workers on basic job etiquette	9.0%	32
32. Create a distinct plaza and gathering place	9.0%	32
39. Improve public transportation routes & frequencies; expand & connect transportation corridors outside MV; transit to be friendly to the disabled	9.0%	32

producing organic, local grown products)		
10. Create one strong Chamber of Commerce	8.4%	30
42. Add multi-purpose lanes thru Reche Canyon; add bicycle lanes throughout city; Healthy Community Strategy	8.1%	29
34. Restore a positive identity and perceptions; emphasize unique items, views, landmarks, etc.	7.6%	27
6. Emphasize the unique views and landscapes in MV	7.0%	25
2. Add landmarks to demark where the city starts	5.9%	21
30. More active code enforcement, south MV is center of distribution	5.6%	20
33. Hold additional forums and Town Halls to improve communications between the city and citizens	5.6%	20
35. Add parks and playgrounds on the north side of town near Palm Middle School	5.3%	19
37. Improve city ordinances concerning barking dogs so that the complaining neighbor is not pitted against the dog owner but the city has the power to proscribe training for the dog	5.0%	18
41. Improve water quality in Edgemont	5.0%	18
25. Limit vehicles w/ more than 2 axles near schools	4.5%	16
16. Stable revenues to fund services and offer our children jobs; wealth creation	4.2%	15
43. Design streets to keep traffic local; safe travel; round-about; not to facilitate highways	4.2%	15
23. Attract modern office buildings for small business owners that live in the city	3.1%	11
28. Define architectural standards for new construction; home developments require vinyl fences	2.8%	10
19. Need business incubator to help start local businesses	2.5%	9
45. Install barriers at Theodore south of Alessandro and near the east end of Cactus to stop illegal dumping	2.5%	9
46. Attract development of a skyscraper (15 stories) or an iconic bridge	2.2%	8
47. Add sidewalks at Heacock Street & Gregory	2.2%	8
<i>answered question</i>	357	2,052

APPENDIX B

MORENO VALLEY

SERVICE THAT SOARS

Customer Care Standards

In Moreno Valley, we provide exceptional customer care by...

Providing same day response Resolving an issue or completing a request is seldom accomplished in just a day, but striving to acknowledge the request the day it is received provides “same day response” and exemplary service.

Knowing first impressions matter Our professionalism is judged based on appearance, attitude, manners, knowledge, and abilities. It is a package; we risk making a bad impression if we fail on even one count.

Ensuring a positive experience A negative attitude affects service quality and morale. We resolve to stay positive because we know our approach dramatically affects our customers’ and coworkers’ experience.

Asking and listening We never assume to know what our customers need. Good questions evoke good answers, but only if we listen. Resolving to not interrupt, we exercise patience and we pay attention.

Connecting We make eye contact, smile, and acknowledge every customer. When speaking to a customer, we address them by name using formal address (e.g. Mr. or Ms.), and let them decide if we’re on a first name basis.

Respecting our customers’ concerns To some, government can seem like a complex bureaucracy. We put a human face on the customer’s dealings with our City. We work to put our customers at ease and to earn their trust.

Treating customers like they have a choice Customers of government agencies often do not choose to do business with us, they have to. We meet this challenge by providing exceptional service.

Remembering who we work for It may not always be possible to say “yes” but our customers and co-workers must know that we have done our best to help them accomplish their goal.

Knowing our business To provide accurate information, we must know our jobs and have a thorough understanding of agency processes. Providing accurate information is critical; to do so, we work with staff, consult supervisors, conduct research, and keep up-to-date with industry best practices.

Understanding the difference between fast and efficient service We use knowledge, skills, and resources to respect our customers’ time, but we never rush – it is impolite and it dramatically impacts the relationship and the outcome.

Questioning the status quo We do not do things the same old way just because that is “how we’ve always done it.” We were hired to use our experience and skills to improve public service – and we take the process improvement challenge to heart.

Keeping our word We manage expectations by setting reasonable goals. Giving careful thought to timelines, we always remember that our word is our bond as we promote honesty, responsibility, and accountability.

Treating customers like people, not footballs Customers notice how many interactions are required to get the answers they need. If we need to hand off a customer, it should be to the right person, and that person should be provided with the pertinent facts to ensure a seamless transition.

Seeing the big picture Identifying improvement opportunities throughout the organization requires a field of vision that expands beyond one’s workstation. “That’s not my job” is not part of our vocabulary. We engage, participate, and contribute.

Encouraging feedback Comments, suggestions, and criticism help us measure our success and promote improvement. We demonstrate commitment to our customers by asking how we can do better.

Saying “Thank you” Technical knowledge simply isn’t enough; our careers and livelihood depend on our success in providing exceptional customer care. At every opportunity, we show sincere care, compassion, gratitude and appreciation. We go above and beyond to provide “service that soars.”

APPENDIX C



Southern California Association of Governments (SCAG) Profile of the City of Moreno Valley

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



Profile of the City of Moreno Valley

Southern California Association of Governments' (SCAG) Regional Council includes 69 districts which represent 191 cities in the SCAG region.

SCAG Regional Council District 69 includes Moreno Valley and Perris
Represented by: Hon. Jeffrey Giba



LOCAL PROFILES REPORT 2015

This profile report was prepared by the Southern California Association of Governments and shared with the City of Moreno Valley. SCAG provides local governments with a variety of benefits and services including, for example, data and information, GIS training, planning and technical assistance, and sustainability planning grants.

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Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

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I. Introduction

The purpose of this report is to provide current information and data for the City of Moreno Valley for planning and outreach efforts. Information on population, housing, transportation, employment, retail sales, and education can be utilized by the city to make informed planning decisions. The profile provides a portrait of the city and its changes since 2000, using average figures for Riverside County as a comparative baseline. In addition, the most current data available for the region is also included in the Statistical Summary (page 3). This profile demonstrates the current trends occurring in the City of Moreno Valley.

The Southern California Association of Governments (SCAG) is the largest Metropolitan Planning Organization (MPO) in the nation. The SCAG region includes six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities. As the designated MPO, SCAG is mandated by federal law to research and develop a Regional Transportation Plan (RTP), which incorporates a Sustainable Communities Strategy (SCS) per California state law. SCAG is currently undertaking a variety of planning and policy initiatives to foster a more sustainable Southern California.

In 2008, SCAG initiated the Local Profiles Project as a part of a larger initiative to provide a variety of services to its member cities and counties. Through extensive input from member jurisdictions, the inaugural Local Profiles Reports were released at the General Assembly in May 2009. The Profiles have been updated every two years.

Local Profiles provide basic information about each member jurisdiction including, but not limited to, the following:

- How much growth in population has taken place since 2000?
- Has the local jurisdiction been growing faster or slower than the county or regional average?
- Have there been more or fewer school-age children?
- Have homeownership rates been increasing or decreasing?
- How and where do residents travel to work?
- How has the local economy been changing in terms of employment share by sectors?
- Have the local retail sales revenues recovered to pre-recession levels?

Answers to questions such as these provide a snapshot of the dynamic changes affecting each local jurisdiction.

Factors Affecting Local Changes Reflected in the 2015 Report

Overall, member jurisdictions since 2000 were impacted by a variety of factors at the national, regional, and local levels. For example, the vast majority of member jurisdictions included in the 2015 Local Profiles reflect the national demographic trends toward an older and a more diverse population. Evidence of the slow process towards economic recovery is also apparent through gradual increases in employment, retail sales, building permits, and home prices. Work destinations and commute times correlate with regional development patterns and the geographical location of local jurisdictions, particularly in relation to the regional transportation system.

Uses of the Local Profiles

Following release at the SCAG General Assembly, the Local Profiles are posted on the SCAG website and are used for a variety of purposes including, but not limited to, the following:

- Data and communication resources for elected officials, businesses, and residents
- Community planning and outreach
- Economic development
- Visioning initiatives
- Grant application support
- Performance monitoring

The primary user groups of the Profiles include member jurisdictions and state and federal legislative delegates of Southern California. This profile report is a SCAG member benefit and the use of the data contained within this report is voluntary.

Report Organization

This profile report has three sections. The first section presents a Statistical Summary for the City of Moreno Valley. The second section provides detailed information organized by subject areas and includes brief highlights on the impacts of the recent economic recession and recovery at the regional level. The third section, Methodology, describes technical considerations related to data definitions, measurement, and data sources.

2014 STATISTICAL SUMMARY

<i>Category</i>	<i>Moreno Valley</i>	<i>Riverside County</i>	<i>Moreno Valley relative to Riverside County*</i>	<i>SCAG Region</i>
2014 Total Population	199,258	2,279,967	[8.7%]	18,645,437
2014 Median Age (Years)	29.9	34.2	-4.3	35.5
2014 Hispanic	58.7%	47.4%	11.3%	46.8%
2014 Non-Hispanic White	16.2%	37.3%	-21.1%	31.8%
2014 Non-Hispanic Asian	6.0%	6.3%	-.3%	12.4%
2014 Non-Hispanic Black	15.9%	5.9%	10.0%	6.3%
2014 Non-Hispanic American Indian	.3%	.5%	-.2%	.3%
2014 All Other Non-Hispanic	2.9%	2.6%	.3%	2.5%
2014 Number of Households	51,864	700,413	[7.4%]	6,029,326
2014 Average Household Size	3.8	3.2	0.6	3.1
2014 Median Household Income (\$)	51,217	52,648	-1,431	56,737
2014 Number of Housing Units	55,852	817,008	[6.8%]	6,524,730
2014 Homeownership Rate	64.5%	54.5%	10%	54.5%
2014 Median Existing Home Sales Price (\$)	235,000	290,000	-55,000	426,000
2013 - 2014 Median Home Sales Price Change	19.9%	12%	7.9%	10.1%
2014 Drive Alone to Work	82.0%	81.9%	.1%	78.2%
2014 Mean Travel Time to Work (minutes)	37.4	34.5	2.9	31.7
2013 Number of Jobs	33,375	654,436	[5.1%]	7,660,489
2012 - 2013 Total Jobs Change	2,025	37,749	[5.4%]	231,953
2013 Average Salary per Job (\$)	33,075	37,827	-4,752	48,213
2014 K-12 Public School Student Enrollment	42,279	425,442	9.9%	3,058,957

Sources: U.S. Census Bureau American Community Survey, 2014; Nielsen Co.; California Department of Finance E-5, May 2014; MDA Data Quick; California Department of Education; and SCAG

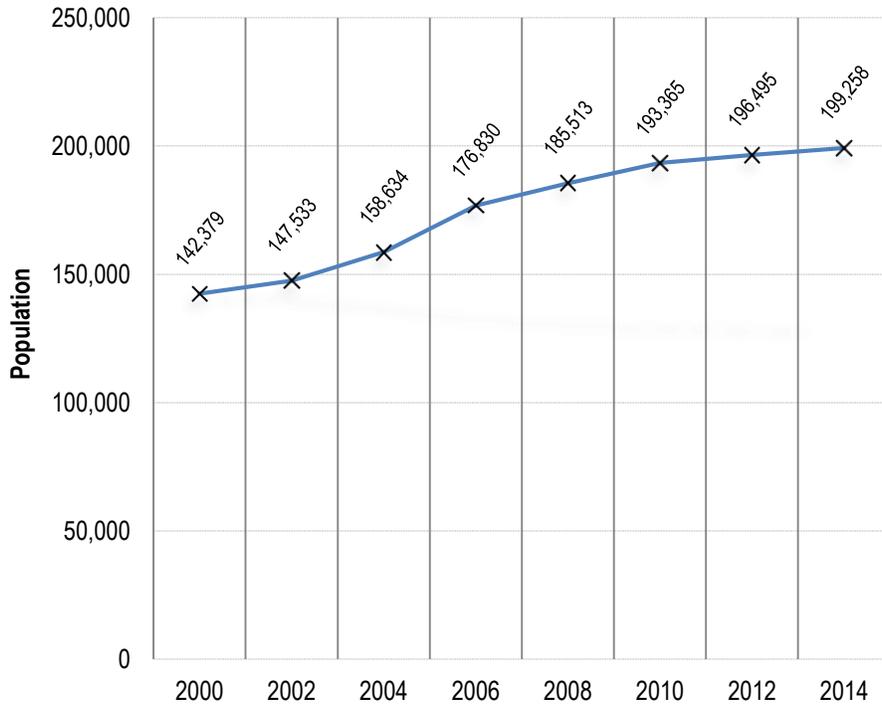
* Numbers with [] represent Moreno Valley's share of Riverside County. The other numbers represent the difference between Moreno Valley and Riverside County.

Mapped jurisdictional boundaries are as of July 1, 2012 and are for visual purposes only. Report data, however, are updated according to their respective sources.

II. Population

Population Growth

Population: 2000 - 2014

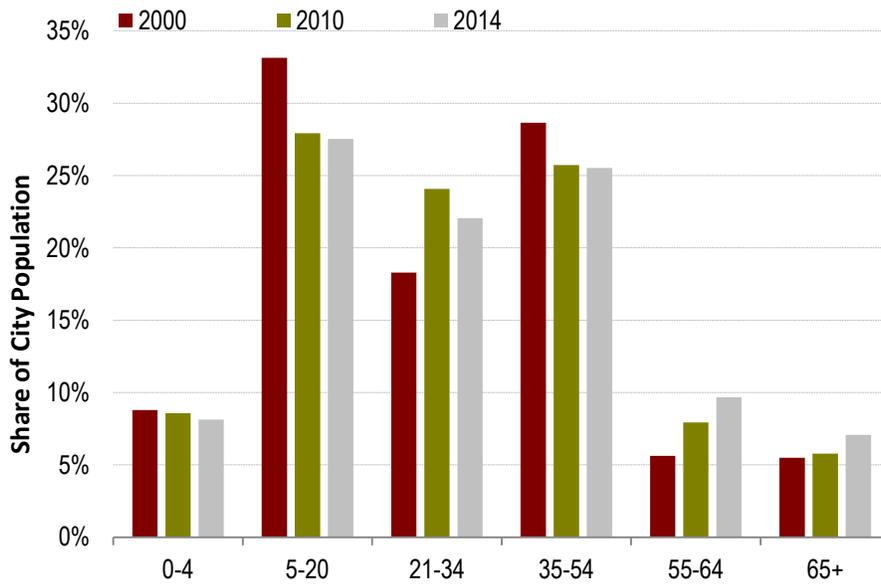


Source: California Department of Finance, E-5, 2014

- Between 2000 and 2014, the total population of the City of Moreno Valley increased by 56,879 to 199,238 in 2014.
- During this 14-year period, the city's population growth rate of 39.9 percent was lower than the Riverside County rate of 47.5 percent.
- 8.7% of the total population of Riverside County is in the City of Moreno Valley.

Population by Age

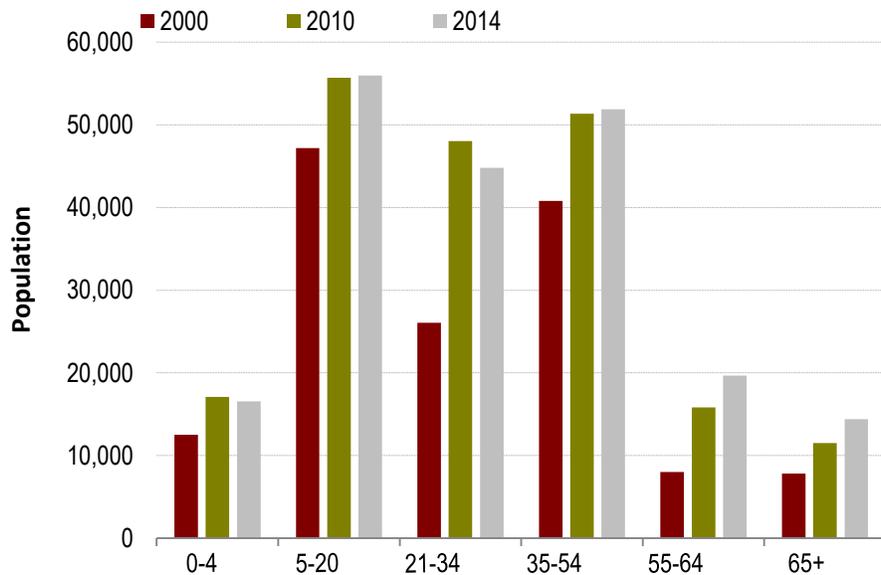
Population Share by Age: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the age group 55-64 experienced the largest increase in share, growing from 5.6 to 9.7 percent.
- The age group that experienced the greatest decline, by share, was age group 5-20, decreasing from 33.1 to 27.5 percent.

Population by Age: 2000, 2010, and 2014

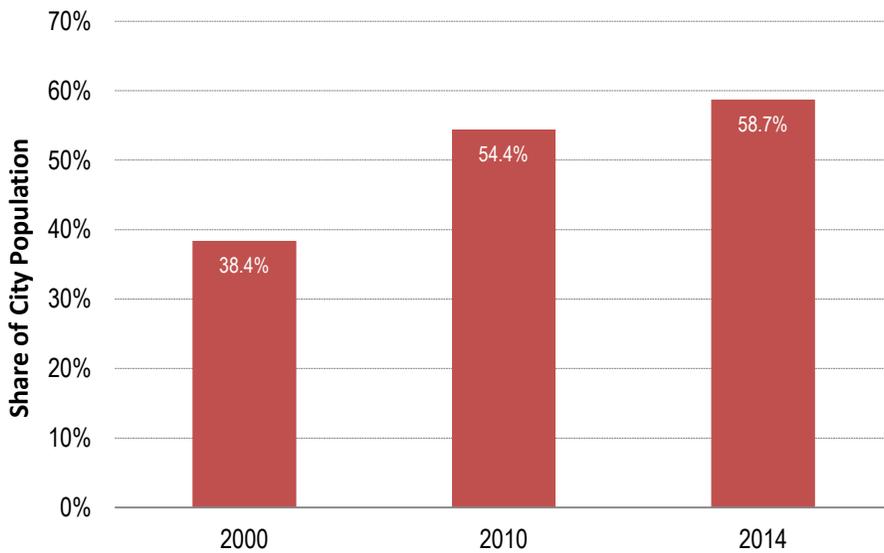


Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- The age group 21-34 added the most population, with an increase of 18,776 people between 2000 and 2014.

Population by Race/Ethnicity

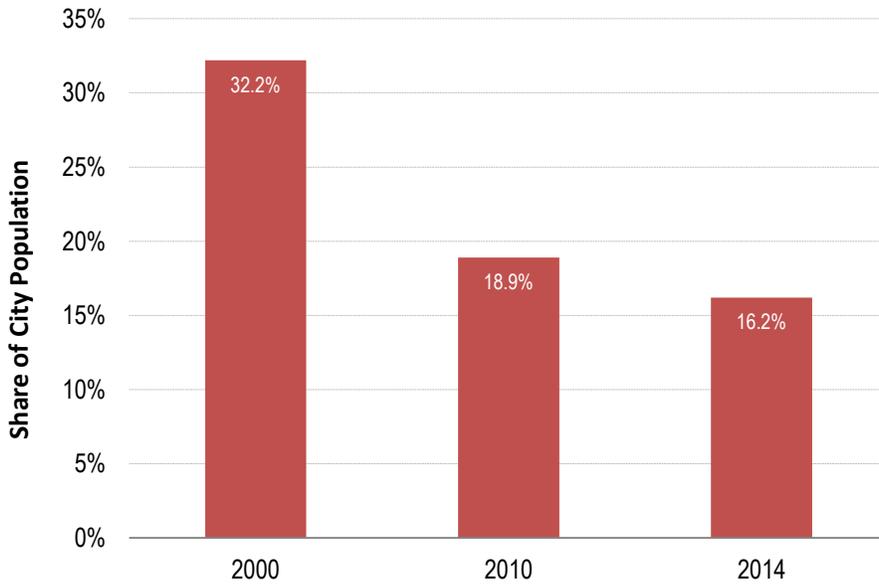
Hispanic or Latino of Any Race: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Hispanic population in the city increased from 38.4 percent to 58.7 percent.

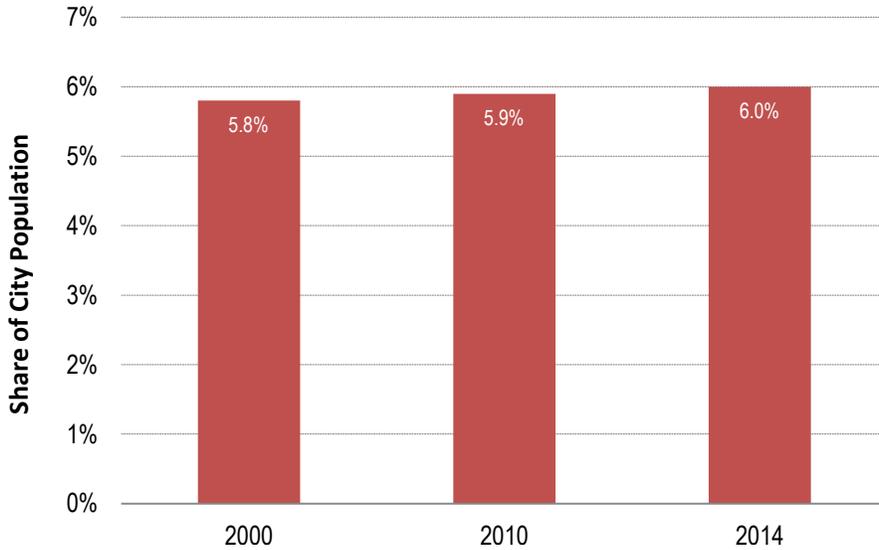
Non-Hispanic White: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic White population in the city decreased from 32.2 percent to 16.2 percent.
- Please refer to the Methodology section for definitions of the racial/ethnic categories.

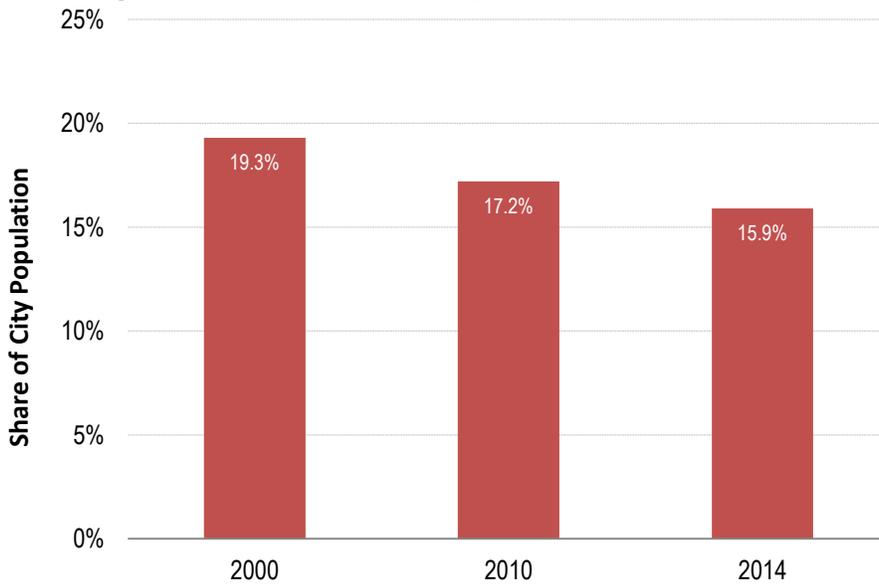
Non-Hispanic Asian: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic Asian population in the city increased from 5.8 percent to 6.0 percent.

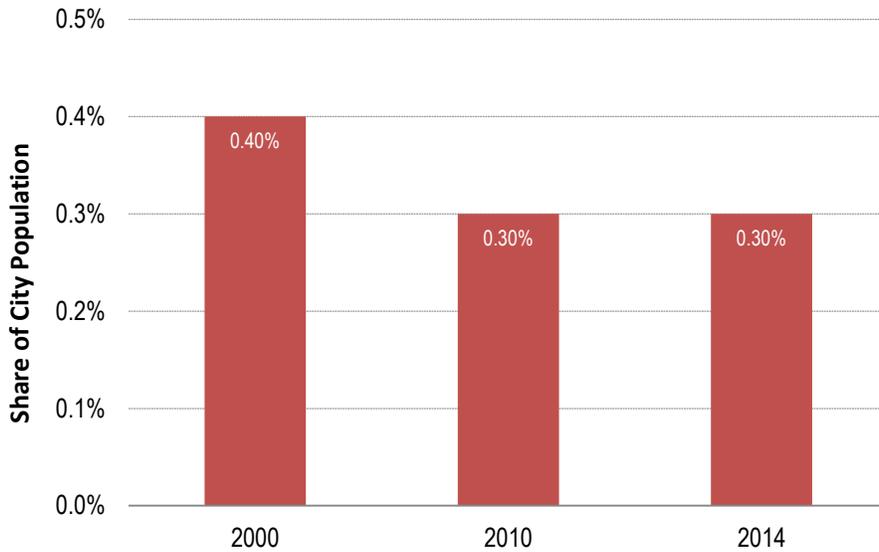
Non-Hispanic Black: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic Black population in the city decreased from 19.3 percent to 15.9 percent.

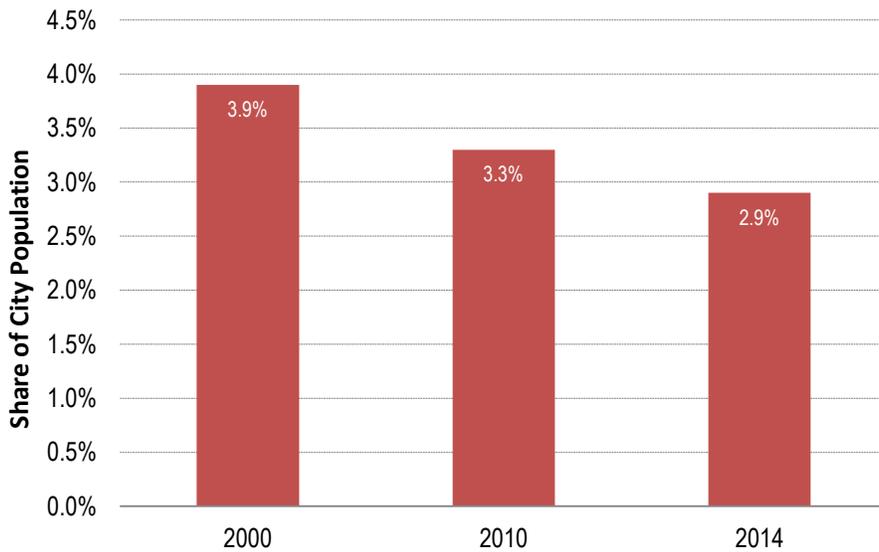
Non-Hispanic American Indian: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic American Indian population in the city decreased from 0.4 percent to 0.3 percent.

All Other Non-Hispanic: 2000, 2010, and 2014



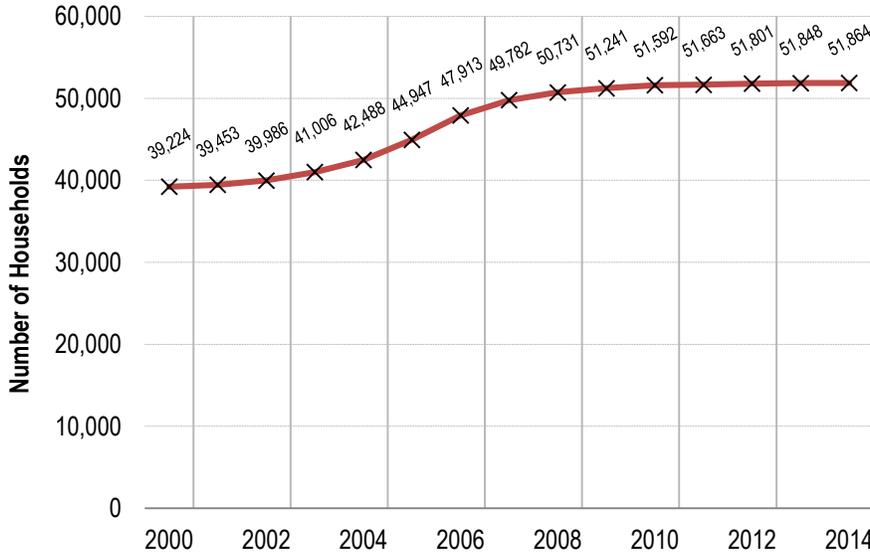
Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of All Other Non-Hispanic population group in the city decreased from 3.9 percent to 2.9 percent.

III. Households

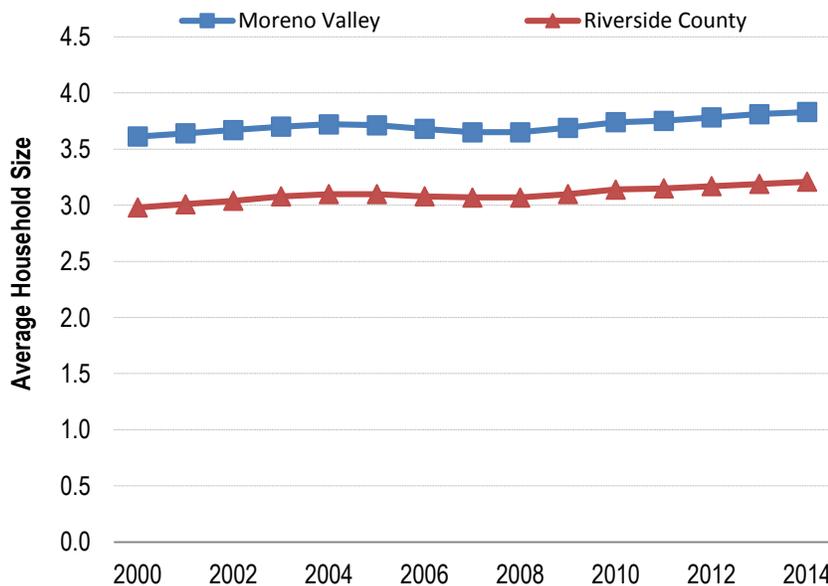
Number of Households (Occupied Housing Units)

Number of Households: 2000 - 2014



Sources: 2000 and 2010 U.S. Decennial Census; California Department of Finance, E-5, 2014

Average Household Size: 2000 - 2014

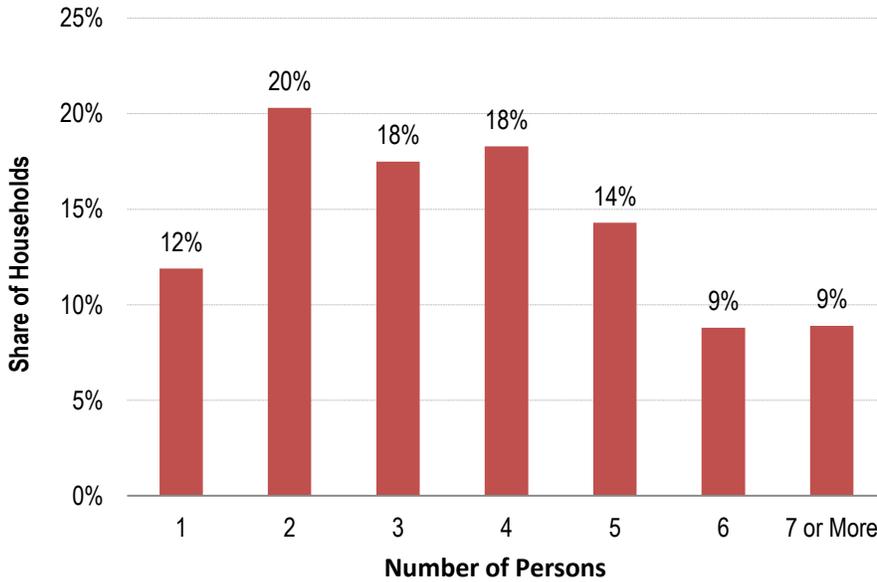


Source: California Department of Finance, E-5, 2014

- Between 2000 and 2014, the total number of households in the City of Moreno Valley increased by 12,640 units, or 32.2 percent.
- During this 14-year period, the city's household growth rate of 32.2 percent was lower than the county growth rate of 38.4 percent.
- 7.4 percent of Riverside County's total number of households are in the City of Moreno Valley.
- In 2014, the city's average household size was 3.8, higher than the county average of 3.2.

Households by Size

Percent of Households by Household Size: 2014

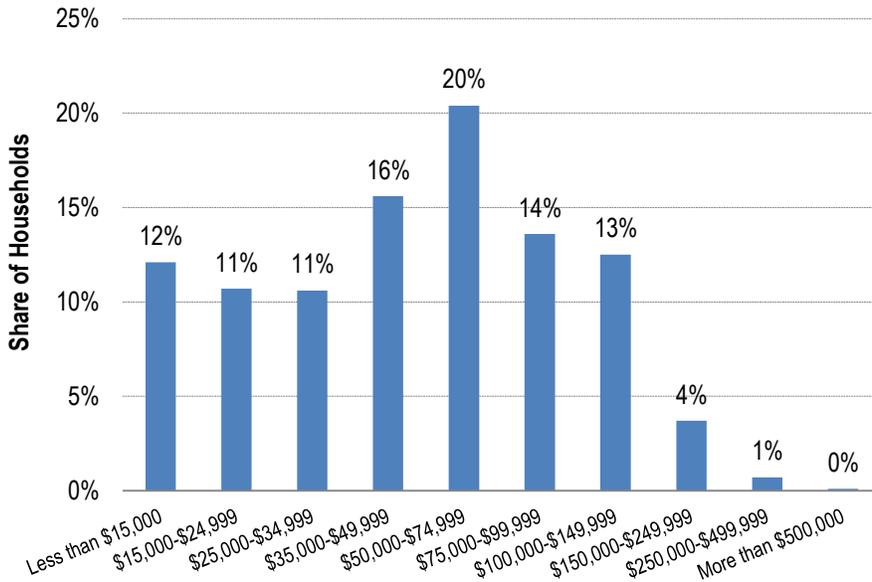


Source: Nielsen Co., 2014

- In 2014, 49.7 percent of all city households had 3 people or fewer.
- About 12 percent of the households were single-person households.
- Approximately 32 percent of all households in the city had 5 people or more.

Households by Income

Percent of Households by Household Income: 2014

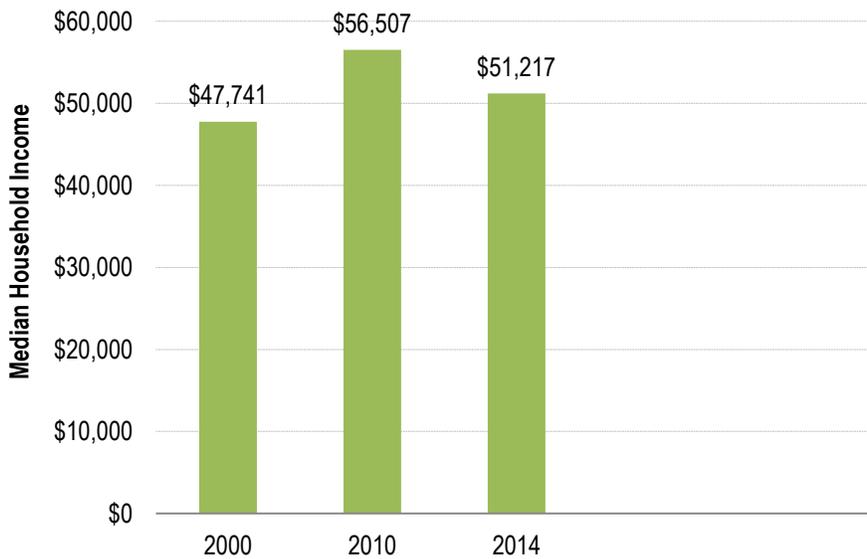


Source: Nielsen Co., 2014

- In 2014, about 50 percent of households earned less than \$50,000 annually.
- Approximately 18 percent of households earned \$100,000 or more.

Household Income

Median Household Income: 2000, 2010, & 2014

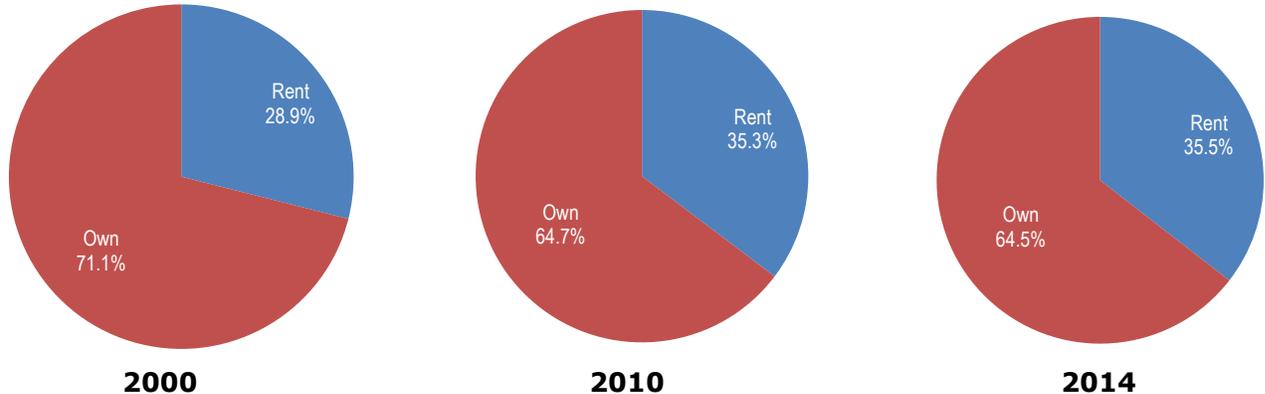


- From 2000 to 2014, median household income increased by \$3,476.
- Note: Dollars are not adjusted for annual inflation.

Source: Nielsen Co., 2014

Renters and Homeowners

Percentage of Renters and Homeowners: 2000, 2010, & 2014



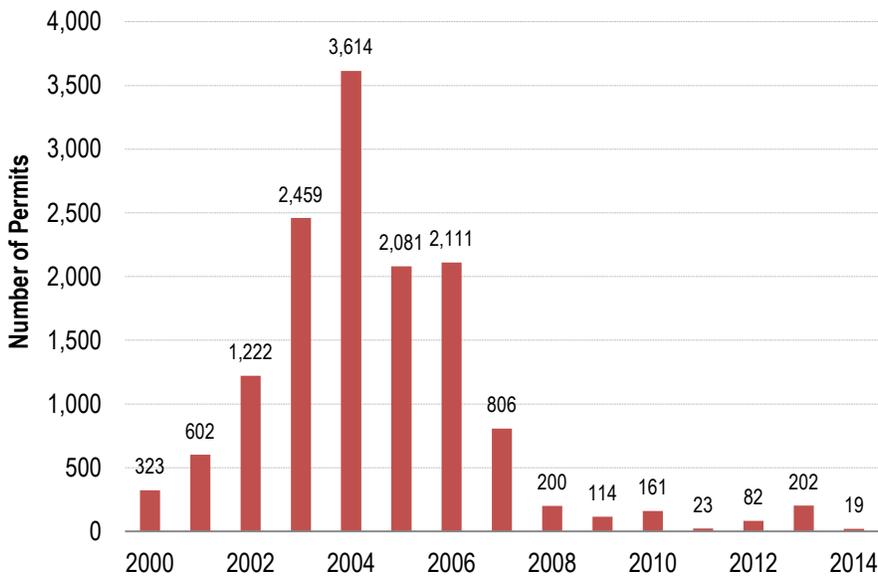
Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

Between 2000 and 2014, homeownership rates decreased and the share of renters increased.

IV. Housing

Total Housing Production

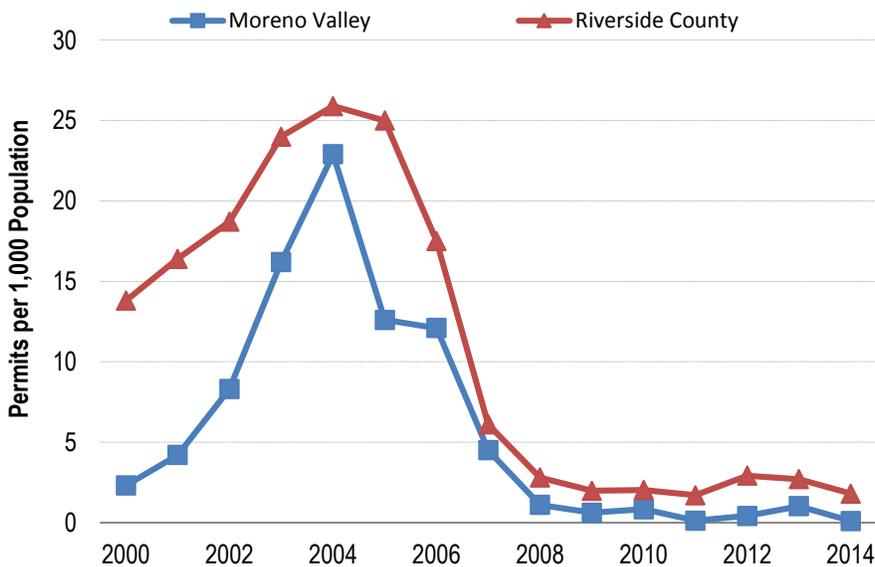
Total Permits Issued for all Residential Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- Between 2000 and 2014, permits were issued for 14,019 residential units.

Permits Issued for all Residential Units per 1,000 Residents: 2000 - 2014



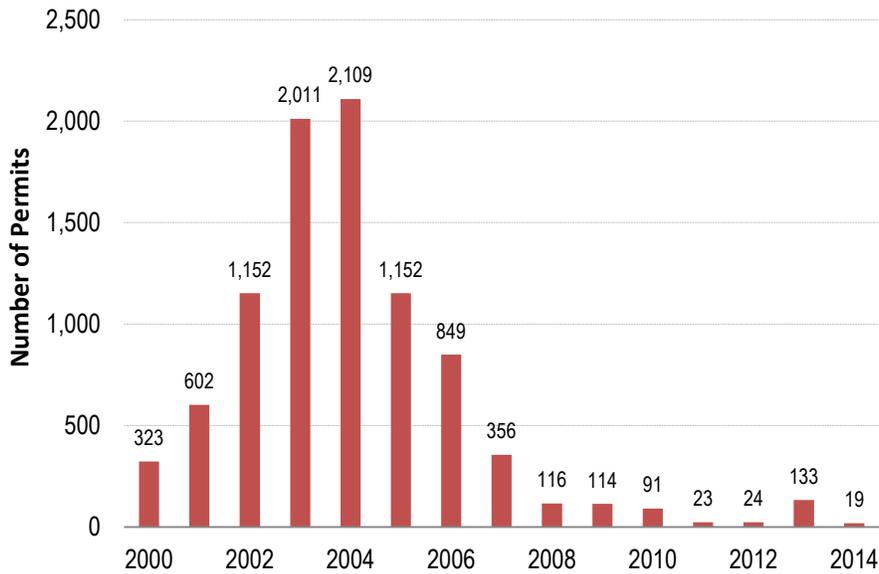
Source: Construction Industry Research Board, 2000 - 2014

- In 2000, the City of Moreno Valley had 2.3 permits per 1,000 residents compared to the overall county figure of 13.8 permits per 1,000 residents.
- For the city in 2014, the number of permits per 1,000 residents decreased to 0.1 permits. For the county overall, it decreased to 1.8 permits per 1,000 residents.

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Single-Family Housing Production

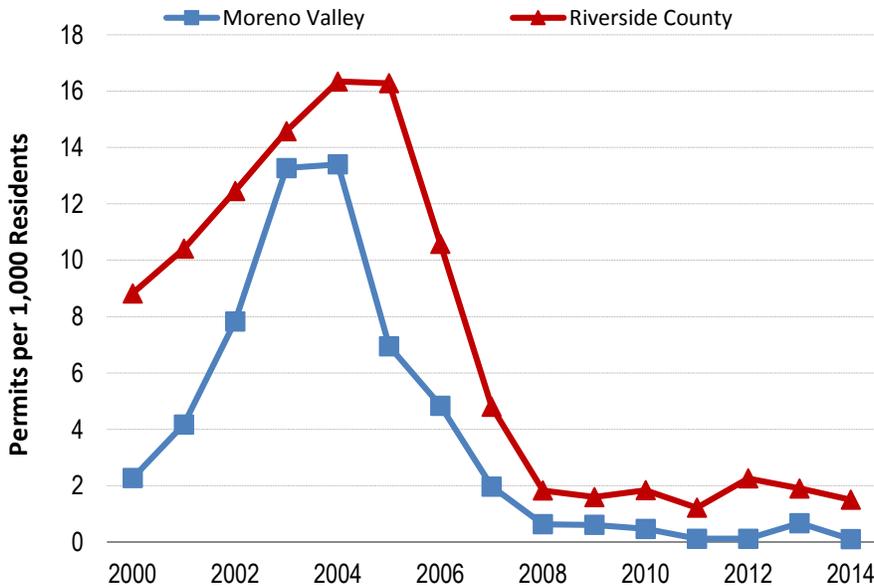
Permits Issued for Single-Family Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- Between 2000 and 2014, permits were issued for 9,074 single family homes.
- 1.9 percent of these were issued in the last 3 years.

