



**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**

**November 15, 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.*

Dr. Yxstian A. Gutierrez, Mayor

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

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

**AGENDA**  
**CITY COUNCIL OF THE CITY OF MORENO VALLEY**  
**November 15, 2016**

**CALL TO ORDER - 5:00 PM**

**SPECIAL PRESENTATIONS**

1. Epilepsy Awareness Presentation (Mayor)
  
2. Epilepsy Awareness Month Proclamation (Mayor)
  
3. Employee of the Quarter - 3rd Quarter - Linda Wilson
  
4. Officer of the Quarter - 2nd Quarter - Officer Juan Andrade
  
5. Recognition of Volunteers (Jempson/Price)
  
6. Business Spotlight a) Rancho Belago Dance Company (District 3)

**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  
NOVEMBER 15, 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 Benjamin N. Thomas, Jr., A.K. Quinn A.M.E. Church

**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 - AUG 16, 2016 6:00 PM

**Recommendation:** Approve as submitted.

- A.3. ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE (RECEIVED FIRST READING ON NOVEMBER 1, 2016 BY A 4-0-1 VOTE, GUTIERREZ ABSENT) (Report of: Community Development)

**Recommendations: That the City Council:**

1. **ADOPT** Ordinance No. 917, thereby approving PA16-0025 for the amendment of the City of Moreno Valley Municipal Code to modify Titles 5 and 9, including modification of the Permitted Uses Table attached as Exhibit A, related to the citywide regulation of Smoke Shop uses.

- A.4. ADOPTION OF 2016 CALIFORNIA BUILDING CODES, CALIFORNIA CODE OF REGULATIONS, TITLE 24, INCORPORATING THE LATEST EDITIONS OF THE MODEL CODES WITH AMENDMENTS (RECEIVED FIRST READING ON NOVEMBER 1, 2016 BY A 4-0-1 VOTE, GUTIERREZ ABSENT) (Report of: Community Development)

**Recommendations: That the City Council:**

1. Adopt Ordinance No. 915, an Ordinance of the City Council of the City of Moreno Valley, California, amending Title 8 of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; the 2016 California Building Code; the 2016 California Mechanical Code; the 2016 California Residential Code; the 2016 California Plumbing Code; the 2016 California Electrical Code; the 2016 California Fire Code; and adopting other regulations relating to Building and Fire Prevention requirements.

A.5. AUTHORIZATION TO AWARD BIDS FOR THE FURNISHING AND DELIVERY OF MAJOR EQUIPMENT FOR THE KITCHING SWITCHYARD (Report of: Financial & Management Services)

**Recommendations:**

1. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Circuit Breakers and authorize the issuance of a Purchase Order to ABB for \$172,443.
2. Award the Bid to Southern States, the lowest responsible bidder, for the purchase of Disconnect Switches and authorize the issuance of a Purchase Order to Southern States for \$81,180.
3. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Potential Transformers and authorize the issuance of a Purchase Order to ABB for \$112,177.
4. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Voltage Transformers and authorize the issuance of a Purchase Order to ABB for \$99,481.
5. Award the Bid to Siemens Power T&D, the lowest responsible bidder, for the purchase of Surge Arresters and authorize the issuance of a Purchase Order to Siemens Power T&D for \$23,688.
6. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Metering Units and authorize the issuance of a Purchase Order to ABB for \$65,197.
7. Award the Bid to Crown Technical, the lowest responsible bidder, for the purchase of a Mechanical Electrical Equipment Room and authorize the issuance of a Purchase Order to Crown Technical for \$373,963.
8. Authorize the Chief Financial Officer/City Treasurer to execute any subsequent related minor change orders up to, but not exceeding, the contingencies for each equipment as stated in the report, subject to the approval of the City Attorney.

A.6. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

**Recommendation:**

1. Ratify the list of personnel changes as described.

- A.7. AUTHORIZATION TO SUBMIT SUSTAINABILITY PLANNING GRANTS PROGRAM APPLICATIONS TO SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG) (Report of: Community Development)

**Recommendation:**

1. Adopt Resolution No. 2016-73, a resolution of the City Council of the City of Moreno Valley, California, in support of and participation with the Southern California Association of Governments Sustainable Planning Grants Program; and authorize staff to submit two applications to Southern California Association of Governments' (SCAG) 2016 Sustainability Planning Grants Program.

- A.8. TRACT 22180-3 – LEGACY PARK - ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS AT THE NORTHEAST CORNER OF GENTIAN AVENUE AND INDIAN STREET DEVELOPER: RSI COMMUNITIES LLC (Report of: Public Works)

**Recommendations:**

1. Accept the Agreement and Security for Public Improvements for RSI Communities LLC.
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 said timeframe.

- A.9. OFFER OF DEDICATION FOR STREET RIGHT-OF-WAY PURPOSES ON KITCHING STREET AND EDWIN ROAD, APN 312-250-016 - KITCHING STREET ELECTRICAL SUBSTATION AND SWITCHYARD, PROJECT NO. 805 0027 (Report of: Financial & Management Services)

**Recommendations:**

1. Authorize the City Manager to execute the Offer of Dedication for street right-of-way purposes on Kitching Street and Edwin Road, APN 312-250-016.
2. Direct the City Clerk to forward the Offer of Dedication to the City Engineer to execute the Acceptance Certificate and to transmit the Offer of Dedication with the Acceptance Certificate to the County Recorder's Office for recordation.

## **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 AUG 16, 2016 (See A.2)

**Recommendation:** Approve as submitted.

- B.3. APPROVAL OF AMENDMENT TO THE AGREEMENT WITH MARIPOSA LANDSCAPES, INC. TO PROVIDE LANDSCAPE MAINTENANCE AT CITY FACILITIES AND AQUEDUCT LANDSCAPING (Report of: Parks & Community Services)

### **Recommendations:**

1. Approve the Amendment to the existing Agreement with Mariposa Landscapes, Inc., Irwindale, CA to provide landscape maintenance at City Facilities and Aqueduct Landscaping.
2. Authorize the City Manager to execute the Amendment to the Agreement for Professional Services with Mariposa Landscapes, and issuance of the Purchase Order for service beginning once the Agreement has been fully executed.
3. Authorize the City Manager to execute any subsequent related Amendments to the Agreement, including the authority to authorize Purchase Orders in accordance with the terms of the Agreement, which are subject to the City Attorney's approval, and the City Council's approval of sufficient funding appropriations.

## **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 AUG 16, 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 AUG 16, 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.

#### **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. 2016 REFUNDING OF THE 2007 LEASE REVENUE BONDS (Report of: Financial & Management Services)

**Recommendations: That the City Council and Moreno Valley Public**



**Financing Authority:**

1. Adopt Resolution No. 2016-72, A Resolution of the City Council of the City of Moreno Valley, California, approving the issuance by the Moreno Valley Public Financing Authority of not to exceed \$26,500,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016 (Taxable) to refund certain outstanding bonds; authorizing execution and delivery of a First Amendment to Master Facilities Lease, a First Amendment Master Facilities Sublease and a Bond Purchase Agreement; Approving the form of Official Statement; and authorizing execution of documents and the taking of all necessary actions relating to the refinancing with the Moreno Valley Public Financing Authority.
2. Adopt Resolution No. MVPFA 2016-01, a Resolution of the Moreno Valley Public Financing Authority (MVPFA) authorizing the issuance and sale of Lease Revenue Refunding Bonds to refund certain outstanding bonds; Approving the forms of a First Supplement to Master Trust Agreement, a First Amendment to Master Facilities Lease, a First Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement describing said bonds; and authorizing execution of documents and the taking of all necessary actions relating to the issuance of the bonds.

**G.3. APPOINTMENTS TO THE CITY COUNCIL ADVISORY BOARDS AND COMMISSIONS (Report of: City Clerk)**

**Recommendations: That the City Council:**

1. Appoint those applicants who receive a majority vote by the City Council.
2. If vacancies are not filled by a majority vote of the City Council, authorize the City Clerk to re-advertise the positions as vacant and carry over the current applications for reconsideration of appointment at a future date.

**G.4. CITY MANAGER'S REPORT**

(Informational Oral Presentation - not for Council action)

**G.5. 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](http://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](http://www.moval.org) and in the City Clerk's office at 14177 Frederick Street during normal business hours.

## **ADJOURNMENT**

**CERTIFICATION**

I, Marie Macias, MMC, 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](http://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: November 3, 2016

**MINUTES**  
**CITY COUNCIL REGULAR MEETING OF THE CITY OF MORENO VALLEY**  
**August 16, 2016**

**CALL TO ORDER - 5:30 PM**

**SPECIAL PRESENTATIONS**

- 1) Presentation of 4<sup>th</sup> of July Independence Day Parade Awards
  
- 2) Recognition of 4<sup>th</sup> 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 4<sup>th</sup> of July Independence Day Essay Contest Winners

Minutes Acceptance: Minutes of Aug 16, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

**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  
August 16, 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 6:26 p.m. by Mayor Gutierrez in the Council Chamber located at 14177 Frederick Street.

**PLEDGE OF ALLEGIANCE**

The Pledge of Allegiance was led by Evan Morgan

**INVOCATION**

Pastor Arnold Espinoza , Praise Chapel Christian Fellowship

**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

**INTRODUCTIONS**

Staff:	Michelle Dawson	City Manager
	Steve Quintanilla	Interim City Attorney
	Marie Macias	Interim City Clerk
	Marshall Eyerman	Chief Financial Officer
	Thomas M. DeSantis	Assistant City Manager
	Ahmad Ansari	Public Works Director/City Engineer
	Zachary Hall	Police Lieutenant
	Gabriel Garcia	Parks & Community Services Director
	Mike Lee	Economic Development Director
	Allen Brock	Community Development Director

Minutes Acceptance: Minutes of Aug 16, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

Kathy Gross

Executive Assistant

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

Jude Nightengale

1. Invite to new Farmers Market

Donovan Saadiq

1. Meeting request for Mayor Gutierrez concerning Edgemont Slum Lords

Jaclyn Ruiz

1. Police Incident, File #MV162130116, Deputy Galvan Badge #3675

Christy McP

1. Animal Shelter and dog rescues

Ms. Smith

1. Violation of Section 1983

Ellie Lasalle

1. Moreno Valley Ranch Golf Community; Fire hazard, vandalism, property values at large

Emil Dragovich

1. Political signs

Daryl Terrell

1. Unity

Rafael Brugueras

1. Commented on previous speaker comments; grateful kids are safe
2. Business on agenda for this evening
3. Jobs are needed
4. Election - First Elected Mayor

Mayor Gutierrez opened the floor to any Council Members wishing to speak early on their closing comments:

Council Member Jempson

1. Thanked the Police Department and the Neighborhood Watches who came out on National Night Out. The children understood not to be feared by the officers and with the neighborhoods coming together; brought people out and was a great opportunity and a National event.
2. Appreciates those who clean up our City. David Marquez started the first Community Cleanup, then Melissa Martinez with Neighborhood Works and now is with Roy and a group of youth who are doing it. There are going to be some proposals to have it continue. Thankful for those who step up and say its not just the city council and staff doing it but its our community lets come together to clean it up.
3. Last night there was a town hall meeting at Moreno Valley Community Center and was held by Bishop Sykes and Pastor Gibson. Appreciative of them, every diversity came together, most of the council members were there and we need to listen and we've been listening, this is the second meeting and now need to put something in action. Need to prove our Community.
4. Upcoming events: August 19 from 5 to 9 the Canyon Springs High School is having a "Summer Sixteen Fair" all proceeds go towards the football team, so please sponsor by attending.
5. Saturday the African American Coalition is sponsoring a Family Reunion, not only for Spanish or Blacks, but everyone. A come together, enjoy the park, there will be vendors and those that come can bring your own food and share with one another; come together as a community.

**JOINT CONSENT CALENDARS (SECTIONS A-D)**

Mayor Gutierrez opened the agenda items for the Consent Calendars for public comments, which was received from Rafael Brugueras (A.4, A.5, B.3, Supports).

Motion to Approve Joint Consent Calendar Items A.1 through D.2, with the exception of A.12 which was pulled for separate action, and A.2, B.2, C.2, and D.2, as amended.

<b>RESULT:</b>	<b>APPROVED AS AMENDED [UNANIMOUS]</b>
<b>MOVER:</b>	Jesse L. Molina, Council Member
<b>SECONDER:</b>	D. LaDonna Jempson, Council Member
<b>AYES:</b>	Gutierrez, Giba, Price, Molina, Jempson

Minutes Acceptance: Minutes of Aug 16, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

## 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. 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. 2183 pulled from Consent

**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

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

Item G.3. was heard before Public Hearings.

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

**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.

Motion to Approve Staff's Recommendation Nos. 2 and 3.

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

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

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

**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.

Motion to Approve Staff's Recommendation Nos. 1 and 2

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

Motion to Approve Staff's Recommendation Nos. 3, 4 and 5.

The City Clerk announced the results as follows:

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

Duke Realty - Weighted Ballot Count: 11 "Yes" votes, -0- "No" vote; passed

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

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

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.

Motion to Approve Item A.12 Staff's Recommendation No. 1

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

**G. REPORTS**

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

Minutes Acceptance: Minutes of Aug 16, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Mayor Gutierrez provided an update on the March Joint Powers Commission meeting held on July 27th.

The JPC heard a presentation about the March LifeCare Campus. The developer announced that they have a contract with a company known as Cobalt to develop a post-acute care facility. This kind of facility is where you go when you're well enough to not need hospital care but not ready to be independent at home. The developer described the local need for 400 beds, of which March LifeCare is developing 60-80 beds. They are going to be processing their application through Office of Statewide Health Planning and Development (acronym pronounced OSHPOD) within 12-14 months. The build-out timing, once OSHPOD approves, is another 12-14 months of construction.

We also heard an update about the March Inland Airport. The director is trying to collect data from businesses and foreign trade zone users regarding the movement of goods to and from China. He hopes to find enough demand to support trade with China at the rate of a flight or two of cargo per week.

Finally, we learned that the Heacock Channel project will go out to bid in August. This is great news for Moreno Valley and especially important for District 4 because of the flooding we experience along Heacock.

Riverside County Habitat Conservation Agency (RCHCA)

No Report

Riverside County Transportation Commission (RCTC)

Mayor Gutierrez provided the update on the Riverside County Transportation Commission (RCTC) meeting of July 13 stating the Board:

- Adopted a resolution certifying the Interstate 15 Express Lanes project Initial Study and Mitigated Negative Declaration;
- Approved a request for proposal to design and construct the Interstate 15 Express Lanes Project through a Design-Build Contract;
- Approved a funding Memorandum of Understanding with Southern California Regional Rail Authority to provide increased subsidy costs for Metrolink light rail operations; and
- Lastly, RCTC approved the Fiscal Year 2016/17 Federal Transit Administration's Program of Projects for Riverside County and approved approximately \$195 million of FY 2016/17 Local Transportation Fund

(LTF) and State Transit Assistance funding to support transit services in Riverside County.

#### Riverside Transit Agency (RTA)

Council Member Molina provided an update on the July 28 Riverside Transit Agency (RTA) meeting, stating the Board renewed agreements with La Sierra and Cal Baptist Universities extending their U-Pass programs, allowing students to ride the bus for free. For both U-Pass programs, ridership averages approximately 48,000 trips annually. Additionally, RTA is seeking input from the public on their First Mile-Last Mile Mobility Study. The study will identify challenges and offer solutions to passengers who travel to and from bus stops. The study will also look at ways to improve park-and-ride areas, drop-off locations, carpools, and bike share options. The overall goal of these improvements is to increase both ridership and City livability. The survey will be open until September 30. For more information, please visit RTA's website at [www.riversidetransit.com](http://www.riversidetransit.com) <<http://www.riversidetransit.com>>.

#### Western Riverside Council of Governments (WRCOG)

Mayor Pro Tem Giba provided the following brief update of items covered at the WRCOG Executive Committee meeting on August 1, 2016.

#### **WRCOG Clean Cities Coalition Activities Update**

WRCOG is considering an upgrade to their Good Neighbor Guidelines for siting new or modified warehouse distribution facilities and integrating these uses with their surroundings. The Guidelines focus on the relationship between land use, permitting, and air quality, and assist in addressing some of the more complicated issues associated with siting warehouse/distribution facilities. Existing strategies will be upgraded to assist in minimizing the impacts of diesel particulate matter on existing communities and sensitive receptors.

#### **BEYOND Framework Fund Program**

The BEYOND Framework Fund Program provides funding to assist in developing and implementing projects that can improve quality of life by addressing such components as economy, water, education, environment, health, and transportation. WRCOG originally allocated \$1.8 million for member agency use through Round 1 of the Program. The City of Moreno Valley was allocated \$153,294. The WRCOG Executive Committee recently approved funding for Round 2 of the Program in the amount of \$2 million, and will soon present various funding allocation options for Executive Committee consideration.

#### **Report from the League of California Cities**

The League of California Cities has provided a list of priority bills to watch as they move through the legislative process. Of particular concern are three bills in



which the League is recommending opposition.

1. AB 2299 (Bloom) - Restricts a local agency's ability to regulate second units in single-family and multiple-family zones and reduce or eliminate parking requirements for second units
2. SB 1069 (Wieckowski) - Restricts a local agency's ability to impose requirements on second units, which would be renamed "accessory dwelling units"
3. AB 2586 (Gatto) - Restricts a local agency's ability to regulate local parking, and unnecessarily upends local authority to regulate parking, an authority that cities have had since 1959.

Western Riverside County Regional Conservation Authority (RCA)

No Report

School District/City Joint Task Force

No Report

Southern California Association of Governments (SCAG)

No Report

Box Springs Mutual Water District (BSMWD)

Council Member Jempson provided an update on the Box Springs Mutual Water District (BSMWD) meeting as follows:

- Discussed that Edgemont Street was completed and open in time for school. Very thankful of staff and the developer.
- State inspection on the water lines; will report as soon as it is available.
- The tax return review was done and shows they're good on the bottom line.
- They also have a Board Member vacancy available; any shareholders interested should contact Box Springs.

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)

Mayor Gutierrez opened the agenda item for public comments, which was received from Tom Breikreuz (Supports).

**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.

Motion to Approve Staff's Recommendation Nos. 1 and 2.

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

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

Item G.3 was heard before the Public Hearings.

City Clerk stated prior to public comment the record should reflect that Attachment 5 was added to the agenda packet subsequent to the posting of the agenda. This information was made available to the City Council and the public, City's website and the public binders.

Mayor Gutierrez opened the agenda item for public comments, which were received from Sean Fortine, Evan Morgan, Rafael Brugueras (Supports), and Tom Jerele, Sr.

**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.

Motion to Approve Staff's Recommendation No. 2 by Council Member Price and willing to accept the modification to add the obstacles and change the wording to the marketing if they so wished; second by Mayor Gutierrez.

Council Member Price made a change in his motion to include 1.2.1, per Mayor Pro Tem Giba's wording; and to include 1.2 as well.

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

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

Mayor Gutierrez opened the agenda item for public comments, which were received from Brian Lowell (Supports), Rafael Brugueras (Supports), and Tom Jerele, Sr.

**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 28<sup>th</sup> resignation of Planning Commissioner Meli Van Natta

Motion to Approve Alternative No. 1 by Mayor Pro Tem Giba (no second received)

Substitute Motion to Approve Alternative No. 3 by Council Member Price; seconded by Council Member Jempson

<b>RESULT:</b>	<b>APPROVED [4 TO 1]</b>
<b>MOVER:</b>	George E. Price, Council Member
<b>SECONDER:</b>	D. LaDonna Jempson, Council Member
<b>AYES:</b>	Dr. Yxstian A. Gutierrez, George E. Price, Jesse L. Molina, D. LaDonna Jempson
<b>NAYS:</b>	Jeffrey J. Giba

G.5. CITY MANAGER'S REPORT

No Report

G.6. CITY ATTORNEY'S REPORT

No Report

**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

Minutes Acceptance: Minutes of Aug 16, 2016 6:00 PM (CONSENT CALENDAR-CITY COUNCIL)

**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.**

Council Member Molina

1. Agreed with Daryl Terrell's comments
2. Celebration Worship Church, it was an honor to worship with Council Member Price, Mayor Pro Tem Giba, and Dr. White
3. Attended the Ribbon Cutting at Moreno Valley Medical Center
4. The Farmers Market, Thursday the 18th from 7 - 1:30 p.m. at Riverside Health Systems between Cactus and Nason.
5. Also on Thursday there will be a Hawaiian Luau at the Senior Center between 1 and 3 p.m.

Council Member Price

1. Introduced our new Interim City Clerk, Marie Macias
2. Attended a meeting regarding the Moreno Valley Ranch Golf Course. Residents paid 10-40k lot prices for their golf course views. Complimented the Bridge Development Team took over and now the lots look great. The Bridge Team took care of the residents' concerns, making every effort to be a good neighbor. Understands the concerns regarding the apartments, this will go before the Planning Commission with traffic studies and the school district will have input. Spoke today with the representative at Bridge and they will plan to renovate all 27 holes. They expect the golf course to be fully operational prior to the apartments being built.
3. Also attended the Kaiser Foundation. Requests received from the community were if once a month they could have a farmers market in the evening to allow those who work to attend.
4. AYSO 187, attended a Tournament and thank you to MVUSD for allowing them to play on their fields.

Mayor Pro Tem Giba

1. Kaiser was fantastic; they extended bed units and are beautiful
2. Approached by Jeff Clayton, been working with Canyon Springs High School football who will be having their Summer 16 Carnival on Friday, August 19th from 5 to 9 p.m. at Canyon Springs High School football field; there will be music, games, food and more; Power 106, Kona Ice Jamba Juice, Southern California Honda, Sparkling Ice and many more. Open to the public and the Tilted Kilt - looking for them to support.

Council Member Jempson

1. Announced that tomorrow will be her wedding anniversary and will be married 31 years, Happy Anniversary - thank you for your unending support.

Mayor Gutierrez

1. State of the City event will be held on August 25 at 11:30 a.m.; preparing a really great program.

**ADJOURNMENT**

There being no further business the regular meeting was adjourned at 9:23 p.m.

Submitted by:

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Marie Macias, MMC, 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:

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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

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**TO:** Mayor and City Council

**FROM:** Allen Brock, Community Development Director

**AGENDA DATE:** November 15, 2016

**TITLE:** ORDINANCE REGULATING SMOKE SHOP USES  
CITYWIDE

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### **RECOMMENDED ACTION**

#### **Recommendations: That the City Council:**

1. Conduct a Public Hearing on proposed amendments, related to citywide regulations of Smoke Shop uses, to Title 5 and Title 9 of the City of Moreno Valley Municipal Code.
2. **CERTIFY** that the proposed Ordinance [(amendment to the Municipal Code (PA16-0025))] qualifies as an exemption in accordance with Section 15061 of the California Environmental Quality Act (CEQA) Guidelines.
3. **INTRODUCE** Ordinance No. 917, thereby approving PA16-0025 for the amendment of the City of Moreno Valley Municipal Code to modify Titles 5 and 9, including modification of the Permitted Uses Table attached as Exhibit A, related to the citywide regulation of Smoke Shop uses.

### **SUMMARY**

This report recommends adoption of an Ordinance to regulate smoke shop uses in the City of Moreno Valley. The proposed Ordinance would amend Titles 5 and 9 of the Moreno Valley Municipal Code relating to the use of “smoke shops”, establishment of regulations, and promotion of the health safety and welfare of the residents, businesses, visitors and other stakeholders in the City. The Ordinance proposes to accomplish two tasks: 1) declare it grounds for business license and/or tobacco retailer license revocation when any business sells drug paraphernalia, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use.

### **DISCUSSION**

The City Council originally initiated the Smoke Shop Ordinance. Proposed Ordinance review and guidance was provided by the Public Safety Sub Committee (PSSC). The primary concern reviewed was how the City can control and restrict the sale of drug paraphernalia and other illegal substances from smoke shops. Although the sale and regulation of drug paraphernalia is regulated by State law (Health and Safety Code Sections 11364-11364.7), there remains concern that such activity has great potential for negative community impacts. With appropriate local land use, regulatory, licensing and enforcement controls, the potential negative effects on the community can be minimized and/or avoided.

A total of three (3) meetings were held with the PSSC on this matter. The following two strategies were carried forward:

**1. Amend the Moreno Valley Municipal Code to include drug paraphernalia offenses as grounds for business and tobacco retailer license revocation**

In 2007, Moreno Valley adopted its own tobacco retailer licensing law: Ordinance No. 752, which is codified as Moreno Valley Municipal Code Chapter 5.04. Under the City's current Moreno Valley Municipal Code, it is a violation to sell tobacco products and paraphernalia in view of the public or to advertise such products for sale at the location without a valid tobacco retailer's license. A violation of any local, state or federal tobacco-related law is grounds for licensing revocation.

However, the current Moreno Valley Municipal Code language under Chapter 5.04, does not expressly provide for tobacco license revocation if the license holder violates drug paraphernalia laws. Such revocation is permissible pursuant to Health & Safety Code section 11364.7(d), which provides that a violation of Section 11364.7 (illegal sale of drug paraphernalia by a holder of a city business license) is grounds for revocation of that license if the offense occurred in the course of the licensee's business. Amending Moreno Valley Municipal Code Chapter 5.04 to include these grounds for license revocation would further strengthen the City's ability to stop offenders.

In addition to Chapter 5.04 specifically related to Tabaco Licenses, the proposed Ordinance makes selling drug paraphernalia pursuant to Health and Safety Code Section 11364.5 and 11364.7 grounds for business license revocation for **any** business, not just tobacco retailers, pursuant to Moreno Valley Municipal Code Chapter 5.02.

**2. Adopt an ordinance adding new zoning restrictions for smoke shops, as defined, including the requirement of a conditional use permit.**

In reviewing the Moreno Valley Municipal Code, it was noted that "smoke shops" are permitted as a matter of right in all commercial/retail land use zones. Considering the possible negative secondary effects of smoke shops, the City recommends regulating smoke shops as a land use. This would include:

- Allowing smoke shops in certain commercial/retail zones either as a permitted use or with a conditional use permit;
- Regulating distance requirements of smoke shops from each other and from certain sensitive land uses.
- Requiring that smoke shops have certain development standards including, sufficient parking and lighting.

While evaluating this type of business, it was noted that there are twenty-eight (28) smoke shop uses presently established within the City.

The Planning Commission reviewed the proposed Ordinance at two separate meetings, including public hearings held on July 28, 2016 and September 8, 2016. At the July 28, 2016 meeting, the Commission recommended that staff further review certain sections of the Ordinance included within Title 9 and provide direction on desired modifications to the proposed language. The overall consensus of the Commission at that meeting was that the proposed ordinance language was too restrictive. In summary, the Commission had concerns regarding a) language defining a smoke shop, b) allowances for a non-conforming smoke shop to reestablish if closed, c) regulation of smoke shops consistent with alcohol uses, d) the requirement for a Conditional Use Permit (CUP) to establish new smoke shop uses, e) establishing first in-time rights for smoke shops and buffer uses, and f) distancing requirements between smoke shop uses and other sensitive land uses. With modified language added to address the Planning Commission interests, on September 8<sup>th</sup> the Commission voted 4-1-2 to recommend adoption of the smoke shop ordinance as presented to the City Council.

Just prior to the second Planning Commission meeting on this matter, the Riverside County Airport Land Use Commission (ALUC) staff submitted a letter to the City requesting opportunity to review this item prior to final action being taken. City staff has been working with the ALUC staff on this matter since that time and at the time of publishing of this staff report has not yet received formal final input/recommendation from ALUC. Staff will continue to work with ALUC staff and a verbal update on this effort will be provided at the November 1<sup>st</sup> City Council meeting.

In summary, the Ordinance proposes to accomplish two tasks: 1) declare it grounds for business and/or tobacco retailer license revocation when any business sells drug paraphernalia, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use. Five (5) specific areas of the Moreno Valley Municipal Code have been amended to accomplish the two tasks noted above, which are as follows:

**Item 1. AMENDMENT TO TITLE 5, CHAPTER 5.02, SECTION 5.02.270(A)  
“SUSPENSION OR REVOCATION” OF THE CITY OF MORENO VALLEY  
MUNICIPAL CODE**

The Municipal Code currently does not expressly provide criteria for business license revocation tied to violations of drug paraphernalia laws. The updated language in Title 5 includes grounds for business license revocation if the license holder violates drug



paraphernalia laws, which would strengthen the City's enforcement powers to combat the potential adverse undesirable community impacts of smoke shops. Prior notice shall be given to the licensee prior to any revocation of license.

**Item 2. AMENDMENT TO TITLE 5, CHAPTER 5.04, SECTION 5.04.090(A)  
"REVOCATION OF LICENSE" OF THE CITY OF MORENO VALLEY  
MUNICIPAL CODE**

The proposed language included in the above Section 5.04.090 (A) would allow the City to revoke a license of a Tobacco Retailer if violations of drug paraphernalia are found. Prior notice shall be given to the licensee prior to any revocation of license.

**Item 3. AMENDMENT TO TITLE 9, CHAPTER 9.02, SECTION 9.02.020  
"PERMITTED USES" OF THE CITY OF MORENO VALLEY MUNICIPAL  
CODE**

Smoke shop uses are not currently included in a specific use category within 9.02.020-1 Permitted Uses Table. Staff has interpreted the use to be included under retail sales. Therefore, Title 9 of the Municipal Code currently permits smoke shop uses by right in all mixed use zones and all commercial/retail land use zones.

The proposed Ordinance would allow smoke shops as a permitted or conditionally permitted use in the Community Commercial (CC), Neighborhood Commercial (NC), Village Commercial (VC) and Office Commercial (OC) zoning districts. The Ordinance closely represents Municipal Code regulations of liquor stores and convenience stores and the retail sale of liquor in restaurants. The Ordinance also prohibits smoke shops to establish in mixed use zones such as the Mixed Use Commercial (MUC) where residential uses exist.

Existing uses that are not located in the above land use districts can remain at the site as long as provisions are adhered to within the Smoke Shop Ordinance and Section 9.02.180 "Legal Non-Conforming Uses, Improvements and Parcels".

**Item 4. AMENDMENT TO TITLE 9, CHAPTER 9.15, SECTION 9.15.030  
"DEFINITIONS" OF THE CITY OF MORENO VALLEY MUNICIPAL  
CODE.**

The Moreno Valley Municipal Code has not previously defined "Smoke Shops" and related uses such as hookah bars and vape shops. Amended language within Section 9.15.030 will further define smoke shop uses.

In the initial amendment presented to the Planning Commission, staff initially defined smoke shops as any establishment that devoted 30% or more floor space to this use. The Commission expressed concerns regarding the proposed definition of a Smoke Shop. In particular, the concern was that the proposed definition was too broad, as the definitions could have arguably included plant nurseries and/or garden shops of major

retailers, housewares sales, or gas stations with small kiosks. In other words, a gas station with a small kiosk could have met the 30% floor area requirement of the proposed definition of Smoke Shop, thereby requiring these kinds of gas stations to obtain a Conditional Use Permit (CUP) to operate the use. This would have been an unintended consequence, and not comport with the intent of the Ordinance. The amended language now provides a clear definition of smoke shops, which can enable and ensure proper enforcement of this land use.

**Item 5. AMENDMENT TO TITLE 9, CHAPTER 9.09, ADDING SECTION 9.09.280  
“SMOKE SHOPS” TO THE CITY OF MORENO VALLEY MUNICIPAL  
CODE**

The proposed language included in Section 9.09.280 of the Municipal Code will allow new smoke shop uses to locate as a permitted or conditionally permitted use in the CC NC, OC and VC zoning districts. A CUP for a smoke shop is required if: 1) the smoke shop is located within 300 feet from any residential zone or use, or 2) the smoke shop is located within 600 feet from a public/private school, church, childcare/day care, a public park and non-profit youth facilities. The Ordinance has been modified to more closely represent the Alcohol Beverage Control (ABC) requirements in place for approval of alcohol licenses, which provides that alcohol licenses can be regulated and possibly denied if establishments are located within 600 feet from schools, public playgrounds or non-profit youth facilities.

Location and distance requirements have also been added to the Municipal Code to minimize impacts of smoke shops on adjacent properties and surrounding neighborhoods containing sensitive land uses. This includes a distance requirement of 200 feet between Smoke Shops and land uses such as churches with no daycare component and arcades/amusement facilities. A 400 foot distance requirement has been established between smoke shop uses and institutions of higher education and vocational training facilities. A distance requirement of 600 feet has been established between two individual smoke shop uses, and between a smoke shop use and adult businesses, emergency shelters, government facilities, rehabilitation centers and residential care facilities that are operating as sober living facilities.

Language has been included within the proposed ordinance to provide first in time rights for lawfully operating smoke shops. If any of the more sensitive buffer uses established under newly proposed Section 9.09.280 “Smoke Shops” of the Municipal Code locate within the distance buffers to an existing smoke shop use, the smoke shop will have “first in” rights which will allow the existing business to remain a legal use.

General standards have also been provided in the Municipal Code for parking, lighting, waste/storage disposal and air quality as related to smoke shop uses.

**ALTERNATIVES**

1. Introduce and read by title only the proposed Ordinance to amend Titles 5 and 9 of the Moreno Valley Municipal Code to regulate Smoke Shops. **Staff**

**recommends this alternative as it will allow accomplishment of the two primary tasks associated with the Ordinance amendment, to 1) declare it grounds for business license and/or tobacco retailer license revocation when any business sells drug paraphernalia, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use.**

2. Do not approve the proposed Ordinance to amend Titles 5 and 9 of the Moreno Valley Municipal Code to regulate Smoke Shop Uses. **Staff does not recommend this alternative as it will not allow regulation of the business license and/or tobacco retailer license and would not minimize potential impacts of smoke shop uses.**

### **FISCAL IMPACT**

There are no fiscal impacts associated with the proposed ordinance amendment

### **NOTIFICATION**

A 1/8 page public hearing notice for this code amendment was published in the local newspaper on October 21, 2016. In addition, individual notices have been provided to all twenty-eight (28) existing smoke shop tenants on record with an active business license and to the existing property owners of the land upon which the smoke shop uses are located.

### **CITY COUNCIL GOALS**

Public Safety: Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous materials incidents, and provide protection for citizens who live. Work and visit the City of Moreno Valley.

### **PREPARATION OF STAFF REPORT**

Prepared By:  
Mark Gross  
Senior Planner

Department Head Approval:  
Allen Brock  
Community Development Director

Concurred By:  
Joel Ontiveros  
Chief of Police

### **CITY COUNCIL GOALS**

None

### **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety

- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 2.1: Reduce crime, the fear of crime, and the perception of crime in the community.

**ATTACHMENTS**

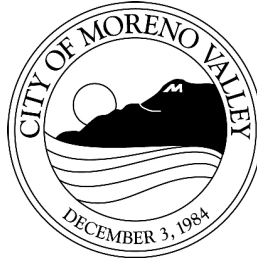
- 1. CC Public Notice
- 2. Smoke Shop Ordinance
- 3. Exhibit A - Permitted Uses Table
- 4. Smoke Shop Ordinance - Changes Highlighted
- 5. Smoke Shop Analysis - 200 Foot Buffer
- 6. Smoke Shop Analysis - 400 Foot Buffer
- 7. Smoke Shop Analysis - 600 Foot Buffer
- 8. Planning Commission Staff Report

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/18/16 2:32 PM
City Attorney Approval	<u>✓ Approved</u>	10/19/16 1:51 PM
City Manager Approval	<u>✓ Approved</u>	10/19/16 5:00 PM

HISTORY:

11/01/16                      City Council                      FIRST READING OF ORDINANCE  
 Next: 11/15/16



## NOTICE OF CITY COUNCIL PUBLIC HEARING

THE CITY COUNCIL WILL CONSIDER A CITYWIDE AMENDMENT (PA16-0025) TO THE CITY OF MORENO VALLEY MUNICIPAL CODE, AMENDING MUNICIPAL CODE SECTIONS 5.02.270(A) "SUSPENSION OR REVOCATION", 5.04.0909(A) "REVOCATION OF LICENSE", 9.02.020 "PERMITTED USES", 9.15.030 "DEFINITIONS, 9.02.180(D), AND ADDING SECTION 9.09.280, "SMOKE SHOPS" PERTAINING TO THE REGULATION OF SMOKE SHOPS

The amendment would add language in the Municipal Code regulating the use of "smoke shops" and providing enforcement of regulations to ensure the health, safety and welfare of the City and its residents.

The City Council may consider any appropriate modifications or alternatives to the amendment or environmental determination. The amendment is exempt under California Environmental Quality Act Guidelines Section 15061 in that there is no possibility that the proposed activity may have the potential for a significant impact upon the environment.

Any person interested in the proposed project may contact Mark Gross at (951) 413-3215 or at the Community Development Department at 14177 Frederick Street, Moreno Valley, California, during normal business hours (7:30 a.m. to 5:30 p.m., Monday – Thursday and 7:30 a.m. to 4:30 p.m. on Fridays) or may telephone (951) 413-3206 for further information.

If you challenge any of these items in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council or City Clerk on or before the following meeting date:

**Tuesday, November 1, 2016  
6:00 P.M.  
City Council Chamber  
14177 Frederick Street.  
Moreno Valley, CA 92552-0805**

*Upon request and 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 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.*

**ORDINANCE NO. 917**

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE MORENO VALLEY MUNICIPAL CODE TO REVISE SECTION 5.02.270(A) "SUSPENSION OR REVOCATION"; SECTION 5.04.090(A) "REVOCATION OF LICENSE"; SECTION 9.02.020 "PERMITTED USES"; SECTION 9.15.030 "DEFINITIONS", AND TO ADD SECTION 9.09.280 "SMOKE SHOPS", ALL PERTAINING TO THE CITYWIDE REGULATION OF SMOKE SHOPS**

**WHEREAS**, the City of Moreno Valley ("City") has a responsibility to plan and regulate the use of property within the City; and

**WHEREAS**, the City desires to maintain the quality of life and character of the City's neighborhoods in order to avoid negative consequences to property, social, and environmental values; and

**WHEREAS**, establishments that permit the smoking of tobacco or sell or display smoking, drug or tobacco paraphernalia may adversely affect the City's ability to attract and retain businesses and consumers to areas of the City necessary for its economic growth and vitality; and

**WHEREAS**, permitting the sale of smoking, drug, and/or tobacco paraphernalia without appropriate regulation may have an adverse impact to the health, safety, and welfare of the City and its residents; and

**WHEREAS**, this Ordinance proposes to accomplish two tasks: 1) declare it grounds for business license and/or tobacco retailers license revocation when any business sells drug paraphernalia, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use, as defined in this Ordinance; and

**WHEREAS**, in 2007, the City adopted Ordinance No. 752, codified as Moreno Valley Municipal Code ("MVMC") Chapter 5.04, "Licensure of Tobacco Retailers", which provides that it is a violation to sell tobacco products or paraphernalia in view of the public or to advertise such products for sale without a valid tobacco retailer's license; and

**WHEREAS**, a violation of any state drug paraphernalia law is grounds for business license revocation, pursuant to California Health & Safety Code section 11364.7(d); and

1  
Ordinance No. 917  
Date Adopted: November 15, 2016

**WHEREAS**, Chapter 5.04 of the MVMC currently does not expressly provide for business license revocation if the license holder violates state drug paraphernalia laws; and

**WHEREAS**, the amending MVMC Chapter 5.04 to include grounds for business license revocation based on violation of state drug paraphernalia laws will strengthen the City's ability to combat the secondary effects of smoke shops; and

**WHEREAS**, the City seeks to regulate smoke shops as permitted and conditionally permitted uses to be allowed in the following zoning districts: 1) Community Commercial District, 2) Neighborhood Commercial District, 3) Village Commercial District, and 4) Office Commercial District; and

**WHEREAS**, this Ordinance shall also add Section 9.09.280 "Smoke Shops" as a land use to be regulated in order to further define special standards that shall apply to Smoke Shops; and

**WHEREAS**, this amendment of the MVMC is exempt from further environmental review pursuant to Section 15061 of the California Environmental Quality Act (CEQA) Guidelines as it is certain that there is no possibility that the project would have any significant effect on the environment; and

**WHEREAS**, on July 28, 2016 (Public Hearing) and September 9, 2016, (Continued Public Hearing) the Planning Commission considered the Smoke Shop Ordinance; and

**WHEREAS**, on September 9, 2016, the Planning Commission recommended the Smoke Shop Ordinance to the City Council; and

**WHEREAS**, on November 1, 2016, the City Council concluded the public hearing and considered this Ordinance; and

**WHEREAS**, all legal prerequisites to the adoption of this Ordinance have occurred

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Moreno Valley as follows:

**Section 1. RECITALS**

That the above recitals are true and correct and are incorporated as though fully set forth herein.

**Section 2. Findings**

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Ordinance No. 917  
Date Adopted: November 15, 2016

A. Based upon substantial evidence presented to this City Council during the hearing on this Ordinance, including but not limited to: written and oral City staff reports, testimony presented at the public hearing, and the record from the public hearing, this City Council finds as follows:

1. **Conformance with General Plan Policies** – The proposed Ordinance is consistent with the General Plan, and its goals, objectives, policies and programs.

**FACT:** The Ordinance would add language relating to the use of “smoke shops” and provide enforcement of regulations to ensure the health safety and welfare of the residents, businesses, visitors and other stakeholders in the City. The Ordinance would: 1) amend the Municipal Code to include drug paraphernalia offenses as grounds for business and tobacco retailer license revocation, and 2) adopt new zoning restrictions for smoke shops providing language and standards for smoke shop uses including, but not limited to, definition of the use, distance requirements for buffering of the use, and standards to permit smoke shop uses as a permitted or conditionally permitted use in the Community Commercial (CC) District, Neighborhood Commercial (NC) District, Village Commercial (VC) District and Office Commercial (OC) District. The proposed Ordinance is consistent with, and does not conflict with any existing goals, objectives, policies, and programs established within the General Plan.

2. **Health, Safety and Welfare** – The proposed Ordinance will not be detrimental to the public health, safety or general welfare

**FACT:** The sale of drug paraphernalia for unlawful purpose is prohibited under State law. However, State law allows local jurisdictions to declare it grounds for license revocation for businesses that illegally sell drug paraphernalia. This Ordinance provides grounds for business license revocation of a business and or a tobacco license if violations of drug paraphernalia are found. Providing for the revocation of a business and or a tobacco license if violations of drug paraphernalia are found promotes the general health, safety and welfare of the City.



In addition, this Ordinance specifies the zoning districts and sets development standards related to Smoke Shops. Regulating\_Smoke Shops will promote the betterment of the City's health, safety, and welfare.

The proposed Ordinance would not be detrimental to the public health, safety or general welfare of the community. The addition of language relating to the definition and use of "smoke shops", the establishment of clear and specific zoning regulations, and establishment of development standards that enable proper enforcement of regulations for the use would ensure the health, safety and welfare of the City residents, business, visitors and other stakeholders.

3. **Conformance with Municipal Code Regulations** – The proposed Ordinance is consistent with the purposes and intent of this title.

**FACT:** The proposed Ordinance is consistent with the purposes and intent of both Title 9 and Title 5 of the City of Moreno Valley Municipal Code. Title 9, currently permits smoke shop uses in all commercial land use zones. The proposed Ordinance sets forth regulations to limit smoke shops as permitted or conditionally permitted uses in the Community Commercial (CC) Neighborhood Commercial (NC), Village Commercial (VC) and Office Commercial (OC) zoning districts. The amended language provides a clear definition of smoke shops, which can enable proper enforcement of this land use. The addition of Section 9.09.280 "Smoke Shops" establishes clear, specific and proper zoning and development standards that shall apply to smoke shops Furthermore, Title 5, Chapters 5.02 and 5.04 of the MVMC currently does not expressly provide criteria for business license revocation tied to violations of drug paraphernalia laws. The Ordinance includes grounds for license revocation if the license holder violates drug paraphernalia laws, which strengthens the City's enforcement powers to combat the potential adverse undesirable community impacts of smoke shops.

**Section 3. AMENDMENT TO TITLE 5, CHAPTER 5.02, SECTION 5.02.270(A) "SUSPENSION OR REVOCATION" OF THE MORENO VALLEY MUNICIPAL CODE.**

That Section 5.02.270(A) of the City of Moreno Valley Municipal Code (“MVMC”) shall be amended to read as follows:

5.02.270 Suspension or revocation.

A. The business license officer shall have the power to suspend or revoke any business license issued hereunder whenever it appears to the business license officer that the holder of the license:

1. Has violated any provision of this chapter, or any rule or regulation adopted pursuant hereto; or
2. Commits any act or offense which would have constituted grounds hereunder to deny the issuance or renewal of a business license; or
3. Failure to make lawful payment of a fee, tax, charge, penalty or interest due under this chapter.
4. Has been convicted including a plea of “no contest” or its equivalent, of any federal, state, or local drug paraphernalia offense, as “drug paraphernalia” is defined in Health and Safety Code Section 11364.5, and as may be amended.

**Section 4. AMENDMENT TO TITLE 5, CHAPTER 5.04, SECTION 5.04.090(A) “REVOCATION OF LICENSE” OF THE MORENO VALLEY MUNICIPAL CODE.**

That Section 5.04.090(A) of the MVMC shall be amended to read as follows:

A. Revocation of License for Violation.

1. In addition to any other penalty authorized by law, a tobacco retailer’s license shall be revoked if the City or the county of Riverside hearing officer, if so designated by the city manager, finds, after the licensee is afforded notice and an opportunity to be heard, that the licensee, including his or her agents or employees, has violated any of the requirements, conditions or prohibitions of this chapter, or in a different legal proceeding has pleaded guilty, “no contest” or an equivalent, or admitted to a violation of any law designated in Section 5.04.080(A) (hereinafter “license violation”).

2. For a first or second alleged license violation within any sixty (60) month period, the city or its designee may engage in settlement negotiations in lieu of a hearing and may enter into a settlement agreement with a tobacco retailer alleged to have violated this chapter. Settlements shall not be confidential and shall contain the following minimum terms:

- a. After a first alleged violation of this chapter at a location or business within any sixty (60) month period:
- i. An agreement to stop acting as a tobacco retailer for at least one day;
  - ii. A settlement payment of at least one thousand dollars (\$1000.00); and
  - iii. An admission that the violation occurred and a stipulation that the violation will be counted when considering what penalty will be assessed for any future violations.
- b. After a second alleged violation of this chapter at a location or business within any sixty (60) month period:
- i. An agreement to stop acting as a tobacco retailer for at least ten (10) days;
  - ii. A settlement payment of at least five thousand dollars (\$5000.00); and
  - iii. An admission that the violation occurred and a stipulation that the violation will be counted when considering what penalty will be assessed for any future violations.

3. A tobacco retailer's license shall be revoked if the City or the county of Riverside hearing officer, if so designated by the city manager, finds, after the licensee is afforded notice and an opportunity to be heard, that the licensee, including his or her agents or employees, has been convicted, including a plea of "no contest" or its equivalent, of any federal, state, or local drug paraphernalia offense, as "drug paraphernalia" as defined in Health and Safety Code Section 11364.5 as may be amended.

**Section 5. AMENDMENT TO TITLE 9, CHAPTER 9.02, SECTION 9.02.020 "PERMITTED USES" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE.**

That Section 9.02.020, Table 9.02.020-1 of the MVMC, which is attached hereto as Exhibit "A," shall be amended to add "Smoke Shops" as a category that shall be permitted or conditionally permitted in the: 1) Community Commercial District; 2) Neighborhood Commercial District; 3) Village Commercial District; and 4) Office Commercial District, subject to Section 9.09.280(B) and (C) of the MVMC.