Single-Family Permits Issued per 1,000 Residents: 2000 - 2014

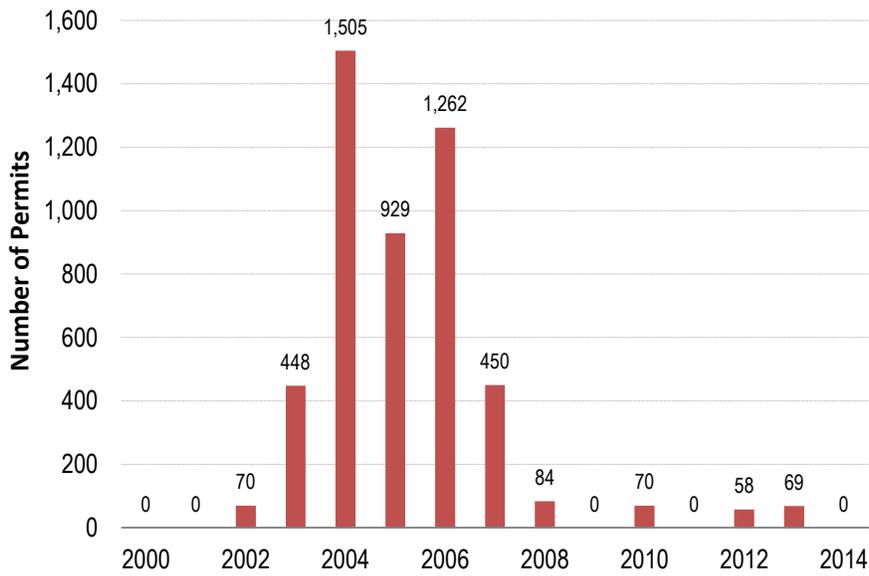


Source: Construction Industry Research Board, 2000 - 2014

- In 2000, the City of Moreno Valley issued 2.3 permits per 1,000 residents compared to the overall county figure of 8.8 permits per 1,000 residents.
- For the city in 2014, the number of permits issued per 1,000 residents decreased to 0.1 permits. For the county overall, it decreased to 1.5 permits per 1,000 residents.

Multi-Family Housing Production

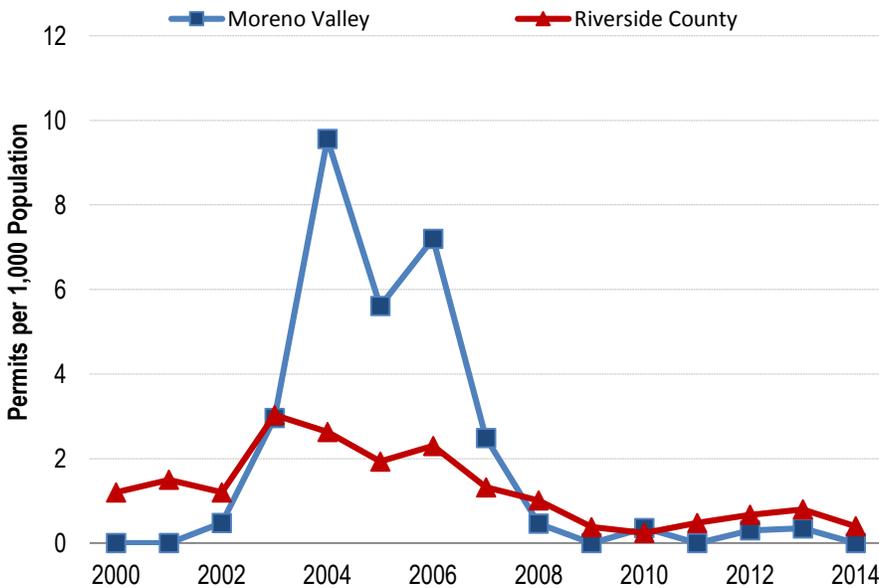
Permits Issued for Multi-Family Units: 2000 - 2014



Source: Construction Industry Research Board, 2000-2014

- Between 2000 and 2014, there were permits issued for 4,945 multi-family residential units.

Multi-Family Permits Issued per 1,000 Residents: 2000 - 2014

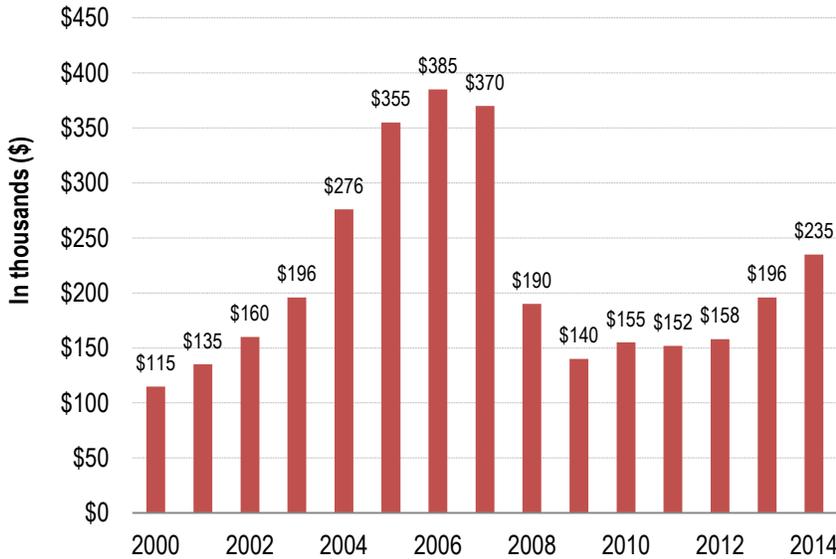


Source: Construction Industry Research Board, 2000-2014

- For the city in 2014, the number of permits per 1,000 residents remained at 0 permits. For the county overall, it decreased to 0.4 permits per 1,000 residents.

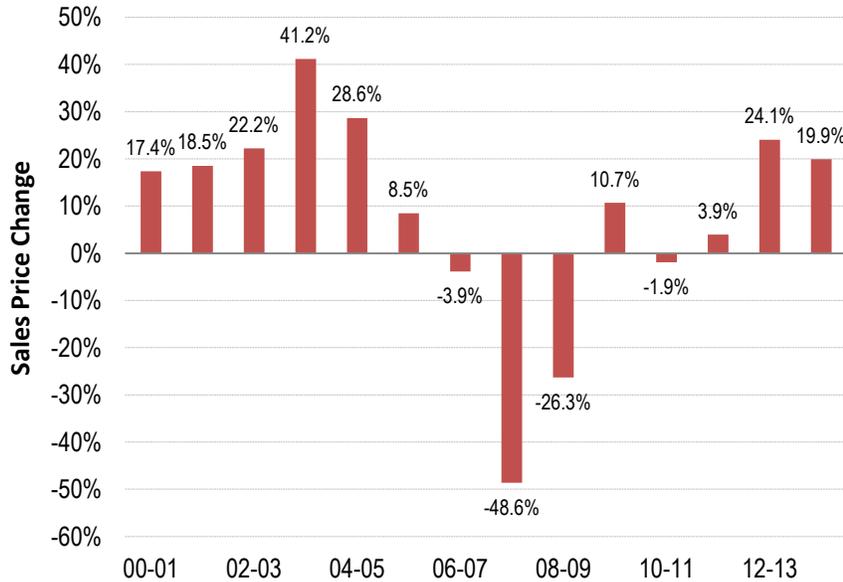
Home Sales Prices

Median Home Sales Price for Existing Homes: 2000 - 2014 (in \$ thousands)



Source: MDA Data Quick, 2014

Annual Median Home Sales Price Change for Existing Homes: 2000 - 2014



Source: MDA Data Quick, 2014

- Between 2000 and 2014, the median home sales price increased 104 percent from \$115,000 to \$235,000.
- Median home sales price increased by 51.6 percent between 2010 and 2014.
- In 2014, the median home sales price in the city was \$235,000, \$55,000 lower than that in the county overall.
- Note: Median home sales price reflects resale of existing homes and provides guidance on the market values of homes sold.
- Between 2000 and 2014, the largest single year increase was 41.2 percent.

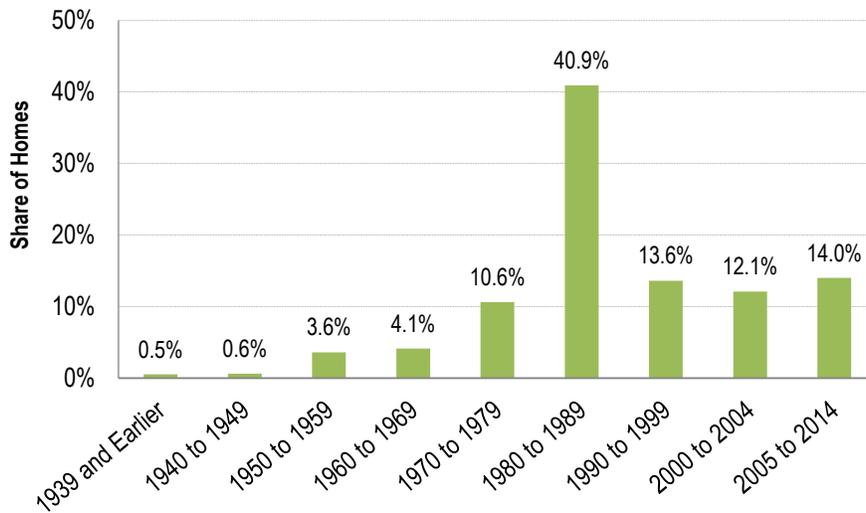
Housing Units by Housing Type: 2014

Housing Type	Number of Units	Percent of Total Units
Single Family Detached	45,039	80.6 %
Single Family Attached	1,127	2 %
Multi-family: 2 to 4 units	1,505	2.7 %
Multi-family: 5 units plus	6,817	12.2 %
Mobile Home	1,364	2.4 %
Total	55,852	100 %

- The most common housing type is Single Family Detached.
- Approximately 82.7 percent were single family homes and 14.9 percent were multi-family homes.

Source: California Department of Finance, E-5, 2014

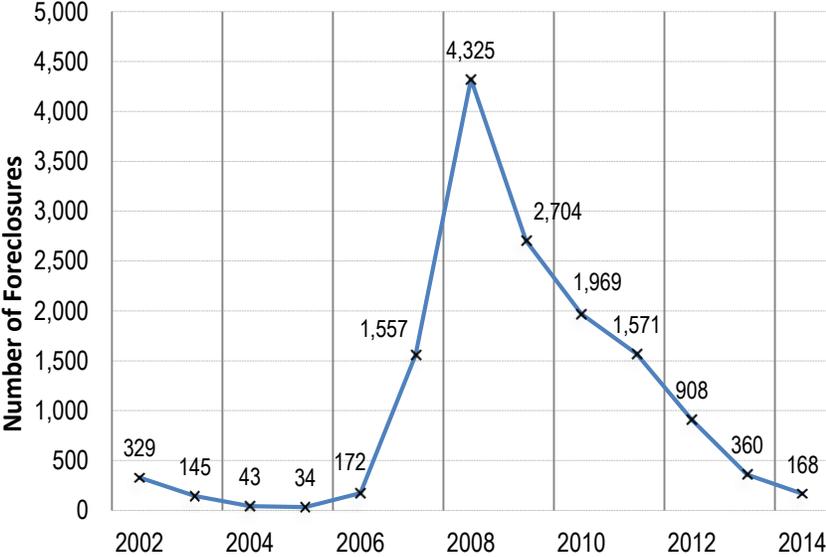
Age of Housing Stock



- About 9 percent of the housing stock was built before 1970.
- Approximately 91 percent of the housing stock was built after 1970.

Source: Nielsen Co., 2014

Foreclosures



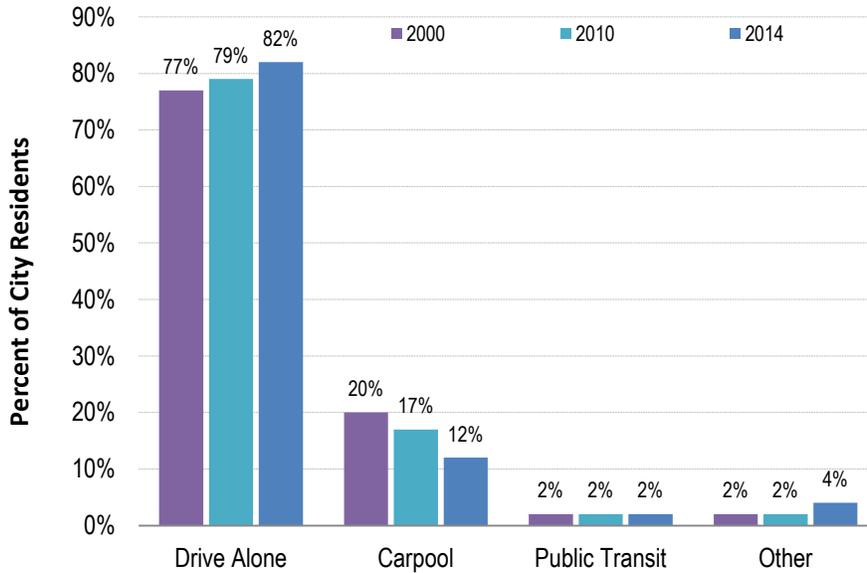
Source: MDA Data Quick, 2014

- There were a total of 168 foreclosures in 2014.
- Between 2007 and 2014, there were a total of 13,562 foreclosures.

V. Transportation

Journey to Work for Residents

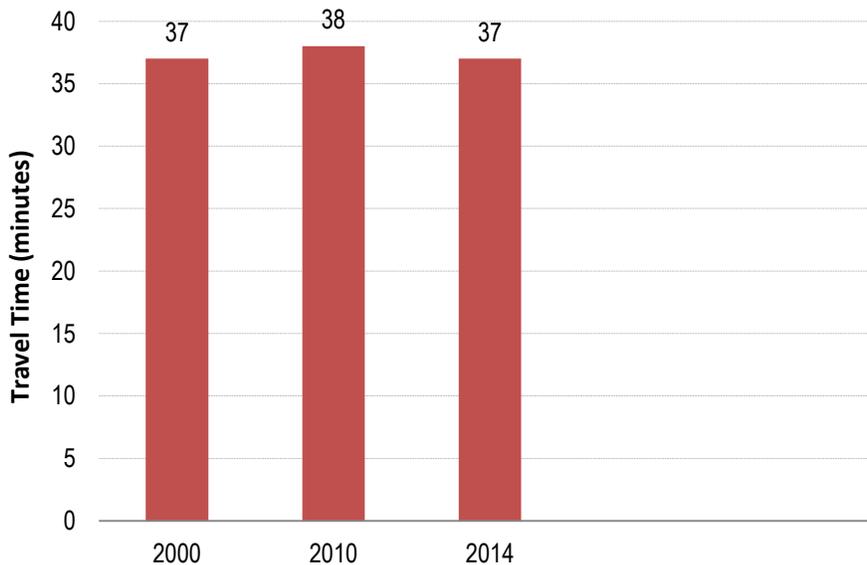
Transportation Mode Choice: 2000, 2010, & 2014



Sources: 2000 U.S. Decennial Census; 2010 U.S. Census American Community Survey; and Nielsen Co., 2014

- Between 2000 and 2014, the greatest change occurred in the percentage of individuals who traveled to work by carpool; this share decreased by 7.3 percentage points.
- 'Other' refers to bicycle, pedestrian, and home-based employment.

Average Travel Time (minutes): 2000, 2010, & 2014



Sources: 2000 U.S. Decennial Census; 2010 U.S. Census American Community Survey; and Nielsen Co., 2014

- Between 2000 and 2014, the average travel time to work remained the same.

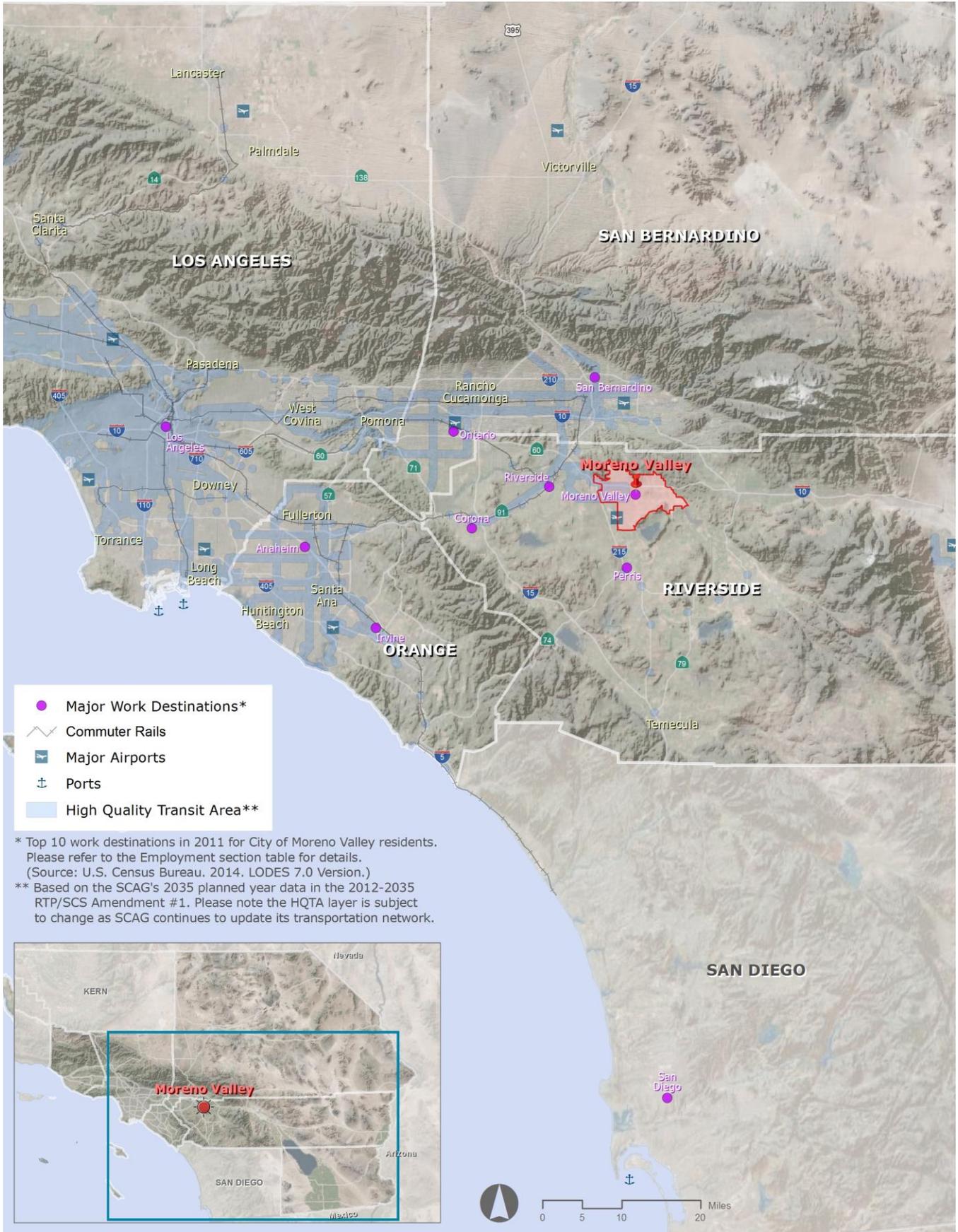
VI. Employment

Top 10 Places Where Residents Commute to Work

	Local Jurisdiction	Number of Commuters	Percent of Total Commuters
1.	Riverside	10,106	19.4 %
2.	Moreno Valley	6,518	12.5 %
3.	San Bernardino	2,979	5.8 %
4.	Los Angeles	2,669	5.1 %
5.	Ontario	1,492	2.8 %
6.	Corona	1,386	2.6 %
7.	Perris	1,339	2.5 %
8.	San Diego	1,070	2.1 %
9.	Anaheim	1,059	2.0 %
10.	Irvine	968	1.8 %
	All Other Destinations	22,588	43.4 %

Source: U.S. Census Bureau, 2014, LODES Data; Longitudinal-Employer Household Dynamics Program, 2011

- This table identifies the top 10 locations where residents from the City of Moreno Valley commute to work.
- 12.5% work in the city where they live, while 87.5% commute to other places.

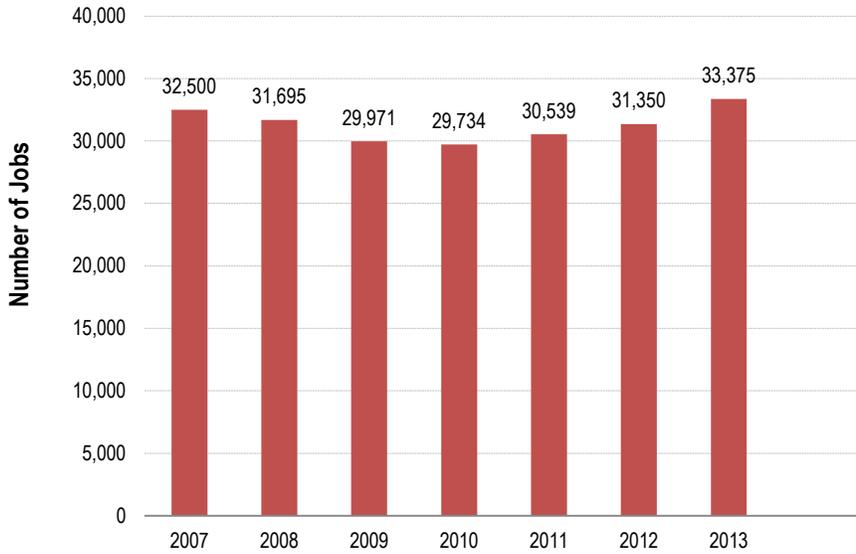


Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



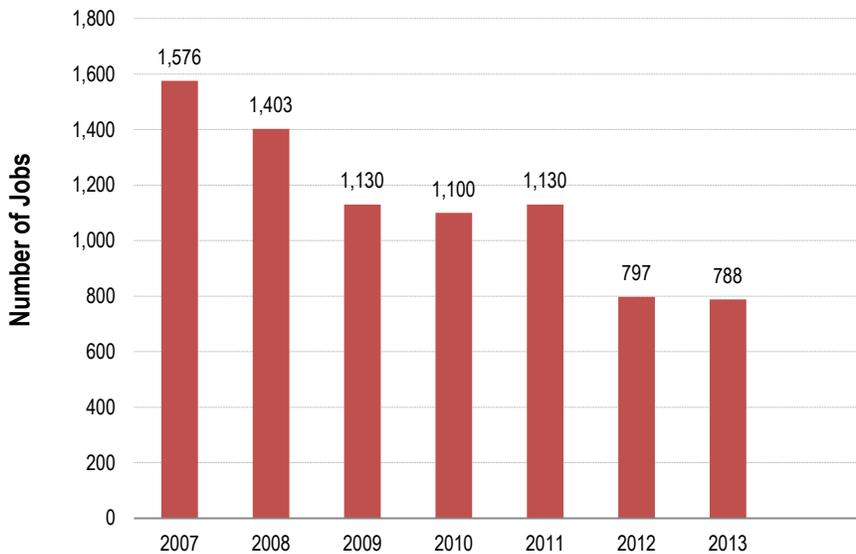
Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Total Jobs: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

Jobs in Manufacturing: 2007 - 2013

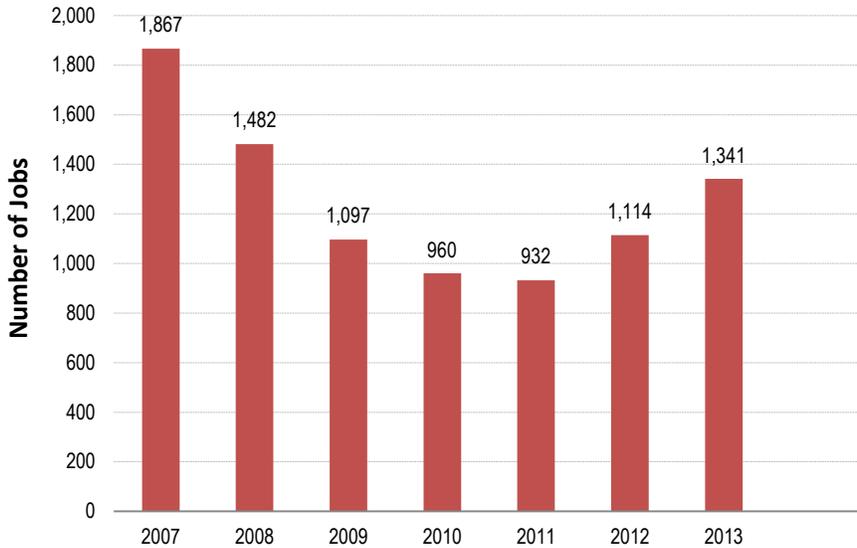


Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Total jobs include wage and salary jobs and jobs held by business owners and self-employed persons. The total job count does not include unpaid volunteers or family workers, and private household workers.
- In 2013, total jobs in the City of Moreno Valley numbered 33,375, an increase of 2.7 percent from 2007.
- Manufacturing jobs include those employed in various sectors including food; apparel; metal; petroleum and coal; machinery; computer and electronic products; and transportation equipment.
- Between 2007 and 2013, the number of manufacturing jobs in the city decreased by 49.9 percent.

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

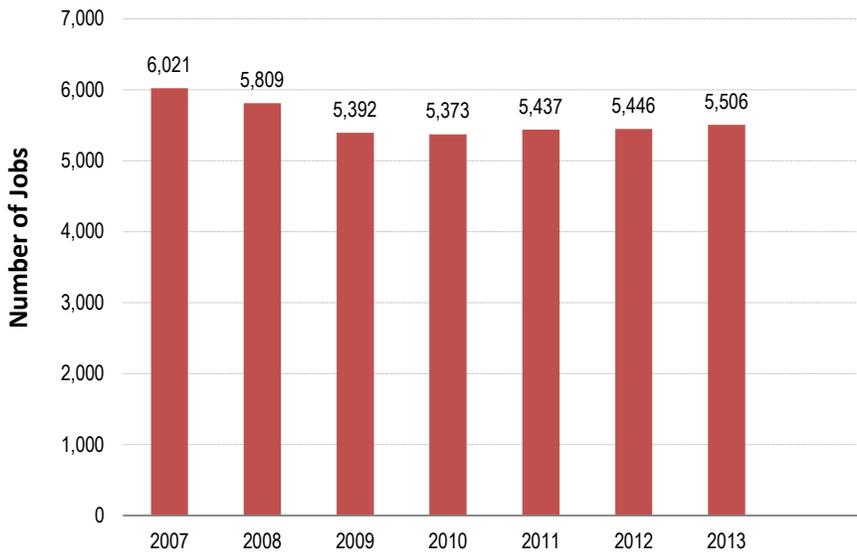
Jobs in Construction: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Construction jobs include those engaged in both residential and non-residential construction.
- Between 2007 and 2013, construction jobs in the city decreased by 28.1 percent.

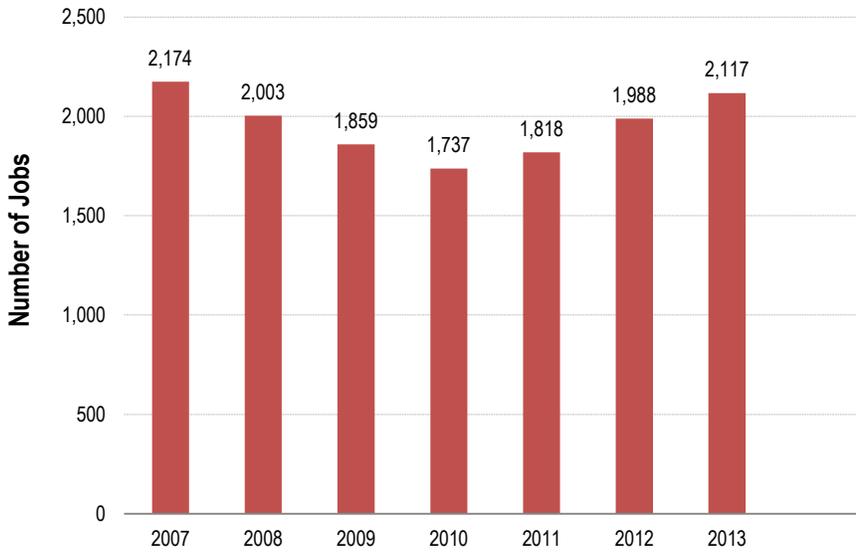
Jobs in Retail Trade: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Retail trade jobs include those at various retailers including motor vehicle and parts dealers, furniture, electronics and appliances, building materials, food and beverage, clothing, sporting goods, books, and office supplies.
- Between 2007 and 2013, the number of retail trade jobs in the city decreased by 8.5 percent.

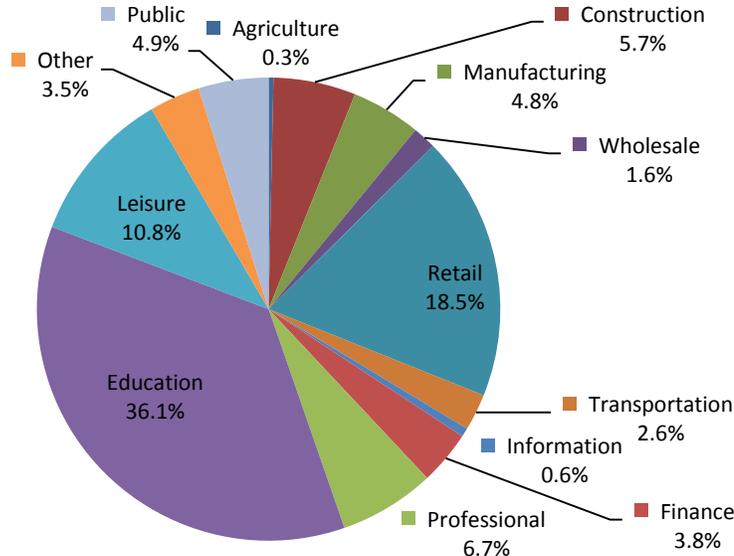
Jobs in Professional and Management: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Jobs in the professional and management sector include those employed in professional and technical services, management of companies, and administration and support.
- Between 2007 and 2013, the number of professional and management jobs in the city decreased by 2.6 percent.

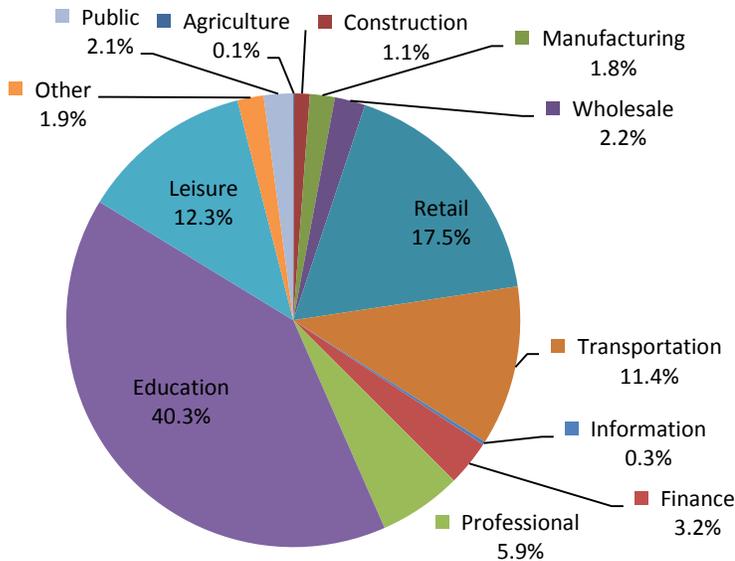
Jobs by Sector: 2007



Sources: California Employment Development Department, 2007; InfoGroup; and SCAG.

- From 2007 to 2013, the share of Transportation jobs increased from 2.6 percent to 11.4 percent.
- See Methodology Section for industry sector definitions.

Jobs by Sector: 2013

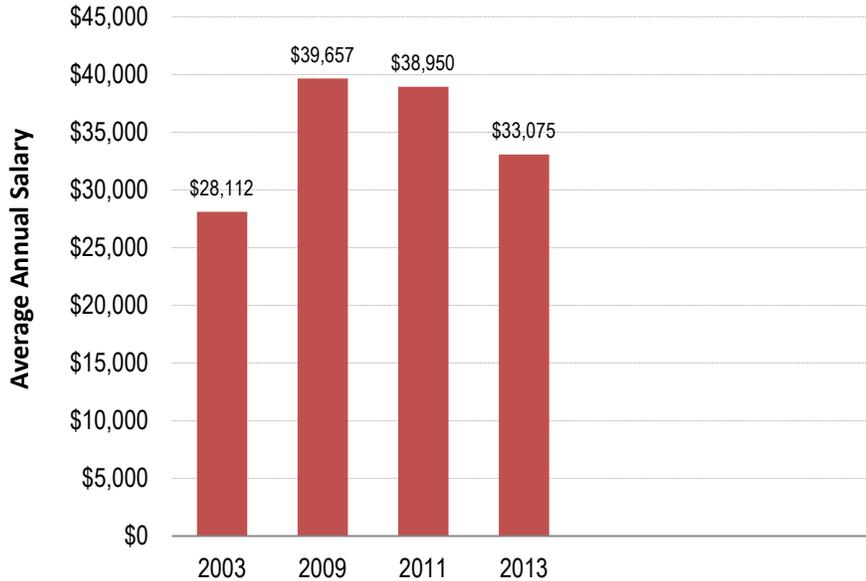


Sources: California Employment Development Department, 2014; InfoGroup; and SCAG.

- In 2013, the Education sector was the largest job sector, accounting for 40.3 percent of total jobs in the city.
- Other large sectors included Retail (17.5 percent), Leisure (12.3 percent), and Transportation (11.4 percent).

Average Salaries

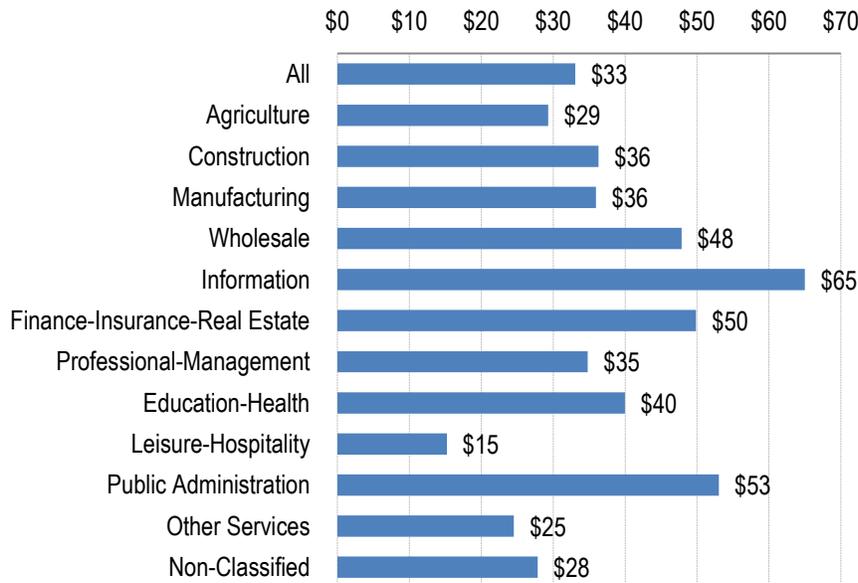
Average Annual Salary: 2003, 2009, 2011, & 2013



Source: California Employment Development Department, 2003, 2009, 2011, 2013

- Average salaries for jobs located in the city increased from \$28,112 in 2003 to \$33,075 in 2013, a 17.7 percent change.
- Note: Dollars are not adjusted for annual inflation.

Average Annual Salary by Sector: 2013 (\$ thousands)

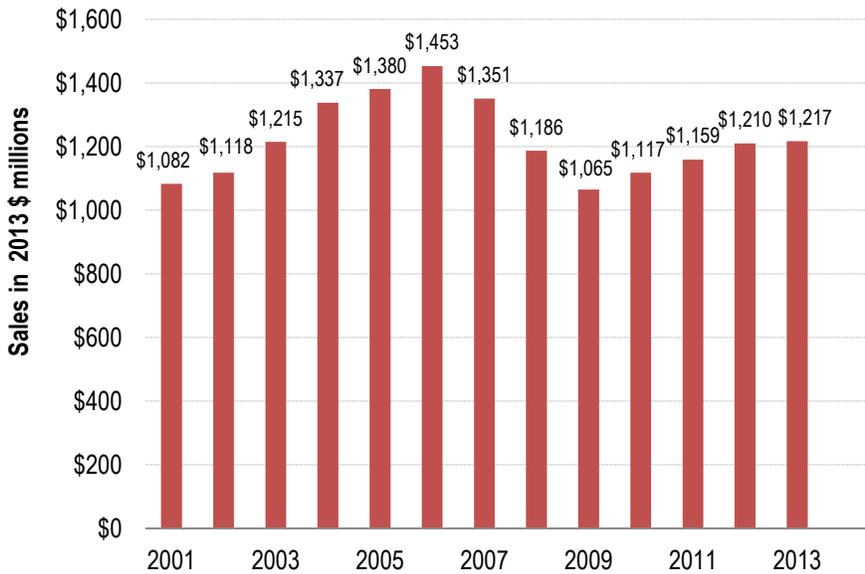


Source: California Employment Development Department, 2013

- In 2013, the employment sector providing the highest salary per job in the city was Information (\$64,997).
- The Leisure-Hospitality sector provided the lowest annual salary per job (\$15,212).

VII. Retail Sales

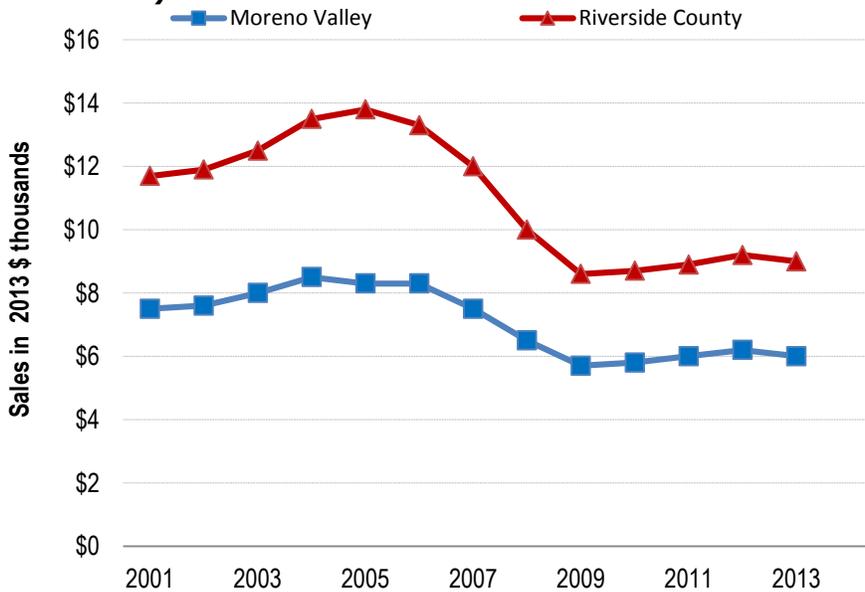
Real Retail Sales: 2001 - 2013 (in 2013 \$ millions)



Source: California Board of Equalization, 2001-2013

- Real (inflation adjusted) retail sales in the City of Moreno Valley increased by 34.1 percent between 2000 and 2005.
- Real retail sales decreased by 11.8 percent between 2005 and 2013.

Real Retail Sales per Person: 2001 - 2013 (in 2013 \$ thousands)

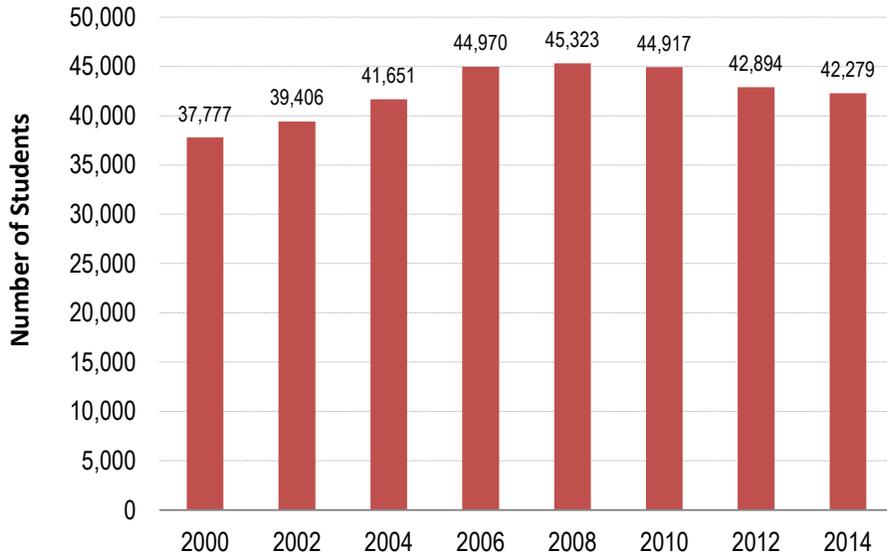


Source: California Board of Equalization, 2001-2013

- Between 2001 and 2013, retail sales per person for the city decreased from \$7,229 to \$6,142.

VIII. Education

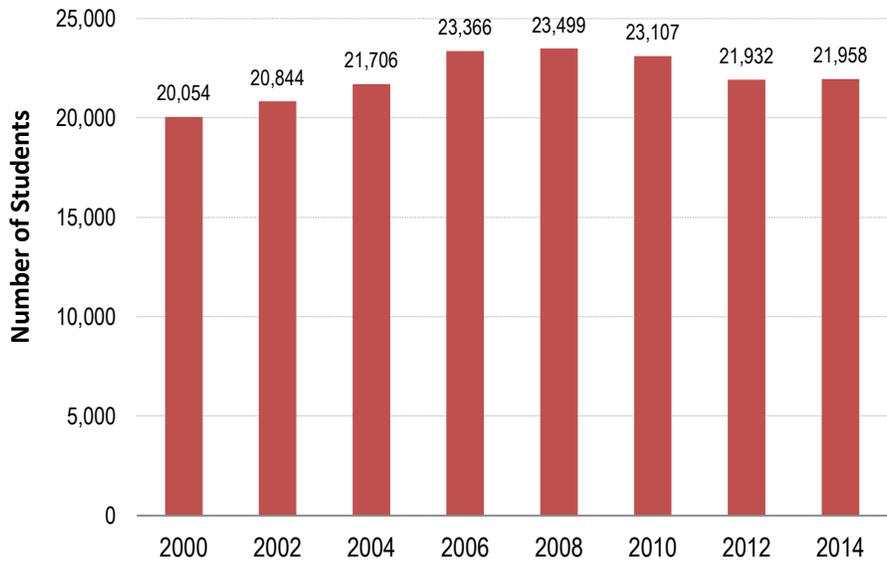
K-12 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total K-12 public school enrollment for schools within the City of Moreno Valley increased by 4,502 students, or about 11.9 percent.

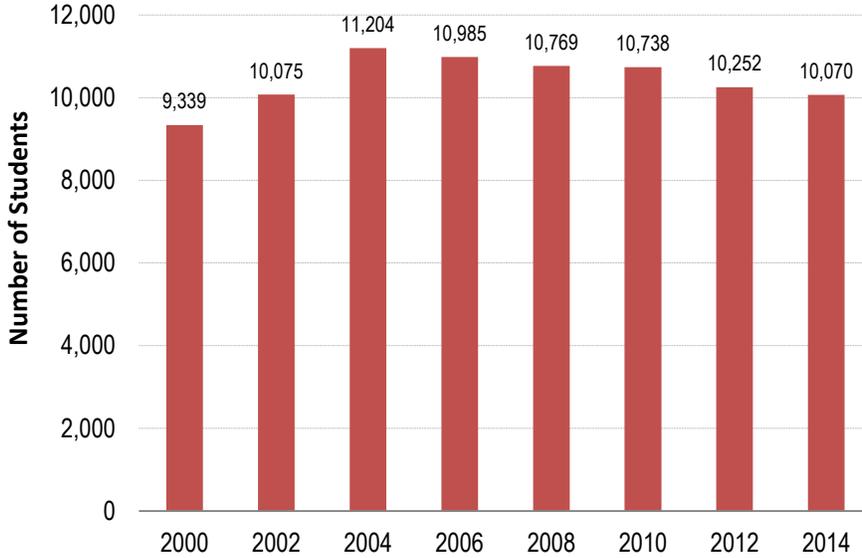
K-6 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public elementary school enrollment increased by 1,904 students or 9.5 percent.