**Section 6. AMENDMENT TO TITLE 9, CHAPTER 9.15, SECTION 9.15.030 "DEFINITIONS" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE.**

That Section 9.15.030 "Definitions" of the MVMC shall be amended to add the following definition:

“Smoke Shop” shall mean a retail establishment, commonly known as a smoking shop, smoking lounge, vape shop, hookah bar, cigar bar, cigar shop, or headshop, which provides or sells products intended or designed for use in ingesting, inhaling, or otherwise introducing tobacco into the human body, including but not limited to tobacco products, electronic cigarettes which contain nicotine and emit smoke or vapor, smoking accessories, including but not limited to rolling papers, rolling machines, herb grinders, scales, glass pipes, hookah pipes, bongos, bubblers, or other paraphernalia.

**Section 7. AMENDMENT TO TITLE 9, CHAPTER 9.09, ADDING SECTION 9.09.280 “SMOKE SHOPS” TO THE MORENO VALLEY MUNICIPAL CODE.**

That Section 9.09.280 shall be added to the MVMC as follows:

9.09.280 Smoke Shops

A. Purpose and Intent. This section is intended to protect the public health, safety and welfare by ensuring that Smoke Shops, as defined in Section 9.15.030 of Chapter 9.15 of this Code, do not create an adverse impact on adjacent properties or surrounding neighborhoods by reason of potential for incompatible secondary effects, insufficient on-site customer and employee parking, traffic generation, visual blight, bright lights, noise, or fumes. The following special standards shall apply to Smoke Shops.

B. Permitted Use.

Except as provided in subsection 9.28.280(C) below, Smoke Shops are permitted in the: 1) Community Commercial District; 2) Neighborhood Commercial District; 3) Village Commercial District; and 4) Office Commercial District, subject to the following location and distance requirements:

1. No Smoke Shop shall be located within 600 feet of any other Smoke Shop.
2. No Smoke Shop shall be located within 200 feet of any parcel of land that contains one or more of the following specific land uses:
  - a. Churches with no day care component;
  - b. Arcades, bowling alleys, skating rinks, amusement parks, race tracks, or fair grounds.
3. No Smoke Shop shall be located within 400 feet of any parcel of land that contains one or more of the following specific land uses:

- a. Institutions of higher education, including community or junior colleges, colleges, and universities;
  - b. Vocational training facilities.
4. No Smoke Shop shall be located within 600 feet of any parcel of land that contains one or more of the following specific land uses:
- a. Adult businesses;
  - b. Emergency shelters;
  - c. Rehabilitation centers;
  - d. Civic Centers/Public Government facilities, including libraries, recreation centers, senior centers, employment resource centers, youth resource centers;
  - e. Residential care facilities operating as sober living facilities.
5. Distance, without regard to intervening structures, shall be:
- a. A straight line measured from the closest exterior structural wall of any two Smoke Shops; and
  - b. A straight line measured from the closest exterior structural wall of a Smoke Shop to the closest property line of any of the specific land uses listed above.

C. Conditional Use Permit Required.

Smoke Shops that are located within 600 feet of any of the following uses shall require approval of a conditional use permit pursuant to Title 9, Chapter 9.02, Section 9.02.020 of this Code:

- a. Public or Private Schools (K-12);
- b. Churches with a day care component;
- c. Childcare/Daycare facilities, including large family day care facilities;
- d. Public parks;
- e. Nonprofit youth facilities (i.e. The Boys and Girls Club).

Smoke Shops that are located within 300 feet of any of the following uses shall require approval of a conditional use permit pursuant to Title 9, Chapter 9.02, Section 09.02.020 of this Code:

- a. Residential zones or uses, including but not limited to mobile home parks, single-room occupancy facilities (SROs), and orphanages.

D. Parking.

Parking for Smoke Shops shall be the same as the parking requirements and restrictions for off-street parking that pertains to eating and drinking establishments as described in Table 9.11.040B-12 of this Code.

E. Lighting.

All lighting shall comply with the provisions of Section 9.08.100 of this Title.

F. Waste and Storage and Disposal.

Waste, storage, and disposal of all tobacco products shall meet all applicable state and local health regulations.

G. Air Quality.

1. All ventilating equipment shall be directed to top story exhaust\_vents which face away from adjacent properties.
2. Required exhaust systems shall be equipped with appropriate and reasonably available control technology to minimize or eliminate noxious smoke or pollutants which would otherwise be emitted.

H. First In Time.

Should a land use mentioned in subsection B hereinabove be appropriately approved through established City regulations and locate within the distance requirement of a lawfully operating Smoke Shop, such subsequently located land use will not make the existing Smoke Shop legal nonconforming. Instead, the lawfully operating Smoke Shop will be considered a legal use not subject to Section 9.02.180 of the Moreno Valley Municipal Code.

**Section 8. SEVERABILITY**

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance 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 ordinance as hereby adopted shall remain in full force and effect.

**Section 9. REPEAL OF CONFLICTING PROVISIONS**

All the provisions of the Municipal Code as heretofore adopted by the City of Moreno Valley that are in conflict with the provisions of this ordinance are hereby repealed.

**Section 10. EFFECTIVE DATE**

This ordinance shall take effect thirty (30) days after its adoption.

**Section 11. CERTIFICATION**

The City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

Approved and adopted this 15<sup>th</sup> day of November, 2016

\_\_\_\_\_  
Mayor of the City of Moreno Valley

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

Attachment: Smoke Shop Ordinance [Revision 3] (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

10  
Ordinance No. 917  
Date Adopted: November 15, 2016

**ORDINANCE 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 Ordinance No. 917 had its first reading on November 1, 2016 and had its second reading on November 15, 2016, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 15<sup>th</sup> day of November, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

\_\_\_\_\_  
CITY CLERK

(SEAL)

Attachment: Smoke Shop Ordinance [Revision 3] (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

11  
Ordinance No. 917  
Date Adopted: November 15, 2016



**Permitted Uses Table 9.02.020-1**

X - Indicates stated use is permitted subject to district requirements.  
 C - Indicates stated use is allowed with a conditional use permit.  
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.  
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.  
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.

	Residential Zones											Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	

Adult Businesses																	A		A	A		A	A	A	A	
Agricultural Uses—Crops Only	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Agricultural (involving structures)																						X				
Aircraft Landing Facilities																	C		C	C	C	C				
Ambulance Service																	◆				◆	X	X	X	X	
Amusement Parks, Fairgrounds																	◆					X				
Animal Raising (see Section 9.09.090 of this title)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Appliance and Electronic Repair Shops												X	X	X	X	X						X	X		X	
Arcades, Video Machines																◆	X	◆								
Athletic Clubs, Gymnasiums and Spas												X	X	X	X	X		X				X	X	X	X	
Auction Houses																	X								X	
Auditoriums												◆	◆	◆			◆	◆	◆	◆	◆	◆	◆	◆	◆	◆
Auto Electronic Accessories and Installation																	X					X	X		X	
Automobile Fleet																						X	X			

12  
 Exhibit A  
 Resolution No. 2017-XX  
 Date Adopted:

Attachment: Exhibit A - Permitted Uses Table (2210 : ORDINANCE REGULATING SMOKE SHOP USES

**Permitted Uses Table 9.02.020-1**

- X - Indicates stated use is permitted subject to district requirements.
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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	

Storage																											
Automobile, Motorcycle, Truck, Golf Cart, Recreational Vehicle and Boat Sales and Incidental Minor Repairs and Accessory Installations																	◆						X	X			
Auto Service Stations  Accessory uses include convenience store and car wash  Minor repairs to include auto/boat/motorcycle/RV (excludes major repair, paint, body work)																◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	◆	
Automotive, Boat, Motorcycle and RV Repair—Minor (includes brake, muffler and tire installation and repair)																◆	X						X	X		X	
Automotive Paint and Body Repair—Major Engine Overhaul																	◆						X				

**Permitted Uses Table 9.02.020-1**

X - Indicates stated use is permitted subject to district requirements.  
 C - Indicates stated use is allowed with a conditional use permit.  
 ♦ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.  
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.  
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.

	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS		
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP		BPX	
Auto Rentals																	X						X	X	X		
Auto Supply Stores													X	X	X	X	X						X	X		X	
Bakery Shops													X	X	X	X	X	X								X	
Bakery—Commercial																						X					
Banks—Financial Institutions													X	X	X	X	X	X	X	X					X	X	
Barber and Beauty Colleges													X	X	X	X	X		X	X				X	X		
Bars (Drinking Establishments)																											
Bars													C	C	C	C	C	C									
Bars, with Limited Live Entertainment													C	C	C	C	C	C									
Boat Sales New and Used Including Repairs and Accessory Installation																	♦						X				
Boarding and Rooming Houses									X	X	X	X	X	X													
Bowling Alley													♦	♦	♦	X	X										
Building Material Sales																	♦										
With outdoor storage																	♦						X	X			
Building Material Storage Yards																							X				
Bus, Rail and Taxi Stations															♦		♦										

**Permitted Uses Table 9.02.020-1**

X - Indicates stated use is permitted subject to district requirements.  
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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS	
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP		BPX
Business Equipment Sales (includes repairs)													X	X	X	X	X	X	X						X	
Business Schools													X	X	X	X	X	X	X	X			X	X	X	
Business Supply Stores													X	X	X	X	X		X			X	X	X	X	
Cabinet Shop																						X	X	X	X	
Caretakers Residence <sup>1</sup>																♦	♦	C	♦	♦	♦	♦	♦	♦	♦	
Car Wash																X	X					X				
Accessory to auto related use																♦	♦					X				
Catering Service													X	X	X	X	X	X						X	X	
Cemetery (Human or Pet) With or Without Accessory Mortuary and Cremation Services (Minimum 10-acre site required)	C	C	C	C	C	C	C	C	C	C	C	C														
Churches <sup>2</sup>	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	C	♦	♦	♦	♦	♦	♦	♦	
Clubs													♦	♦	♦	♦	♦	♦	♦	♦	♦					C
Commercial Radio or Television Stations																										
With on-site antenna																	♦						♦	♦	♦	♦
Without on-site antenna																	X						X	X	X	X
Communications Facilities (See Section 9.09.040 of this title)																										
Computer Sales and													X	X	X	X	X		X			X	X	X	X	

**Permitted Uses Table 9.02.020-1**

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX

Repairs																											
Contractors Storage Yard																						X					
Convalescent Homes/Assisted Living							C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦						
Convenience Stores																											
With drive-through																X	X										
Without drive-through													X	X	X	X	X										
With alcohol sales													♦	♦	♦	♦	♦										
Convention Hall, Trade Show, Exhibit Building with Incidental Food Services															C		♦		♦		♦				♦	♦	
Copy Shops													X	X	X	X	X	X	X	X		X	X	X	X		
Country Club	C	C	C	C	C	C	C	C	C	C	C	C															
Dancing, Art, Music and Similar Schools													X	X	X	X	X	X	X	X			X	X	X		
Day Care Centers	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	♦	C
Delicatessens													X	X	X	X	X	X	X				X	X	X		
Diaper Supply Service																						X					
Laundry with fleet storage																						X					
Disposal company																						X					
Drapery Shops													X	X	X	X	X	X									
Dressmaking Shops													X	X	X	X	X	X									

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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	

Driving School													X	X	X	X	X		X	X				X	X	X	
Drug Stores													X	X	X	X	X	X									
Dry Cleaning or Laundry																											
a. Dry Cleaning													X	X	X	X	X	X	X							X	
b. Laundromat													X	X	X	X	X	X									
c. Laundry Commercial																						X	X				
Emergency Shelters <sup>14</sup>																	C		C	C	X	C			C		
Equestrian Centers, Riding Academies, Commercial Stables (including incidental sales of feed and tack)	C	C	C	C													♦										C
Exterminators																	C					X	X	X	X		
Farm Worker Housing									X	X	X	X															
Feed and Grain Stores																X	X	X									
Fire and Police Stations	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Floor Covering Stores (may include incidental repairs with installation service)													X	X	X	X	X										X
Fraternity/Sorority									C	C	C	C	C														
Frozen Food Locker																							X	X			

Attachment: Exhibit A - Permitted Uses Table (2210 : ORDINANCE REGULATING SMOKE SHOP USES

**Permitted Uses Table 9.02.020-1**

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	Residential Zones											Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	

Gasoline Dispensing - Non-retail accessory to an auto-related use																	X						X	X	X	X	
Glass Shops and Glass Studios—Stained, etc.																X	X						X	X		X	
Golf Courses or Golf Driving Ranges with Incidental Commercial Uses	C	C	C	C	C	C	C	C	C	C	C	C															♦
Handicapped Housing								X	X	X	X	X	X	X													
Heavy Equipment Sales and Rentals																	X							X	X		
Hospitals																	♦			♦	♦				C	C	C
Hotels																											
a. With 20% or less of the units containing kitchens													X	X	X		X		C					X	X	X	
b. With over 20% of the units containing kitchens													C	C	C		C		C					C	C	C	
Ice Cream Stores—Including Yogurt Sales													X	X	X	X	X	X	X						X		
Impound Yards																							X				
Jewelry Stores													X	X	X	X	X	X									
Kennel and Catteries	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C	C		♦	♦	♦	♦	C				

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Laboratories (medical and dental)													X	X	X	X	X		X	X		X	X	X	X		
Libraries	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X		X	X	X	X	
Liquor Stores													♦	♦		♦	♦										
Live/Work Unit (12)													X	X	X												
Locksmith Shops													X	X	X	X	X	X				X	X	X	X		
Lodge Halls and Similar Facilities													♦	♦	♦	♦	♦		♦					♦	♦		
Lumberyards																	X					X					
Mail Order House																	X					X	X	X	X		
Manufacturing and Assembly																											
a. Custom and light manufacturing indoor uses only (50,000 square feet or less), with light truck traffic, on-site and wholesaling of goods produced																						X	X	X	X		
b. Custom and light manufacturing indoor uses only (more than 50,000 square feet), with light truck traffic, on-site and wholesaling of goods produced																						X	X				

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 Exhibit A  
 Resolution No. 2017-XX  
 Date Adopted:

Attachment: Exhibit A - Permitted Uses Table (2210 : ORDINANCE REGULATING SMOKE SHOP USES



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	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones				OS	
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP		BPX
c. General manufacturing with frequent truck traffic and/or outdoor equipment or storage																						X	X			
d. Retail sales of goods produced or warehoused on-site <sup>3</sup>																						X	X	X	X	
Medical Clinics/Medical Care																										
Inpatient care													X	X	X	X	X		X	X		X	X	X	X	
Urgent care													X	X	X	X	X		X	X						
Medical device services and sales (retail), including, but not limited to, fittings for and sale of prosthetic and orthotic devices															X	X	X		X							
Medical equipment supply, including retail sales for in-home medical care, such as wheelchairs, walkers, and respiratory equipment															X	X	X		X							
Mobile Home Parks	C	C	C	C	C	C	C	C	C	C	C	C														

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Mobile Home Sales or Rentals (outdoor display)																	C										
Mortuaries																											
With cremation services																							X	X			
No cremation services			C	C	C	C	C	C	C	C	C				♦	♦	♦						X	X			
Museums	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Newspaper and Printing Shops												X	X	X	X	X						X	X	X	X		
Nightclubs													C	C		C											
Nursery, (Plant), Wholesale and Distribution	X	X	X	X																		X	X				X
Offices (administrative and professional)												X	X	X	X	X	X	X	X				X	X	X		
Open Air Theaters															C						C						C
Orphanages	C	C	C	C	C	C	C	C	C	C	C																
Painting Contractor																						X	X				
Parcel Delivery Terminals																						X	X	X	X		
Parking Lot															C	C	X	X	C					X			
Parks and Recreation Facilities (public)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Personal Services (e.g., nail salons, spa facilities <sup>15</sup> , barber and												X	X	X	X	X	X	X							X		

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beauty shops, and tattoo parlors)																												
Pharmacy <sup>4</sup>													X	X	X	X	X	X	X								X	
Photo Studios													X	X	X	X	X	X	X								X	
Plumbing Shops																	X										X	
Plumbing Supply Stores for Contractors																							X	X	X			
Pool Hall														♦		♦	♦											
Postal Services													X	X	X	X	X	X	X					X	X	X		
Pottery Sales with Outdoor Sales													X	X	X	X	X					X				X		
Public Administration, Buildings and Civic Centers													X	X	X	X	X	X	X	X	X	X	X	X	X	X		
Public Utility Stations, Yards, Wells and Similar Facilities, Excluding Offices	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦	♦	♦	♦	X	X	♦	♦		C	
Racetracks																	C				C							
Record Store													X	X	X	X	X	X										
Recording Studio													X	X	X	X	X	X	X	X		X	X	X	X			
Recreational Facilities (Private) such as Tennis Club, Polo Club, with Limited Associated Incidental Uses	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦	♦										

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Recycling, Large Collection Facility <sup>5</sup>																	♦						X	X			
Recycling, Small Collection Facility													X	X	X	X	X	X									
Recycling Processing Centers																							X	X	X	X	
Refreshment Stands													X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Rental Service																											
Within an enclosed structure (furniture, office, party supplies)													X	X	X	X	X	X					X	X	X	X	
With outdoor storage and display (vehicles, equipment, etc.)																	♦	♦					X	X			
Research and Development													X	X	X					X	X		X	X	X	X	
Residential																											
Single-Family	X	X	X	X	X	X	X	X																			
Multiple-Family									X	X	X	X	X	X	X												
Manufactured home park (see mobile home parks)																											
Residential Care Facility (for seven or more persons)	C	C	C	C	C	C	C	C	C	C	C	C	C	C	X												

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Restaurants (Eating and Drinking Establishments)																											
Without entertainment													X	X	X	X	X	X	X							X	
With Limited Live entertainment													X	X	X	X	X	X	X								
With alcoholic beverage sales													X	X	X	X	X	X	X							X	
With outdoor seating <sup>13</sup>													X	X	X	X	X	X	X							X	
Restaurants (fast-food)																											
With drive-through																♦	♦									♦	
Without drive-through													X	X	X	X	X									X	
Retails Sales													X	X	X	X	X										
Support Retail Sales													X	X	X				X							X	
Sandwich Shops <sup>6</sup>													X	X	X	X	X	X	X	X <sup>6</sup>							
Schools, Private	C	C	C	C	C	C	C	C	C	C	C	C	♦	♦	♦	♦	♦		♦	♦					♦	♦	
Senior Housing	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				X	X							
Shoe Shine Stands													X	X	X	X	X		X	X					X	X	
Shoe Repair Shop													X	X	X	X	X	X									
Sign Shop													X	X	X	X	X	X					X	X	X	X	
Single room occupancy (SRO) facility												C	C	C	C		X										
Skating Rinks														X			X										
Smoke Shops <sup>16</sup>																S	S	S	S								
Stationery Stores													X	X	X	X	X	X	X						X	X	

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Statue Shop -Outdoor display																	◆						X	X			
Storage Lots and Mini-Warehouses																											
Indoor																	C						X				
Outdoor																	C						X				
Swim Schools/Center with Incidental Commercial Uses	C	C	C	C	C	C	C	C	C	C	C	C					X										
Taxidermist																	X						X	X			
Theaters (excludes open air)													X	X	X	X	X	X									
Tire Recapping																							X				
Trade and Vocational Schools													X	X	X		X		X	X				X	X	X	
Transfer, Moving and Storage Facilities																							X	X			
Truck Wash																							X	X			
Upholstery Shops																	X						X	X		X	
Vehicle Storage Yards																											
Indoor																	X						X	X			
Outdoor																	C						X	X			
Vending Machine Service and Repair																							X	X	X	X	
Veterinarian (including																											

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animal hospital)																											
All activities within an enclosed structure													X	X	X	X	X								X	X	
With outdoor activities																	◆							◆	◆		
Weight Reduction Center													X	X	X	X	X	X	X								
Wholesale, Storage, and Distribution																											
All activities indoors (50,000 square feet or less)																							X	X	X	X	
All activities indoors (more than 50,000 square feet)																							X	X			
All activities outdoors																							X				
Retail sale of goods warehoused on-site <sup>7</sup>																						X	X	X			
Wrecking Yard																							◆				

Notes:

- (1) Do not consider residential use per distance requirement.
- (2) The administrative plot plan process may be used to establish these uses in an existing building within any commercial or industrial zone, even if the project is located adjacent to residential uses or zones.
- (3) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (4) Permitted in the OC and VOR districts only as a support medical office facility.

**Permitted Uses Table 9.02.020-1**

X - Indicates stated use is permitted subject to district requirements.  
 C - Indicates stated use is allowed with a conditional use permit.  
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.  
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.  
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.

	Residential Zones											Mixed Use Overlay			Commercial & Office Zones					Industrial Zones						
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9,11)	MUC (9,11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX	OS

- (5) Large collection facilities may be established within an existing building through the “tenant improvement” process if such building or tenant space occupied by the use is not located adjacent to a residential use or zone.
- (6) Sandwich shops shall not have cooking hoods, nor shall they exceed five percent of the gross floor area of the complex where they are located.
- (7) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (8) In the MUI district, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 300 feet in any direction from a street intersection, as measured from the corner formed by the lot’s property lines, and (b) are allowed, but not required on the other lots.
- (9) In the MUC and MUN districts, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 150 feet in any direction from a street intersection, as measured from the corner formed by the lot’s property lines, and (b) are allowed, but not required on the other lots.
- (10) See Section 9.07.40 (Medical Use Overlay District)
- (11) See Section 9.09.260 (Mixed Use Development)
- (12) See Section 9.09.250 (Live-Work Development)
- (13) See Section 9.09.270 (Outdoor Dining)
- (14) Use is also permitted in the Moreno Valley Industrial Area Plan (SP 208)
- (15) For Spa Facilities refer to Title 11, Chapter 11.96 of the Municipal Code.
- (16) See Section 9.09.280.C (Smoke Shops) for distance requirements that require a Conditional Use Permit.

Attachment: Exhibit A - Permitted Uses Table (2210 : ORDINANCE REGULATING SMOKE SHOP USES



**Permitted Uses Table 9.02.020-1**

X - Indicates stated use is permitted subject to district requirements.  
 C - Indicates stated use is allowed with a conditional use permit.  
 ♦ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.  
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.  
 S - Indicates a use is permitted, providing the requirements of 9.09.280 (Smoke Shops) of this title are met. A conditional use permit is required if dictated by the distance criteria.

	Residential Zones												Mixed Use Overlay			Commercial & Office Zones					Industrial Zones					
	HR	RR	R1	RA2	R2	R3	R5	RS10	R10	R15	R20	R30	MUN (9.11)	MUC (9.11)	MUI (8,10,11)	NC	CC	VC	OC	O	P	I	LI	BP	BPX	OS

**Zoning District Key**

HR	Hillside Residential District	MU	Mixed Use Overlay District
RR	Rural Residential District	MUN	Mixed-Use Neighborhood Overlay District
R1	Residential 1 District (40,000 square feet minimum lot size)	MUC	Mixed-Use Community Overlay District
RA2	Residential Agriculture 2 (20,000 square feet minimum lot size)	MUI	Mixed-Use Institutional Anchor Overlay District
R2	Residential 2 District (20,000 square feet minimum lot size)	NC	Neighborhood Commercial District
R3	Residential 3 District (10,000 square feet minimum lot size)	CC	Community Commercial District
R5	Residential 5 District (7,200 square feet minimum lot size)	VC	Village Commercial District
RS10	Residential Single-Family 10 District (4,500 square feet minimum lot size)	OC	Office Commercial District
R10	Residential 10 District (Up to 10 Dwelling Units per net acre)	O	Office District
R15	Residential 15 District (Up to 15 Dwelling Units per net acre)	P	Public District
R20	Residential 20 District (Up to 20 Dwelling Units per net acre)	I	Industrial District
R30	Residential 30 District (Up to 30 Dwelling Units per net acre)	LI	Light Industrial
		BP	Business Park District
		BPX	Business Park-Mixed Use District
		OS	Open Space District

Attachment: Exhibit A - Permitted Uses Table (2210 : ORDINANCE REGULATING SMOKE SHOP USES

## ORDINANCE NO. \_\_\_\_\_

**AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING THE MORENO VALLEY MUNICIPAL CODE TO AMEND SECTION 5.02.270(A) "SUSPENSION OR REVOCATION"; SECTION 5.04.090(A) "REVOCATION OF LICENSE"; SECTION 9.02.020 "PERMITTED USES"; SECTION 9.15.030 "DEFINITIONS", AND TO ADD SECTION 9.09.280 "SMOKE SHOPS", ALL PERTAINING TO THE CITYWIDE REGULATION OF SMOKE SHOPS**

**WHEREAS**, the City of Moreno Valley ("City") has a responsibility to plan and regulate the use of property within the City; and

**WHEREAS**, the City desires to maintain the quality of life and character of the City's neighborhoods in order to avoid negative consequences to property, social, and environmental values; and

**WHEREAS**, establishments that permit the smoking of tobacco or sell or display smoking, drug or tobacco paraphernalia may adversely affect the City's ability to attract and retain businesses and consumers to areas of the City necessary for its economic growth and vitality; and

**WHEREAS**, permitting the sale of smoking, drug, and/or tobacco paraphernalia without appropriate regulation may have an adverse impact to the health, safety, and welfare of the City and its residents; and

**WHEREAS**, this Ordinance proposes to accomplish two tasks: 1) declare it grounds for business license and/or tobacco retailer license revocation when any business sells drug paraphernalia, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use, as defined in this Ordinance; and

**WHEREAS**, in 2007, the City adopted Ordinance No. 752, codified as Moreno Valley Municipal Code ("MVMC") Chapter 5.04, "Licensure of Tobacco Retailers", which provides that it is a violation to sell tobacco products or paraphernalia in view of the public or to advertise such products for sale without a valid tobacco retailer's license; and

**WHEREAS**, a violation of any state drug paraphernalia law is grounds for business license revocation, pursuant to California Health & Safety Code section 11364.7(d); and

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Resolution No. 2017-XX  
Date Adopted:

**WHEREAS**, Chapter 5.04 of the MVMC currently does not expressly provide for business license revocation if the license holder violates state drug paraphernalia laws; and

**WHEREAS**, the amending MVMC Chapter 5.04 to include grounds for business license revocation based on violation of state drug paraphernalia laws will strengthen the City’s ability to combat the secondary effects of smoke shops; and

**WHEREAS**, the City seeks to regulate smoke shops as permitted and conditionally permitted uses to be allowed in the following zoning districts: 1) Community Commercial District, 2) Neighborhood Commercial District, 3) Village Commercial District, and 4) Office Commercial District; and

**WHEREAS**, this Ordinance shall also add Section 9.09.280 “Smoke Shops” as a land use to be regulated in order to further define special standards that shall apply to Smoke Shops; and

**WHEREAS**, this amendment of the MVMC is exempt from further environmental review pursuant to Section 15061 of the California Environmental Quality Act (CEQA) Guidelines; and

**WHEREAS**, on July 28, 2016 (Public Hearing) and September 9, 2016, (Continued Public Hearing) the Planning Commission considered the Smoke Shop Ordinance; and

**WHEREAS**, on September 9, 2016, the Planning Commission recommended the Smoke Shop Ordinance to the City Council; and

**WHEREAS**, on November 1, 2016, the City Council concluded the public hearing and considered this Ordinance; and

**WHEREAS**, all legal prerequisites to the adoption of this Ordinance have occurred

**NOW, THEREFORE, BE IT ORDAINED** by the City Council of the City of Moreno Valley as follows:

**Section 1. RECITALS**

That the above recitals are true and correct and are incorporated as though fully set forth herein.

**Section 2. Findings**

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Date Adopted:

Attachment: Smoke Shop Ordinance - Changes Highlighted (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

A. Based upon substantial evidence presented to this City Council during the hearing on this Ordinance, including but not limited to: written and oral City staff reports, testimony presented at the public hearing, and the record from the public hearing, this City Council finds as follows:

1. **Conformance with General Plan Policies** – The proposed Ordinance is consistent with the General Plan, and its goals, objectives, policies and programs.

**FACT:** The Ordinance would add language relating to the use of “smoke shops” and provide enforcement of regulations to ensure the health safety and welfare of the residents, businesses, visitors and other stakeholders in the City. The Ordinance would: 1) amend the Municipal Code to include drug paraphernalia offenses as grounds for business and tobacco retailer license revocation, and 2) adopt new zoning restrictions for smoke shops providing language and standards for smoke shop uses including, but not limited to, definition of the use, distance requirements for buffering of the use, and standards to permit smoke shop uses as a permitted or conditionally permitted use in the Community Commercial (CC) District, Neighborhood Commercial (NC) District, Village Commercial (VC) District and Office Commercial (OC) District. The proposed Ordinance is consistent with, and does not conflict with any existing goals, objectives, policies, and programs established within the General Plan.

2. **Health, Safety and Welfare** – The proposed Ordinance will not be detrimental to the public health, safety or general welfare

**FACT:** The sale of drug paraphernalia is prohibited under State law. However, State law allows local jurisdictions to declare it grounds for license revocation for businesses that illegally sell drug paraphernalia. This Ordinance provides grounds for business license revocation of a business and or a tobacco license if violations of drug paraphernalia are found. Providing for the revocation of a business and or a tobacco license if violations of drug paraphernalia are found promotes the general health, safety and welfare of the City.

In addition, this Ordinance specifies the zoning districts and sets development standards related to Smoke Shops.

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Regulating Smoke Shops will promote the betterment of the City's health, safety, and welfare.

The proposed Ordinance would not be detrimental to the public health, safety or general welfare of the community. The addition of language relating to the definition and use of "smoke shops", the establishment of clear and specific zoning regulations, and establishment of development standards that enable proper enforcement of regulations for the use would ensure the health, safety and welfare of the City residents, business, visitors and other stakeholders.

3. **Conformance with Municipal Code Regulations** – The proposed Ordinance is consistent with the purposes and intent of this title.

**FACT:** The proposed Ordinance is consistent with the purposes and intent of both Title 9 and Title 5 of the City of Moreno Valley Municipal Code. Title 9, currently permits smoke shop uses in all commercial land use zones. The proposed Ordinance sets forth regulations to limit smoke shops as permitted or conditionally permitted uses in the Community Commercial (CC) Neighborhood Commercial (NC), Village Commercial (VC) and Office Commercial (OC) zoning districts. The amended language provides a clear definition of smoke shops, which can enable proper enforcement of this land use. The addition of Section 9.09.280 "Smoke Shops" establishes clear, specific and proper zoning and development standards that shall apply to smoke shops Furthermore, Title 5, Chapters 5.02 and 5.04 of the MVMC currently does not expressly provide criteria for business license revocation tied to violations of drug paraphernalia laws. The Ordinance includes grounds for license revocation if the license holder violates drug paraphernalia laws, which strengthens the City's enforcement powers to combat the potential adverse undesirable community impacts of smoke shops.

**Section 3. AMENDMENT TO TITLE 5, CHAPTER 5.02, SECTION 5.02.270(A) "SUSPENSION OR REVOCATION" OF THE MORENO VALLEY MUNICIPAL CODE.**

That Section 5.02.270(A) of the City of Moreno Valley Municipal Code ("MVMC") shall be amended to read as follows:

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Date Adopted:

5.02.270 Suspension or revocation.

A. The business license officer shall have the power to suspend or revoke any business license issued hereunder whenever it appears to the business license officer that the holder of the license:

1. Has violated any provision of this chapter, or any rule or regulation adopted pursuant hereto; or
2. Commits any act or offense which would have constituted grounds hereunder to deny the issuance or renewal of a business license; or
3. Failure to make lawful payment of a fee, tax, charge, penalty or interest due under this chapter.

**4. Has been convicted including a plea of “no contest” or its equivalent, of any federal, state, or local drug paraphernalia offense, as “drug paraphernalia” is defined in Health and Safety Code Section 11364.5, and as may be amended.**

**Section 4. AMENDMENT TO TITLE 5, CHAPTER 5.04, SECTION 5.04.090(A) “REVOCATION OF LICENSE” OF THE MORENO VALLEY MUNICIPAL CODE.**

That Section 5.04.090(A) of the MVMC shall be amended to read as follows:

A. Revocation of License for Violation.

1. In addition to any other penalty authorized by law, a tobacco retailer’s license shall be revoked if the City or the county of Riverside hearing officer, if so designated by the city manager, finds, after the licensee is afforded notice and an opportunity to be heard, that the licensee, including his or her agents or employees, has violated any of the requirements, conditions or prohibitions of this chapter, or in a different legal proceeding has pleaded guilty, “no contest” or an equivalent, or admitted to a violation of any law designated in Section 5.04.080(A) (hereinafter “license violation”).

2. For a first or second alleged license violation within any sixty (60) month period, the city or its designee may engage in settlement negotiations in lieu of a hearing and may enter into a settlement agreement with a tobacco retailer alleged to have violated this chapter. Settlements shall not be confidential and shall contain the following minimum terms:

- a. After a first alleged violation of this chapter at a location or business

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Resolution No. 2017-XX

Date Adopted:

within any sixty (60) month period:

- i. An agreement to stop acting as a tobacco retailer for at least one day;
  - ii. A settlement payment of at least one thousand dollars (\$1000.00); and
  - iii. An admission that the violation occurred and a stipulation that the violation will be counted when considering what penalty will be assessed for any future violations.
- b. After a second alleged violation of this chapter at a location or business within any sixty (60) month period:
- i. An agreement to stop acting as a tobacco retailer for at least ten (10) days;
  - ii. A settlement payment of at least five thousand dollars (\$5000.00); and
  - iii. An admission that the violation occurred and a stipulation that the violation will be counted when considering what penalty will be assessed for any future violations.

**3. A tobacco retailer's license shall be revoked if the City or the county of Riverside hearing officer, if so designated by the city manager, finds, after the licensee is afforded notice and an opportunity to be heard, that the licensee, including his or her agents or employees, has been convicted, including a plea of "no contest" or its equivalent, of any federal, state, or local drug paraphernalia offense, as "drug paraphernalia" as defined in Health and Safety Code Section 11364.5 as may be amended.**

**Section 5. AMENDMENT TO TITLE 9, CHAPTER 9.02, SECTION 9.02.020 "PERMITTED USES" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE.**

That Section 9.02.020, Table 9.02.020-1 of the MVMC, which is attached hereto as Exhibit "A," shall be amended to add "Smoke Shops" as a category that shall be permitted or conditionally permitted in the: 1) Community Commercial District; 2) Neighborhood Commercial District; 3) Village Commercial District; and 4) Office Commercial District, subject to Section 9.09.280(B) and (C) of the MVMC.

**Section 6. AMENDMENT TO TITLE 9, CHAPTER 9.15, SECTION 9.15.030 "DEFINITIONS" OF THE CITY OF MORENO VALLEY MUNICIPAL CODE.**

That Section 9.15.030 "Definitions" of the MVMC shall be amended to add the following definition:

**"Smoke Shop" shall mean a retail establishment, commonly known**

as a smoking shop, smoking lounge, vape shop, hookah bar, cigar bar, cigar shop, or headshop, which provides or sells products intended or designed for use in ingesting, inhaling, or otherwise introducing tobacco into the human body, including but not limited to tobacco products, electronic cigarettes which contain nicotine and emit smoke or vapor, smoking accessories, including but not limited to rolling papers, rolling machines, herb grinders, scales, glass pipes, hookah pipes, bong, bubblers, or other paraphernalia.

**Section 7. AMENDMENT TO TITLE 9, CHAPTER 9.09, ADDING SECTION 9.09.280 "SMOKE SHOPS" TO THE MORENO VALLEY MUNICIPAL CODE.**

That Section 9.09.280 shall be added to the MVMC as follows:

**9.09.280 Smoke Shops**

**A. Purpose and Intent. This section is intended to protect the public health, safety and welfare by ensuring that Smoke Shops, as defined in Section 9.15.030 of Chapter 9.15 of this Code, do not create an adverse impact on adjacent properties or surrounding neighborhoods by reason of potential for incompatible secondary effects, insufficient on-site customer and employee parking, traffic generation, visual blight, bright lights, noise, or fumes. The following special standards shall apply to Smoke Shops.**

**B. Permitted Use.**

**Except as provided in subsection 9.28.280(C) below, Smoke Shops are permitted in the: 1) Community Commercial District; 2) Neighborhood Commercial District; 3) Village Commercial District; and 4) Office Commercial District, subject to the following location and distance requirements:**

- 1. No Smoke Shop shall be located within 600 feet of any other Smoke Shop.**
- 2. No Smoke Shop shall be located within 200 feet of any parcel of land that contains one or more of the following specific land uses:**
  - a. Churches with no day care component;**
  - b. Arcades, bowling alleys, skating rinks, amusement parks, race tracks, or fair grounds.**
- 3. No Smoke Shop shall be located within 400 feet of any parcel of land that contains one or more of the following specific land uses:**

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- a. Institutions of higher education, including community or junior colleges, colleges, and universities;
  - b. Vocational training facilities.
4. No Smoke Shop shall be located within 600 feet of any parcel of land that contains one or more of the following specific land uses:
- a. Adult businesses;
  - b. Emergency shelters;
  - c. Rehabilitation centers;
  - d. Civic Centers/Public Government facilities, including libraries, recreation centers, senior centers, employment resource centers, youth resource centers;
  - e. Residential care facilities operating as sober living facilities.
5. Distance, without regard to intervening structures, shall be:
- a. A straight line measured from the closest exterior structural wall of any two Smoke Shops; and
  - b. A straight line measured from the closest exterior structural wall of a Smoke Shop to the closest property line of any of the specific land uses listed above.

**C. Conditional Use Permit Required.**

Smoke Shops that are located within 600 feet of any of the following uses shall require approval of a conditional use permit pursuant to Title 9, Chapter 9.02, Section 9.02.020 of this Code:

- a. Public or Private Schools (K-12);
- b. Churches with a day care component;
- c. Childcare/Daycare facilities, including large family day care facilities;
- d. Public parks;
- e. Nonprofit youth facilities (i.e. The Boys and Girls Club).

Smoke Shops that are located within 300 feet of any of the following uses shall require approval of a conditional use permit pursuant to Title 9, Chapter 9.02, Section 09.02.020 of this Code:

- a. Residential zones or uses, including but not limited to mobile home parks, single-room occupancy facilities (SROs), and orphanages.

**D. Parking.**

Parking for Smoke Shops shall be the same as the parking

**requirements and restrictions for off-street parking that pertains to eating and drinking establishments as described in Table 9.11.040B-12 of this Code.**

**E. Lighting.**

**All lighting shall comply with the provisions of Section 9.08.100 of this Title.**

**F. Waste and Storage and Disposal.**

**Waste, storage, and disposal of all tobacco products shall meet all applicable state and local health regulations.**

**G. Air Quality.**

**1. All ventilating equipment shall be directed to top story exhaust vents which face away from adjacent properties.**

**2. Required exhaust systems shall be equipped with appropriate and reasonably available control technology to minimize or eliminate noxious smoke or pollutants which would otherwise be emitted.**

**H. First In Time.**

**Should a land use mentioned in subsection B hereinabove be appropriately approved through established City regulations and locate within the distance requirement of a lawfully operating Smoke Shop, such subsequently located land use will not make the existing Smoke Shop legal nonconforming. Instead, the lawfully operating Smoke Shop will be considered a legal use not subject to Section 9.02.180 of the Moreno Valley Municipal Code.**

**Section 8. SEVERABILITY**

The City Council declares that, should any provision, section, paragraph, sentence or word of this ordinance 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 ordinance as hereby adopted shall remain in full force and effect.

**Section 9. REPEAL OF CONFLICTING PROVISIONS**

All the provisions of the Municipal Code as heretofore adopted by the City of Moreno Valley that are in conflict with the provisions of this ordinance are hereby repealed.

**Section 10. EFFECTIVE DATE**

This ordinance shall take effect thirty (30) days after its second reading.

**Section 11. CERTIFICATION**

The City Clerk shall certify to the passage of this ordinance and shall cause the same to be published according to law.

Approved and Adopted this 1<sup>st</sup> day of November, 2016

\_\_\_\_\_  
Mayor of the City of Moreno Valley

**ATTEST:**

\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

\_\_\_\_\_  
City Attorney

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Resolution No. 2017-XX  
Date Adopted:

Attachment: Smoke Shop Ordinance - Changes Highlighted (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

**ORDINANCE 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 Ordinance No. 2016-\_\_\_\_ was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 1st day of November, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

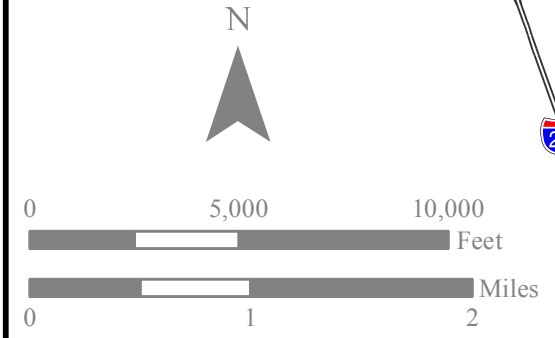
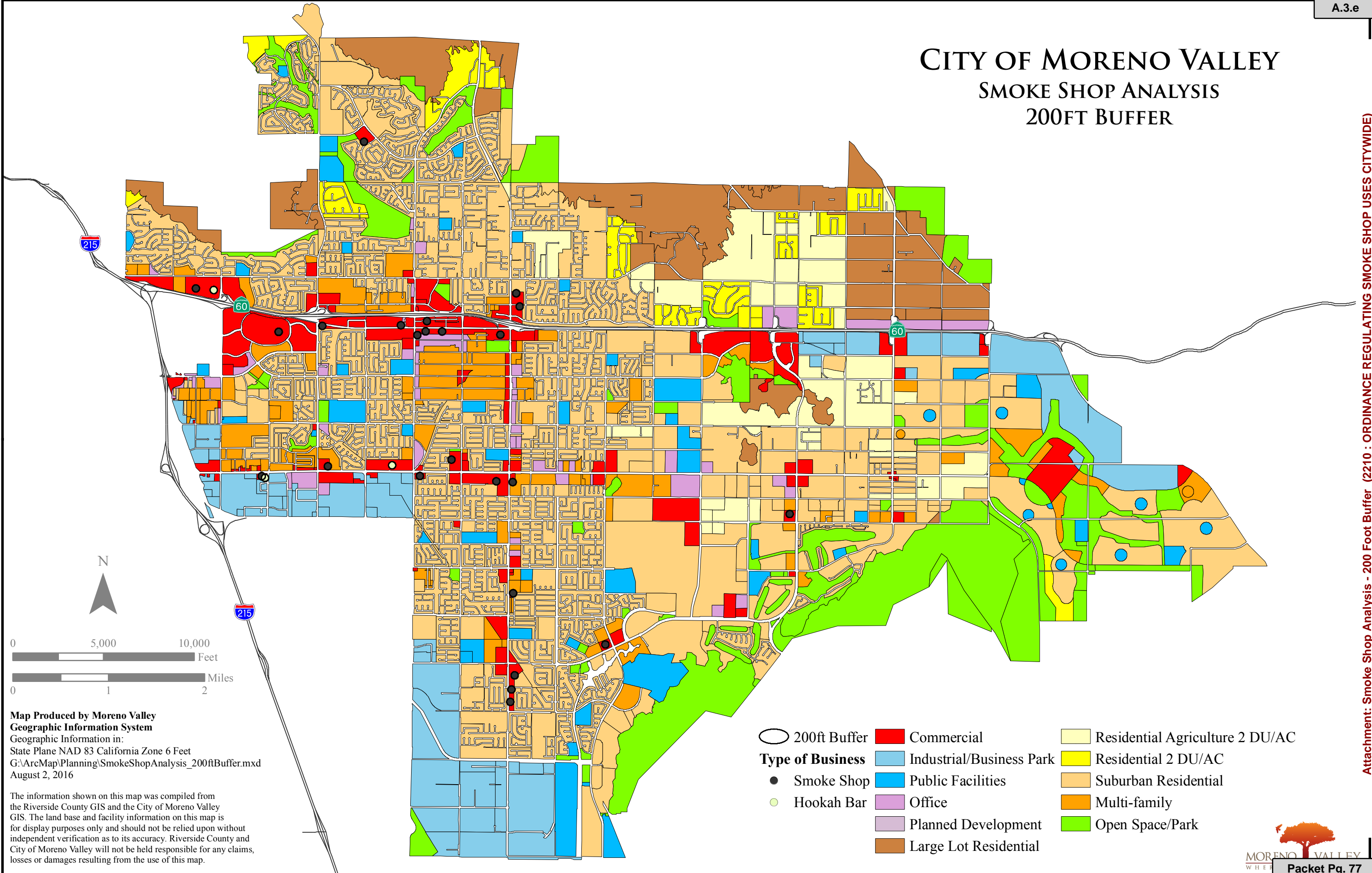
(Council Members, Mayor Pro Tem and Mayor)

\_\_\_\_\_  
CITY CLERK

(SEAL)

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Resolution No. 2017-XX  
Date Adopted:

# CITY OF MORENO VALLEY SMOKE SHOP ANALYSIS 200FT BUFFER



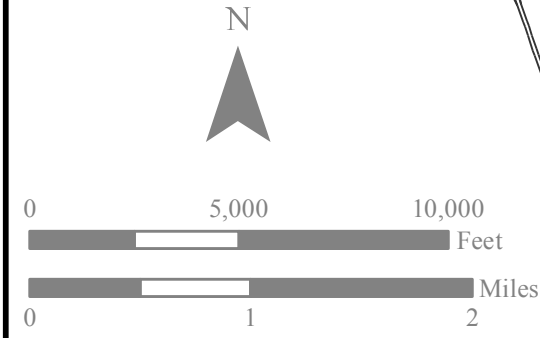
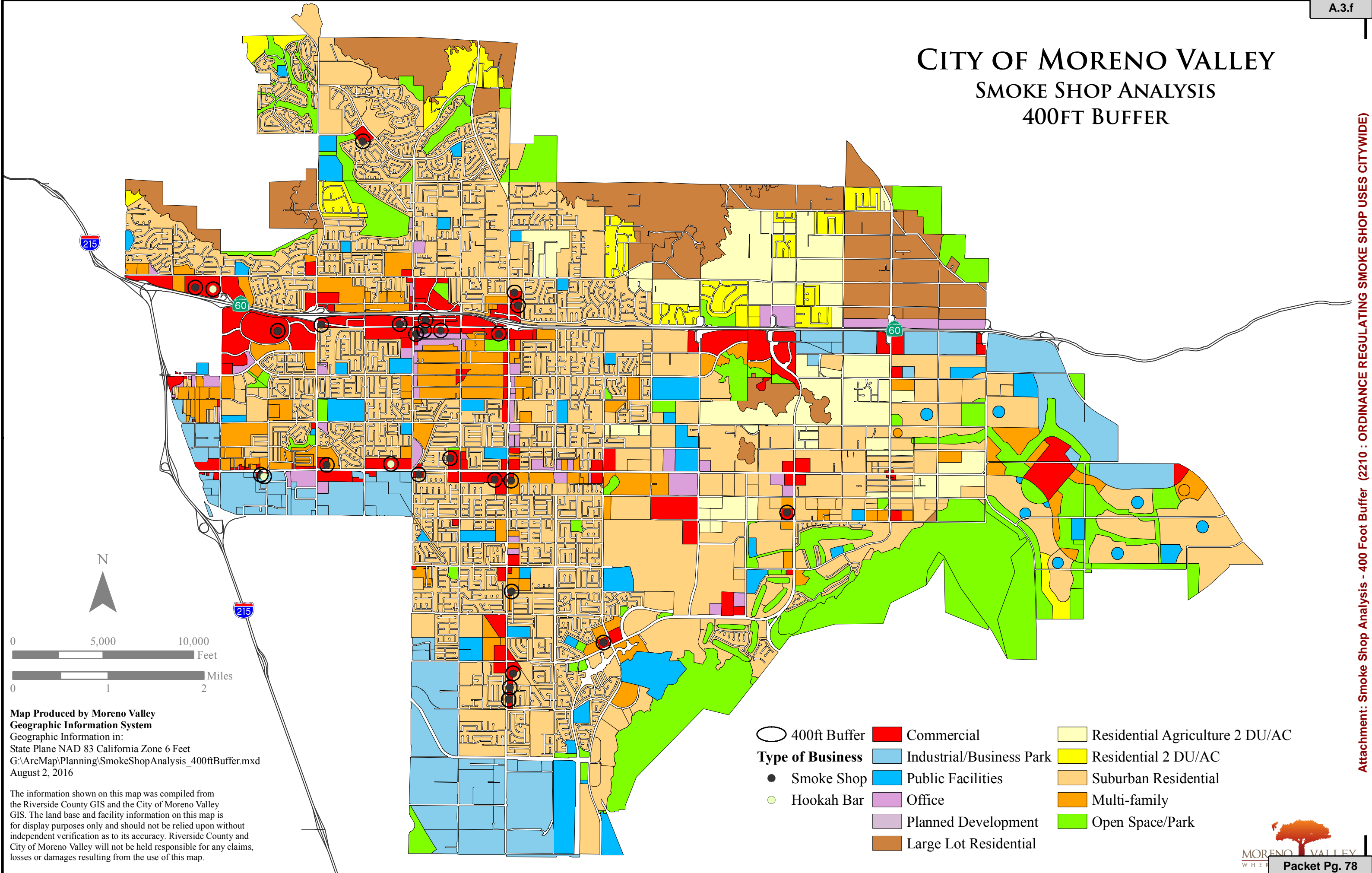
**Map Produced by Moreno Valley Geographic Information System**  
 Geographic Information in:  
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 August 2, 2016

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. 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.

- |                         |                          |                                 |
|-------------------------|--------------------------|---------------------------------|
| ○ 200ft Buffer          | Commercial               | Residential Agriculture 2 DU/AC |
| <b>Type of Business</b> | Industrial/Business Park | Residential 2 DU/AC             |
| ● Smoke Shop            | Public Facilities        | Suburban Residential            |
| ○ Hookah Bar            | Office                   | Multi-family                    |
|                         | Planned Development      | Open Space/Park                 |
|                         | Large Lot Residential    |                                 |

Attachment: Smoke Shop Analysis - 200 Foot Buffer (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

# CITY OF MORENO VALLEY SMOKE SHOP ANALYSIS 400FT BUFFER



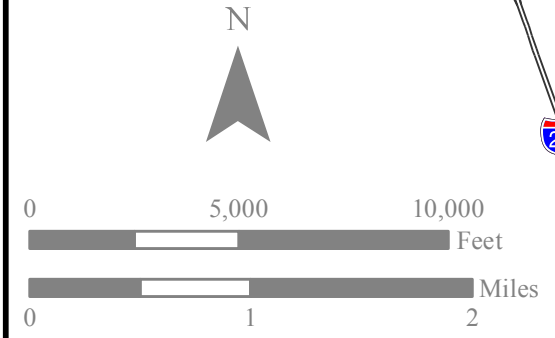
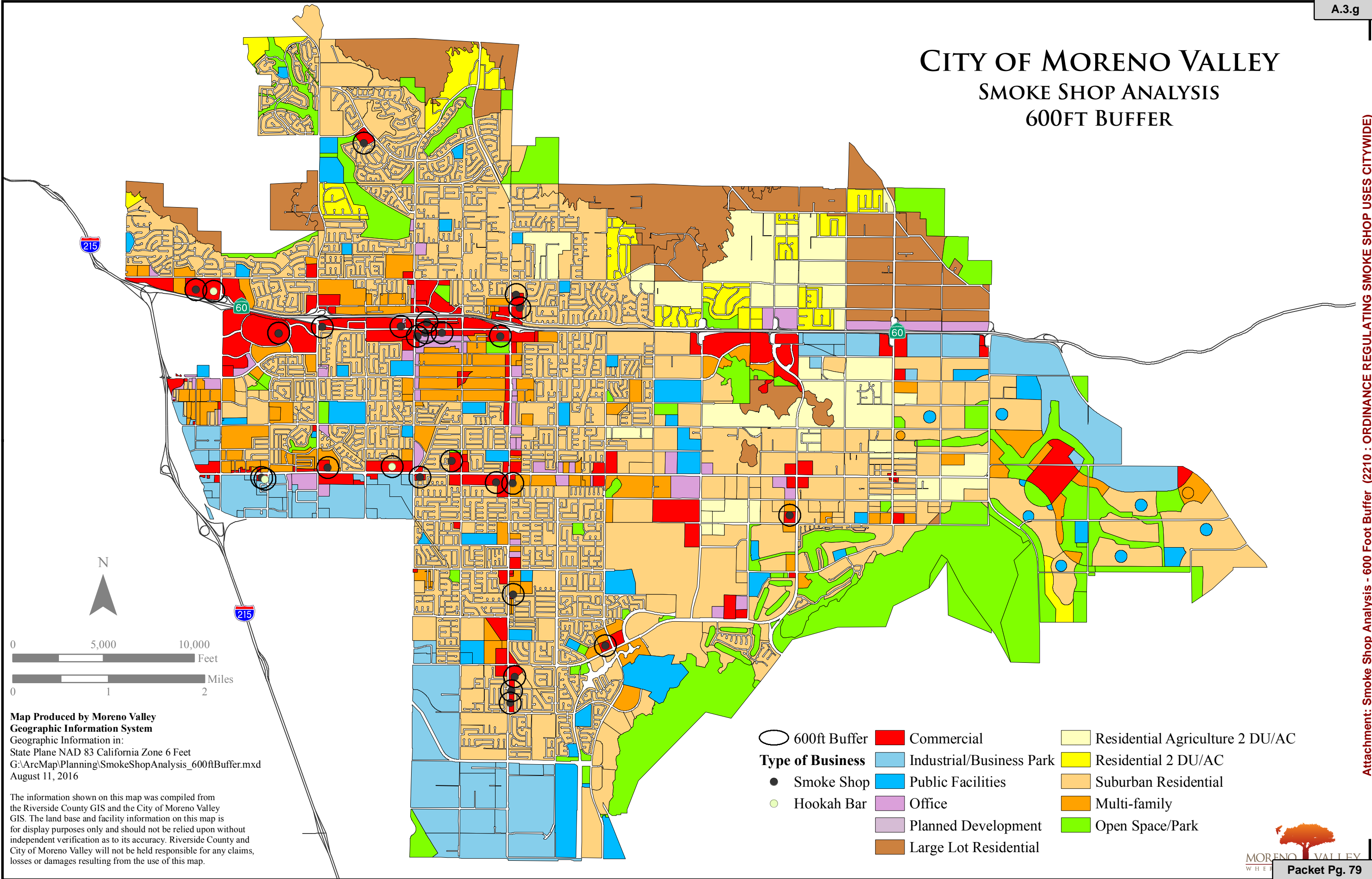
**Map Produced by Moreno Valley Geographic Information System**  
 Geographic Information in:  
 State Plane NAD 83 California Zone 6 Feet  
 G:\ArcMap\Planning\SmokeShopAnalysis\_400ftBuffer.mxd  
 August 2, 2016

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- |                         |                          |                                 |
|-------------------------|--------------------------|---------------------------------|
| ○ 400ft Buffer          | Commercial               | Residential Agriculture 2 DU/AC |
| <b>Type of Business</b> | Industrial/Business Park | Residential 2 DU/AC             |
| ● Smoke Shop            | Public Facilities        | Suburban Residential            |
| ○ Hookah Bar            | Office                   | Multi-family                    |
|                         | Planned Development      | Open Space/Park                 |
|                         | Large Lot Residential    |                                 |

Attachment: Smoke Shop Analysis - 400 Foot Buffer (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)

# CITY OF MORENO VALLEY SMOKE SHOP ANALYSIS 600FT BUFFER

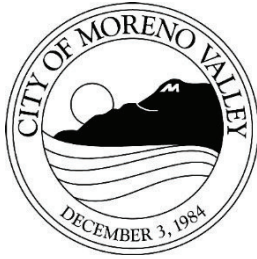


**Map Produced by Moreno Valley Geographic Information System**  
 Geographic Information in:  
 State Plane NAD 83 California Zone 6 Feet  
 G:\ArcMap\Planning\SmokeShopAnalysis\_600ftBuffer.mxd  
 August 11, 2016

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. 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.

- |                         |                          |                                 |
|-------------------------|--------------------------|---------------------------------|
| ○ 600ft Buffer          | Commercial               | Residential Agriculture 2 DU/AC |
| <b>Type of Business</b> | Industrial/Business Park | Residential 2 DU/AC             |
| ● Smoke Shop            | Public Facilities        | Suburban Residential            |
| ○ Hookah Bar            | Office                   | Multi-family                    |
|                         | Planned Development      | Open Space/Park                 |
|                         | Large Lot Residential    |                                 |

Attachment: Smoke Shop Analysis - 600 Foot Buffer (2210 : ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE)



## PLANNING COMMISSION

### STAFF REPORT

Meeting Date: September 8, 2016

CONTINUED ITEM - ORDINANCE REGULATING SMOKE SHOP USES CITYWIDE

Case: PA16-0025 (Smoke Shop Ordinance)

Applicant: City of Moreno Valley

Owner: N/A

Representative: N/A

Location: Citywide

Case Planner: Mark Gross

Council District: All Districts

#### **SUMMARY**

The proposed Ordinance would amend Titles 5 and 9 of the Municipal Code relating to the use of “smoke shops” and provide enforcement of regulations to ensure the health safety and welfare of the residents, businesses, visitors and other stakeholders in the City (the “Ordinance”). The Ordinance proposes to accomplish two tasks: 1) declare it grounds for business license and/or tobacco retailer license revocation when any business sells “drug paraphernalia”, as allowed pursuant to Health and Safety Code Section 11364.5, and 2) regulate smoke shops as a land use. The item was continued from the July 28, 2016 Planning Commission (“Commission”) meeting to review and modify specific sections of the proposed Smoke Shop Ordinance.

#### **PROJECT DESCRIPTION**

##### **Background**

The Ordinance was initiated by the City Council, with guidance from the Public Safety



Subcommittee (PSSC), who requested review and input on how the City can control and restrict the sale of drug paraphernalia and other illegal substances from smoke shops. Although the sale and regulation of drug paraphernalia is regulated by State law (Health and Safety Code Sections 11364-11364.7), there remains concern that such activity has great potential for negative community impacts. With appropriate local land use, regulatory, licensing and enforcement controls, the potential negative effects on the community can be minimized and/or avoided.

The following two strategies were forwarded by the PSSC to the Commission:

- Amend the Moreno Valley Municipal Code to include drug paraphernalia offenses as grounds for business and tobacco retailer license revocation
- Adopt an ordinance adding new zoning restrictions for smoke shops, as defined, including the requirement of a conditional use permit.

Staff is proposing language in Title 5 that would allow the City to revoke a business and/or a tobacco license if violations of drug paraphernalia are found. Amending Moreno Valley Municipal Code Chapter 5.04 to include grounds for license revocation would further strengthen the City's ability to apprehend offenders.

Pursuant to language within the current Moreno Valley Municipal Code, "smoke shops" are permitted as a matter of right in various commercial zones. There are currently twenty-eight (28) smoke shops established within the City.

On July 28, 2016, the Commission reviewed the proposed Smoke Shop Ordinance as suggested by the PSSC and staff. In addition to receiving public comments, Commissioners offered comments and suggested revisions to the Ordinance. To allow additional time for staff to prepare revisions to the Ordinance, the Commission recommended by a unanimous vote of 7-0 that the item be continued to the Commission meeting of September 8, 2016.

### **Project**

#### **1. Amend the Moreno Valley Municipal Code to include drug paraphernalia offenses as grounds for business and tobacco retailer license revocation**

In 2007, Moreno Valley adopted its own tobacco retailer licensing law: Ordinance No. 752, which is codified as Moreno Valley Municipal Code Chapter 5.04. Under the City's current Moreno Valley Municipal Code, it is a violation to sell tobacco products and paraphernalia in view of the public or to advertise such products for sale at the location without a valid tobacco retailer's license. A violation of any local, state or federal tobacco-related law is grounds for licensing revocation.

However, the current Moreno Valley Municipal Code language under Chapter 5.04 does not expressly provide for tobacco license revocation if the license holder violates drug paraphernalia laws. Such revocation is permissible pursuant to Health & Safety Code

section 11364.7(d), which provides that a violation of Section 11364.7 (illegal sale of drug paraphernalia by a holder of a city business license) is grounds for revocation of that license if the offense occurred in the course of the licensee's business. Amending Moreno Valley Municipal Code Chapter 5.04 to include these grounds for license revocation would further strengthen the City's ability to stop offenders.

In addition to Chapter 5.04 specifically related to Tobacco Licenses, the proposed Ordinance makes selling drug paraphernalia pursuant to Health and Safety Code Section 11364.5 and 11364.7 grounds for business license revocation for any business, not just tobacco retailers, pursuant to Moreno Valley Municipal Code Chapter 5.02

At the July 28, 2106 meeting, the Commission agreed to the proposed ordinance language regarding Title 5, which includes allowances where the City can revoke a business and or a tobacco license if violations of drug paraphernalia are found.

**2. Adopt an ordinance adding new zoning restrictions for smoke shops, as defined, including the requirement of a conditional use permit.**

The Commission recommended that staff review certain sections of the Ordinance included within Title 9 and provide modifications as warranted. The overall consensus of the Commission at their July 28, 2016 meeting was that the Ordinance as proposed was too restrictive. In summary, the Commission had concerns regarding a) language defining a smoke shop, b) allowing a non-conforming smoke shop to reestablish if closed, c) regulation of smoke shops consistent with alcohol uses, d) the requirement of a Conditional Use Permit (CUP) to establish new smoke shop uses, e) establishing first in-time rights for smoke shops and buffer uses, and f) distancing requirements between smoke shop uses and other sensitive land uses.

The following provides a detailed analysis of the Commission's concerns and the proposed modifications made to the Ordinance under newly established Section 9.09.280 "Smoke Shops" of the Municipal Code, (specific language is included in the attached resolution):

**a. Consider modifying the definition of a smoke shop that includes 30% of floor area containing tobacco products**

The Commission expressed concerns regarding the proposed definitions of a Smoke Shop. In particular, the concern was that the proposed definition was too broad, as it could have arguably included plant nurseries and/or garden shops of major retailers, housewares sales, or gas stations with small kiosks. In other words, a gas station with a small kiosk could have met the 30% floor area requirement of the proposed definition of Smoke Shop, thereby requiring these kinds of gas stations to obtain a Conditional Use Permit (CUP) to operate the use. This would have been an unintended consequence, and not comport with the intent of the Ordinance. Staff has removed the

percentage of floor space that previously defined a smoke shop use and has modified the definition as follows:

“Smoke Shop” shall mean a retail establishment, commonly known as a smoking shop, smoking lounge, vape shop, hookah bar, cigar bar, cigar shop, or headshop, which provides or sells products intended or designed for use in ingesting, inhaling, or otherwise introducing tobacco into the human body, including but not limited to tobacco products, electronic cigarettes which contain nicotine and emit smoke or vapor, smoking accessories, including but not limited to rolling papers, rolling machines, herb grinders, scales, glass pipes, hookah pipes, bong, bubblers, or other paraphernalia.

**b. Allow businesses to sell and reestablish at the same site through ownership changes**

Concerns were raised regarding legal non-conforming smoke shop uses not being able to reestablish if a business is closed or ownership is transferred. Accordingly, Staff has eliminated the proposed language. Therefore, the existing Section 9.02.180 regulating nonconforming uses will apply equally to smoke shops. It should be noted, though, that existing Section 9.02.180(D) would still prohibit the re-establishment of non-conforming uses that have been discontinued for one year or more.

Smoke shop uses are currently permitted in a majority of our commercially zoned districts, without a CUP. Land uses such as liquor stores and convenience stores that sell alcohol are a permitted use in the Community Commercial (CC), Neighborhood Commercial (NC), and the Mixed Use Commercial (MUC) zoned districts, unless they are within 300 feet of a residential zone or use in which case they become a conditionally permitted use. Restaurant uses serving alcohol are permitted in all zones included above as well as the Office Commercial (OC), Business Park Mixed Use (BPX), and Village Commercial (VC) zones.

In addition to allowing smoke shop uses in the CC zoning district as was proposed with the original language, the Ordinance has been modified to allow smoke shops as a permitted or conditionally permitted use in the NC, OC and VC zoning districts. The Ordinance has been modified to more closely represent Municipal Code regulations of liquor stores and convenience stores and the retail sale of liquor in restaurants, while also prohibiting smoke shops to establish in mixed use zones where residential uses exist.

**d. Smoke Shop regulations should not be overly restrictive by requiring a Conditional Use Permit (CUP) for all uses.**

Language within the Ordinance provided at the July 28th Commission meeting limited smoke shop uses to the CC zoning district with the requirement of a Conditional Use

Permit (CUP), regardless of where the use was located or if located in close proximity to an existing residential use or zone. Based on the Commission's concerns that the Ordinance may be too restrictive, staff has provided the following revisions: A CUP for a smoke shop is required if: 1) the smoke shop is located within 300 feet from any residential zone or use, or 2) the smoke shop is located within 600 feet from a public/private school, church, childcare/day care, a public park and non-profit youth facilities. The Ordinance mirrors the Alcohol Beverage Control (ABC) requirements for approval of alcohol licenses, which provides that alcohol licenses can be denied if establishments are located within 600 feet from schools, public playgrounds or non-profit youth facilities.

**e. Consider establishing “first in time” rights between existing smoke shop uses and buffer restricted uses that are located within the distance requirements.**

Language has been included within the proposed ordinance to provide first in time rights for lawfully operating smoke shops. If any of the more sensitive buffer uses established under newly proposed Section 9.09.280 “Smoke Shops” of the Municipal Code locate within the distance buffers to an existing smoke shop use, the smoke shop will have “first in” rights which will allow the existing business to remain a legal use. The new language reads as follows:

H. First In Time.

Should a land use mentioned in subsection B hereinabove be appropriately approved through established City regulations and locate within the distance requirement of a lawfully operating Smoke Shop, such subsequently located land use will not make the existing Smoke Shop legal nonconforming. Instead, the lawfully operating Smoke Shop will be considered a legal use not subject to Section 9.02.180 of the Moreno Valley Municipal Code.

**f. Determine if all Smoke Shop uses are current on their business licenses**

Business licenses information was obtained by the City of Moreno Valley Treasury Operations Division. All 28 smoke shop uses are current on their business license applications.

**g. Consider reducing distancing requirements to minimize potential non-conformities**

Commissioners had concerns that the distance buffer requirements from smoke shops to other uses created too many legal non-conforming smoke shops. In other words, the distance buffer requirements were too restrictive as to smoke shops. Previous language proposed within the Ordinance provided a) 500 foot buffer restrictions between smoke

shop use to smoke shop use and b) 500, 750 and 1000 foot buffer restrictions between a smoke shop and other sensitive land uses such as a residential use/zone, childcare/daycare use or public/private schools. If these distance requirements are used, a majority of the existing smoke shop uses would become legal non-conforming.

Accordingly, the proposed revised Ordinance offers reduced buffer distance criteria of 200, 400 and 600 feet from certain uses. For example, the proposed buffer distance from a smoke shop to another smoke shop has been reduced from 750 feet to 600 feet, a smoke shop use to a college, university and vocation training facility reduced from 750 feet to 400 feet and a smoke shop use to a church without a daycare component reduced from 500 feet to 200 feet. In addition, the 500 foot buffer restriction between a smoke shop use and a residential use or zone has been removed from the proposed Ordinance. That said, the proposed Ordinance now requires that a smoke shop obtain a CUP if it is located within 300 feet of a residential use or zone consistent with alcohol related land uses as discussed previously. With the removal of the 500 foot residential buffer requirement, existing smoke shops would remain a legal use if not located 600 feet from another smoke shop or 200, 400 or 600 feet from other sensitive land uses as provided for in the newly created Section 9.09.280 "Smoke Shops". Based on the revised buffer criteria established between smoke shop uses, approximately 14 of the 28 existing smoke shops would remain as legal land uses.

### **ENVIRONMENTAL**

The proposed Municipal Code Amendment (PA16-0025 – Smoke Shop Amendment) is exempt from the California Environmental Quality Act (CEQA) pursuant to Section 15061 of the CEQA Guidelines. In the case of the proposed Smoke Shop Ordinance and amendments included in the Municipal Code, there is no possibility that the activity would create the potential for a significant impact upon the environment.

### **NOTIFICATION**

Public notice was properly provided for this amendment prior to the meeting of July 28, 2016. A 1/8 page public hearing notice for this code amendment was published in the local newspaper on July 15, 2016. In addition, individual notices were provided to all twenty-eight (28) existing smoke shop tenants on record with an active business license as well as to existing property owners where smoke shop uses have been established.

As the item was continued by the Planning Commission on July 28, 2016 to a date specific timeframe (September 8, 2016 Planning Commission meeting), additional public notification was not warranted.

### **STAFF RECOMMENDATION**

Staff recommends that the Planning Commission **APPROVE** Resolution No. 2016-18, and thereby:

1. **CERTIFY** that the proposed Ordinance [(amendment to the Municipal Code (PA16-0025)] qualifies as an exception in accordance with Section 15061 of the California Environmental Quality Act (CEQA) Guidelines, and
2. **RECOMMEND APPROVAL** of PA16-0025 to the City Council for the amendment of the City of Moreno Valley Municipal Code to modify Titles 5 and 9, including modification in the Permitted Uses Table attached as Exhibit A, related to the citywide regulation of Smoke Shop uses.

Prepared by:  
Mark Gross  
Senior Planner

Approved by:  
Allen Brock  
Community Development Director

### **ATTACHMENTS**

1. PC Resolution and Exhibit A
2. Smoke Shop Analysis - 200 ft. Buffer Map
3. Smoke Shop Analysis - 400 ft. Buffer Map
4. Smoke Shop Analysis - 600 ft Buffer Map



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Allen Brock, Community Development Director

**AGENDA DATE:** November 15, 2016

**TITLE:** ADOPTION OF 2016 CALIFORNIA BUILDING CODES, CALIFORNIA CODE OF REGULATIONS, TITLE 24, INCORPORATING THE LATEST EDITIONS OF THE MODEL CODES WITH AMENDMENTS

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### **RECOMMENDED ACTION**

#### **Recommendations: That the City Council:**

1. Conduct a Public Hearing to receive public input on the proposed Ordinance.
2. Introduce Ordinance No. 915, an Ordinance of the City Council of the City of Moreno Valley, California, amending Title 8 of the City of Moreno Valley Municipal Code by repealing and replacing Chapters 8.20, 8.22, 8.23, 8.24, 8.26, 8.36 and adopting, as modified, the California Building Standards Code, California Code of Regulations, Title 24; the 2016 California Building Code; the 2016 California Mechanical Code; the 2016 California Residential Code; the 2016 California Plumbing Code; the 2016 California Electrical Code; the 2016 California Fire Code; and adopting other regulations relating to Building and Fire Prevention requirements.

### **SUMMARY**

The adoption of the 2016 California Building Standards Code, California Code of Regulations, Title 24 as amended will ensure that minimum building standards are implemented to safeguard life, limb, health, property and public welfare by regulating and controlling the design, construction, quality of materials, use and occupancy, location and maintenance of all buildings and structures within the City of Moreno Valley.

### **DISCUSSION**

In accordance with California Health and Safety Code Sections 17922 and 18935, the California Building Standards Commission approved the adoption of new model codes relating to fire and life safety. The California Building Standards Commission has advised local jurisdictions that the State will adopt the 2016 Editions of the California Building Code, California Mechanical Code, California Residential Code, California Plumbing Code, California Electrical Code, and California Fire Code. Once the California Building Standards Commission amends the model codes to include California specific amendments, local jurisdictions are given 180 days to further amend the code by local ordinance.

In addition to State amendments, Moreno Valley has made various “Findings of Need” with regard to specific building and fire amendments to be adopted to reflect Moreno Valley’s unique climatic, geographical and topographical conditions.

The California Building Standards Commission has indicated that the above referenced codes will become effective at the local level on January 1, 2017. In order to include local amendments and adequately protect first responders, the business community and citizens, we must complete our adoption process 30 days prior to this date. The adoption of the code into the Moreno Valley Municipal Code provides for an orderly administration of the codes by city building and fire officials.

This recommended action contributes to the pursuit of Momentum MoVal Strategic Plans Priorities of Economic Development and Beautification, Community Engagement, and Quality of Life by regulating the safety and usability of the structures in the built environment.

### **ALTERNATIVES**

1. Approve the introduction and first reading of the proposed Ordinance incorporating local amendments to the California Building Standards Code in accordance with Health and Safety Code, §§ 17950 and 18938 (b). *This alternative is recommended by staff to ensure effective codes for the future development of Moreno Valley.*
2. Do not approve the introduction and first reading of the proposed Ordinance of the California Building Standards Code with amendments thus reducing measures ensuring consistent development. *This alternative is not recommended by staff.*

### **FISCAL IMPACT**

There is no fiscal impact with the adoption of this Ordinance.

### **NOTIFICATION**

The City Council meeting of November 1, 2016, has been properly noticed as a Public Hearing as required by Government Code Section 6066.

### **PREPARATION OF STAFF REPORT**



Prepared By:  
Allen D. Brock  
Community Development Director

Department Head Approval:  
Allen D. Brock  
Community Development Director

Concurred By:  
Adria Reinertson  
Fire Marshall

Concurred By:  
Abdul Ahmad  
Fire Chief

**CITY COUNCIL GOALS**

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

**CITY COUNCIL STRATEGIC PRIORITIES**

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 5.6: Enhance community outreach, partnership opportunities, and stakeholder ownership of the City's parks and recreation services, programs and events.

**ATTACHMENTS**

- 1. Ordinance No. 915 - 2016 Code Adoption

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/18/16 2:33 PM
City Attorney Approval	<u>✓ Approved</u>	10/18/16 3:00 PM
City Manager Approval	<u>✓ Approved</u>	10/18/16 3:27 PM

**HISTORY:**

11/01/16	City Council	FIRST READING OF ORDINANCE
Next: 11/15/16		

## ORDINANCE NO. 915

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AMENDING TITLE 8, OF THE CITY OF MORENO VALLEY MUNICIPAL CODE BY REPEALING AND REPLACING CHAPTERS 8.20, 8.22, 8.23, 8.24, 8.26, 8.36, AND ADOPTING, AS MODIFIED, THE 2016 CALIFORNIA BUILDING STANDARDS CODE, CALIFORNIA CODE OF REGULATIONS, TITLE 24: INCLUDING THE 2016 CALIFORNIA BUILDING CODE, THE 2016 CALIFORNIA MECHANICAL CODE, THE 2016 CALIFORNIA RESIDENTIAL CODE, THE 2016 CALIFORNIA PLUMBING CODE, THE 2016 CALIFORNIA ELECTRICAL CODE, AND THE 2016 CALIFORNIA FIRE CODE, AND ADOPTING OTHER REGULATIONS RELATING TO BUILDING AND FIRE PREVENTION REQUIREMENTS.

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1. PRIOR ENACTMENTS REPEALED:

1.1 All prior enactments of the City, which are in conflict with this Ordinance, are hereby repealed, effective upon the date on which this Ordinance becomes effective and operative.

SECTION 2. CONTINUING EFFECT:

2.1 Notwithstanding Section 1.1 of the Ordinance, and solely for the purposes of this Section 2.1, this Ordinance shall be construed as a continuation of said prior enactments as the same may have been heretofore amended from time to time, and compliance therewith prior to the effective date hereof shall be deemed to be compliance with this Ordinance unless provided otherwise herein.

2.2 Except as specifically or by necessary implication required to the contrary by this Ordinance, no right or entitlement granted, or obligation imposed, or action or proceeding commenced or taken pursuant to a prior resolution or ordinance repealed or modified hereby shall be deemed to be invalidated, waived, terminated or otherwise affected by the enactment hereof.

SECTION 3. EFFECT OF ENACTMENT:

3.1 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 4. FINDINGS:

4.1 The International Code Council is a private organization which has been in existence for at least three (3) years.

4.2 The 2016 California Building Code, the 2016 California Fire Code, the California Building Standards Code, and the California Fire Code Standards published by said organization, are a nationally recognized compilation of proposed rules, regulations, and standards of said organization.

4.3 The California Building Code and the California Fire Code have been printed and published as a code in book form within the meaning of Section 50022.2 et seq., of the California Government Code and said code has been adopted and amended by the California Building Standards Commission into the California Code of Regulations (CCR) as Title 24, 2016 edition.

4.4 That one (1) copy of the 2016 California Building Code based on the 2015 International Building Code and one (1) copy of the 2016 California Fire Code based on the 2015 International Fire Code have been on file for use and examination by the public in the office of the Building Official prior to adoption of this Ordinance.

4.5 That the sections of the International Building Code and California Building Code Standards may be referred to by the same number used in said published compilation preceded by the words "City of Moreno Valley International Building Code Section" or "International Building Code Section" or "Building Code Section". Said amendments to the California Building Standards Code under the California Building Code shall be referred to in the same manner as listed above for ease of application.

4.6 That the sections of the California Fire Code may be referred to by the same number used in said published compilation preceded by the words "City of Moreno Valley California Fire Code Section" or "California Fire Code Section" or "Fire Code Section". Said amendments to the California Building Standards Code under the California Fire Code shall be referred to in the same manner as listed above for ease of application.

4.7 Pursuant to Section(s) 17958.5(a) and (b) as well as Section 17958.7 of the California Health and Safety Code, the Section contained herein shall be submitted as the "Findings of Need" with regard to the specific California Building Code and California Fire Code Ordinance Amendments adopted by the City of Moreno Valley and addressed herein. Additional requirements and standards herein are necessary to properly protect the health, safety and welfare of the existing and future residents as well as workers of the City of Moreno Valley. Under the provisions of Section 17958.7 of the Health and Safety Code, local amendments shall be based on climatic, geological or topographical conditions. The "Findings of Need" contained herein shall address each

of these situations and shall present the local situation which singularly or in combination cause the established amendments to be adopted. Each such modification is identified as to which section such finding refers.

4.7.1 Life Safety: That the additional requirements and standard established herein are needed to properly protect the health, safety, life and limb, and welfare of existing and future residents, workers and guests of the City of Moreno Valley.

4.7.2 That these changes and modifications to the standards published in the California Building Code and California Fire Code are reasonably necessary because of local climatic, geological, and topographical conditions. The following are hereby adopted as non-inclusive specific findings in respect to such local conditions and refer to amendments made to the California Building Code, California Code of Regulations, Title 24, and International Fire Code as more particularly set forth below.

**Climatic Conditions:**

4.7.2.1 The City of Moreno Valley receives relatively low amounts of precipitation, low humidity and high temperatures. Such climate conditions are conducive to the spread of fire (Information from the University of California, Riverside, Meteorological Weather Station). This finding refers to and supports modifications to 4906.4, 5601.1.3, 5601.1.3.1, 5607.1.1 of the California Fire Code, 2016 edition.

4.7.2.2 Strong winds, commonly referred to as the Santa Ana Winds, have reached speeds up to 57 miles per hour in Moreno Valley during various months of past years. Damage that can occur during such winds includes the creation of highly flammable conditions of brush, downed trees, utility poles, utility circuits, and power line (Wind speeds documented at March Air Reserve Base). This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2016 edition and to Chapter 1, Division II, Section R105.2 of the California Residential Code, 2016 edition. This finding also refers to and supports modifications to 606.10.1.2, 4906.4, 5601.1.3, 5601.1.3.1, 5607.1.1 of the California Fire Code, 2016 edition.

4.7.2.3 Other areas within the City of Moreno Valley are subject to landslides, wind erosion, blown sand, flooding and wildfires. This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2016 edition and to Chapter 1, Division II, Section R105.2 and Section R405.1 of the California Residential Code, 2016 edition. This finding also refers to and supports modifications to 4906.4, 5601.1.3, 5601.1.3.1, 5607.1.1 of the California Fire Code, 2016 edition.

**Geological:**

4.7.2.4 Within the city limits of Moreno Valley, there are two (2) earthquake faults; the San Jacinto Fault and the Casa Loma Fault. There are also other faults in the immediate adjacent areas. In the event of a severe earthquake<sup>1</sup> these faults present the potential for catastrophic damage including fire, damage to roadways, and other impairments of emergency apparatus (Fault information from California Division of Mines and Geology). This finding refers to and supports modifications to Chapter 1, Division II, Section 105.2 of the California Building Code, 2016 edition and to Chapter 11 Division II, Section R 105.2 and Chapter 4, Section R403.1.3 and Section R405.1 of the California Residential Code, 2016 edition.

4.7.2.5 There is a lack of fire hydrants and water supply to new construction hillside areas in the City of Moreno Valley. This finding refers to and supports modifications to Sections 505.1903.2, 903.3.5.3, 4906.4 of the California Fire Code, 2016 edition.

4.7.2.6 In Moreno Valley there are known areas where the radio coverage is insufficient to ensure the life safety of emergency personnel due to the mountainous and hilly terrain at the City's northern and eastern boundaries. These areas include the Reche Vista area, the Hidden Springs area near Box Springs Mountain, and the entrance to San Timoteo Canyon off of both Moreno Beach Boulevard and Redlands Boulevard near the northern City limits. This finding refers to and supports modifications to Sections 508.1; 508.1.1, 508.1.3; 508.1.5; 508.1.7 of the California Fire Code, 2016 edition.

**Topographical:**

4.7.2.7 Development has occurred and continues to occur in Moreno Valley at a rapid pace. Traffic congestion occurs during certain peak business hours, weekends, and on holidays along main thoroughfares such as Sunnymead Blvd., Perris Blvd., Alessandro Blvd., Heacock St., Pigeon Pass/Frederick St., and at some points along Indian St. and Cactus Ave. (Information provided by the Transportation Engineering Division of the Public Works Department). This finding refers to and supports modification 505.1 of the California Fire Code, 2016 edition.

4.7.2.8 The distance between fire stations, and the response time in our City compared to the time when flashover generally occurs creates a need for on-site fire suppression capability in all structures, and also the need for specific turning radius and turnaround requirements for fire apparatus. In order to accommodate fire equipment during emergency response, we find that fire apparatus roads, grades, turning radius and turnaround dimensions are required as set forth herein. This finding refers to and supports modifications to Sections 505.1, 606.10.1.2, 903.2, 903.3.5.3 of the California Fire Code, 2016 edition.

4.7.2.9 Moreno Valley has a number of different water companies serving the area, with varying capacity to deliver water flows for fire suppression purposes. This finding refers to and supports modifications to Sections B105.1, C103.2, 507.5.7, 903.2, 903.3.5.3 of the California Fire Code, 2016 edition.

4.7.2.10 Radio communications and ability to communicate can be hindered by topographical features in Moreno Valley as well as building design which can include subterranean structures. It is vital to ensure there is adequate radio coverage and breathing air throughout the City for the life safety of the emergency response personnel. This finding refers to and supports modifications to Sections 508.1; 508.1.1; 508.1.3; 508.1.5; 508.1.7 of the California Fire Code, 2016 edition.

SECTION 5. MUNICIPAL CODE AMENDED:

5.1 Chapter 8.20 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.20

**California Building Code**

Sections

8.20.010 Adopted

8.20.010 Adopted

The California Building Code, 2016 Edition, based on the 2015 International Building Code as published by the International Code Council, excluding Chapter 29 and Chapter 34 and including Appendix H and the Standards referred to therein, is adopted and made part of this title by reference with the following modifications:

- A. Chapter 1, Division II, Section 101.2, Exception is amended to read as follows:  
**Exception:** Detached one- and two-family dwellings and multiple single family dwellings (townhouses) not more than three stories above grade plane in height with a separate means of egress and their accessory structures not more than three stories above grade plane in height, shall comply with the California Residential Code, Title 24, Part 2.5.
- B. Chapter 1, Division II, Section 101.4 is deleted.
- C. Chapter 1, Division II, Section 105.1.1 and 105.1.2 are deleted.
- D. Chapter 1, Division II, Section 105.2, Building 2 is hereby amended to read as follows:

Fences not over six (6) feet high, masonry concrete block walls under three (3) feet measured from top of footing, or combination masonry concrete block walls under (3) feet measured from top of footing, with any approved building material wood, wrought iron, chain link not exceeding (6) feet in total height.

Chapter 1, Division II, Section 105.3.2 is amended to read as follows:

**Time limitation of application.** An application for a permit for any proposed work shall be deemed to have been abandoned 180 days after the date of filing, unless such application has been pursued in good faith or a permit had been issued; except that that the building official is authorized to grant one or more extensions of time for additional periods not exceeding 180 days each. The extension shall be requested in writing and justifiable cause demonstrated.

- E. Chapter 1, Division II, Section 107.3.3 is deleted.
- F. Chapter 1, Division II, Section 113 is deleted.
- G. Chapter 3, Section 304.1 is amended to include (show in bold)

Motor Vehicle Showrooms

**Police and Fire Stations**

Post Office

- H. Chapter 9, Section 903.2 is amended to read as follows:

In all new buildings and structures which are 3,600 square feet or greater an approved automatic sprinkler system shall be provided regardless of occupancy classification. Where the California Fire Code is requiring more restrictive requirements in Sections 903.2.1 – 903.2.19, the more restrictive requirement shall take precedence.

Any existing building shall retrofit with automatic fire sprinklers when a structure exceeds 3,600 square feet and additions are made which exceed thirty-three (33) percent of the original building square footage.

Exception: Detached Group U occupancies with setback distances of 50 feet or more from the property line or other structures.

- I. Chapter 9, Section 903.3.5.3 is amended to read as follows:

Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

Exception: When static pressure exceeds 100 psi, and required by the Fire Code Official, the fire sprinkler system shall not exceed water supply capacity specified by Table 903.3.5.3.”

5.2 Chapter 8.22 of Title 8 of the City of Moreno Valley Municipal Code is

hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.22

**California Mechanical Code**

Sections

8.22.010 Adopted

8.22.010 Adopted

The California Mechanical Code, 2016 Edition, including Appendices B, C and D thereto, based on the 2015 Uniform Mechanical Code and the Standards incorporated therein, as published by the International Association of Plumbing and Mechanical Officials is adopted and made a part of this chapter by reference with the following modifications:

- A. Chapter 1, Division II Section 104.3.3 is amended to read as follows
- B. Expiration of Plan Review. Applications for which no permit is issued within one-hundred and eighty (180) days following the date of application shall expire by limitation, and plans and other data submitted for review shall be permitted to be returned to the applicant or destroyed by the City. The City shall be permitted to extend the time for action by the applicant for a period not to exceed one-hundred and eighty (180) days upon request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. No application shall be extended more than once.
- C. Chapter 1, Division II Section 104.4.3 is amended to read as follows  
 Expiration. Every permit issued under the provisions of this code shall expire by limitation and become null and void if the work authorized by such permit is not commenced within one-hundred and eighty (180) days from the date of such permit, or if the work authorized by such permit is suspended or abandoned at any time after the work is commenced for a period of one-hundred and eighty (180) days. Before such work can be recommenced, a new permit must first be obtained.  
 A permittee holding an unexpired permit shall be permitted to apply for an extension of the time within which work may be commenced under that permit when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The City shall have the authority to extend the time for action by the permittee for a period not exceeding one –hundred and eighty (180) days upon written request by the permittee showing that circumstances beyond the control of said permittee have prevented action from being taken.
- D. Chapter 1, Division II Section 106.3 is deleted.”



5.3 Chapter 8.23 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.23

**California Residential Code**

Sections

8.23.010 Adopted

8.23.010 Adopted

The California Residential Code, 2016 Edition, based on the 2015 International Residential Code and the Standards referred to therein, as published by the International Code Council, is adopted and made part of this chapter by reference with the following modifications:

- A. Chapter 1, Division II, Section R105.2, Building 2 is hereby amended to read as follows:  
 Fences not over six (6) feet high, masonry concrete block walls under three (3) feet measured from top of footing, or combination masonry concrete block walls under (3) feet measured from top of footing, with any approved building material wood, wrought iron, chain link not exceeding (6) feet in total height.
- B Chapter 1, Division II, Section R106.3.3 is deleted.
- C. Chapter 1, Division II, Section R112 is deleted.
- D. Chapter 3, Table R301.2(1) is revised to read:

**TABLE R301.2(1)  
CLIMATIC AND GEOGRAPHIC DESIGN CRITERIA**

GROUND SNOW LOAD	WIND DESIGN				SEISMIC DESIGN CATEGORY <sup>f</sup>	SUBJECT TO DAMAGE FROM			WINTER DESIGN TEMP <sup>e</sup>	ICE BARRIER UNDERLAYMENT REQUIRED <sup>h</sup>	FLOOD HAZARDS <sup>g</sup>	AIR FREEZING INDEX <sup>i</sup>	MEAN ANNUAL TEMP <sup>j</sup>
	Speed <sup>d</sup> (mph)	Topographic effects <sup>k</sup>	Special Wind region <sup>l</sup>	Wind-borne debris zone <sup>m</sup>		Weathering <sup>a</sup>	Frost Line depth <sup>b</sup>	Termite <sup>c</sup>					
Zero	110	No	No	No	D <sup>2</sup> or E	Negligible	12"	Very Heavy	43	No	Per Title 8	0	64

For SI: 1 pound per square foot = 0.0479kPa, 1 mile per hour = 0.447 m/s.

- a. Weathering may require a higher strength concrete or grade of masonry than necessary to satisfy the structural requirements of this code. The weathering column shall be filled in with the weathering

- index, “negligible,” “moderate” or “severe” for concrete as determined from Figure R301.2(3). The grade of masonry units shall be determined from ASTM, C34, C55, C62, C73, C90, C129, C145, C216 or C652.
- b. The frost line depth may require deeper footings than indicated in Figure R403.1(1). The jurisdiction shall fill in the frost line depth column with the minimum depth of footing below finish grade.
  - c. The jurisdiction shall fill in this part of the table to indicate the need for protection depending on whether there has been a history of local subterranean termite damage.
  - d. The jurisdiction shall fill in this part of the table with the wind speed from the basic wind speed map [Figure R301.2(4)A]. Wind exposure category shall be determined on a site-specific basis in accordance with Section R301.2.1.4.
  - e. Temperatures shall be permitted to reflect local climates or local weather experience as determined by the building official.
  - f. The jurisdiction shall fill in this part of the table with the seismic design category determined from Section R301.2.2.1.
  - g. The jurisdiction shall fill in this part of the table (a) the date of the jurisdiction’s entry into the National Flood Insurance Program (date of adoption of the first code or ordinance for management of flood hazard areas), (b) the date(s) of the Flood Insurance Study and (c) the panel number and dates of the currently effective FIRMs and FBFMs or other flood hazard map adopted by the authority having jurisdiction, as amended.
  - h. In accordance with Section R905.1.2, R905.4.3.1, R905.5.3.1, R905.6.3.1, R905.7.3.1 and R905.8.3.1, where there has been a history of local damage from the effects of ice damming, the jurisdiction shall fill in this part of the table with “YES.” Otherwise, the jurisdiction shall fill in this part of the table with “NO.”
  - i. The jurisdiction shall fill in this part of the table with the 100-year return period air freezing index (BF-days) from Figure R403.3(2) or from the 100-year (99 percent) value on the National Climatic Data Center data table “Air Freezing Index-USA Method (Base 32<sup>o</sup>F).”
  - j. The jurisdiction shall fill in this part of the table with the mean annual temperature from the National Climatic Data Center data table “Air Freezing Index-USA Method (Base 32<sup>o</sup>F).”
  - k. In accordance with Section R301.2.1.5, where there is local historical data documenting structural damage to buildings due to topographic wind speed-up effects, the jurisdiction shall fill in this part of the table with “YES.” Otherwise, the jurisdiction shall indicate “NO” in this part of the table.
  - l. In accordance with Figure R301.2(4)A, where there is local historical data documenting unusual wind conditions, the jurisdiction shall fill in this part of the table with “YES” and identify any specific requirements. Otherwise, the jurisdiction shall indicate “NO” in this part of the table.

- m. In accordance with Section R301.2.1.2.1, the jurisdiction shall indicate the wind-borne debris wind zone(s). Otherwise, the jurisdiction shall indicate “NO” in this part of the table.”

5.4 Chapter 8.24 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.24

**California Plumbing Code**

Sections

8.24.010 Adopted

8.24.010 Adopted

The California Plumbing Code, 2016 Edition, including the Appendices thereto, based on the 2015 Uniform Plumbing Code and installation standards incorporated therein, as published by the International Association of Plumbing and Mechanical Officials, is adopted and made part of this chapter by reference with the following modifications:

- A. Chapter 1, Division II Section 104.3.3 is amended to read as follows  
 Expiration of Plan Review. Applications for which no permit is issued within one-hundred and eighty (180) days following the date of application shall expire by limitation, and plans and other data submitted for review shall be permitted to be returned to the applicant or destroyed by the City. The City shall be permitted to extend the time for action by the applicant for a period not to exceed one-hundred and eighty (180) days upon request by the applicant showing that circumstances beyond the control of the applicant have prevented action from being taken. No application shall be extended more than once.
- B. Chapter 1, Division II Section 104.4.3 is amended to read as follows  
 A permittee holding an unexpired permit shall be permitted to apply for an extension of the time within which work may be commenced under that permit when the permittee is unable to commence work within the time required by this section for good and satisfactory reasons. The City shall have the authority to extend the time for action by the permittee for a period not exceeding one –hundred and eighty (180) days upon written request by the permittee showing that circumstances beyond the control of said permittee have prevented action from being taken
- C. Chapter 1, Division II Section 104.5 is deleted.”

5.5 Chapter 8.26 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.26

**California Electrical Code**

Sections

8.26.010 Adopted

8.26.010 Adopted

The California Electric Code, 2016 Edition, based on the 2014 National Electric Code as published by the National Fire Protection Association, is adopted and made a part of this chapter by reference.”

5.6 Chapter 8.36 of Title 8 of the City of Moreno Valley Municipal Code is hereby repealed and replaced in its entirety to read as follows:

“Chapter 8.36

**California Fire Code**

8.36.010 Adopted

**APPLICATION AND ADOPTION OF THE CALIFORNIA FIRE CODE.** Except as stated in this Section or as amended below in Section 5 of this Ordinance, all of the provisions and appendices of the 2016 California Fire Code, inclusive of all of the inclusions and exclusions set for in each chapter’s matrix, are hereby adopted and shall apply to the unincorporated areas of Riverside County. In addition, the following provisions that are excluded in the 2016 California Fire Code are hereby adopted - Chapter 1, Division II of the California Fire Code is hereby adopted, except that Section 103.2 and 108.3 are not adopted, and Chapters 3, 25, and Sections 403.12, 503, 510.2, and 1103.2 are adopted.

8.36.020 Administrative

A. Section 102.5 is hereby amended as follows:

102.5 Application of residential code. Where structures are designed and constructed in accordance with the California Residential Code, the provisions of this code shall apply as follows:

- 1. Construction and design provisions of this code pertaining to the exterior of the structure shall apply including, but not limited to, premises identification, fire apparatus access and water supplies. Where interior or exterior systems or devices are installed, construction permits required by Section 105.7 of this code shall apply.
- 2. Administrative, operational and maintenance provisions of this code shall apply.