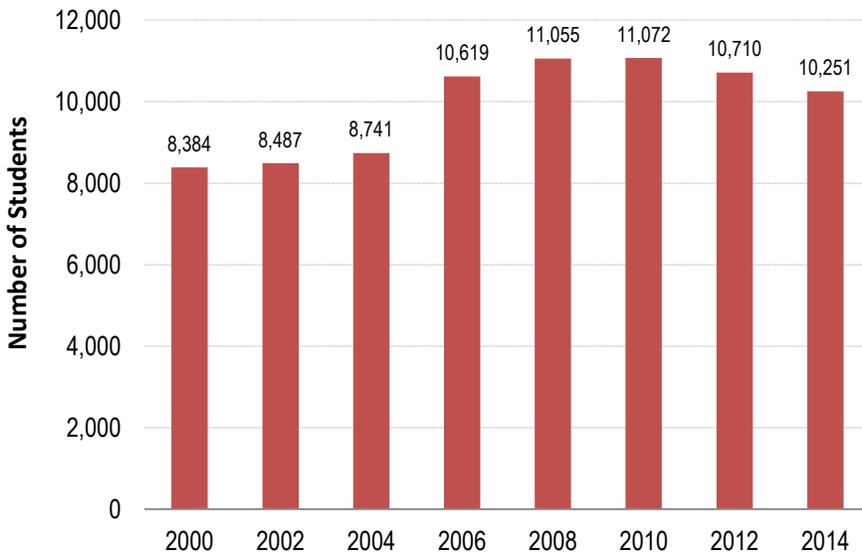
Grades 7-9 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public school enrollment for grades 7-9 increased by 731 students or 7.8 percent.

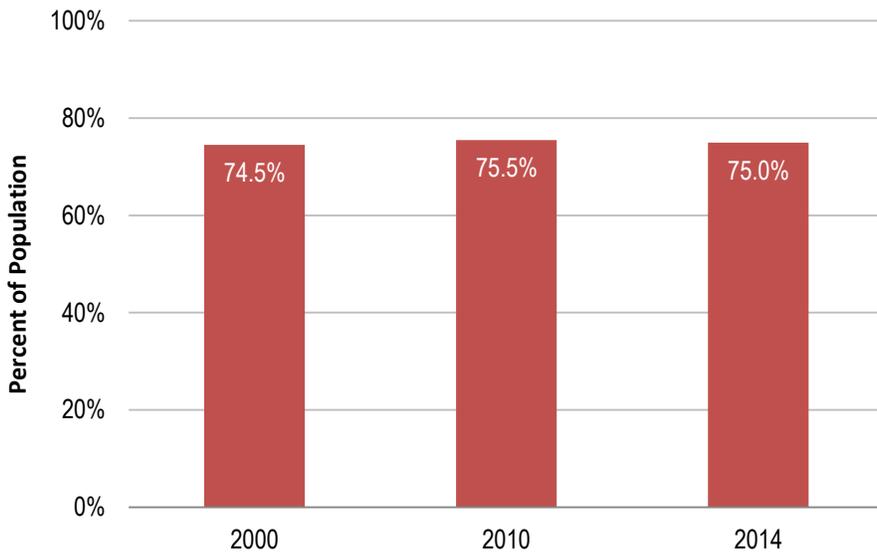
Grades 10-12 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public school enrollment for grades 10-12 increased by 1,867 students, about 22.3 percent.

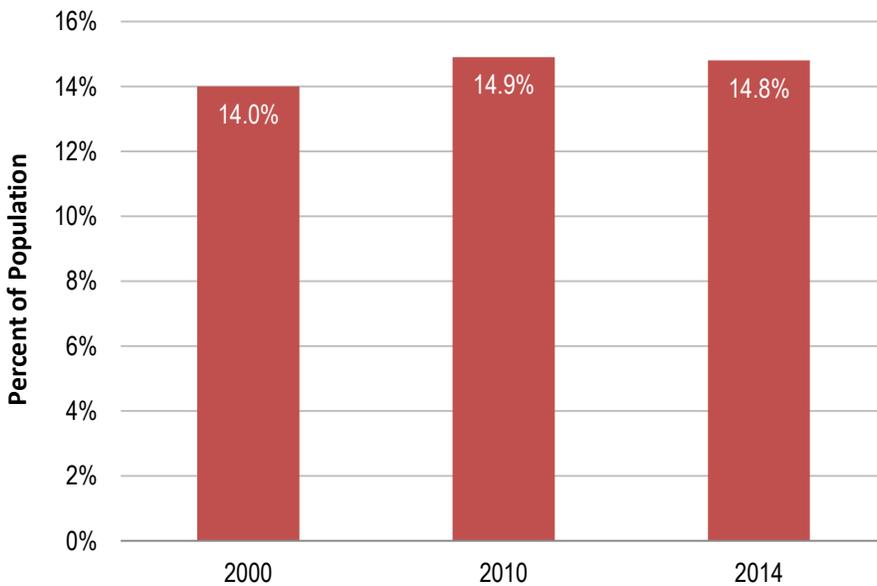
Percent of City Population 25 Years & Over Completing High School or Higher



Sources: 2000 and 2010 Census; Nielsen Co., 2014

- In 2014, 75 percent of the population 25 years and over completed high school or higher, which is higher than the 2000 level.

Percent of City Population 25 Years & Over Completing a Bachelor's Degree or Higher

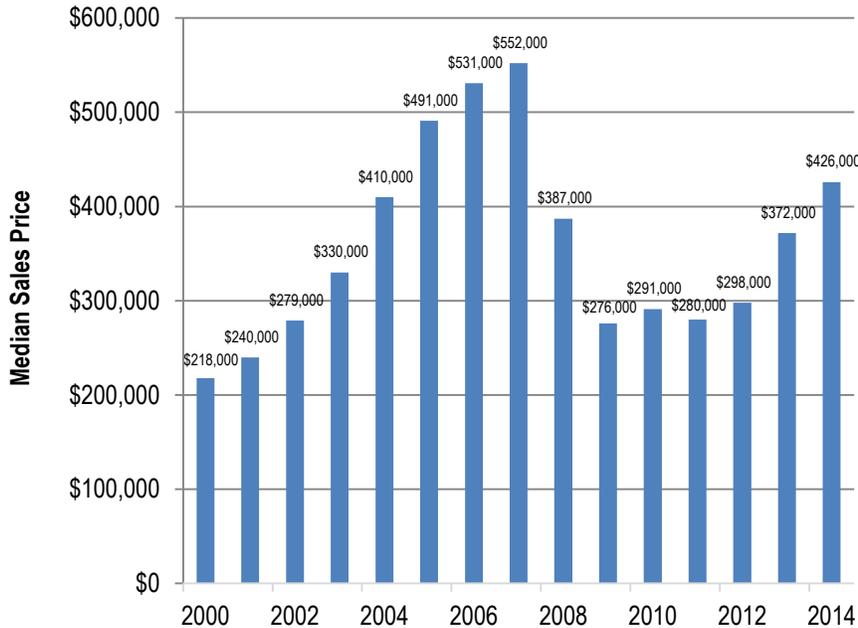


Sources: 2000 and 2010 Census; Nielsen Co., 2014

- In 2014, 14.8 percent of the population 25 years and over completed a Bachelor's degree or higher, which is higher than the 2000 level.

IX. SCAG Regional Highlights

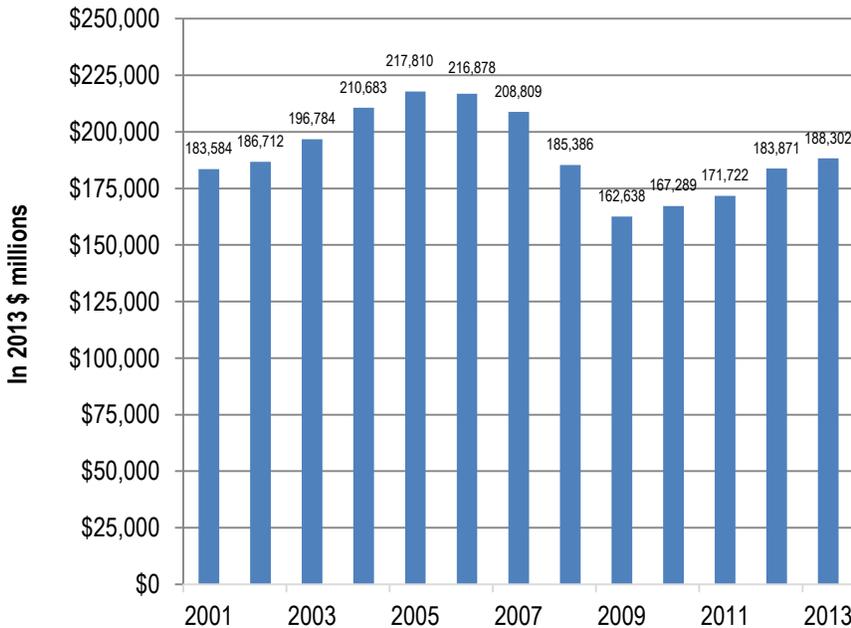
Regional Median Sales Price for Existing Homes: 2000 - 2014



Source: MDA Data Quick, 2014

- After reaching its peak in 2007, the median sales price for existing homes in the SCAG region dropped by almost half by 2011 from its 2007 level and rebounded from 2012 to 2014.
- Median home sales price was calculated based on total existing home sales in the SCAG region.

Regional Real Retail Sales: 2001 - 2013



Source: California Board of Equalization, 2001-2013

- Retail sales tend to follow closely with trends in personal income, employment rates, and consumer confidence.
- Between 2001 and 2005, real (inflation adjusted) retail sales increased steadily by 19 percent but then dropped between 2005 and 2009 by \$52 billion, or 25 percent.
- In 2013, total real retail sales were three percent higher than the 2001 level.

X. Data Sources

California Department of Education

California Department of Finance, Demographic Research Unit

California Employment Development Department, Labor Market Information Division

California State Board of Equalization

Construction Industry Research Board

InfoGroup

MDA Data Quick

Nielsen Company

U.S. Census Bureau

XI. Methodology

SCAG's Local Profiles utilizes the most up-to-date information from a number of publically available sources, including the U.S. Census Bureau, California Department of Finance, and the California Department of Education. In the event that public information is not available or is not the most recent, SCAG contracts with a number of private entities to obtain regional data. The following sections describe how each data source was compiled to produce the information displayed in this report.

Statistical Summary Table

In the Statistical Summary Table (page 3), the values in the field "Jurisdiction Relative to County/Region" represent the difference between the jurisdiction's value and the county/region value, except for the following categories which represent the jurisdiction's value as a share of the county (or in the case of an entire county as a share of the region): Population, Number of Households, Number of Housing Units, Number of Jobs, Total Jobs Change, and K-12 Student Enrollment.

Median Age, Homeownership Rate, and Median Household Income are based on Nielsen Company data. Number of Housing Units is based on the 2010 Census and estimates from the California Department of Finance. Data for all other categories are referenced throughout the report.

Population Section

Where referenced, data from 2000 to 2014 was taken from the California Department of Finance's (DOF) E-5 estimates, which were published in May 2014. This dataset was benchmarked to population figures from the 2000 and 2010 U.S. Decennial Censuses. Data relating to population by age group and by race/ethnicity was derived from the 2000 and 2010 U.S. Decennial Censuses, and Nielsen Co. The 2000 figure was based on U.S. Decennial Census figures for April 1, 2000 and the 2010 figure was based on U.S. Decennial Census figures for April 1, 2010.

Below are definitions for race and ethnicity, taken from the U.S. Census Bureau.

The Hispanic or Latino origin category is:

- A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The race categories are:

- American Indian or Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- Black or African American – A person having origins in any of the black racial groups of Africa, including those who consider themselves to be "Haitian."

- White – A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- Some other race – This category includes Native Hawaiian or Other Pacific Islander (a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands) and all other responses not included in the "American Indian or Alaska Native," "Asian," "Black or African American," and "White" race categories described above.

Charts for population based on age were tabulated using 2000 and 2010 U.S. Decennial Census data and Nielsen Company data for 2014. Charts for race/ethnicity were tabulated using 2000 and 2010 U.S. Decennial Census data and Nielsen Company data for 2014.

Households Section

The 2000 figure was based on U.S. Decennial Census figures for April 1, 2000 and the 2010 figure was based on U.S. Decennial Census figures for April 1, 2010. Information for 2014 was supplied by the Nielsen Company. Average household size was developed using information from the California Department of Finance (DOF). Households by Size was calculated based on Nielsen Company data. Households refer to the number of occupied housing units.

Housing Section

Housing units are the total number of both vacant and occupied units. Housing units by housing type information was developed using data from the California Department of Finance (DOF). Age of housing stock information is from the Nielsen Company.

The number of residential units with permits issued was obtained using Construction Industry Research Board data, which are collected by counties and are self-reported by individual jurisdictions. It represents both new single family and new multifamily housing units that were permitted to be built, along with building permits that were issued for improvements to existing residential structures (e.g., re-roofs, remodels). Please note that SCAG opted to report the annual number of permits issued by each jurisdiction which may be different than the number of housing units completed or constructed annually. This was done using a single data source which provides consistent data for all jurisdictions. The Construction Industry Research Board defines "multi-family housing" to include duplexes, apartments, and condominiums in structures of more than one living unit.

The median home sales price, compiled from MDA Data Quick, was calculated based on total resales of existing homes in the jurisdiction, including single family units and condominiums. The median price does not reflect the entire universe of housing in the jurisdiction, only those that were sold within the calendar year.

Transportation Section

The journey to work data for the year 2000 was obtained by using the 2000 U.S. Decennial Census Summary File 3. Data for 2010 is based on the 2010 U.S. Census American Community Survey. Information for 2014 was provided by the Nielsen Company.

Employment Section

Data sources for estimating jurisdiction employment and wage information include the 2010 U.S. Census Bureau Local Employment Dynamics Survey, and information from the California Employment Development Department, InfoGroup, and SCAG for years 2007-2013. In many instances, employment totals from individual businesses were geocoded and aggregated to the jurisdictional level.

Employment information by industry type is defined by the North American Industry Classification System (NAICS). Although the NAICS provides a great level of detail on industry definitions for all types of businesses in North America, for the purposes of this report, this list of industries has been summarized into the following major areas: agriculture, construction, manufacturing, wholesale, retail, information, finance/insurance/real estate, professional/management, education/health, leisure/hospitality, public administration, other services, and non-classified industries.

A brief description of each major industry area is provided below:

- Agriculture – This industry includes crop production, animal production and aquaculture, forestry and logging, fishing hunting and trapping, and support activities for agriculture and forestry.
- Construction – Industries under this umbrella involve the construction of buildings, heavy and civil engineering construction, and specialty trade contractors.
- Manufacturing – This group includes the processing of raw material into products for trade, such as food manufacturing, apparel manufacturing, wood product manufacturing, petroleum and coal products manufacturing, chemical manufacturing, plastics and rubber products manufacturing, nonmetallic mineral product manufacturing and primary metal manufacturing.
- Wholesale – Wholesale industries do business in the trade of raw materials and durable goods.
- Retail – Retail industries engage in the sale of durable goods directly to consumers.
- Information – Businesses in this industry specialize in the distribution of content through a means of sources, including newspaper, periodicals, books, software, motion pictures, sound recording, radio and television broadcasting, cable or subscription programming, telecommunications, data processing/hosting, and other information mediums.
- Finance/Insurance/Real Estate – This sector includes businesses associated with banking, consumer lending, credit intermediation, securities brokerage, commodities exchanges, health/life/medical/title/property/casualty insurance agencies and brokerages, and real estate rental/leasing/sales.
- Professional Management – This industry involves businesses that specialize in professional/scientific/technical services, management of companies and enterprises, and administrative and support services. Types of establishments that would fall under this category range from law offices, accounting services, architectural/engineering firms, specialized design services, computer systems design and related services, management consulting firms, scientific research and

development services, advertising firms, office administrative services, facilities support services, among many others.

- Education/Health – Organizations include elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, medical offices, dental offices, outpatient care centers, medical and diagnostic laboratories, hospitals, nursing and residential care facilities, social assistance services, emergency relief services, vocational rehabilitation services, and child day care services.
- Leisure/Hospitality – These industries include organizations in the performing arts, spectator sports, museums, amusement/recreation industries, traveler accommodations, and food and drink services.
- Public Administration – This classification includes public sector organizations, including legislative bodies, public finance institutions, executive and legislative offices, courts, police protection, parole offices, fire protection, correctional institutions, administration of governmental programs, space research and technology, and national security.
- Other Services – Groups in this group include, for example, automotive repair and maintenance, personal and household goods repair and maintenance, personal laundry services, dry-cleaning and laundry services, religious services, social advocacy organizations, professional organizations, and private households
- Non-Classified – Non-classified organizations involve work activities that are not included in the North American Industry Classification System.

Retail Sales Section

Retail sales data is obtained from the California Board of Equalization, which does not publish individual point-of-sale data. All data is adjusted for inflation.

Education Section

Student enrollment data is based on public school campuses that are located within each jurisdiction's respective boundary. Enrollment numbers by grade within a given jurisdiction are tabulated based upon data obtained from the California Department of Education. Enrollment year is based on the end date of the school year; for example, enrollment data for the year 2000 refers to the 1999-2000 school year. City boundaries used in the dataset for all years is based on data provided by the Local Agency Formation Commission for each county in the region.

Regional Highlights

Information for this section was developed through data from MDA Data Quick and the California Board of Equalization.

Data Sources Section

In choosing the data sources used for this report, the following factors were considered:

- Availability for all jurisdictions in the SCAG region,
- The most recognized source on the subject,
- Data sources within the public domain, and
- Data available on an annual basis.

The same data sources are used for all Local Profiles (except where noted) to maintain overall reporting consistency. The jurisdictions are not constrained from using other data sources for their planning activities.

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XII. Acknowledgments

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	40. Hon. Dan Medina	<i>Gardena</i>	District 28

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

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82. Hon. Andrew Masiel, Sr.	<i>Pechanga Band of Luiseño Indians</i>	Tribal Government Representative
83. Mr. Randall Lewis	<i>Lewis Group of Companies</i>	(Ex-Officio)
84. Hon. Eric Garcetti	<i>Los Angeles</i>	(At-Large)

Attachment: MomentumMoVal (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Notes:

MOMENTUM *MoVal*

DRAFT dated August 16, 2016



Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

STRATEGIC PLANNING - INTRODUCTION

Momentum MoVal outlines the City Council's strategic vision for Moreno Valley's evolution as a premier community where residents and businesses will continue to thrive. This Strategic Plan will align the City's resources and creative energy toward meeting objectives identified by community stakeholders and approved by its elected leaders. As a dynamic and forward leaning endeavor, Momentum MoVal identifies the City's top priorities for the next five years while allowing the Council to adjust priorities as needed to address emerging issues. It's a living document with a laser focus on achieving the aspirations of our diverse community.

A cornerstone to the Strategic Plan process has been active participation by residents and community stakeholders. Their valuable input has been incorporated throughout this document and is showcased in Appendix A.

Momentum MoVal is built around six top priorities toward which our collective efforts will be focused. The Plan features detailed objectives and specific initiatives to achieve the Council's priorities. These components will serve as the primary Work Plan for efforts by all City employees to fulfill the direction given by the Council. Customer Care standards (Appendix B), which have been incorporated into all aspects of daily service delivery to residents and businesses, will continue to guide staff's approach and manner in fulfilling the Council's strategic vision.

This Plan is visionary, while remaining mindful that our community expects its City government to function at peak efficiency. In developing priorities, objectives and initiatives, the City's financial capabilities have been fully considered. Priorities outlined herein can be **aligned and** achieved within existing staff levels and resources, unless otherwise noted. Staff's recommendations for annual operating and capital improvements budgets will reflect the City Council's policy direction as outlined in this strategic document.

Momentum MoVal is an ambitious plan, as the City Council has a bold vision for Moreno Valley's future. Success in achieving these objectives won't be easy, and it shouldn't be. There is much to be done and community expectations are high. Because strategic vision and accountability go hand in hand, progress in accomplishing the initiatives will be reported regularly and publicly.

Momentum MoVal will take Moreno Valley to new heights...Where Dreams Soar.

Consultant's Comments

Momentum MoVal represents the results of active engagement by Moreno Valley residents and the City Council in charting the community's course into the future. This process was unique in the extensive degree to which resident input was sought by the Council and provided by community stakeholders. The community's buy-in to the Momentum MoVal program will ensure that it continues to reflect changing local needs.

The Council hosted 2 community meetings to receive input from residents. An online survey garnered over 350 responses as stakeholders embraced the opportunity to share their community priorities. The Council's day-long Planning Session, held as a public meeting, was a critical juncture in this process. In this discussion, the Council reached consensus on several key principles to guide development of the Strategic Plan as well as its implementation in the years ahead. These principles included:

- Maintain a unified front. Successful Councils work together, moving in the same strategic direction. Providing clear, unified direction will lead to results at the staff level. Celebrate success in terms of "We" rather than "I".
- Focus on Policy. As effective policy makers, the Council will focus on issues from the policy level (referred to as a "30,000 ft. level" for illustrative purposes). Doing so requires staff to communicate effectively with the Council, to earn the Council's collective confidence that staff is fulfilling Council's goals and policy direction.
- Keep communication open, don't be secretive. Sharing information equally with the Council Members is vital to keeping them all informed as policy makers.
- Maintain a respectful environment. Display courtesy toward one another and toward staff. Respect one another's roles and use of time.
- Focus on Customer Care. Council Members view constituent issues from a Citywide perspective. District Boundaries should not be barriers to assisting constituents; in working with residents, Council Members will keep the District Council Member informed.
- Maintain Perspective. Don't allow a few people to influence perspectives of, and behavior toward, one another. Take a broader perspective.
- Equip new Council Members for success. A comprehensive orientation to acquaint newly elected Council Members on the principles stated above will be very helpful to them in understanding organizational norms and their roles as policy makers.

Momentum MoVal marks a pivotal point in the City's development as a premiere community in Inland Southern California. It has been a distinct pleasure to work with the City Council and residents in identifying the objectives outlined in this visionary document.

Wayne McAfee Ph.D.

Nels Klyver Ph.D.



STRATEGIC PLAN PRIORITIES

ECONOMIC DEVELOPMENT

Meet the current and emerging needs of Moreno Valley by expanding the local economy through:

- new business opportunities;
- job creation;
- strategic partnerships; and
- workforce development.

Provide proactive business attraction, small business development, and business support services that grow the City's economic base to enhance the quality of life for Moreno Valley residents.

PUBLIC SAFETY

Provide effective public safety services to enhance the Quality of Life for Moreno Valley families and to attract businesses to our community. Public safety priorities focus on:

- reducing crime through traditional & innovative policing methods,
- preparing our community for emergencies;
- protecting life and property; and
- exploring cost effective solutions.

LIBRARY

Deliver library services that empower our residents through open access to knowledge, employing both traditional and contemporary methods at a level that is appropriate for a diverse community of over 200,000 citizens.

INFRASTRUCTURE

Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery.

BEAUTIFICATION, COMMUNITY ENGAGEMENT, AND QUALITY OF LIFE

Promote an active and engaged community where we work together to beautify our shared environment, care for each other, and enjoy access to cultural and recreational amenities that support a high quality of life for all of our residents as envisioned and articulated throughout the City's adopted General Plan.

YOUTH PROGRAMS

Improve the lives and futures of our City's youth by expanding healthy lifestyle choices and learning opportunities. Build systems that continually and effectively assess the conditions affecting families in Moreno Valley, and develop context appropriate strategies responsive to those needs that build on community strengths.



VISION

To transform our young city into a mature community that offers its residents and businesses an unsurpassed quality of life featuring abundant recreation, desirable private and public services, varied residential living choices, and well-paying employment opportunities.

MISSION

Maintain a safe and secure environment for the people who live, work, and play in the city.

Promote democracy, inviting citizen involvement while encouraging community self-determination and local control.

Enhance and sustain the economic prosperity of the community and the financial well-being of the city government.

Bring together our community and its resources to address local needs and issues and enhance the quality of life.

Build quality public and private facilities, emphasizing recreational and cultural activities for all ages and interests.

Foster harmony among diverse community groups by providing opportunities for improvement, respecting cultural differences, and treating people equally and fairly.

Respect and conserve our environmental resources for the health and enjoyment of our citizens and future generations.

Advocate for and effectively represent the city's interests with other governmental and private institutions, and establish cooperative partnerships to improve the quality of life in the region.

Exemplify good government by operating a city business that is open and ethical, customer-friendly, cost-conscious, innovative, technologically advanced, and forward-thinking.

Cultivate a challenging and rewarding work environment— as a “model employer”—that supports our employees and their families, develops people, promotes teamwork, and celebrates humanity.

GOALS

1. Advocacy
2. Revenue Diversification and Preservation
3. Public Safety
4. Public Facilities and Capital Projects
5. Positive Environment
6. Community Image, Neighborhood Pride and Cleanliness

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



1. ECONOMIC DEVELOPMENT

Meet the current and emerging needs of Moreno Valley by expanding the local economy through:

- *new business opportunities;*
- *strategic partnerships; and*
- *job creation;*
- *workforce development.*

Provide proactive business attraction, small business development, and business support services that grow the City's economic base to enhance the quality of life for Moreno Valley residents.

Objective 1.1: Proactively attract high-quality businesses.

Initiative 1.1.1: Update the Council-adopted Economic Development Action Plan to focus business attraction efforts on key growth industries conducive to the Moreno Valley market such as logistics, green and clean technology, defense, aerospace, e-commerce, healthcare, medical device manufacturing, auto manufacturing (and related fields), robotics, and global trade. (1 year)

Initiative 1.1.2: In the next City budget cycle, allocate additional dollars to expand marketing efforts by increasing advertising placements and sponsorships. (6 months)

Initiative 1.1.3: Affirm competitive development impact fees. (1 year)

Initiative 1.1.4: Advance the Development Services Team as a "Center of Excellence" in serving all customers by **use of technology services and tools and** streamlining development processes via Accela's ACP project tracking software. Guarantee specific time frames for plan reviews, expedite permitting issuance processes, improve inspection functionality (6 months), and facilitate online applications and services. (9 months)

Initiative 1.1.5: Rebuild the Community Development Department's website presence by making pertinent and useful information easily accessible for review and to provide additional assistance throughout all aspects of the development review process. (9 months)

Initiative 1.1.6: Expand Economic Development digital and online marketing tools including the expansion of proactive marketing with monthly emails, the placement of ten (10) print and digital ads, and development of a dedicated Economic Development website to promote Moreno Valley as the best place to do business. (1 year)

Initiative 1.1.7: Actively participate in and sponsor commercial, medical, office, and industrial brokerage and development-related organizational events and conferences to promote and market Moreno Valley. (2 years)



Initiative 1.1.8: Promote investment in beautification improvements (landscaping, public art, etc.) along strategic business development corridors. (5 years)

Initiative 1.1.9: Conduct 12 business visits per year with major employers and key businesses in Moreno Valley to build relationships; determine business needs, developing new support industries; promote incentive programs such as Hire MoVal; and to identify industry and employer specific educational and training. (1 year)

Initiative 1.1.10: Pursue award opportunities to showcase the City’s innovative Economic Development initiatives. (1 year)

Initiative 1.1.11: Complete the re-brand of the Economic Development Department attraction efforts and launch a dedicated Economic Development website. (6 months)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Finance, Fire Prevention, Moreno Valley Utility, Riverside County Workforce Development, Searle Creative Marketing, Riverside University Health System, Kaiser Permanente, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce, Inland Empire Economic Partnership, Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State, and other business support partners, development and brokerage community, trade organizations

Resources: Economic consultant(s) for the Economic Development Action Plan, outside marketing agency, marketing budget, one (1) additional, full-time Economic Development staff member for business attraction

~~**Obstacles:** Potential downturn in economy, delayed implementation of ACP project tracking software, identifying adequate funding, available staffing resources~~

Objective 1.2: Market the opportunities for quality industrial development in Moreno Valley by promoting the largest industrial business project in California’s history, the World Logistics Center (WLC).

Initiative 1.2.1: **Promote Showcase** WLC on all appropriate marketing collateral, online, and via email outreach. Work with the WLC developer to educate the brokerage community on the status and availability of WLC projects. (years 1-5)

Partners: Economic Development, Community Development (Planning), City Manager’s Office, Media Section, ~~marketing consultant~~, **WLC developer**

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



Resources: Economic consultant(s) for the Economic Development Action Plan, outside marketing agency, marketing budget, **WLC Development Agreement provisions**

~~**Obstacles:** Potential downturn in economy, identifying adequate funding, available staffing resources~~

Objective 1.3: Promote local hiring through the expansion of local, quality, high paying jobs, and workforce development efforts.

Initiative 1.3.1: Set a target of 1,000 new jobs through business attraction and expansion per year. (years 1-5)

Initiative 1.3.2: Set a target of having an unemployment rate that is lower than the Riverside County unemployment rate. (5 years)

Initiative 1.3.3: Attract a supply chain/logistics and/or medical related trade school. Explore the potential use of City facilities for this purpose. (3 years)

Initiative 1.3.4: Continue to partner with the Riverside County Workforce Development Center to promote job readiness and basic skills training of the local workforce through the hosting of at least six (6) job preparedness and readiness workshops per year at the Moreno Valley Employment Resources Center (ERC) and/or other City facilities. Continue to expand upon existing recruitment service offerings. (1 year)

Initiative 1.3.5: Explore strategic partnerships with business organizations and nonprofits to identify industry specific workforce development training curriculum needs. (2 years)

Initiative 1.3.6: Encourage local partnerships to promote entrepreneurship, basic skills training, and financial literacy initiatives among Moreno Valley adults. (2 years)

Initiative 1.3.7: Promote the development of health care careers by establishing a “hot careers in health care” board at the ERC, giving first priority to health care job providers for recruitments, and hosting two (2) workshops focused on jobs in health care with local partners at the ERC. (1 year)

Initiative 1.3.8: ~~Develop a strategy for the utilization of the World Logistic Center Development Agreement funds dedicated to workforce training in the logistics industry.~~ **Develop a strategy to utilize World Logistics Center Development Agreement funds dedicated to workforce training in the logistics industry. A total of \$6,993,000 is anticipated for the City’s use to provide and enhance educational and workforce development training in the supply chain and logistics industries. Funds will be received on an annual basis, and in conjunction with construction on the WLC site. Annual payments of \$100,000 will be provided during the first six years under the**





Development Agreement, with the amount increasing to \$125,000 from the 7th year through the end of the Agreement. A contribution of \$1 million will be provided upon issuance of the first building permit for a logistics building on the WLC property, and additional payments of 11¢ per square foot upon issuance of building permits for each succeeding building. (1 year)

Initiative 1.3.9: Incorporate Moreno Valley Utility (MVU) as part of the Business Visitation Program and enroll five (5) new companies into Hire MoVal. (1 year)

Initiative 1.3.10: Develop a Hire MoVal recognition program. Companies that adopt the “Hire MoVal First” criteria will be recognized at a City Council Special Presentation meeting to receive a City Proclamation. (1 year)

Initiative 1.3.11: Evaluate hiring City staff members to conduct job readiness/job training programs under direct supervision by the Economic Development Department.

Partners: Economic Development, Community Services and Library for provision of job readiness workshops, City Manager’s Office, Media Section, Community Development (Planning), ~~Moreno Valley Utility, City Clerk’s Office~~, Finance, Riverside County Workforce Development, Moreno Valley College, Riverside Community College District, University of California Riverside, ~~Riverside University Health System, Kaiser Permanente, Highland Fairview~~; prospective trade/professional/non-profit training institutions, ~~development and brokerage firms~~, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce

Resources: Two (2) additional full-time Economic Development staff members to implement job creation/ workforce development initiatives

~~**Obstacles:** Potential downturn in economy, limited market demand, identifying adequate funding, available staffing resources~~

Objective 1.4: Promote the development of the Medical Corridor along Nason Street to meet health care demands for residents of Moreno Valley and the region, bring quality jobs, and create business opportunities for ancillary support businesses in the health care industry.

Initiative 1.4.1: Strengthen partnerships with existing medical providers such as Riverside University Health System and Kaiser Permanente to support and encourage expansion efforts. (6 months)

Initiative 1.4.2: Create focused medical/office and elderly care facility marketing collateral to highlight Moreno Valley’s unique assets and development opportunities. (6 months)

Initiative 1.4.3: Identify strategic partners to encourage the development of job readiness in high demand health care industries. (6 months)



Initiative 1.4.4: ~~Related to this objective is the determination of~~ Determine the highest/best use of the City’s parcel at Nason Street and Alessandro Boulevard and the exploration of an urban village concept including opportunity to integrate enhanced transit connections between this area and the new Perris Valley Line Metrolink Station west of I-215. Complete land use analysis component of the Nason Street Corridor Study. (1 year)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Fire Prevention, Riverside County Workforce Development, Moreno Valley College, University of California Riverside (School of Medicine), Riverside University Health System, Kaiser Permanente, Land Use consultant

Resources: A Land-Use consultant

~~**Obstacles:** Limited market demand, potential downturn in economy, identifying funding source, available staffing resources~~

Objective 1.5: Showcase Moreno Valley’s unique assets.

Initiative 1.5.1: Promote and market Moreno Valley’s advantages: second largest City in Riverside County with a growing population, strategic location, easy access to transportation corridors, proximity to ports and markets in Los Angeles, Orange, and San Diego counties, home of March Inland Port – Airport, availability of developable land, committed City leadership and staff, business friendly philosophy, Foreign Trade Zone designation, competitive incentives such as the award winning Hire MoVal program, and the Economic Development Rate Incentive discount from the Moreno Valley Utility. (3 years)

Initiative 1.5.2: Evaluate the current General Plan Community Development Element Land Use Map to identify three potential distinct “town centers” for the City. (1 year)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Moreno Valley Utility, Riverside County EDA, Inland Empire Economic Partnership, March Inland Port Airport - March Joint Power’s Authority

Resources: Funding for land use, architecture/ landscape architecture, engineering consultants to implement a City Gateway and Streetscapes plan would be required for 1.5.2 above

~~**Obstacles:** Identifying funding source, available staffing resources for 1.5.2 above~~



Objective 1.6: Establish Moreno Valley as the worldwide model in logistics development.

Initiative 1.6.1: Expand the State of the City to add an Economic Development Summit component that includes a keynote speaker to discuss annual economic trends and their impact on the City, and offer breakout sessions that would allow participants to provide feedback on issues relevant to business and the local economy. (1 year)

Initiative 1.6.2: Develop a Logistic and Industrial Developer Business Council comprised of logistic and industrial developers to meet and discuss issues impacting development. (1 year)

Initiative 1.6.3: Establish a webpage discussing the priorities and activities of the Logistic and Industrial Developer Business Council with a section that allows businesses to submit feedback and suggestions. (2 years)

Initiative 1.6.4: Pursue speaking and demonstration opportunities at the national and international levels to elevate Moreno Valley’s reputation for smart logistics development. (1 year)

Partners: City Manager’s Office, Media Section, City Clerk’s Office, Economic Development, Community Development (Planning), Community Service, Moreno Valley logistics-related companies, industrial developers

Resources: Additional funding for the State of the City event

Obstacles: Identifying funding source, potential downturn in economy, available staffing resources

Objective 1.7: Promote small business development and entrepreneurship.

Initiative 1.7.1: Continue to provide high quality business support programs such as five (5) Business Roundtables per year, twenty (20) Business Spotlight commercials, Hire MoVal, monthly Shop MoVal print and digital ads, and fifty (50) small business site visits per year.

Initiative 1.7.2: Leverage resources and city facilities to provide quality educational and small business support programs such as workshops, technical and financial assistance, networking, mentoring, and one-on-one counseling through the Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State, and other business support partners. (1 year)

Initiative 1.7.3: Research the feasibility and funding of a one-stop incubator that would include the ERC and a new BRC (Business Resources Center) to encourage the evolution of home-based and small businesses and the expansion of start-ups. (5 years)

Partners: Economic Development, City Manager’s Office, Media Section, Community Development, Parks & Community Services, Finance, Moreno Valley Utility, Riverside County Workforce Development, Moreno Valley College, Moreno Valley Chamber of Commerce, Moreno Valley Black Chamber of Commerce, Moreno Valley Hispanic Chamber of Commerce, Inland Empire Small Business Development Center (IESBDC), SCORE, Small Business Administration (SBA), AmPac Tri-State

Resources: One (1) full-time Economic Development staff member for business support services/small business development

~~**Obstacles:** Identifying funding source, available staffing resources~~

Objective 1.8: Evaluate staff resources and dedicate City funding to invest in aggressive Economic Development activities that will result in increased revenues to the City, additional employment opportunities, and enhanced quality of life for our residents.

Initiative 1.8.1: Evaluate hiring one (1) full time staff member, or equivalent outsourced support, to business attraction such as proactive print and digital marketing, branding, website management, content and email marketing, trade show and industry events planning and attendance, lease mining, site selection assistance, demographics and market analysis, brochure development, database collection, real estate industry liaison, and new business relationship building efforts. (6 months)

Initiative 1.8.2: Evaluate hiring two (2) full time staff members, or equivalent outsourced support, for workforce development, including oversight of the Hire MoVal program, operations at the Moreno Valley Employment Resource Center, job readiness workshops, partnership and relationship building, and new job training initiatives. (6 months for first hire, 18 months for second hire)

Initiative 1.8.3: Evaluate hiring one (1) full time staff member, or equivalent outsourced support, for Business Support Services and Small Business Development, such as Business Visitations, Business Roundtable, Business Spotlight, Chamber of Commerce relations, grants and loan programs, energy efficiency programs outreach, small business visits, business training programs with the Small Business Development Center, SCORE, AmPac Tri-State, and the Small Business Administration, event sponsorships within Moreno Valley, Shop MoVal, Start-up MoVal, and the Business Ombudsman activities. (18 months)

Partners: Economic Development, City Manager’s Office, Administrative Services

Resources: Up to four (4) additional full-time Economic Development staff positions

~~**Obstacles:** Potential downturn in economy, identifying funding sources~~



Objective 1.9: Ensure the City’s General Plan articulates the vision for how Moreno Valley wants to evolve over time, and provides an orderly and predictable process through which this vision is developed and implemented, including new attention to economic development, sustainability, public health, and innovation.

Initiative 1.9.1: Prepare a General Plan Annual Report per Government Code Section 65400 for presentation to the City Council before April 1, 2017, that explains how current land use decisions relate to adopted goals, policies and implementation measures, and as appropriate, identify necessary course adjustments consistent with the Strategic Plan. (1 year)

Initiative 1.9.2: Form a working group of key City staff to research and evaluate the current General Plan as a prerequisite to initiating a comprehensive update of the General Plan. Develop recommendations for a scope of work, inclusive of completing the General Plan Economic Development Element (Chapter 3) envisioned with the last comprehensive General Plan Update completed in 2006, and prepare recommendations on budget and schedule. (1 year)

Initiative 1.9.3: Include consideration of incremental set-aside of funding in annual budget development in anticipation of future General Plan update. (1 year)

Initiative 1.9.4: Conduct a comprehensive update of the City General Plan and supporting environmental document, including all mandatory Elements (except Housing), an Economic Development Element, and other desired optional Elements authorized by the City Council. (3 years)

Partners: City Manager’s Office, Media Section, Community Development (Planning, Building & Safety), Public Works, Finance (Housing), Economic Development, Community Service, Police and Fire

Resources: General plan consultant/firm

Obstacles: Identify funding source, available staffing resources

2. PUBLIC SAFETY

Provide effective public safety services to enhance the Quality of Life for Moreno Valley families and to attract businesses to our community. Public safety priorities focus on:

- *reducing crime through traditional & innovative policing methods;*
- *preparing our community for emergencies;*
- *protecting life and property; and*
- *exploring cost effective solutions.*

Objective 2.1.: Reduce crime, the fear of crime, and the perception of crime in the community.

Initiative 2.1.1: Form a working group, with existing staff, to research, evaluate and test progressive law enforcement programs for use in the City. (6 months)

Initiative 2.1.2: Conduct at least one community survey each year using social media to correctly determine, address, and reduce fear of crime. (1 year)

Initiative 2.1.3: Enhance the use of social media sites to better provide a forum for reporting quality of life issues to include tips, complaints, and crime updates. (6 months)

Initiative 2.1.4: Expand the citywide camera system to include more parks, public gathering areas and sport complexes. (2 years)

Initiative 2.1.5: Add large signage to city entry points alerting the public to the existence of the camera system. (1 year)

Initiative 2.1.6: Provide Crime Prevention Through Environmental Design (CPTED) plan review training to key city staff engaged in plan reviews for new development projects. (1 year)

Partners: Police Department, Community Development, Parks & Community Services Department, Technology Services, Local Business Owners/Groups, Neighborhood Associations, Faith-Based Organizations, Riverside County Department of Public Social Services (DPSS), Neighborhood Watch Program, Homeowners Associations, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Grants and city approved funding sources

~~**Obstacles:** Identifying key leadership personnel to establish a crime prevention committee and the management of employees to develop and maintain social media sites~~

Objective 2.2: Engage the community in joint problem solving and crime prevention activities.

Initiative 2.2.1: Target 10% increased public participation at community outreach and education events, such as Coffee with a Cop, Zone Meetings, and Cops and Clergy. (1 year)

Initiative 2.2.2: Provide information regarding Neighborhood Watch programs to all Homeowners Associations in the City. (1 year)

Initiative 2.2.3: Host a CPTED community workshop, and post CPTED information on the city website for public information. (1 year)

Partners: Police Department, Local Businesses, Neighborhood Associations, Faith-Based Organizations, Neighborhood Watch Program, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Byrne Criminal Justice Innovation grant

~~**Obstacles:** Identifying key leaders from various community groups to develop and maintain a crime prevention committee, difficulty locating additional crime prevention grants and funding sources~~

Objective 2.3: Promote the concept of community policing with residents and Department members.

Initiative 2.3.1: Increase public trust by building our community oriented policing programs like the Officer Friendly Program and Crime-Free Multi-housing. (1 year)

Initiative 2.3.2: Work with new and existing affordable housing providers to help them solve problems and promote a Crime-Free Multi-housing Program. (6 months)

Initiative 2.3.3: Enhance volunteer programs by actively recruiting and sending five new city residents to the Citizen's Police Academy each year. (1 year)

Initiative 2.3.4: Raise public trust by increasing law enforcement's presence at community events. (6 months)

Partners: Police Department, Housing and Urban Development, Community Development, Finance (Housing), local business owners/groups, Neighborhood Associations, Faith-Based Organizations, Parks & Community Services Department, Neighborhood Watch Program, Crime Stoppers, Center for Problem-Oriented Policing, social networking and media outlets

Resources: Byrne Criminal Justice Innovation grant, develop a career development program for High School/College Students for future entry in law enforcement

~~**Obstacles:** Identifying key leaders from various community groups to develop and maintain a crime prevention committee~~

Objective 2.4: Work with government and non-government agencies to reduce homelessness in the City.

Initiative 2.4.1: Develop and maintain relationships with Housing and Urban Development, Veterans Affairs, Riverside County Department of Public Social Services (DPSS) and other non-governmental organizations to house our homeless. (1 year)

Partners: Police Department, Community Development, Housing and Urban Development, local business owners/groups, Riverside Community College Students, Neighborhood Associations, Faith-Based Organizations, DPSS, Department of Public Works, Parks and Recreation, Center for Problem-Oriented Policing, non-governmental organizations (i.e. Path of Life Ministries, University Women Homeless Center, Jubilee House Sober Living, D & R Turning Point), Family Assistance Program, Place, and the Riverside County 211 Program

Resources: City approved funding sources and grants

Obstacles: Identifying key leaders from various community groups to develop and execute a comprehensive homeless protocol, difficulty identifying funding sources, available staffing resources

Objective 2.5: Develop partnerships with local businesses and warehouse operators to reduce traffic related issues.