3. Automatic fire sprinkler system requirements of this code shall apply to detached accessory buildings 3,600 square feet or greater in accordance with Section 903.2. The provisions contained in Section 903.2.18 of the California Fire Code or Section R309.6 of the California Residential Code may be used for the design of the automatic fire sprinkler system for detached private garages.

B. Section 103.2 of the California Fire Code is hereby amended to read as follows:

103.2 Appointment. The Fire Chief, Fire Marshal or their designees shall be appointed by the chief appointing authority of the jurisdiction; and the Fire Chief, Fire Marshal or their designees shall not be removed from office without prior consultation with the County Fire Chief regarding implementation, administration and enforcement of the provisions of this Code.

C. Sections 103.4 and 103.4.1 of the California Fire Code are hereby deleted in their entirety and replaced with the following:

103.4 Liability. Any liability against Riverside County or Moreno Valley or any officer or employee for damages resulting from the discharge of their duties shall be as provided by law.

D. Section 104.1.1 is hereby added to the California Fire Code to read as follows:

104.1.1 Authority of the Fire Chief.

(1) The chief and his or her designees are authorized and directed to enforce all applicable State fire laws and the provisions of this code and he or she shall perform such related duties as may be fixed by the City Council, and for such purposes, he or she shall have the power of a peace officer.

(2) The chief is authorized to administer, interpret and enforce this code. Under the chief's direction, the fire department is authorized to enforce all ordinances of the jurisdiction pertaining to:

- a. The prevention of fires,
- b. The suppression or extinguishment of dangerous or hazardous fires,
- c. The storage, use and handling of hazardous materials,
- d. The installation and maintenance of automatic, manual and other private fire alarm systems and fire extinguishing equipment,
- e. The maintenance and regulation of fire escapes,
- f. The maintenance of fire protection and the elimination of fire hazards on land and in buildings, structures and other property, including those under construction,

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- g. The maintenance of means of egress, and
- h. The investigation of the cause, origin and circumstance of fire and unauthorized releases of hazardous materials.

(3) The following persons are hereby authorized to interpret and enforce the provisions of this Code (except as provided in Section 101.4) and to make arrests and issue citations as authorized by law:

- a. The Unit Chief and peace officers and public officers of the California Department of Forestry and Fire Protection.
- b. The Fire Chief, Peace Officers and Public Officers of the Riverside County Fire Department.
- c. The City Fire Marshal and members of the Moreno Valley Fire Prevention Bureau.
- d. The Riverside County Sheriff and any Deputy Sheriff.
- e. The Police Chief and any Police Officer of any city served by the County Fire Department.
- f. Officers of the California Highway Patrol.
- g. Code Officers of the City of Moreno Valley Code Enforcement Department.
- g. Peace Officers of the California Department of Parks and Recreation.
- h. The law enforcement officers of the Federal Bureau of Land Management.

E. Section 104.12 is hereby added to the California Fire Code to read as follows:

104.12 Authority of the Fire Chief to close hazardous fire areas. Except upon National Forest Land, the Fire Chief is authorized to determine and announce the closure of any hazardous fire area or portion thereof. Any closure by the Fire Chief for a period of more than fifteen (15) calendar days must be approved by the Riverside County Board of Supervisors and/or City Council within fifteen (15) calendar days of the Fire Chief's original order of closure. Upon such closure, no person shall go in or be upon any hazardous fire area, except upon the public roadways and inhabited areas. During such closure, the Fire Chief shall erect and maintain at all entrances to the closed area sufficient signs giving notice of closure. This section shall not prohibit residents or owners of private property within any closed area, or their invitees, from going in or being upon their lands. This section shall not apply to any entry, in the course of duty, by a peace officer, duly authorized public officer or fire department personnel. For the purpose of this section, "hazardous fire area" shall mean public or private land that is covered with grass, grain, brush or forest and situated in a location that makes suppression difficult resulting in great damage. Such areas are designated on Hazardous Fire Area maps filed with the office of the Fire Chief.

F. Section 108.1 of the California Fire Code is hereby amended as follows:

108.1 Board of appeals established. The Board of Appeals shall be the County Executive Officer. If he or she determines an outside board is needed, he or she shall designate an outside hearing officer to hear the appeal. The Fire Chief shall be notified of any appeal and the Fire Chief or designee shall be in attendance at the appeal hearing. Depending on the subject of the appeal, specialized expertise may be solicited, at the expense of the applicant, for the purpose of providing input to the Appeals Board.

G. Section 109.4 is hereby deleted in its entirety and replaced with the following:

109.4 Violation and penalties. It shall be unlawful for any person, firm, corporation or association of persons to violate any provision of this ordinance, or to violate the provisions of any permit granted pursuant to this code. Punishments and penalties for violations shall be in accordance with the City of Moreno Valley ordinances, fee schedule and Health and Safety Code Sections 17995 through 17995.5.

H. Section 113.2 is hereby deleted in its entirety and replaced with the following:

113.2 Schedule of permit fees. Fees for services and permits shall be as set forth in the City of Moreno Valley fee schedule.

I. Section 113.6 is hereby added to the California Fire Code to read as follows:

113.6 Cost recovery. Fire suppression, investigation, rescue or emergency medical costs are recoverable in accordance with Health and Safety Code Sections 13009 and 13009.1, as may be amended from time to time. Additionally, any person who negligently, intentionally or in violation of law causes an emergency response, including, but not limited to, a traffic accident, spill of toxic or flammable fluids or chemicals is liable for the costs of securing such emergency, including those costs pursuant to Government Code Section 53150, et seq, as may be amended from time to time. Any expense incurred by the City of Moreno Valley or Riverside County Fire Department for securing such emergency shall constitute a debt of such person and shall be collectable by Riverside County in the same manner as in the case of an obligation under contract, express or implied.

J. The following definition of Section 202 of the California Fire Code is hereby amended as follows:

FIRE CHIEF. The Fire Chief of Riverside County or the Fire Chief's designee.

8.36.030 Building and Equipment Design Features

- A. Section 503.2.1 of the California Fire Code is hereby amended as follows:

503.2.1 Dimensions. Fire apparatus access roads shall have an unobstructed width of not less than 24 feet (7315 mm), exclusive of shoulders, except for approved security gates in accordance with Section 503.6, and an unobstructed vertical clearance of not less than 13 feet 6 inches (4115 mm). For additional requirements or alternatives see Riverside County Fire Department Standards and Policies, as may be amended from time to time.

- B. Section 503.2.2 is hereby amended as follows:

503.2.2 Authority. The fire code official shall be the only authority authorized to designate fire apparatus access roads and fire lanes and to modify the minimum fire lane access widths for fire or rescue operations

- C. Section 503.6.1 is hereby added to the California Fire Code to read as follows:

503.6.1 Automatic opener. New motorized gates shall be provided with means to be automatically opened remotely by emergency vehicle in accordance with Riverside County Fire Department standards and Policies, as may be amended from time to time.

Exception: Gates serving individual one- and two-family dwelling parcels.

- D. Section 503.7 is hereby added to the California Fire Code to read as follows:

503.7 Loading areas and passenger drop-off areas. On private properties, where fire apparatus access roads are utilized for loading or unloading or utilized for passenger drop-off or pick-up, an additional eight (8) feet of width shall be added to the minimum required width for the fire apparatus access road.

- E. Section 505.1 is hereby amended as follows:

505.1 Address identification. New and existing buildings shall have approved address numbers, building numbers or approved building identification placed in a position that is plainly legible and visible from the street or road fronting the property. These numbers shall contrast with their background. Where required by the fire code official, address numbers shall be provided in additional approved locations to facilitate emergency response. Address numbers shall be Arabic numbers or alphabetical letters. Numbers



shall be a minimum of 4 inches (101.6 mm) high with a minimum stroke width of 0.5 inch (12.7 mm) for R-3 occupancies, for all other occupancies the numbers shall be a minimum of 6 inches high with a minimum stroke width of 1 inch. Where access is by means of a private road and the building cannot be viewed from the public way, a monument, pole or other sign or means shall be used to identify the structure. Address numbers shall be maintained.

F. Section 507.5.7 is hereby added to the California Fire Code to read as follows:

507.5.7 Fire hydrant size and outlets. As determined by the fire code official, fire hydrant sizes and outlets shall be based on the following:

1. Residential Standard – one (1) four (4) inch outlet, and one (1) two and one half (2 ½) inch outlet.
2. Super Hydrant Standard – one (1) four (4) inch outlet, and two (2) two and one half (2 ½) inch outlet.
3. Super Hydrant Enhanced - two (2) four (4) inch outlet, and one (1) two and one half (2 ½) inch outlet.

G. Section 507.5.8 is hereby added to the California Fire Code to read as follows:

507.5.8 Fire hydrant street marker. Fire hydrant locations shall be visually indicated in accordance with Riverside County Fire Department Technical Policy 06-11, as may be amended from time to time. Any hydrant marker damaged or removed during the course of street construction or repair shall be immediately replaced by the contractor, developer or person responsible for removal or damage.

H. Section 508.1 of the California Fire Code is hereby amended as follows:

508.1 General. Where required by other sections of this code and in all buildings classified as high-rise buildings by the California Building Code and buildings greater than 300,000 square feet in area, and Group I-2 occupancies having occupied floors located more than 75 feet above the lowest level of fire department vehicle access, a fire command center for fire department operations shall be provided and shall comply with Sections 508.1 through 508.1.6.

I. Section 508.1.1 of the California Fire Code is hereby amended as follows:

508.1.1 Location and access. The fire command center shall be located adjacent to the main lobby and shall be accessible from fire department vehicular access or as

approved by the fire code official. The room shall have direct access from the building exterior at the lowest level of fire department access.

J. Section 508.1.3 of the California Fire Code is hereby amended as follows:

508.1.3 Size. The fire command center shall be a minimum of 200 square feet (19 m<sup>2</sup>) in area with a minimum dimension of 10 feet (3,048 mm). When solely required due to building area greater than 300,000 square feet, the fire command center shall be a minimum of 96 square feet (9 m<sup>2</sup>) with a minimum dimension of 8 feet (2,438 mm).

K. Section 508.1.5 of the California Fire Code is hereby amended as follows:

508.1.5 Required features. The fire command center shall comply with NFPA 72 and shall contain the following features:

Exception: When solely required due to building area greater than 300,000 square feet, the fire command center shall comply with NFPA 72 and contain features 3, 5, 8, 10, 12, 13 and 14. All other features shall be provided only when the building contains the respective system.

L. Section 508.1.6 of the California Fire Code is hereby amended to add the following:

Exception: A fire command center solely required because a building is greater than 300,000 square feet in area shall comply with NFPA 72 and contain the features set forth in Section 508.1.6 subsections 5, 8, 10, 12, 13 and 14. The features set forth in Section 508.1.6 subsections 1, 2, 3, 4, 6, 7, 9, 11, 15, 16, 17, 18 and 19 shall be required when such building contains systems or functions related to these features.

M. Section 508.1.8 is hereby added to the California Fire Code:

508.1.7 Fire command center identification. The fire command center shall be identified by permanent easily visible sign stating "Fire Dept. Command Center," located on the door to the fire command center.

N. Section 606.10.1.2 Manual operation is hereby amended as follows:

606.10.1.2 Manual operation. When required by the fire code official, automatic crossover valves shall be capable of manual operation. The manual valves shall be located in an approved location immediately outside of the machinery room, in a secure metal box or equivalent and marked as Emergency Controls.

O. Section 903.2.11.1.1 of the California Fire Code is hereby amended to read as follows:

903.2.11.1.1 Opening dimension and access. Openings shall have a minimum dimension of not less than 36 inches (762 mm). Such openings shall be accessible to the fire department from the exterior and shall not be obstructed in a manner that the fire fighter or rescue cannot be accomplished from the exterior.

P. Section 903.2 of the California Fire Code is hereby amended as follows:

903.2 Where required.

1. New Buildings. In all new buildings and structures which are 3,600 square feet or greater, an approved automatic sprinkler system shall be provided regardless of occupancy classification. Where the California Fire Code is requiring more restrictive requirements in Sections 903.2.1 – 903.2.19, the more restrictive requirement shall take precedence.

2. Existing Buildings. Notwithstanding any applicable provisions of this code, an automatic sprinkler system shall be provided in an existing building when an addition occurs and when one of the following conditions exists:

a. When an addition is 33% or more of the existing building area, and the resulting building area exceeds 3,600 square feet (465 m<sup>2</sup>) as defined in Section 202; or

b. When an addition exceeds 1,500 square feet (186 m<sup>2</sup>) and the resulting building area exceeds 3,600 square feet (465 m<sup>2</sup>) as defined in Section 202.

Exception: Unless required elsewhere in this code or the California Building Code, automatic fire sprinkler systems shall not be required for the following:

1. Detached Group U occupancies used for agricultural or livestock purposes, less than 5,500 square feet, and having setback distances of 50 feet or more from the property line and other buildings.

2. Detached non-combustible equestrian arena shade canopies that are open on all sides and used for riding only - no commercial, assembly or storage uses.

3. Detached fabric or non-combustible shade structures that are open on all sides and used to shade playground equipment, temporary storage of vehicles and dining areas with no cooking.

4. Detached Group U occupancy greenhouses less than 5,500 square feet.

5. Where determined by the Fire Chief that no major life safety hazard exists, and the fuel load does not pose a significant threat to firefighter safety or to other structures or property, automatic fire sprinklers may be exempted.

The following exceptions in the California Fire Code shall not be allowed:

a. Exception in Section 903.2.3

b. Exception 2 in Section 903.2.11.3

One- and two-family dwellings shall have an automatic fire sprinkler system regardless of square footage in accordance with the California Residential Code. Fire sprinkler systems shall be installed in mobile homes, manufactured homes and multifamily manufactured homes with two dwelling units in accordance with Title 25 of the California Code of Regulations.

Q. Section 903.3.5.3 of the California Fire Code is hereby amended as follows:

903.3.5.3 Hydraulically calculated systems. The design of hydraulically calculated fire sprinkler systems shall not exceed 90% of the water supply capacity.

#### 8.36.040 Special Occupancies and Operations

A. Section 3204.2.1 is hereby added to the California Fire Code to read as follows:

3204.2.1 Minimum requirements for client leased or occupant owned warehouses. Designs of an automatic sprinkler system for client leased or occupant owned buildings containing high pile storage shall be based on the requirements of NFPA 13. The responsible fire protection engineer shall perform a survey of the building to determine commodity classification, storage configuration, building height and other information related to the development of an appropriate sprinkler system design. The fire protection engineer shall also make reasonable efforts to meet with the building owner or operator to understand seasonal or customer related fluctuations to the stored commodities, storage height, and configuration. The sprinkler design shall be based on the most demanding requirements determined through the onsite survey and discussions with the building owner or operator. The technical report shall describe the basis for determining the commodity and sprinkler design selection, how the commodities will be isolated or separated, and include referenced design document(s), including NFPA 13 or the current applicable factory mutual data sheets. If a specific fire test is used as the basis of design, a copy of the fire test report shall be provided at the time of plan review.

#### 8.36.050 Requirements for Wildland-Urban Interface Areas

A. Section 4904.3 is hereby added to the California Fire Code to read as follows:

4904.3 High Fire Hazard Severity Zone Maps. In accordance with Government Code Sections 51175 through 51189, Very High Fire Hazard Severity Zones are designated as shown on a map titled Very High Fire Hazard Severity Zones, dated December 24, 2009 and retained on file at the office of the Fire Chief, which supersedes other maps previously adopted by Riverside County designating high fire hazard areas.

B. Section 4906.4 is hereby added to the California Fire Code to read as follows:

4906.4 Fuel Modification Requirements for New Construction. All new buildings to be built or installed in areas containing combustible vegetation shall comply with the following:

1. Preliminary fuel modification plans shall be submitted to and approved by the fire code official concurrent with the submittal for approval of any tentative map.
2. Final fuel modification plans shall be submitted to and approved by the fire code official prior to the issuance of a grading permit.
3. The fuel modification plans shall meet the criteria set forth in the Riverside County Fire Department Fuel Modification Technical Policy.
4. The fuel modification plan may be altered if conditions change. Any alterations to the fuel modification areas shall have prior approval by the fire code official.
5. All elements of the fuel modification plan shall be maintained in accordance with the approved plan and are subject to the enforcement process outlined in the Fire Code.

#### 8.36.060 Hazardous Materials

A. Section 5601.1.3 is hereby added to the California Fire Code to read as follows:

5601.1.3 Fireworks. The storage, use, sale, possession, and handling of fireworks 1.4G (commonly referred to as Safe and Sane) and fireworks 1.3G is prohibited.

Exception: Fireworks 1.4G and fireworks 1.3G may be part of an electrically fired public display when permitted and conducted by a licensed pyrotechnic operator.

B. Section 5601.1.3.1 is hereby added to the California Fire Code to read as follows:

5601.1.3.1 Seizure of fireworks. The fire chief shall have the authority to seize, take, remove all fireworks stored, sold, offered for sale, used or handled in violation of the provisions of Title 19 CCR, Chapter 6. Any seizure or removal pursuant to this section shall be in compliance with all applicable statutory, constitutional, and decisional law.

C. Section 5607.1.1 is hereby added to the California Fire Code to read as follows:

5607.1.1 Explosives and blasting. Explosives shall not be possessed, kept, stored, sold, offered for sale, given away, used, discharged, transported or disposed of within

wildland-urban interface areas, or hazardous fire areas except by permit from the fire code official.

8.36.070 Appendices

A. Table B105.2 of the California Fire Code is hereby amended as follows:

TABLE B105.2  
REQUIRED FIRE-FLOW FOR BUILDINGS OTHER THAN ONE- AND  
TWO-FAMILY DWELLINGS, GROUP R-3 AND R-4 BUILDINGS AND TOWNHOUSES

<b>AUTOMATIC SPRINKLER SYSTEM (Design Standard)</b>	<b>MINIMUM FIRE-FLOW (gallons per minute)</b>	<b>FLOW DURATION (hours)</b>
No automatic sprinkler system	Value in Table B105.1(2)	Duration in Table B105.1(2)
Section 903.3.1.1 of the <i>California Fire Code</i>	50% of the value in Table B105.1(2)a	Duration in Table B105.1(2) at the reduced flow rate
Section 903.3.1.2 of the <i>California Fire Code</i>	50% of the value in Table B105.1(2)b	Duration in Table B105.1(2) at the reduced flow rate

For SI: 1 gallon per minute = 3.785 L/m.

- a. The reduced fire-flow shall be not less than 1,000 gallons per minute.
- b. The reduced fire-flow shall be not less than 1,500 gallons per minute.

B. Section C103.1 of the California Fire Code is hereby amended as follows:

C103.1 Hydrant spacing. Fire apparatus access roads and public streets providing required access to buildings in accordance with Section 503 of the International Fire Code shall be provided with one or more fire hydrants, as determined by Section C102.1. Where more than one fire hydrant is required, the distance between required fire hydrants shall be in accordance with Sections C103.2 and C103.3. Fire hydrants shall also be provided at street intersections.”

SECTION 6. SEVERABILITY

If any section, subsection, subdivision, paragraph, sentence, clause, or phrase in this chapter or any part thereof is for any reason held to be unconstitutional or invalid or ineffective by any court of competent jurisdiction, such decision shall not affect the validity or effectiveness of the meaning portions of this chapter or any part thereof. The city council hereby declares that it would have passed each section, subsection, subdivision, paragraph, sentence, clause, or phrase thereof irrespective of the fact that any one or more subsection, subdivision, paragraphs, sentences, clauses, or phrases be declared unconstitutional, invalid, or ineffective.

SECTION 7. 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 8. EFFECTIVE DATE:

This ordinance shall take effect on January 1, 2017.

APPROVED AND ADOPTED this 15<sup>th</sup> day of November, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Attachment: Ordinance No. 915 - 2016 Code Adoption [Revision 1] (2319 : ADOPTION OF 2016 CALIFORNIA BUILDING CODES, CALIFORNIA

**ORDINANCE 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 Ordinance No. 915 had its first reading on November 1, 2016 and had its second reading on November 15, 2016, and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 15<sup>th</sup> day of November, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tern and Mayor)

\_\_\_\_\_  
City Clerk

(SEAL)



**AFFIDAVIT OF POSTING  
CITY OF MORENO VALLEY**

I, \_\_\_\_\_, City Clerk of the City of Moreno Valley, California, certify that on the \_\_\_ day of \_\_\_\_\_, 2016, I caused Ordinance No. \_\_\_\_\_ to be posted in the following 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

Dated: \_\_\_\_\_, 2016

\_\_\_\_\_

\_\_\_\_\_, City Clerk

(SEAL)

Attachment: Ordinance No. 915 - 2016 Code Adoption [Revision 1] (2319 : ADOPTION OF 2016 CALIFORNIA BUILDING CODES, CALIFORNIA



## Report to City Council

---

**TO:** Mayor and City Council

**FROM:** Marshall Eyerman, Chief Financial Officer

**AGENDA DATE:** November 15, 2016

**TITLE:** AUTHORIZATION TO AWARD BIDS FOR THE FURNISHING AND DELIVERY OF MAJOR EQUIPMENT FOR THE KITCHING SWITCHYARD

---

### **RECOMMENDED ACTION**

#### **Recommendations:**

1. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Circuit Breakers and authorize the issuance of a Purchase Order to ABB for \$172,443.
2. Award the Bid to Southern States, the lowest responsible bidder, for the purchase of Disconnect Switches and authorize the issuance of a Purchase Order to Southern States for \$81,180.
3. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Potential Transformers and authorize the issuance of a Purchase Order to ABB for \$112,177.
4. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Voltage Transformers and authorize the issuance of a Purchase Order to ABB for \$99,481.
5. Award the Bid to Siemens Power T&D, the lowest responsible bidder, for the purchase of Surge Arresters and authorize the issuance of a Purchase Order to Siemens Power T&D for \$23,688.
6. Award the Bid to ABB, the lowest responsible bidder, for the purchase of Metering Units and authorize the issuance of a Purchase Order to ABB for \$65,197.

7. Award the Bid to Crown Technical, the lowest responsible bidder, for the purchase of a Mechanical Electrical Equipment Room and authorize the issuance of a Purchase Order to Crown Technical for \$373,963.
8. Authorize the Chief Financial Officer/City Treasurer to execute any subsequent related minor change orders up to, but not exceeding, the contingencies for each equipment as stated in the report, subject to the approval of the City Attorney.

## **SUMMARY**

This report recommends the award of major, long-lead time equipment for the Moreno Valley Utility Kitching Switchyard. The equipment includes the purchase of three (3) circuit breakers, eight (8) disconnect switches, nine (9) potential transformers, two (2) voltage transformers, twelve (12) surge arresters, three (3) metering units, and one (1) mechanical electrical equipment room. The project is funded with 2015 Lease Revenue Bond monies, and has been approved in the 2016/2017 Capital Improvement Plan. The total cost (including contingencies) for all seven major long-lead equipment is \$928,129. The Kitching Substation project is currently under budget and is anticipated to be completed within budget.

This item was presented to the Utilities Commission at a Special Meeting on November 3, 2016.

## **DISCUSSION**

Moreno Valley Utility's Distribution System Planning for the Years 2015 through 2019 has identified the need for the Kitching Substation as a high priority project to accommodate the planned development of large industrial projects with approximately 8 million square feet of new industrial space. The substation will also improve the reliability and operational flexibility of the electric distribution system in the south industrial area of the City.

An Interconnection Facilities Agreement (IFA) between Southern California Edison (SCE) and the City was approved by City Council on September 6, 2016. The IFA allows the City to design and construct the Kitching Switchyard on behalf of SCE. Once commissioned, the Kitching Switchyard will be deeded to SCE. The major equipment specifications were prepared by HDR, Inc., the project's design consultant, and are based on SCE specifications since the Switchyard will ultimately be owned and operated by SCE. Seven separate Request for Quotes (RFQ) were prepared, one for each type of major equipment considered long lead time equipment. The RFQs were sent to SCE approved vendors and placed on PlanetBids, the City's online bidding portal. All RFQ Addendums and Questions and Answers were posted on PlanetBids.

### **Circuit Breakers**

The following bids were received for the Circuit Breakers RFQ. The lowest, responsive bidder was ABB. The total bid includes a 10% contingency to account for ancillary costs such as equipment storage which are unknown at this time. Staff is

recommending that the City issue a Purchase Order to ABB for \$172,443.

	<u>Bidder</u>	<u>Total Bid</u>
1.	ABB	\$ 172,443
2.	Mitsubishi	\$ 241,451

#### Disconnect Switches

The following bid was received for the Disconnect Switches RFQ. The lowest, responsive bidder was Southern States. The total bid includes a 20% contingency to account for ancillary costs such as equipment storage which are unknown at this time. Staff is recommending that the City issue a Purchase Order to Southern States for \$81,180.

	<u>Bidder</u>	<u>Total Bid</u>
1.	Southern States	\$ 81,180

#### Potential Transformers

The following bids were received for the Potential Transformers RFQ. The lowest, responsive bidder was ABB. The total bid includes a 30% contingency to account for ancillary costs such as equipment storage which are unknown at this time and potential upgrades requested by Southern California Edison. Staff is recommending that the City issue a Purchase Order to ABB for \$112,177.

	<u>Bidder</u>	<u>Total Bid</u>
1.	Trench Limited	Nonresponsive
2.	ABB	\$ 112,177

#### Voltage Transformers

The following bid was received for the Voltage Transformers RFQ. The lowest, responsive was ABB. The total bid includes a 30% contingency to account for ancillary costs such as equipment storage which are unknown at this time and potential upgrades requested by Southern California Edison. Staff is recommending that the City issue a Purchase Order to ABB for \$99,481.

	<u>Bidder</u>	<u>Total Bid</u>
1.	ABB	\$ 99,481

#### Surge Arresters

The following bid was received for the Surge Arresters RFQ. The lowest, responsive bidder was Siemens Power T&D. The total bid includes a 20% contingency to account for ancillary costs such as equipment storage which are unknown at this time. Staff is recommending that the City issue a Purchase Order to Siemens Power T&D for \$23,688.

	<u>Bidder</u>	<u>Total Bid</u>
1.	Siemens Power T&D	\$ 23,688

Metering Units

The following bids were received for the Metering Units RFQ. The lowest, responsive bidder was ABB. The total bid includes a 20% contingency to account for ancillary costs such as equipment storage which are unknown at this time. Staff is recommending that the City issue a Purchase Order to ABB for \$65,197.

	<u>Bidder</u>	<u>Total Bid</u>
1.	ABB	\$ 65,197
2.	Trench	\$ 92,826

Mechanical Electrical Equipment Room

The following bids were received for the Mechanical Electrical Equipment Room RFQ. The lowest, responsive bidder was Crown Technical. The total bid includes a 10% contingency to account for ancillary costs such as equipment storage, which are unknown at this time. Staff is recommending that the City issue a Purchase Order to Crown Technical for \$373,962.

	<u>Bidder</u>	<u>Total Bid</u>
1.	Crown Technical	\$373,962
2.	Electric Power Products	\$380,096
3.	Tri-Max Systems	\$465,075

**ALTERNATIVES**

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative because it will facilitate the timely construction of the Kitching Switchyard and improve reliability and operational flexibility of the electric distribution system.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative because it will delay the construction of the Kitching Switchyard.*

**FISCAL IMPACT**

Design, construction, and equipment purchase of the Kitching Substation, Project No. 805 0027, is included in the adopted Fiscal Year 2016/2017 CIP budget. The project is funded by the 2015 Lease Revenue Bond. There is no impact to the General Fund.

**NOTIFICATION**

The RFQs were sent to SCE approved vendors for each type of equipment and placed on PlanetBids, the City's online bidding portal. All RFQ Addendums and Questions and Answers were posted in PlanetBids.

**PREPARATION OF STAFF REPORT**

Prepared By:  
Clement Jimenez  
Senior Engineer, P.E.

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

Concurred By:  
Jeannette Olko  
Electric Utility Division Manager

**CITY COUNCIL GOALS**

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

**CITY COUNCIL STRATEGIC PRIORITIES**

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

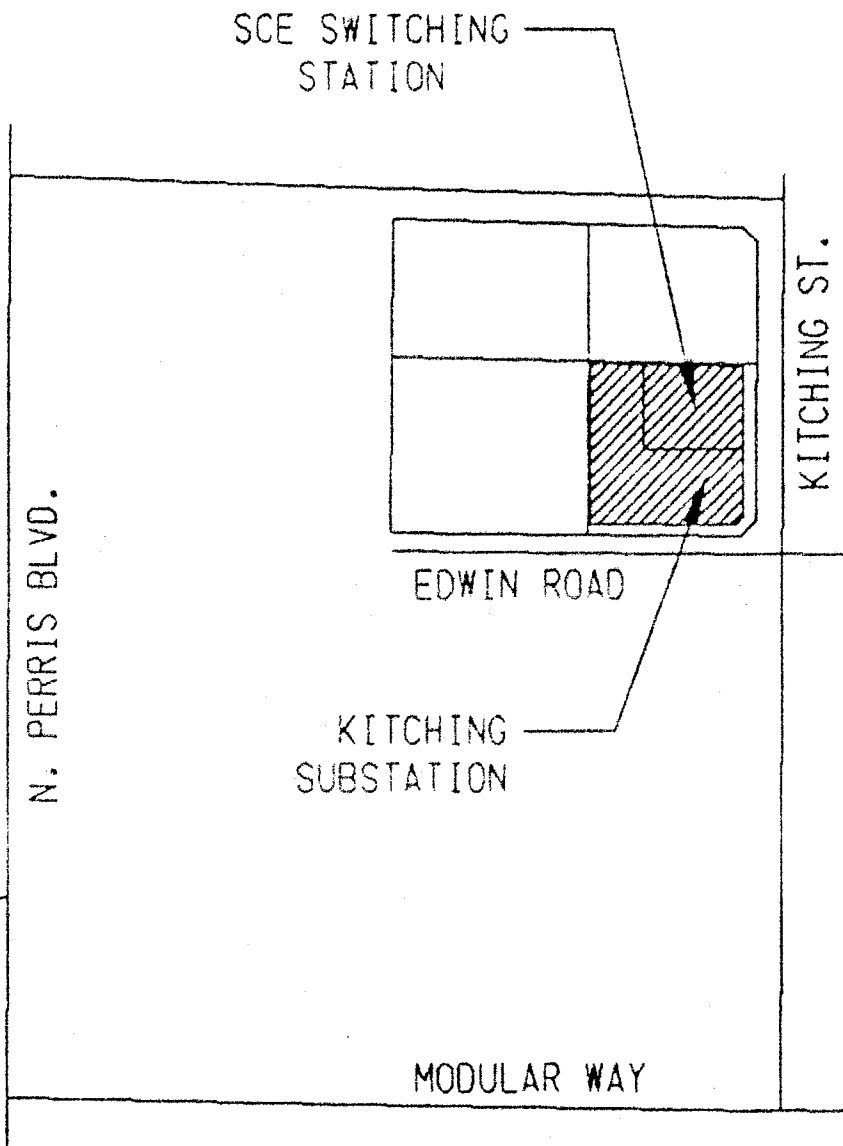
Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

**ATTACHMENTS**

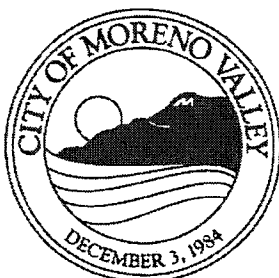
- 1. Location Map

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/31/16 10:30 AM
City Attorney Approval	<u>✓ Approved</u>	11/01/16 11:02 AM
City Manager Approval	<u>✓ Approved</u>	11/01/16 11:57 AM



# LOCATION MAP



Financial & Management  
 Services Department  
 Electric Utility Division

ATTACHMENT 1

KITCHING STREET ELECTRICAL SUBSTATION  
 AND SWITCHYARD  
 PROJECT NO. 805 0027

Attachment: Location Map (2322 : AUTHORIZATION TO AWARD BIDS FOR THE FURNISHING AND DELIVERY OF MAJOR EQUIPMENT FOR



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Terrie Stevens, Administrative Services Director

**AGENDA DATE:** November 15, 2016

**TITLE:** LIST OF PERSONNEL CHANGES

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### **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.

Staffing of City positions ensures assignment of highly qualified and trained personnel to achieve Momentum MoVal priorities, objectives and initiatives.

### **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

### **CITY COUNCIL STRATEGIC PRIORITIES**



- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

**ATTACHMENTS**

- 1. Personnel Changes 11.15.16

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	11/01/16 2:23 PM
City Attorney Approval	<u>✓ Approved</u>	11/01/16 2:08 PM
City Manager Approval	<u>✓ Approved</u>	11/02/16 11:30 AM

**City of Moreno Valley  
Personnel Changes  
November 15, 2016**

**New Hires**

None

**Promotions**

None

**Transfers**

None

**Separations**

Russell Hough  
Parks Maintenance Worker  
Parks & Community Services/Parks Maintenance



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Allen Brock, Community Development Director

**AGENDA DATE:** November 15, 2016

**TITLE:** AUTHORIZATION TO SUBMIT SUSTAINABILITY PLANNING GRANTS PROGRAM APPLICATIONS TO SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS (SCAG)

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### **RECOMMENDED ACTION**

#### **Recommendation:**

1. Adopt Resolution No. 2016-73, a resolution of the City Council of the City of Moreno Valley, California, in support of and participation with the Southern California Association of Governments Sustainable Planning Grants Program; and authorize staff to submit two applications to Southern California Association of Governments' (SCAG) 2016 Sustainability Planning Grants Program.

### **SUMMARY**

This report recommends authorization to submit two applications to Southern California Association of Governments' (SCAG) 2016 Sustainable Planning Grant Program.

The two planning grant proposals include:

1. Nason Street Corridor Phase II: Town Center Study Area Plan.
2. Development of a Healthy Communities Element for inclusion into Moreno Valley's General Plan.

### **DISCUSSION**

The SCAG's Sustainability Planning Grants Program provides financial and technical assistance to local agencies in the form of retained consultant services to perform the desired scope of services for the awarded projects. The principal goals of the grants are as follows:

- Provide needed planning resources to local jurisdictions for sustainability planning efforts;
- Develop local plans that support the implementation of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy;
- Increase the region's competitiveness for federal and state funds, including, but not limited to, the California Active Transportation Program and Greenhouse Gas Reduction Fund.

The 2016 Sustainability Planning Grants Program is comprised of three main project categories:

- **Active Transportation** – Examples includes bicycle, pedestrian and safe routes to school plans and programs.
- **Integrated Land Use** – Examples include sustainable land use planning, transit oriented development and land use & transportation integration.
- **Green Region Initiatives** – Examples include natural resource plans, climate action plans, green street plans, and greenhouse gas (GHG) reduction programs.

Both the Nason Street Corridor Phase II and Healthy City Element project concepts will be submitted under the Integrated Land Use grant category.

1. Nason Street Corridor Phase II: The grant request is intended to provide resources to the City to further explore the Town Center Study Area Plan envisioned in the previous Nason Street Corridor Plan, completed in October 2015. Nason Street Corridor Phase II: Town Center Study Area would focus on Subarea 2 (Traditional Town Center), which includes the City owned property (approximately 60 acres) located at the northeast corner of the Nason Street and Alessandro Boulevard intersection. This area is centrally located within the City of Moreno Valley along two significant arterials that have direct freeway access. The City owned property is of an appropriate and substantial size that with appropriate planning vision and development can serve as a catalyst for desirable economic development, job creation and enhanced mobility. In addition to planning considerations for a unifying location for a viable town center, the grant funds to be requested would also consider transit connectivity from this location along Alessandro Boulevard to the new Metrolink station west of I-215.

This area of the City has been identified as an area of particular interest in the City's recently adopted Momentum MoVal strategic plan, specifically as:

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.

2. **Healthy Communities Element:** The grant request is recommended to secure needed planning consultant services to evaluate and develop components of a new optional Healthy Communities Element of the City General Plan. A Healthy Communities Element can provide a framework for translating the General Plan vision for a healthy Moreno Valley into reality by identifying policies that connect and bridge the objectives of other mandatory General Plan Elements (i.e. Land Use, Circulation, Open Space, Safety) in a considerate fashion to achieve that vision. The completion of a Healthy Communities Element would be in addition to the seven state mandated elements required in a General Plan. The effort would address areas where public health and planning intersect, including transportation and active living, access to nutritious foods, access to health care, mental health, quality of life, and environmental health.

The interest for the addition of a new Health Element in the General Plan has been identified as an initiative within the Beautification, Community Engagement and Quality of Life priority in Momentum MoVal:

Initiative 5.5.2: Consider incorporation of a Health Element in the General Plan.

Grant applications are due November 18, 2016. City staff participated in the SCAG led Informational Webinar for the 2016 Sustainability Planning Grant Program held on October 13, 2016.

## **ALTERNATIVES**

1. Authorize staff to submit two grant applications in accordance with the 2016 Sustainability Planning Grants Program call for proposals and approve Resolution 2016-XX, which authorizes the City Manager to execute agreements with SCAG for the Sustainability Planning Grants, if the City of Moreno Valley secures grant funding. *Staff recommends this action.*
2. Do not authorize staff to submit two grant applications in accordance with the 2016 Sustainability Planning Grants Program call for proposals. *This alternative would not avail the City to available financial and technical resources desired to advance these strategic plan initiatives; therefore, this action is not recommended.*

## **FISCAL IMPACT**

Neither of the two grant applications require a match from the agency submitting the application. Staffing resources may be used as an in-kind match to improve the competitiveness of each grant request. Staff anticipates submitting two separate applications requesting a \$200,000 grant for the Nason Street project and up to \$500,000 for the Healthy Communities Element project.

If any of the grant applications are selected by SCAG for funding, then City staff will bring to Council a request to accept the grant(s). Successful grant applications are anticipated to be announced in December 2016. There is no impact to the General Fund with this recommended action.

**PREPARATION OF STAFF REPORT**

Prepared By:  
Claudia Manrique  
Associate Planner

Department Head Approval:  
Allen Brock  
Community Development Director

**CITY COUNCIL GOALS**

None

**CITY COUNCIL STRATEGIC PRIORITIES**

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

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.

Objective 4.6: Advance the development of a well-connected and balanced citywide transportation network that serves all modes.

**ATTACHMENTS**

- 1. Resolution No. 2016-73

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	11/01/16 8:39 AM
City Attorney Approval	<u>✓ Approved</u>	11/01/16 10:43 AM
City Manager Approval	<u>✓ Approved</u>	11/03/16 8:42 AM

**RESOLUTION NO. 2016-73**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, IN SUPPORT OF AND PARTICIPATION WITH THE SOUTHERN CALIFORNIA ASSOCIATION OF GOVERNMENTS SUSTAINABLE PLANNING GRANTS PROGRAM**

**WHEREAS**, the City of Moreno Valley desires to participate with the Southern California Association of Governments (SCAG) in the 2016 Sustainable Planning Grants Program; and

**WHEREAS**, with successful awards through the program SCAG will be assisting the City to secure consultant services as well as financial and technical resources needed to advance integrated land use planning for 1) Nason Street Corridor Phase II; and 2) Development of a Healthy Communities Element for inclusion in the General Plan; and

**WHEREAS**, the projects identified by the City for consideration under the 2016 Sustainable Planning Grants Program are consistent with and support the implementation of the 2016-2040 Regional Transportation Plan/Sustainable Communities Strategy (2016 RTP/SCS) for the SCAG region; and

**WHEREAS**, the projects identified are considerate of sound sustainable land use planning, transit oriented development and land use & transportation integration; therefore, advancement of each project through the refined planning phase to a shelf ready position can increase the region's competitiveness for federal and state funds, including, but not limited to, the California Active Transportation Program and Greenhouse Gas Reduction Fund; and

**WHEREAS**, the planning effort would rely in-part on a commitment of in-kind staffing services as local match for each project being considered; and

**WHEREAS**, all legal prerequisites to the adoption of this Resolution have occurred;

**WHEREAS**, all of the facts set forth in this Resolution are true and correct.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Moreno Valley authorizes submittal of the Sustainable Communities Planning Grants applications to SCAG.

1  
Resolution No. 2016-73  
Date Adopted: November 15, 2016

APPROVED AND ADOPTED this 15th day of November 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
Interim City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Resolution No. 2016-73<sup>2</sup>  
Date Adopted: November 15, 2016

Attachment: Resolution No. 2016-73 [Revision 1] (2327 : AUTHORIZATION TO SUBMIT SUSTAINABILITY PLANNING GRANTS PROGRAM



**RESOLUTION JURAT**

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

I, Marie Macias, MMC, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-73 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 15<sup>th</sup> day of November, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

\_\_\_\_\_  
CITY CLERK

(SEAL)

3  
Resolution No. 2016-73  
Date Adopted: November 15, 2016

Attachment: Resolution No. 2016-73 [Revision 1] (2327 : AUTHORIZATION TO SUBMIT SUSTAINABILITY PLANNING GRANTS PROGRAM



## **Report to City Council**

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**TO:** Mayor and City Council

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

**AGENDA DATE:** November 15, 2016

**TITLE:** TRACT 22180-3 – LEGACY PARK - ACCEPT THE AGREEMENT AND SECURITY FOR PUBLIC IMPROVEMENTS AT THE NORTHEAST CORNER OF GENTIAN AVENUE AND INDIAN STREET DEVELOPER: RSI COMMUNITIES LLC

---

### **RECOMMENDED ACTION**

#### **Recommendations:**

1. Accept the Agreement and Security for Public Improvements for RSI Communities LLC.
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 said timeframe.

### **SUMMARY**

This report recommends approval of the agreement by the City of Moreno Valley and RSI Communities LLC to construct the required public improvements that are located on the northeast corner of Gentian Avenue and Indian Street. The project is funded by RSI Communities LLC.

### **DISCUSSION**

On September 12, 1989, the City Council of the City of Moreno Valley approved Tract 22180-3. The project consists of developing approximately 26 acres into 55 single-family residential lots. This project is located on the northeast corner of Gentian Avenue and Indian Street.

RSI Communities LLC, 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 pavement, curb, gutter, sidewalk, driveway approaches, street lights, landscaping, storm drain, sewer, and water. The public improvements are to be constructed along the northeast corner of Gentian Avenue and Indian Street. 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.

The Conditions of Approval for this project require that the developer provide surety for the required improvements. Accompanying the agreement is an Irrevocable Standby Letter of Credit as Faithful Performance security in the amount of \$2,779,000 and an Irrevocable Standby Letter of Credit as Material and Labor security in the amount of \$1,389,500 issued by Bank of America.

### **ALTERNATIVES**

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative to allow the project to move forward with development and construction of public improvements.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative since it will not allow the project to move forward with development and construction of public improvements.*

### **FISCAL IMPACT**

No fiscal impact is anticipated.

### **NOTIFICATION**

Publication of agenda.

### **PREPARATION OF STAFF REPORT**

Prepared By:  
Vicente Girón  
Associate Engineer

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

Concurred By:

Michael Lloyd, P.E.  
Engineering Division Manager

## **CITY COUNCIL GOALS**

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

## **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

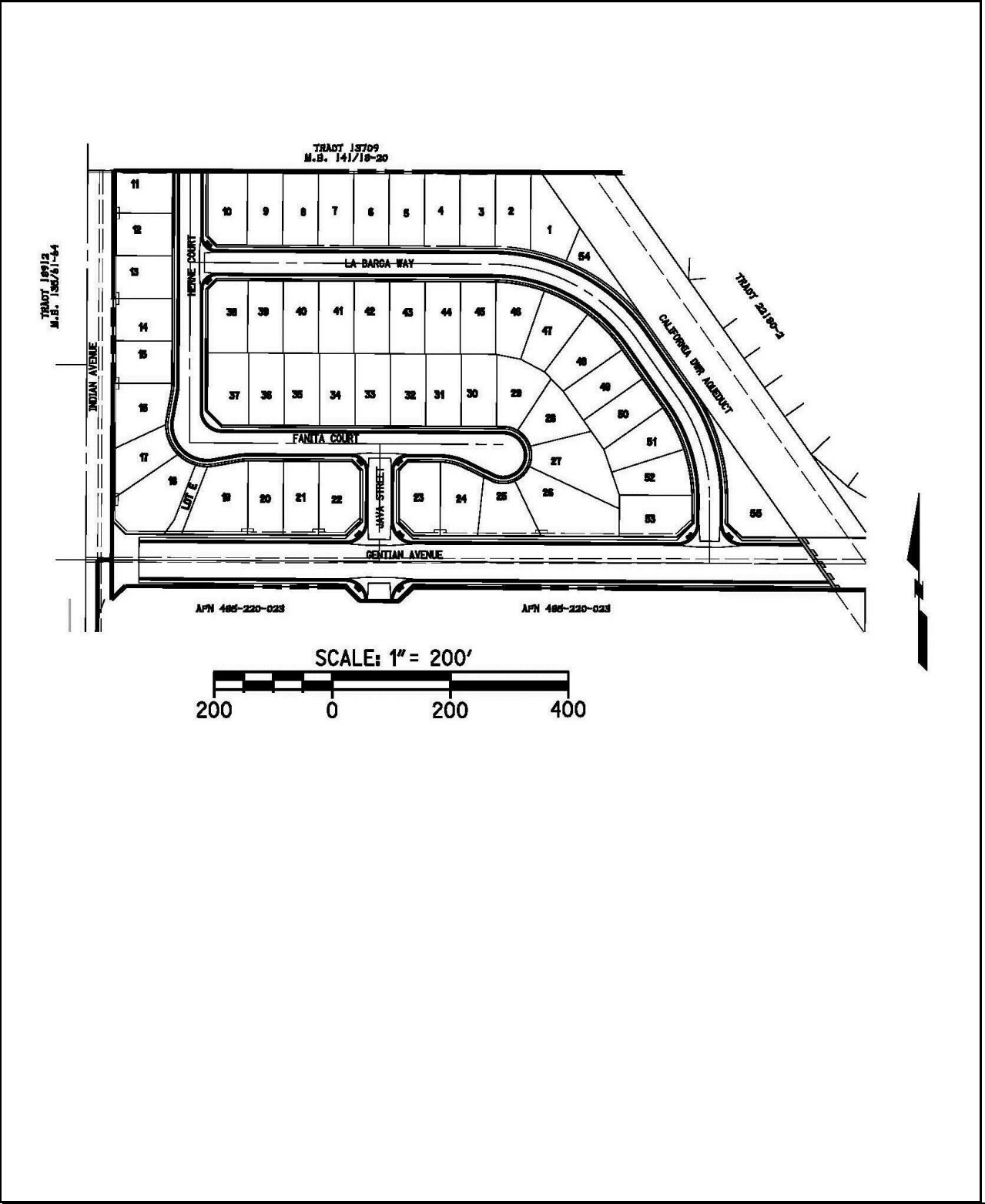
Objective 4.2: Develop and maintain a comprehensive Infrastructure Plan to invest in and deliver City infrastructure.