Initiative 2.5.1: Develop and implement a Commercial Vehicle Enforcement Team. (1 year)

Initiative 2.5.2: Work with local businesses to develop commercial traffic plans, routes and parking solutions. (1 year)

Partners: Caltrans, California Highway Patrol, Police Department Traffic Unit, local business owners/groups, neighborhood associations, Public Works, Community Development (including existing vendor support)

Resources: City approved funds and applicable grants, professional consultants

Obstacles: Identifying key leaders from various community and business groups to develop a committee/think tank to develop and implement traffic related solutions, available staffing resources, adequate funding

Objective 2.6: Enhance operational excellence and efficiency in delivery of Police services.

Initiative 2.6.1: Begin the important process of building the police department's sworn staffing levels. Success and timing will reflect availability of resources and status of law enforcement costs. The Riverside Sheriff's Department often refers to a ratio of 1 officer to each 1,000 residents as an important target for sworn staffing levels. (1 year)

Initiative 2.6.2: Rebuild special teams by adding sworn officers. These teams proactively target violent criminals, street gangs, street-level narcotics sales, and quality of life issues. (2 years)

Partners: Police Department, City Manager's Office, Financial & Management Services

Resources: Allocate funds and identify grants for the increase in police personnel

Obstacles: ~~Allocating ongoing funds to sustain an increase in police personnel in light of rising costs~~

Objective 2.7: Fully integrate Fire Prevention activities into the City's Development Services processes to provide swift, seamless service.

Initiative 2.7.1: Team with Technology Services and all other development services department to adopt the Accela Civic Platform (ACP). (2016)

Partners: Fire Department, Technology Services, Economic Development, Community Development (Planning, Building and Safety), Land Development, TruePoint Solutions

Resources: ACP project team

Obstacles: ~~Potential delays for incorporating annual business inspection programs due to additional enhancements required within ACP, available staffing resources~~

Objective 2.8: Enhance communication and coordination with City departments to provide accountability in emergency preparedness activities and minimize redundancy of efforts citywide.

Initiative 2.8.1: Assess and assist other City department efforts to identify, prioritize, and mitigate facility and infrastructure hazards that would advance emergency preparedness. (1 year)

Initiative 2.8.2: Conduct a full-scale Emergency Operations Center Exercise. (2016)

Initiative 2.8.3: Conduct no less than 1 full-scale Emergency Operations Center Exercise in each calendar year. (2016)

Partners: City Manager's Office, Community Development Department, Office of Emergency Management, Fire Department, Police Department, Public Works, Parks and Community Services, Moreno Valley Utility, Media Section, Riverside County Emergency Management Department (EMD), Riverside County Fire, Riverside University Health System, Moreno Valley Kaiser, American Red Cross

Resources: Office of Emergency Management, Fire Department, Riverside County EMD staff, Alert MoVal

Obstacles: ~~Priority projects may impact development and facilitation of meetings and exercises~~

Objective 2.9: Building upon momentum established with the El Niño Preparedness initiative, maintain and expand partnerships with community organizations throughout the City.

Initiative 2.9.1: Develop and establish formal agreements or memorandums of understanding (MOU's) with private/non-profit organizations to enhance the City's preparedness and response efforts. (1 Year)

Partners: Office of Emergency Management, City Manager's Office, Fire Department, Police Department, faith-based organizations, community-based organizations, non-profit organizations, Economic Development, Public Works, and key community disaster response agencies

Resources: Existing City staff from City departments, Moreno Valley (MVUSD) and Val Verde (VVUSD) Unified School Districts, various meetings and committees (i.e. Operational Area Planning Committee, NorthWest Comm, Volunteer Organizations Active in Disaster, etc.)

Obstacles: ~~Potential for varying levels of participation among community organizations. Some partners may not have adequate resources to engage in an MOU or assist the City in an emergency or disaster~~

Objective 2.10: Ensure that the City's emergency management program (including mitigation, preparedness, response and recovery) addresses needs of persons with disabilities and people with access and functional needs.

Initiative 2.10.1: Revise the City's Emergency Operations Plans to ensure each City department includes consideration of accommodations, services, and strategies for serving the City's population of persons with disabilities and people with access and functional needs and is compliant with state and federal regulations. (1 Year)

Initiative 2.10.2: Enhance the current system for identifying and locating persons with disabilities and people with access and functional needs during an emergency, document suitable shelter infrastructure, and ensure specialized equipment and other support is available during emergencies. (3 years)

Initiative 2.10.3: Enhance the level of emergency preparedness to meet the needs of People with Access and Functional Needs (PAFN) during major emergencies or disasters by: (2 years)

- strengthening existing and initiating 5 new relationships with civic stakeholders including schools, care and medical organizations who know of and provide services to PAFN;
- increasing resident registration of PAFN during an emergency with the City's alert and notification system, Alert MoVal, by 10% per year;
- identifying and building relationships with 5 vendors who provide specialized equipment and resources specifically designed to assist PAFN and that can be made available during disasters;
- coordinating and conducting an annual emergency preparedness seminar tailored to PAFN; and
- offering a PAFN Community Emergency Response Training class to members of the community and surrounding jurisdictions.

Partners: Office of Emergency Management, Riverside County Department of Public Social Services (DPSS), Moreno Valley (MVUSD) and Val Verde (VVUSD) Unified School Districts, Fire Department, Police Department, Parks and Community Services, Media Section, Technology Services, community-based organizations, faith-based organizations, non-profit organizations, and local medical providers

Resources: Office of Emergency Management staff, Alert MoVal (emergency alert and early warning notification system), various meetings and committees, civic stakeholders

Obstacles: Engagement in preparing People with Access and Functional Needs (PAFN) is voluntary and based on interest and time. Another obstacle is identifying how many PAFN reside in Moreno Valley and where to focus our outreach, measuring progress/success towards targeted goals with unknown variables is difficult

Objective 2.11: Protect people and property against animal related injury and nuisance through enforcement of local and state animal welfare laws and ordinances.

Initiative 2.11.1: Provide effective training and public education programs regarding the importance of responsible pet ownership, rabies awareness, mandatory spay/neuter and micro-chip ordinances, leash law, control of the feral cat population and re-homing options in an effort to reduce the intake of animals by 3% annually over the next three years. (1 year)

Initiative 2.11.2: Respond to citizen calls for service the day they are received or within 24 hours for low priority calls received near or after the end of a work shift. (6 months)



Initiative 2.11.3: Conduct weekly proactive patrols in close proximity to schools, parks and areas identified as having the greatest number of stray animals reported in an effort to reduce dog bites by 5%. (6 months)

Partners: Local school district, civic groups, Animal Services, Police Department, Park Rangers

Resources: Current staffing levels in Animal Services allow the division to meet a minimal level of services

~~**Obstacles:** Challenges in establishing public/private partnerships~~

Objective 2.12: Evaluate results of Feasibility Study regarding the concept of forming a multi-agency Joint Powers Authority for provision of police services.

Initiative 2.12.1: Present results of Feasibility Study to the Public Safety Sub-Committee. (6 months)

Initiative 2.12.2: Present Public Safety Sub-Committee findings to the City Council via Study Session. (2017)

Partners: Finance, City Manager’s Office, local cities contracted with Matrix Consulting to complete the initial feasibility analysis

Resources: The initial funding for the contract has been approved by the City Council and Matrix Consulting is currently engaged on the project

~~**Obstacles:** Timing and responses from other cities and the County Sheriff to allow for the completion of the study~~

Objective 2.13: Update the City’s Local Hazard Mitigation Plan to identify risks and vulnerabilities associated with disasters, including developing long-term strategies for protecting the health, safety and welfare of people and reduce harm to existing and future property from hazard events.

Initiative 2.13.1: Establish a planning committee to identify and assess potential hazards in the community. (6 months)

Initiative 2.13.2: Establish mitigation strategies for the recognized hazards including goals, objectives and associated costs. (6 months)

Initiative 2.13.3: Provide community outreach to encourage stakeholder and public participation in the monitoring and evaluation of the plan. (1 year)



Partners: Fire Department, Community Development, Economic Development, Public Works, City Manager’s Office, Parks and Community Services, Moreno Valley Utility, Financial & Management Services, Riverside County Emergency Management Department

Resources: Southern California Edison, Eastern Municipal Water District, Moreno Valley Unified School District, Val Verde Unified School District, Moreno Valley Community College, Riverside University Health System, Kaiser Permanente Moreno Valley and community members

~~**Obstacles:** Planning processes can be extended depending on the workload of various departments and priority projects~~



3. LIBRARY

Deliver library services that empower our residents through open access to knowledge, employing both traditional and contemporary methods at a level that is appropriate for a diverse community of over 200,000 citizens.

Objective 3.1: Open a satellite branch library by December, 2017.

Initiative 3.1.1: Identify funding sources, including but not limited to, Development Impact Fees , grant opportunities, ~~increased Transient Occupancy Taxes~~, etc. (9 months)

Initiative 3.1.2: Identify appropriate location for a satellite branch library by conducting public outreach sessions and/or a community needs assessment to determine areas in greatest need and with greatest interest of neighborhood library services. Consider public transportation access to potential new locations. (1 year)

Initiative 3.1.3: Seek out public and private partnerships to expand Library services including joint use space with schools and private businesses. Investigate store-front or mall locations, as well as self-serve library options. (1 year)

Initiative 3.1.4: To reduce overall costs associated with opening a satellite branch, automate services to decrease additional staffing needs including self-check-out for books, DVD & CD kiosks and laptop kiosk. (9 months) To minimize the need for additional overall staffing to operate a satellite branch, maximize automation at Main Library and explore completely self-serve library options for other locations. (At satellite opening, by December 2017)

Initiative 3.1.5: Consider sale of surplus City properties for one-time revenue generation to be used to fund Library equipment and materials. (1 year)

Partners: Administrative Services, Finance, City Manager’s Office, Community Development

Resources: Approved expenditures for facilities as well as approved ongoing operating expenses for satellite location, professional consultants

~~**Obstacles:** Funding for additional ongoing operating expenses, available staffing resources~~

Objective 3.2: Expand the library’s technology program to enhance job readiness in our community.

Initiative 3.2.1: Develop a robust training program to include basic computer classes and basic MS Office software training. (4 months)

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Initiative 3.2.2: Investigate the feasibility of a Lend-and-Learn program enabling patrons to receive training on the use of new technology as well as the ability to check out devices from the library. (9 months)

Partners: Library, Amazon (tablet/e-reader donation), training partners

Resources: Approved funding for additional computer training courses and tablet/e-reader lend and learn program if unable to secure volunteer trainers and donated technology

~~**Obstacles:** Lack of volunteers and/or donations~~

Objective 3.3: Partner with outside organizations to expand the range of workshops and programs provided to the community.

Initiative 3.3.1: Expand reading and language (ESL, Spanish) classes. (years 1-5)

Initiative 3.3.2: Promote job readiness by providing workshops on resume writing, job interviewing, career readiness and life skills four times per year. (6 months)

Initiative 3.3.3: Conduct public information workshops on topics such as tax filing assistance, social security, signing up for Covered California. (6 months)

Initiative 3.3.4: Conduct health and wellness workshops to address areas of interest to various age groups six times per year. (1 year)

Initiative 3.3.5: Organize workshops and presentations on arts, entertainment and recreation subjects including gardening, painting, writing, history, music and other popular subjects on a monthly basis. (1 year)

Initiative 3.3.6: Introduce a Community Lending Library program by providing 6 library boxes to neighborhoods (as demonstration projects) and defining standards for private construction/installation of library boxes. (1 year)

Partners: Administrative Services (Library), Economic Development, Community Services, Community Development, individuals or organizations to sponsor "Little Libraries," volunteer/training/workshop partners, [Moreno Valley Unified School District](#), [Val Verde Unified School District](#)

Resources: Funding for Little Libraries if unable to secure grant or donations

~~**Obstacles:** Lack of volunteers for increased training and workshop sessions, available staffing resources, adequate funding, community participation~~



4. INFRASTRUCTURE

Manage and maximize Moreno Valley's public infrastructure to ensure an excellent quality of life, develop and implement innovative, cost effective infrastructure maintenance programs, public facilities management strategies, and capital improvement programming and project delivery

Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

Initiative 4.1.1: Contract with a consultant to assist the City in identifying and analyzing options regarding the organizational structure of the utility. (1 year)

Initiative 4.1.2: Prepare a comprehensive Strategic Plan that includes the following tasks. (2 years)

- 1) Update the Distribution System Plan to identify and prioritize infrastructure needed to meet customer demand for electricity; analyze the impacts of the proliferation of customer-owned solar systems on the distribution system.
- 2) Update the Integrated Resource Plan to identify future power supply needs for the utility and recommend the optimal mix of resources (such as purchase vs. utility-owned generation, renewable energy, etc.).
- 3) Update the utility rates model and review/explore the existing policy of maintaining parity with SCE rates.
- 4) Analyze financial reserve recommendations to fund a portion of the infrastructure identified in the Distribution System Plan, provide funding for the replacement of equipment and/or infrastructure in the event of an emergency, and provide operating and rate stabilization reserves.

Partners: Public Works, Finance, City Council and industry experts to evaluate items and complete a plan

Resources: Staffing and financial resources will be provided through the Utility

~~**Obstacles:** Completing comprehensive public education and feedback to assure a comprehensive plan can be developed to provide for the long term viability of the Utility~~

Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

Initiative 4.2.1: Present initial infrastructure needs assessment information to the City Council at a study session. (6 months)



Initiative 4.2.2: In partnership with the Riverside County Flood Control District, review and update Flood Control Master Plans and associated Area Drainage Fees such that plans reflect current stormwater needs. (1 year)

Initiative 4.2.3: Review and update development construction practices with developers to explore the installation of full street improvements along project frontages. (1 year)

Initiative 4.2.4: Develop/update a complete GIS-based inventory of all transportation and stormwater related assets. (2 years)

Initiative 4.2.5: Prepare an updated and fully comprehensive infrastructure needs assessment. (3 years)

Partners: Flood Control District, Building Industry Association (BIA), National Association of Industrial and Office Parks (NAIOP), Technology Services

Resources: Public Works, Community Development, Technology Services, Flood Control District staff, development community

~~**Obstacles:** Potential increases in development fees, potential construction cost increases to development projects~~

Objective 4.3: Address deferred maintenance of City infrastructure assets.

Initiative 4.3.1: Prepare a Deferred Maintenance Plan that assesses safety, adequacy, and liability implications, estimates repair costs and recommends priorities to be programmed in future budgets. (2 years)

Initiative 4.3.2: Aggressively pursue funding strategies and identify sources to fund the Deferred Maintenance Plan activities. (2 years)

Initiative 4.3.3: Use a five-year Deferred Maintenance Plan to strategically finance identified needs such as the annual pavement crack treatment, slurry seal program, and associated ADA improvements at curb ramps and sidewalks. (2 years)

Partners: Public Works, Western Riverside Council Of Governments (WRCOG), Riverside County Transportation Commission (RCTC), City’s Traffic Safety Commission, Professional Organizations

Resources: WRCOG staff, RCTC staff, Professional consultants

~~**Obstacles:** Adequate funding to implement maintenance activities~~



Objective 4.4: Control Street Lighting costs.

Initiative 4.4.1: Determine whether or not to move forward with acquisition of Southern California Edison-owned street lights. (Prior to October 27, 2016)

Initiative 4.4.2: If acquisition of SCE street lights is pursued, fully analyze and determine ownership as City-owned or MVU-owned, establish policies and plans on converting from High Pressure Sodium Vapor (HPSV) to Light Emitting Diode (LED), and street light spacing. (2 Years)

Partners: Public Works, Finance, Southern California Edison (SCE), Moreno Valley Utility (MVU), ENCO Utility Services, City staff and Bond Financing Team

Resources: ~~Adequate funding~~, City staff and consultants (e.g. legal, lighting)

Obstacles: ~~California Public Utility Commission (CPUC) approval, ability to obtain favorable financing~~

Objective 4.5: Explore green/renewable innovations and technologies for new developments such as the World Logistics Center.

Initiative 4.5.1: Develop renewable pavements such as porous asphalt and concrete for streets and sidewalks for drainage self-sufficiency. (3 years)

Initiative 4.5.2: Develop renewable landscape designs for drought tolerance and irrigation self-sufficiency. (4 years)

Partners: Public Works, Community Development, Building Industry Association (BIA), National Association of Industrial and Office Parks (NAIOP), Professional Organizations, development community, Riverside County Flood Control, Eastern Municipal Water District (EMWD)

Resources: Professional consultants, City staff, and all entities listed above under partners

Obstacles: ~~Available staffing resources, change to existing State laws or mandates, potential increase in development costs, long-term maintenance costs could increase~~

Objective 4.6: Advance the development of a well-connected and balanced citywide transportation network that serves all modes.

Initiative 4.6.1: Complete the Juan Bautista De Anza Regional Trail. (3 years)



Initiative 4.6.2: Secure funding to construct Indian Street across Lateral A channel crossing. (4 years)

Initiative 4.6.3: Secure funding and construct Heacock Street connection to Harley Knox Boulevard. (5 years)

Initiative 4.6.4: Secure funding and construct Graham Street Bridge over SR-60. (6 years)

Partners: Public Works, Community Development, Department of Water Resources (DWR), Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), MVUSD, VVUSD, Caltrans, Lake Perris, City of Perris

Resources: Active Transportation Program (ATP), Caltrans Recreational Trails, and Congestion Mitigation and Air Quality (CMAQ) grants, WRCOG, RCTC, professional consultants

~~**Obstacles:** Lack of funding source, additional right-of-way, surrounding community acceptance~~

Objective 4.7: Demonstrate innovative and industry leading transportation systems.

Initiative 4.7.1: Seek a demonstration project for a Protected Intersection / Protected Bicycle Lanes (Cycle tracks) Corridor. (2 years)

Initiative 4.7.2: Develop roundabout corridors similar to Theodore proposed by WLC, to replace stops signs and/or traffic signals. (4 years)

Partners: Public Works, Community Development, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Caltrans, Active Transportation consultants

Resources: Active Transportation Program (ATP) / CMAQ Grants, WRCOG, RCTC

~~**Obstacles:** Available staffing resources, adequate funding, additional right-of-way, surrounding community acceptance~~

Objective 4.8: Promote transit as an essential mode of transportation.

Initiative 4.8.1: Collaborate with Riverside Transit Agency (RTA) to explore Transit Signal Priority Corridors. (2 years)

Initiative 4.8.2: Collaborate with RTA to explore Bus Rapid Transit Routes. (4 years)



Initiative 4.8.3: Collaborate with Riverside Transit Agency to consider a partnership with the City to build an Intermodal Transit Center at Alessandro/Nason. (3 years)

Initiative 4.8.4: Encourage Riverside Transit Agency to establish routes between Metrolink Station and major employers in the City. (3 years)

Partners: Public Works, Community Development, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Riverside Transit Agency (RTA)

Resources: RTA, WRCOG, RCTC

~~**Obstacles:** Adequate funding, additional right-of-way~~

Objective 4.9: Expand upon existing Intelligent Transportation Systems.

Initiative 4.9.1: Approach research and development companies to develop Moreno Valley as a test-bed for connected vehicle technologies. (1 year)

Initiative 4.9.2: In partnership with local and regional agencies, host a Regional Transportation Summit. (1 year)

Partners: Public Works, Riverside County Transportation Commission (RCTC), Western Riverside Council Of Governments (WRCOG), Caltrans, Fisker/Karma and other local manufacturers, Intelligent Transportation System (ITS) Consultants

Resources: WRCOG, RCTC, US Department of Transportation

~~**Obstacles:** Adequate funding, buy-in from local manufacturers, available staffing~~

Objective 4.10: Enhance Moreno Valley’s way-finding ~~directional signage~~ throughout the City for residents and visitors.

Initiative 4.10.1: Expand the installation of updated welcome and directional signs at all gateways into the City and other key destinations. (1 year)

Initiative 4.10.2: Identify opportunities and develop strategies to use technology, social media, communication applications, etc. to assist and enhance resident and visitor way-finding needs throughout the City. (2 years)

Initiative 4.10.3: Install solar powered lighting to all updated welcome and directional signs to enable night visibility. (2 years)

Partners: Public Works, Community Development, local businesses and HOAs

Resources: City budgets, City staff

~~**Obstacles:** Available staffing resources, funding source, maintenance, vandalism~~



5. BEAUTIFICATION, COMMUNITY ENGAGEMENT, AND QUALITY OF LIFE

Promote an active and engaged community where we work together to beautify our shared environment, care for each other, and enjoy access to cultural and recreational amenities that support a high quality of life for all of our residents as envisioned and articulated throughout the City's adopted General Plan.

Objective 5.1: Establish partnerships and volunteer programs with residents, business groups and service clubs to beautify our community.

Initiative 5.1.1: Fully implement the Volunteer Community Clean Up Program in which Code Compliance staff identifies distressed properties and partners with volunteers to provide labor to address compliance issues. Refocus outreach efforts from students to service clubs, commencing with Moreno Valley Noon Rotary. (6 months)

Initiative 5.1.2: Establish an annual Day of Volunteerism. (6 months)

Initiative 5.1.3: Identify funding and fully implement the Keep Moreno Valley Beautiful Adopt-a-Street Program. (1 year)

Initiative 5.1.4: Enhance branding program for Keep Moreno Valley Beautiful by partnering with other government agencies. (2 years)

Initiative 5.1.5: Expand existing weekend weed and litter abatement program performed by community service workers to include a weekday program. (2 years)

Initiative 5.1.6: Explore the development of a volunteer patrol to combat illegal dumping. (2 years)

Partners: Public Works, Community Development, Fire Department - Office of Emergency Management & Volunteer Services, School Districts, Service organizations/clubs, Keep Moreno Valley Beautiful Board, Keep America Beautiful National Organization, Chambers of Commerce, community service organizations, neighborhood groups/HOAs, business community, Riverside Transit Agency (RTA), school/college districts, contractors, Riverside County Sheriff's Department (community service workers)

Resources: Adequate funding, City staff, consultant services, and contractors

~~**Obstacles:** Available staffing resources, financial resources, levels of volunteer participation and/or community service worker availability, advertising limitations of partner agencies (Riverside Transit Agency)~~

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

Initiative 5.2.1: Assertively reach out and seek partnerships with property owners in existing landscape maintenance districts to stabilize funding to maintain or enhance residential tract landscaped areas (reverse landscaping). Conduct at least 3 mail ballot initiatives per year. (1 year)

Initiative 5.2.2: Develop comprehensive City Gateway and Streetscape plans establishing a framework guiding future landscape, tree planting, lighting, walls/fences, monuments, banners and identification signage within public right-of-way and freeway corridors. (3 years)

Initiative 5.2.3: Consider an ordinance requiring that vacant parcels near businesses and homes be enclosed by fences with privacy slats. (1 year)

Initiative 5.2.4: Develop a program to assist neighborhoods in installing landscaping in reverse frontages and annexation into special district to finance cost of improvements and ongoing maintenance. (1 year)

Initiative 5.2.5: Use the City’s media tools to educate the community on the benefits of well-maintained landscaping on property values, the positive impact on economic development, xeriscaping, and water conservation techniques. (1 year)

Initiative 5.2.6: Modify the Municipal Code to clarify property owner responsibility for parkway landscape maintenance, within City right of way, immediately fronting private property. (2 years)

Initiative 5.2.7: Implement a program to install decorative hardscape in reverse frontages. (5 years)

Initiative 5.2.8: Implement a fence program in applicable areas within the special districts. (3 years)

Partners: Community Development (Planning, Code Enforcement), Media Section, property owners, residents and businesses, Special Districts, Maintenance and Operations, City Attorney’s Office, Capital Projects, Land Development, Transportation Engineering, Moreno Valley Utility, utility companies

Resources: Funding/budgets, City staff, consultant services, and contractors

Obstacles: Available staffing resources, adequate funding, property owner participation, support from property owners/registered voters (if balloting necessary), public support for property owner tree maintenance responsibility/liability, non-removal of trees for nuisance issues (e.g. leaf litter), utility companies

Objective 5.3: Achieve Tree City USA Community recognition through the Arbor Day Foundation.

Initiative 5.3.1: Adopt a Tree Care Ordinance. (1 year)

Initiative 5.3.2: Establish a Tree Board or Department. (1 year)

Initiative 5.3.3: Establish a Community Forestry Program with an annual budget of at least \$2 per capita. (1 year)

Initiative 5.3.4: Conduct an Arbor Day observance and proclamation. (1 year)

Partners: City staff, Arbor Day Foundation, property owners, utility companies

Resources: Public Works, Community Development

Obstacles: ~~Public support for property owner tree maintenance responsibility/liability; potential for public concerns over related nuisance issues (e.g. leaf litter)~~

Objective 5.4: Actively and aggressively address homelessness in Moreno Valley.

Initiative 5.4.1: Compile updated, accurate resource information into one document/brochure and share with public safety, code enforcement, and nonprofit staff members. (6 months)

Initiative 5.4.2: Provide/expand training to public safety and code enforcement staff on effective strategies for interaction with homeless individuals. (6 months)

Initiative 5.4.3: Increase local nonprofit agency participation in the City-hosted quarterly roundtable meetings to assist the coordination of services throughout the City and region. Increase nonprofit agency participation by 10% each year. (1 year)

Initiative 5.4.4: Seek new or supplemental funding sources to provide ongoing programs (to include job training and emphasis upon homeless veterans) throughout the City and the region. Continually research best practices in addressing the issue. (years 1-5)

Initiative 5.4.5: Continue to monitor legislation for any changes that may impact the funding for services or the rights of homeless individuals. (years 1-5)

Partners: Finance, City Manager’s Office, Housing and Urban Development, Veterans Affairs, Riverside County Department of Public Social Services (DPSS), Riverside County Continuum of Care and local non-profit agencies, Community Development, Media Section

Resources: Financial, personnel, and technical resources may be provided from various partners, professional consultants

~~**Obstacles:** Addressing homelessness is a national and regional issue, which will require continual participation at all levels from all of the partners, available staffing resources, adequate funding, lack of training opportunities~~

Objective 5.5: Promote a healthy community and lifestyle.

Initiative 5.5.1: Develop a “Healthy Moreno Valley” Campaign. Seek funding from local business partners, school districts, and service clubs, as well as pursue grant opportunities, for this purpose. (1 year)

Initiative 5.5.2: Consider incorporation of a Health Element in the General Plan. (3 years)

Initiative 5.5.3: Explore a partnership with the County to enhance the use of Box Springs area as a major hiking, walking, and mountain biking recreational destination. (3 years)

Initiative 5.5.4: Explore and promote the San Jacinto wildlife area adjacent to the World Logistics Center as a major hiking and mountain biking destination. (5 years)

Initiative 5.5.5: Engage the community and cities in the region by hosting and/or participating in Mayor’s Cup sports competitions. (1 year)

Partners: Public Works, Community Services, Economic Development, Community Development, Media Section, County of Riverside, Western Riverside Council Of Governments (WRCOG), local health organizations, Inland Empire Biking Alliance, sporting goods stores, Office on Aging, Community Action Partnership, local churches, private health clubs and gyms, Moreno Valley Unified School District, Val Verde Unified School District, Recreational Trails Board, Inland Empire Health Plan, Riverside University Health System, Family Service Association

Resources: Funding for plan development and support for professional consultants

~~**Obstacles:** Adequate funding, available staffing resources, community support~~

Objective 5.6: Enhance community outreach, partnership opportunities, and stakeholder ownership of the City’s parks and recreation services, programs and events.

Initiative 5.6.1: Implement a new and improved Parks and Community Services Department website providing interactive and user friendly applications for residents to reserve amenities and register for programs. (1 year)

Initiative 5.6.2: Reinvent and market the City’s Adopt-A-Park and Adopt-A-Trail programs to obtain at least two business, non-profit and/or service clubs to actively participate in these programs. (1 year)

Initiative 5.6.3: Enhance community awareness of the many ways that “Parks Make Life Better” by promoting a related poster and/or photography contest. (1 year)

Initiative 5.6.4: Collaborate with two service clubs and/or non-profits and a local radio station for in-kind and/or financial sponsorships of the City’s first Christmas Tree Lighting Ceremony. (1 year)

Initiative 5.6.5: Establish a collaborative, strategic partnership with a different community organization or stakeholder for each community “signature” special event. (1 year)

Partners: Community Services, City Council Office, local radio stations, service clubs, churches, private corporations

Resources: Media Section, new recreation management software, social media, Moreno Valley Chamber of Commerce, Hispanic Chamber of Commerce, Moreno Valley Black Chamber of Commerce

Obstacles: Adequate funding, available staffing resources

6. YOUTH PROGRAMS

Improve the lives and futures of our City's youth by expanding healthy lifestyle choices and learning opportunities. Build systems that continually and effectively assess the conditions affecting families in Moreno Valley, and develop context appropriate strategies responsive to those needs that build on community strengths.

Objective 6.1: Provide employment training and support for Moreno Valley youth between the ages of 16 – 21 years.

Initiative 6.1.1: Implement the Summer at City Hall program with the Val Verde Unified School District and analyze the effectiveness of the program with the intent to grow this initiative in future years. (6 months)

Initiative 6.1.2: Collaborate with the Youth Opportunity Center to strengthen interview and job skills for employment opportunities in utilizing the Expanded Subsidized Employment program. (6 months)

Initiative 6.1.3: Offer courses through contractors and in-house City staff such as computer training, technology skills, and resumé assistance for youth ages 16-21 years. (6 months)

Initiative 6.1.4: Partner with the Youth Opportunity Center to promote courses targeting at-risk, homeless, dropouts and foster children. (1 year)

Initiative 6.1.5: Implement a Parks and Community Services Department youth volunteer program to add at least 15 youth volunteers. (1 year)

Partners: Economic Development, Community Services, Library for provision of job readiness workshops, Youth Opportunity Center, Riverside County, Inland Coalition

Resources: Contract instructors, Moreno Valley College, Moreno Valley Unified School District, Val Verde Unified School District, University of California Riverside, social media, funding from school districts

Obstacles: ~~Adequate funding, training, available work space~~

Objective 6.2: Improve health, wellness and fitness for Moreno Valley youth through recreation and sports programs.

Initiative 6.2.1: Identify new trends and best practices of health and fitness recreation and athletic programs youth between the ages of 7-12 years. (1 year)

Initiative 6.2.2: Establish a collaborative partnership with local non-profit, school district and/or service club(s) in implementing a health and wellness program for Moreno Valley, including a youth-focused element. (1 year)

Initiative 6.2.3: Implement a collaborative partnership with University of California, Riverside's Food Program at City camps and Time for Tots programs. (6 months)

Initiative 6.2.4: Promote nutrition education to improve students' health and reduce childhood obesity through family information sharing and after-school recreation health/wellness programs. (6 months)

Initiative 6.2.5: Develop a public/private partnership between the City and Boys & Girls Club to identify a facility for the Moreno Valley Boys and Girls Club. (1 year)

Initiative 6.2.6: Identify and develop a pilot program between the City and Boys & Girls Club to provide youth recreation and/or sports programming. (1 year)

Initiative 6.2.7: Actively engage community groups regarding opportunities to participate in and sponsor programs to serve Moreno Valley's youth. (3 years)

Partners: Community Services, Boys and Girls Club, Moreno Valley Unified School District, Val Verde Unified School District, hospitals, nutrition shops, Community Development Department

Resources: California Parks and Recreation Society, health and fitness clubs, Media Section, social media, fitness magazines, Peach Jar, National Recreation and Parks Association, University of California, Riverside

Obstacles: Adequate funding

APPENDIX A-RESULTS OF THE PUBLIC SURVEY

City of Moreno Valley Council Priorities Survey

1. Please check up to 6 items that are most important to you.

Answer Options	Response Percent	Response Count
9. Attract more technology jobs and jobs that require high education levels; market MV College; add a 4 year college; livability & sustainability - increase per capita income	42.3%	151
27. Increase Public Safety to build a safer city	34.5%	123
3. Create a distinct plaza, downtown area for arts & music	33.6%	120
8. Attract more businesses to provide quality job creation; develop Edgemont area to create jobs; increase marketing efforts to businesses; advertise our successes	26.3%	94
31. Beautify residential sections of the city; remove trash from around the city; plant more trees	25.8%	92
1. Increase size of the library and/or add satellite library locations; grant more authority to the Library Commission; consider more private-public partnerships related to library services	23.5%	84
36. Attract more sit-down restaurants	21.0%	75
11. Strengthen the Hire MoVal program to keep residents working locally	20.2%	72
4. Attract a major sports complex/center that will have regional significance	19.9%	71
17. Unite behind World Logistics Center to make it successful; market success of World Logistics Center	18.8%	67
5. Place a Library in a building at the mall; host an under 21 club in evenings; have weekend hours; offer free Wi-Fi; significantly increase the size of the Library or open multiple branches; modernize the Library facility; recognize that the Library serves a Community Services program facility	18.5%	66
15. Make it easier to start businesses; be more business friendly; give assistance completing city forms	14.8%	53
38. Create more recreation activities for the youth; increase promotion of sports organizations	14.8%	53
22. Lower business taxes and utility fees	14.0%	50
44. Traffic signal coordination	14.0%	50
29. MV Ranch Golf Course rehabilitation plan; do not allow development but keep it as a golf course	13.4%	48
21. Attract grocery stores in areas where they are needed	13.2%	47
14. Market our successes attracting larger businesses; Moreno Valley as the place to be	12.9%	46
13. Attract more locally owned, small businesses	12.3%	44
40. Infrastructure improvements to handle flooding, earthquakes, streets	11.5%	41
26. Decrease delinquency	10.9%	39
20. Need first-time home buyer incentive program to raise everyone's home values	10.6%	38
12. A Technology Trade School is needed; regulate Trade schools	10.4%	37
7. Develop an Arts friendly environment; create an Arts district with businesses	10.1%	36
18. Develop a program to match residents to jobs; make it easier for new businesses to find local workers; train local workers on basic job etiquette	9.0%	32
32. Create a distinct plaza and gathering place	9.0%	32
39. Improve public transportation routes & frequencies; expand & connect transportation corridors outside MV; transit to be friendly to the disabled	9.0%	32

producing organic, local grown products)		
10. Create one strong Chamber of Commerce	8.4%	30
42. Add multi-purpose lanes thru Reche Canyon; add bicycle lanes throughout city; Healthy Community Strategy	8.1%	29
34. Restore a positive identity and perceptions; emphasize unique items, views, landmarks, etc.	7.6%	27
6. Emphasize the unique views and landscapes in MV	7.0%	25
2. Add landmarks to demark where the city starts	5.9%	21
30. More active code enforcement, south MV is center of distribution	5.6%	20
33. Hold additional forums and Town Halls to improve communications between the city and citizens	5.6%	20
35. Add parks and playgrounds on the north side of town near Palm Middle School	5.3%	19
37. Improve city ordinances concerning barking dogs so that the complaining neighbor is not pitted against the dog owner but the city has the power to proscribe training for the dog	5.0%	18
41. Improve water quality in Edgemont	5.0%	18
25. Limit vehicles w/ more than 2 axles near schools	4.5%	16
16. Stable revenues to fund services and offer our children jobs; wealth creation	4.2%	15
43. Design streets to keep traffic local; safe travel; round-about; not to facilitate highways	4.2%	15
23. Attract modern office buildings for small business owners that live in the city	3.1%	11
28. Define architectural standards for new construction; home developments require vinyl fences	2.8%	10
19. Need business incubator to help start local businesses	2.5%	9
45. Install barriers at Theodore south of Alessandro and near the east end of Cactus to stop illegal dumping	2.5%	9
46. Attract development of a skyscraper (15 stories) or an iconic bridge	2.2%	8
47. Add sidewalks at Heacock Street & Gregory	2.2%	8
<i>answered question</i>	357	2,052

APPENDIX B

MORENO VALLEY

SERVICE THAT SOARS

Customer Care Standards

In Moreno Valley, we provide exceptional customer care by...

Providing same day response Resolving an issue or completing a request is seldom accomplished in just a day, but striving to acknowledge the request the day it is received provides “same day response” and exemplary service.

Knowing first impressions matter Our professionalism is judged based on appearance, attitude, manners, knowledge, and abilities. It is a package; we risk making a bad impression if we fail on even one count.

Ensuring a positive experience A negative attitude affects service quality and morale. We resolve to stay positive because we know our approach dramatically affects our customers’ and coworkers’ experience.

Asking and listening We never assume to know what our customers need. Good questions evoke good answers, but only if we listen. Resolving to not interrupt, we exercise patience and we pay attention.

Connecting We make eye contact, smile, and acknowledge every customer. When speaking to a customer, we address them by name using formal address (e.g. Mr. or Ms.), and let them decide if we’re on a first name basis.

Respecting our customers’ concerns To some, government can seem like a complex bureaucracy. We put a human face on the customer’s dealings with our City. We work to put our customers at ease and to earn their trust.

Treating customers like they have a choice Customers of government agencies often do not choose to do business with us, they have to. We meet this challenge by providing exceptional service.

Remembering who we work for It may not always be possible to say “yes” but our customers and co-workers must know that we have done our best to help them accomplish their goal.

Knowing our business To provide accurate information, we must know our jobs and have a thorough understanding of agency processes. Providing accurate information is critical; to do so, we work with staff, consult supervisors, conduct research, and keep up-to-date with industry best practices.

Understanding the difference between fast and efficient service We use knowledge, skills, and resources to respect our customers’ time, but we never rush – it is impolite and it dramatically impacts the relationship and the outcome.

Questioning the status quo We do not do things the same old way just because that is “how we’ve always done it.” We were hired to use our experience and skills to improve public service – and we take the process improvement challenge to heart.

Keeping our word We manage expectations by setting reasonable goals. Giving careful thought to timelines, we always remember that our word is our bond as we promote honesty, responsibility, and accountability.

Treating customers like people, not footballs Customers notice how many interactions are required to get the answers they need. If we need to hand off a customer, it should be to the right person, and that person should be provided with the pertinent facts to ensure a seamless transition.

Seeing the big picture Identifying improvement opportunities throughout the organization requires a field of vision that expands beyond one’s workstation. “That’s not my job” is not part of our vocabulary. We engage, participate, and contribute.

Encouraging feedback Comments, suggestions, and criticism help us measure our success and promote improvement. We demonstrate commitment to our customers by asking how we can do better.

Saying “Thank you” Technical knowledge simply isn’t enough; our careers and livelihood depend on our success in providing exceptional customer care. At every opportunity, we show sincere care, compassion, gratitude and appreciation. We go above and beyond to provide “service that soars.”

APPENDIX C



Southern California Association of Governments (SCAG) Profile of the City of Moreno Valley

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



Profile of the City of Moreno Valley

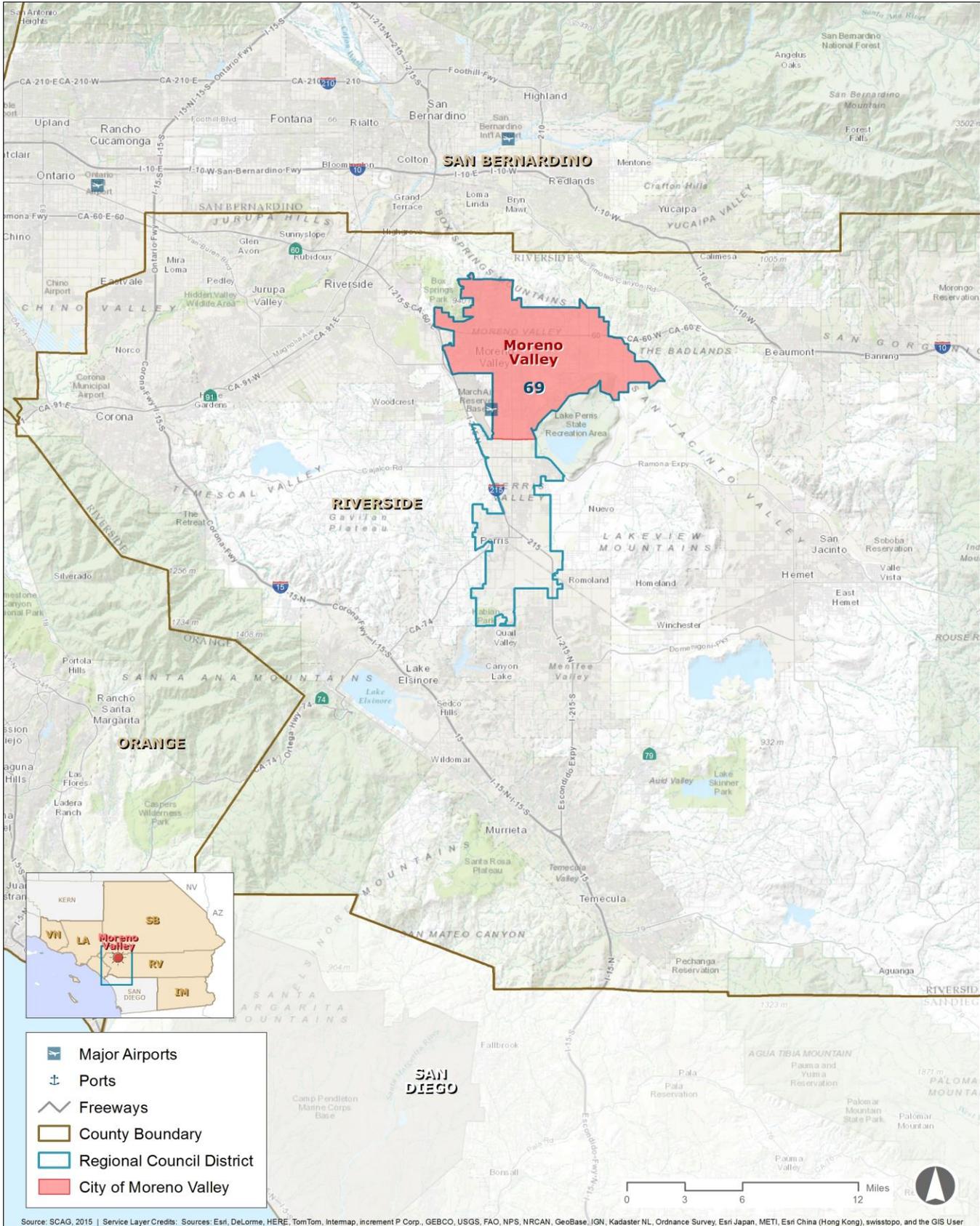
Southern California Association of Governments' (SCAG) Regional Council includes 69 districts which represent 191 cities in the SCAG region.

SCAG Regional Council District 69 includes Moreno Valley and Perris
Represented by: Hon. Jeffrey Giba



LOCAL PROFILES REPORT 2015

This profile report was prepared by the Southern California Association of Governments and shared with the City of Moreno Valley. SCAG provides local governments with a variety of benefits and services including, for example, data and information, GIS training, planning and technical assistance, and sustainability planning grants.



Source: 2012 SCAG city boundary data, which is provided by the county Local Agency Formation Commissions.

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

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Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

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I. Introduction

The purpose of this report is to provide current information and data for the City of Moreno Valley for planning and outreach efforts. Information on population, housing, transportation, employment, retail sales, and education can be utilized by the city to make informed planning decisions. The profile provides a portrait of the city and its changes since 2000, using average figures for Riverside County as a comparative baseline. In addition, the most current data available for the region is also included in the Statistical Summary (page 3). This profile demonstrates the current trends occurring in the City of Moreno Valley.

The Southern California Association of Governments (SCAG) is the largest Metropolitan Planning Organization (MPO) in the nation. The SCAG region includes six counties (Imperial, Los Angeles, Orange, Riverside, San Bernardino, and Ventura) and 191 cities. As the designated MPO, SCAG is mandated by federal law to research and develop a Regional Transportation Plan (RTP), which incorporates a Sustainable Communities Strategy (SCS) per California state law. SCAG is currently undertaking a variety of planning and policy initiatives to foster a more sustainable Southern California.

In 2008, SCAG initiated the Local Profiles Project as a part of a larger initiative to provide a variety of services to its member cities and counties. Through extensive input from member jurisdictions, the inaugural Local Profiles Reports were released at the General Assembly in May 2009. The Profiles have been updated every two years.

Local Profiles provide basic information about each member jurisdiction including, but not limited to, the following:

- How much growth in population has taken place since 2000?
- Has the local jurisdiction been growing faster or slower than the county or regional average?
- Have there been more or fewer school-age children?
- Have homeownership rates been increasing or decreasing?
- How and where do residents travel to work?
- How has the local economy been changing in terms of employment share by sectors?
- Have the local retail sales revenues recovered to pre-recession levels?

Answers to questions such as these provide a snapshot of the dynamic changes affecting each local jurisdiction.

Factors Affecting Local Changes Reflected in the 2015 Report

Overall, member jurisdictions since 2000 were impacted by a variety of factors at the national, regional, and local levels. For example, the vast majority of member jurisdictions included in the 2015 Local Profiles reflect the national demographic trends toward an older and a more diverse population. Evidence of the slow process towards economic recovery is also apparent through gradual increases in employment, retail sales, building permits, and home prices. Work destinations and commute times correlate with regional development patterns and the geographical location of local jurisdictions, particularly in relation to the regional transportation system.