## **ATTACHMENTS**

1. Vicinity Map - TR 22180-3
2. Agreement for Public Improvements - TR 22180-3
3. Letter of Credit for Faithful Performance - TR 22180-3
4. Letter of Credit for Material & Labor - TR 22180-3

## **APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/27/16 5:50 PM
City Attorney Approval	<u>✓ Approved</u>	11/03/16 2:10 PM
City Manager Approval	<u>✓ Approved</u>	11/03/16 2:22 PM



CITY OF MORENO VALLEY  
 PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

TR 22180-3

Attachment: Vicinity Map - TR 22180-3 (2328 : TRACT 22180-3 ? LEGACY PARK - ACCEPT THE AGREEMENT)

**AGREEMENT FOR PUBLIC IMPROVEMENTS  
FOR  
PROJECT NO. TR 22180-3**

This Agreement made and entered into by and between the City of Moreno Valley, State of California, hereinafter called City, and **RSI Communities, LLC**, 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 **TR 22180-3** 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 **TWO MILLION SEVEN HUNDRED SEVENTY NINE THOUSAND AND NO/100** Dollars (**\*\*\*\$2,779,000.00\*\*\***). 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 **ONE MILLION THREE HUNDRED EIGHTY NINE THOUSAND FIVE HUNDRED AND NO/100** Dollars (**\*\*\*\$1,389,500.00\*\*\***). 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. TR 22180-3  
PUBLIC IMPROVEMENTS**

Page 2 of 5

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 01 and include insurance for "bodily injury," "property damage" and "personal and advertising injury" with

**AGREEMENT FOR PROJECT NO. TR 22180-3  
PUBLIC IMPROVEMENTS**

Page 3 of 5

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 considered a material breach of the Agreement.



**AGREEMENT FOR PROJECT NO. TR 22180-3  
PUBLIC IMPROVEMENTS**

Page 4 of 5

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.

**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.

**AGREEMENT FOR PROJECT NO. TR 22180-3  
PUBLIC IMPROVEMENTS**

**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:**  
RSI Communities, LLC  
620 Newport Center Drive  
12<sup>th</sup> Floor  
Newport Beach, CA 92660

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

Date approved by the City: \_\_\_\_\_

**RSI Communities, LLC:**  
Developer

By: \_\_\_\_\_

Signature

*PATRICK DONATUE*

Print/Type Name

*SVP*

Title

By: \_\_\_\_\_

Signature

*MITCHELL PEUER*

Print/Type Name

*VP Acquisitions*

Title

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

By: \_\_\_\_\_  
City Clerk

(SEAL)

**CITY OF MORENO VALLEY**

By: \_\_\_\_\_  
Mayor

**APPROVED AS TO FORM:  
CITY ATTORNEY**

Date: 10-17-16

By: \_\_\_\_\_  
City Attorney

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

SIGNATURES OF DEVELOPER MUST BE EXECUTED IN QUADRUPPLICATE AND THE EXECUTION OF THE ORIGINAL COPY MUST BE ACKNOWLEDGED BEFORE A NOTARY  
ORIGINAL - CITY CLERK; PINK - DEVELOPER; GREEN - SURETY; BLUE - PROJECT FILE

*see Attached Acknowledgment*

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 August 2 2016 before me, Icela Meza Ortiz, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Patrick Donanue and Mitchell Perez
Name(s) of Signer(s)

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 Icela Meza Ortiz
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:

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 1 of 8

PROJECT: 0 TRACT 22180-3  
PUBLIC PAVEMENT SECTIONS  
DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Street Work - Non DIF Non TUMF</b>				
Roadway Excavation		1882 C.Y.	29.00	54,578
A.B. Class II - Street 1	0.75	Thickness (ft.)		
	67751	S.F.	33.00	121,440
A.C. - Street 1	0.45	Thickness (ft.)		
	67751	S.F.	2208 Ton	80.00
Roadway Excavation		1604 C.Y.	29.00	46,516
A.B. Class II - Street 2	0.5	Thickness (ft.)		
	86619	S.F.	3132 Ton	33.00
A.C. - Street 2	0.3	Thickness (ft.)		
	86619	S.F.	1879 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
<b>Street Work - DIF</b>				
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
<b>Street Work - TUMF</b>				
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:				652,850

07-25-16

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 2 of 8

PROJECT: 0 PUBLIC STREET WORK

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Offsite Street Work</b>				
<b>Pavement</b>				
Grind & Pave 0.15'	104	S.F.	3.25	338
A.C. Cap/Overlay	0	Ton	80.00	0
Slurry Seal (Based on \$150/Ton Type II)	0	S.Y.	2.25	0
Paving Fabric	0	S.Y.	1.20	0
Sawcut	104	L.F.	3.00	312
Utility Trench	3109	L.F.	17.00	52,853
Trench Repaving	558	S.F.	12.00	6,696
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	0	EA.	800.00	0
Adjust Water Valve to Grade	0	EA.	400.00	0
Remove & Dispose Existing Pavement & Base	0	SF	28.00	0
Remove Existing Curb & Gutter	652	L.F.	12.00	7,824
<b>Concrete</b>				
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"	4277	L.F.	25.00	106,925
Curb and Gutter - 8"	1955	L.F.	30.00	58,650
Curb and Gutter - 8" (DIF Street Name)	0	L.F.	30.00	0
Curb and Gutter - 8" (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 - 8" (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	5894	S.F.	10.25	60,414
Sidewalk	40798	S.F.	4.25	173,392
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"	10070	S.F.	6.50	65,455
Driveway Approach - 8"	0	S.F.	10.50	0
Wheelchair Ramp	10	EA.	2,600.00	26,000
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
<b>Miscellaneous</b>				
Relocate Power Poles	0	EA.	30,000.00	0
Relocate Power Poles (DIF Street Name)	0	EA.	30,000.00	0
Erosion Control	16	AC	5,000.00	79,000
Walls - Masonry: 6' Maximum	0	L.F.	100.00	0
Walls - Retaining: 6' Maximum	0	L.F.	150.00	0
Reinforced P.C.C. Retaining Walls	0	C.Y.	780.00	0
				0
			SUBTOTAL	637,858
<b>Traffic Improvements (Plan Checked by Trans. Eng. Staff/Inspected by LDD Staff)</b>				
Traffic Striping/raised pavement markers	1	L.S.	-	11,042
Traffic Striping (DIF Street -Perris Blvd)	0	L.S.	-	0
Street Name Sign	6	EA.	500.00	3,000
Stop Sign	3	EA.	200.00	600
Signs and Posts	10	EA.	200.00	2,000
Signs and Posts (DIF Street -Perris Blvd )	0	EA.	200.00	0
Street Sweeping Sign	9	EA.	200.00	1,800
Warning Markers - Type L, Type N	0	EA.	100.00	0
Traffic Control	0	L.S.	10,000.00	0
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.	90.00	0
			SUBTOTAL:	18,442

07-25-18

Bondable Street Work Only (Not Plan Checked but Inspected)

Undergrounding of Utilities	0 L.F.	203.00	0
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

07-25-16

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 3 of 8

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

PUBLIC STREET WORK (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Special Districts</b>				
Landscaping - Medians	0	S.F.	6.00	0
Landscaping - Parkways	0	S.F.	6.00	0
100W HPSV or Equivalent (9,500 Lumens)	17	EA.	5,000.00	85,000
200W HPSV or Equivalent (22,000 Lumens)	12	EA.	6,000.00	72,000
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:				157,000
<b>Moreno Valley Utilities</b>				
Electrical Utility Infrastructure	0	L.S.	50.00	0
MVU SUBTOTAL:				0
<b>Water Quality Basin</b>				
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
<b>Transportation Engineering (Plan Checked and Inspected by Transp. Eng. Staff)</b>				
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

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 4 of 8

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

## PUBLIC STORM DRAIN SYSTEM

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Pipe</b>				
12" Reinforced Concrete Pipe	0	L.F.	130.00	0
18" Reinforced Concrete Pipe	0	L.F.	140.00	0
24" Reinforced Concrete Pipe	405	L.F.	160.00	64,800
24" Reinforced Concrete Pipe (DIF Street Name)	0	L.F.	160.00	0
30" Reinforced Concrete Pipe	264	L.F.	180.00	47,520
36" Reinforced Concrete Pipe	337	L.F.	190.00	64,030
39" 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.	461.00	0
Sawcut and Remove Existing 57" Pipe	8	L.F.	350.00	2,800
<b>Manholes</b>				
Manhole No. 1	2	EA.	5000.00	10,000
Manhole No. 2	0	EA.	7200.00	0
Manhole No. 3	0	EA.	8500.00	0
Manhole No. 4	3	EA.	10000.00	30,000
	0		0.00	0
<b>Catch Basins</b>				
Catch Basin (3.5')	0	EA.	3100.00	0
Catch Basin (7')	5	EA.	5500.00	27,500
Catch Basin (10')	2	EA.	6700.00	13,400
Catch Basin (14')	1	EA.	8000.00	8,000
Catch Basin (21')	0	EA.	12500.00	0
Local Depressions	8	EA.	535.00	4,280
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.	6000.00	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



07-25-16

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 5 of 8

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

## PUBLIC STORM DRAIN SYSTEM (CONTINUED)

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Structures</b>				
Transition Structure	0	EA.	5500.00	0
Junction Structure	0	EA.	6500.00	0
Type IX Inlet Structure	0	EA.	2500.00	0
Inlet Structure (drop)	0	EA.	4000.00	0
Outlet Structure	0	EA.	8000.00	0
Concrete Collar (to 48")	0	EA.	3000.00	0
Headwall	0	EA.	5500.00	0
Concrete Collar (Grater than 48")	0	EA.	5000.00	0
Modified Junction Structure	0	EA.	15000.00	0
End Cap	0	EA.	1000.00	0
<b>Drains</b>				
Terrace Drain	0	S.F.	10.00	0
Down Drain	0	S.F.	10.00	0
Parkway Drain	0	EA.	3500.00	0
Under Sidewalk	0	EA.	600.00	0
Curb Outlet	0	EA.	250.00	0
"V" Gutter	0	S.F.	10.00	0
EODE Concrete Channel	0	C.Y.	250.00	0
<b>Miscellaneous</b>				
Rip Rap	0	TON	60.00	0
Concrete Pipe Slope Anchor	0	EA.	2500.00	0
Manhole Shaft	0		6000.00	0
Access Opening	0		15000	0
Special CB Connection	4	EA.	1400	5,600
Slurry Backfill 420-C-2000	32	C.Y.	110	3,520
SUBTOTAL:				281,450

07-25-16

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 6 of 8

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

## PUBLIC WATER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Pipes - Water System</b>				
4" PVC C-900	0	L.F.	25.00	0
6" PVC C-900	0	L.F.	30.00	0
8" PVC C-900	2534	L.F.	35.00	88,690
10" PVC C-900	0	L.F.	40.00	0
12" PVC C-900	1242	L.F.	55.00	68,310
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
<b>Valves - Water System</b>				
4" Gate Valve	0	EA.	715.00	0
6" Gate Valve	0	EA.	830.00	0
8" Gate Valve	6	EA.	1,340.00	8,040
10" Gate Valve	0	EA.	1,500.00	0
12" Gate Valve	3	EA.	2,300.00	6,900
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.	990.00	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	5	EA.	2,400.00	12,000
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	1	EA.	4,000.00	4,000
	0		0.00	0
<b>Fire Hydrants - Water System</b>				
6" Standard Fire Hydrants	9	EA.	4,000.00	36,000
6" Super Fire Hydrants	4	EA.	4,500.00	18,000
	0		0.00	0
<b>Services Connections</b>				
1" Service	0	EA.	800.00	0
1" Service w/ 5/8" Service	53	EA.	2,000.00	106,000
1 1/2" Service	0	EA.	1,100.00	0
2" Service	0	EA.	1,600.00	0
	0		0.00	0
<b>Fittings - Water System</b>				
Misc. Fittings 4"	0		120.00	0
Misc. Fittings 6"	0		160.00	0
Misc. Fittings 8"	6		200.00	1,200
Misc. Fittings 10"	0		240.00	0
Misc. Fittings 12"	1		750.00	750
	0		0.00	0
<b>Water Meters - Water System</b>				
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
<b>Hot Tap Connections - Water System</b>				
6" Hot Tap	0	EA.	1,750.00	0
8" Hot Tap	0	EA.	2,200.00	0
12" Hot Tap	1	EA.	3,150.00	3,150
Hot Tap Service Clamp	0	EA.	1,000.00	0
Water Service	0	EA.	330.00	0
	0		0.00	0

07-25-16

*Miscellaneous - Water System*

Thrust Block	0 CY	150.00	0
Jack & Bore	0 L.F.	300.00	0
Joint at Existing 8"	1 EA.	650.00	650
Adjust Water Meter Box to Grade	0 EA.	235.00	0
	0	0.00	0

SUBTOTAL: 353,690

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 7 of 8

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

## PUBLIC SEWER SYSTEMS

TYPE	QUANTITY	UNIT	UNIT PRICE	TOTAL
<b>Pipes - Sewer System</b>				
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	1770	L.F.	25.00	44,250
6" SDR - 35	0	L.F.	30.00	0
8" SDR - 35	3310	L.F.	35.00	115,850
10" SDR - 35	0	L.F.	45.00	0
12" SDR - 35	0	L.F.	54.00	0
15" SDR - 35	0	L.F.	90.00	0
Concrete Encasement	0	L.F.	20.00	0
	0		0.00	0
<b>Cleans Outs - Sewer System</b>				
Clean-outs	0	EA.	730.00	0
Clean Out Lateral	0	EA.	200.00	0
Backwater Valves	7	EA.	500.00	3,500
<b>Manholes - Sewer System</b>				
Standard Manhole 48"	14	EA.	3,140.00	43,960
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	1	EA.	2,100.00	2,100
Rechanel 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
<b>Miscellaneous - Sewer System</b>				
Wyes	53	EA.	90.00	4,770
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:	214,430

07-25-16

EXHIBIT "A"  
ENGINEER'S ESTIMATE

Sheet 8 of 8

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

PROJECT: 0

DATE: 07/22/16  
PREPARED BY: JOSH FROHMAN (ds)

IMPROVEMENT TYPE:

PAVEMENT SECTION WORK	:	\$652,850
OFFSITE STREET WORK	:	\$637,858
SPECIAL DISTRICTS	:	\$157,000
MORENO VALLEY UTILITIES	:	\$0
WATER QUALITY BASIN	:	\$0
TRANSPORTATION ENGINEERING	:	\$0
STORM DRAIN SYSTEM	:	\$281,450
WATER SYSTEM	:	\$353,690
SEWER SYSTEM	:	\$214,430
TRAFFIC IMPROVEMENTS	:	\$18,442
MONUMENTS/OTHER	:	\$0

TOTAL COST (VALUE) OF IMPROVEMENTS: \$2,315,720

+20% CONTINGENCY: \$463,144

GRAND TOTAL: \$2,778,864

FAITHFUL PERFORMANCE SECURITY AMOUNT: \$2,779,000

LABOR & MATERIAL SECURITY AMOUNT: \$1,389,500

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





BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: OCTOBER 7, 2016

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 68127734

ISSUING BANK  
BANK OF AMERICA, N.A.  
ONE FLEET WAY  
PA6-580-02-30  
SCRANTON, PA 18507-1999

BENEFICIARY  
CITY OF MORENO VALLEY  
14177 FREDERICK STREET  
P.O. BOX 88005  
MORENO VALLEY, CA 92552-0805

APPLICANT  
RSI COMMUNITIES LLC  
620 NEWPORT CENTER DRIVE  
12TH FLOOR  
NEWPORT BEACH CA 92660

AMOUNT  
NOT EXCEEDING USD 2,779,000.00  
NOT EXCEEDING TWO MILLION SEVEN HUNDRED SEVENTY NINE THOUSAND AND 00/100'S  
US DOLLARS

EXPIRATION  
NOVEMBER 1, 2017 AT OUR COUNTERS

RE: IRREVOCABLE LETTER OF CREDIT DELIVERED AS IMPROVEMENT SECURITY  
PURSUANT TO CALIFORNIA GOVERNMENT CODE SECTIONS 66499 ET SEQ. AND  
REGULATIONS OF THE CITY OF MORENO VALLEY

GENTLEMEN:

BANK OF AMERICA, N.A., A FINANCIAL INSTITUTION SUBJECT TO REGULATION  
BY THE UNITED STATES GOVERNMENT, ESTABLISHES AND DELIVERS TO THE CITY  
OF MORENO VALLEY THIS IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR FOR  
THE ACCOUNT OF RSI COMMUNITIES LLC LOCATED AT 620 NEWPORT CENTER  
DRIVE, 12TH FLOOR NEWPORT BEACH, CA 92660 UP TO AN AGGREGATE SUM OF  
TWO MILLION SEVEN HUNDRED SEVENTY NINE THOUSAND AND 00/100 UNITED  
STATES DOLLARS (US \$2,779,000.00), WE ARE INFORMED THIS LC IS ISSUED  
AS "IMPROVEMENT SECURITY" AS REQUIRED BY GOVERNMENT CODE SECTIONS  
66499 ET SEQ. AND REGULATIONS OF THE CITY OF MORENO VALLEY, FOR  
PROJECT NO. TR22180-3

ALL OR ANY PORTION OF THE FUNDS AVAILABLE PURSUANT TO THIS  
IRREVOCABLE LETTER OF CREDIT WILL BE PAID UPON THE WRITTEN DEMAND OF  
THE CITY OF MORENO VALLEY. THE WRITTEN DEMAND NEED NOT PRESENT  
DOCUMENTATION OF ANY TYPE AS A CONDITION OF PAYMENT, INCLUDING PROOF  
OF LOSS, BUT WILL BE AVAILABLE BY YOUR DRAFT AT SIGHT DRAWN ON US AND  
ACCOMPANIED BY YOUR SIGNED CERTIFICATION STATING:

- 1. "RSI COMMUNITIES LLC HAS NOT COMPLIED WITH THE PERFORMANCE  
REQUIREMENTS AS SET FORTH IN THE AGREEMENT FOR PUBLIC IMPROVEMENTS

ORIGINAL



BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 68127734

FOR PROJECT NO. TR22180-3 ENTERED INTO WITH THE CITY OF MORENO VALLEY.

OR

2. RSI COMMUNITIES LLC HAS NOT MAINTAINED THE OFFSITE IMPROVEMENTS AS SET FORTH IN THE AGREEMENT FOR PUBLIC IMPROVEMENTS FOR PROJECT NO TR 22180-3 ENTERED INTO WITH THE CITY OF MORENO VALLEY FOR THE ONE YEAR GUARANTEE AND WARRANTY PERIOD PROVIDED, HOWEVER, THAT THE MAXIMUM AMOUNT WHICH MAY BE DRAWN UNDER THIS SUBPARAGRAPH 2. SHALL BE LIMITED TO 10% OF THE LETTER OF CREDIT."


THIS IRREVOCABLE LETTER OF CREDIT EXPIRES AT THE INSTITUTION'S COUNTER ON NOVEMBER 1, 2017, HOWEVER, IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR SUCCESSIVE ONE YEAR PERIODS FROM THE PRESENT AND ALL FUTURE EXPIRATION DATES THEREOF UNLESS AT LEAST 60 DAYS PRIOR TO ANY SUCH DATE THE INSTITUTION SHALL NOTIFY THE CITY IN WRITING THAT THE INSTITUTION ELECTS NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH ADDITIONAL PERIOD.


IN THE EVENT THIS LETTER OF CREDIT IS DUE TO EXPIRE WITHIN 30 DAYS AND (APPLICANT) FAILS TO PROVIDE A SUBSTITUTE SECURITY ACCEPTABLE TO THE CITY OF MORENO, YOU MAY DRAW HEREUNDER THE AGGREGATE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT BY PRESENTATION OF YOUR DRAFT AT SIGHT AND YOUR SIGNED STATEMENT CERTIFYING THAT YOU ARE IN RECEIPT OF BANK OF AMERICA N.A.'S NOTICE OF NONEXTENSION UNDER LETTER OF CREDIT NO.68127734 AND THE APPLICANT'S OBLIGATION TO YOU REMAINS.

WE HAVE BEEN ADVISED BY THE APPLICANT THAT WHEN THE WORK COVERED BY THE AGREEMENTS IS COMPLETED TO THE SATISFACTION OF THE CITY, THE CITY ENGINEER OF THE CITY OF MORENO VALLEY WILL ACCEPT THE WORK AND THEREUPON THE AMOUNT OF THIS STANDBY LETTER OF CREDIT CAN BE REDUCED BY 90% OF THE THEN CURRENT AMOUNT OF THIS LETTER OF CREDIT UPON RECEIPT BY THE ISSUER OF THE CITY OF MORENO VALLEY'S WRITTEN ACKNOWLEDGEMENT THAT ALL WORK COVERED BY THE AGREEMENTS IS COMPLETED TO THE SATISFACTION OF THE CITY AND THAT THE LETTER OF CREDIT MAY BE REDUCED.

THIS LETTER OF CREDIT IS IRREVOCABLE AND THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 800-370-7519 OPT 1 .

  
-----  
AUTHORIZED SIGNATURE

APPROVED AS TO FORM  
DATE 10-17-16  
BY   
CITY ATTORNEY  
CITY OF MORENO VALLEY

ORIGINAL

BANK OF AMERICA - CONFIDENTIAL

PAGE: 3

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 68127734

THIS DOCUMENT CONSISTS OF 3 PAGE(S) .


ORIGINAL



ASSISTANT SECRETARY'S CERTIFICATE  
OF  
BANK OF AMERICA, NATIONAL ASSOCIATION

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. The following person has been duly elected or appointed and has duly qualified as officer of the Association and holds the office set forth opposite their name.

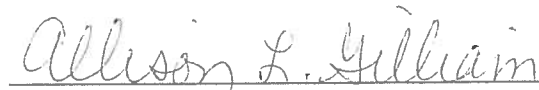
<u>Name</u>	<u>Title</u>	<u>Signature</u>
John Yzeik	Assistant Vice President	

2. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

**Section 5.2. Execution of Instruments.** All indentures, mortgages, deeds, conveyances, contracts, notes, loan documents, letters of credit, master agreements, swap agreements, guarantees, discharges, releases, satisfactions, settlements, affidavits, bonds, undertakings, powers of attorney, and other instruments or contracts may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the Chief Executive Officer, the President, any Vice Chairman of the Board, any Division President, any Managing Director, any Director (as described in Section 4.7 of these Bylaws), any Principal, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Officer, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors, the Chief Executive Officer or any officer reporting directly to the Chief Executive Officer may direct in a written delegation kept in the minute book of the Association. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 29<sup>th</sup> day of June, 2016.



  
Allison L. Gilliam, Assistant Secretary

BANK OF AMERICA - CONFIDENTIAL

PAGE: 1

DATE: OCTOBER 7, 2016

IRREVOCABLE STANDBY LETTER OF CREDIT NUMBER: 68127732

ISSUING BANK  
BANK OF AMERICA, N.A.  
ONE FLEET WAY  
PA6-580-02-30  
SCRANTON, PA 18507-1999

BENEFICIARY  
CITY OF MORENO VALLEY  
14177 FREDERICK STREET  
P.O. BOX 88005  
MORENO VALLEY, CA 92552-0805

APPLICANT  
RSI COMMUNITIES LLC  
620 NEWPORT CENTER DRIVE  
12TH FLOOR  
NEWPORT BEACH CA 92660

AMOUNT  
NOT EXCEEDING USD 1,389,500.00  
NOT EXCEEDING ONE MILLION THREE HUNDRED EIGHTY NINE THOUSAND FIVE HUNDRED  
AND 00/100'S US DOLLARS

EXPIRATION  
NOVEMBER 1, 2017 AT OUR COUNTERS

RE: IRREVOCABLE LETTER OF CREDIT DELIVERED AS SECURITY FOR LABOR AND  
MATERIALS PURSUANT TO GOVERNMENT CODE SECTIONS 66499 ET SEQ. AND  
REGULATIONS OF THE CITY OF MORENO VALLEY

GENTLEMEN:

BANK OF AMERICA, N.A., A FINANCIAL INSTITUTION SUBJECT TO REGULATION  
BY THE UNITED STATES GOVERNMENT, ESTABLISHES AND DELIVERS TO THE CITY  
OF MORENO VALLEY THIS IRREVOCABLE LETTER OF CREDIT IN YOUR FAVOR FOR  
THE ACCOUNT OF RSI COMMUNITIES LLC LOCATED AT 620 NEWPORT CENTER  
DRIVE, 12TH FLOOR NEWPORT BEACH, CA 92660 UP TO AN AGGREGATE SUM OF  
ONE MILLION THREE HUNDRED EIGHTY NINE THOUSAND FIVE HUNDRED AND  
00/100 UNITED STATES DOLLARS (US \$1,389,500.00), AS " SECURITY FOR  
LABOR AND MATERIALS" AS REQUIRED BY GOVERNMENT CODE SECTIONS 66499 ET  
SEQ. AND REGULATIONS OF THE CITY OF MORENO VALLEY, PROJECT NUMBER  
TR22180-3.

ALL OR ANY PORTION OF THE FUNDS AVAILABLE PURSUANT TO THIS  
IRREVOCABLE LETTER OF CREDIT WILL BE PAID UPON THE WRITTEN DEMAND OF  
THE CITY OF MORENO VALLEY. THE WRITTEN DEMAND NEED NOT PRESENT  
DOCUMENTATION OF ANY TYPE AS A CONDITION OF PAYMENT, INCLUDING PROOF  
OF LOSS, BUT WILL BE AVAILABLE BY YOUR DRAFT AT SIGHT DRAWN ON US AND  
ACCOMPANIED BY YOUR SIGNED CERTIFICATION STATING:

1. "RSI COMMUNITIES LLC HAS NOT COMPLIED WITH THE LABOR AND MATERIAL  
PAYMENT REQUIREMENTS AS SET FORTH IN THE AGREEMENT FOR PUBLIC

ORIGINAL

BANK OF AMERICA - CONFIDENTIAL

PAGE: 2

THIS IS AN INTEGRAL PART OF LETTER OF CREDIT NUMBER: 68127732

IMPROVEMENTS FOR PROJECT NO. TR22180-3 ENTERED INTO WITH THE CITY OF MORENO VALLEY".

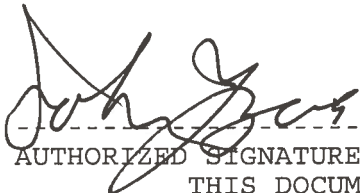
THIS IRREVOCABLE LETTER OF CREDIT EXPIRES AT THE INSTITUTION'S COUNTER ON NOVEMBER 1, 2017, HOWEVER, IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT SHALL BE DEEMED AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR SUCCESSIVE ONE YEAR PERIODS FROM THE PRESENT AND ALL FUTURE EXPIRATION DATES THEREOF UNLESS AT LEAST 60 DAYS PRIOR TO ANY SUCH DATE THE INSTITUTION SHALL NOTIFY THE CITY IN WRITING THAT THE INSTITUTION ELECTS NOT TO CONSIDER THIS LETTER OF CREDIT EXTENDED FOR ANY SUCH ADDITIONAL PERIOD.

IN THE EVENT THIS LETTER OF CREDIT IS DUE TO EXPIRE WITHIN 30 DAYS AND RSI COMMUNITIES LLC FAILS TO PROVIDE A SUBSTITUTE SECURITY ACCEPTABLE TO THE CITY OF MORENO, YOU MAY DRAW HEREUNDER THE AGGREGATE AMOUNT AVAILABLE UNDER THIS LETTER OF CREDIT BY PRESENTATION OF YOUR DRAFT AT SIGHT AND YOUR SIGNED STATEMENT CERTIFYING THAT YOU ARE IN RECEIPT OF BANK OF AMERICA N.A.'S NOTICE OF NONEXTENSION UNDER LETTER OF CREDIT NO.68127732 AND THE APPLICANT'S OBLIGATION TO YOU REMAINS.


RELEASE OF ANY PART OF SAID SUM SHALL BE MADE ONLY UPON WRITTEN AUTHORIZATION OF THE CITY OF MORENO VALLEY.

THIS LETTER OF CREDIT IS IRREVOCABLE AND THIS LETTER OF CREDIT IS ISSUED SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (ISP98), INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590.

IF YOU REQUIRE ANY ASSISTANCE OR HAVE ANY QUESTIONS REGARDING THIS TRANSACTION, PLEASE CALL 800-370-7519 OPT 1 .

  
-----  
AUTHORIZED SIGNATURE

THIS DOCUMENT CONSISTS OF 2 PAGE(S).

APPROVED AS TO FORM  
DATE 10-17-16  
BY   
CITY ATTORNEY  
CITY OF MORENO VALLEY

ORIGINAL

ASSISTANT SECRETARY'S CERTIFICATE
OF
BANK OF AMERICA, NATIONAL ASSOCIATION

The undersigned, Allison L. Gilliam, an Assistant Secretary of Bank of America, National Association (the "Association"), a national banking association organized and existing under the laws of the United States of America and having its principal place of business in the City of Charlotte, County of Mecklenburg, State of North Carolina, does hereby certify that:

1. The following person has been duly elected or appointed and has duly qualified as officer of the Association and holds the office set forth opposite their name.

Name Title Signature
John Yzeik Assistant Vice President [Handwritten Signature]

2. The following is a true and complete copy of an excerpt from the Bylaws of said Association, and the same is in full force and effect as of the date hereof.

Section 5.2. Execution of Instruments. All indentures, mortgages, deeds, conveyances, contracts, notes, loan documents, letters of credit, master agreements, swap agreements, guarantees, discharges, releases, satisfactions, settlements, affidavits, bonds, undertakings, powers of attorney, and other instruments or contracts may be signed, executed, acknowledged, verified, attested, delivered or accepted on behalf of the Association by the Chairman of the Board, the Chief Executive Officer, the President, any Vice Chairman of the Board, any Division President, any Managing Director, any Director (as described in Section 4.7 of these Bylaws), any Principal, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Officer, or any individual who is listed on the Association's personnel records in a position equal to any of the aforementioned officer positions, or such other officers, employees or agents as the Board of Directors, the Chief Executive Officer or any officer reporting directly to the Chief Executive Officer may direct in a written delegation kept in the minute book of the Association. The provisions of this Section 5.2 are supplementary to any other provision of these Bylaws and shall not be construed to authorize execution of instruments otherwise dictated by law.

IN WITNESS WHEREOF, I have hereupon set my hand and affixed the seal of said Association this 29th day of June, 2016.



Allison L. Gilliam
Allison L. Gilliam, Assistant Secretary



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Marshall Eyerman, Chief Financial Officer

**AGENDA DATE:** November 15, 2016

**TITLE:** OFFER OF DEDICATION FOR STREET RIGHT-OF-WAY PURPOSES ON KITCHING STREET AND EDWIN ROAD, APN 312-250-016 - KITCHING STREET ELECTRICAL SUBSTATION AND SWITCHYARD, PROJECT NO. 805 0027

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### **RECOMMENDED ACTION**

#### **Recommendations:**

1. Authorize the City Manager to execute the Offer of Dedication for street right-of-way purposes on Kitching Street and Edwin Road, APN 312-250-016.
2. Direct the City Clerk to forward the Offer of Dedication to the City Engineer to execute the Acceptance Certificate and to transmit the Offer of Dedication with the Acceptance Certificate to the County Recorder's Office for recordation.

### **SUMMARY**

On November 18, 2014, the City Council approved the purchased APN 312-250-016 (Parcel 3 of PM 13202) for a future electrical substation site. As part of the development of the site, a portion of the parcel is required to be dedicated to the City for future street right-of-way. The acceptance of the Offer of Dedication for street right-of-way purposes will allow the City to construct the perimeter street improvements per City standards. The completion and filing of these documents with Riverside County will allow for the proper recordation of these activities and any parcel adjustments.

The recommendations were ajenized on the October 21, 2016 Utilities Commission meeting for discussion.

### **DISCUSSION**

Six feet of additional street right-of-way is required on the west side of Kitching Street along the substation project frontage to construct Kitching Street to an Arterial Street standard in conformance with the City's General Plan. Nine feet of additional street right-of-way is required on the north side of Edwin Road along the substation project frontage to construct Edwin Road to an Industrial Collector standard in conformance with the City's General Plan. Additional street right-of-way is also required at the northwest corner of these two streets in conformance with the City's corner cut off standard.

Once the Offer of Dedication is executed by the City Manager, the document will be forwarded to the City Engineer to execute the Acceptance Certificate as authorized by Resolution No. 94-5.

The additional street right-of-way is required prior to construction in order to construct the proposed street improvements consisting of, but not limited to, pavement, base, curb, gutter, sidewalk, driveway approaches, street lights, landscaping, and undergrounding of overhead utilities. The street improvements will be accepted into and become a part of the City's maintained street system.

### **ALTERNATIVES**

1. Authorize the City Manager to execute the Offer of Dedication for street right-of-way purposes on Kitching Street and Edwin Road, APN 312-250-016, and direct the City Clerk to forward the Offer of Dedication to the City Engineer to execute the Acceptance Certificate and to transmit the Offer of Dedication with the Acceptance Certificate to the County Recorder's Office for recordation. *This alternative would allow for the construction of the necessary public street improvements at this location.*
2. Do not authorize the City Manager to execute the Offer of Dedication for street right-of-way purposes on Kitching Street and Edwin Road, APN 312-250-016, and direct the City Clerk to forward the Offer of Dedication to the City Engineer to execute the Acceptance Certificate and to transmit the Offer of Dedication with the Acceptance Certificate to the County Recorder's Office for recordation. *This alternative would not allow for the construction of the necessary public street improvements at this location and the substation would be constructed without adequate street frontage improvements.*

### **FISCAL IMPACT**

No fiscal impact.

### **NOTIFICATION**

Notification was provided through publication of the agenda.

### **PREPARATION OF STAFF REPORT**

Prepared By:  
Clement Jimenez  
Senior Engineer, P.E.

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

Concurred By:  
Jeannette Olko  
Electric Utility Division Manager

**CITY COUNCIL GOALS**

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

**CITY COUNCIL STRATEGIC PRIORITIES**

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

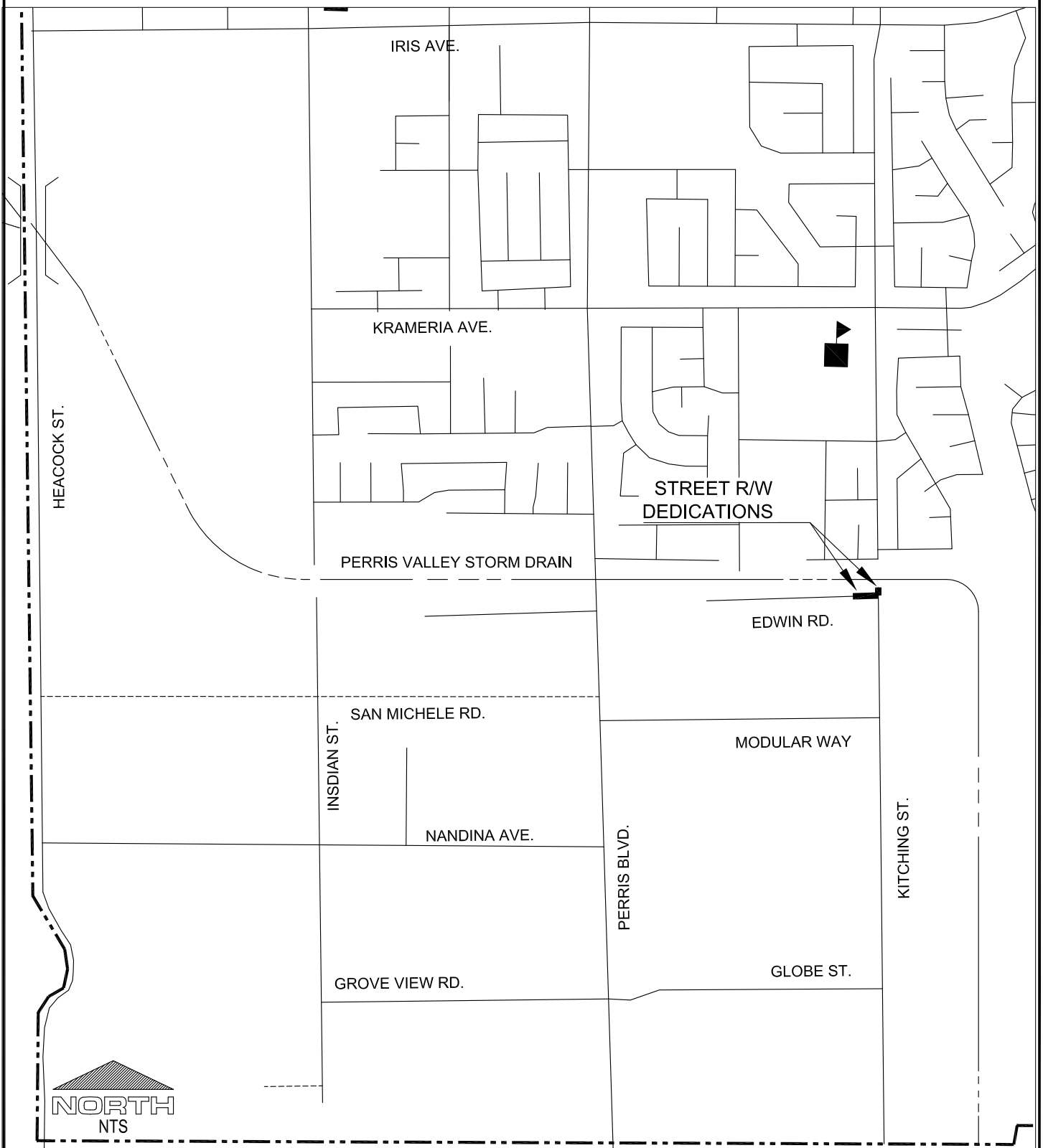
Objective 4.1: Develop a Moreno Valley Utility Strategic Plan to prepare for the 2020 expiration of the ENCO Utility Systems agreement.

**ATTACHMENTS**

- 1. Location Map
- 2. Offer of Dedication

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/27/16 5:49 PM
City Attorney Approval	<u>✓ Approved</u>	11/03/16 2:02 PM
City Manager Approval	<u>✓ Approved</u>	11/03/16 2:20 PM



# LOCATION MAP

Financial & Managment  
Service Department

Electric Utility Division

## KITCHING SUBSTATION

PROJECT NO. 805 0027





Recording requested by and when recorded, mail to:

Moreno Valley Utility  
City of Moreno Valley  
P.O. Box 88005  
Moreno Valley, CA 92552-0805

Exempt from Recording Fee per  
Govt. Code Sec. 6103  
City of Moreno Valley  
PA16-0003  
A.P.N. 312-250-016

(Space above this line for Recorder's use)  
**DOCUMENTARY TRANSFER TAX IS NONE.**  
Public Agency exempt.  
Revenue and Taxation Code Section 11922

### OFFER OF DEDICATION

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged,

#### CITY OF MORENO VALLEY, A MUNICIPAL CORPORATION

GRANTOR(S) hereby irrevocably offer(s) to DEDICATE to the CITY OF MORENO VALLEY, a municipal corporation, for themselves, successors or assigns a perpetual easement and right of way, subject to completion of improvements, for public highway purposes, including public utility and public service facilities over, under, upon, across, and within the real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

All as described in the attached legal description and illustrated on the plat attached hereto and marked Exhibits "A" and "B" respectively. IN WITNESS WHEREOF, this instrument has been executed this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

Grantor(s)  
Signature(s)

\_\_\_\_\_  
*Michelle Dawson, City Manager*  
*City of Moreno Valley, a municipal corporation*

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 \_\_\_\_\_)ss.

On \_\_\_\_\_ before me, \_\_\_\_\_, a Notary Public in and for said State, 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 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 \_\_\_\_\_  
Signature of Notary Public

Place Notary Seal Above

**EXHIBIT 'A'**  
**LEGAL DESCRIPTION**

**Edwin Road & Kitching Street Dedications**

Those portions of Parcel 3 as shown on Parcel Map No. 13202, as filed in Book 79, Page 7 of Parcel Maps, Official Records of Riverside County, located in Section 32, Township 3 South, Range 3 West, S.B.M., in the City of Moreno Valley, County of Riverside, State of California, more particularly described as follows:

**Strip No. 1:**

Being that portion of said Parcel 3 lying easterly of the following described line;

**Commencing** at the northeast corner of said Parcel 3;

Thence along the northerly line of said Parcel 3 North  $88^{\circ}50'24''$  West 6.00 to the westerly line of the easterly 6.00 feet of said Parcel 3 and the **True Point of Beginning**;

Thence along said westerly line South  $00^{\circ}17'47''$  West 25.58 feet;

Thence South  $45^{\circ}17'47''$  West 5.66 feet to a line parallel with and distant westerly 4.00 feet, measured at right angles to said westerly line;

Thence along said parallel line South  $00^{\circ}17'47''$  West 50.69 feet;

Thence South  $44^{\circ}42'13''$  East 5.66 feet to said westerly line;

Thence along said westerly line South  $00^{\circ}17'47''$  West 42.98 feet;

Thence South  $45^{\circ}17'47''$  West 5.66 feet to said parallel line;

Thence along said parallel line South  $00^{\circ}17'47''$  West 50.69 feet;

Thence South  $44^{\circ}42'13''$  East 5.66 feet to said westerly line;

Thence along said westerly line South  $00^{\circ}17'47''$  West 80.77 feet to the southeasterly line of said Parcel 3 and the **Point of Termination**;

The above described strip contains 2,018 square feet (0.05 acres) more or less.

See Exhibit 'B' attached hereto and made a part hereof.

**Strip No. 2:**

Being that portion of said Parcel 3 lying southerly of the following described line;

**Commencing** at the southwest corner of said Parcel 3;

Thence along the westerly line of said Parcel 3 North  $00^{\circ}17'55''$  East 13.00 feet to a line parallel with and distant northerly 13.00 feet from the southerly line of said Parcel 3 and the **Point of Beginning**;

Thence along said parallel line South  $89^{\circ}09'44''$  East 43.06 feet;

Thence South  $44^{\circ}09'44''$  East 5.66 feet to northerly line of the southerly 9.00 feet of said Parcel 3;

Thence along said northerly line South  $89^{\circ}09'44''$  East 43.06 feet to a line parallel with and distant 9.00 feet northwesterly from the said southeasterly line of Parcel 3;

Thence along said parallel line North  $44^{\circ}21'35''$  East 33.40 feet to the westerly line of said **Strip No. 1** and the **Point of Termination**;

The above described strip contains 2,813 square feet (0.06 acres) more or less.

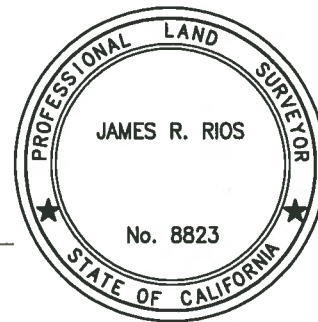
This description is not intended for use in the division and/or conveyance of land in violation of the Subdivision Map Act of the State of California.

This real property description has been prepared by me, or under my direction, in conformance with the Professional Land Surveyors Act.

  
James R. Rios, PLS 8823

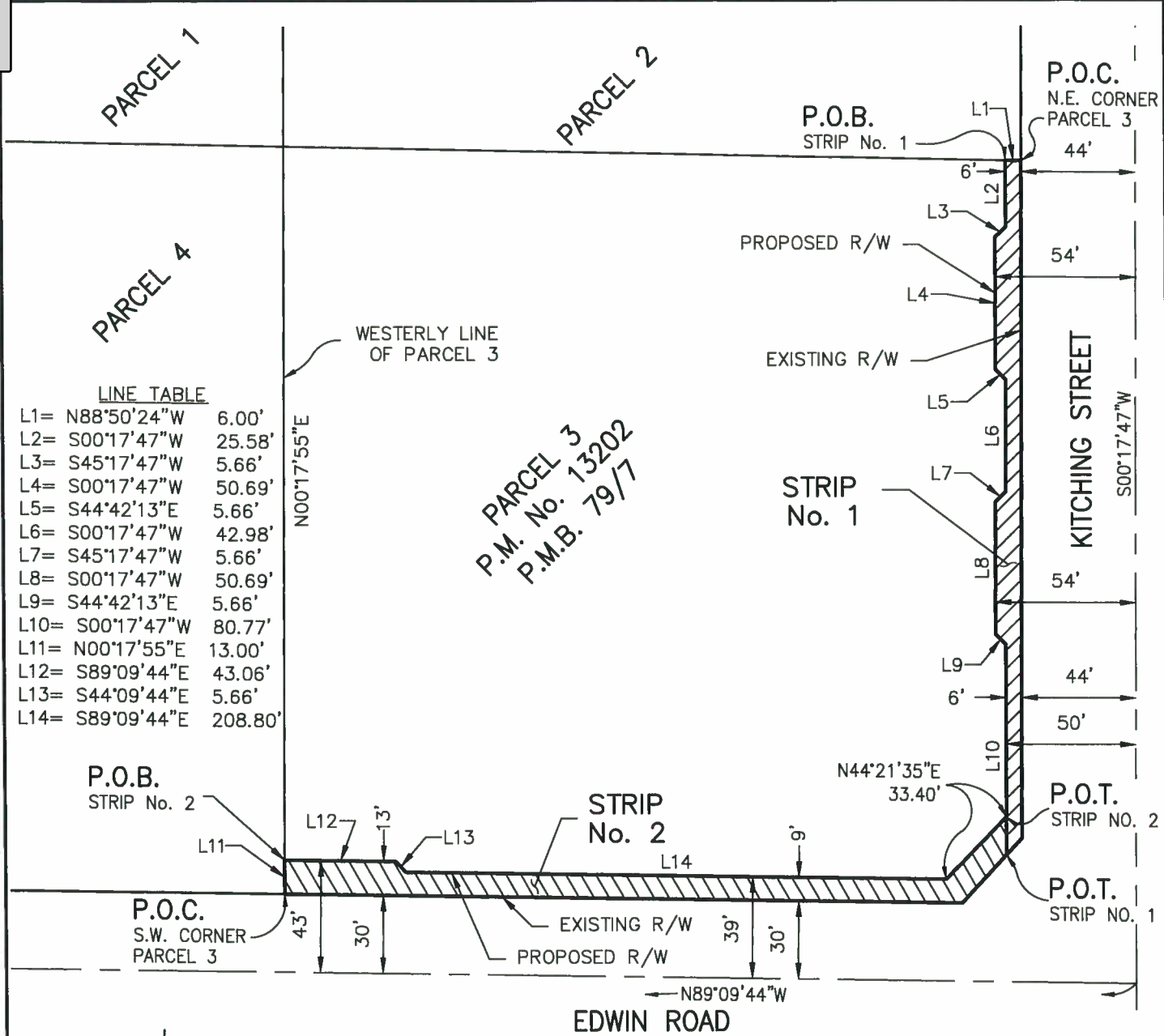
08/25/2016

Date:



A.9.b

Packet Pg. 164



**LINE TABLE**

L1=	N88°50'24"W	6.00'
L2=	S00°17'47"W	25.58'
L3=	S45°17'47"W	5.66'
L4=	S00°17'47"W	50.69'
L5=	S44°42'13"E	5.66'
L6=	S00°17'47"W	42.98'
L7=	S45°17'47"W	5.66'
L8=	S00°17'47"W	50.69'
L9=	S44°42'13"E	5.66'
L10=	S00°17'47"W	80.77'
L11=	N00°17'55"E	13.00'
L12=	S89°09'44"E	43.06'
L13=	S44°09'44"E	5.66'
L14=	S89°09'44"E	208.80'

P.O.B. STRIP No. 2

P.O.C. S.W. CORNER PARCEL 3

STRIP No. 2

EDWIN ROAD

P.O.B. STRIP No. 1

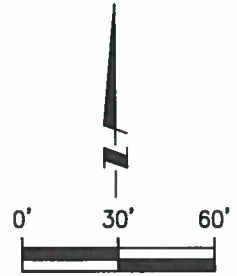
STRIP No. 1

P.O.C. N.E. CORNER PARCEL 3

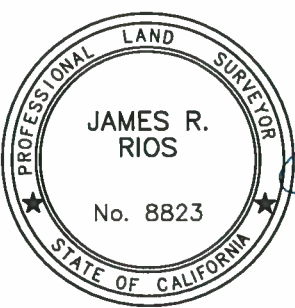
KITCHING STREET

P.O.T. STRIP NO. 2

P.O.T. STRIP NO. 1



SCALE: 1"=60'  
SEC. 32, T.3S., R.3W., S.B.M.



THIS EXHIBIT WAS PREPARED UNDER MY DIRECTION:

JAMES R. RIOS DATE 08/25/2016

**LEGEND**

INDICATES KITCHING STREET DEDICATION 2,018 SQ. FT. (0.05 ACRES) MORE OR LESS

INDICATES EDWIN ROAD DEDICATION 2,813 SQ. FT. (0.06 ACRES) MORE OR LESS

--- INDICATES CENTERLINE

APN: 312-250-016	SHEET 1 OF 1	SCALE 1" = 60'
<b>EXHIBIT "B"</b> STREET DEDICATIONS	<b>PSOMAS</b> 1500 Iowa Avenue, Suite 210 Riverside, Ca 92507 (951) 787-8421 www.psomas.com	DRAFTED JRR
		CHECKED TRG
		DATE AUG 8, 2016
		JOB NUMBER 4MOR040421

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## Report to City Council

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**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:** November 15, 2016

**TITLE:** APPROVAL OF AMENDMENT TO THE AGREEMENT WITH MARIPOSA LANDSCAPES, INC. TO PROVIDE LANDSCAPE MAINTENANCE AT CITY FACILITIES AND AQUEDUCT LANDSCAPING

---

### **RECOMMENDED ACTION**

#### **Recommendations:**

1. Approve the Amendment to the existing Agreement with Mariposa Landscapes, Inc., Irwindale, CA to provide landscape maintenance at City Facilities and Aqueduct Landscaping.
2. Authorize the City Manager to execute the Amendment to the Agreement for Professional Services with Mariposa Landscapes, and issuance of the Purchase Order for service beginning once the Agreement has been fully executed.
3. Authorize the City Manager to execute any subsequent related Amendments to the Agreement, including the authority to authorize Purchase Orders in accordance with the terms of the Agreement, which are subject to the City Attorney's approval, and the City Council's approval of sufficient funding appropriations.

### **SUMMARY**

The existing agreement allows for Mariposa Landscapes, Inc. to request for an annual inflation increase based on the Consumer Price Index (CPI) for which Mariposa initially requested an increase of 6.72%. Following negotiations with City staff, Mariposa Landscapes agreed to the CPI increase of 2% which is an increase of \$4,377.38,

increasing the total contract amount to \$218,869.42. It is recommended the City Council approve an amendment to the existing Agreement with Mariposa Landscapes, Inc. with the 2% CPI increase, effective July 1, 2016, totaling \$218,869.42 for landscape services.

## **DISCUSSION**

Mariposa Landscapes, Inc. was one of five landscape companies to submit in July 2013 bids for the landscape maintenance of City Facilities and Aqueduct Landscaping. The City panel ranked Mariposa Landscapes, Inc. as the best company in meeting the City's specifications and needs, along with representing the best overall value for the City. The City Facilities and Aqueduct Landscaping locations were identified as follows: Animal Shelter, ASES Administration Building, City Yard, Conference and Recreation Center, Electric Substation, Library, Public Safety Building, Senior Center, Utility Office, Aqueduct bikeway, CA Aqueduct, Towngate Community Center and Aqueduct.

The original landscape maintenance agreement started on fiscal year July 1, 2013/14, and has been renewed for three (3) additional years. The original agreement was amended since additional City facilities and locations were added to this landscape contract. The contractor has the option per the contract after the first year of the agreement to request a cost increase based on the C.P.I. As such, Mariposa requested an inflationary cost increase to which the City agreed on only a 2% annual cost increase. The proposed 2% cost increase represents an increase in the landscape maintenance cost of \$4,377.38 for FY 2016/17. The total contract cost is \$218,869.42 for which it is recommended the City Council approve the Amendment to the Agreement for FY 2016/17 to continue to provide landscape maintenance of City Facilities and Aqueduct Landscaping.

## **ALTERNATIVES**

1. Approve a two percent increase in the Amendment to the Agreement for Landscape Maintenance Services. Staff recommends this alternative to continue landscape maintenance services.
2. Do Not approve a two percent increase in the Amendment to the Agreement for Landscape Maintenance Services. Staff does not recommend this alternative as it may impact current landscape maintenance service levels.

## **FISCAL IMPACT**

Approval of the Amendment to the Agreement will obligate the CSD to pay a total of \$218,869.42 per fiscal year: 1.) \$94,180.80 for CSD Zone A and CFD#1 Easements and Aqueducts; 2.) \$62,106.78 for Animal Shelter, ASES Administration Building, City Yard, Conference and Recreation Center, Electric Substation, Library, Public Safety Building, Senior Center, Utility; 3.) \$55,581.84 for City Hall, City Hall Annex, Fire Stations and Veteran's Memorial; 4.) and, \$7,000.00 for any emergency work.

Funding for these landscape maintenance services has been approved in the FY 2016/17 Parks and Community Service’s Department budget.

**NOTIFICATION**

Publication of the Agenda

**PREPARATION OF STAFF REPORT**

Prepared By:  
Mel Alonzo  
Parks and Community Services  
Division Manager

Department Head Approval:  
Gabriel P. Garcia  
Director of Parks and Community Services

**CITY COUNCIL GOALS**

**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.

**CITY COUNCIL STRATEGIC PRIORITIES**

- 1. Economic Development
- 2. Public Safety
- 3. Library
- 4. Infrastructure
- 5. Beautification, Community Engagement, and Quality of Life
- 6. Youth Programs

Objective 5.2: Promote the installation and maintenance of cost effective, low maintenance landscape, hardscape and other improvements which create a clean, inviting community.

**ATTACHMENTS**

- 1. Mariposa Landscapes Amendment
- 2. Insurance 2017

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/27/16 5:26 PM
City Attorney Approval	<u>✓ Approved</u>	10/27/16 11:26 AM
City Manager Approval	<u>✓ Approved</u>	11/01/16 11:55 AM

## AMENDMENT TO AGREEMENT

This Amendment to the Independent Contractor Agreement is made and entered into between the Community Services District of the City of Moreno Valley (hereinafter referred to as "CSD"), and Mariposa Landscapes, Inc. (hereinafter referred to as "Contractor") and is effective for Fiscal Year 2016/17 once the CSD signs this Amendment.

Whereas, the CSD and Contractor entered into an Independent Contractor Agreement dated November 26, 2013 and as amended such that time.

Whereas, the Contractor is providing contract landscape maintenance services in the City of Moreno Valley, California.

### Section 1 – Amendment to Agreement.

- 1.1 The CSD and Mariposa Landscapes agree to the CPI increase of 2% which is an increase of \$4,377.38, increasing the total contract amount to \$218,869.42.
- 1.2 Exhibit A of the Agreement is hereby amended as set forth in Exhibit A-1, attached hereto.
- 1.3 Exhibit C of the Agreement is hereby amended to reflect a total not to exceed fee of \$218,869.42.

### Section 2 – Other Terms to Remain.

- 2.1 Except as otherwise specifically provided in this Amendment, the terms and conditions of the Agreement shall remain in full force and effect.

**SIGNATURE PAGE TO FOLLOW**



IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement.

Community Services District of the  
City of Moreno Valley

Mariposa Landscapes, Inc.

By: \_\_\_\_\_  
City Manager

By: Terry Noriega  
Terry Noriega, President

Date: \_\_\_\_\_

Date: 10/27/2016

APPROVED AS TO LEGAL FORM:

By: \_\_\_\_\_  
City Attorney

Date: \_\_\_\_\_

RECOMMENDED FOR APPROVAL:

By: [Signature]  
Director  
Parks and Community Services

Date: 10.26.16

Attachment: Mariposa Landscapes Amendment (2317 : APPROVAL OF AMENDED AGREEMENT WITH MARIPOSA LANDSCAPES, INC. TO

**EXHIBIT A-1  
BASE COMPENSATION SHEET  
SCHEDULE "A"**

Contractor shall have the responsibility to maintain facility landscapes. In general, work shall consist of facilities identified below.

<b>Areas to be Maintained</b>	<b>Address</b>	<b>Monthly Maintenance Cost</b>	<b>Annual Maintenance Cost</b>
<b>COMMUNITY FACILITIES DISTRICT #1</b>			
Towngate Community Center	13100 Arbor Park Lane	\$178.50	\$2,142.00
Towngate Aqueduct Bikeway	On Eucalyptus Avenue, 300 feet east of Arbor Park Lane	\$724.20	\$8,690.40
<b>AQUEDUCT BIKEWAY</b>			
Bay Avenue to Graham	Bay Avenue to Graham	\$418.20	\$5,018.40
Delphinium along Perham to John F. Kennedy	Delphinium along Perham to John F. Kennedy	\$642.60	\$7,711.20
Vandenberg to Fay	Vandenberg to Fay	\$193.80	\$2,325.60
<b>CALIFORNIA AQUEDUCT</b>			
North Aqueduct	North Aqueduct Elsworth to Dracaea	\$581.40	\$6,976.80
Pan Am Section Aqueduct	Pan Am to Baywood	\$469.20	\$5,630.40
South Aqueduct A	16303 Parkside Lane	\$1,428.00	\$17,136.00
South Aqueduct B	16726 Via Pamplona	\$1,275.00	\$15,300.00
SCE & Old Lake	Old Lake Road s/o Sunnymead Ranch Parkway and Pigeon Pass, and Sunnymead Ranch between Gateway Park to North of Old Lake Road,	\$1,173.00	\$14,076.00
<b>TOTAL ANNUAL COST SCHEDULE "A"</b>			<b>\$85,006.80</b>

**EXHIBIT A-1  
BASE COMPENSATION SHEET  
SCHEDULE "B"**

<b>Areas to be Maintained</b>	<b>Address</b>	<b>Monthly Maintenance Cost</b>	<b>Annual Maintenance Cost</b>
Animal Shelter	14041 Elsworth	\$392.70	\$4,712.40
ASES Administration Building	4 <sup>th</sup> & W St. Building 823 (MARB)	\$280.50	\$3,366.00
City Yard	15670 Perris Blvd.	\$102.00	\$1,224.00
City Yard – Santiago	25180 Santiago Dr.	\$382.00	\$4,584.00
Conference and Recreation Center (CRC)	14075 Frederick	\$2,526.54	\$30,318.48
Electric Substation	27913 Cottonwood	\$188.70	\$2,264.40
Library	25480 Alessandro Blvd.	\$332.52	\$3,990.24
Public Safety Building (PSB)	25075 Calle San Juan De Los Lagos	\$1,081.29	\$12,975.42
Senior Center	27075 Fir Street	\$434.52	\$5,214.24
Utility	28020 Bay Street	\$219.30	\$2,631.60
<b>TOTAL ANNUAL COST FOR SCHEDULE "B"</b>			<b>\$71,280.78</b>

**EXHIBIT A-1  
BASE COMPENSATION SHEET  
FACILITIES**

<b>Areas to be Maintained</b>	<b>Address</b>	<b>Monthly Maintenance Cost</b>	<b>Annual Maintenance Cost</b>
City Hall	14177 Frederick St	\$876.18	\$10,514.16
City Hall Annex	14331 Frederick St	\$217.26	\$2,607.12
Fire Station 2	24935 Hemlock Ave	\$3,317.04	\$39,804.48
Fire Station 6	22250 Eucalyptus Ave		
Fire Station 48	10511 Village Rd		
Fire Station 58	28040 Eucalyptus Ave		
Fire Station 65	15111 Indian Ave		
Fire Station 91	16110 Lasselle St		
Fire Station 99	13400 Morrison Ave		
Veterans Memorial	Civic Center Roundabout	\$221.34	\$2,656.08
<b>TOTAL ANNUAL COST FOR FACILITIES</b>			<b>\$55,581.84</b>



# CERTIFICATE OF LIABILITY INSURANCE

DATE: **B.3.b**  
4/1/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>Landscape Contractors (Lic#0755906)</b> <b>Insurance Services, Inc.</b> <b>1835 N. Fine Avenue</b> <b>Fresno CA 93727</b>	<b>CONTACT NAME:</b> Benita Hall, CISR <b>PHONE (A/C, No, Ext):</b> (559) 650-3555 <b>FAX (A/C, No):</b> (559) 650-3558 <b>E-MAIL ADDRESS:</b> bhall@lcisinc.com
	<b>INSURER(S) AFFORDING COVERAGE</b> <b>ACX) CA</b>
<b>INSURED</b> <b>Mariposa Landscapes Inc</b> <b>15529 Arrow Highway</b> <b>Irwindale CA 91706</b>	<b>INSURER A</b> <b>Atlantic Specialty Insurance</b> <b>27154</b>
	<b>INSURER B</b> <b>Navigators Specialty Ins Co</b> <b>36056</b>
	<b>INSURER C:</b> <b>ACX) CA</b>
	<b>INSURER D:</b>
	<b>INSURER E:</b>

**COVERAGES** **CERTIFICATE NUMBER:** 16/17 Pkg, Auto & Umb **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSR	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY			618-00-11-21-0000	4/1/2016	4/1/2017	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY						DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 500,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR						MED EXP (Any one person) \$ 5,000
	<input checked="" type="checkbox"/> \$1,000 Pd Ded						PERSONAL & ADV INJURY \$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE \$ 2,000,000
	<input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PROJECT <input type="checkbox"/> LOC						PRODUCTS - COMP/OP AGG \$ 2,000,000
A	AUTOMOBILE LIABILITY			618-00-11-21-0000	4/1/2016	4/1/2017	COMBINED SINGLE LIMIT (Ea accident) \$ 1,000,000
	<input checked="" type="checkbox"/> ANY AUTO						BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS					BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS					PROPERTY DAMAGE (Per accident) \$
	<input checked="" type="checkbox"/> UMBRELLA LIAB	<input checked="" type="checkbox"/> OCCUR					Uninsured motorist combined \$ 1,000,000
B	EXCESS LIAB	<input type="checkbox"/> CLAIMS-MADE		SF16EXC840614IC	4/1/2016	4/1/2017	EACH OCCURRENCE \$ 5,000,000
	<input type="checkbox"/> DED	<input type="checkbox"/> RETENTION \$					AGGREGATE \$ 5,000,000
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						WC STATUTORY LIMITS
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y/N	N/A				OTHER
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. EACH ACCIDENT \$
							E.L. DISEASE - EA EMPLOYEE \$
							E.L. DISEASE - POLICY LIMIT \$

**APPROVED AS TO FORM**  
**DATE** 4-28-16  
**BY** [Signature]  
**CITY ATTORNEY**  
**CITY OF MORENO VALLEY**

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES** (Attach ACORD 101, Additional Remarks Schedule, if more space is required)  
**RE:** All landscape operations performed by or on behalf of the named insured  
 Blanket Additional insured per attached OBPGGL04340414  
 The City of Moreno valley, City of Moreno Valley Community Services District and Moreno Valley Housing Authority, their officers, employees and agents (Excluding Professional Liability) are named as additional insured

<b>CERTIFICATE HOLDER</b>  City of Moreno Valley 14177 Frederick Street Moreno Valley,, CA 92552	<b>CANCELLATION</b>  SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  B Hall, CISR/HRODEL [Signature]
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Attachment: Insurance 2017 (2317 : APPROVAL OF AMENDED AGREEMENT WITH MARIPOSA LANDSCAPES, INC. TO PROVIDE LANDSCAPE

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**BLANKET ADDITIONAL INSURED ENDORSEMENT**

This endorsement modifies insurance provided under the following:

COMMERCIAL GENERAL LIABILITY COVERAGE FORM

**A. The following is added to Paragraph 2. In SECTION II - WHO IS AN INSURED:**

Any person or organization you are required by written contract or agreement to name as an additional insured subject to the following:

Any such person or organization must be approved in writing by us as an additional insured. Coverage for such person or organization will begin on the date of our approval.

- a. No such person or organization is an additional insured for your acts, errors or omissions if such acts, errors or omissions are not also covered under such person or organization's liability insurance.
- a. No such person or organization is an additional insured for "bodily injury" or "property damage" for acts, errors or omissions of any additional insured.

**A. With respect to the insurance afforded to the additional insureds under Paragraph A. above, the following is added to SECTION III - LIMITS OF INSURANCE:**

The most we will pay on behalf of the additional insured is the amount of insurance:

- a. Required by the contract or agreement; or
- a. Available under the applicable Limits of Insurance shown in the Declarations;

whichever is less.

This endorsement does not increase the applicable Limits of Insurance shown in the Declarations.

**B. With respect to the insurance afforded to the additional insureds under Paragraph A. above, Paragraph I. Damage To Your Work in Paragraph 2. Exclusions of COVERAGE A – BODILY INJURY AND PROPERTY DAMAGE LIABILITY in SECTION I – COVERAGES is replaced by the following**

This insurance does not apply to:

**I. Damage To Your Work**

"Property damage" to "your work" arising out of it or any part of it and included in the "products-completed operations hazard".

**C. With respect to the insurance afforded to the additional insureds under Paragraph A. above, The following is added to Paragraph 4. Other Insurance in SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS:**

This insurance is primary if required by the contract or agreement. If there is no such requirement, this insurance will be excess and paragraph b. Excess Insurance applies.

- D. With respect to the insurance afforded to the additional insureds under Paragraph A. above, the following is added to Paragraph 8. **Transfer Of Rights Of Recovery Against Others To Us**, in **SECTION IV – COMMERCIAL GENERAL LIABILITY CONDITIONS**:

However, we will waive our rights to recover against any additional insured for payments we make for injury or damage arising out of:

- a. Your ongoing operations; or
- b. "Your work" done under the contract or agreement and included in the "products completed operations hazard"

if such waiver is required by the contract or agreement.

Policy Number: 618-00-11-21-0000

Name Insured: Mariposa Landscapes Inc

This endorsement is effective on the inception date of this policy unless otherwise stated herein.

Endorsement Effective Date: 04/01/2016



# CERTIFICATE OF LIABILITY INSURANCE

DATE (B.3.b)

4/1/2016

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER <b>Bolton &amp; Company</b> 3475 E. Foothill Blvd., Suite 100 Pasadena, CA 91107  www.boltonco.com      0008309	CONTACT NAME: PHONE (A/C, No. Ext): (626) 799-7000      FAX (A/C, No): (626) 583-21	
	E-MAIL ADDRESS:  INSURER(S) AFFORDING COVERAGE      NAIC #	
INSURED <b>Mariposa Landscapes Inc.</b> 15529 Arrow Highway Irwindale CA 91706	INSURER A: Berkshire Hathaway Homestate Ins Co      20044	
	INSURER B: <b>A+ (CA) N/A</b>	
	INSURER C:	
	INSURER D:	
	INSURER E:	
	INSURER F:	

COVERAGES      CERTIFICATE NUMBER: 29311951      REVISION NUMBER:

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
	COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAIMS-MADE <input type="checkbox"/> OCCUR  GEN'L AGGREGATE LIMIT APPLIES PER: <input type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:						EACH OCCURRENCE \$ DAMAGE TO RENTED PREMISES (Ea occurrence) \$ MED EXP (Any one person) \$ PERSONAL & ADV INJURY \$ GENERAL AGGREGATE \$ PRODUCTS - COMP/OP AGG \$ \$
	AUTOMOBILE LIABILITY <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$ \$
	UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE DED    RETENTION \$						EACH OCCURRENCE \$ AGGREGATE \$ \$
A	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below		✓	MAWC707593	4/1/2016	4/1/2017	<input checked="" type="checkbox"/> PER STATUTE <input type="checkbox"/> OTHER E.L. EACH ACCIDENT \$ 1,000 E.L. DISEASE - EA EMPLOYEE \$ 1,000 E.L. DISEASE - POLICY LIMIT \$ 1,000

APPROVED AS TO FORM  
DATE 4-25-16  
BY [Signature]  
CITY ATTORNEY  
CITY OF MORENO VALLEY

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Job: Operations of the Named Insured.  
WC Waivers of Subrogation apply per WC990410B0914 attached.

CERTIFICATE HOLDER      CANCELLATION

Operations of the Named Insured  City of Moreno Valley 14177 Frederick Street Moreno Valley, CA 92552	SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.  AUTHORIZED REPRESENTATIVE  Chau Tran      [Signature]
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Attachment: Insurance 2017 (2317 : APPROVAL OF AMENDED AGREEMENT WITH MARIPOSA LANDSCAPES, INC. TO PROVIDE LANDSCAPE



**WAIVER OF OUR RIGHT TO RECOVER FROM OTHERS ENDORSEMENT-CALIFORNIA  
BLANKET BASIS**

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

The additional premium for this endorsement shall be 2% of the total manual premium otherwise due on such remuneration. The minimum premium for this endorsement is \$350.

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

**SCHEDULE**

**BLANKET WAIVER**

**Person/Organization** Blanket Waiver – Any person or organization for whom the Named Insured has agreed by written contract to furnish this waiver.

**Job Description** **Waiver Premium**  
All CA Operations

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.  
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 4/1/2016

Policy No. MAWC707593

Endorsement No.

Insured Mariposa Landscapes Inc.

Premium \$

Insurance Company Berkshire Hathaway Homestate Ins Co



Countersigned by \_\_\_\_\_



## Report to City Council

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**TO:** Mayor and City Council  
 Mayor and City Council Acting in its Capacity as Chairman  
 and Members of the Board of Directors of the Moreno Valley  
 Public Financing Authority (MVPFA)

**FROM:** Marshall Eyerman, Chief Financial Officer

**AGENDA DATE:** November 15, 2016

**TITLE:** 2016 REFUNDING OF THE 2007 LEASE REVENUE  
 BONDS

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### **RECOMMENDED ACTION**

**Recommendations: That the City Council and Moreno Valley Public Financing Authority:**

1. Adopt Resolution No. 2016-72, A Resolution of the City Council of the City of Moreno Valley, California, approving the issuance by the Moreno Valley Public Financing Authority of not to exceed \$26,500,000 aggregate principal amount of Lease Revenue Refunding Bonds, Series 2016 (Taxable) to refund certain outstanding bonds; authorizing execution and delivery of a First Amendment to Master Facilities Lease, a First Amendment Master Facilities Sublease and a Bond Purchase Agreement; Approving the form of Official Statement; and authorizing execution of documents and the taking of all necessary actions relating to the refinancing with the Moreno Valley Public Financing Authority.
2. Adopt Resolution No. MVPFA 2016-01, a Resolution of the Moreno Valley Public Financing Authority (MVPFA) authorizing the issuance and sale of Lease Revenue Refunding Bonds to refund certain outstanding bonds; Approving the forms of a First Supplement to Master Trust Agreement, a First Amendment to Master Facilities Lease, a First Amendment to Master Facilities Sublease and a Bond Purchase Agreement; Approving an Official Statement describing said bonds; and authorizing execution of documents and the taking of all necessary actions relating to the issuance of the bonds.

### **SUMMARY**

As part of the City's ongoing effort to implement budgetary savings and reduce costs, staff has identified and discussed the opportunity to take advantage of favorable levels in interest rates to refinance the outstanding 2007 Bonds. This refinancing could save the Moreno Valley Utility more than \$2 million in net present value savings based on current market rates. The bonds will be secured by existing Moreno Valley assets and structured under a "master lease" bond structure.

The 2016 refunding was presented as a discussion item at the August 24 Finance Sub Committee and at the October 21 Utility Commission meeting.

## **DISCUSSION**

Taxable interest rates continue to be at historically low levels. The Federal Reserve has supported a sustained low interest rate environment by continuing to use economic policies to keep interest rates low through 2016. However, recent economic trends and signals from the Federal Reserve point to an impending increase in rates in the near future which has put upward pressure on today's low interest rates. Based on the existing favorable interest rate environment and potential for future volatility in the municipal market, it is prudent to place the City in position to refinance the 2007 bonds for meaningful savings.

In order to take advantage of market conditions, the Authority will issue approximately \$24,500,000 of refunding bonds ("2016 Refunding Bonds") to refinance the 2007 Bonds. The 2016 Refunding Bonds will be issued with the same final year of repayment (2038) as the 2007 Bonds (no extension of maturity). No new additional debt will be issued as part of this refinancing. The refinancing is estimated to generate more than \$2 million of cash flow savings over the remaining life of the bonds.

Because interest rates will fluctuate up until the proposed day the bonds are sold, City staff recommends a not-to-exceed amount for the 2016 Refunding Bonds of \$26,500,000 and a not-to-exceed interest rate of 5.50% to accommodate any changes in investor structuring preferences, availability of a reserve fund surety and/or bond market conditions.

The 2016 Refunding Bonds will be structured as a lease-leaseback financing between the City and the Authority. The Authority is a City-controlled joint powers authority consisting of the City and the Community Redevelopment Agency of the City of Moreno Valley and was originally formed in October 1997 to facilitate bond financings. The Authority has used the same financing structure for its prior lease revenue bond financings.

The 2016 Refunding Bonds will use a "master lease" bond structure to secure repayment of the bonds. The primary benefit of the master lease structure is that it enables the City to pledge fewer assets over time to effectuate future lease financings. The City will have the flexibility to substitute, remove, or add other assets over time. To effectuate the issuance of the 2016 Refunding Bonds, the bonds are secured primarily

by two assets in the master lease: the Kitching Substation and the Moreno Beach Substation.

It is anticipated that the 2016 Bonds will be structured with insurance and a debt service reserve fund surety policy.

Orrick, Herrington & Sutcliffe LLP will serve as Bond Counsel. Stifel will serve as underwriter for the bonds, which will be sold on a negotiated basis. Norton Rose Fulbright will serve as Underwriter's Counsel. Wells Fargo Bank, National Association, will serve as the trustee and escrow agent. Fieldman Rolapp will serve as financial advisor for the transaction to oversee the bond pricing process.

The recommended action addresses the Infrastructure priority of the Momentum MoVal Strategic Plan.

### **ALTERNATIVES**

1. Adopt Resolutions 2016- and MVPFA 2016- and authorize the refunding of the 2007 Lease Revenue Bonds. This alternative is recommended since this action will result in reduced interest costs and will save the city approximately \$ 2.7 million over the remaining life of the bonds.
2. Do not adopt the resolutions to authorize the refunding of the 2007 Lease Revenue Bonds and provide staff with additional direction. *This alternative is not recommended as it will result in the loss of the opportunity to refund existing bonds at lower interest rates.*

### **FISCAL IMPACT**

Based on current rates, the City will issue approximately \$24,500,000 of 2016 Refunding Bonds. The bond authorizing resolution has a not-to-exceed issuance amount of \$26,500,000 to allow for the refunding of all of the 2007 Bonds outstanding and to pay costs of issuance. This figure also provides additional cushion to accommodate structuring flexibility and other factors (i.e. availability of a reserve fund surety) to achieve the lowest interest rates.

The 2016 Refunding Bonds will be structured to generate level savings. There will be no change to the final maturity of bonds which will be consistent with the final maturity of the 2007 Bonds to be refunded. No new additional debt will be issued as part of this refinancing. This final maturity is currently contemplated to be in 2038.

Based on current market rates, the refunding is estimated to generate more than \$2.7 million of cash flow savings over the remaining life of the bonds. In today's dollars, this translates into over \$2 million of present value savings (equal to 9% of the refunded bond amount). Typically, municipal issuers set a minimum present value savings goal equal to 3% of the refunded bond amount to determine if a refinancing is worthwhile to pursue. As stipulated in the bond authorizing resolution, the 2016 Refunding Bonds

must be sold at interest rates that produce at least 3% present value savings to the General Fund net of all financing costs.

The total “all-in” cost of issuing the new refunding bonds is about \$435,000 (equal to 1.8% of the estimated bond size), which has already been factored into the payment (and savings) figures stated above. The majority of these fees will remain constant, however the bond underwriting fee (not-to-exceed 1.0% of the bond size) and some other legal/rating fees will fluctuate lower or higher depending on the final size of 2016 Refunding Bonds.

## **NOTIFICATION**

Public Notice

## **PREPARATION OF STAFF REPORT**

Prepared By:  
Brooke McKinney  
Treasury Operations Division Manager

Department Head Approval:  
Marshall Eyerman  
Chief Financial Officer

## **CITY COUNCIL GOALS**

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

## **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

Objective 5.6: Enhance community outreach, partnership opportunities, and stakeholder ownership of the City’s parks and recreation services, programs and events.

## **ATTACHMENTS**

1. Resolution No. 2016-72, Moreno Valley Lease
2. Resolution No. MVPFA 2016-01, Moreno Valley Lease (2016)
3. Preliminary Official Statement for Moreno Valley (2016 Refunding)
4. First Amendment to Master Facilities (Site) Lease - Moreno Valley LRRB 2016
5. First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016

6. First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB  
2016

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	10/17/16 7:47 AM
City Attorney Approval	<u>✓ Approved</u>	10/17/16 1:29 PM
City Manager Approval	<u>✓ Approved</u>	10/18/16 2:40 PM

**HISTORY:**

11/01/16                      City Council                      CONTINUED  
Next: 11/15/16

**RESOLUTION NO. 2016-72**

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE ISSUANCE BY THE MORENO VALLEY PUBLIC FINANCING AUTHORITY OF NOT TO EXCEED \$26,500,000 AGGREGATE PRINCIPAL AMOUNT OF LEASE REVENUE REFUNDING BONDS, SERIES 2016 (TAXABLE) TO REFUND CERTAIN OUTSTANDING BONDS; AUTHORIZING EXECUTION AND DELIVERY OF A FIRST AMENDMENT TO MASTER FACILITIES LEASE, A FIRST AMENDMENT TO MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING THE FORM OF OFFICIAL STATEMENT; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE REFINANCING WITH THE MORENO VALLEY PUBLIC FINANCING AUTHORITY

WHEREAS, the City of Moreno Valley (the "City") and the former Community Redevelopment Agency of the City of Moreno Valley (the "Agency") have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the "Joint Powers Agreement"), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the "Authority");

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Marks-Roos Local Bond Pooling Act of 1985") and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized;

WHEREAS, the City previously leased certain real property and improvements thereon (the "Facilities") to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the "2015 Master Facilities Lease");

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the "2015 Master Facilities Sublease");

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the "Series 2015 Bonds") pursuant to a Master Trust Agreement, dated as of December 1, 2015, (the "2015 Master Trust Agreement") between the Authority and Wells Fargo Bank, National Association, as trustee (the "Trustee");

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the City desires to approve the Authority's issuance of its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the "Series 2016 Bonds") pursuant to a First

Supplement to Master Trust Agreement, as so amended the “2016 Master Trust Agreement,” the proceeds of which will be applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “2007 Refunded Bonds”), referred to herein as the “2016 Refunding Project;”

WHEREAS, in order to accomplish the 2016 Refunding Project, the Authority and the City are entering into a First Amendment to Master Facilities Lease in order to amend the 2015 Master Facilities Lease, as so amended, the “2016 Master Facilities Lease,” (i) to add certain additional real property and improvements thereon, including (a) Kitching Substation and (b) Moreno Beach Substation (the “Additional City Property”) to Exhibit A of the 2015 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

WHEREAS, in order to accomplish the 2016 Refunding Project, the Authority and the City are also entering into a First Amendment to Master Facilities Sublease in order to amend the 2015 Master Facilities Sublease, as so amended, the “2016 Master Facilities Sublease,” (i) to add Additional City Property to Exhibit A of the 2016 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided in the 2016 Master Facilities Sublease in any year is not in excess of the annual fair rental value of the Facilities, including any Additional City Property added to Exhibit A to the 2016 Master Facilities Sublease;

WHEREAS, the Authority and the City desire to enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Stifel Nicolaus & Company, Incorporated (the “Underwriter”);

WHEREAS, there have been submitted and are on file with the City Clerk proposed forms of the First Amendment to Master Facilities Lease, the First Amendment to Master Facilities Sublease, the Bond Purchase Agreement, an Official Statement with respect to the Series 2016 Bonds proposed to be sold by the Authority, and the First Supplement to Master Trust Agreement; and

WHEREAS, the issuance of the Series 2016 Bonds by the Authority and the execution and delivery of the First Amendment to Master Facilities Lease and the First Amendment to Master Facilities Sublease will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs, and it furthers the public purpose to assist in such refinancing;

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES AS FOLLOWS:



**Section 1.** All of the recitals set forth above are true and correct, and the City Council so finds and determines.

**Section 2.** The City Council hereby approves the issuance of the Series 2016 Bonds by the Authority, in an aggregate principal amount not to exceed \$26,500,000, to refund the 2007 Refunded Bonds; provided that the yield on the Series 2016 Bonds shall not exceed the yield on the 2007 Refunded Bonds. The City Manager, Chief Financial Officer and Financial and Administrative Services Director (the “Authorized Officers”) of the City are hereby directed to perform the duties, if any, imposed upon each of them by the provisions of the financing documents approved herein, including the 2016 Master Trust Agreement for the Series 2016 Bonds, the First Amendment to Master Facilities Sublease, the First Amendment to Master Facilities Lease and the Bond Purchase Agreement.

**Section 3.** The proposed form of First Amendment to Master Facilities Lease, by and between the City and the Authority, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a facilities lease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 4.** The proposed form of First Amendment to Master Facilities Sublease, by and between the Authority and City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver a facilities sublease in substantially said form, with such changes therein as such officers may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed form of Bond Purchase Agreement, by and among the Underwriter, the Authority and the City, on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, or any such officer’s designee, are each hereby authorized and directed, on behalf of the City, to execute and deliver a bond purchase contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not exceed 1.00% of the aggregate principal amount of the Series 2016 Bonds.

**Section 6.** The proposed form of Official Statement relating to the Series 2016 Bonds (the “Official Statement”), on file with the City Clerk, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the City, to execute and deliver an Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Series 2016 Bonds. Distribution by the Underwriter of a preliminary Official Statement relating to the Series 2016 Bonds is hereby approved and the Authorized Officers, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official

Statement has been “deemed final” by the City for purposes of Securities and Exchange Commission Rule 15c2-12.

**Section 7.** The Authorized Officers, jointly and severally, are hereby authorized on behalf of the City to execute and deliver a Continuing Disclosure Certificate with Wells Fargo Bank, National Association, as trustee, containing such covenants of the City as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The City hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

**Section 8.** The Authorized Officers and City Council members of the City are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the execution and delivery of the documents mentioned herein and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to executing and delivering an escrow agreement and taking such steps as may be necessary to include Additional City Property in the 2016 Master Facilities Lease and the 2016 Master Facilities Sublease as may be necessary to accomplish the 2016 Refunding Project, and obtaining bond insurance and/or a reserve fund surety policy.

**Section 9.** All actions heretofore taken by the officers and agents of the Council of the City with respect to the refinancing are hereby ratified, confirmed and approved.

**Section 10.** This Resolution shall take effect from and after its adoption and approval.

APPROVED AND ADOPTED this 1<sup>st</sup> day of November, 2016.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

\_\_\_\_\_  
City Attorney

Attachment: Resolution No. 2016-72, Moreno Valley Lease [Revision 2] (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE BONDS)

CLERK'S CERTIFICATE

The undersigned, City Clerk of the City of Moreno Valley, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the City Council of the City of Moreno Valley at a regular meeting of said Council duly and regularly and legally held at the Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on November 1, 2016, of which all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2016.

\_\_\_\_\_  
City Clerk of the City of Moreno Valley

[Seal]

Attachment: Resolution No. 2016-72, Moreno Valley Lease [Revision 2] (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE BONDS)

**MORENO VALLEY PUBLIC FINANCING AUTHORITY  
RESOLUTION NO. MVPFA 2016-01**

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF LEASE REVENUE REFUNDING BONDS TO REFUND CERTAIN OUTSTANDING BONDS; APPROVING THE FORMS OF A FIRST SUPPLEMENT TO MASTER TRUST AGREEMENT, A FIRST AMENDMENT TO MASTER FACILITIES LEASE, A FIRST AMENDMENT TO MASTER FACILITIES SUBLEASE AND A BOND PURCHASE AGREEMENT; APPROVING AN OFFICIAL STATEMENT DESCRIBING SAID BONDS; AND AUTHORIZING EXECUTION OF DOCUMENTS AND THE TAKING OF ALL NECESSARY ACTIONS RELATING TO THE ISSUANCE OF THE BONDS

WHEREAS, the City of Moreno Valley (the “City”) and the former Community Redevelopment Agency of the City of Moreno Valley (the “Agency”) have heretofore executed a Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “Joint Powers Agreement”), by and between the City and the Agency, which Joint Powers Agreement creates and establishes the Moreno Valley Public Financing Authority (the “Authority”);

WHEREAS, pursuant to Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Marks-Roos Local Bond Pooling Act of 1985”) and the Joint Powers Agreement, the Authority is authorized to issue bonds for financing and refinancing public capital improvements whenever there are significant public benefits to be realized;

WHEREAS, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”);

WHEREAS, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”);

WHEREAS, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015, (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”);

WHEREAS, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

WHEREAS, the Authority desires to issue its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, as so amended the “2016 Master Trust Agreement,” the proceeds of which will be applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “2007 Refunded Bonds”), referred to herein as the “2016 Refunding Project;”

WHEREAS, in order to accomplish the 2016 Refunding Project, the Authority and the City desire to enter into a First Amendment to Master Facilities Lease in order to amend the 2015 Master Facilities Lease, as so amended, the “2016 Master Facilities Lease,” (i) to add certain additional real property and improvements thereon, including (a) Kitching Substation and (b) Moreno Beach

substation (the “Additional City Property”), to Exhibit A of the 2015 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

WHEREAS, in order to accomplish the 2016 Refunding Project, the Authority and the City also desire to enter into a First Amendment to Master Facilities Sublease in order to amend the 2015 Master Facilities Sublease, as so amended, the “2016 Master Facilities Sublease,” (i) to add Additional City Property to Exhibit A of the 2015 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

WHEREAS, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided in the 2016 Master Facilities Sublease in any year is not in excess of the annual fair rental value of the Facilities, including any Additional City Property added to Exhibit A to the 2016 Master Facilities Sublease;

WHEREAS, the Authority and the City desire to enter into a Bond Purchase Agreement (the “Bond Purchase Agreement”) with Stifel Nicolaus & Company, Incorporated (the “Underwriter”);

WHEREAS, there have been submitted and are on file with the Secretary proposed forms of the First Amendment to Master Facilities Lease, the First Amendment to Master Facilities Sublease, the Bond Purchase Agreement, an Official Statement with respect to the Series 2016 Bonds proposed to be sold by the Authority, and the First Supplement to Master Trust Agreement; and

WHEREAS, the issuance of the Series 2016 Bonds by the Authority and the execution and delivery of the First Amendment to Master Facilities Lease, the First Amendment to Master Facilities Sublease and the First Supplement to Master Trust Agreement will result in significant public benefits through demonstrable savings in the effective interest rates and bond issuance costs, and it furthers the public purpose to assist in such refinancing;

NOW THEREFORE, THE BOARD OF DIRECTORS OF THE MORENO VALLEY PUBLIC FINANCING AUTHORITY HEREBY FINDS, DETERMINES, DECLARES AND RESOLVES, AS FOLLOWS:

**Section 1.** The foregoing recitals are true and correct and the Authority hereby so finds and determines.

**Section 2.** The issuance and sale of the Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016, in an aggregate principal amount not to exceed \$26,500,000, are hereby approved.

**Section 3.** The proposed form of First Supplement to Trust Agreement, by and between the Authority and Trustee, on file with the Secretary of the Authority, is hereby approved. The Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary (each an "Authorized Officer"), jointly and severally, are hereby authorized and directed for and in the name and on behalf of the Authority, to execute and deliver a First Supplement to Master Trust Agreement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The date, maturity date or dates (not to exceed May 1, 2038), interest rate or rates (not to exceed a true interest cost of 5.5% per annum), interest payment dates, series, denominations, forms, registration privileges, manner of execution, place or places of payment, terms of redemption and other terms of the Series 2016 Bonds shall be as provided in said First Supplement to Master Trust Agreement, as finally executed.

**Section 4.** The proposed form of First Amendment to Master Facilities Lease, by and between the City and the Authority, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a First Amendment to Master Facilities Lease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 5.** The proposed form of First Amendment to Master Facilities Sublease, by and between the Authority and City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a First Amendment to Master Facilities Sublease in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof.

**Section 6.** The proposed form of Bond Purchase Agreement among the Authority, the Underwriter and the City, on file with the Secretary of the Authority, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for and in the name and on behalf of the Authority, to execute and deliver a bond purchase contract in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof; provided, however, the underwriting discount (not including original issue discount) shall not

exceed 1.00% of the aggregate principal amount of the Series 2016 Bonds; and provided further that the yield on the Series 2016 Bonds shall not exceed the yield on the 2007 Refunded Bonds.

**Section 7.** The proposed form of Official Statement relating to the Series 2016 Bonds (the “Official Statement”), on file with the Secretary of the Authority and incorporated into this Resolution by reference, is hereby approved. The Authorized Officers, jointly and severally, are hereby authorized and directed, for the Authority, to execute and deliver an Official Statement in substantially said form, with such changes therein as such officer may require or approve, such approval to be conclusively evidenced by the execution and delivery thereof. The Underwriter is hereby directed to distribute copies of the Official Statement to all actual purchasers of the Series 2016 Bonds. Distribution by the Underwriter of a preliminary Official Statement relating to the Series 2016 Bonds is hereby approved and the Chairman, the Vice Chairman, the Executive Director, the Treasurer and the Secretary, jointly and severally, are hereby authorized and directed, to execute a certificate confirming that the preliminary Official Statement has been “deemed final” by the Authority for purposes of Securities and Exchange Commission Rule 15c2-12.

**Section 8.** The Authorized Officers, jointly and severally, are hereby authorized on behalf of the Authority to execute and deliver a Continuing Disclosure Certificate with Wells Fargo Bank, National Association, as trustee, containing such covenants of the Authority as shall be necessary to comply with the requirements of Securities and Exchange Commission Rule 15c2-12. The Authority hereby covenants and agrees that it will comply with and carry out all of the provisions of such Continuing Disclosure Certificate.

**Section 9.** The Board hereby confirms the appointment of Orrick, Herrington & Sutcliffe, LLP, as Bond Counsel and approves Stradling Yocca Carlson & Rauth, as counsel for the Underwriter.

**Section 10.** The officers and directors of the Authority are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents and certificates which they deem necessary or advisable in order to consummate the issuance, sale and delivery of the Series 2016 Bonds and otherwise to effectuate the purposes of this Resolution and the transactions contemplated hereby, including but not limited to executing and delivering an escrow agreement and taking such steps as may be necessary to include Additional City Property in the 2016 Master Facilities Lease and the 2016 Master Facilities Sublease as may be necessary to accomplish the 2016 Refunding Project, and obtaining bond insurance and/or a reserve fund surety policy.

**Section 11.** The officers and board members of the Authority are hereby authorized and directed, jointly and severally, to execute and deliver any Certificate of the Authority or Written Request of the Authority required to be delivered pursuant to the 2016 Refunding Project.

**Section 12.** All action heretofore taken by the officers and agents of the Board of Directors of the Authority with respect to the refinancing are hereby ratified, confirmed and approved.



**Section 13.** This Resolution shall take effect from and after its adoption.

APPROVED AND ADOPTED this 1<sup>st</sup> day of November, 2016

\_\_\_\_\_  
Chairperson

APPROVED AS TO FORM:

\_\_\_\_\_  
Authority Legal Advisor

ATTEST:

\_\_\_\_\_  
Authority Secretary

Attachment: Resolution No. MVPFA 2016-01, Moreno Valley Lease (2016) [Revision 3] (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE

SECRETARY'S CERTIFICATE

The undersigned, Secretary of the Moreno Valley Public Financing Authority, does hereby certify as follows:

The foregoing resolution is a full, true and correct copy of a resolution duly adopted by a vote of a majority of the members of the Board of Directors of said Authority at a regular meeting of the Board of Directors of said Authority duly and legally held at Council Chambers of the City Council, City Hall, 14177 Frederick Street, Moreno Valley, California, on November 1, 2016, of which meeting all of such members had due notice, as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

An agenda of said meeting was posted at least 72 hours before said meeting at 14177 Frederick Street, Moreno Valley, California, a location freely accessible to members of the public, and a brief description of said resolution appeared on said agenda.

I have carefully compared the foregoing with the original minutes of said meeting on file and of record in my office, and the foregoing is a full, true and correct copy of the original resolution adopted at said meeting and entered in said minutes.

Said resolution has not been amended, modified or rescinded since the date of its adoption and the same is now in full force and effect.

Dated: \_\_\_\_\_, 2016.

\_\_\_\_\_  
Secretary of the  
Moreno Valley Public Financing Authority

**PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER \_\_, 2016**

**RATINGS: Insured: S&P: “\_”  
Underlying: S&P: “\_”  
See the caption “RATINGS.”**

**NEW ISSUE – BOOK-ENTRY ONLY**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority (“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 Series 2016 Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series 2016 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. 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 Series 2016 Bonds. See “TAX MATTERS.”*

\$ \_\_\_\_\_\*

**MORENO VALLEY PUBLIC FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2016 (TAXABLE)**

**Dated: Date of Delivery**

**Due: November 1, as shown on inside front cover page**

The Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) are payable from base rental payments (the “Base Rental Payments”) to be made by the City of Moreno Valley (the “City”) to the Moreno Valley Public Financing Authority (the “Authority”) for the right to use certain real property (collectively, the “Property”) pursuant to a First Amendment to Master Facilities Sublease, dated as of November 1, 2016 (the “Facilities Sublease”), by and between the City, as sublessee, and the Authority, as sublessor. See the captions “THE PROPERTY” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS.”

The Series 2016 Bonds are secured on a parity with the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable), issued in the aggregate principal amount of \$10,430,000 and currently outstanding in the aggregate principal amount of \$10,255,000 (the “Series 2015 Bonds”).

The Series 2016 Bonds are being issued to provide funds: (i) to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds; (ii) to purchase a municipal bond insurance policy (the “Policy”) from \_\_\_\_\_ (“\_\_\_\_\_”) to guarantee the payment of principal of and interest on the Series 2016 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the “Reserve Policy”) from \_\_\_\_\_ for deposit in the Reserve Fund for the Series 2016 Bonds; (iv) to fund capitalized interest on the Series 2016 Bonds through \_\_\_\_\_ 1, 201\_\_; and (v) to pay the costs incurred in connection with the issuance of the Series 2016 Bonds. See the captions “THE REFUNDING PLAN” and “SOURCES AND USES OF FUNDS.” The City has covenanted under the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments. The City’s obligation to make Base Rental Payments is subject to abatement during any period in which by reason of any material damage or destruction (other than by condemnation) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption “RISK FACTORS — Abatement.”

The Series 2016 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2016 Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2017. Purchasers will not receive certificates representing their interest in the Series 2016 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest and premium, if any, on the Series 2016 Bonds will be paid by Wells Fargo Bank, National Association, as trustee (the “Trustee”), to DTC for subsequent disbursement to DTC Participants, who are obligated to remit such payments to the Beneficial Owners of the Series 2016 Bonds. See the caption “THE SERIES 2016 BONDS — Book-Entry Only System.”