Uses of the Local Profiles

Following release at the SCAG General Assembly, the Local Profiles are posted on the SCAG website and are used for a variety of purposes including, but not limited to, the following:

- Data and communication resources for elected officials, businesses, and residents
- Community planning and outreach
- Economic development
- Visioning initiatives
- Grant application support
- Performance monitoring

The primary user groups of the Profiles include member jurisdictions and state and federal legislative delegates of Southern California. This profile report is a SCAG member benefit and the use of the data contained within this report is voluntary.

Report Organization

This profile report has three sections. The first section presents a Statistical Summary for the City of Moreno Valley. The second section provides detailed information organized by subject areas and includes brief highlights on the impacts of the recent economic recession and recovery at the regional level. The third section, Methodology, describes technical considerations related to data definitions, measurement, and data sources.

2014 STATISTICAL SUMMARY

<i>Category</i>	<i>Moreno Valley</i>	<i>Riverside County</i>	<i>Moreno Valley relative to Riverside County*</i>	<i>SCAG Region</i>
2014 Total Population	199,258	2,279,967	[8.7%]	18,645,437
2014 Median Age (Years)	29.9	34.2	-4.3	35.5
2014 Hispanic	58.7%	47.4%	11.3%	46.8%
2014 Non-Hispanic White	16.2%	37.3%	-21.1%	31.8%
2014 Non-Hispanic Asian	6.0%	6.3%	-.3%	12.4%
2014 Non-Hispanic Black	15.9%	5.9%	10.0%	6.3%
2014 Non-Hispanic American Indian	.3%	.5%	-.2%	.3%
2014 All Other Non-Hispanic	2.9%	2.6%	.3%	2.5%
2014 Number of Households	51,864	700,413	[7.4%]	6,029,326
2014 Average Household Size	3.8	3.2	0.6	3.1
2014 Median Household Income (\$)	51,217	52,648	-1,431	56,737
2014 Number of Housing Units	55,852	817,008	[6.8%]	6,524,730
2014 Homeownership Rate	64.5%	54.5%	10%	54.5%
2014 Median Existing Home Sales Price (\$)	235,000	290,000	-55,000	426,000
2013 - 2014 Median Home Sales Price Change	19.9%	12%	7.9%	10.1%
2014 Drive Alone to Work	82.0%	81.9%	.1%	78.2%
2014 Mean Travel Time to Work (minutes)	37.4	34.5	2.9	31.7
2013 Number of Jobs	33,375	654,436	[5.1%]	7,660,489
2012 - 2013 Total Jobs Change	2,025	37,749	[5.4%]	231,953
2013 Average Salary per Job (\$)	33,075	37,827	-4,752	48,213
2014 K-12 Public School Student Enrollment	42,279	425,442	9.9%	3,058,957

Sources: U.S. Census Bureau American Community Survey, 2014; Nielsen Co.; California Department of Finance E-5, May 2014; MDA Data Quick; California Department of Education; and SCAG

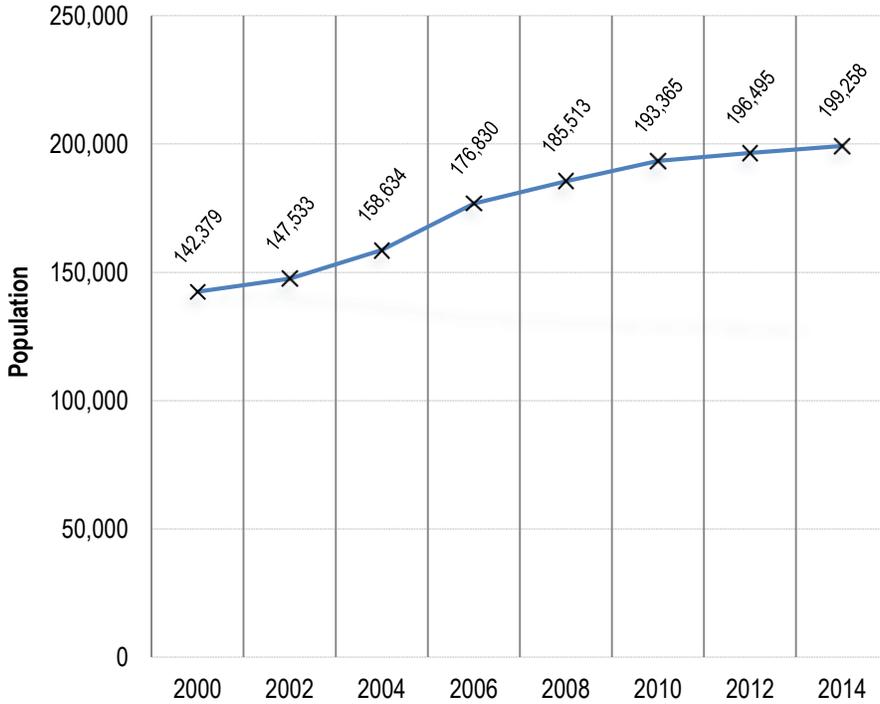
* Numbers with [] represent Moreno Valley's share of Riverside County. The other numbers represent the difference between Moreno Valley and Riverside County.

Mapped jurisdictional boundaries are as of July 1, 2012 and are for visual purposes only. Report data, however, are updated according to their respective sources.

II. Population

Population Growth

Population: 2000 - 2014

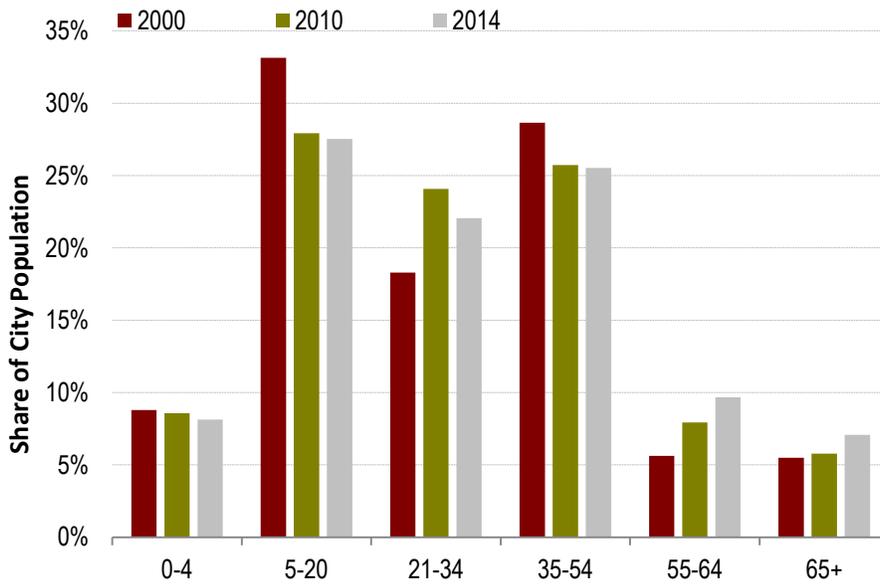


Source: California Department of Finance, E-5, 2014

- Between 2000 and 2014, the total population of the City of Moreno Valley increased by 56,879 to 199,238 in 2014.
- During this 14-year period, the city's population growth rate of 39.9 percent was lower than the Riverside County rate of 47.5 percent.
- 8.7% of the total population of Riverside County is in the City of Moreno Valley.

Population by Age

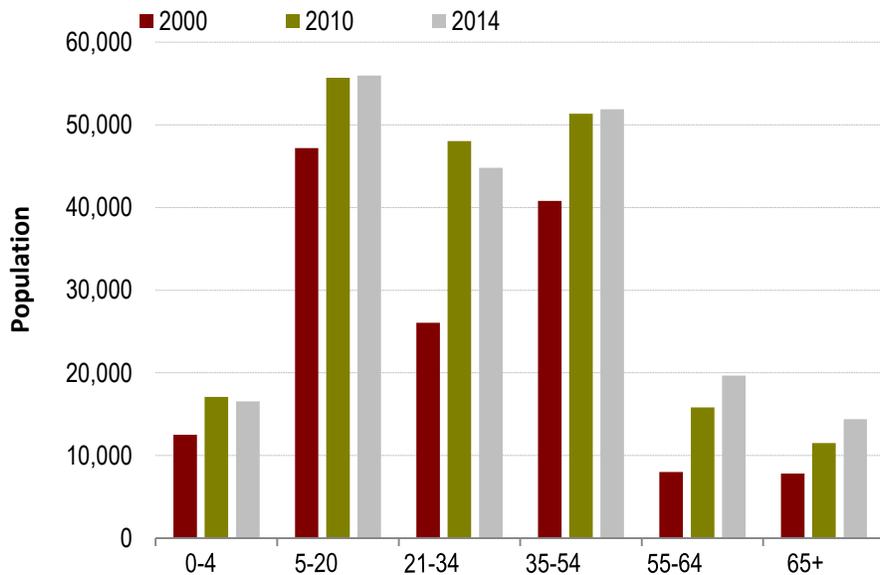
Population Share by Age: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the age group 55-64 experienced the largest increase in share, growing from 5.6 to 9.7 percent.
- The age group that experienced the greatest decline, by share, was age group 5-20, decreasing from 33.1 to 27.5 percent.

Population by Age: 2000, 2010, and 2014

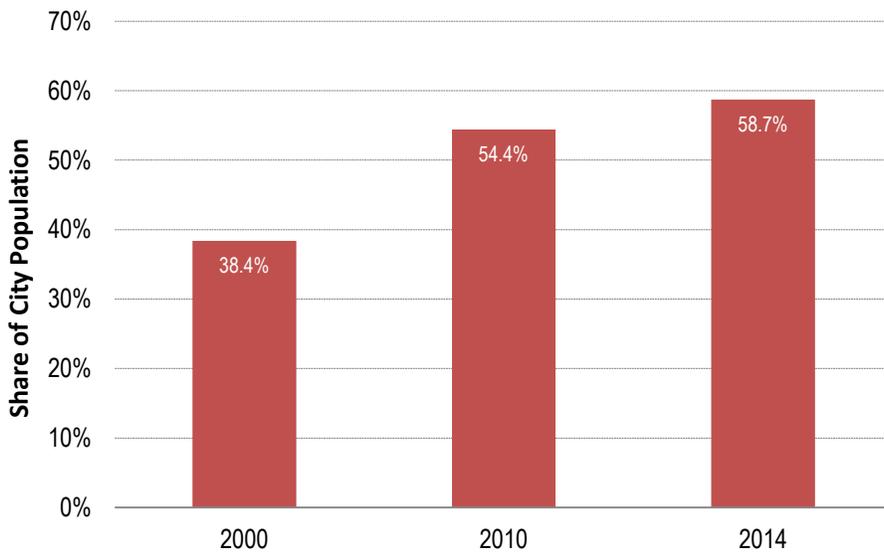


Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- The age group 21-34 added the most population, with an increase of 18,776 people between 2000 and 2014.

Population by Race/Ethnicity

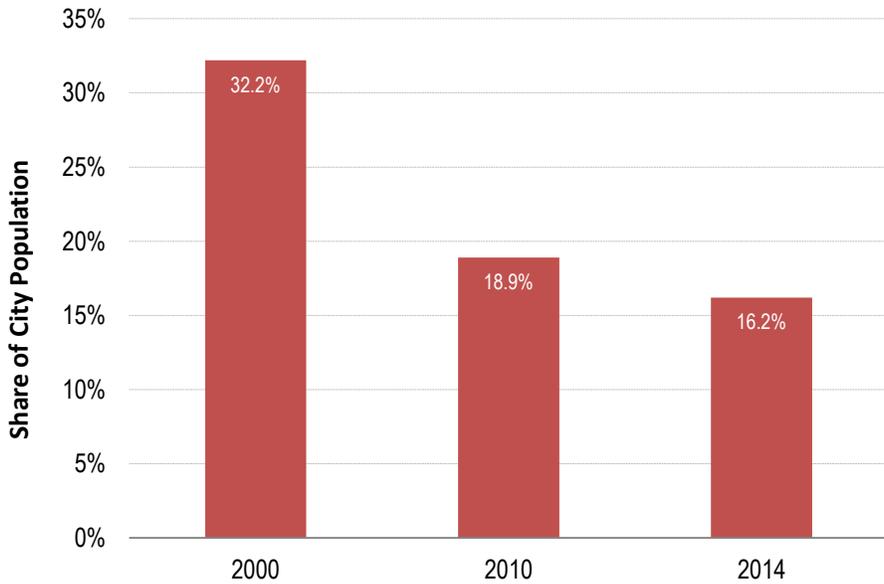
Hispanic or Latino of Any Race: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Hispanic population in the city increased from 38.4 percent to 58.7 percent.

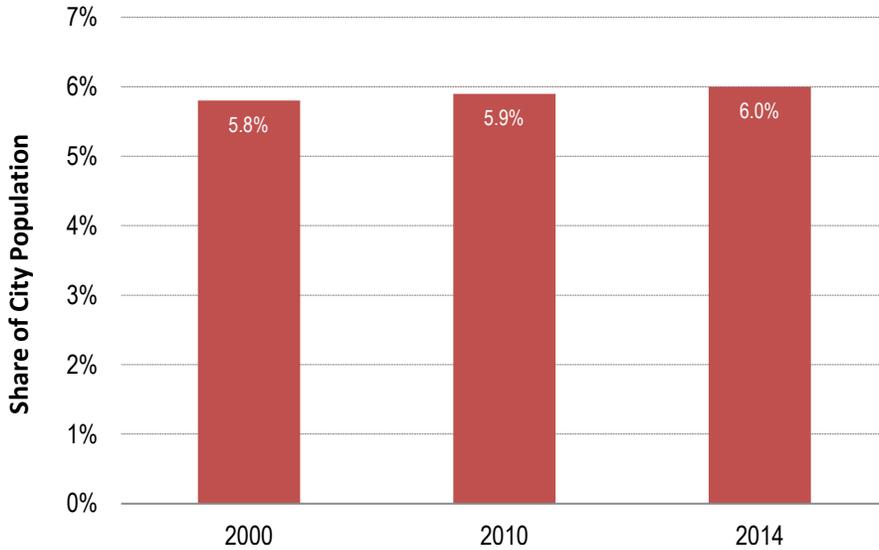
Non-Hispanic White: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic White population in the city decreased from 32.2 percent to 16.2 percent.
- Please refer to the Methodology section for definitions of the racial/ethnic categories.

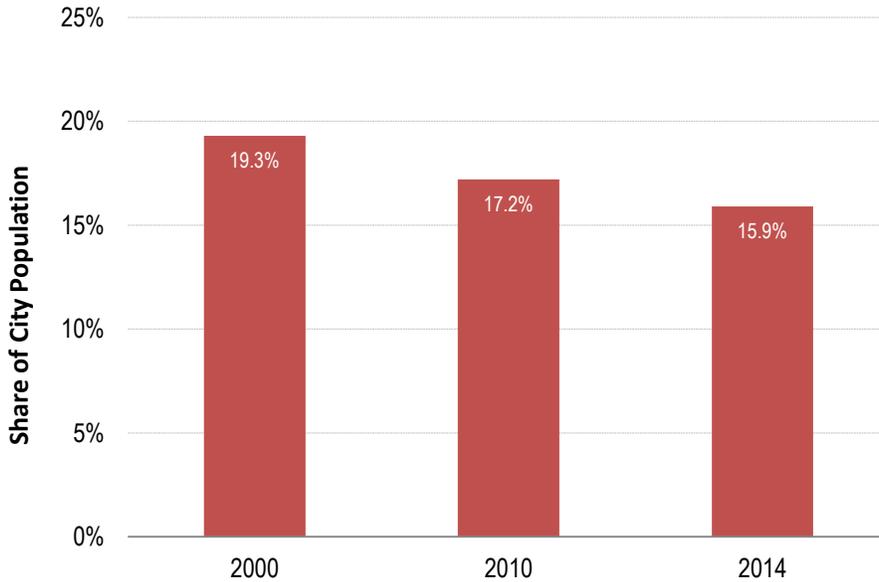
Non-Hispanic Asian: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic Asian population in the city increased from 5.8 percent to 6.0 percent.

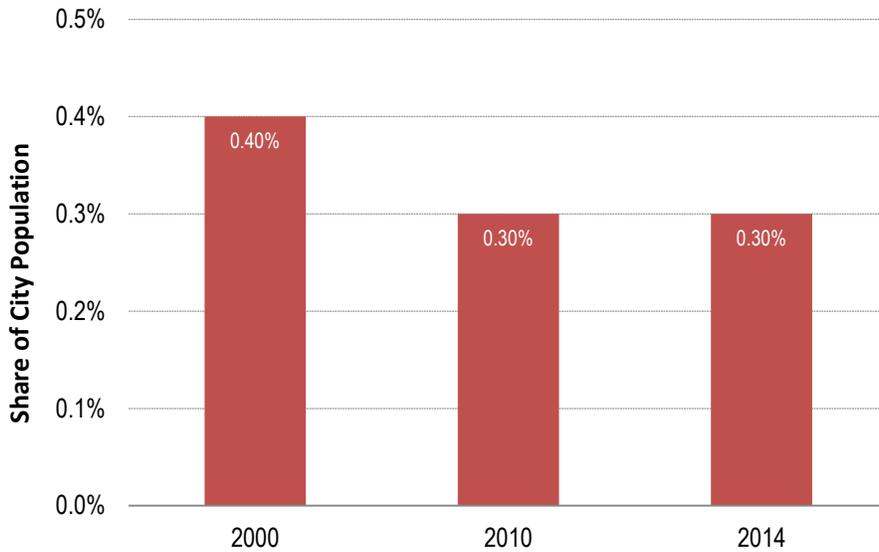
Non-Hispanic Black: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic Black population in the city decreased from 19.3 percent to 15.9 percent.

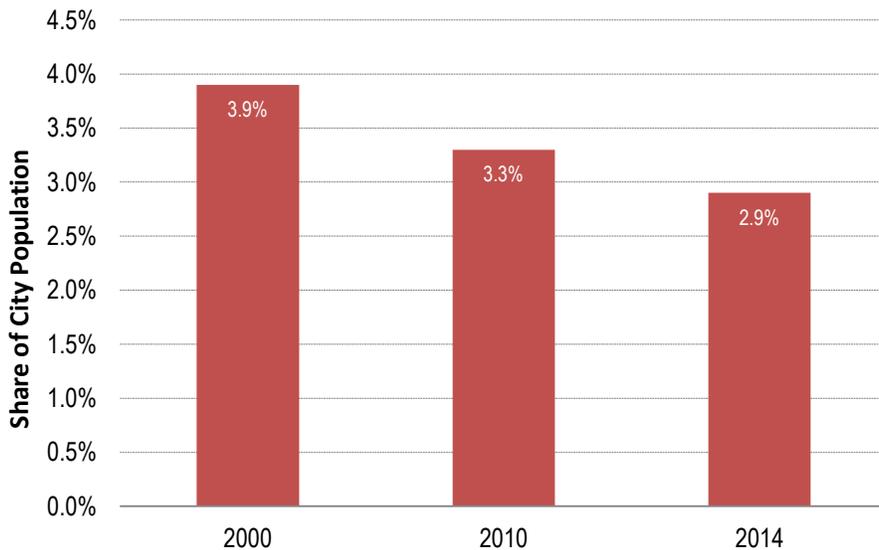
Non-Hispanic American Indian: 2000, 2010, and 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of Non-Hispanic American Indian population in the city decreased from 0.4 percent to 0.3 percent.

All Other Non-Hispanic: 2000, 2010, and 2014



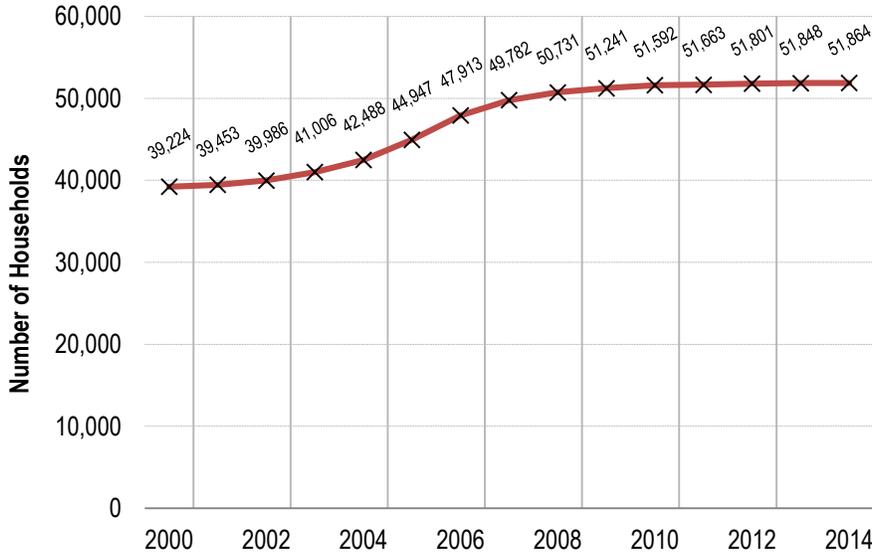
Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

- Between 2000 and 2014, the share of All Other Non-Hispanic population group in the city decreased from 3.9 percent to 2.9 percent.

III. Households

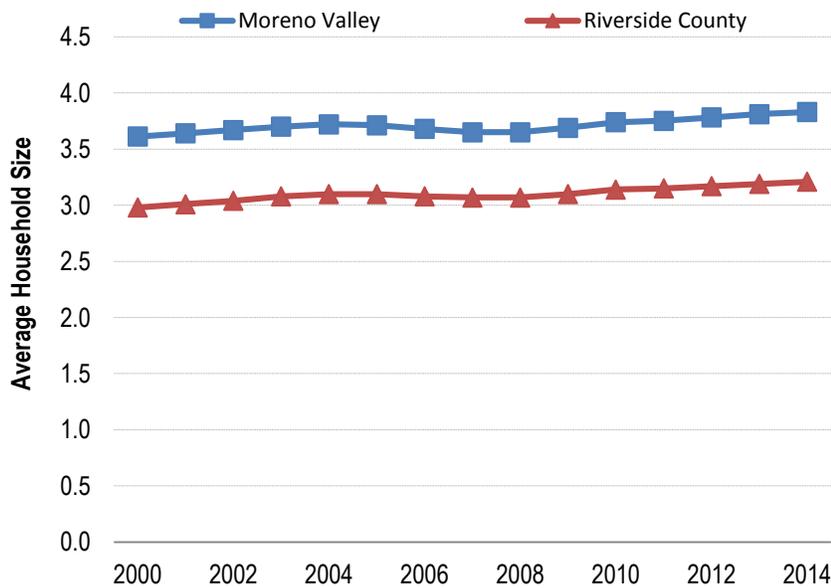
Number of Households (Occupied Housing Units)

Number of Households: 2000 - 2014



Sources: 2000 and 2010 U.S. Decennial Census; California Department of Finance, E-5, 2014

Average Household Size: 2000 - 2014

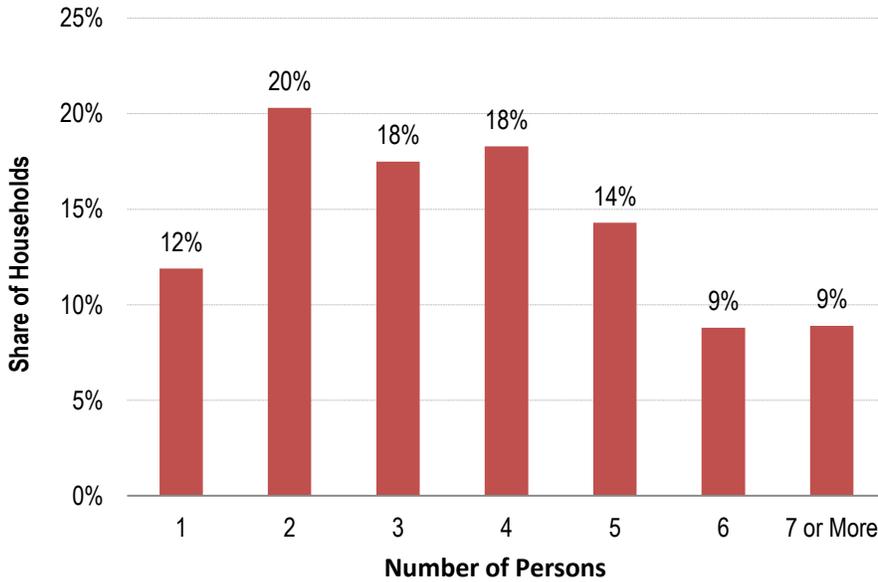


Source: California Department of Finance, E-5, 2014

- Between 2000 and 2014, the total number of households in the City of Moreno Valley increased by 12,640 units, or 32.2 percent.
- During this 14-year period, the city's household growth rate of 32.2 percent was lower than the county growth rate of 38.4 percent.
- 7.4 percent of Riverside County's total number of households are in the City of Moreno Valley.
- In 2014, the city's average household size was 3.8, higher than the county average of 3.2.

Households by Size

Percent of Households by Household Size: 2014

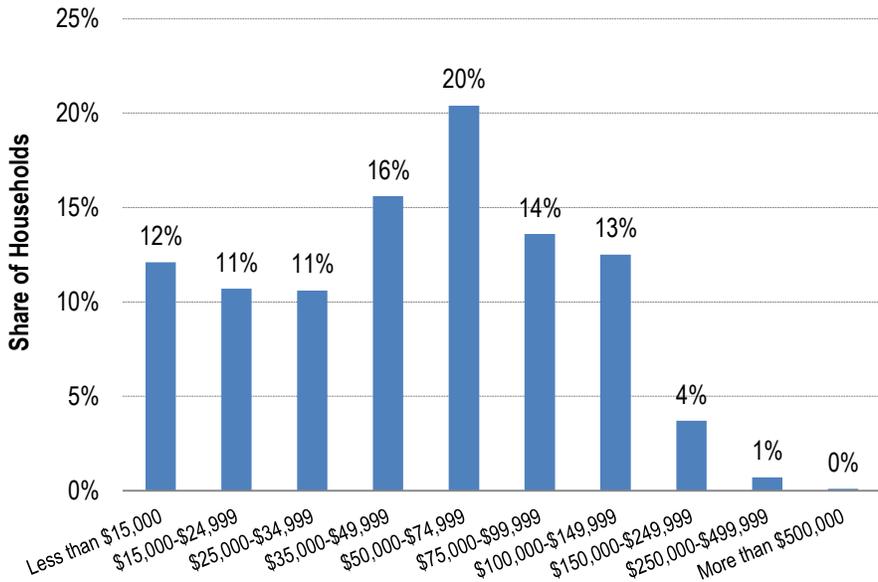


Source: Nielsen Co., 2014

- In 2014, 49.7 percent of all city households had 3 people or fewer.
- About 12 percent of the households were single-person households.
- Approximately 32 percent of all households in the city had 5 people or more.

Households by Income

Percent of Households by Household Income: 2014

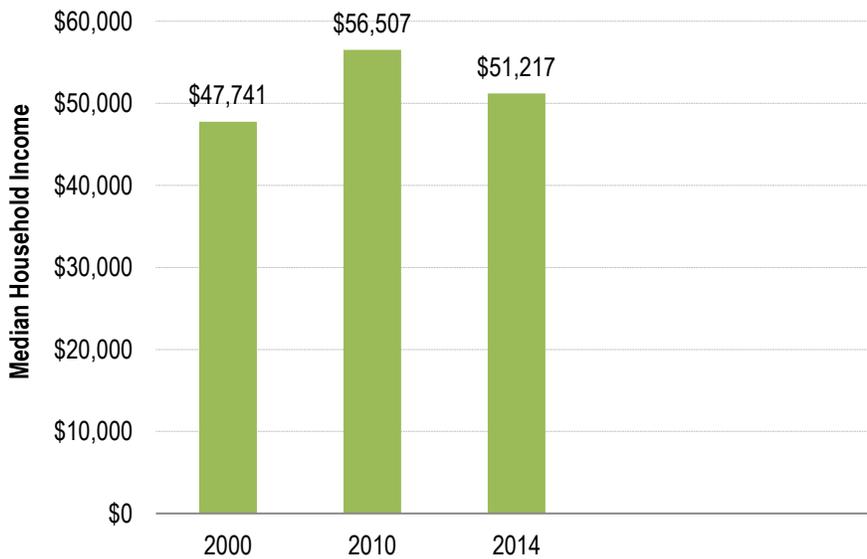


Source: Nielsen Co., 2014

- In 2014, about 50 percent of households earned less than \$50,000 annually.
- Approximately 18 percent of households earned \$100,000 or more.

Household Income

Median Household Income: 2000, 2010, & 2014

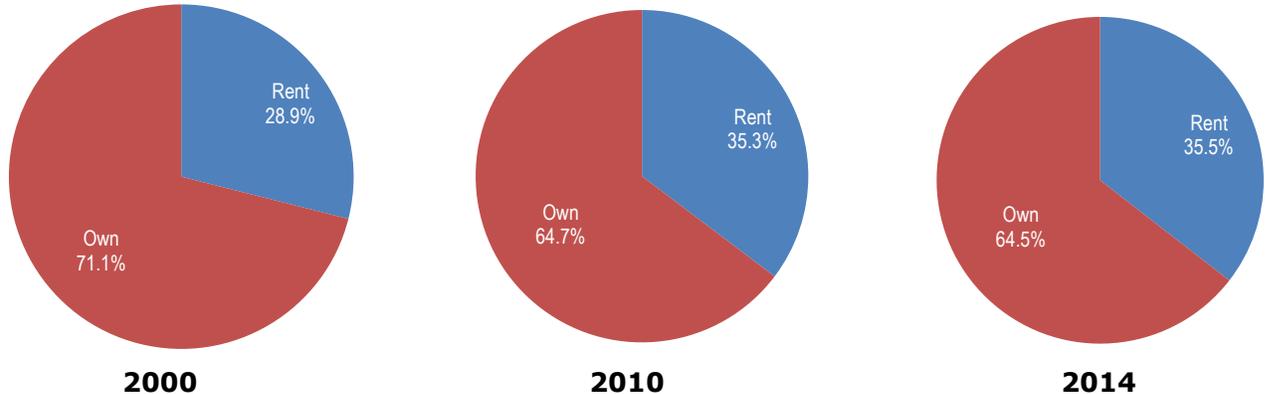


- From 2000 to 2014, median household income increased by \$3,476.
- Note: Dollars are not adjusted for annual inflation.

Source: Nielsen Co., 2014

Renters and Homeowners

Percentage of Renters and Homeowners: 2000, 2010, & 2014



Sources: 2000 and 2010 U.S. Decennial Census; Nielsen Co., 2014

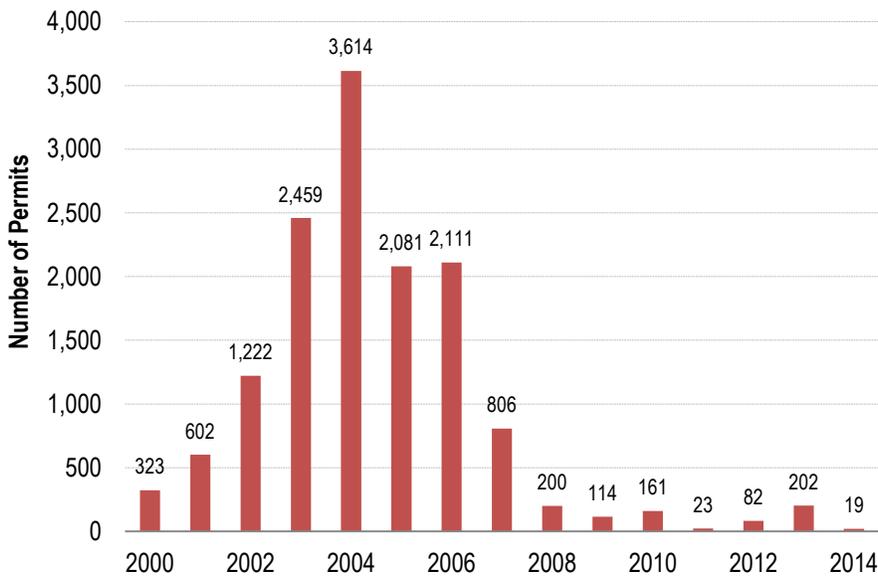
Between 2000 and 2014, homeownership rates decreased and the share of renters increased.

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

IV. Housing

Total Housing Production

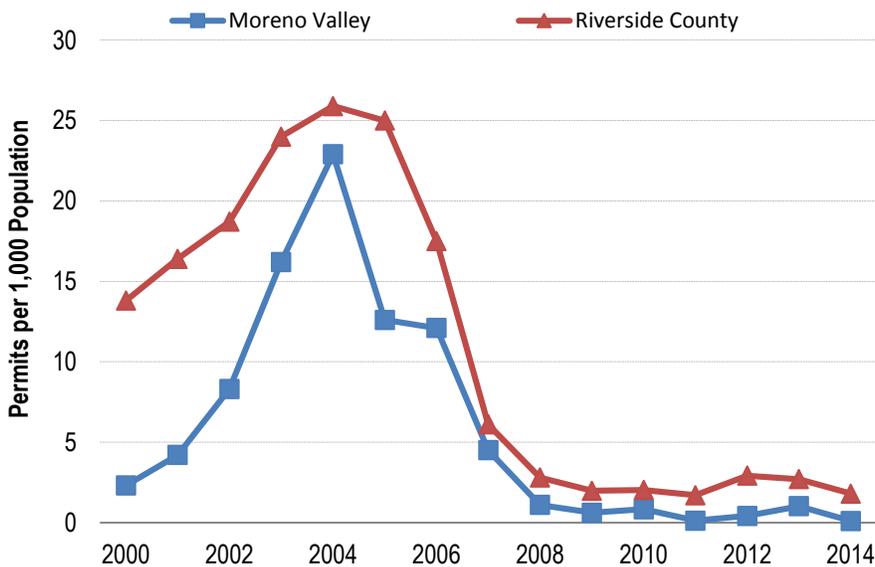
Total Permits Issued for all Residential Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- Between 2000 and 2014, permits were issued for 14,019 residential units.

Permits Issued for all Residential Units per 1,000 Residents: 2000 - 2014

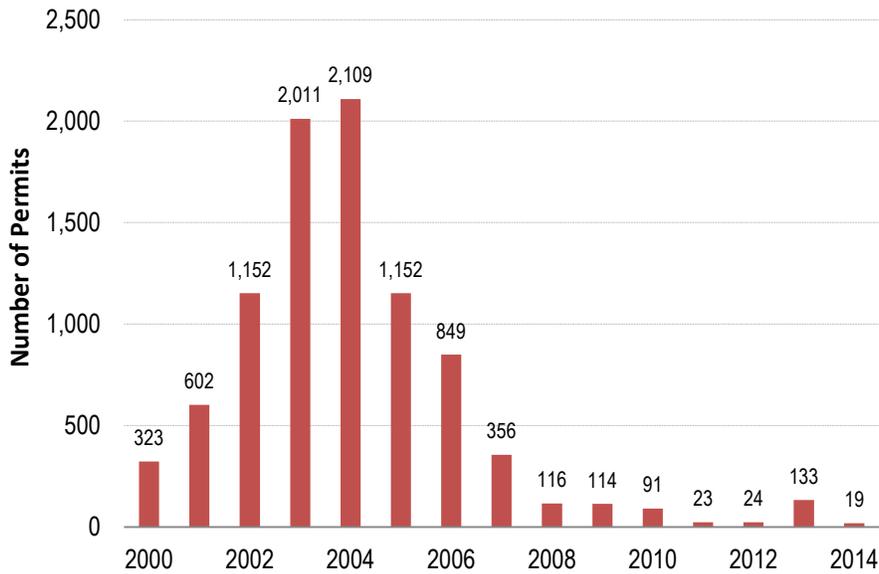


Source: Construction Industry Research Board, 2000 - 2014

- In 2000, the City of Moreno Valley had 2.3 permits per 1,000 residents compared to the overall county figure of 13.8 permits per 1,000 residents.
- For the city in 2014, the number of permits per 1,000 residents decreased to 0.1 permits. For the county overall, it decreased to 1.8 permits per 1,000 residents.

Single-Family Housing Production

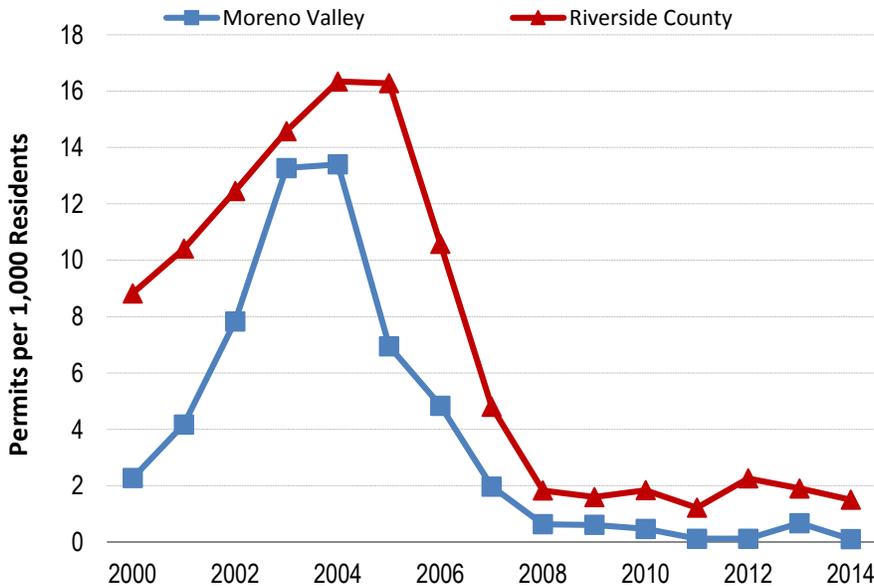
Permits Issued for Single-Family Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- Between 2000 and 2014, permits were issued for 9,074 single family homes.
- 1.9 percent of these were issued in the last 3 years.

Single-Family Permits Issued per 1,000 Residents: 2000 - 2014

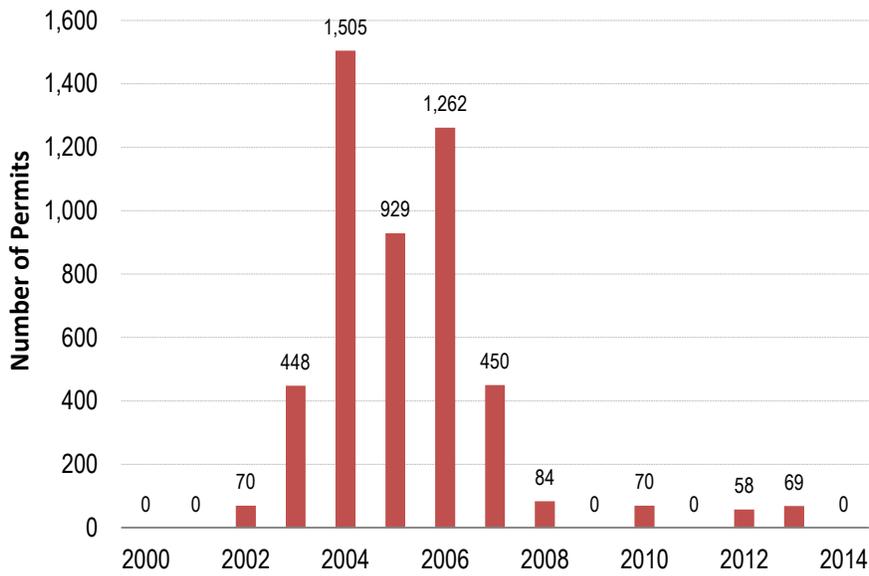


Source: Construction Industry Research Board, 2000 - 2014

- In 2000, the City of Moreno Valley issued 2.3 permits per 1,000 residents compared to the overall county figure of 8.8 permits per 1,000 residents.
- For the city in 2014, the number of permits issued per 1,000 residents decreased to 0.1 permits. For the county overall, it decreased to 1.5 permits per 1,000 residents.

Multi-Family Housing Production

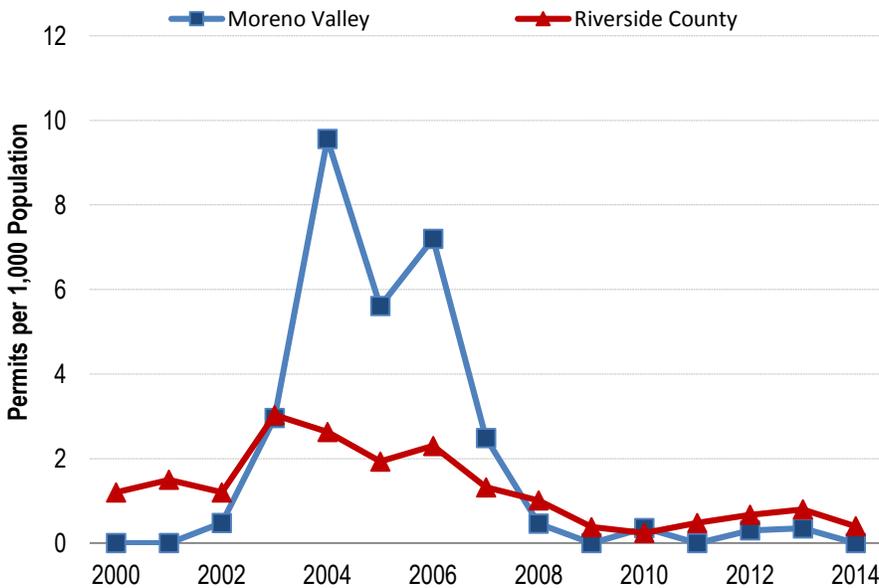
Permits Issued for Multi-Family Units: 2000 - 2014



Source: Construction Industry Research Board, 2000-2014

- Between 2000 and 2014, there were permits issued for 4,945 multi-family residential units.

Multi-Family Permits Issued per 1,000 Residents: 2000 - 2014

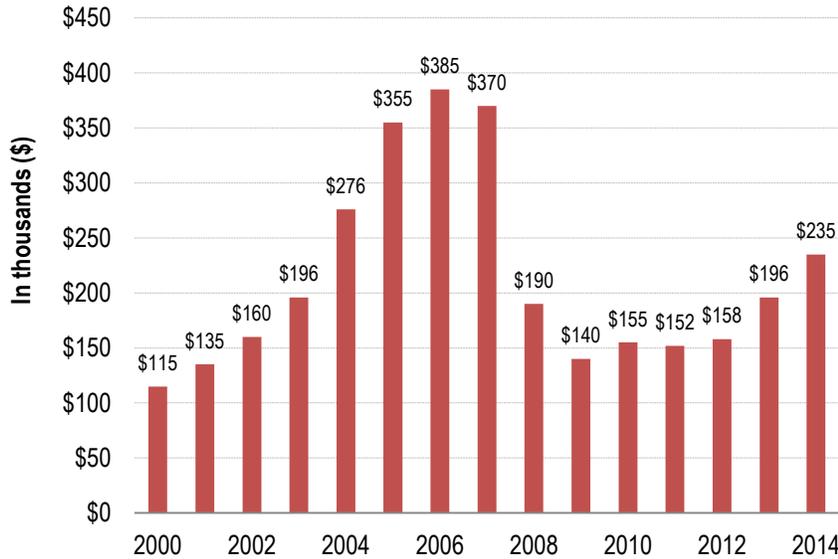


Source: Construction Industry Research Board, 2000-2014

- For the city in 2014, the number of permits per 1,000 residents remained at 0 permits. For the county overall, it decreased to 0.4 permits per 1,000 residents.

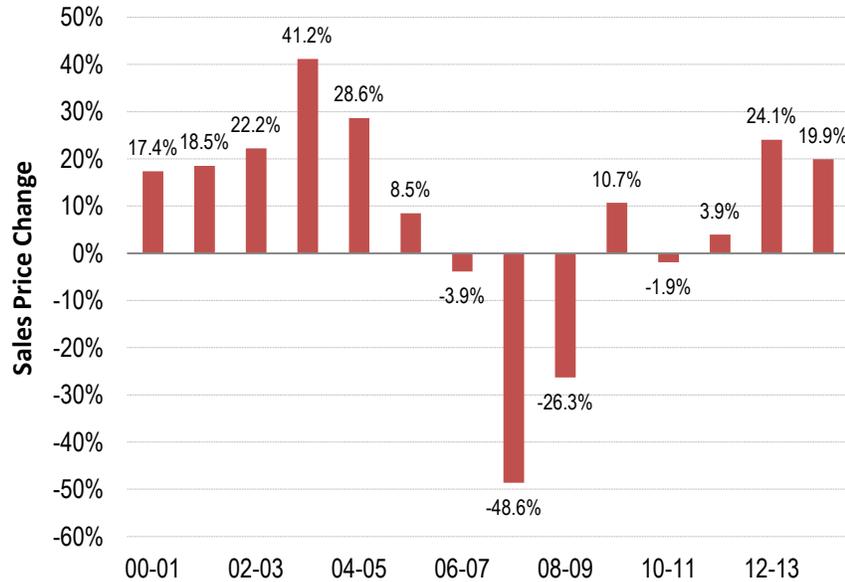
Home Sales Prices

Median Home Sales Price for Existing Homes: 2000 - 2014 (in \$ thousands)



Source: MDA Data Quick, 2014

Annual Median Home Sales Price Change for Existing Homes: 2000 - 2014



Source: MDA Data Quick, 2014

- Between 2000 and 2014, the median home sales price increased 104 percent from \$115,000 to \$235,000.
- Median home sales price increased by 51.6 percent between 2010 and 2014.
- In 2014, the median home sales price in the city was \$235,000, \$55,000 lower than that in the county overall.
- Note: Median home sales price reflects resale of existing homes and provides guidance on the market values of homes sold.
- Between 2000 and 2014, the largest single year increase was 41.2 percent.

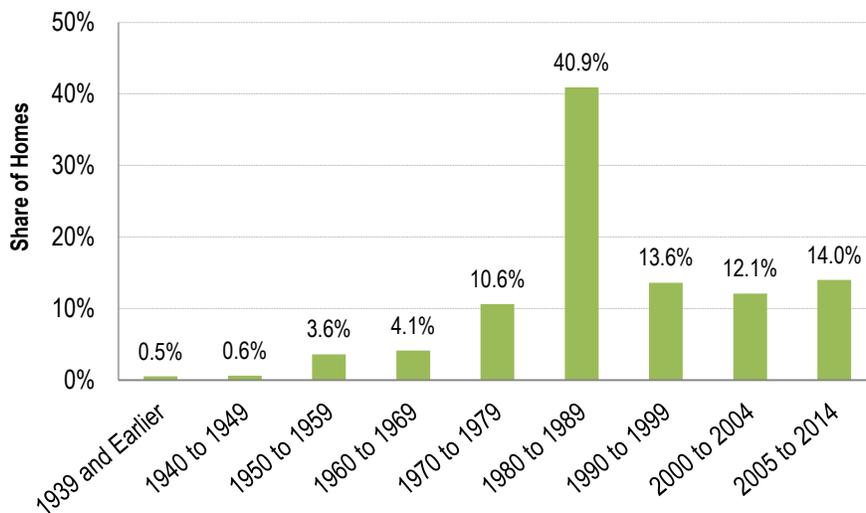
Housing Units by Housing Type: 2014

Housing Type	Number of Units	Percent of Total Units
Single Family Detached	45,039	80.6 %
Single Family Attached	1,127	2 %
Multi-family: 2 to 4 units	1,505	2.7 %
Multi-family: 5 units plus	6,817	12.2 %
Mobile Home	1,364	2.4 %
Total	55,852	100 %

- The most common housing type is Single Family Detached.
- Approximately 82.7 percent were single family homes and 14.9 percent were multi-family homes.

Source: California Department of Finance, E-5, 2014

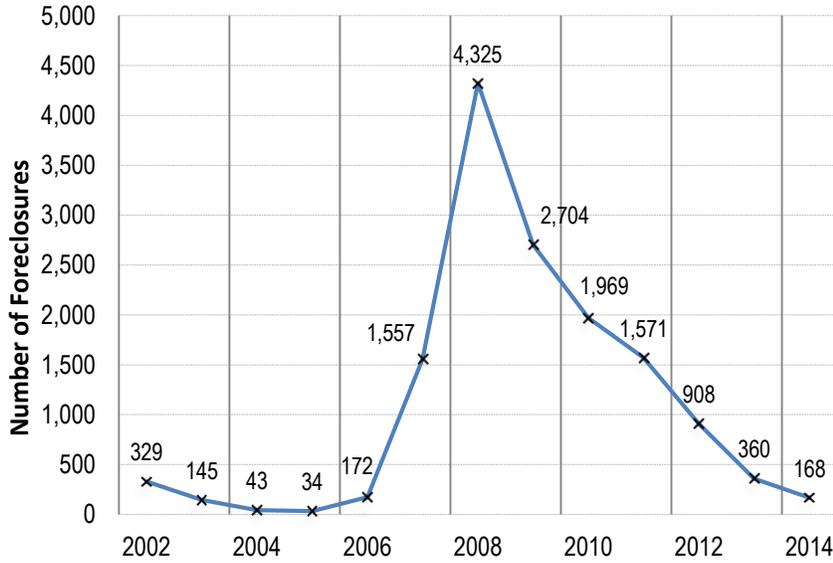
Age of Housing Stock



- About 9 percent of the housing stock was built before 1970.
- Approximately 91 percent of the housing stock was built after 1970.

Source: Nielsen Co., 2014

Foreclosures



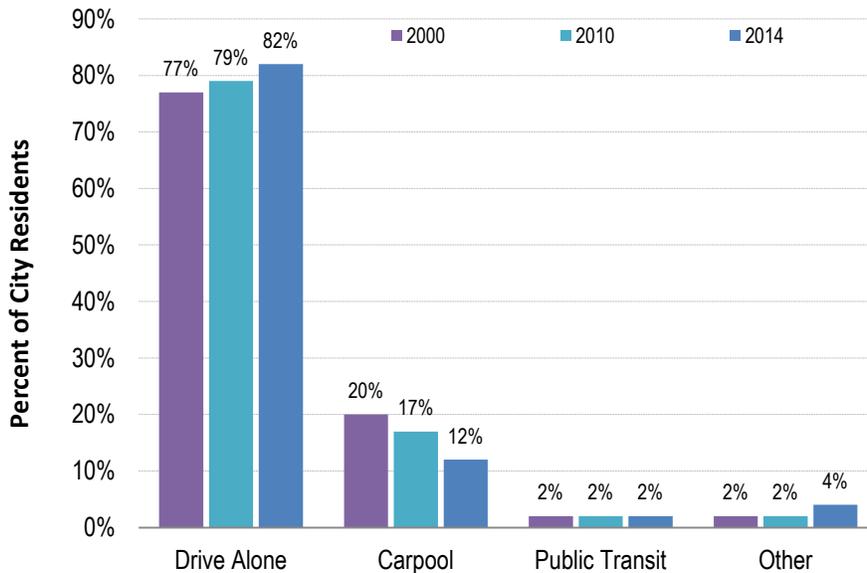
Source: MDA Data Quick, 2014

- There were a total of 168 foreclosures in 2014.
- Between 2007 and 2014, there were a total of 13,562 foreclosures.

V. Transportation

Journey to Work for Residents

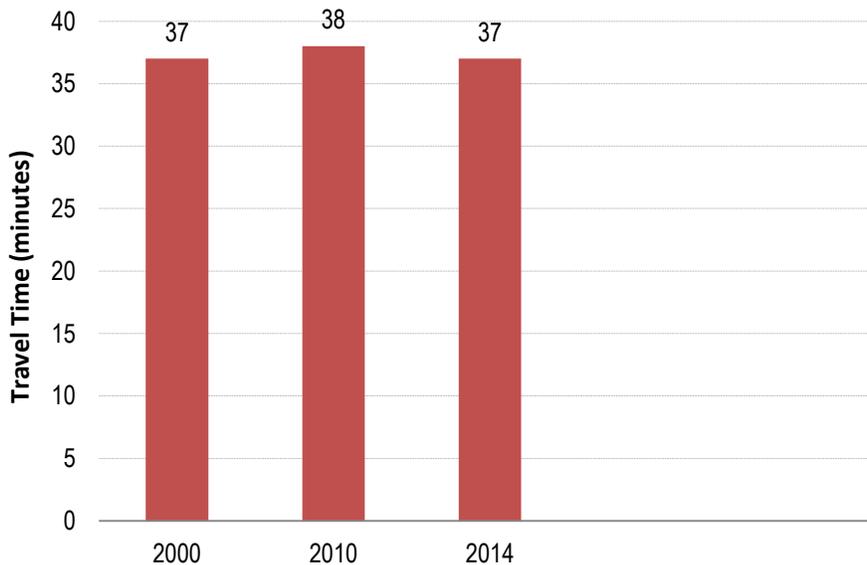
Transportation Mode Choice: 2000, 2010, & 2014



Sources: 2000 U.S. Decennial Census; 2010 U.S. Census American Community Survey; and Nielsen Co., 2014

- Between 2000 and 2014, the greatest change occurred in the percentage of individuals who traveled to work by carpool; this share decreased by 7.3 percentage points.
- 'Other' refers to bicycle, pedestrian, and home-based employment.

Average Travel Time (minutes): 2000, 2010, & 2014



Sources: 2000 U.S. Decennial Census; 2010 U.S. Census American Community Survey; and Nielsen Co., 2014

- Between 2000 and 2014, the average travel time to work remained the same.

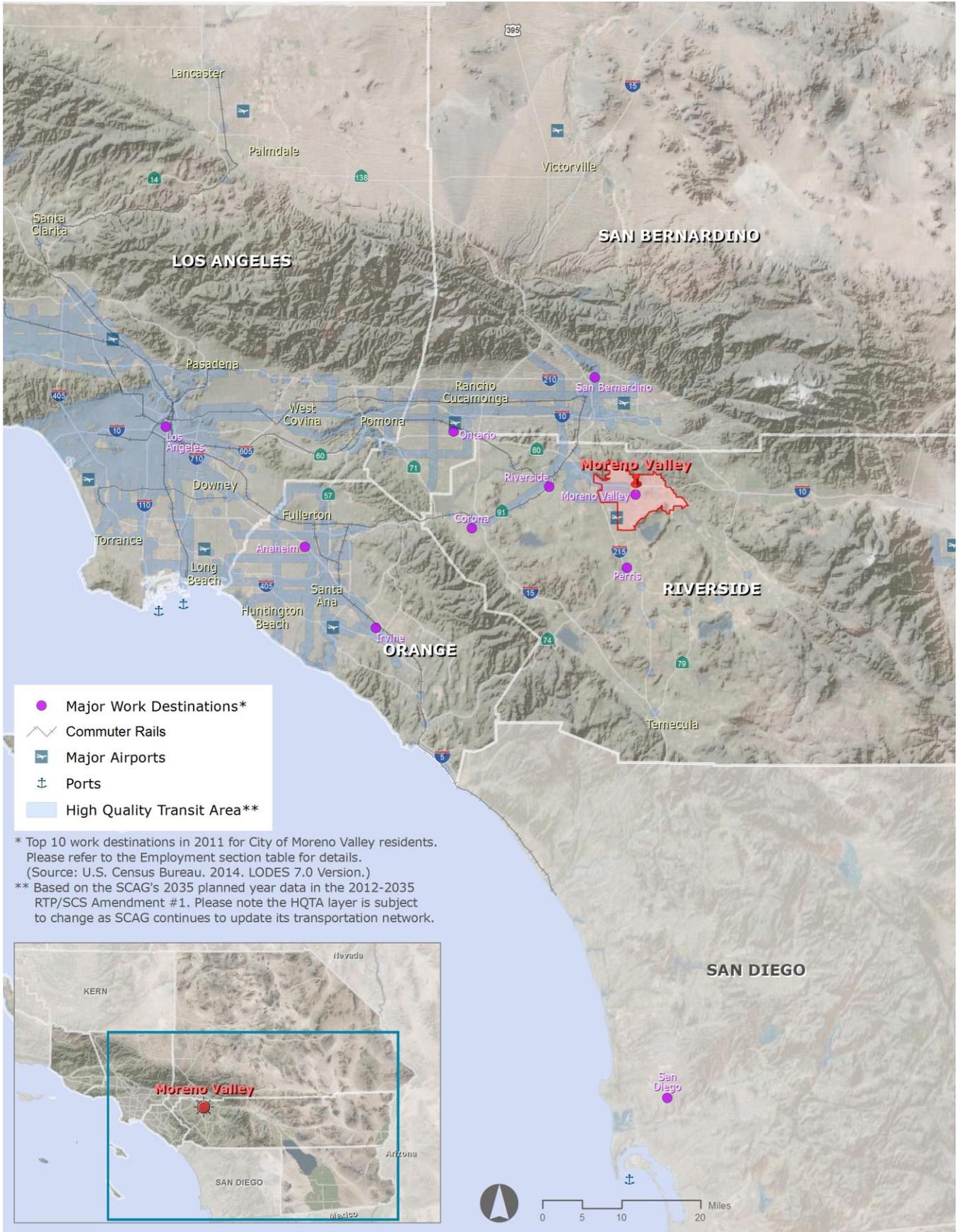
VI. Employment

Top 10 Places Where Residents Commute to Work

	Local Jurisdiction	Number of Commuters	Percent of Total Commuters
1.	Riverside	10,106	19.4 %
2.	Moreno Valley	6,518	12.5 %
3.	San Bernardino	2,979	5.8 %
4.	Los Angeles	2,669	5.1 %
5.	Ontario	1,492	2.8 %
6.	Corona	1,386	2.6 %
7.	Perris	1,339	2.5 %
8.	San Diego	1,070	2.1 %
9.	Anaheim	1,059	2.0 %
10.	Irvine	968	1.8 %
	All Other Destinations	22,588	43.4 %

Source: U.S. Census Bureau, 2014, LODES Data; Longitudinal-Employer Household Dynamics Program, 2011

- This table identifies the top 10 locations where residents from the City of Moreno Valley commute to work.
- 12.5% work in the city where they live, while 87.5% commute to other places.

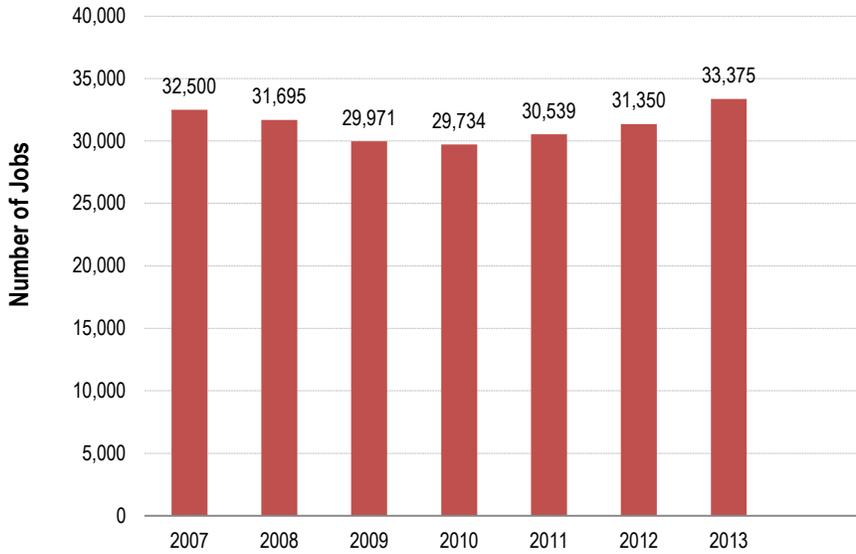


Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)



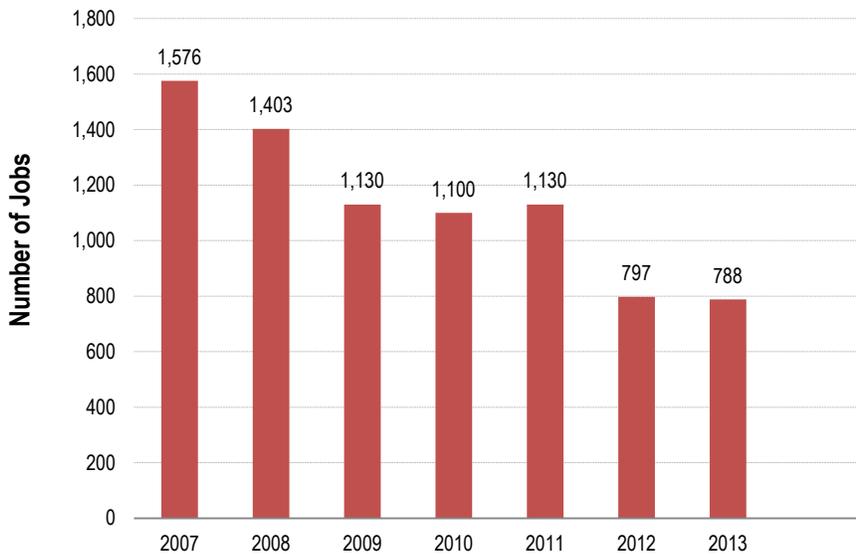
Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Total Jobs: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

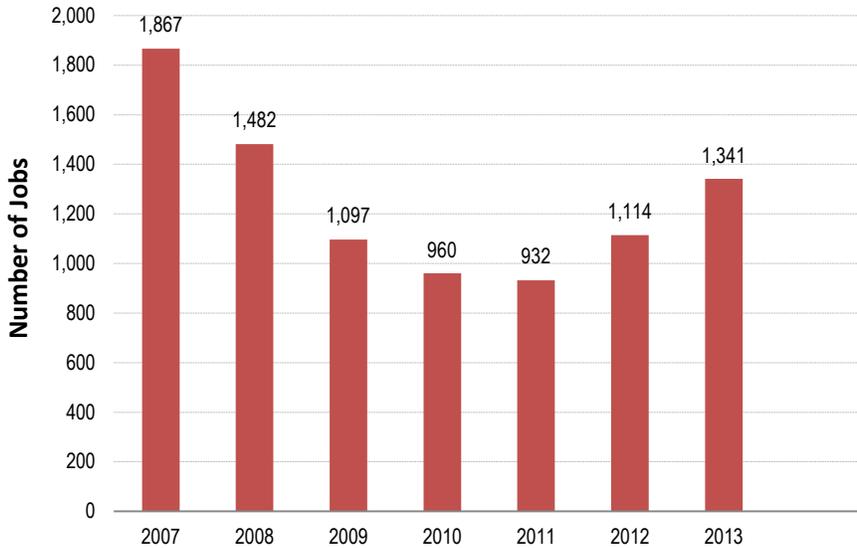
Jobs in Manufacturing: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Total jobs include wage and salary jobs and jobs held by business owners and self-employed persons. The total job count does not include unpaid volunteers or family workers, and private household workers.
- In 2013, total jobs in the City of Moreno Valley numbered 33,375, an increase of 2.7 percent from 2007.
- Manufacturing jobs include those employed in various sectors including food; apparel; metal; petroleum and coal; machinery; computer and electronic products; and transportation equipment.
- Between 2007 and 2013, the number of manufacturing jobs in the city decreased by 49.9 percent.

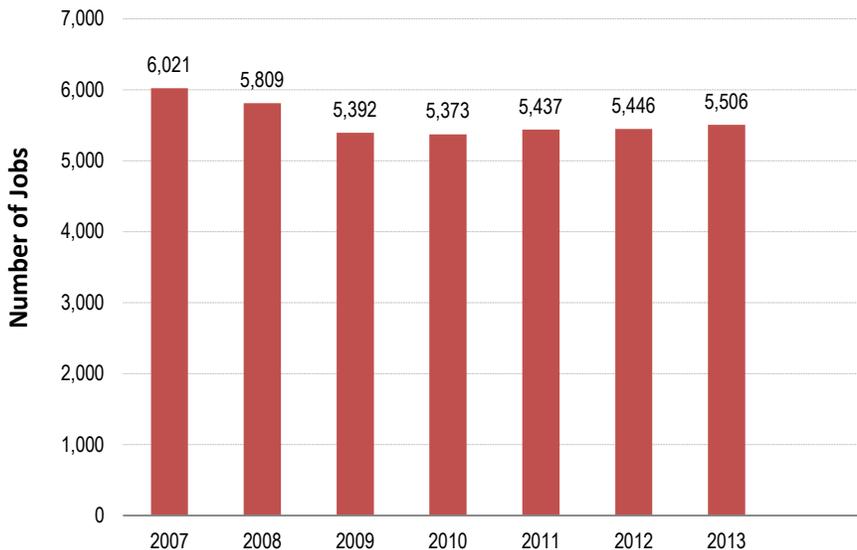
Jobs in Construction: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Construction jobs include those engaged in both residential and non-residential construction.
- Between 2007 and 2013, construction jobs in the city decreased by 28.1 percent.

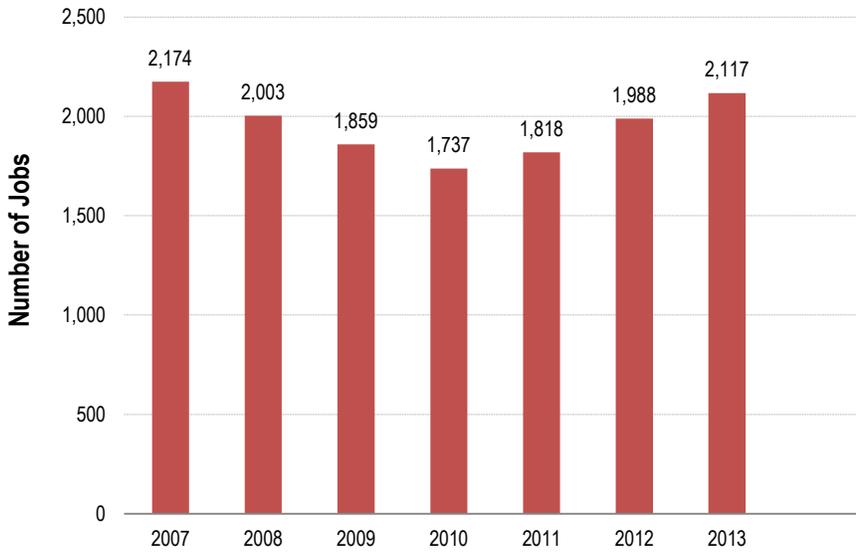
Jobs in Retail Trade: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Retail trade jobs include those at various retailers including motor vehicle and parts dealers, furniture, electronics and appliances, building materials, food and beverage, clothing, sporting goods, books, and office supplies.
- Between 2007 and 2013, the number of retail trade jobs in the city decreased by 8.5 percent.

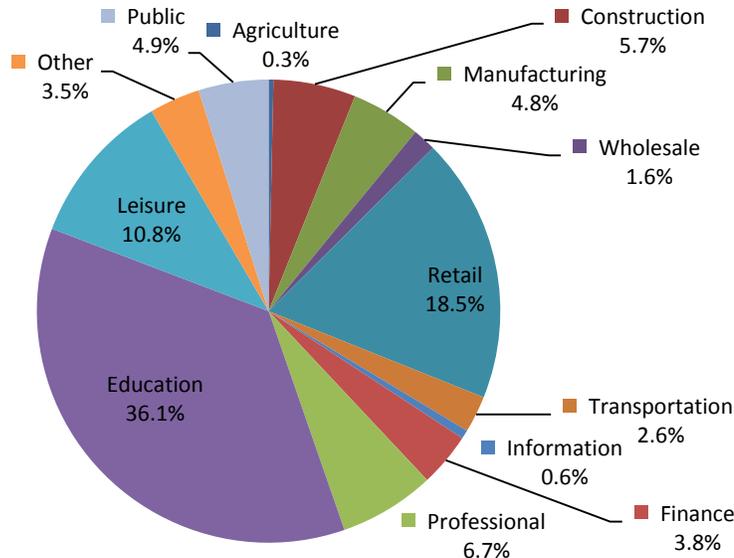
Jobs in Professional and Management: 2007 - 2013



Sources: California Employment Development Department, 2007 - 2013; InfoGroup; and SCAG

- Jobs in the professional and management sector include those employed in professional and technical services, management of companies, and administration and support.
- Between 2007 and 2013, the number of professional and management jobs in the city decreased by 2.6 percent.

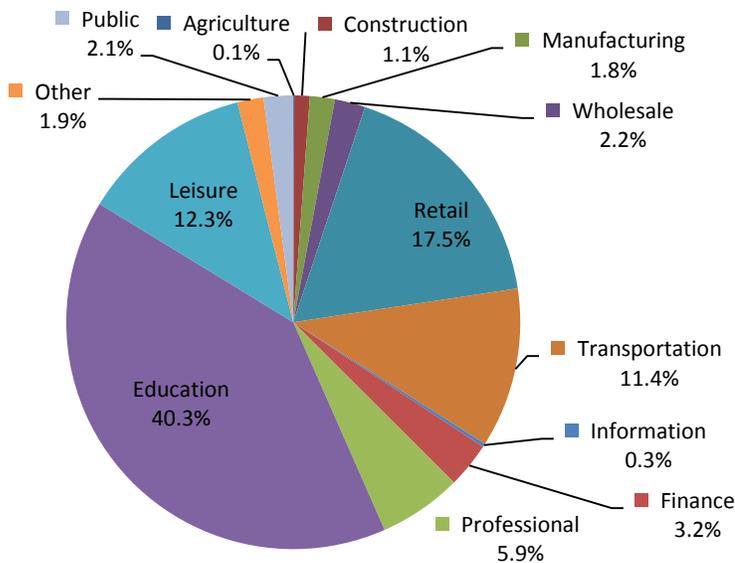
Jobs by Sector: 2007



Sources: California Employment Development Department, 2007; InfoGroup; and SCAG.

- From 2007 to 2013, the share of Transportation jobs increased from 2.6 percent to 11.4 percent.
- See Methodology Section for industry sector definitions.

Jobs by Sector: 2013

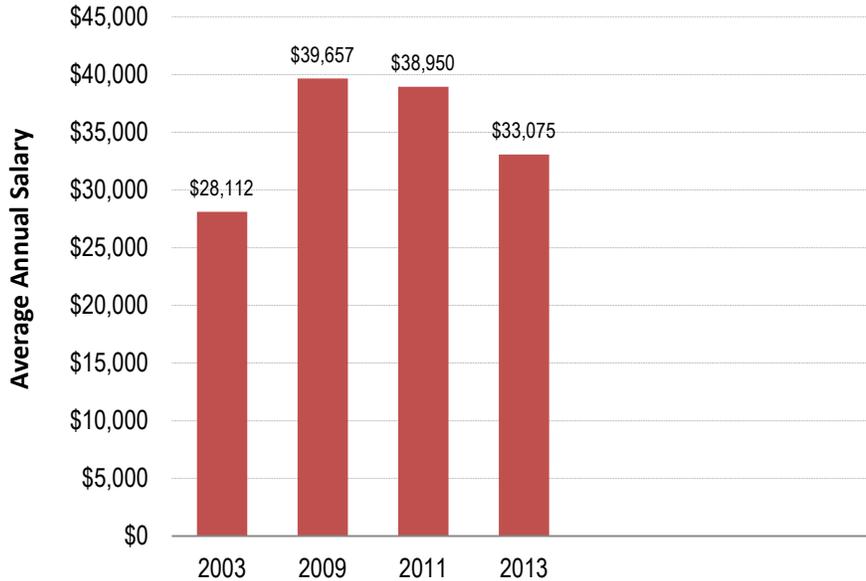


Sources: California Employment Development Department, 2014; InfoGroup; and SCAG.

- In 2013, the Education sector was the largest job sector, accounting for 40.3 percent of total jobs in the city.
- Other large sectors included Retail (17.5 percent), Leisure (12.3 percent), and Transportation (11.4 percent).

Average Salaries

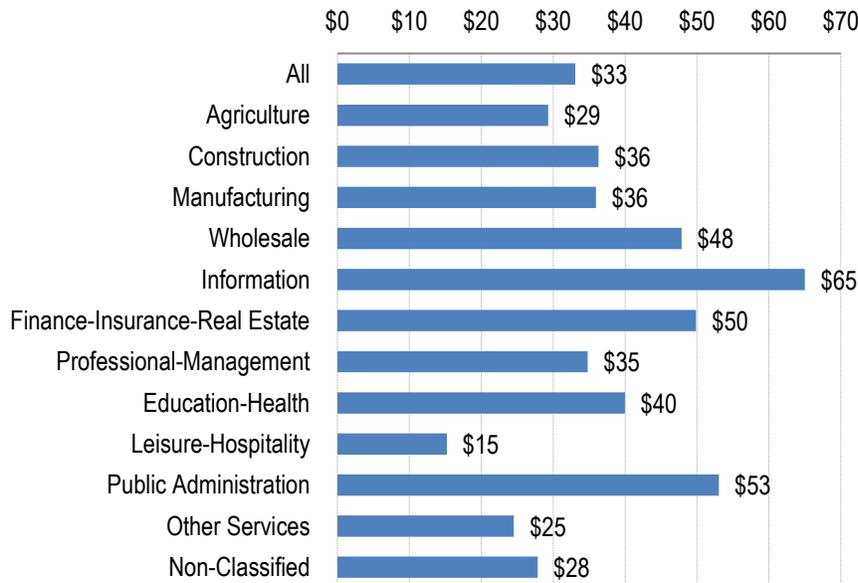
Average Annual Salary: 2003, 2009, 2011, & 2013



Source: California Employment Development Department, 2003, 2009, 2011, 2013

- Average salaries for jobs located in the city increased from \$28,112 in 2003 to \$33,075 in 2013, a 17.7 percent change.
- Note: Dollars are not adjusted for annual inflation.

Average Annual Salary by Sector: 2013 (\$ thousands)

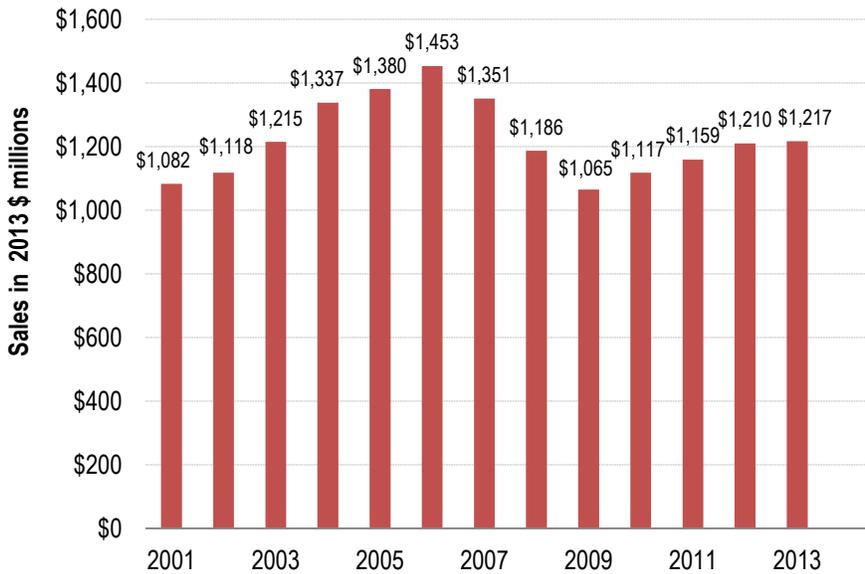


Source: California Employment Development Department, 2013

- In 2013, the employment sector providing the highest salary per job in the city was Information (\$64,997).
- The Leisure-Hospitality sector provided the lowest annual salary per job (\$15,212).

VII. Retail Sales

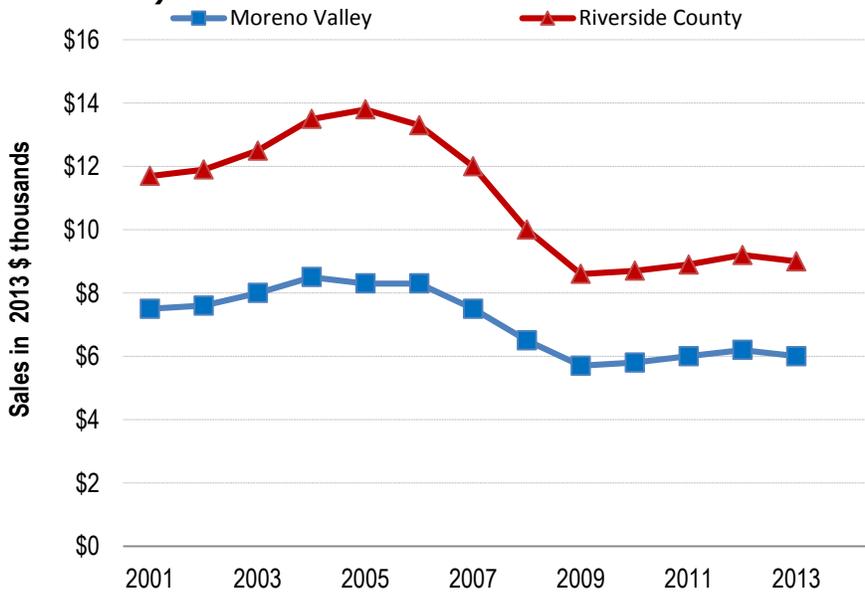
Real Retail Sales: 2001 - 2013 (in 2013 \$ millions)



Source: California Board of Equalization, 2001-2013

- Real (inflation adjusted) retail sales in the City of Moreno Valley increased by 34.1 percent between 2000 and 2005.
- Real retail sales decreased by 11.8 percent between 2005 and 2013.

Real Retail Sales per Person: 2001 - 2013 (in 2013 \$ thousands)

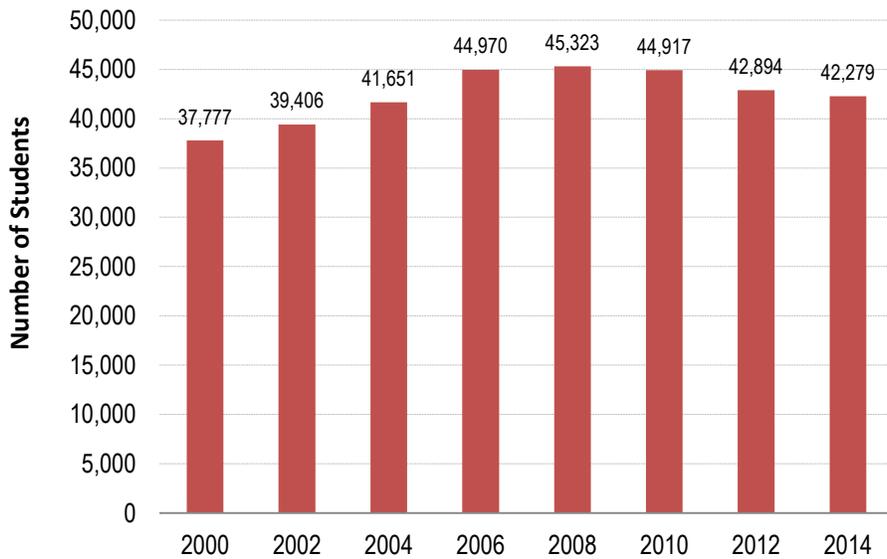


Source: California Board of Equalization, 2001-2013

- Between 2001 and 2013, retail sales per person for the city decreased from \$7,229 to \$6,142.

VIII. Education

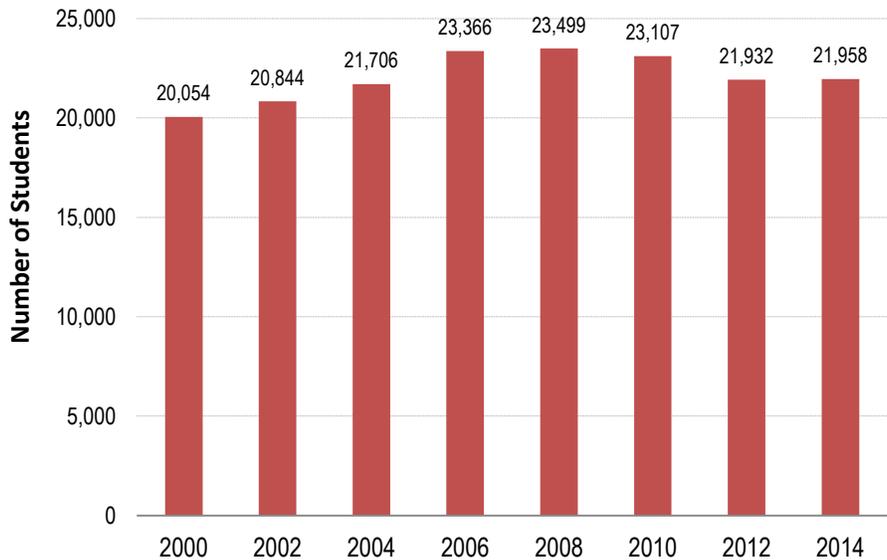
K-12 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total K-12 public school enrollment for schools within the City of Moreno Valley increased by 4,502 students, or about 11.9 percent.

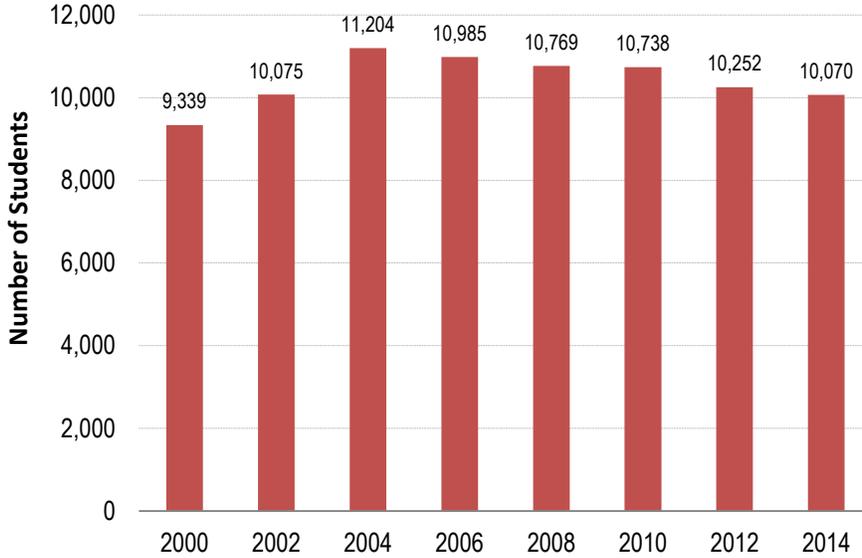
K-6 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public elementary school enrollment increased by 1,904 students or 9.5 percent.

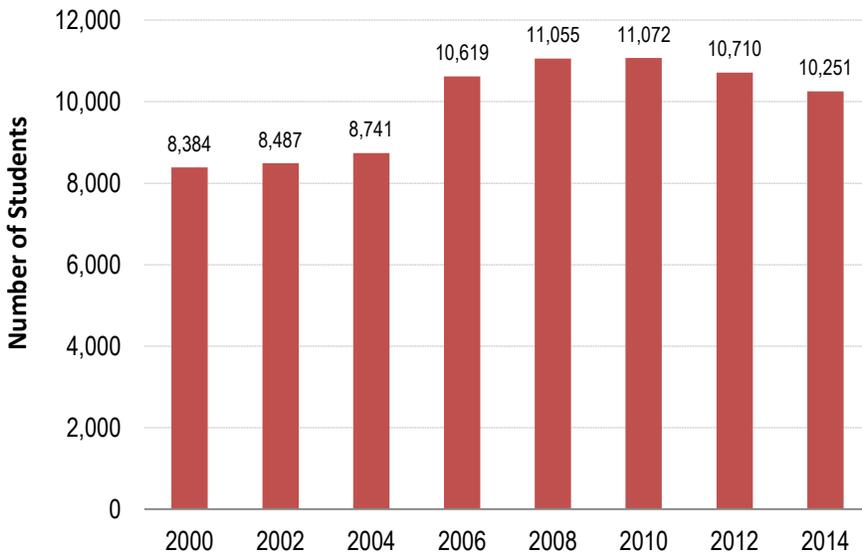
Grades 7-9 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public school enrollment for grades 7-9 increased by 731 students or 7.8 percent.

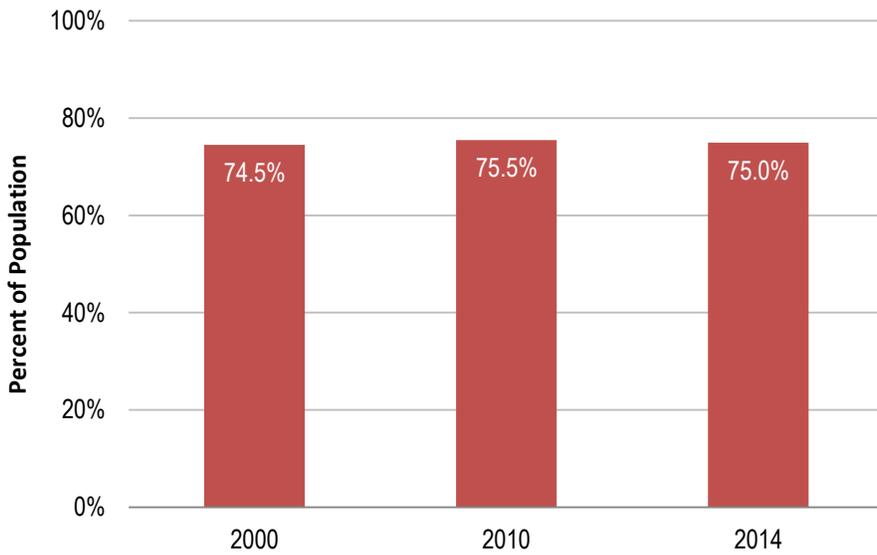
Grades 10-12 Public School Student Enrollment: 2000 - 2014



Source: California Department of Education, 2000 - 2014

- Between 2000 and 2014, total public school enrollment for grades 10-12 increased by 1,867 students, about 22.3 percent.

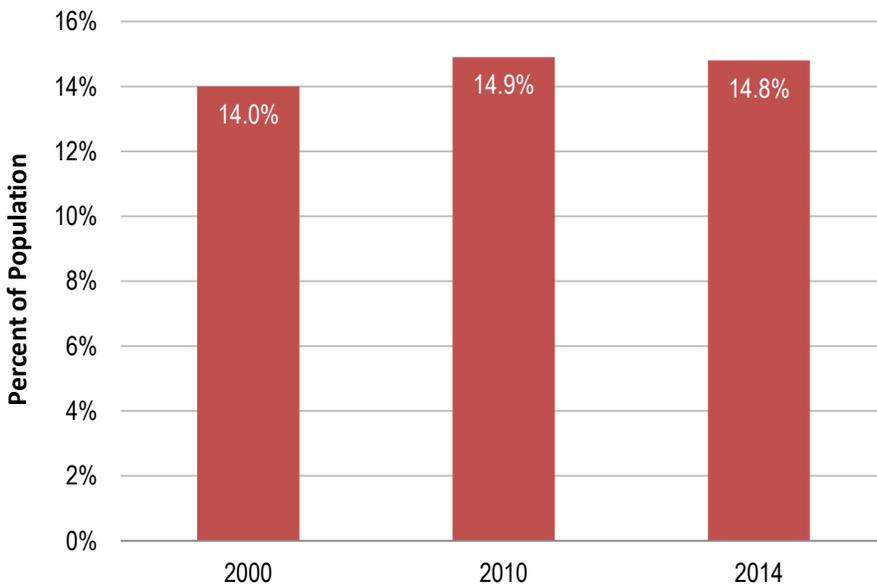
Percent of City Population 25 Years & Over Completing High School or Higher



Sources: 2000 and 2010 Census; Nielsen Co., 2014

- In 2014, 75 percent of the population 25 years and over completed high school or higher, which is higher than the 2000 level.

Percent of City Population 25 Years & Over Completing a Bachelor's Degree or Higher

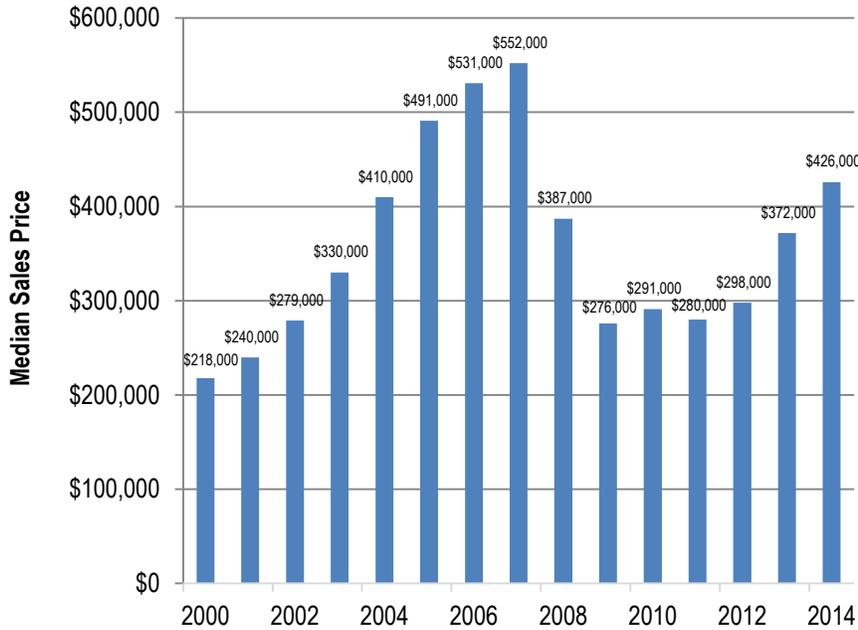


Sources: 2000 and 2010 Census; Nielsen Co., 2014

- In 2014, 14.8 percent of the population 25 years and over completed a Bachelor's degree or higher, which is higher than the 2000 level.