The Series 2016 Bonds will be issued pursuant to a Master Trust Agreement, dated as of December 1, 2015, by and among the City, the Authority and the Trustee (the “2015 Master Trust Agreement”), as amended by that certain First Supplement to Master Trust Agreement, dated as of November 1, 2016, by and among the City, the Authority and the Trustee (the “First Supplement to the 2015 Master Trust Agreement,” and, together with the 2015 Master Trust Agreement, the “Trust Agreement”). The Series 2016 Bonds, the Series 2015 Bonds and any additional bonds issued pursuant to the Trust Agreement (“Additional Bonds”) are collectively referred to as the “Bonds.”

*The Series 2016 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2016 BONDS — Redemption.”*

**The Bonds are limited obligations of the Authority and are payable, as to interest thereon, principal thereof and any premiums upon the redemption of any thereof, solely from the Revenues described herein, and the Authority is not obligated to pay them except from the Revenues. All of the Bonds are equally secured by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest on and principal of and redemption premiums, if any, on the Bonds as provided herein.**

**The Series 2016 Bonds are not a debt of the City, the State of the California (the “State”) or any of its political subdivisions, and neither the City, the State nor any of its political subdivisions is liable thereon, nor in any event shall the Series 2016 Bonds be payable out of any funds or properties other than those of the Authority as described herein. The Series 2016 Bonds do not constitute an indebtedness within the meaning of any constitutional or statutory limitation or restriction.**

The scheduled payment of principal of and interest on the Series 2016 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Series 2016 Bonds by \_\_\_\_\_.

[INSURER LOGO]

THIS COVER PAGE CONTAINS CERTAIN INFORMATION FOR QUICK REFERENCE ONLY. IT IS NOT A SUMMARY OF THIS ISSUE. INVESTORS MUST READ THE ENTIRE OFFICIAL STATEMENT TO OBTAIN INFORMATION ESSENTIAL TO THE MAKING OF AN INFORMED INVESTMENT DECISION.

*The Series 2016 Bonds will be offered when, as and if issued and received by the Underwriter, subject to the approval as to their validity by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by the City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport*

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 for Moreno Valley (2016 Refunding) (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE

Beach, California, as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP and for the Trustee by its counsel. It is anticipated that the Series 2016 Bonds will be available for delivery through the facilities of DTC on or about November \_\_, 2016.

[STIFEL LOGO]

Dated: November \_\_, 2016

\* Preliminary, subject to change.

Attachment: Preliminary Official Statement for Moreno Valley (2016 Refunding) (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE

\$ \_\_\_\_\_  
**MORENO VALLEY PUBLIC FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2016 (TAXABLE)**

**MATURITY SCHEDULE**

**BASE CUSIP<sup>®†</sup>: \_\_\_\_\_**

<i><b>Maturity Date (November 1)</b></i>	<i><b>Principal Amount</b></i>	<i><b>Interest Rate</b></i>	<i><b>Yield</b></i>	<i><b>Price</b></i>	<i><b>CUSIP<sup>®†</sup></b></i>
2016					
2017					
2018					
2019					
2020					
2021					
2022					
2023					
2024					
2025					
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					

\$ \_\_\_\_\_ % Term Bond due November 1, 20\_\_ – Yield \_\_\_\_\_, Price: \_\_\_\_\_, CUSIP<sup>®†</sup>: \_\_\_\_\_  
 \$ \_\_\_\_\_ % Term Bond due November 1, 20\_\_ – Yield \_\_\_\_\_, Price: \_\_\_\_\_, CUSIP<sup>®†</sup>: \_\_\_\_\_

<sup>†</sup> CUSIP<sup>®</sup> is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Capital IQ. Copyright© 2016 CUSIP Global Services. All rights reserved. CUSIP<sup>®</sup> 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 CGS database. CUSIP<sup>®</sup> numbers are provided for convenience of reference only. None of the City, the Authority or the Underwriter takes any responsibility for the accuracy of such numbers.

No dealer, broker, salesperson or other person has been authorized by the City or the Authority to give any information or to make any representations in connection with the offer or sale of the Series 2016 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 or the Authority. 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 Series 2016 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 Series 2016 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.

This Official Statement and the information contained herein are subject to completion or amendment without notice and neither 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 the Authority or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Series 2016 Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the City. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

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 “plan,” “expect,” “estimate,” “project,” “budget,” “intend” or similar words. Such forward-looking statements include, but are not limited to, certain statements contained under the captions “CITY FINANCIAL INFORMATION” and “RISK FACTORS.”

**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. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.**

**IN CONNECTION WITH THE OFFERING OF THE SERIES 2016 BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2016 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 UNDERWRITER MAY OFFER AND SELL THE SERIES 2016 BONDS TO CERTAIN DEALERS, DEALER BANKS, BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE INSIDE COVER PAGE HEREOF, AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.**

**THE SERIES 2016 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT, AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

*The City maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Series 2016 Bonds.*

[INSURER] (“\_\_\_\_\_”) makes no representation regarding the Series 2016 Bonds or the advisability of investing in the Series 2016 Bonds. In addition, \_\_\_\_\_ has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding \_\_\_\_\_ supplied by \_\_\_\_\_ and presented under the caption “BOND INSURANCE” and in Appendix G — “SPECIMEN MUNICIPAL BOND INSURANCE POLICY.”

**CITY OF MORENO VALLEY****MAYOR AND MEMBERS OF THE CITY COUNCIL**

Dr. Yxstian Gutierrez, Mayor  
 Jeffrey J. Giba, Mayor Pro Tem  
 D. LaDonna Jempson, Councilmember  
 Jesse L. Molina, Councilmember  
 George E. Price, Councilmember

**MORENO VALLEY PUBLIC FINANCING AUTHORITY**

Dr. Yxstian Gutierrez, Chair  
 Jeffrey J. Giba, Vice Chair  
 D. LaDonna Jempson, Boardmember  
 Jesse L. Molina, Boardmember  
 George E. Price, Boardmember

**STAFF**

Michelle Dawson, City Manager/Authority Executive Director  
 Marshall Eyerman, Chief Financial Officer/Authority Treasurer  
 Brooke McKinney, Treasury Operations Division Manager  
 Ahmad R. Ansari, City Public Works Director/City Engineer  
 Marie Macias, Interim City Clerk/Authority Secretary  
 Martin Koczanowicz, City Attorney

**SPECIAL SERVICES****Bond Counsel**

Orrick, Herrington & Sutcliffe LLP  
 Los Angeles, California

**Disclosure Counsel**

Stradling Yocca Carlson & Rauth, a Professional Corporation  
 Newport Beach, California

**Financial Advisor**

Fieldman Rolapp & Associates, Inc.  
 Irvine, California

**Trustee**

Wells Fargo Bank, National Association  
 Los Angeles, California



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**Attachment: Preliminary Official Statement for Moreno Valley (2016 Refunding) (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE**

\$ \_\_\_\_\_\*  
**MORENO VALLEY PUBLIC FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BONDS, SERIES 2016 (TAXABLE)**

**INTRODUCTION**

**General**

This Official Statement, which includes the cover page, the inside cover page and the appendices hereto (the "Official Statement"), provides certain information concerning the sale and delivery of the \$ \_\_\_\_\_\* aggregate principal amount of Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the "Series 2016 Bonds"). The Series 2016 Bonds are being issued by the Moreno Valley Public Financing Authority (the "Authority") pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the "2015 Master Trust Agreement"), by and among the City, the Authority and the Wells Fargo Bank, National Association, as trustee (the "Trustee"), as amended by that certain First Supplement to Master Trust Agreement, dated as of November 1, 2016, by and among the City, the Authority and the Trustee (the "First Supplement to the 2015 Master Trust Agreement," and, together with the 2015 Master Trust Agreement, the "Trust Agreement").

The net proceeds of the sale of the Series 2016 Bonds will be used: (i) to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds, currently outstanding in the aggregate principal amount of \$22,600,000 (the "Refunded Bonds"); (ii) to purchase a municipal bond insurance policy (the "Policy") from [INSURER] ("\_\_\_\_\_") to guarantee the payment of principal of and interest on the Series 2016 Bonds; (iii) to purchase a municipal bond debt service reserve insurance policy (the "Reserve Policy") from \_\_\_\_\_ for deposit in the Reserve Fund for the Series 2016 Bonds; (iv) to fund capitalized interest on the Series 2016 Bonds through \_\_\_\_\_ 1, 201\_\_\_\_; and (v) to pay the costs incurred in connection with the issuance of the Series 2016 Bonds. See the captions "THE REFUNDING PLAN," "BOND INSURANCE" and "SOURCES AND USES OF FUNDS."

**Security for the Series 2016 Bonds**

Pursuant to Master Facilities Lease, dated as of December 1, 2015, by and between the Authority, as lessee, and the City of Moreno Valley (the "City"), as sublessor (the "2015 Master Facilities Lease"), as amended by that certain First Amendment to Master Facilities Lease, dated as of November 1, 2016, by and between the City and the Authority (the "First Amendment to the 2015 Master Facilities Lease," and, together with the 2015 Master Facilities Lease, the "Facilities Lease"), the City has leased certain real property and improvements owned by the City (collectively, the "Property") to the Authority in consideration for the Authority's assistance in issuing the Series 2016 Bonds.

Pursuant to a Master Facilities Sublease, dated as of December 1, 2015, by and between the City of Moreno Valley (the "City"), as sublessee, and the Authority, as sublessor (the "2015 Master Facilities Sublease"), as amended by that certain First Amendment to Master Facilities Sublease, dated as of November 1, 2016, by and between the City and the Authority (the "First Amendment to the 2015 Master Facilities Sublease," and, together with the 2015 Master Facilities Sublease, the "Facilities Sublease"), the Authority has subleased the Property back to the City in consideration for the payment of rental payments (the "Base Rental Payments") to be made by the City for the right to use the Property.

The Series 2016 Bonds are secured on a parity with the Moreno Valley Public Financing Authority Lease Revenue Bonds, Series 2015 (Taxable), issued in the aggregate principal amount of \$10,430,000 and currently outstanding in the aggregate principal amount of \$10,255,000 (the "Series 2015 Bonds") issued pursuant to the Trust Agreement. Pursuant to the Trust Agreement, the Authority may issue additional bonds

\_\_\_\_\_  
*\* Preliminary, subject to change.*

(the “Additional Bonds”) payable from the Base Rental Payments on a parity with the Series 2016 Bonds (the Series 2016 Bonds, the Series 2015 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”). See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Additional Bonds.”

The Bonds are equally and ratably payable from: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described herein); and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Trust Agreement or the Facilities Sublease (collectively, the “Revenues”). The Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Bonds.

The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the City’s electric utility (the “Electric Utility”) are not pledged as security for the Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of the whole of the Property. See the caption “RISK FACTORS — Abatement.” Abatement of Base Rental Payments under the Facilities Sublease, to the extent that payment is not made from alternative sources as described in this Official Statement, would result in all Bond Owners receiving less than the full amount of principal of and interest on the Bonds. To the extent that proceeds of insurance are available, Base Rental Payments (or a portion thereof) may be made during periods of abatement.

THE SERIES 2016 BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF THE SERIES 2016 BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE SERIES 2016 BONDS AS PROVIDED HEREIN.

THE SERIES 2016 BONDS ARE NOT A DEBT OF THE CITY, THE STATE OF THE CALIFORNIA (THE “STATE”) OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2016 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE SERIES 2016 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

### **Book-Entry Only System**

The Series 2016 Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Series 2016 Bonds is payable semiannually on each May 1 and November 1, commencing May 1, 2017. Purchasers will not receive certificates representing their interest in the Series 2016 Bonds. Individual purchases will be in principal amounts of \$5,000 or integral multiples thereof. Principal of and interest on the Series 2016 Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants, which are obligated to remit such payments to the Beneficial Owners of the Series 2016 Bonds. See the caption “THE SERIES 2016 BONDS — Book-Entry Only System.”

### **Redemption**

The Series 2016 Bonds are subject to optional redemption and mandatory sinking fund redemption prior to maturity and extraordinary redemption from insurance or condemnation proceeds as described herein. See the caption “THE SERIES 2016 BONDS — Redemption.”

### **Bond Insurance**

Payment of the principal of and interest on the Series 2016 Bonds will be insured by the Policy to be issued by [INSURER] concurrently with the issuance of the Series 2016 Bonds. See the caption “BOND INSURANCE.”

### **Reserve Fund**

A Reserve Fund for the Bonds has been established pursuant to the Trust Agreement. [INSURER] has committed to issue, concurrently with the issuance of the Series 2016 Bonds, the Reserve Policy for the benefit of the Series 2016 Bonds in the initial principal amount of \$\_\_\_\_\_, which constitutes the Reserve Fund Requirement with respect to the Series 2016 Bonds. The Reserve Policy will be deposited in the Reserve Fund. Neither the Authority nor the City are obligated: (i) to make any additional deposits into the Reserve Fund in the event that [INSURER] defaults on its obligation to make payments under the Reserve Policy; or (ii) to replace the Reserve Policy in the event of a rating downgrade of [INSURER]. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Reserve Fund.”

### **Legal Matters**

Wells Fargo Bank, National Association, Los Angeles, California, will act as Trustee with respect to the Series 2016 Bonds. The Series 2016 Bonds will be issued subject to the approval as to their legality by Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel. Certain legal matters will be passed upon for the City and the Authority by Martin Koczanowicz, City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP and for the Trustee by its counsel.

### **Miscellaneous**

The City’s financial statements for the fiscal year of the City ended June 30, 2015 (each fiscal year of the City ended June 30, a “Fiscal Year”) included as Appendix B hereto have been audited by Lance, Soll & Lunghard, LLP, Certified Public Accountants, Brea, California (the “Auditor”). The City’s financial statements are public documents and are included within this Official Statement without the prior approval of the Auditor. Accordingly, the Auditor has not performed any post-audit review of the financial condition of the City.

Certain events could affect the ability of the City to make the Base Rental Payments when due. See the caption “RISK FACTORS” for a discussion of certain factors that should be considered, in addition to other matters set forth herein, in evaluating an investment in the Series 2016 Bonds.

The presentation of information, including tables of receipt of revenues, is intended to show recent historical information and, except for a budget discussion for Fiscal Year 2016-17, is not intended to indicate future or continuing trends in the financial position or other affairs of the City. No representation is made that past experience, as it might be shown by such financial and other information, will necessarily continue or be repeated in the future.

The summaries or references to the Trust Agreement, the Facilities Lease, the Facilities Sublease and other documents, agreements and statutes referred to herein, and the description of the Series 2016 Bonds included in this Official Statement, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to each such document or statute. All capitalized terms used in this Official Statement and not otherwise defined have the meanings set forth in Appendix A.

## **THE SERIES 2016 BONDS**

### **General**

The Series 2016 Bonds will be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof. The Series 2016 Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page hereof. Interest on the Series 2016 Bonds will be paid semiannually on each May 1 and November 1, commencing May 1, 2017 (each, an “Interest Payment Date”).

The Series 2016 Bonds will bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they will bear interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they will bear interest from their dated date. Payment of interest on the Series 2016 Bonds due on or before the maturity or prior redemption thereof will be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Series 2016 Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee pursuant to the Trust Agreement; provided, however, that interest on any Series 2016 Bonds will be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series 2016 Bonds, at its option, according to wire instructions to an account within the United States of America given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date.

Interest on any Series 2016 Bond will cease to accrue: (i) on the maturity date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the principal amount thereof, plus interest accrued thereon to such date; or (ii) on the redemption date thereof, provided that there has been irrevocably deposited with the Trustee an amount sufficient to pay the Redemption Price thereof, plus interest accrued thereon to such date. The Holder of such Series 2016 Bond is not entitled to any other payment, and such Series 2016 Bond will no longer be Outstanding and entitled to the benefits of the Trust Agreement, except for the payment of the principal amount or Redemption Price, of such Series 2016 Bond, as appropriate, from moneys held by the Trustee for such payment.

The principal of the Series 2016 Bonds will be payable by check in lawful money of the United States of America at the Principal Office of the Trustee. No payment of principal will be made on any Series 2016 Bond unless and until such Series 2016 Bond is surrendered to the Trustee for cancellation.

**Redemption**

**Optional Redemption.**\* [The Series 2016 Bonds maturing on and after November 1, 20\_\_ are subject to optional redemption prior to their stated Principal Payment Dates, on any date on or after November 1, 20\_\_, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to the Facilities Sublease, any such prepayment to be at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium.]

**Mandatory Sinking Fund Redemption.** The Series 2016 Bonds with a stated Principal Payment Date of November 1, 20\_\_ are subject to redemption prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each November 1 specified below, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The principal of such Series 2016 Bonds to be so redeemed and the dates therefor will be as follows:

<i><b>Mandatory Sinking Fund Payment Date (November 1)</b></i>	<i><b>Principal Amount</b></i>
--------------------------------------------------------------------	------------------------------------

(maturity)

The Series 2016 Bonds with a stated Principal Payment Date of November 1, 20\_\_ are subject to redemption prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each November 1 specified below, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The principal of such Series 2016 Bonds to be so redeemed and the dates therefor will be as follows:

<i><b>Mandatory Sinking Fund Payment Date (November 1)</b></i>	<i><b>Principal Amount</b></i>
--------------------------------------------------------------------	------------------------------------

(maturity)

The amount of each such redemption will be reduced proportionately in the event and to the extent of any and all redemptions of Series 2016 Bonds with a stated Principal Payment Date of November 1, 20\_\_ and November 1, 20\_\_, respectively, pursuant to any provision of the Trust Agreement other than redemptions made pursuant to the mandatory sinking fund redemption provisions of the Trust Agreement.

**Extraordinary Redemption from Condemnation Award or Insurance Proceeds.** The City will prepay on any date from insurance and eminent domain proceeds, to the extent provided in the Facilities Sublease (provided, however, that in the event of partial damage to or destruction of the Property caused by perils covered by insurance, if in the judgment of the Authority the insurance proceeds are sufficient to repair, reconstruct or replace the damaged or destroyed portion of the Property, such proceeds will be held by the Trustee and used to repair, reconstruct or replace the damaged or destroyed portion of the Property, pursuant to the procedure set forth in the Facilities Sublease for proceeds of insurance), all or any part (in an integral

\* Preliminary, subject to change.



multiple of \$5,000 principal component) of Base Rental Payments then unpaid so that the aggregate annual amounts of Base Rental Payments which are payable after such prepayment date will be as nearly proportional as practicable to the aggregate annual amounts of Base Rental Payments unpaid prior to the prepayment date, at a prepayment amount equal to the principal of and interest on the Bonds to the date of redemption of such series of Bonds.

The Series 2016 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as provided in the Trust Agreement, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments from insurance and eminent domain proceeds made by the City pursuant to the Facilities Sublease (as described in the preceding paragraph), at a redemption price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date. Whenever less than all of the Outstanding Bonds are to be redeemed on any one date, the Trustee will select, in accordance with written directions from the Authority, the Bonds to be redeemed in part from the Outstanding Bonds so that the aggregate annual principal amount of and interest on Bonds which are payable after such Redemption Date will be as nearly proportional as practicable to the aggregate annual principal amount of and interest on Bonds Outstanding prior to such Redemption Date.

***Selection of Bonds for Redemption.*** If less than all Outstanding Series 2016 Bonds maturing by their terms on any one date are to be redeemed at any one time, the Trustee will select the Series 2016 Bonds of such maturity date to be redeemed at random and promptly notify the Authority in writing of the numbers of the Series 2016 Bonds so selected for redemption. For purposes of such selection, Series 2016 Bonds will be deemed to be composed of multiples of minimum Authorized Denominations and any such multiple may be separately redeemed. In the event that Term Bonds are designated for redemption, the Authority may designate which sinking account payments are allocated to such redemption, and in the absence of such Authority designation such redemptions will be allocated in inverse order of Mandatory Sinking Account Payment Dates.

***Notice of Redemption; Cancellation.*** Notice of redemption will be mailed by first-class mail by the Trustee, not less than 30 nor more than 60 days prior to the redemption date to: (i) the respective Bondholders of the Series 2016 Bonds designated for redemption at their addresses appearing on the registration books of the Trustee; (ii) the Securities Depositories; and (iii) one or more Information Services. Notice of redemption to the Securities Depositories and the Information Services will be given by registered mail or overnight delivery or facsimile transmission or by such other method acceptable to such institutions. Each notice of redemption will state the date of such notice, the date of issue of the Bonds, the Series, the redemption date, the Redemption Price, the place or places of redemption (including the name and appropriate address of the Trustee), the CUSIP number (if any) of the maturity or maturities, and, if less than all of any such maturity is to be redeemed, the distinctive certificate numbers of the Series 2016 Bonds of such maturity, to be redeemed and, in the case of Series 2016 Bonds to be redeemed in part only, the respective portions of the principal amount thereof to be redeemed. Each such notice will also state that on said date there will become due and payable on each of said Series 2016 Bonds the redemption price thereof, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon will cease to accrue, and will require that such Series 2016 Bonds be then surrendered at the address of the Trustee specified in the redemption notice. Failure to receive such notice or any defect in such notice will not invalidate any of the proceedings taken in connection with such redemption.

The Authority may, at its option, prior to the date fixed for redemption in any notice of redemption rescind and cancel such notice of redemption by Written Request to the Trustee and the Trustee will mail notice of such cancellation to the recipients of the notice of redemption being cancelled.

All Series 2016 Bonds redeemed pursuant to the provisions of the Trust Agreement will be cancelled by the Trustee and destroyed with a certificate of destruction furnished to the Authority upon its request and will not be reissued.

***Effect of Notice of Redemption.*** If notice of redemption has been duly given as aforesaid and money for the payment of the redemption price of the Series 2016 Bonds called for redemption is held by the Trustee, then on the redemption date designated in such notice Series 2016 Bonds so called for redemption become due and payable, and from and after the date so designated interest on such Series 2016 Bonds cease to accrue, and the Bondholders of such Series 2016 Bonds will have no rights in respect thereof except to receive payment of the redemption price thereof.

### **Book-Entry Only System**

***General.*** DTC will act as securities depository for the Series 2016 Bonds. The Series 2016 Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee). One fully-registered Series 2016 Bond will be issued for each maturity of the Series 2016 Bonds, each in the initial aggregate principal amount of such maturity, will be deposited with DTC and will be available to actual purchasers of the Series 2016 Bonds (the "Beneficial Owners") in denominations of \$5,000 or any integral multiple thereof. Beneficial Owners will not be entitled to receive physical delivery of the Series 2016 Bonds. See Appendix E for further information with respect to DTC and its book-entry only system.

***Transfer and Exchange of Bonds.*** The following provisions regarding the exchange and transfer of the Series 2016 Bonds apply only during any period in which the Series 2016 Bonds are not subject to DTC's book-entry system. While the Series 2016 Bonds are subject to DTC's book-entry system, their exchange and transfer will be effected through DTC and the Participants and will be subject to the procedures, rules and requirements established by DTC.

Any Series 2016 Bond may, in accordance with its terms, be transferred in the books required to be kept pursuant to the provisions of the Trust Agreement 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 duly executed written instrument of transfer in a form acceptable to the Trustee. Whenever any Series 2016 Bond or Bonds are surrendered for transfer, the Authority will execute and the Trustee will authenticate and deliver to the transferee a new Series 2016 Bond or Bonds of the same Series and maturity for a like aggregate principal amount of Authorized Denominations. The Trustee will require the payment by the Bondholder requesting such transfer of any tax or other governmental charge required to be paid with respect to such transfer as a condition precedent to the exercise of such privilege.

The Authority and the Trustee may, except as otherwise provided in the Trust Agreement, deem and treat the registered owner of any Series 2016 Bond as the absolute owner of such Series 2016 Bond for the purpose of receiving payment thereof and for all other purposes, whether such Series 2016 Bond is overdue or not, and neither the Authority nor the Trustee will be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of and redemption premium, if any, on such Series 2016 Bond will be made only to such registered owner, which payments will be valid and effectual to satisfy and discharge liability on such Series 2016 Bond to the extent of the sum or sums so paid.

The Trustee is not required to register the transfer of or exchange any Series 2016 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2016 Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2016 Bonds for redemption.

Series 2016 Bonds may be exchanged at the Principal Office of the Trustee for a like aggregate principal amount of Series 2016 Bonds of the same Series and maturity of other authorized denominations. The Trustee will require the payment by the Bondholder requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange as a condition precedent to the exercise of such privilege. The Trustee is not required to exchange any Series 2016 Bond which has been selected for redemption in whole or in part, from and after the day of mailing of a notice of redemption of such Series 2016

Bond selected for redemption in whole or in part as provided in the Trust Agreement or during the period established by the Trustee for selection of Series 2016 Bonds for redemption.

## SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS

### Pledge of Revenues

The Series 2016 Bonds are secured on a parity with the outstanding Series 2015 Bonds and any Additional Bonds which may be issued under the terms of the Trust Agreement (the Series 2016 Bonds, the Series 2015 Bonds and any Additional Bonds, collectively, the “Bonds”). The Bonds are equally and ratably payable from and secured by the Revenues, which consist of: (i) the Base Rental Payments and other payments paid by the City and received by the Authority pursuant to the Facilities Sublease (but not including Additional Payments as described below); and (ii) all interest or other income from any investment of any money in any fund or account established pursuant to the Trust Agreement or the Facilities Sublease.

Base Rental Payments will be paid by the City from any and all legally available funds. See the captions “THE CITY,” “CITY FINANCIAL INFORMATION” and “RISK FACTORS.” The City has covenanted in the Facilities Sublease to take such action as may be necessary to include all Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement as described in this Official Statement.

Revenues of the Electric Utility are not pledged as security for the Bonds. However, net revenues of the Electric Utility (revenues remaining after payment of operation and maintenance costs thereof and debt service obligations with respect thereto) are available to pay Base Rental Payments, and the City currently expects to pay all or a portion of Base Rental Payments from such net revenues of the Electric Utility. Notwithstanding the foregoing, the City makes no assurances regarding the amount of net revenues of the Electric Utility or the availability of net revenues of the Electric Utility to pay Base Rental Payments.

The Authority may issue Additional Bonds payable from the Base Rental Payments on a parity with the Series 2016 Bonds and the Series 2015 Bonds. See the caption “— Additional Bonds.”

All Revenues, any other amounts (including proceeds of the sale of the Series 2016 Bonds) held by the Trustee in any fund or account established under the Trust Agreement and any other amounts (excluding Additional Payments) received by the Authority in respect of the Property have been irrevocably pledged to the payment of the interest and premium, if any, on and principal of the Bonds as provided in the Trust Agreement, and the Revenues and other amounts pledged thereunder may not be used for any other purpose while any of the Bonds remain Outstanding; provided, however, that out of the Revenues and other moneys there may be applied such sums for such purposes as are permitted thereunder. Such pledges constitutes a pledge of and charge and first lien upon the Revenues, all other amounts pledged under the Trust Agreement and all other moneys on deposit in the funds and accounts established thereunder for the payment of the interest on and principal of the Bonds in accordance with the terms thereof.

Pursuant to the Trust Agreement, the Authority has assigned its right, title and interest in the Base Rental Payments and its right to enforce remedies under the Facilities Sublease to the Trustee as security for the payment of the Bonds. The City will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See the caption “— Base Rental Payments” below.

**THE BONDS ARE LIMITED OBLIGATIONS OF THE AUTHORITY AND ARE PAYABLE, AS TO INTEREST THEREON, PRINCIPAL THEREOF AND ANY PREMIUMS UPON THE REDEMPTION OF ANY THEREOF, SOLELY FROM THE REVENUES DESCRIBED HEREIN, AND THE AUTHORITY IS NOT OBLIGATED TO PAY THEM EXCEPT FROM THE REVENUES. ALL OF THE BONDS ARE EQUALLY SECURED BY A PLEDGE OF AND CHARGE AND LIEN UPON THE REVENUES, AND**

THE REVENUES CONSTITUTE A TRUST FUND FOR THE SECURITY AND PAYMENT OF THE INTEREST ON AND PRINCIPAL OF AND REDEMPTION PREMIUMS, IF ANY, ON THE SERIES 2016 BONDS AS PROVIDED HEREIN.

THE BONDS ARE NOT A DEBT OF THE CITY, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS, AND NEITHER THE CITY, THE STATE NOR ANY OF ITS POLITICAL SUBDIVISIONS IS LIABLE THEREON, NOR IN ANY EVENT SHALL THE SERIES 2016 BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS DESCRIBED HEREIN. THE BONDS DO NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

### **Base Rental Payments**

Base Rental Payments, will be paid by the City to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Payment Period for which such Base Rental Payments are to be paid. The Base Rental Payments are due and payable on October 25 and April 25 in the amounts set forth in the Facilities Sublease and are for the use and occupancy of the Property during the one-year period ending on the 1st day of each November. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Revenue Fund established under the Trust Agreement.

Pursuant to the Trust Agreement, all money in the Revenue Fund will be set aside by the Trustee in the following respective special accounts or funds within the Revenue Fund (each of which has been created and each of which the Authority has covenanted and agreed to cause to be maintained) in the following order of priority: (1) Interest Account; and (2) Principal Account.

All money in each of such accounts will be held in trust by the Trustee and will be applied, used and withdrawn only for the purposes authorized in the Trust Agreement. On each Principal Payment Date, following payment of principal of and interest on the Bonds, any excess amount on deposit in the Revenue Fund will be returned to the City as an excess of Base Rental Payments.

***Interest Account.*** On or before each Interest Payment Date, the Trustee will set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date. No deposit need be made in the Interest Account if the amount contained therein and available to pay interest on the Bonds is at least equal to the aggregate amount of interest becoming due and payable on all Outstanding Bonds on such Interest Payment Date. All money in the Interest Account will be used and withdrawn by the Trustee solely for the purpose of paying the interest on the Bonds as it becomes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).

***Principal Account.*** On or before each November 1, the Trustee will set aside from the Revenue Fund and deposit in the Principal Account an amount of money equal to the amount of all sinking fund payments required to be made on such November 1, into the respective sinking fund accounts for all Outstanding Term Bonds and the principal amount of all Outstanding Serial Bonds maturing on such November 1. No deposit need be made in the Principal Account if the amount contained therein and available to pay principal of the Bonds is at least equal to the aggregate amount of the principal of all Outstanding Serial Bonds maturing by their terms on such November 1 plus the aggregate amount of all sinking fund payments required to be made on such November 1 for all Outstanding Term Bonds. All money in the Principal Account will be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds as it becomes due and payable, whether at maturity or redemption, except that any money in any Sinking Account created under the Trust Agreement will be used and withdrawn by the Trustee only to purchase or to redeem or to pay Term Bonds for which such Sinking Account was created.

Scheduled Base Rental Payments relating to the Series 2016 Bonds and outstanding Series 2015 Bonds are set forth below under the caption "BASE RENTAL PAYMENT SCHEDULE."

### **Additional Payments**

For the right to use and occupy the Property, the Facilities Sublease requires the City to pay, as Additional Payments thereunder, in addition to the Base Rental Payments, such amounts as are required for the payment all amounts, costs and expenses incurred by the Authority in connection with the execution, performance or enforcement of the Facilities Sublease or any assignment thereof, the Trust Agreement, the Authority's interest in the Property and the lease of the Property to the City, including but not limited to payment of all fees, costs and expenses and all administrative costs of the Authority related to the Bonds, the Property, including, without limiting the generality of the foregoing, salaries and wages of employees, all expenses, compensation and indemnification payable by the Authority to the Trustee under the Trust Agreement, other amounts due and owing Assured Guaranty Municipal Corp., the insurer of the 2015 Bonds (the "2015 Insurer"), and [INSURER], as set forth in the Facilities Sublease, fees of auditors, accountants, attorneys or architects, and all other necessary administrative costs of the Authority or charges required to be paid by it in order to maintain its existence or to comply with the terms of the Bonds or of the Trust Agreement; but not including in such Additional Payments amounts required to pay the principal of or interest on the Series 2016 Bonds.

Such Additional Payments will be billed to the City by the Authority or the Trustee from time to time, together with a statement certifying that the amount billed has been paid by the Authority or by the Trustee on behalf of the Authority, for one or more of the items above described, or that such amount is then payable by the Authority or the Trustee for such items. Amounts so billed will be paid by the City within 60 days after receipt of the bill by the City. The City reserves the right to audit billings for Additional Payments although exercise of such right will in no way affect the duty of the City to make full and timely payment for all Additional Payments.

The Authority may in the future issue bonds to finance facilities, and may in the future enter into leases with respect to other facilities. The administrative costs of the Authority will be allocated among such other facilities and the Property as provided below. The fees of the Trustee under the Trust Agreement, and any other expenses directly attributable to the Property will be included in the Additional Payments payable under the Facilities Sublease. The fees of any trustee or paying agent under any indenture securing bonds of the Authority or any trust agreement other than the Trust Agreement, and any other expenses directly attributable to any facilities other than the Property, will not be included in the administrative costs of the Property, and will not be paid from the Additional Payments payable under the Facilities Sublease. Any expenses of the Authority not directly attributable to any particular project of the Authority will be equitably allocated among all such projects, including the Property in accordance with sound accounting practice. In the event of any question or dispute as to such allocation, the written opinion of an independent firm of certified public accountants, employed by the Authority to consider the question and render an opinion thereon, will be a final and conclusive determination as to such allocation. The Trustee may conclusively rely upon the Written Request of the Authority, with the approval of the Mayor, Vice-Mayor, City Manager or Finance Director of the City or any such officer's duly authorized designee, or a duly authorized representative of the City, endorsed thereon, in making any determination that costs relating to the Authority are payable as Additional Payments under the Facilities Sublease, and is not required to make any investigation as to whether or not the items so requested to be paid are expenses of operation of the Property.

### **Abatement**

The Base Rental Payments and Additional Payments will be abated proportionately, during any period in which by reason of any material damage or destruction (other than by condemnation, which is provided for in the Facilities Sublease) there is substantial interference with the use and occupancy of the Property by the City, in the proportion in which the cost of that portion of the Property rendered unusable bears to the cost of

the whole of the Property. Such abatement will continue for the period commencing with such damage or destruction and ending with the substantial completion of the work of repair or reconstruction. In the event of any such damage or destruction, the Facilities Sublease will continue in full force and effect and the City waives the benefits of California Civil Code Sections 1932(2) and 1933(4) and of Title 11 of the United States Code, Section 365(h) and any and all other rights to terminate the Facilities Sublease by virtue of any such damage or destruction or interference.

Notwithstanding the foregoing, to the extent that moneys are available for the payment of Base Rental Payments and Additional Payments in any of the funds and accounts established under the Trust Agreement (including as a result of the availability of insurance proceeds), such Base Rental Payments and Additional Payments will not be abated as provided above but, rather, will be payable by the City as a special obligation payable solely from said funds and accounts. See the caption “— Insurance” and Appendix A.

### **Substitution, Addition and Removal of Property**

The City and the Authority may add, substitute or release real property for all or part of, or may release a part of, the Property for purposes of the Facilities Lease and the Facilities Sublease, but only with the consent of the 2015 Insurer and [INSURER] and after the City has filed with the Authority and the Trustee, with copies to each rating agency then providing a rating for the Bonds, all of the following:

(i) Executed copies of the Facilities Lease and the Facilities Sublease or amendments thereto containing the amended description of the Property, including the legal description of any real property component of the Property as modified, if necessary.

(ii) A Written Certificate of the City, certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of such facility to the City) of the Property that will constitute the Property after such addition, substitution or withdrawal will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year. At the sole discretion of the City, in the alternative, in the event of a substitution only, the Written Certificate of the City will certify that the annual fair rental value of the new Property is at least equal to that of the substituted Property.

(iii) With respect to an addition or substitution of property, a leasehold owner’s title insurance policy or policies or a commitment for such policy or policies or an amendment or endorsement to an existing title insurance policy or policies resulting in title insurance with respect to the Property after such addition or substitution in an amount at least equal to the aggregate principal amount of Bonds Outstanding; each such insurance instrument, when issued, will name the Trustee as the insured, and insure the leasehold estate of the Authority in such property subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy such property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

(iv) A Written Certificate of the City stating that such addition, substitution or withdrawal, as applicable, does not adversely affect the City’s use and occupancy of the Property.

(v) With respect to the substitution of property, a Written Certificate of the City stating that the useful life of the property to be substituted is at least equal to the useful life of the property being released.

(vi) An opinion of Bond Counsel stating that any amendment executed in connection with such addition, substitution or withdrawal, as the case may be: (i) is authorized or permitted under the Facilities Sublease; (ii) will, upon the execution and delivery thereof, be valid and binding upon the Authority and the City; and (iii) will not cause the interest on any tax-exempt Bonds to be included in gross income for federal income tax purposes.

The City and the Authority have agreed that the Property or portion thereof for which other real property is substituted, pursuant to the Facilities Sublease, will be released from the Facilities Lease and the Facilities Sublease, and will no longer be encumbered thereby and hereby or by the Trust Agreement at such time as the City has caused said substitution.

Any sale, substitution, release, transfer, lease, assignment, mortgage or encumbrance with respect to the Property under the Facilities Sublease or Facilities Lease will be subject to the prior written consent of the 2015 Insurer and [INSURER].

### **Additional Bonds**

*Conditions for the Issuance of Additional Bonds.* The Authority may at any time, issue Additional Bonds pursuant to a Supplemental Trust Agreement, payable from the Revenues as provided in the Trust Agreement and secured by a pledge of and charge and lien upon the Revenues as provided therein equal to the pledge, charge and lien securing the Outstanding Series 2016 Bonds and Series 2015 Bonds theretofore issued thereunder, but only subject to the following specific conditions, which have been made conditions precedent to the issuance of any such Additional Bonds:

(a) The Authority is in compliance with all agreements and covenants contained in the Trust Agreement and no Event of Default has occurred and is continuing.

(b) The Supplemental Trust Agreement requires that the proceeds of the sale of such Additional Bonds will be applied to finance or refinance Projects, or for the refunding or repayment of any Bonds then Outstanding, including the payment of costs and expenses of and incident to the authorization and sale of such Additional Bonds. The Supplemental Trust Agreement may also provide that a portion of such proceeds be applied to the payment of the interest due or to become due on said Additional Bonds.

(c) The aggregate principal amount of Bonds issued and at any time Outstanding under the Trust Agreement does not exceed any limit imposed by law, by the Trust Agreement or by any Supplemental Trust Agreement.

(d) The Facilities Sublease has been amended, if necessary, so that the Base Rental Payments payable by the City thereunder in each Fiscal Year at least equal Debt Service, including Debt Service on the Additional Bonds, in each Fiscal Year, and if Base Rental Payments are being increased, a Certificate of the City will be delivered to the Trustee certifying that the annual fair rental value (which may be based on, but not limited to, the construction or acquisition cost or replacement cost of any facility which is or will become part of the Property) will be at least equal to 100% of the maximum amount of Base Rental Payments becoming due in the then current fiscal year or in any subsequent fiscal year.

(e) If additional facilities, if any, are to be leased and are not situated on property described in the Facilities Lease and Facilities Sublease: (1) the Facilities Lease has been amended so as to lease to the Authority such additional real property; and (2) the Facilities Sublease has been amended so as to lease to the City such additional real property.

(f) The Reserve Fund is fully funded at the Reserve Fund Requirement (including the proposed issue) upon the issuance of such Additional Bonds, in either case unless otherwise permitted by the 2015 Insurer and [INSURER].

*Proceedings for Authorization of Additional Bonds.* Whenever the Authority and the City determine to execute and deliver any Additional Bonds pursuant to the Trust Agreement, the Authority and the Trustee will enter into a Supplemental Trust Agreement providing for the issuance of such Additional Bonds, specifying the maximum principal amount of such Additional Bonds and prescribing the terms and conditions of such Additional Bonds.

The Supplemental Trust Agreement will prescribe the form or forms of such Additional Bonds and, subject to the provisions of the Trust Agreement, will provide for the distinctive designation, denominations, method of numbering, dates, payment dates, interest rates, interest payment dates, provisions for redemption (if desired) and places of payment of principal and interest.

Before such Additional Bonds are issued, the City and the Authority will file or cause to be filed the following documents with the Trustee:

(a) An Opinion of Counsel setting forth that: (1) such Counsel has examined the Supplemental Trust Agreement and the amendment to the Facilities Sublease and Facilities Lease required by the Trust Agreement; (2) the execution and delivery of the Additional Bonds have been duly authorized by the City and the Authority; and (3) said amendment to the Facilities Sublease and Facilities Lease, when duly executed by the City and the Authority, will be valid and binding obligations of the City and the Authority.

(b) A Certificate of the Authority stating that the requirements of the Trust Agreement have been met.

(c) A Certificate of the City stating that the insurance required by the Facilities Sublease is in effect.

Upon the delivery to the Trustee of the foregoing instruments and upon the Trustee's receipt of Certificates of the City and of the Authority stating that all applicable provisions of the Trust Agreement have been complied with (so as to permit the execution and delivery of the Additional Bonds in accordance with the Supplemental Trust Agreement then delivered to the Trustee), the Trustee will authenticate and deliver said Additional Bonds in the aggregate principal amount specified in such Supplemental Trust Agreement to, or upon the Written Request of, the Authority.

The City has no current plans to issue Additional Bonds under the Trust Agreement. See the caption "RISK FACTORS — Substitution, Addition and Removal of Property; Additional Bonds."

#### **Action on Default**

Should the City default under the Facilities Sublease, the Trustee, as assignee of the Authority thereunder, may terminate the Facilities Sublease and recover certain damages from the City, or may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis, and the Trustee has the right to re-enter and re-let the Property. In the event that such re-letting occurs, the City would be liable for any resulting deficiency in Base Rental Payments. Base Rental Payments may not be accelerated upon a default under the Facilities Sublease. See the caption "RISK FACTORS — Limited Recourse on Default; No Acceleration of Base Rental."

For purposes of certain actions of Bond Owners under the Trust Agreement and the Facilities Sublease, such as certain consents and amendments and the direction of remedies following default, Series 2016 Bond Owners and Series 2015 Bond Owners do not act alone and may not control such matters to the extent that such matters are not supported by the requisite number of the Owners of all Series 2016 Bonds, Series 2015 Bonds and Additional Bonds, if any.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Facilities Sublease and the Trust Agreement, see Appendix A.

Subject to the terms of the Trust Agreement, so long as the 2015 Insurer has not defaulted under the Policy, the 2015 Insurer has the right to control all remedies for default under the Facilities Lease, the Facilities Sublease and the Trust Agreement.



## Reserve Fund

**Reserve Fund.** The Trustee maintains a separate fund to be known as the “Reserve Fund.” Moneys in the Reserve Fund will be used and withdrawn by the Trustee solely for the purposes set forth in the Trust Agreement. In connection with the issuance of the Series 2015 Bonds, the 2015 Insurer issued a Reserve Policy (the “2015 Reserve Policy”) for the benefit of the Series 2015 Bonds in the initial principal amount of \$661,081.26, which constituted the Reserve Fund Requirement with respect to the Series 2015 Bonds, which is on deposit in the Reserve Fund. Additionally, there will be deposited in the Reserve Fund the Reserve Policy pursuant to the Trust Agreement for the benefit of the Series 2016 Bonds. The City, upon notice to the rating agencies then rating the Series 2016 Bonds, reserves the right to substitute, at any time and from time to time, one or more Reserve Facilities from a financial institution, the long-term unsecured obligations of which are rated in the two highest rating categories of the rating agency in substitution for or in place of all or any portion of the Reserve Policy or the moneys, if any, on deposit in the Reserve Fund, which satisfy the Reserve Fund Requirement (as such term is defined below), under the terms of which the Trustee is unconditionally entitled to draw amounts when required for the purposes of the Trust Agreement. Upon deposit by the City with the Trustee of any such Reserve Facility(ies), the Trustee will, on or after the date of such deposit, transfer to the City such amounts as are on deposit in the Reserve Fund in excess of the Reserve Fund Requirement after application of the Reserve Facility(ies) thereto. The City will, subject to any investment instructions contained in the Tax Certificate and Agreement, if any, use any such amounts transferred from the Reserve Fund for any lawful purpose of the City which will not adversely affect any current or past exclusion from gross income for federal income tax purposes of the interest on the Bonds, if and to the extent such interest is currently or has in the past been so excluded. Any amounts paid pursuant to any Reserve Facility will be deposited in the Reserve Fund. The moneys in the Reserve Fund and any Reserve Facility shall be held in trust by the Trustee and shall be used and disbursed only for the purposes and uses herein authorized.

The term “Reserve Fund Requirement” means, with respect to the Bonds, an amount equal to an amount equal to the least of: (i) maximum prospective annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Facilities Sublease; (ii) 10% of the proceeds of the Bonds; or (iii) 125% of the average annual Base Rental Payments with respect to Outstanding Bonds to be made by the City under the Facilities Sublease.

**Application of Reserve Fund.** Amounts on deposit in the Reserve Fund which were not derived from payments under any Reserve Facility credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement may be used and withdrawn by the Trustee prior to using and withdrawing any amounts derived from payments under any such Reserve Facility. In order to accomplish such use and withdrawal of such amounts not derived from payments under any such Reserve Facility, the Trustee will, as and to the extent necessary, liquidate any investments purchased with such amounts. If and to the extent that, more than one Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, drawings thereunder, and repayment of expenses with respect thereto, will be made on a pro-rata basis (calculated by reference to the policy limits available thereunder).

If, on any Interest Payment Date, the amount on deposit in any account within the Interest Account is insufficient to pay the interest due with respect to the corresponding Series of Bonds on such Interest Payment Date, the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Interest Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Interest Account.

If, on any Principal Payment Date or any Mandatory Sinking Account Payment Date, the amount on deposit in any account within the Principal Account is insufficient to pay the principal due with respect to the corresponding Series of Bonds on such Principal Payment Date or Mandatory Sinking Account Payment Date,

the Trustee will transfer from the corresponding account within the Reserve Fund and deposit in such account within the Principal Account an amount sufficient to make up such deficiency. If a Reserve Facility is credited to the Reserve Fund to satisfy a portion of the Reserve Fund Requirement, the Trustee will make a claim for payment under such Reserve Facility, in accordance with the provisions thereof, in an amount which, together with other available moneys in the Reserve Fund, will be sufficient to make said deposit in the Principal Account.

In the event of any withdrawal or transfer from the Reserve Fund, the Trustee will, within 5 days thereafter, provide written notice to the City of the amount and the date of such transfer. If there are no amounts currently due under any Reserve Facility and the sum of the amount on deposit in the Reserve Fund, plus the amount available under any Reserve Facilities, is reduced below the Reserve Fund Requirement, the first of Base Rental Payments thereafter received from the City under the Facilities Sublease and not needed to pay the interest and principal of the Bonds on the next Interest Payment Date, Principal Payment Date or Mandatory Sinking Account Payment Date will be used, first, to reinstate the amounts available under the Reserve Facilities that have been drawn upon and, second, to increase the amount on deposit in the Reserve Fund, so that the amount available under the Reserve Facilities, when added to the amount on deposit in the Reserve Fund, equals the Reserve Fund Requirement. In the event there are insufficient funds to remedy any deficiencies in all such accounts, moneys shall be deposited pro rata in each such account.

If at any time the balance in any account within the Reserve Fund is in excess of the Reserve Fund Requirement for such fund, the Trustee will transfer such excess to any other account within the Reserve Fund with a balance less than the Reserve Fund Requirement for such fund to make up such deficiency, and thereafter to the Revenue Fund.