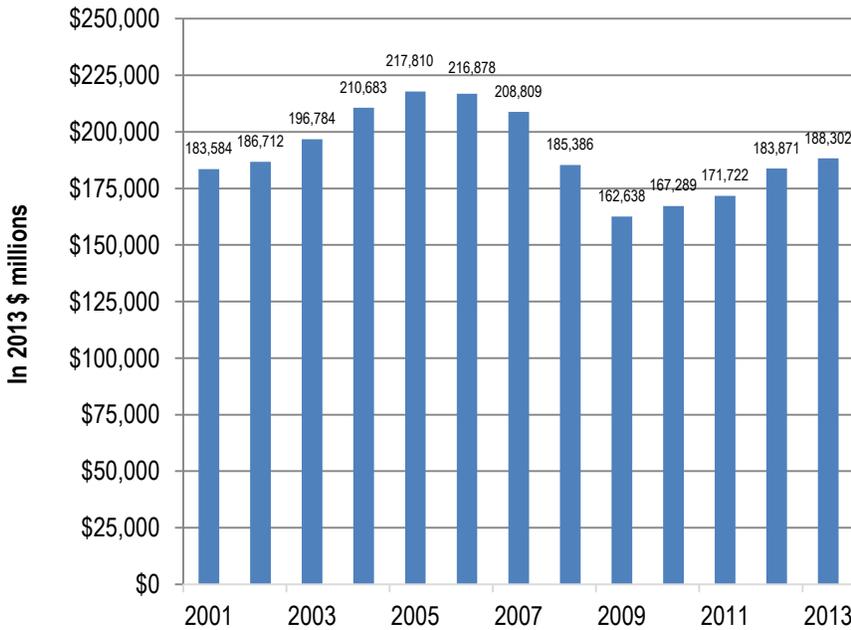
IX. SCAG Regional Highlights

Regional Median Sales Price for Existing Homes: 2000 - 2014



Source: MDA Data Quick, 2014

Regional Real Retail Sales: 2001 - 2013



Source: California Board of Equalization, 2001-2013

- After reaching its peak in 2007, the median sales price for existing homes in the SCAG region dropped by almost half by 2011 from its 2007 level and rebounded from 2012 to 2014.
- Median home sales price was calculated based on total existing home sales in the SCAG region.

- Retail sales tend to follow closely with trends in personal income, employment rates, and consumer confidence.
- Between 2001 and 2005, real (inflation adjusted) retail sales increased steadily by 19 percent but then dropped between 2005 and 2009 by \$52 billion, or 25 percent.
- In 2013, total real retail sales were three percent higher than the 2001 level.

X. Data Sources

California Department of Education

California Department of Finance, Demographic Research Unit

California Employment Development Department, Labor Market Information Division

California State Board of Equalization

Construction Industry Research Board

InfoGroup

MDA Data Quick

Nielsen Company

U.S. Census Bureau

XI. Methodology

SCAG's Local Profiles utilizes the most up-to-date information from a number of publically available sources, including the U.S. Census Bureau, California Department of Finance, and the California Department of Education. In the event that public information is not available or is not the most recent, SCAG contracts with a number of private entities to obtain regional data. The following sections describe how each data source was compiled to produce the information displayed in this report.

Statistical Summary Table

In the Statistical Summary Table (page 3), the values in the field "Jurisdiction Relative to County/Region" represent the difference between the jurisdiction's value and the county/region value, except for the following categories which represent the jurisdiction's value as a share of the county (or in the case of an entire county as a share of the region): Population, Number of Households, Number of Housing Units, Number of Jobs, Total Jobs Change, and K-12 Student Enrollment.

Median Age, Homeownership Rate, and Median Household Income are based on Nielsen Company data. Number of Housing Units is based on the 2010 Census and estimates from the California Department of Finance. Data for all other categories are referenced throughout the report.

Population Section

Where referenced, data from 2000 to 2014 was taken from the California Department of Finance's (DOF) E-5 estimates, which were published in May 2014. This dataset was benchmarked to population figures from the 2000 and 2010 U.S. Decennial Censuses. Data relating to population by age group and by race/ethnicity was derived from the 2000 and 2010 U.S. Decennial Censuses, and Nielsen Co. The 2000 figure was based on U.S. Decennial Census figures for April 1, 2000 and the 2010 figure was based on U.S. Decennial Census figures for April 1, 2010.

Below are definitions for race and ethnicity, taken from the U.S. Census Bureau.

The Hispanic or Latino origin category is:

- A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race.

The race categories are:

- American Indian or Alaska Native – A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.
- Asian – A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.
- Black or African American – A person having origins in any of the black racial groups of Africa, including those who consider themselves to be "Haitian."

- White – A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.
- Some other race – This category includes Native Hawaiian or Other Pacific Islander (a person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands) and all other responses not included in the "American Indian or Alaska Native," "Asian," "Black or African American," and "White" race categories described above.

Charts for population based on age were tabulated using 2000 and 2010 U.S. Decennial Census data and Nielsen Company data for 2014. Charts for race/ethnicity were tabulated using 2000 and 2010 U.S. Decennial Census data and Nielsen Company data for 2014.

Households Section

The 2000 figure was based on U.S. Decennial Census figures for April 1, 2000 and the 2010 figure was based on U.S. Decennial Census figures for April 1, 2010. Information for 2014 was supplied by the Nielsen Company. Average household size was developed using information from the California Department of Finance (DOF). Households by Size was calculated based on Nielsen Company data. Households refer to the number of occupied housing units.

Housing Section

Housing units are the total number of both vacant and occupied units. Housing units by housing type information was developed using data from the California Department of Finance (DOF). Age of housing stock information is from the Nielsen Company.

The number of residential units with permits issued was obtained using Construction Industry Research Board data, which are collected by counties and are self-reported by individual jurisdictions. It represents both new single family and new multifamily housing units that were permitted to be built, along with building permits that were issued for improvements to existing residential structures (e.g., re-roofs, remodels). Please note that SCAG opted to report the annual number of permits issued by each jurisdiction which may be different than the number of housing units completed or constructed annually. This was done using a single data source which provides consistent data for all jurisdictions. The Construction Industry Research Board defines "multi-family housing" to include duplexes, apartments, and condominiums in structures of more than one living unit.

The median home sales price, compiled from MDA Data Quick, was calculated based on total resales of existing homes in the jurisdiction, including single family units and condominiums. The median price does not reflect the entire universe of housing in the jurisdiction, only those that were sold within the calendar year.

Transportation Section

The journey to work data for the year 2000 was obtained by using the 2000 U.S. Decennial Census Summary File 3. Data for 2010 is based on the 2010 U.S. Census American Community Survey. Information for 2014 was provided by the Nielsen Company.

Employment Section

Data sources for estimating jurisdiction employment and wage information include the 2010 U.S. Census Bureau Local Employment Dynamics Survey, and information from the California Employment Development Department, InfoGroup, and SCAG for years 2007-2013. In many instances, employment totals from individual businesses were geocoded and aggregated to the jurisdictional level.

Employment information by industry type is defined by the North American Industry Classification System (NAICS). Although the NAICS provides a great level of detail on industry definitions for all types of businesses in North America, for the purposes of this report, this list of industries has been summarized into the following major areas: agriculture, construction, manufacturing, wholesale, retail, information, finance/insurance/real estate, professional/management, education/health, leisure/hospitality, public administration, other services, and non-classified industries.

A brief description of each major industry area is provided below:

- Agriculture – This industry includes crop production, animal production and aquaculture, forestry and logging, fishing hunting and trapping, and support activities for agriculture and forestry.
- Construction – Industries under this umbrella involve the construction of buildings, heavy and civil engineering construction, and specialty trade contractors.
- Manufacturing – This group includes the processing of raw material into products for trade, such as food manufacturing, apparel manufacturing, wood product manufacturing, petroleum and coal products manufacturing, chemical manufacturing, plastics and rubber products manufacturing, nonmetallic mineral product manufacturing and primary metal manufacturing.
- Wholesale – Wholesale industries do business in the trade of raw materials and durable goods.
- Retail – Retail industries engage in the sale of durable goods directly to consumers.
- Information – Businesses in this industry specialize in the distribution of content through a means of sources, including newspaper, periodicals, books, software, motion pictures, sound recording, radio and television broadcasting, cable or subscription programming, telecommunications, data processing/hosting, and other information mediums.
- Finance/Insurance/Real Estate – This sector includes businesses associated with banking, consumer lending, credit intermediation, securities brokerage, commodities exchanges, health/life/medical/title/property/casualty insurance agencies and brokerages, and real estate rental/leasing/sales.
- Professional Management – This industry involves businesses that specialize in professional/scientific/technical services, management of companies and enterprises, and administrative and support services. Types of establishments that would fall under this category range from law offices, accounting services, architectural/engineering firms, specialized design services, computer systems design and related services, management consulting firms, scientific research and

development services, advertising firms, office administrative services, facilities support services, among many others.

- Education/Health – Organizations include elementary and secondary schools, junior colleges, universities, professional schools, technical and trade schools, medical offices, dental offices, outpatient care centers, medical and diagnostic laboratories, hospitals, nursing and residential care facilities, social assistance services, emergency relief services, vocational rehabilitation services, and child day care services.
- Leisure/Hospitality – These industries include organizations in the performing arts, spectator sports, museums, amusement/recreation industries, traveler accommodations, and food and drink services.
- Public Administration – This classification includes public sector organizations, including legislative bodies, public finance institutions, executive and legislative offices, courts, police protection, parole offices, fire protection, correctional institutions, administration of governmental programs, space research and technology, and national security.
- Other Services – Groups in this group include, for example, automotive repair and maintenance, personal and household goods repair and maintenance, personal laundry services, dry-cleaning and laundry services, religious services, social advocacy organizations, professional organizations, and private households
- Non-Classified – Non-classified organizations involve work activities that are not included in the North American Industry Classification System.

Retail Sales Section

Retail sales data is obtained from the California Board of Equalization, which does not publish individual point-of-sale data. All data is adjusted for inflation.

Education Section

Student enrollment data is based on public school campuses that are located within each jurisdiction's respective boundary. Enrollment numbers by grade within a given jurisdiction are tabulated based upon data obtained from the California Department of Education. Enrollment year is based on the end date of the school year; for example, enrollment data for the year 2000 refers to the 1999-2000 school year. City boundaries used in the dataset for all years is based on data provided by the Local Agency Formation Commission for each county in the region.

Regional Highlights

Information for this section was developed through data from MDA Data Quick and the California Board of Equalization.

Data Sources Section

In choosing the data sources used for this report, the following factors were considered:

- Availability for all jurisdictions in the SCAG region,
- The most recognized source on the subject,
- Data sources within the public domain, and
- Data available on an annual basis.

The same data sources are used for all Local Profiles (except where noted) to maintain overall reporting consistency. The jurisdictions are not constrained from using other data sources for their planning activities.

The preparation of this report has been financed in part through grants from the Federal Highway Administration and Federal Transit Administration, U.S. Department of Transportation, under the Metropolitan Planning Program, Section 104(f) of Title 23, U.S. Code. The contents of this report do not necessarily reflect the official views or policy of the U.S. Department of Transportation. Additional assistance was provided by the California Department of Transportation.

XII. Acknowledgments

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 Ying Zhou, Program Manager II

Southern California Association of Governments
Regional Council Roster
 May 2015

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2nd Vice-President	3. Hon. Michele Martinez	<i>Santa Ana</i>	District 16
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	10. Hon. Curt Hagman		San Bernardino County
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	13. Hon. Jan Harnik	<i>Palm Desert</i>	RCTC
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	34. Hon. Marty Simonoff	<i>Brea</i>	District 22
	35. Hon. Victor Manalo	<i>Artesia</i>	District 23
	36. Hon. Gene Daniels	<i>Paramount</i>	District 24
	37. Hon. Sean Ashton	<i>Downey</i>	District 25
	38. Hon. José Luis Solache	<i>Lynwood</i>	District 26
	39. Hon. Ali Saleh	<i>Bell</i>	District 27
	40. Hon. Dan Medina	<i>Gardena</i>	District 28

Attachment: MomentumMoValRedline (2217 : MOMENTUM MOVAL - DRAFT STRATEGIC PLAN FOR THE CITY OF MORENO VALLEY)

Southern California Association of Governments
Regional Council Roster
 May 2015

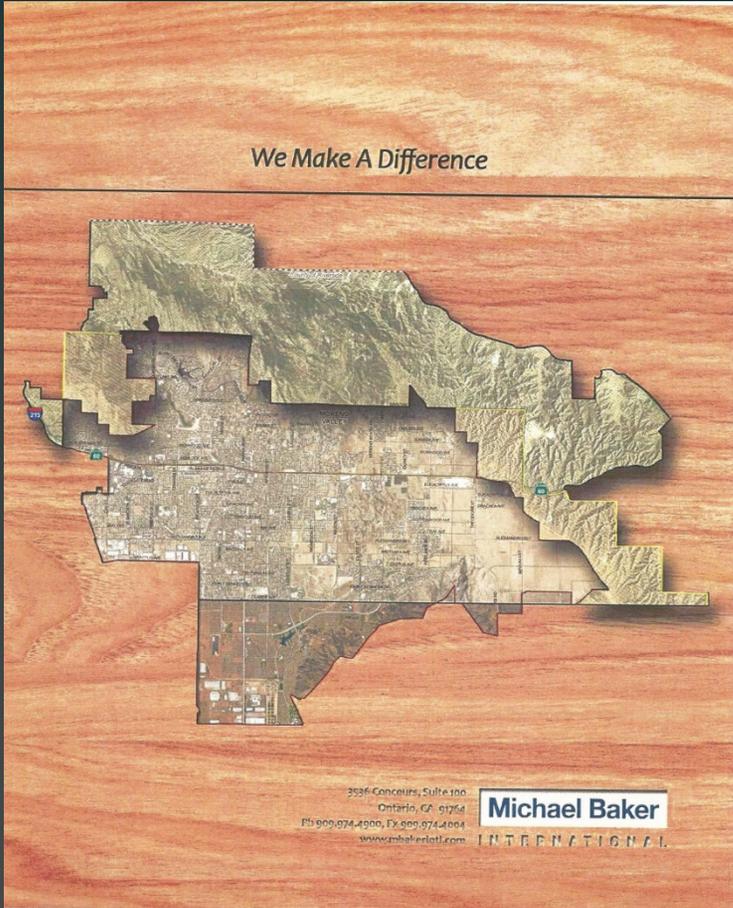
41. Hon. Rex Richardson	<i>Long Beach</i>	District 29
42. Hon. Lena Gonzalez	<i>Long Beach</i>	District 30
43. Hon. Andrew Sarega	<i>La Mirada</i>	District 31
44. Hon. Margaret Clark	<i>Rosemead</i>	District 32
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48. Hon. Jonathan Curtis	<i>La Cañada/Flintridge</i>	District 36
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61. Hon. Bob Blumenfield	<i>Los Angeles</i>	District 50
62. Hon. Tom LaBonge	<i>Los Angeles</i>	District 51
63. Hon. Paul Koretz	<i>Los Angeles</i>	District 52
64. Hon. Nury Martinez	<i>Los Angeles</i>	District 53
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78. Hon. Dante Acosta	<i>Santa Clarita</i>	District 67
79. Hon. Rusty Bailey	<i>Riverside</i>	District 68
80. Hon. Jeffrey Giba	<i>Moreno Valley</i>	District 69

Southern California Association of Governments
Regional Council Roster
 May 2015

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82. Hon. Andrew Masiel, Sr.	<i>Pechanga Band of Luiseño Indians</i>	Tribal Government Representative
83. Mr. Randall Lewis	<i>Lewis Group of Companies</i>	(Ex-Officio)
84. Hon. Eric Garcetti	<i>Los Angeles</i>	(At-Large)

Notes:

Vision MoVal



Moreno Valley Strategy for the future

Discussion

The idea of a strategic plan on the surface is generally a good idea as a guidance document for a City's short term future (3-5 Years). Execution of such a document can be fraught with problems if created under the wrong inferences and protocols.

However, initiated wisely, for the right reasons and full collaborative cooperation without haste, it can give a City a strong outlook for the future.

Strategic Plan

- **What is a Strategic Plan?**
 - A Transparent document
 - A strategic roadmap for a strong short term future
 - A brushstroke of potential for a city
 - A broad but inclusive list of Goals & Objectives
 - A clearly collaborative vision & consensus of an all inclusive variety of identified stakeholders and city residents guided by wise representation

Strategic Plan (cont'd)

- **What it is not:**
 - Exclusive to only a few
 - A wish list of point in time projects & studies
 - A back room negotiation for the enhancement of political careers
 - A senior staff initiated process without direction from Council
 - A rushed together document with improperly documented input from all involved
 - An unequal representation of all stakeholders

Notes?

STRATEGIC PRIORITIES GOALS SESSION

1. REVIEW STRATEGIC PLANNING
2. COUNCIL PROCESS
 - ROLE
 - FUNCTION
3. HOW GREAT TEAMS AND COUNCILS WORK BEST
4. SETTING GOALS FOR NEXT 3-5 YEARS

Criteria For Selection

Process Engagement

```

graph LR
  Open[Open] --> Accept[Accept Applicant]
  Accept --> Screen[Screen]
  
```

Criteria MET → Interviews → []

Study Session

- Δ Fully Discussed
- Δ 3-2/4-1 OK
- Δ Mayor Facilitate
- Δ 3 VOTES

Strategic Plan Preparation

- **What is the Proper Protocol**
 - Initiated and directed by Council
 - Established & documented process for who will develop, how it will be developed, what will be included, what type & how many outreaches, workshops and stakeholder meetings, and expectations for completion
 - Clear agreed upon definitions of all defined parameters by which the document will be established
 - Clear direction from Council on what is included

Preparation (cont'd)

- **What should not be done:**
 - Initiated by senior staff using discretionary funds rather than Council debate and direction
 - Use of preferred staff psychologists without Council discussion or direction of a Council selected team or RFQ
 - Closed door discussions with consultants out of sight from discussion with public and Full Council causing potential Brown Act violations
 - Inclusion of preferential Council Members projects or developers without full debate

Strategic Plan Make-up

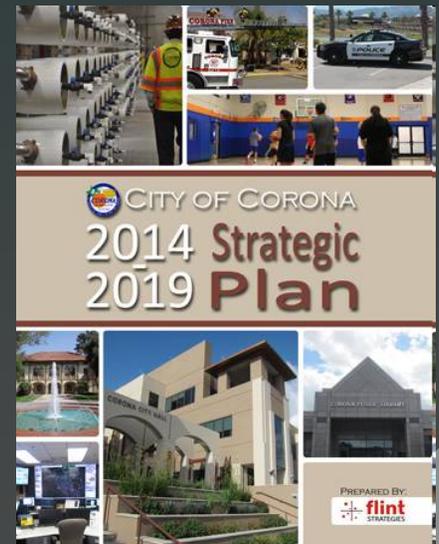
- There are a variety of strategic plan designs, configurations and developers.
- This should be the starting point. Direction from Council as to these components and the independent, non-bias development of such a documents should be at the forefront of this document
- The document development should represent the clear developed consensus for the City by the Council

City of Corona Strategic Plan

In June 2013, City Council initiated a strategic planning process to identify community priorities and key issues.

The creation of the strategic plan included input from the City Council, key staff, residents, the business community and other key stakeholders. The result is a plan that will serve as a blueprint for the organization in how future decisions are made.

The plan addresses the City's unique needs, establishes realistic priorities, and will help ensure the most effective use of City resources by focusing those resources on priorities identified in the Strategic Plan.



Riverside 2.0

The Riverside 2.0 Strategic Plan was developed through a straightforward READY- SET- GO approach, which allows the City of Riverside to first define its desired "Ends", and then to collectively define the strategic "Means" for achieving its priorities.

READY.

On December 15 and 18, 2014, the Mayor and City Council participated in facilitated strategic planning meetings. The outcome of the workshops were seven (7) strategic priorities [refer to Appendix A to review the summary notes taken by the facilitator of the priorities]. As no formal action was taken to adopt the strategic priorities during the December 2014 meetings, on February 24, 2015, the Mayor presented a report on the priorities to the City Council and public, which – through the City Council’s action – resulted in unanimous approval.

SET.

At its meeting on February 24, 2015, the City Council’s action included a direction to “the interim City Manager to develop an Implementation Plan for City Council consideration within sixty days.” To accomplish this, Interim City Manager Lee McDougal convened together the directors from each City department, as well as the Assistant City Managers, to prepare the draft strategic plan that implements the City Council’s approved priorities. On February 18, 2015, the Interim City Manager, Assistant City Managers, and Department Directors convened to develop an understanding of and to begin exploring implementation strategies for the City Council priorities (which, at the time, were still in draft form as no formal action had yet been taken by the City Council); on March 4, March 18, April 1, and April 15, 2015, the Interim City Manager, Assistant City Managers, and Department Directors convened to fully develop a Riverside 2.0 Strategic Plan for City Council consideration on April 28, 2015 [refer to Appendix B to review the graphic wall chart summarizing the work sessions of the Interim City Manager, Assistant City Managers, and Department Directors].

Envision Palm Desert - Forward Together

Titled Envision Palm Desert - Forward Together, the document is the culmination of a process that began in February 2013 when the Palm Desert City Council approved a contract with the nonprofit National Civic League for assistance with the preparation of a new strategic plan .

The first step was the identification of an Initiating Committee made up of community members representing various key entities and sectors in Palm Desert including College of the Desert, the McCallum Theatre, the Chamber of Commerce, and more.

The Initiating Committee was assigned the responsibility of working out the logistics of the strategic planning process, including establishing a meeting schedule and naming the effort. The Initiating Committee also identified key community stakeholders who should be invited to participate in the strategic planning process. All Palm Desert residents and business people were also invited, via an article in the BrightSide newsletter, to share their input by nominating themselves and others as volunteer stakeholders.

As a result of these outreach efforts, more than 100 community members representing diverse interests, backgrounds, and viewpoints served as volunteer stakeholders sharing their knowledge, experience, and insight to help produce a community-wide vision for the next two decades.

On May 22, 2013, these stakeholders met with National Civic League representatives and select City staff at Desert Willow Golf Resort as part of an initial kick-off meeting to learn about the process and discuss issues affecting the City's future. The City Council, along with community stakeholders and participating staff, were also invited to complete an online survey to identify opportunities and challenges facing Palm Desert.

In subsequent meetings, stakeholders were assigned to task forces that discussed important community topics including Economic Development; Land Use; Education; Tourism and Marketing; Energy and Sustainability; Parks and Recreation; Transportation; Arts and Culture; and Public Safety. City staff worked with these task forces to answer questions and provide information. Stakeholders met a total of nine times between the kickoff meeting and the final meeting on December 10, 2013.

A blue ribbon panel of community leaders serving as the Strategic Plan Steering Committee used the input from these committees to help create the strategic plan document, which on February 27, 2014, came before the Palm Desert City Council for review and adoption..

Make-Up (cont'd)

- Additional Components to Consider:
 - Demographics, Jobs & Distribution
 - Historical Perspectives
 - Geographic Snapshots
 - Commercial Projections
 - Development Potential
 - Health, Welfare & Public Safety
 - Housing & Future Growth
 - Trails & Recreation
 - Transportation & Challenges

Riverside County Sample

RIVERSIDE COUNTY ECONOMIC PROFILE

ECONOMIC SNAPSHOT

2013 Population: 2,255,059

Ranking in state by population: 4th

Population Growth, 2004-2013: 24.3%

Median Household Income: \$52,883

Average Household Income: \$69,898

Total Jobs: 566,262

Total Establishments: 50,989

K-12 Students: 425,968

College Students: 90,976

High School Diploma or higher: 77.3%

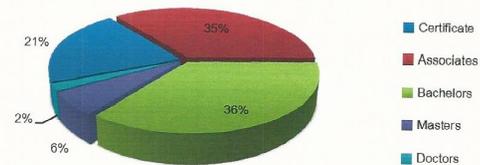
Bachelor's degree or higher: 19.6%

Source: American Community Survey, California Department of Education, California Department of Finance, California Employment Development Department, EMSI, National Center for Education Statistics

COLLEGES AND UNIVERSITIES

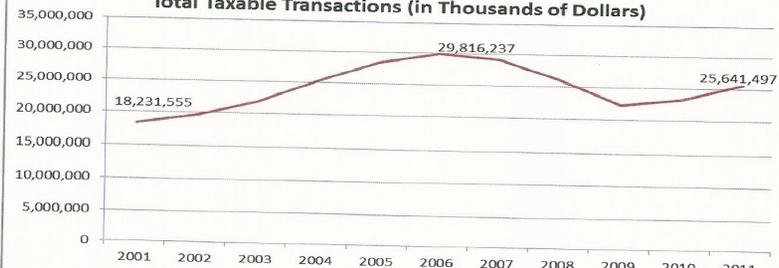
- University of California, Riverside
- University of California Riverside, Palm Desert
- California State University San Bernardino, Palm Desert
- California State University San Marcos, Temecula
- California Baptist University
- La Sierra University
- College of the Desert
- Moreno Valley College
- Mt. San Jacinto College
- Norco College
- Palo Verde College
- Riverside City College

Awards/Degrees Conferred in Riverside County in 2012:
Total number = 14,200



Source National Center for Education Statistics

County of Riverside:
Total Taxable Transactions (in Thousands of Dollars)

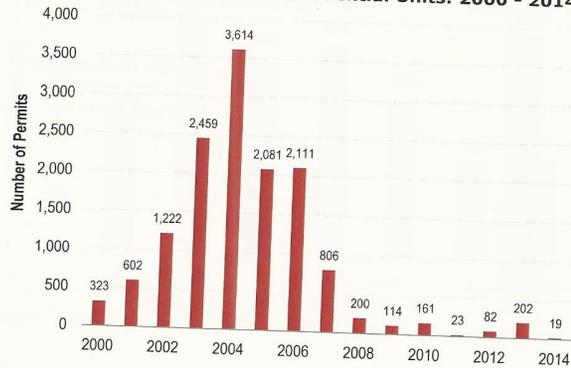


Source: State of California, Board of Equalization

Moreno Valley Sample

IV. Housing Total Housing Production

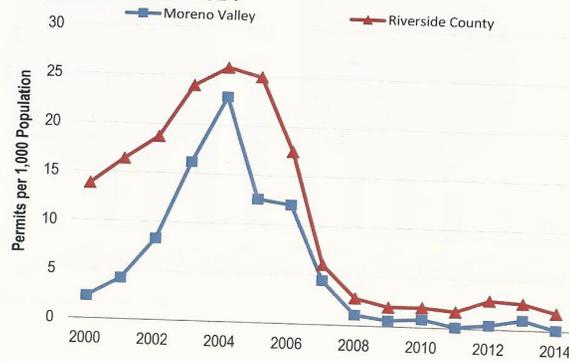
Total Permits Issued for all Residential Units: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- Between 2000 and 2014, permits were issued for 14,019 residential units.

Permits Issued for all Residential Units per 1,000 Residents: 2000 - 2014



Source: Construction Industry Research Board, 2000 - 2014

- In 2000, the City of Moreno Valley had 2.3 permits per 1,000 residents compared to the overall county figure of 13.8 permits per 1,000 residents.
- For the city in 2014, the number of permits per 1,000 residents decreased to 0.1 permits. For the county overall, it decreased to 1.8 permits per 1,000 residents.

Southern California Association of Governments

Vision MoVal

- Diverse City
 - MorenoValley is a very diverse city
 - Very diverse population
 - Very diverse geography
 - Diverse business & developments

Vision MoVal

- Untapped Potential
 - 51 Mi Sq
 - 32 Mi Sq attainable
 - Residential Potential
 - Energy potential
 - Medical Hub potential
 - Education potential

New Energy Strategies

Current Opportunities



City of Moreno Valley & MVU

Energy Efficiency

- Demand Reduction
- Facility Improvements/Upgrades

Renewable Energy

- Generation – Solar PV
- Select Partner through RFQ Process

Long-Term Supply

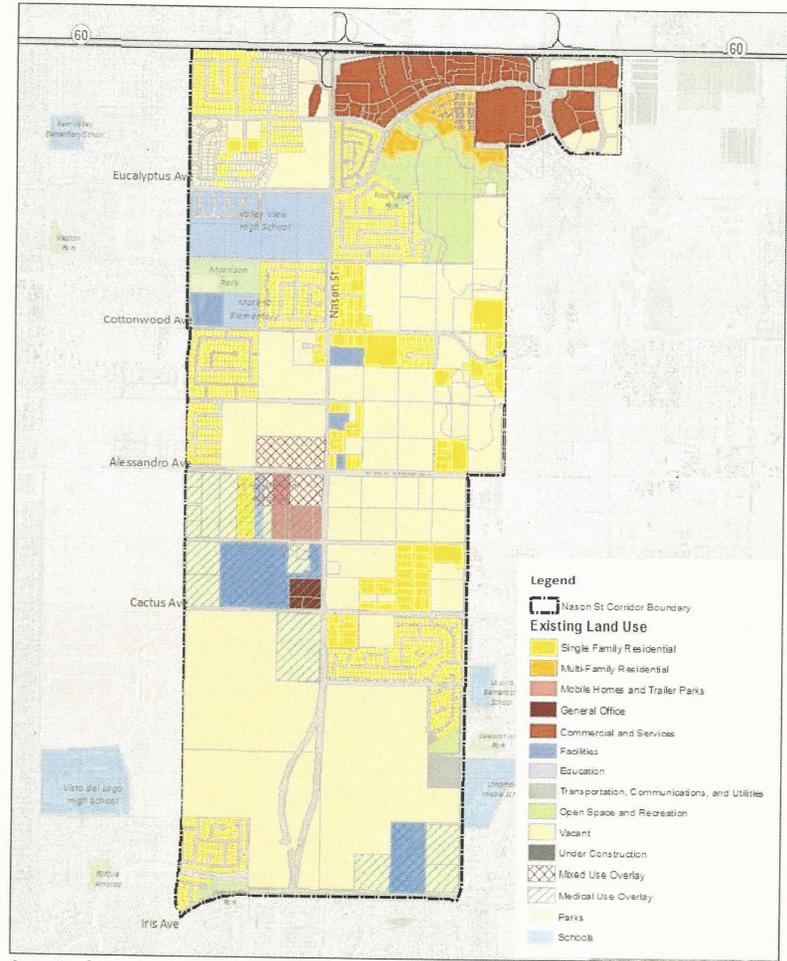
- Moreno Valley Utility – Long Term Planning

Medical Growth & Go-Human

The Nason St Corridor study was a more comprehensive 90 page document

Table 2: Land Use Policy and Recommendations Summary

1. Investigate options for codifying the land use recommendations presented here in the City's policies and development standards. Consider both the preparation of one or more specific plans, a General Plan Update, and a zoning code update.
2. Develop a specific plan to provide for the creation of the Town Center into a vibrant, livable destination.
3. Ensure well-designed transitions between land uses, particularly existing residential neighborhoods, but also commercial, residential and employment, to minimize impact but still encourage connectivity.
4. Facilitate the development of multi-family residential development on vacant parcels in subarea 1 to appropriately scale transitions
5. Encourage new development on currently vacant parcels to align with the street layout of adjacent single family neighborhoods.
6. Facilitate a focus on civic, cultural and communitywide uses in the Town Center
7. Encourage development of sit-down dining and entertainment options in the Town Center
8. Ensure new development does not conflict but builds upon the regional connectivity proposed in the Alessandro Boulevard Corridor Plan and planned Bus Rapid Transit Line.
9. Promote development of live/work units to encourage more jobs near housing.
10. Pursue medical uses that capitalize on the area's proximity to two regional hospitals.
11. Prohibit industrial development from the Corridor.
12. Facilitate surrounding residential development to encourage job-housing connection and walkable commutes
13. Ensure bicycle and pedestrian connectivity between residential development and medical office, via multi-use trails, paseos, etc.
14. Require the development of pedestrian-appropriate building designs, including walkways and public seating, and loading activities sited behind buildings.
15. Recruit a college or university to locate to subarea 4.
16. Pursue development of senior living housing in subarea 4.
17. Discourage or prohibit gated communities in the Corridor.



Source: City of Moreno Valley, GIS January 19, 2015

Figure 3: Existing Land Uses

RUHS

UCR School of Business Administration
Center for Economic Forecasting and Development

Home of the A. Gary Anderson Graduate School of Management

Riverside University
HEALTH SYSTEM

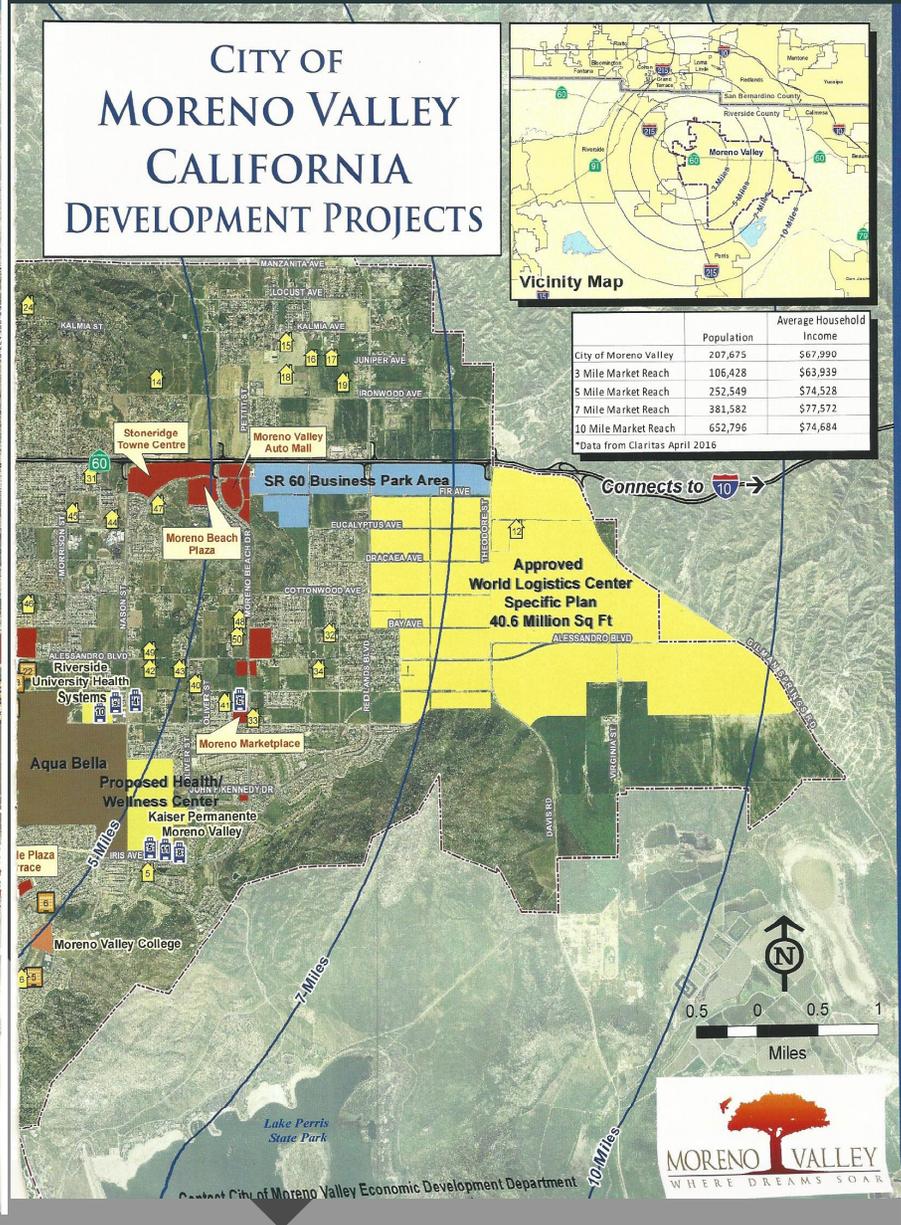
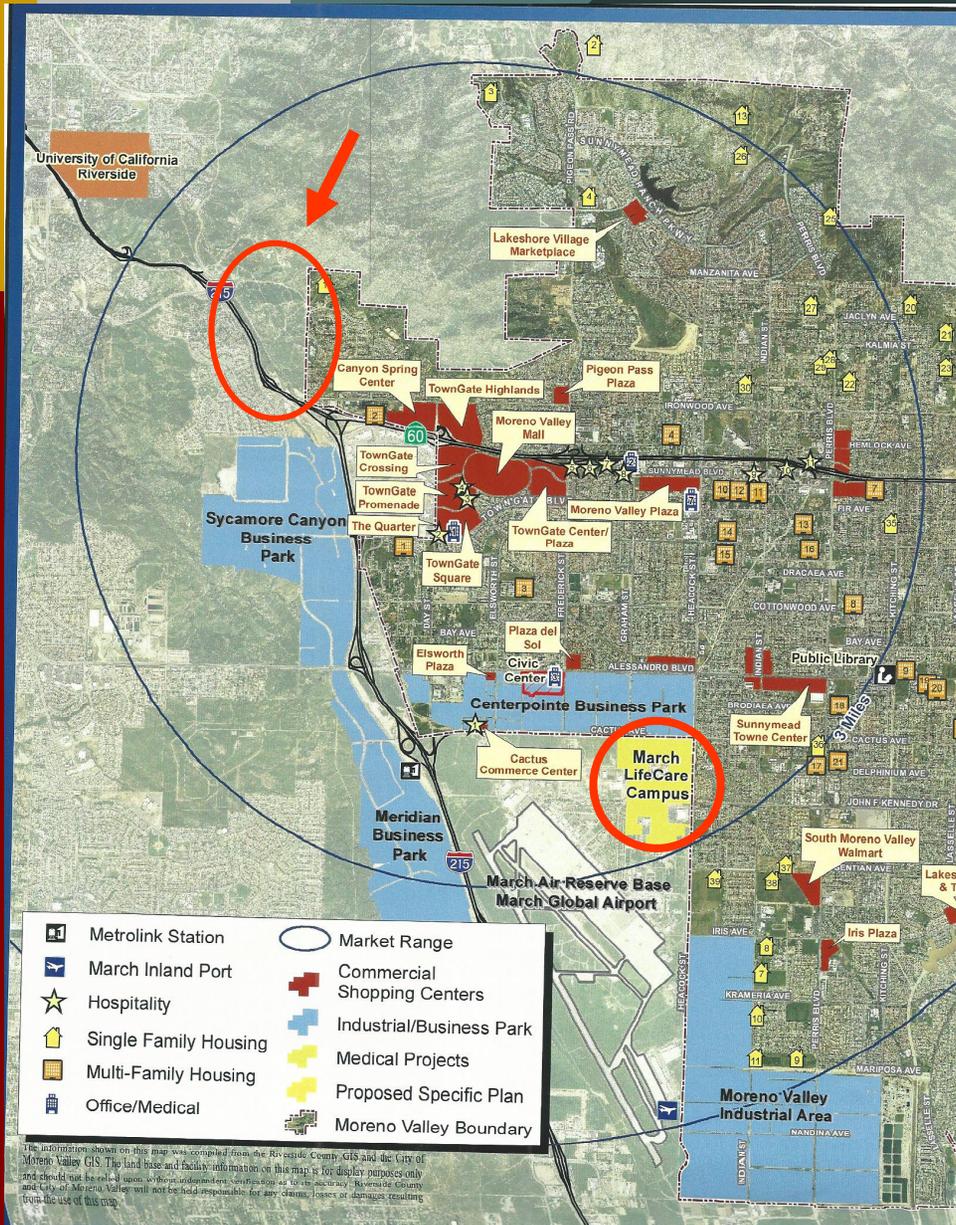
ECONOMIC AND SOCIAL IMPACTS ANALYSIS

2016

Riverside University Health System



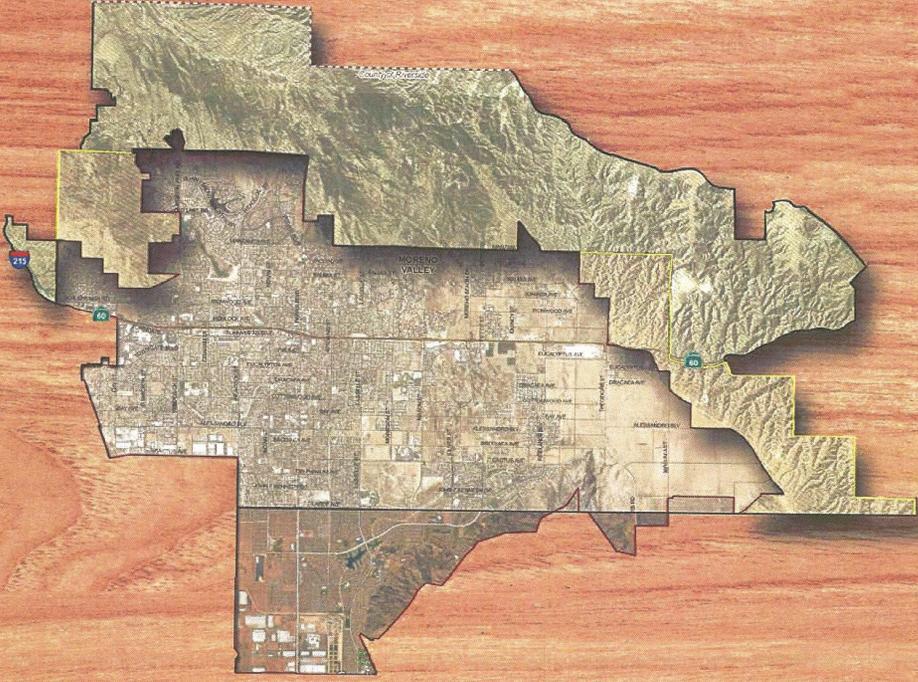
Eastern & Western Moreno Valley



Attachment: Mayor Pro Tem Giba PowerPoint Presentation (2217 : MOMENTUM MOVAL - DRAFT

Untapped Land Use

We Make A Difference



3536 Concourse, Suite 100
Ontario, CA 91764
Ph 909.974.4900, Fx 909.974.4004
www.mbalintl.com

Michael Baker
INTERNATIONAL

Land Use

- Hillside Residential
- Vineyard Agricultural
- Amtrak Station Access
- County Park Control
- New Industrial and 215 Access
- Trails, Parks and Wine Country

Potential 215 Access



Strategic Priorities

- Economic Development / **Medical Partners**
- Public Safety / **Health & Welfare**
- Library / **Arts Center**
- Infrastructure / **P3 Partnerships**
- Quality of Life / **Sustainable Trans, Go Human & Eco Friendly Alternatives (ATP)**
- Youth Programs / **Educational Partnerships**

Strategic Plan Redlines and Recommendations:

I had asked that we include a statistical snapshot of our City outlining the demographics, Geographic's, and specific data outlined in the SCAG report so those who read the document have a reference for these items. Please refer to the SCAG Moreno Valley document provided. Also refer to attached power point developed to help frame this document.

Introduction:

Your cornerstone comment should have an outline of all outreach, workshops and study sessions as well as community input to qualify any comment. I have been requesting this data and there does not seem to be an substantive or comprehensive compilation of who the stakeholders are, business and commercial / manufacturing stakeholders, district outreaches, to mention a few.

You state it is visionary but you lack a priority of Future Growth, housing and future land use. I would like to see an additional Priority that covers this. You state diversification but I don't see that in this document. No housing elements or balance.

- Future Land Use and Annexation
- Future land development like the Vineyard and agriculture
- Future Land use for executive and hillside residential developments
- Future land use for Event locations such as Vineyard Conference and Entertainment Venues
- Future Land Use for Vineyard residential development
- Future potential transportation hubs: both Amtrak and Metrolink within the City or Sphere
- Future Land use recreational, Go-Human and Alternate transportation – Bike and walking

1. Economic Development (We should have cost allocation data for budget constraints; e.g align with our budget for all priorities)

- **New Commercial & Industrial Opportunities**
 - 1.1 Add , Commercial, Medical and Industrial –
 - 1.1.3 Maintain competitive DIF and work with regional partners to maintain competitive fee structures for future development, transportation and regional arterials
 - 1.1.9 Don't limit, Conduct a variety of visits as needed...
 - 1.2 Strike Objective 1.2 – Save for future Council discussion and approval. This can be added later after council deliberates on the legality of an agreement to elevate one Industrial project over another (a gift of public funds controversy). If this is a living document, then this component can wait until later.

"A city may not make a gift of public funds per California Constitution Article XVI, Section 6. An appropriation benefiting a private party constitutes an unconditional gift of public funds if the city receives no consideration in exchange for the expenditure (Allen v. Hussey (1950) 101 CA2d 457, 473) or if the expenditure does not fulfill a public purpose (County of Alameda v. Janssen (1940) 16 C2d 276, 281). However, a mere incidental benefit to an individual does not make a public purpose a private purpose. (American Co. v City of Lakeport (1932) 216 C 187, 193.) In light of the foregoing, it is important to establish for the record that any proposal which includes the public funding of a program that will benefit a particular private party that it will result in the City receiving consideration in exchange for the public funding. In addition, the other important inquiry in determining whether an appropriation of public funds constitutes a gift of public funds is whether the public funds are to be used for a public or private purpose. Orange County Foundation v. Irvine Co. 139 Cal. App. 3d 195 (1993). In light of the above, the record should reflect that a public purpose is served by the public funding. The California courts have held that the determination of a "public purpose" lies with the legislative body (which is the City Council in this

case). The courts have further provided that the “public purpose” determination made by the legislative body has to have a reasonable basis. *Board of Supervisors v Dolan* 45 Cal.App.3d 237, 243 (1975).

Opinion by: Steven Quintanilla, Interim City Attorney, City of Moreno Valley

1.2 Or modify to read, **Market all the opportunities for quality industrial development in Moreno Valley by promoting all high profile industrial projects and business projects that set the City apart from others.**

1.2.1 New language: **Showcase excellent industrial projects on all appropriate marketing collateral.. Work with each unique developer to educate the brokerage community on the status and availability of future projects.**

1.3.1 What data did we use to justify the number 1000? Perhaps we are setting the bar too low. That is where the SCAG employment data can be referenced in this document if it is inserted. Legitimize your comments.

1.3.2 Why was Riverside County used as the Mark? Why not the Entire Inland Empire average or the average City / Sub Region or So CA. Use data to justify decision making.

1.3.5 partnerships with...**local colleges, universities such as CBU Born College of Engineering, UCR, Moreno Valley College ...**

1.3.9 Why limit, **enroll all new companies, industrial corporations and businesses that are qualified, into the Hire MoVal program. Ensure that all qualified businesses adopt the program.**

1.6 This Objective should be a council discussion separate of this plan. The full council should be on board to before we stamp such a label on our City. This City is a diverse City and we should honestly deliberate on how we want to represent our city. This is a better topic for our City General Plan. We are putting too much emphasis on a one product city. Instead this topic may read: **Establish Moreno Valley as an Economic Development Trend Setter.** Refer to 1.9. I have been asking for this for 2 years.

1.6.3 & .4 **Refocus language to remove the emphasis on Logistics until the full council deliberates on the Future Branding of our City. Refer to 1.9. This should really come with or first.**

2. Public Safety

2.1.2 Why limit to social media, **using mail outs, social media and data from zone meetings**

2.1.4 add, **communities, critical intersections and HOAs**

2.2.2 add, **Local Community Resident Committees, & mobile home parks**

2.5 **Replace warehouse with Industrial locations.** Keep consistent.

2.5.1 add, **and engage the community to aid the Team by using the MoVal App.**

2.12 The Police JPA study is a “Point in Time Study” that was initiated as means of saving cost increases do to contract costs. This is a **Finance issue and should go to the Finance Sub Committee** but because it is a feasibility study it should really go directly to a Council Study Session and bypass any subcommittee. **Strike 2.12 as recommended.** Perhaps the language of this priority would be better stated: **“Evaluate any results of feasibility studies that explores financial alternatives to the current Police & Fire contracts in the appropriate setting”.**

3. Library & Arts

We are leaving out a great opportunity to plan for both. Reconsider this whole Objective to include an Arts Component. The Arts is the form of Visual, Performing and as in a Library the Literary should be a combined Vision for MoVal. We should not exclude the others but work forward for a Library / Performing Arts center.

4. Infrastructure & P3 Partnerships

Add to preface a comment such as: Explore P3 Partnerships that would assist in improving the infrastructure, reducing cost for construction, eliminating or reducing risks to city and supplying services quicker, less expensive and ongoing maintenance for the entire city.

Comment: I find interesting that in 4.1.1 there is a desire to contract with a consultant to assist with a MVU strategic plan but we did not consider that dialog for a City Strategic Plan...? The Council should have that choice for both.

- 4.2 We currently have a Comprehensive CIP we approve on an annual basis. This plan is an Infrastructure Plan. This Objective would be better stated: "Continue to maintain the CIP and during annual reviews continue to evaluate to best accommodate the budget constraints and needs of the city".
- 4.2.2 add: Explore P3 partnerships to better utilize the City financial assets and funding sources.
- 4.4.1 This issue is already an ongoing Objective. Simply Modify: "Continue to bring forward the ongoing evaluation of the acquisition SCE streetlight".
- 4.4.2 Delete and add to 4.4.1 as a full strategy. The IF makes this a simple independent project rather than a short term strategy.
- 4.5 Drop reference to any specific development. Make statement all inclusive... new developments such as LEEDS certified criteria.
- 4.6 These items should be a whole list of CIP projects and TUMF network already developed and available. This is a redundancy. Simply include an objective that reflects this and determine to follow it as we have been.
- 4.7 add: Utilizing both SCAG and WRCOG studies and recommendations such as Go-Human, ATS (Active Transportation System).
- 4.8 Utilize the SCAG RTP/SCS. This is a comprehensive plan that ever RCTC, WRCOG, RVSD Co as well as other regional authorities, Caltrans & Metrolink utilize for strategic planning.

5. & 6. These two should be combined into a MoVal Health, Welfare & City Enhancement Objective.

Remove the specifics and implement general category strategies.

6. (or 7.) This should be a Future Land Use and Housing Objective (Examples Below)

6.1 Types of Future housing

6.1.1 Executive Homes & Hillside housing developments

6.1.2 Senior Housing elements

6.1.3 Affordable Housing elements

6.1.4 Multi Use and Eco Friendly

6.2 Zoning and Land Use Ordnances

6.2.1 Develop zoning and land use policies for our current city

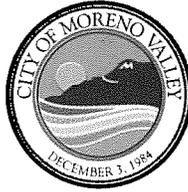
6.2.2 Develop new zoning and land use policies with respect to potential land acquisitions such as a Vineyard Agricultural / Residential zoning

6.2.3 Explore & study future land use acquisitions such annexation into sphere and full city

6.2.4 Event locations

This document needs a fresh start, done properly and unrushed. Review the City of Palm Deserts SP and the way they engaged the entire community, the time it took and the outside help it utilized. That is the way we should be thinking. This plan and this process was done unwisely, hastily and what appears to be special interest and political expediency.

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 MORENO VALLEY, CA 92552-0805
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 CITYATTORNEY@MOVAL.ORG



**SUPPLEMENTAL
 STAFF REPORT
 Agenda Item No. G.3**

TO: Mayor and City Council

DATE: August 11, 2016

FROM: Steven B. Quintanilla, Interim City Attorney

SUBJECT: *Momentum MoVal* Strategic Plan: 1. Economic Development
 Objective 1.2 – Marketing Opportunities Related to World Logistic Center

SPECIFIC REQUEST OR RECOMMENDATION:

That the City Council receive and file this legal opinion.

DISCUSSION:

Please be advised that the City Attorney's Office has determined that based on the City's past and current practices with respect to Economic Development, that there is no gift of public funds issue with respect to providing marketing services to promote the World Logistics Center project. Of course, this is entirely a policy issue for the City Council to determine whether it is necessary or appropriate under the circumstances.



Report to City Council

TO: Mayor and City Council

FROM: Allen Brock, Community Development Director

AGENDA DATE: August 16, 2016

TITLE: FILLING THE PLANNING COMMISSION VACANCY

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Provide direction to staff on how to proceed in filling the current vacancy created on the Planning Commission with the July 28th resignation of Planning Commissioner Meli Van Natta

SUMMARY

This report recommends the City Council provide direction to staff on how they wish to proceed in filling a current vacancy on the Planning Commission that was created by the recent resignation of a seated Commissioner on July 28, 2016.

DISCUSSION

A vacancy has been created on the Planning Commission due to the resignation of Commissioner Meli Van Natta who is moving out of the City. Commissioner Van Natta's last meeting on the Commission was July 28th and her notice of resignation, received on July 27th, noted that her resignation would be effective immediately after the meeting of the 28th. Commissioner Van Natta's term was scheduled to end on March 31, 2017.

Pursuant to the Maddy Act, as set forth in Government Code sections 54970-54974, and as stated in the City Council approved Operating Policy for Boards, Commissions and Committees (Policy #1.11), whenever an unscheduled vacancy occurs on any board, commission, or committee for which the City Council has the appointing power, whether due to resignation, forfeiture, death, termination or other causes, a special vacancy notice shall be posted in the City Clerk's office, at the same physical locations regular City Council meeting agendas are posted, at the City's library and any of its branches and on the City's website not earlier than 20 days before or later than 20 days

after the vacancy occurs.

While this appears to be a straight forward process, it is noted that the Planning Commission operates with two alternate Commissioners. The creation of the Alternate Planning Commissioner positions was through adoption of Ordinance 890 in March 2015. Shortly following adoption of Ordinance 890, interested applicants were vetted through a selection process and the two current Alternate Commissioners were appointed by the City Council. The current Term for each of the Alternate Commissioners is scheduled to end on April 28, 2017. As designed, the Alternate Commissioners participate, as warranted, on a rotational basis in all Planning Commission meetings. Continued use of the Alternate Commissioners on the rotational basis will continue as needed until the regular Commissioner permanent vacancy is filled.

What is not clear in the Maddy Act, the City adopted Policy #1.11, or Ordinance 890, is the interest of the City Council in filling an unscheduled permanent vacancies when Alternate Commissioners are available. If an Alternate Commissioner is selected to fill the regular Commissioner vacancy that would create a vacancy of the Alternate Commissioners. Staff is seeking direction from the City Council in order to take the appropriate steps that are in line with the City Council interests.

The City's Policy #1.11 and Ordinance 890 are provided as attachments 1 and 2 respectively to this report.

ALTERNATIVES

1. Direct that the current Commissioner vacancy be filled through March 31, 2017, the remainder of the unfinished Term, using both Alternate Commissioners on the established rotational basis, and direct that the City Clerk proceed in accordance with Policy #1.11 to seek interested applicants for subsequent appointment commensurate with the end of the vacant Commissioner Term.
2. Direct the City Clerk to immediately conduct an open solicitation for interested applicants to fill the regular Commissioner vacancy as soon as possible through March 31, 2017, which is the remainder of the unfinished Term.
3. Find that the interest and purpose of adopting Ordinance 890 was intended to result in the selection of alternate Commissioners who would be at the ready to fill unscheduled Commissioner vacancies; and appoint one of the Alternate Commissioners to fill the regular Commissioner vacancy through March 31, 2017, which is the remainder of the unfinished Term. This option would result in creating a vacant Alternate Commissioner position and would warrant additional direction from the City Council on how to proceed in filling that vacancy.
4. The City Council may, if it finds that an emergency exists, fill the unscheduled vacancy immediately. A person appointed to fill the vacancy on an emergency basis shall serve only on an acting basis until the final appointment is made. An

example of an emergency would be the potential, due to the vacancy(ies), of the Planning Commission not being able to seat a quorum to conduct regular business. Having only one current vacancy and the availability of Alternate Commissioners there does not appear to be an emergency situation present.

FISCAL IMPACT

There is no fiscal impact associated with this activity.

NOTIFICATION

On May 12, 2016 the Planning Commission considered this matter as a discussion item. Attachment 3 is an excerpt of the Planning Commission meeting minutes covering the discussion on this matter. In summary the Planning Commission agreed that this matter warrants City Council direction.

PREPARATION OF STAFF REPORT

Prepared By:
Richard J. Sandzimier
Planning Official

Department Head Approval:
Allen Brock
Community Development Director

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Restated Operating Policy for Boards, Commissions, and Committees; Policy 1.11
2. Ordinance 890 - Regarding Alternate Members of the Planning Commission
3. May 12 PC Minutes_Procedures

APPROVALS

Budget Officer Approval	<u> ✓ Approved </u>	8/03/16 2:24 PM
City Attorney Approval	<u> ✓ Approved </u>	8/03/16 3:04 PM
City Manager Approval	<u> ✓ Approved </u>	8/03/16 3:42 PM

RESOLUTION NO. 2016-42

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING AND ADOPTING A REVISED AND COMPLETELY RESTATED OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

WHEREAS, the City Council has broad authority to establish boards, commissions and committees as part of the sub-government of the City and set forth the powers, duties, and method of appointment of their members; and

WHEREAS, the City Council desires to set forth those City Council policies that will apply generally to all City's boards, commissions and committees, unless there is a different and/or more specific policy provided by an ordinance that formed a certain board, commission or committee.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. Recitals. That the Recitals set forth above are true and correct and are incorporated into this Resolution by this reference.

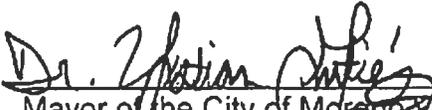
SECTION 2. Adoption. That the revised and completely restated Operating Policy for Boards, Commissions and Committees, attached hereto and incorporated herein by reference, is hereby approved and adopted.

SECTION 3. Severability. That if any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

SECTION 4. Certification. That the City Clerk shall certify to the adoption of this Resolution.

SECTION 5. Effective Date. That this Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 7th day of June, 2016.



Mayor of the City of Moreno Valley

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-42 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 7th day of June, 2016 by the following vote:

- AYES: Council Members Jempson, Molina, Mayor Pro Tem Giba
- NOES: Council Member Price
- ABSENT: None
- ABSTAIN: Mayor Dr. Gutierrez

(Council Members, Mayor Pro Tem and Mayor)

Ewa Lopez
CITY CLERK

(SEAL)

OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

I. Policy

- A. *Authority* – The City Council has broad authority to establish boards, commissions and committees as part of the sub-government of the City and set forth the powers, duties, and method of appointment of their members.
- B. *Purpose* - The purpose of this policy is to set forth those City Council policies that general apply to all City's boards, commissions and committees, unless there is a different and/or more specific policy provided by an ordinance that formed a certain board, commission or committee.

II. Boards, Commissions and Committees

- A. *Formation* – All City boards, commissions and committees shall only be established by an ordinance or resolution duly approved and adopted by the City Council.
- B. *General Scope* - Boards, commissions and committees are created by the City Council to: (1) provide an additional forum and opportunity for community participation in the public decision making process; (2) perform specific administrative acts on behalf of the City; and (3) recommend to City Council specific policy-related issues for possible City Council study and action.
- C. *Powers and Duties* – The specific powers and duties of each board, commission and committee shall be set forth in the formation ordinance or resolution that creates a board, commission or committee.
- D. *Terms* – Unless otherwise provided by the formation ordinance or resolution for a particular board, commission or committee, the term of members of boards, commissions and committees shall be three (3) years, or until his or her successor is appointed by the City Council.
- E. *Compensation* - Unless otherwise provided by the formation ordinance or resolution for a particular board, commission or committee, all members of any board, commission or committee shall serve without monetary compensation for their services.
- F. *Number of Members* - Unless otherwise provided by the formation ordinance or resolution for a particular board, commission or committee, the number of regular members on any board, commission or committee shall consist of no more than nine (9) plus up to two (2) alternate members.

 OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

- G. *Quorum* - Unless otherwise provided by the formation ordinance or resolution for a particular board, commission or committee, a quorum for any meeting shall require at least four (4) regular members to be present at the meeting, unless otherwise permitted by the Ralph M. Brown Act as set forth in California Government Code section 54950, et seq. Alternate members shall not be counted towards this quorum requirement.
- H. *Attendance and Absences* – If a member of any board, commission or committee is unable to attend a scheduled meeting, he or she should notify the Staff Liaison as soon as possible. Failure to notify the Staff Liaison in advance of an expected absence from a meeting will constitute an un-excused absence. Excused absences include, but are not limited to: (1) illness; (2) care of a family member; (3) transportation difficulty; (4) pre-scheduled appointments; (5) job interview; (6) employment issues; or (7) general household matters. The board, commission or committee reserves the right to excuse an absence for other legitimate reasons provided that a motion to excuse is made, seconded and approved by a majority of the subject board, commission or committee.
- I. *Meeting Locations* - Meeting locations for boards, commissions and committees shall be designated by staff based on the occupancy capacity of the meeting space and whether the meeting space is generally available on a consistent basis for periodic meetings of the subject board, commission or committee.
- J. *Regular Meetings* – The schedule of regular meetings of any board, commission or committee may be set by ordinance, resolution, or formal action of the City Council.
- K. *Ralph M. Brown Act* – All boards, commissions and committee are subject to the Ralph M. Brown Act as set forth in California Government Code section 54950, et seq.
- L. *Rules of Procedure* - All meetings of boards, commissions and committees shall be subject to Rosenberg’s Rules of Procedure.
- M. *Staff Liaison* - The City Manager shall assign at least one staff member to serve as Staff Liaison to each board, commission and committee. The Staff Liaison shall provide staff assistance, as may be required, to his or her assigned board, commission or committee. Staff assistance includes communicating concerns/requests or the board, commission or committee to the Council Liaison, preparing agendas, taking minutes and providing general administrative support.
- N. *Council Liaison* - The City Council may appoint a City Councilmember to serve as a Council Liaison to any board, commission or committee it so chooses. The Council Liaison shall attend at least one meeting per calendar year of their respective board,

OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

commission or committee. The Council Liaison may attend additional meetings on an as-needed or as-requested basis, subject to the Council Liaison's availability. The Council Liaison, with the assistance of the Staff Liaison, shall serve as a contact person for the City Council to ask questions, receive clarification or provide direction regarding any matter within the subject matter jurisdiction of the Council Liaison's board, commission or committee.

III. Appointment Procedures

- A. *Local Appointments List* – Pursuant to the Maddy Act, as set forth in Government Code sections 54970-54974, on or before December 31 of each year, the City Council shall direct the City Clerk to prepare a Local Appointments List which: (1) identifies all regular and ongoing boards, commissions, and committees which are appointed by the City Council; and (2) lists all appointive terms which will expire during the next calendar year, with the name of the incumbent appointee, the date of appointment, the date the term expires, and the necessary qualifications for each position. The Local Appointments List shall be made available to members of the public through posting at the same physical locations regular City Council meeting agendas are posted, at the City's library and any of its branches and on the City's website.
- B. *Special Vacancy Notice* - Whenever an unscheduled vacancy occurs on any board, commission, or committee for which the City Council has the appointing power, whether due to resignation, forfeiture, death, termination or other causes, a special vacancy notice shall be posted in the City Clerk's office, at the same physical locations regular City Council meeting agendas are posted, at the City's library and any of its branches and on the City's website not earlier than 20 days before or later than 20 days after the vacancy occurs.
- C. *Appointment Application* - All applicants, including incumbents, for membership on any board, commission or committee shall complete the standard application form provided by the City Clerk, which shall be the same application form for all board, commission and committee member applicants. Completed applications shall be forwarded to the City Council for review. Incomplete applications will be returned to the applicant as incomplete and will not be forwarded to the City Council for review.
- D. *Emergency Appointments* – The City Council may, if it finds that an emergency exists, fill an unscheduled vacancy immediately. A person appointed to fill the vacancy on an emergency basis shall serve only on an acting basis until the final appointment is made.

OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

- E. *Final Appointments* - Final appointments to any board, commission, or committee shall not be made by the City Council for at least 10 working days after the posting of any directly related vacancy notice.
- F. *Elected Mayor* - Commencing December 2016, the Mayor makes all appointments to boards, commissions, and committees, from the pool of applicants, subject to approval by a majority vote of the City Council, unless otherwise specifically provided by state law. In the event, there is no majority approval of the Mayor's appointment, the Mayor may make subsequent appointments from the remaining pool of applicant subject to approval by a majority of the City Council, until one of his or appointments are approved by a majority of the City Council.
- G. *Open Session Appointments* - Appointments must be discussed and made in an open session meeting of the City Council and appointments must be reported in an open session meeting of the City Council on the day of the appointment.
- H. *At-Will Status* -- All appointments to boards, commissions and committees are at-will, meaning that the City Council by majority vote has the right to remove or dismiss at any time with or without cause any member of a board, commission or committee created by the City Council, unless otherwise prohibited by any applicable law, regulation or policy.

IV. Eligibility

Unless otherwise set forth in state law or the City's Municipal Code, the following eligibility requirements shall apply to appointments and continued service as a member of a board, commission or committee.

- A. *Other Positions* - No board, commission or committee member shall concurrently serve on more than one board, commission or committee of the City or its affiliated agencies, occupy a position of employment with the City or its affiliated agencies, or hold a paid office with the City or any of its affiliated agencies. Acceptance of a position on another board, commission or committee or acceptance of employment or a paid office with the City or its affiliated agencies by a board, commission or committee member during his or her term shall result in the automatic forfeiture of his or her board, commission or committee membership status and said position shall be declared vacant by the City Clerk
- B. *Residency/Registered Voter* - A board, commission or committee member shall be a registered voter of the City and maintain his or her principal place of residence within the City throughout his or her term, unless otherwise provided by the formation ordinance or resolution for certain boards, commissions and committees that permit non-residents or minors to serve as members. If a board, commission or

OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

committee member loses his or her registered voter status or ceases to maintain his or her principal place of residence within the City during his or her term, then it shall result in an immediate forfeiture of office and said position shall be declared vacant by the City Clerk, unless otherwise provided by the board, commission or committee's formation ordinance or resolution.

- C. *Criminal Charges/Convictions* – A person imprisoned or on parole for the conviction of a felony shall be disqualified from being appointed to a board, commission or committee. In addition, a person shall be disqualified from being appointed to a board, commission or committee if the person has been convicted of a felony involving accepting or giving, or offering to give, any bribe, the embezzlement of public money, extortion or theft of public money, perjury, or conspiracy to commit any of those crimes. For purposes of this section, "conviction of a felony" includes a conviction of any of the aforementioned felonies not only under the laws of California but also under the laws of any other state, the United States, or any foreign government or country, if committed in California, would be the same as any of the aforementioned felonies, and for which the person has not received a pardon from the Governor of California, the governor or other officer authorized to grant pardons in another state, the President of the United States, or the officer of the foreign government or country authorized to grant pardons in that foreign jurisdiction. If a conviction of any of the aforementioned felonies occurs during a board, commission or committee member's term it shall result in an immediate forfeiture of office and said position shall be declared vacant by the City Clerk. If a board, commission or committee member is charged with any of the aforementioned felonies, but not yet convicted, he or she shall be suspended immediately from the office he or she then holds and the person shall not be entitled to receive the emoluments of the office, including, but not limited to, the rights to assume office, the exercise of the powers of the office, and the compensation, including benefits, which may be prescribed for the position. In the event a court of competent jurisdiction does not convict for any of the aforementioned felonies, sets aside or nullifies such a conviction, the inability to assume office or the suspension from holding office shall be lifted, and the person suspended from office shall be restored to the same office with its emoluments, including those that would have otherwise accrued during the suspension, excluding, however, interest on any monetary payments.
- D. *Youth Programs/Activities* – A conviction of any of the offenses specified in Public Resources Code Section 5164 shall disqualify a person from being appointed to a board, commission or committee which oversees any youth programs and/or youth activities in the City. If such conviction occurs during the board, commission or committee member's term it shall result in an immediate forfeiture of office and said position shall be declared vacant by the City Clerk. If a board, commission or committee member is charged with any of the aforementioned offenses, but not yet

OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

convicted, he or she shall be suspended immediately from the office he or she then holds and the person shall not be entitled to receive the emoluments of the office, including, but not limited to, the rights to assume office, the exercise of the powers of the office, and the compensation, including benefits, which may be prescribed for the office. In the event a court of competent jurisdiction does not convict, sets aside or nullifies the conviction, the inability to assume office or the suspension from holding office shall be lifted, and the person suspended from office shall be restored to the same office with its emoluments, including those that would have otherwise accrued during the suspension, excluding, however, interest on any monetary payments.

- E. *Background Check* - A board, commission or committee member appointee who refuses or neglects to submit to the same background checks required of City employees within the time prescribed shall result in the automatic forfeiture of his or her appointment status.
- F. *Mental Incapacity* - Any person committed to a hospital or sanitarium by a court of competent jurisdiction as a drug addict, dipsomaniac, inebriate, or stimulant addict shall be disqualified from being appointed to a board, commission or committee. If any such order of commitment occurs during the board, commission or committee member's term, it shall result in an immediate forfeiture of office once the order of commitment becomes final and said position shall be declared vacant by the City Clerk.
- G. *Physical Incapacity* - A board, commission or committee member who has been adjudicated as being physically incapacitated due to disease, illness, or accident, and that there is reasonable cause to believe that the he or she will not be able to perform the duties of his or her office for the remainder of his or her term shall result in an immediate forfeiture of office upon the City receiving proof of the final adjudication and said position shall be declared vacant by the City Clerk.
- H. *Excessive Unexcused Absences* - A board, commission or committee member who accumulates unexcused absences amounting to more than 25 percent of the meetings held during any twelve month period, commencing on the annual anniversary date of his or her appointment, shall result in the automatic forfeiture of his or her board, commission or committee membership status upon receiving notice from the City Clerk confirming the unexcused absences and said position shall be declared vacant by the City Clerk.
- I. *Oath/Bond* - A board, commission or committee member appointee who refuses or neglects to take and subscribe to the oath/affirmation set forth in Section 3 of Article XX of the California Constitution within the time prescribed or refuses or neglects to file any required bond within the time prescribed shall result in the automatic

 OPERATING POLICY FOR BOARDS, COMMISSIONS AND COMMITTEES

forfeiture of his or her appointment status and said position shall be declared vacant by the City Clerk.

- J. *Ethics Training* - A board, commission or committee member who refuses or neglects to attend or participate in a bona fide AB 1234 Ethics Training program, approved by the City Clerk or City Attorney, within the time prescribed shall result in the automatic forfeiture of his or her board, commission or committee membership status and said position shall be declared vacant by the City Clerk.
- K. *Disclosure of Confidential Information* - A board, commission or committee member who discloses, without written authorization by the City Clerk or City Attorney, any information deemed confidential or exempt from disclosure under any federal, state or local law, regulation or policy shall result in the automatic forfeiture of his or her board, commission or committee membership status upon receiving notice from the City Clerk or City Attorney confirming that the disclosure was unauthorized under an applicable federal, state or local law, regulation or policy and said position shall be declared vacant by the City Clerk.
- L. *Nepotism* – Any person who has an immediate family member who serves on the City Council shall not be eligible for appointment to any board, commission or committee. In addition, any person who has an immediate family member who is employed by the City shall not be eligible for appointment to any board, commission or committee that oversees any aspect of the department or division that the immediate family member works at or in on a routine basis. Immediate family member includes a spouse, domestic partner, cohabitant, child, stepchild, grandchild, parent, stepparent, mother-in-law, father-in-law, son-in-law, daughter-in-law, grandparent, great grandparent, brother, sister, half-brother, half-sister, stepsibling, brother-in-law, sister-in-law, aunt, uncle, niece, nephew, or first cousin that is, a child of an aunt or uncle. If during a board, commission or committee member's term, an immediate family member is elected or appointed to the City Council or employed by the City to work in a department or division that is overseen by the member's board, commission or committee, this shall result in the automatic forfeiture of his or her board, commission or committee membership status and said position shall be declared vacant by the City Clerk, unless the immediate family chooses instead to relinquish his or her City Council seat or the subject employee transfers to another department or division beyond the oversight purview of the respective member's board, commission or committee.

ORDINANCE NO. 890

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING MORENO VALLEY MUNICIPAL CODE SECTION 2.18.050 REGARDING ALTERNATE MEMBERS OF THE PLANNING COMMISSION

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

Moreno Valley Municipal Code, Chapter 2.18 is amended to add Section 2.18.050 to read as follow:

2.18.050 Alternate Members of the Planning Commission

- A. In addition to the seven regular members, the City Council may, at its discretion, appoint two (2) Planning Commission Alternates who shall serve for a term of two years. The alternate members of the Planning Commission shall attend all regular and special meetings of the Planning Commission. If a regular member of the Commission is absent for any reason from all or any part of a regular or special meeting of the Planning Commission, a sworn alternate member shall participate in such meeting during the period of absence. During such participation, the alternate member shall receive and exercise all rights and privileges of a regular member, including the right to vote on matters before the Planning Commission. Only when participating in a meeting shall the alternate member receive a stipend.
- B. The alternates shall also be subject to the requirements of and shall abide by the Ralph M. Brown Act, the Political Reform Act and other laws applicable to the regular members of the Planning Commission.
- C. The Planning Commission shall adopt such rules as are necessary to effectuate the purpose of this section.

SECTION 2 EFFECT OF ENACTMENT:

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 3 NOTICE OF ADOPTION:

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 4 EFFECTIVE DATE:

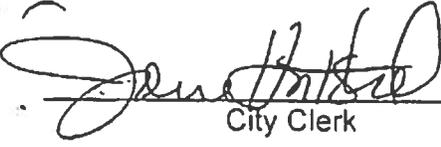
This ordinance shall take effect thirty days after the date of its adoption.

APPROVED AND ADOPTED this 24th day of March, 2015.



Mayor

ATTEST:



City Clerk



APPROVED AS TO FORM:



City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)

COUNTY OF RIVERSIDE) ss.

CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 890 had its first reading on March 10, 2015 and had its second reading on March 24, 2015, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 24th day of March, 2015, by the following vote:

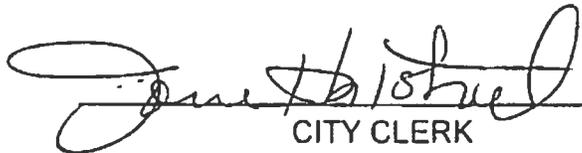
AYES: Council Members Giba, Jempson, Price and Mayor Pro Tem Gutierrez

NOES: None

ABSENT: None

ABSTAIN: Mayor Molina

(Council Members, Mayor Pro Tem and Mayor)


CITY CLERK

(SEAL)



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OTHER PLANNING COMMISSION BUSINESS

3. Planning Commission Rules of Procedure

RECOMMENDED ACTION:

Discuss procedures for filling of a permanent vacancy on the Commission, consider recommendations to be forwarded to the City Council.

PLANNING OFFICIAL RICK SANDZIMIER – I was just going to say, if Bob Lorch our technical guy in the back can put up the file that I gave him, we did prepare some information just to try and help facilitate the dialogue this evening. This is your item that you brought up. So, if you want to give your presentation, we can show these slides as you might need.

CHAIR LOWELL – One of the questions that I have was it has been announced that one of our Planning Commissioners is retiring, I believe, come August. And I was trying to figure out how to fill that permanent vacancy, and I know the intent of having the alternate Planning Commissioners was to have a Planning Commissioner floating in the wings to step up to fill a permanent vacancy should a permanent vacancy become present. But we have two alternates, and I’m trying to figure out which alternate gets picked first. I don’t know if it was the order that they were called from when they were appointed on City Council. I don’t know if that was made alphabetically, so I was hoping to get a little more guidance and discussion and clarity as to what the order of operations should be in August when and if we have a Planning Commissioner step down.

PLANNING OFFICIAL RICK SANDZIMIER – Sure. So Mr. Chairman, the slides that we’re going to show you here right now are just some of the research we’ve been able to do since your request. The slide up there right now is Section G1 out of your currently adopted Rules and Procedures for the Planning Commission, and it simply says that permanent or long-term Commission vacancies shall be filled by alternate Commissioners in accordance with Ordinance 890 of the City of Moreno Valley. We went to Ordinance 890, and there is absolutely nothing in Ordinance 890 to talk about what to do with filling vacancies. So, in that Ordinance, it basically does say that the rules and operation for use of the alternates shall be as defined by the Planning Commission themselves and adopting your Rules of Procedure, which we have already done. So there is another operating policy that the City does have for all Boards and Commissions and what this says is that “Member shall serve until their respective successor or are appointed and qualified. The City Council shall

Attachment: May 12 PC Minutes_Procedures (2216 : Filling the Planning Commission Vacancy)

1 have the power to fill any vacancies. Unless otherwise specified, terms of
 2 Members of Boards and Commission shall be for three years.” So, in here, it’s
 3 assigning the responsibility for the filling of the vacancy to the City Council. And
 4 then working with our interim City Clerk, our interim City Clerk brought to our
 5 attention what’s called the Maddy Act. In the Maddy Act, I apologize for the
 6 smaller print, but it’s also saying that whenever there’s an unscheduled vacancy
 7 that occurs on a Board it’s basically assigning that responsibility to fill the
 8 vacancy to the City Council. But it goes into a little bit more detail in that before
 9 the City Council fills that position, the City Clerk has the responsibility to post the
 10 vacancy to collect input and interest. There’s a window that extends from 20
 11 days before the vacancy is created to 20 days after the vacancy is created. In
 12 this case, where Commissioner Van Natta has indicated that she believes that
 13 her last day will be....she’ll be leaving the area in August. Her last day may be
 14 July, the last meeting in July, but we’re not certain yet. So, what we would be
 15 recommending, is that we would work with the City Clerk on when Commissioner
 16 Van Natta’s actual last date is and then use the 20 day window after rather than
 17 trying to predetermine when she might leave. Paragraph B is saying that, if there
 18 is some sort of an urgency, the City Council doesn’t have to wait for that period
 19 and they can fill it immediately. We don’t believe that there’s any case here
 20 where there would be an urgency that would require the filling of the vacancy
 21 immediately because you do have the alternates that are already available, and
 22 you have the opportunity to rotate the alternates as your rules already prescribe.
 23 So, each meeting as we move forward after a vacancy is created, we should
 24 have one or both of the Commissioners available to fill the seat. And, even if
 25 they are not available, your quorum is constituted when you have the majority of
 26 the membership. And so you would have to have a lot more other vacancies to
 27 get to the point where you don’t have a quorum. So we don’t think that there
 28 would be an urgency. Basically, with those three things before you, our
 29 recommendation of Staff is to wait until the vacancy is created. Again, work with
 30 the City Clerk to post a filing. That filing is probably already going to happen
 31 because we’ll be filling vacancies on Commissions come March of 2017.
 32 Commissioner Van Natta’s appointment is through March of 2017, and so we
 33 would be working in kind of a window of maybe five to six months where we
 34 might have meetings. Some of those are over the holidays, and so I don’t know
 35 if that’s enough information to suggest that we may not have to do anything. But
 36 it’s the pleasure of the Commission. We will take your recommendations.

37
 38 **CHAIR LOWELL** – Well I agree with you that it might not be an urgent issue
 39 because we do have the two alternates, so we have bodies sitting around to fill
 40 up a vacancy. But.....and since Meli’s term is up next year anyway, we’d be
 41 looking to fill alternate Commissioners anyway, or permanent Commissioners,
 42 and we’d be filling the position. With that said, I don’t think it’s urgent for this go
 43 around. But I do think it would be nice to have some more clarity and some
 44 definition should another vacancy or second or third down the line happen. I
 45 know the original intent of having alternates was to have an alternate standing by
 46 to fill the vacancy permanently or temporarily, but it seems like our rules aren’t

1 100% organized to allow that or to facilitate that. So maybe a little more analysis
2 of this going down the line would be a good idea.

3
4 **ASSISTANT CITY ATTORNEY PAUL EARLY** – If I may, ultimately what will
5 happen here when the vacancy becomes official, is we'll need to let Council
6 know. And the Council will have a choice at that point to appoint one of the
7 current alternates to fill the rest of the term, which would satisfy that intent that
8 you just mentioned without having to do new interviews and the whole process
9 again. So that is already in place right now. Council could alternatively, at that
10 point, decide that they just want to do nothing until March. And we would just
11 continue with the alternating as we do. And then the third possibility is the
12 Council could decide to amend Ordinance 890 to delegate that to this
13 Commission for future situations. So I expect that when we bring that Staff
14 Report to Council and the vacancy is officially created that those alternatives will
15 be in play.

16
17 **CHAIR LOWELL** – So the short of it is we should basically do nothing and wait
18 for City Council to say something come August?

19
20 **ASSISTANT CITY ATTORNEY PAUL EARLY** – Continue with the process
21 we've been doing of alternating the seat.

22
23 **CHAIR LOWELL** – That seems to be working quite well. Commissioner Barnes.

24
25 **COMMISSIONER BARNES** – Just so I'm clear, currently there's a bit of a
26 conflict between our Rules and Procedures, which say that the vacancy shall be
27 filled by the alternate. But the other item you read said that City Council shall
28 act, which implies or states that they could go outside of that.

29
30 **ASSISTANT CITY ATTORNEY PAUL EARLY** – I don't believe our Rules of
31 Procedure say that. They say that it shall be filled in accordance with Ordinance
32 890, which is the City Council's adopted Ordinance. It does not say it shall be
33 filled by an alternate, the permanent seat.

34
35 **COMMISSIONER BARNES** – I thought our Rules and Procedures said that.

36
37 **ASSISTANT CITY ATTORNEY PAUL EARLY** – This is our Rules and
38 Procedures right on your screen now.

39
40 **ALTERNATE COMMISSIONER GONZALEZ** – Yeah but the....when you go to
41 the Ordinance there's nothing.

42
43 **CHAIR LOWELL** – Yeah, it's a blank Ordinance.

44
45 **ASSISTANT CITY ATTORNEY PAUL EARLY** – Well it's not a blank Ordinance,
46 but it doesn't address the specific scenario of appointing a permanent member.

1 That is addressed in another location, so that's why I said we end up with a
 2 situation where the intent is still there. The Council can...the Council still retains
 3 jurisdiction, but they can appoint one of the two alternates without going through
 4 the lengthy process.

5
 6 **CHAIR LOWELL** – That was the intent that everybody was hoping for.

7
 8 **ASSISTANT CITY ATTORNEY PAUL EARLY** – They still can do that, and we
 9 will be bringing that to Council. Their choices are those three that I mentioned;
 10 appoint one of the two, kick the can down until March, and we'll continue
 11 alternating or make an amendment to Ordinance 890, which would create some
 12 different third process.

13
 14 **PLANNING OFFICIAL RICK SANDZIMIER** – Just to...well what we put up was
 15 with regard to filling the permanent or long-term vacancies. Your Rules and
 16 Procedures do address the periodic absences, which is another section here.
 17 But it doesn't really apply to what we're talking about this evening.

18
 19 **CHAIR LOWELL** – Correct.

20
 21 **PLANNING OFFICIAL RICK SANDZIMIER** – And so what we're talking about in
 22 terms of rotation, it started in alphabetical order and then it just kind of proceeds
 23 since that time. That's the order that is defined in Section G2.

24
 25 **CHAIR LOWELL** – Correct.

26
 27 **PLANNING OFFICIAL RICK SANDZIMIER** – So....

28
 29 **CHAIR LOWELL** – Yeah. We have rules in place for filling a temporary
 30 vacancy, but permanent or long-term, thankfully the position that would be open
 31 for long-term would be expiring in March, so it's a short long-term. I think this is an
 32 item that needs a little bit of polishing, but it's not an urgent emergency.
 33 Commissioner Nickels.

34
 35 **ALTERNATE COMMISSIONER NICKELS** – I just to wanted to reiterate that
 36 since we serve at the Council's pleasure, that the ultimate decision on long-term
 37 replacement should reside with the Council because they know what their looking
 38 for and what they want.

39
 40 **CHAIR LOWELL** – Yeah, agreed, and then it's ultimately going to be their
 41 decision.

42
 43 **COMMISSIONER BARNES** – Unless we're suggesting that we take away one
 44 of the three options. Then, what we have right now, gives them the discretion
 45 to.....

1 **CHAIR LOWELL** – The point of tonight was just to shed some light on the
2 situation and make the Council aware that (A) there's a potential for a permanent
3 vacancy, and we need to get a little bit of direction before we have to deal with it
4 retroactively.

5
6 **ALTERNATE COMMISSIONER NICKEL** – We've been put on notice.

7
8 **CHAIR LOWELL** – Exactly. You guys are getting promoted. Perfect. Thank
9 you very much.

10
11 **ADMINISTRATIVE ASSISTANT ERICA TADEO** – Chair. We do have one
12 speaker who wants to speak on this item.

13
14 **CHAIR LOWELL** – Okay.

15
16 **ADMINISTRATIVE ASSISTANT ERICA TADEO** – Rafael Brugueras.

17
18 **CHAIR LOWELL** – I have Mr. Jeff Barnes.

19
20 **ADMINISTRATIVE ASSISTANT ERICA TADEO** – Oh.

21
22 **COMMISSIONER BARNES** – I'm done.

23
24 **SPEAKER RAFAEL BRUGUERAS** – Good evening again Commissioners,
25 Staff, and residents. This is a very important issue. I know we were laughing
26 about it trying to figure it out, but selecting a Commission is very important. No
27 joke to the City. No joke to the residents. No joke to the developer. It's not a
28 joking matter. It will be nice to pick the seniority person next. That's the way I've
29 run working in the warehouse business, seniority prevails. And we have two
30 Commissioners that have faithfully come here and filled the seat when someone
31 is absent, and I'm deeply grateful for that because we always have seven. And,
32 once the votes are cast, their done. It's a beautiful thing to always see seven.
33 It's a nice thing. So when this issue does come to the Council for permanent,
34 then we'll discuss that with the Council because I will be saying the same thing
35 I'm saying to each one of you. I prefer going by seniority. And, if you have two
36 candidates, maybe one will give it to the other based on seniority or maybe the
37 other one can't do it for whatever reason. That'll be something that they will
38 discuss. But it's very important that whoever we put up on this bench has to
39 represent the City of Moreno Valley really truly. We just saw something
40 wonderful happen today, and you guys are talking about things that we can't
41 even think about (2019 and 2020). And, you know, the expansion of many
42 things. So, if we can keep it the way it is, wonderful. The City will be safe for the
43 next few years. And I hope as a resident of the City of Moreno Valley that that's
44 important too that the I's of Moreno Valley, like myself when I drive around, I look
45 all over the City to make sure that the projects that we approve are being done
46 and things that need to be done can be addressed like we did tonight. So, again,

1 whoever you decide to pick I welcome because I've gotten to know all seven of
 2 you by coming here and sharing the love of the City. Thank you.

3
 4 **CHAIR LOWELL** – Thank you very much. One of the things I'd like to mention.
 5 When City Council goes through their selection process and appoints alternates,
 6 could we have a situation like we have in courtrooms where you have alternate
 7 juror one, alternate juror two where we could say this is alternate Planning
 8 Commissioner one, alternate Planning Commissioner two and then maybe have
 9 the City Council either look at or possibly approve the thought that in the event
 10 that a long-term vacancy alternate Planning Commissioner number one steps up
 11 and they would identify Planning Commissioner alternate one or alternate two
 12 when their appointed?

13
 14 **ASSISTANT CITY ATTORNEY PAUL EARLY** – Yes. That was that alternate
 15 three suggestion that I think we should bring to the Council when we bring this so
 16 there is something definitive.....

17
 18 **CHAIR LOWELL** – That way there's some definitive direction without having to
 19 think about it and him and hah and say well I like Lori better than Erlan, or I like
 20 Erlan better than Lori so.

21
 22 **ALTERNATE COMMISSIONER NICKEL** – I know I make better cookies.

23
 24 **ALTERNATE COMMISSIONER GONZALEZ** – Well I'll challenge you to that,
 25 Lori.

26
 27
 28
 29 **STAFF COMMENTS**

30
 31 **CHAIR LOWELL** – Perfect. I appreciate it. Any further Staff Comments moving
 32 on?

33
 34 **PLANNING OFFICIAL RICK SANDZIMIER** – No.

35
 36
 37
 38
 39 **PLANNING COMMISSIONER COMMENTS**

40
 41 **CHAIR LOWELL** – Any Planning Commissioner Comments?

42
 43 **ALTERNATE COMMISSIONER NICKEL** – Yes. The three amigos here who
 44 attended the League of California Cities Planning Commissioner Conference, I
 45 think we all had a good time and learned a lot of things. I did sign up to
 46 participate in a monthly conference call with the Statewide Planning