At the termination of the Facilities Sublease in accordance with its terms, any balance remaining in the Reserve Fund will be released and may be transferred to such other fund or account of the City, or otherwise used by the City for any other lawful purposes, as the City may direct. For purposes of determining the amount on deposit in the Reserve Fund, all investments will annually be valued at the cost thereof (exclusive of accrued but unpaid interest, but inclusive of commissions). Except as provided in the Trust Agreement from Base Rental Payments not needed to pay the interest and principal of the Bonds, the City has no obligation to replenish the Reserve Fund.

### **Insurance**

The Facilities Sublease requires the City to maintain or cause to be maintained fire, lightning and special extended coverage insurance (which includes coverage for vandalism and malicious mischief, but need not include coverage for earthquake damage) on all improvements constituting any part of the Property in an amount equal to the greater of 100% of the replacement cost of such improvements or 100% of the outstanding principal amount of the Bonds. As an alternative to providing such insurance or any portion thereof, the City may provide a self-insurance method or plan of protection if and to the extent that such self-insurance method or plan of protection affords reasonable protection to the Authority, the Bond Holders and the Trustee, in light of all circumstances, giving consideration to cost, availability and similar plans or methods of protection adopted by public entities in the State other than the City.

The Facilities Sublease requires the City to maintain rental interruption or use and occupancy insurance to cover loss, total or partial, of the rental income from or the use of the Property as the result of any of the hazards covered by the insurance described in the preceding paragraph, in an amount sufficient to pay the maximum annual Base Rental Payments for any two year period, except that such insurance may be subject to a deductible clause of not to exceed \$25,000. Any proceeds of such insurance will be used by the Trustee to reimburse to the City any rental theretofore paid by the City under the Facilities Sublease attributable to such structure for a period of time during which the payment of rental under the Facilities Sublease is abated, and any proceeds of such insurance not so used will be applied as provided in the Facilities

Sublease (to the extent required for the payment of Base Rental Payments and Additional Payments). See the caption “— Abatement.” The City does not maintain earthquake insurance.

The Facilities Sublease requires the City to maintain or cause to be maintained, throughout the term thereof, a standard commercial general liability insurance policy or policies in protection of the City, the Authority and their respective members, officers, agents and employees and the Trustee, with minimum liability limits of \$1,000,000 for personal injury or death of each person and \$3,000,000 for personal injury or deaths of two or more persons in each accident or event, and in a minimum amount of \$200,000 for damage to property resulting from each accident or event, and worker’s compensation insurance.

See the summary of the Facilities Sublease set forth in Appendix A for further information with respect to the insurance coverage required to be maintained by the City under the Facilities Sublease.

A description of insurance coverages maintained by the City is set forth under the caption “THE CITY — Risk Management.”

The Facilities Sublease also requires the City to provide, at its own expense, an ALTA leasehold owner’s title insurance policy or policies for the Property, in the aggregate amount of not less than the initial aggregate principal amount of the Bonds. Such insurance instrument, when issued, will name the Trustee as the insured, and will insure the leasehold estate of the Authority subject only to such exceptions as do not substantially interfere with the City’s right to use and occupy the Property and as will not result in an abatement of Base Rental Payments payable by the City under the Facilities Sublease.

**BOND INSURANCE**

*The information under this caption has been prepared by \_\_\_\_\_ for inclusion in this Official Statement. None of the Authority, the City or the Underwriter has reviewed this information, nor do the Authority, the City or the Underwriter make any representation with respect to the accuracy or completeness thereof. The following information is not a complete summary of the terms of the Policy (as such term is defined below) and reference is made to Appendix G for a specimen of the Policy.*

[TO COME]

**SOURCES AND USES OF FUNDS**

The sources and uses of funds with respect to the Series 2016 Bonds, together with funds held with respect to the Refunded Bonds, are shown below.

<b>Sources</b>	
Principal Amount of Series 2016 Bonds	\$
Funds Held With Respect to Refunded Bonds [Less Original Issue Discount] [Plus Original Issue Premium]	_____
<b>Total Sources</b>	<b>\$</b> =====
<b>Uses</b>	
Escrow Account	\$
Costs of Issuance Fund <sup>(1)</sup>	
Capitalized Interest Fund <sup>(2)</sup>	_____
<b>Total Uses</b>	<b>\$</b> =====

<sup>(1)</sup> Includes certain fees of Bond Counsel, Disclosure Counsel, the Financial Advisor, S&P and the Trustee, Underwriter’s discount, premium for the Policy and the Reserve Policy, printing costs and other miscellaneous costs of issuance.

<sup>(2)</sup> Represents a portion of interest due on the Series 2016 Bonds capitalized through \_\_\_\_\_, 2017.

**BASE RENTAL PAYMENT SCHEDULE**

The annual schedule of Base Rental Payments due with respect to the Series 2016 Bonds and the Series 2015 Bonds is set forth below.

<i>Period Ending November 1</i>	<i>Series 2016 Bonds Principal</i>	<i>Series 2016 Bonds Interest</i>	<i>Series 2016 Bonds Total Debt Service</i>	<i>Series 2015 Bonds Total Debt Service</i>	<i>Total Base Rental Payments<sup>(1)</sup></i>
2016	\$	\$	\$	\$	\$
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					
<b>Total</b>	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

<sup>(1)</sup> Equal to the Series 2016 Bonds Total Debt Service column plus the Series 2015 Bonds Total Debt Service column.  
Source: Underwriter.

**THE REFUNDING PLAN**

**General**

Pursuant to the Trust Agreement, the Authority will deliver a portion of the proceeds of the Series 2016 Bonds, together with funds held with respect to the Refunded Bonds, to the Trustee for deposit in the Escrow Account established pursuant to the Trust Agreement (the “Escrow Account”). The Authority shall provide the Trustee irrevocable refunding instructions (the “2016 Irrevocable Refunding Instructions”) to cause the moneys held in the Escrow Account (the “Escrow Deposit”) to be held uninvested or invested in non-callable federal securities and used to (i) make the payments of principal and interest due on the Refunded Bonds through and including May 1, 2017 (the “Redemption Date”), and (ii) redeem the then outstanding Refunded Bonds on May 1, 2017 at a redemption price equal to the principal amount of the Refunded Bonds being redeemed, together with accrued interest to the Redemption Date, without premium. Amounts in the Escrow Account will be irrevocably pledged pursuant to the 2016 Irrevocable Refunding Instructions to

secure, when due, the payment of the principal of, and the interest and premium due on, the Refunded Bonds, and will not be available for payment on the Bonds.

A list of the Refunded Bonds to be paid or redeemed on the Redemption Date is set forth below:

**REFUNDED BONDS**

<i>Maturities to be Refunded/Paid (May 1)</i>	<i>CUSIP<sup>†</sup></i>	<i>Principal Amount to be Refunded/Paid on the Redemption Date</i>	<i>Redemption Date</i>	<i>Redemption Price (% of Par Amount)</i>
2017	61685P BZ0	\$ 550,000	May 1, 2017	100%
2027	61685P CA4	\$ 7,435,000	May 1, 2017	100%
2038	61685P CB2	\$ 14,615,000	May 1, 2017	100%

<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) 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 Standard & Poor’s CUSIP Service Bureau. 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. None of the City, the Authority or the Underwriter guarantee the accuracy of the CUSIP data.

**Verification**

Upon issuance of the Series 2016 Bonds, Grant Thornton LLP will provide escrow verification services, as verification agent, will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriter relating to the adequacy of amounts in the Escrow Account to pay when due all debt service on the Refunded Bonds on and prior to the Redemption Date and to pay the redemption price of the Refunded Bonds on the Redemption Date.

**THE PROPERTY**

The Property constitutes the subject matter of the Facilities Lease and the Facilities Sublease. In connection with the issuance of the Series 2016 Bonds, pursuant to the First Amendment to the 2015 Master Facilities Lease, the City will lease certain property (the “Substations”) to the Authority, and pursuant to the First Amendment to the 2015 Master Facilities Sublease, the Authority will sublease the Substations back to the City.

The Substations consist of two electric power substations: (i) the Moreno Beach Substation and (ii) the Kitching Substation, each of which is described below.

The Moreno Beach Substation is a City-owned 115 kilovolt (“kV”) to 12kV Distribution Class power substation located on an approximately 8.75 acre parcel at the southwest corner of Moreno Beach Drive and Cottonwood Avenue in the City. The Moreno Beach Substation includes equipment foundations, transformers, capacitors, switchgear, electric bus, a relay control house, cable, wire, appurtenances and other related facilities (the “Moreno Beach Substation Improvements”).

A 115kV to 12kV Transmission Class switchyard (the “Moreno Beach Switchyard”), which has been dedicated to Southern California Edison (“SCE”), is also on the site. The Moreno Beach Switchyard is located adjacent to the Moreno Beach Substation. Moreno Beach Switchyard improvements include equipment foundations, switchgear, electrical bus, relay control house, cable, wire, appurtenances and other related facilities associated with physical connection to SCE’s 115kV distribution system. The Moreno Beach Switchyard improvements do not constitute part of the Substations.

The Moreno Beach Substation was completed in 2007. The City estimates the total cost of the Moreno Beach Substation Improvements (excluding the Moreno Beach Switchyard and other improvements

owned or dedicated to SCE) to be approximately \$10,817,611. The City estimates the Moreno Beach Substation Improvements have a useful remaining life of approximately 30 years.

The Kitching Substation is a City-owned 115kV to 12kV Distribution Class power substation currently under construction and located on an approximately 1.87 acre parcel at the northwest corner of Kitching Drive and Edwin Road in the City. When completed, the Kitching Substation will include equipment foundations, transformers, capacitors, switchgear, electric bus, a relay control house, cable, wire, appurtenances and other related facilities (the “Kitching Substation Improvements”).

The Kitching Substation Improvements include: (i) approximately 40,000 lineal feet of conduit, (ii) approximately 40,000 lineal feet of high voltage cable, (iii) two 40 Megavolt Amp transformers, (iv) five 115 kV group operated disconnect switches, (v) two twelve kV MVar capacitor banks, (vi) one switchgear assembly and (vii) other miscellaneous structures.

There is a 115kV to 12kV Transmission Class switchyard (the “Kitching Switchyard”) under construction, which, when completed, is expected to be dedicated to SCE. The Kitching Switchyard is located adjacent to the Kitching Substation. Kitching Switchyard improvements include equipment foundations, switchgear, electrical bus, relay control house, cable, wire, appurtenances and other related facilities associated with a physical connection to SCE’s 115kV distribution system. The Kitching Switchyard improvements do not constitute part of the Substations.

The City estimates the total cost of the Kitching Substation Improvements (excluding the Kitching Switchyard and other improvements owned or dedicated to SCE) to be approximately \$10,965,000. The Kitching Substation is expected to be completed in or about May 2017. Upon completion, the City estimates the Kitching Substation Improvements will have a useful remaining life of approximately 40 years. The portion of the Base Rental Payments attributable to the Kitching Substation Improvements is capitalized through \_\_\_\_\_ 1, 20\_\_.

In addition, the City’s Conference and Recreation Center (together with the Substations, the “Property”), which has been leased to the Authority pursuant to the Facilities Lease and subleased by the Authority back to the City pursuant to the Facilities Sublease, will constitute a portion of the leased Property. The Conference and Recreation Center also secures the Series 2015 Bonds.

The Conference and Recreation Center, which is located on Alessandro Boulevard, is an approximately 42,413 square foot municipal conference and banquet facility operated by the City. The Conference and Recreation Center includes an 8,200 square foot ballroom, the Grand Valley Ballroom. The Grand Valley Ballroom can accommodate groups of up to 400 people and includes a full kitchen, a reception patio, an outdoor banquet patio, a stage with two dressing rooms and a video and movie screen. Other facilities at the Conference and Recreation Center include two smaller meeting rooms. The Conference and Recreation Center hosts private events, community programs and public meetings. The facility also includes space for a childcare/daycare area, a gymnasium, two activity rooms and the office space for the City’s Parks and Community Services Department staff. The Conference and Recreation Center was constructed in 2005 and comprises approximately 18.64 acres. For purposes of the Facilities Sublease, the City has ascribed a value of approximately \$13,874,000 to the Conference and Recreation Center.

The City’s Parks and Community Services Department operates five facilities located at the various parks throughout the City, including Bethune Park, Woodland Park, the Conference and Recreation Center, a senior center, and two community centers, which facilities provide 79 youth programs, 88 senior programs and 31 adult programs serving an estimated 417,180 City youths and adults annually for baseball, softball, and soccer play. The Parks and Community Services Department also hosts activities for 38 school sites and assists the City’s nonprofit sports organizations in hosting regional and national sports tournaments, resulting in a positive economic impact to City businesses. The value that the City’s parks and recreation facilities bring to the local community has been repeatedly recognized. The Press-Enterprise newspaper previously rated the

City “Number One in Riverside County for Family Recreation.” The City was the recipient of the 2005 California Parks and Recreation Society Award for “Facility Design and Park Planning” for the Conference and Recreation Center, and in 1997 the City earned the Southern California Municipal Athletic Federation’s “Gold Shield Award” for providing outstanding leadership. The City remains committed to sustained community participation and use of facilities throughout the City’s park system.

In connection with the issuance of the Series 2016 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments. The City makes no assurances regarding the ability to relet any component of the Property or the amount of rental income to be received in the event that any component of the Property is relet.

Base Rental Payments under the Facilities Sublease secure on a parity the Series 2016 Bonds, Series 2015 Bonds and any Additional Bonds issued pursuant to the Trust Agreement, if any. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Base Rental Payments.”

The table below summarizes certain attributes of the Property. No portion of the Property is currently encumbered by debt obligations other than the Series 2016 Bonds and the Series 2015 Bonds.

**CITY OF MORENO VALLEY  
DESCRIPTION OF PROPERTY**

<i>Property</i>	<i>Description</i>	<i>Land Area</i> <sup>(1)</sup>	<i>Building Size</i> <sup>(1)</sup>	<i>Location</i>	<i>Asset Value</i> <sup>(1)(2)</sup>
Moreno Beach Substation	115kV to 12kV Distribution Class power substation and all related City-owned improvements	8.75 acres	N/A	Moreno Beach Drive and Cottonwood Avenue	\$10,817,611
Kitching Substation	115kV to 12kV Distribution Class power substation and all related City-owned improvements	1.87 acres	N/A	Kitching Drive and Edwin Road	\$10,965,000
Conference and Recreation Center	Municipal conference and banquet facility; includes 8,200 square foot ballroom with full kitchen, reception patio, outdoor banquet patio, stage with two dressing rooms and video and movie screen; meeting rooms; office space for City’s Parks and Recreation Department	18.64 acres	42,413 square feet	Alessandro Boulevard	\$13,874,000
<b>Total</b>					\$ _____

<sup>(1)</sup> Figures are approximate.

<sup>(2)</sup> Such amount is greater than the principal amount of the Series 2016 Bonds and the outstanding Series 2015 Bonds.

The estimated value of the Property set forth above is based upon existing conditions and reflects the opinion of the party providing the estimate only. In connection with the issuance of the Series 2016 Bonds, the City will certify that the annual fair rental value of the Property is at least equal to the annual Base Rental Payments.



The City has the right to substitute or release all or a portion of the Property subject to certain conditions precedent. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS—Substitution, Addition and Removal of Property.”

### THE AUTHORITY

The Authority is a public body duly organized and existing under the Joint Exercise of Powers Agreement, dated as of October 28, 1997 (the “JPA Agreement”), by and between the City and the Community Redevelopment Agency of the City of Moreno Valley (the “Agency”), and under the Constitution and laws of the State. The Authority was formed for the purpose of assisting the City in the financing and refinancing of public capital improvements by exercising the powers referred to in the JPA Agreement, including the power to issue bonds to pay the costs of public improvements. Neither the City nor the Agency is responsible for repayment of the obligations of the other. The members of the Board of Directors of the Authority are the members of the City Council of the City. The Authority has no employees and all staff work is done by City staff or by consultants to the Authority. The Authority has acted as a conduit issuer for the City for a variety of financings.

### THE CITY

#### General

The City is located in western Riverside County (the “County”), approximately 66 miles east of Los Angeles and 100 miles north of San Diego, California. The City has a population of approximately 205,383 as of January 1, 2016 and covers approximately 51.5 square miles. The City was incorporated on December 3, 1984 and is a general law city operating under a council/manager form of government. Further information concerning the City is set forth below and in Appendix F.

The City had approximately \_\_\_ full and part-time employees as of June 30, 2016. City employees are represented by two labor unions and associations, the Moreno Valley City Employees Association (the “MVCEA”), which represents approximately \_\_\_ employees as of June 30, 2016, and the Moreno Valley Management Association (the “MVMA”), which represents approximately \_\_\_ employees as of June 30, 2016. Relations between the City and the MVCEA and MVMA are governed by memoranda of understanding that expire on June 30, 2017. The City currently expects to commence negotiations with the MVCEA and MVMA with respect to new memoranda of understanding in or about January 2017. A total of approximately \_\_\_ management and confidential employees are exempt from collective bargaining. Salaries for exempt employees are set by the City Council. The City has never experienced a strike, slowdown or work stoppage.

The City provides or contracts for many municipal services for its residents, including libraries, parks, recreation, street and storm drain maintenance and electric utility services. The City contracts with the Riverside County Sheriff’s Department for police services and with the County for fire protection services, which services are provided by the California Department of Forestry and Fire Protection. See the caption “THE PROPERTY” for detailed information with respect to City parks and the City’s Parks and Community Services Department.

#### Largest Employers

The largest employer located in the City is the March Air Reserve Base, which currently employs approximately 8,500 employees, representing approximately 9.3% of the total City employment. March Air Reserve Base is the home to the Air Force Reserve Command’s 4th Air Force Headquarters and the 452nd Air Mobility Wing, the largest air mobility wing of the 4th Air Force. In addition to multiple units of the Air Force Reserve Command, the base supports the Air Mobility Command, Air Combat Command and Pacific Air Forces, and is home to units from the Army Reserve, Navy Reserve, Marine Corps Reserve, and the California Air National Guard.

Other large employers in the City include the Moreno Valley Unified School District, which currently employs approximately 3,565 employees, and the Riverside County Regional Medical Center, which currently employs approximately 3,000 employees. Based on its close proximity to the counties of Los Angeles, Orange and San Diego, the City serves as a regional logistics and major distribution hub for many large manufacturers and retail companies, including Skechers USA, Inc., Walgreen Company, Ross Dress for Less, Inc. and Harbor Freight Tools. Several large companies await completion of or have recently completed construction on distribution sites and fulfillment centers within the City limits, including e-retailer Amazon (NASDAQ symbol: AMZN), Deckers Outdoor Corporation (NASDAQ symbol: DECK), which designs, manufactures and markets Teva, UGG Australia, and other footwear brands, Procter & Gamble (NYSE symbol: PG), which manufactures and markets 23 brands of home and personal care products, including Tide detergent, Gillette shaving products, and Crest dental products, and Aldi, Inc., a European discount grocery retailer chain that has over 8,000 stores worldwide (including over 1,000 stores in the United States).

The table below sets forth the largest employers within the City as of June 30, 2015. [UPDATE?]

**CITY OF MORENO VALLEY  
LARGEST EMPLOYERS AS OF JUNE 30, 2015**

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	March Air Reserve Base	8,500	Military Reserve Base
2.	Amazon.com Inc.	7,500	Retail Distribution
3.	Moreno Valley Unified School District	3,565	Public Schools
4.	Riverside County Regional Medical Center	3,000	County Hospital
5.	Ross Dress for Less/DD's Discounts	1,921	Retail Distribution
6.	Moreno Valley Mall	1,390	Retail Mall
7.	Procter & Gamble Co.	987	Retail Distribution
8.	Harbor Freight Tools	800	Retail Distribution
9.	Kaiser Permanente Community Hospital	772	Hospital
10.	iHerb, Inc.	750	Natural Supplements Distribution

Source: City.

**Government and Administration**

The City operates under a council-manager form of government. The City Manager, appointed by the City Council, serves as the City's chief administrative officer and is responsible for overseeing the daily operations of City departments and efficient management of all City business. Functions of the City Manager's Office include coordination of the implementation of City Council policies and programs; providing overall direction to the departments that administer City programs and services; coordinating intergovernmental relations and legislative advocacy; and administration of the City's communications, media relations, and public information programs.

Michelle Dawson is the City Manager. Ms. Dawson was appointed City Manager in May 2013. Ms. Dawson is responsible for the administration of all municipal affairs, including implementation of City Council policy, State laws and City ordinances. Ms. Dawson has over 23 years of local government experience. She has worked at the City for over 14 years in a variety of leadership positions, including Assistant City Manager, Assistant to the City Manager and Senior Management Analyst in the Public Works Department, Animal Services Division and City Manager's Office. Ms. Dawson obtained her master's degree in public administration and bachelor's degree from California State University, San Bernardino.

Other key personnel responsible for management of the City include the Chief Financial Officer, the Treasury Operations Division Manager and the Public Works Director/City Engineer. In addition, the City Attorney provides legal services to the City and the Authority.

Marshall Eyerman is the Chief Financial Officer of the City. Mr. Eyerman began his employment with the City in March 2008 as the City's Special District Program Manager. He also served as the Financial Resources Division Manager, and the Budget Officer before being appointed Chief Financial Officer in January 2016. During his professional tenure, Mr. Eyerman served as Principal Consultant at MuniFinancial for 10 years. Mr. Eyerman holds a Master's Degree in business administration MBA, Business Administration from California State University-San Marcos - College of Business Administration.

Brooke McKinney is the Treasury Operations Division Manager of the City. Mr. McKinney was appointed Treasury Operations Division Manager in April 2002. Mr. McKinney has over 30 years of experience in municipal government and has held a variety of management positions in finance and administration of city and county government. Mr. McKinney has worked in a variety of management positions in the City's Finance Department over the past 13 years, including revenue officer, assistant treasurer and treasury operations manager. Prior to his tenure at the City, Mr. McKinney worked for over 17 years as the Hospital Fiscal Officer at the Riverside County Regional Medical Center. Mr. McKinney holds a bachelor's degree in business administration from The Master's College in Santa Clarita, California.

Ahmad R. Ansari is the Public Works Director of the City and City Engineer. Mr. Ansari was appointed Public Works Director and City Engineer in December 2011. Mr. Ansari has over 11 years of executive level experience, including 6 years as Public Works Director for the cities of Rialto and Perris. He also served the cities of Pomona and Burbank as Deputy Public Works Director and Senior Civil Engineer respectively. Mr. Ansari has a bachelor's degree in civil engineering with graduate studies in structural engineering from the University of Southern California. He has been a registered Civil Engineer in the State since 1994.

Martin Koczanowicz is the newly-appointed City Attorney. Mr. Koczanowicz has been an attorney for more than 25 years and has been in private practice specializing in municipal law since 1999. He has worked as a city attorney on a contract basis for the cities of Tulare, King City and Grover Beach and was a deputy city attorney for the City of Fresno in the 1990's. Before that, he worked in criminal and civil defense for private companies. He graduated with a juris doctorate from the University of La Verne School of Law.

## **Risk Management**

The City is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees and natural disasters. The City has established two self-insurance funds to finance uninsured risks of loss up to a maximum of \$300,000 for each workers' compensation claim and \$250,000 for each general liability claim. For workers' compensation, the City participates in the CSAC Excess Insurance Authority, a joint powers authority, for claims in excess of coverage provided by its internal funds up to the statutory requirements. For general liability, the City participates in the Public Entity Risk Management Authority ("PERMA"), a joint powers authority, for claims in excess of coverage provided by its internal funds up to \$50,000,000. Claims have not exceeded the City's insurance coverage in any of the last three years.

The City purchases all-risk, replacement cost value property insurance coverage through PERMA up to a maximum amount of \$100,000,000. All property and improvements at the Property are insured under the City's property insurance coverage. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Insurance." The City does not carry earthquake coverage.

## CITY FINANCIAL INFORMATION

### Accounting and Financial Reporting

The City maintains its accounting records in accordance with Generally Accepted Accounting Principles and the standards established by the Governmental Accounting Standards Board (“GASB”). On a quarterly basis, a report is prepared for the City Council and City staff which reviews fiscal performance to date against the budget. Combined financial statements of the City and its component units are produced following the close of each Fiscal Year.

The City Council employs an independent certified public accountant who examines at least annually the financial statements of the City in accordance with generally accepted auditing standards, including tests of the accounting records and other auditing procedures as such accountant considers necessary. As soon as practicable, after the end of the Fiscal Year, a final audit and report is submitted by the independent accountant to the City Council.

The accounts of the City are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures, or expenses, as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

The General Fund is the general operating fund of the City. It is used to account for all financial resources except those required to be accounted for in another fund. It is expected that the Base Rental Payments will be paid for from amounts in the General Fund. Tables 1 through 4 below set forth certain historical and current Fiscal Year budget information for the General Fund. Information on the remaining governmental funds of the City as of June 30, 2015 is set forth in Appendix B.

### General Economic Condition and Outlook of the City

As of June 30, 2015, the General Fund had a year-end surplus (revenues in excess of expenditures) of \$2.8 million, exceeding the anticipated year-end surplus of \$1.0 million. The additional \$1.8 million surplus was primarily due to actual revenues exceeding budgeted revenues by \$0.5 million, along with expenditure and transfer savings of \$1.3 million.

For Fiscal Year 2017, the adopted General Fund operating budget projects revenues of \$92,881,528, which is approximately \$8.7 million (10.4%) above Fiscal Year 2015 actual revenues. However, the adopted Fiscal Year 2017 General Fund operating budget projects expenditures of \$91,165,357, an increase of approximately \$14.2 million (18.4%) over Fiscal Year 2015 actual expenditures. The City projects that sales taxes and utility users taxes will continue to grow in Fiscal Year 2017, increasing by approximately \_\_\_% and \_\_\_%, respectively, over the Fiscal Year 2015 actual amount.

See the caption “— Budget Procedure, Current Budget and Historical Budget Information” for additional information relating to the adopted budget for Fiscal Year 2017.

### Budget Procedure, Current Budget and Historical Budget Information

The City currently operates on a two-year operating budget cycle. The current budget was approved on June 23, 2015 and governs the period beginning on July 1, 2015 for Fiscal Years 2016 and 2017. The budget includes all funding sources of the City, including the General Fund, Community Services District and the Successor Agency of the former Redevelopment Agency. At such time as the City Manager determines, each department head must furnish to the City Manager an estimate of revenues and expenditures for the applicable department for the ensuing two Fiscal Years, detailed in such manner as may be prescribed by the

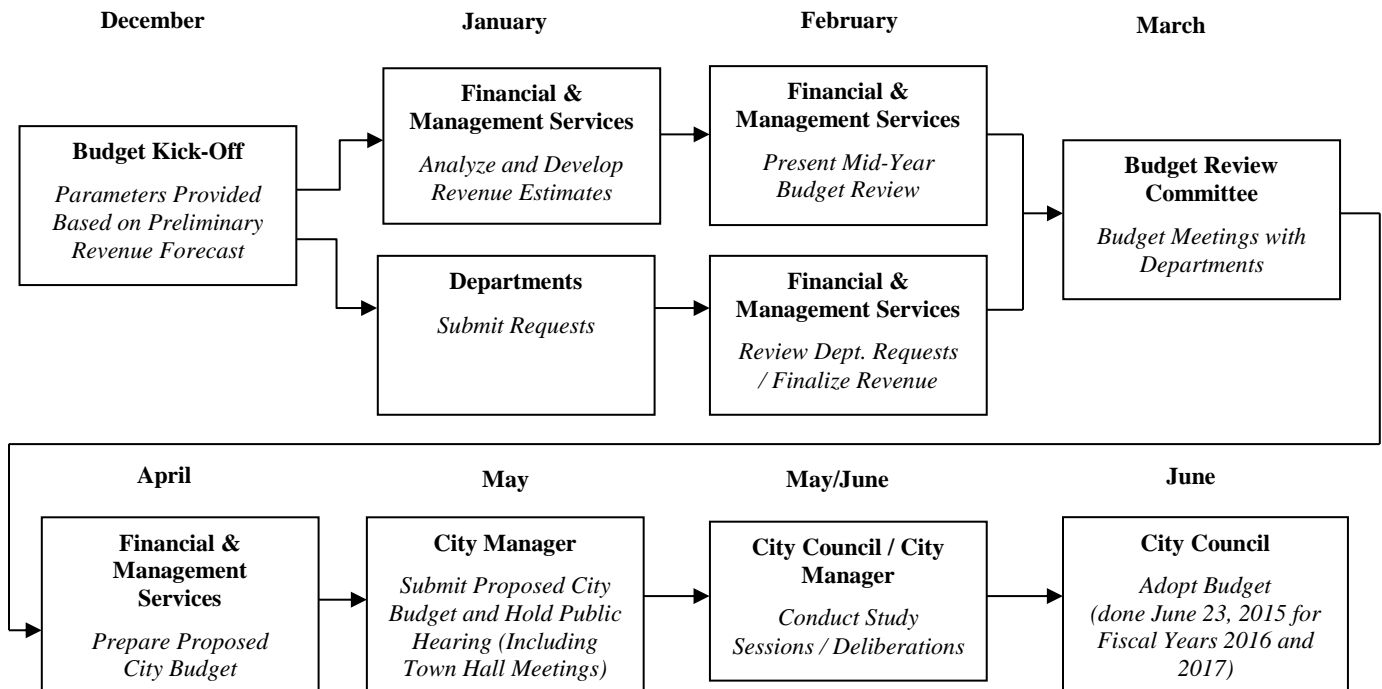
City Manager. In preparing the proposed budget, the City Manager reviews the estimates, holds conferences regarding the estimates with the respective department heads, and revises the estimates as the City Manager deems advisable. In Fiscal Year 2014, the City Council provided direction to create a balanced budget beginning with the Fiscal Year 2014 and 2015 budget cycle and for all future years.

Prior to June 30 of every second Fiscal Year, the City Manager submits to the City Council a proposed budget for the two year period commencing the following July 1. The budget includes proposed expenditures and the means of financing them. Prior to June 30 of the applicable Fiscal Year, public hearings are conducted to obtain public comments and the budget is legally enacted through the passage of a resolution. The budget is subject to amended throughout the two year period to reflect actual financial performance.

From the effective date of the budget, the amounts stated as proposed expenditures become appropriated to the several departments, offices and agencies for the objects and purposes named. The City Manager is authorized to transfer budgeted amounts between line items within a department or activity, and between departments and programs within the same fund, provided that the total appropriation does not exceed the budgeted amount. All other transfers or amendments require City Council approval. The City Manager and affected department heads are mutually responsible for controlling expenditures within budgeted appropriations. All appropriations lapse at the end of the Fiscal Year to the extent that they have not been expended or lawfully encumbered. At a public meeting after the adoption of the budget the City Council may amend or supplement the budget by motion adopted by three affirmative votes of members of the City Council. Following the end of the first Fiscal Year of the two-year budget cycle, the City Manager proposes interim changes, if any, to the City Council in July of such Fiscal Year.

A summary of the actions taken during the year-long budgetary process is set forth below:

**CITY OF MORENO VALLEY  
BUDGET PROCESS**



Source: City.

The City conducts its annual financial audit between August and November each year, and such audit is typically approved by the City Council by December of such year. In recognition of its financial reporting excellence, the Government Finance Officers Association of the United States and Canada has awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for 16 consecutive years.

The City Council adopted a balanced budget for Fiscal Years 2016 and 2017 on June 23, 2015. The budget for all funds totaled approximately \$183,481,000 for Fiscal Year 2016 and \$184,365,000 for Fiscal Year 2017 and the General Fund operating budget totaled approximately \$91,885,401 for Fiscal Year 2016 and \$95,429,178 for Fiscal Year 2017. The Fiscal Year 2016 and 2017 General Fund operating budgets project an increase in revenues of approximately \$6.8 million (8.6%) and \$10.3 million (12.2%), respectively, over the Fiscal Year 2015 amended General Fund operating budget. Such increases are derived principally from increases in property tax revenues resulting from increased assessed valuations, increases in sales tax revenues and increased development activity within the City.

[Based on unaudited actual Fiscal Year 2016 results, the City reports that the General Fund is on track to meet budgeted revenues and expenditures for Fiscal Year 2016.] [Confirm]

Set forth in Table 1 are the General Fund budgets for Fiscal Years 2014 through 2017, the audited General Fund results for Fiscal Years 2014 and 2015 and the unaudited General Fund results for Fiscal Year 2016. During the course of each Fiscal Year, the budget is amended and revised as necessary by the City Council.

**TABLE 1  
CITY OF MORENO VALLEY  
GENERAL FUND BUDGETS AND RESULTS**

	<i>Adopted Fiscal Year 2014 Budget</i>	<i>Fiscal Year 2014 Results</i>	<i>Amended Fiscal Year 2015 Budget</i>	<i>Fiscal Year 2015 Results</i>	<i>Adopted Fiscal Year 2016 Budget</i>	<i>Unaudited Fiscal Year 2016 Results</i>	<i>Adopted Fiscal Year 2017 Budget</i>
<b>Revenues</b>							
Property Taxes	\$ 9,647,100	\$ 10,668,782	\$ 11,083,551	\$ 11,594,459	\$ 12,072,224	[	\$ 12,736,197
Property Taxes in lieu	13,640,000	13,871,754	14,912,136	15,137,754	15,732,303		16,597,580
Utility Taxes <sup>(1)</sup>	16,114,000	15,595,141	15,912,000	16,138,202	15,912,000		16,092,542
Sales Taxes	15,570,000	15,887,129	17,638,770	16,130,340	19,269,321		20,486,866
Other Taxes	7,965,000	8,576,926	8,266,100	9,750,622	9,155,250		9,452,668
Licenses & Permits	1,514,000	2,164,753	1,519,200	2,020,231	2,090,930		2,126,877
Intergovernmental	265,000	311,509	260,000	414,553	230,000		215,000
Charges for Services	8,869,395	9,895,991	9,285,333	9,449,482	10,733,409		10,971,363
Use of Money & Property	2,688,000	2,836,595	3,516,825	2,214,460	3,469,962		3,469,962
Fines & Forfeitures	601,500	577,962	606,500	595,084	623,760		629,073
Miscellaneous	<u>51,400</u>	<u>642,855<sup>(3)</sup></u>	<u>654,904</u>	<u>702,757</u>	<u>103,400</u>		<u>103,400</u>
<b>Total Revenues</b>	<b>\$ 76,925,395</b>	<b>\$ 81,029,397</b>	<b>\$ 83,655,319</b>	<b>\$ 84,147,944</b>	<b>\$ 89,392,559</b>		<b>\$ 92,881,528</b>
<b>Expenditures</b>							
Personnel Services	\$ 13,382,123	\$ 13,943,077	\$ 15,645,774	[	\$ 18,446,109		\$ 18,848,815
Contractual Services	53,132,865	50,349,793	56,372,259		61,100,017		64,934,778
Materials & Supplies	1,152,571	923,151	2,710,797		3,614,989		3,569,633
Fixed Charges	6,791,974	7,955,737	5,219,274		4,298,728		3,762,131
Fixed Assets	<u>125,000</u>	<u>114,137</u>	<u>48,200</u>		<u>50,000</u>		<u>50,000</u>
<b>Total Expenditures</b>	<b>\$ 74,583,533</b>	<b>\$ 73,285,895</b>	<b>\$ 79,996,304</b>		<b>\$ 87,509,843</b>		<b>\$ 91,165,357</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 2,340,862</b>	<b>\$ 7,743,502</b>	<b>\$ 3,659,015</b>	<b>]</b>	<b>\$ 976,175</b>	<b>]</b>	<b>\$ 1,018,145</b>

<sup>(1)</sup> See the caption “ — Utility Taxes.”

<sup>(2)</sup> Difference from Fiscal Year 2013 budgeted amount reflects a reduction in investment income of approximately \$1.1 million resulting from a mark-to-market entry required by GASB Statement No. 31 (“GASB 31”) and \$600,000 in interest on certain obligations payable by the former Community Redevelopment Agency of the City of Moreno Valley that was suspended as a result of the dissolution of redevelopment agencies. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION — Redevelopment Dissolution.”

<sup>(3)</sup> Includes \$150,000 contribution from the Successor Agency. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION — Redevelopment Dissolution.”

Sources: Adopted budgets of the City for Fiscal Years 2014, 2015 and 2016; audited financial statements of the City for Fiscal Years 2013, 2014 and 2015.

## Change in Fund Balance of the City General Fund

Set forth in Table 2 are the City's audited General Fund statements of revenues, expenditures and changes in fund balance for Fiscal Years 2012 through 2015 and the unaudited General Fund statement of revenues, expenditures and changes in fund balance for Fiscal Year 2016.

**TABLE 2**  
**CITY OF MORENO VALLEY**  
**GENERAL FUND STATEMENT OF**  
**REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016<sup>(2)</sup></i>
<b>Revenues</b>					
Taxes					
Property Taxes	\$ 9,397,373	\$ 9,765,007	\$ 10,668,782	\$ 11,594,459	\$[
Property Taxes in lieu	13,170,964	13,414,446	13,871,754	15,137,754	
Utility Taxes	15,591,386	15,683,931	15,595,141	16,138,202	
Sales Taxes	14,003,993	14,043,560	15,887,129	16,130,340	
Other Taxes	7,533,532	7,825,138	8,576,926	9,750,622	
Licenses & Permits	1,523,800	1,585,312	2,164,753	2,020,231	
Intergovernmental	398,193	260,691	311,509	414,553	
Charges for Services	8,574,131	8,258,733	9,895,991	9,449,482	
Use of Money & Property	4,004,511	1,071,418	2,836,595	2,214,460	
Fines & Forfeitures	603,065	610,171	577,962	595,084	
Miscellaneous <sup>(1)</sup>	138,346	485,160	642,855	702,757	
<b>Total Revenues</b>	<u>\$ 74,939,294</u>	<u>\$ 73,003,567</u>	<u>\$ 81,029,397</u>	<u>\$ 84,147,944</u>	<u>\$</u>
<b>Expenditures</b>					
Current					
General government	\$ 13,482,192	\$ 11,370,282	\$ 11,249,491	\$ 12,260,209	\$
Public Safety	53,600,412	57,356,187	52,565,026	54,640,007	
Community Development	6,482,658	7,143,586	5,344,292	5,719,757	
Public Works	2,109,287	2,271,319	3,974,839	4,138,311	
Capital Outlay	673,934	173,372	152,247	222,234	
Debt Service					
Principal Retirements	-	-	-	-	
Interest and Fiscal Charges	-	-	-	-	
<b>Total Expenditures</b>	<u>\$ 76,348,483</u>	<u>\$ 78,314,746</u>	<u>\$ 73,285,895</u>	<u>\$ 76,980,518</u>	<u>\$</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over (Under) Expenditures</b>	<u>\$ (1,409,189)</u>	<u>\$ (5,311,179)</u>	<u>\$ 7,743,502</u>	<u>\$ 7,167,426</u>	<u>\$</u>
<b>Other Financing Sources (Uses)</b>					
Transfers In	\$ 539,656	\$ 588,370	\$ 1,013,421	\$ 346,293	\$
Transfers Out	(4,028,932)	(2,370,220)	(2,575,373)	(4,693,392)	
Refunding Bonds Issued	-	-	-	-	
Refunding Bonds Issuance Cost	-	-	-	-	
<b>Total Other Financing Sources (Uses)</b>	<u>\$ (3,489,276)</u>	<u>\$ (1,781,850)</u>	<u>\$ (1,561,952)</u>	<u>\$ (4,347,099)</u>	<u>\$</u>
<b>Net Change in Fund Balances</b>	<u>\$ (4,898,465)</u>	<u>\$ (7,093,029)</u>	<u>\$ 6,181,550</u>	<u>\$ 2,820,327</u>	<u>\$</u>
<b>Fund Balances, Beginning of Year, as previously reported</b>	-	-	\$ 34,374,025	\$ 40,555,575	
Restatements	-	-	-	-	
Fund Balances, Beginning of Year, as restated	<u>46,365,519</u>	<u>41,467,054</u>	<u>-</u>	<u>40,555,575</u>	
<b>Fund Balances, End of Year</b>	<u>\$ 41,467,054</u>	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 43,375,902</u>	<u>\$</u>

<sup>(1)</sup> Includes \$150,000 contribution from the Successor Agency. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION — Redevelopment Dissolution."

<sup>(2)</sup> Reflects unaudited actual Fiscal Year 2016 results. Such amounts are subject to change.

Sources: Audited financial statements for Fiscal Years 2012 through 2015; City for Fiscal Year 2016.



## General Fund Balance Sheets of the City

Set forth in Table 3 are the City's audited General Fund balance sheets for Fiscal Years for Fiscal Years 2012 through 2015 and the unaudited General Fund balance sheet for Fiscal Year 2016.

**TABLE 3**  
**CITY OF MORENO VALLEY**  
**GENERAL FUND BALANCE SHEETS**

	<i>Fiscal Year Ending June 30,</i>				
	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016<sup>(1)</sup></i>
<b>Assets</b>					
Pooled Cash and Investments	\$ 38,670,375	\$ 31,229,246	\$ 40,659,739	\$ 39,866,151	\$[
Receivables					
Accounts	3,159,916	2,278,299	2,427,060	2,679,279	
Notes and Loans	-	-	-	-	
Notes to Successor Agency	16,304,121	16,723,574	16,998,503	15,568,341	
Interest	1,001,495	697,176	560,730	415,701	
Prepaid Costs	56,017	-	-	-	
Due from Other Governments	2,734,436	3,128,071	3,021,893	3,034,489	
Due from Other Funds	3,585,358	7,647,285	2,807,492	5,030,850	
Advances to Other Funds	51,700	-	3,772,000	4,196,000	
Land Held for Resale	-	-	-	-	
Restricted Assets					
Cash with Fiscal Agents	-	-	-	-	
<b>Total Assets</b>	<u>\$ 65,563,418</u>	<u>\$ 61,703,651</u>	<u>\$ 70,247,417</u>	<u>\$ 70,790,811</u>	<u>\$</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balances</b>					
<b>Liabilities</b>					
Accounts Payable	\$ 12,296,380	\$ 15,021,137	\$ 16,485,502	\$ 13,624,182	\$
Accrued Liabilities	488,097	815,571	933,348	1,026,936	
Deferred Revenues	10,973,533	-	-	-	
Unearned Revenues	333,158	262,966	628,786	364,105	
Deposits Payable	-	-	-	-	
Due to Other Governments	5,196	4,032	6,119	249,634	
Due to Other Funds	-	-	-	-	
Advances from Other Funds	-	-	-	-	
<b>Total Liabilities</b>	<u>\$ 24,096,364</u>	<u>\$ 16,103,706</u>	<u>\$ 18,053,755</u>	<u>\$ 15,264,857</u>	<u>\$</u>
<b>Deferred Inflows of Resources</b>					
Unavailable Revenues	-	11,225,920	11,638,087	12,150,052	
<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>11,225,920</u>	<u>11,638,087</u>	<u>12,150,052</u>	<u>-</u>
<b>Fund Balances</b>					
<b>Nonspendable</b>					
Prepaid Costs	\$ 56,017	\$ -	\$ -	\$ -	\$
Land Held for Resale	-	-	-	-	
Notes and Loans	5,330,589	5,497,653	-	-	
Notes to Successor Agency	-	-	5,360,415	4,192,275	
Advances to Other Funds	51,700	-	3,772,000	4,196,000	
Permanent Fund Principal	-	-	-	-	
<b>Committed to</b>					
Revolving Line of Credit	2,600,000	2,600,000	2,600,000	2,111,000	
Maintenance of Pedestrian Bridge	-	-	129,722	155,281	
Scholarship Program	-	-	-	-	
Outside Legal Services	-	101,000	-	-	
<b>Assigned to</b>					
Capital Projects	-	61,641	-	-	
Debt Service	1,000,000	-	-	-	
Continuing Appropriations	458,283	17,770	534,245	620,683	
GASB 31	2,155,654	567,187	622,748	494,501	
Future Debt Service	-	-	-	-	
Unassigned	29,814,811	25,528,774	27,536,445	31,606,162	
<b>Total Fund Balances</b>	<u>\$ 41,467,054</u>	<u>\$ 34,374,025</u>	<u>\$ 40,555,575</u>	<u>\$ 43,375,902</u>	<u>\$</u>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<u>\$ 65,563,418</u>	<u>\$ 61,703,651</u>	<u>\$ 70,247,417</u>	<u>\$ 70,790,811</u>	<u>\$</u>

<sup>(1)</sup> Reflects unaudited actual Fiscal Year 2016 results. Such amounts are subject to change.

Sources: Audited financial statements for Fiscal Years 2012 through 2015; City for Fiscal Year 2016.

## Property Taxes

Property tax receipts of \$\_\_\_\_\_ (based on unaudited numbers) provided the [fourth] largest tax revenue source of the City in Fiscal Year 2016, contributing approximately \_\_\_\_\_% of General Fund tax revenues and approximately \_\_\_\_\_% of total General Fund revenues during Fiscal Year 2016. Property in the State which is subject to *ad valorem* taxes is classified as “secured” or “unsecured.” The secured classification includes property on which any property tax levied by a county becomes a lien on that property. A tax levied on unsecured property does not become a lien against the taxed unsecured property, but may become a lien on certain other property owned by the taxpayer. Every tax which becomes a lien on secured property has priority over all other liens, arising pursuant to State law, on the secured property, regardless of the time of the creation of other liens. The valuation of property is determined as of January 1 each year, and installments of taxes levied upon secured property become delinquent on the following December 10th and April 10th of the subsequent calendar year. Taxes on unsecured property are due July 1 and become delinquent August 31.

Secured and unsecured properties are entered separately on the assessment roll maintained by the county assessor. The method of collecting delinquent taxes is substantially different for the two classifications of property. The exclusive means of forcing the payment of delinquent taxes with respect to property on the secured roll is the sale of the property securing the taxes of the State for the amount of taxes that are delinquent. The taxing authority has four methods of collecting unsecured personal property taxes: (1) filing a civil action against the taxpayer; (2) filing a certificate in the office of the county clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recording in the county recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizing and selling personal property, improvements or possessory interests belonging or taxable to the assessee.

A 10% penalty is added to delinquent taxes which have been levied with respect to property on the secured roll. In addition, beginning on the July 1 following a delinquency, interest begins accruing at the rate of 1.5% per month on the amount delinquent. Such property may thereafter be redeemed by the payment of the delinquent taxes and the 10% penalty, plus interest at the rate of 1.5% per month to the time of redemption. If taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the county tax collector. A 10% penalty also applies to the delinquent taxes or property on the unsecured roll, and further, an additional penalty of 1.5% per month accrues with respect to such taxes beginning on the varying dates related to the tax billing date.

Legislation enacted in 1984 (Section 25 *et seq.* of the California Revenue and Taxation Code), provides for the supplemental assignment and taxation of property as of the occurrence of a change in ownership or completion of new construction. Previously, statutes enabled the assessment of such changes only as of the next tax lien date following the change and thus delayed the realization of increased property taxes from the new assessment for up to 14 months. Collection of taxes based on supplemental assessments occurs throughout the year. Taxes due are prorated according to the amount of time remaining in the tax year, with the exception of tax bills dated January 1 through May 31, which are calculated on the basis of the remainder of the current Fiscal Year and the full 12 months of the next Fiscal Year.

For a number of years, the State Legislature has shifted property taxes from cities, counties and special districts to the Educational Revenue Augmentation Fund (“ERAF”). In Fiscal Years 1993 and 1994, in response to serious budgetary shortfalls, the State Legislature and administration permanently redirected over \$3 billion of property taxes from cities, counties, and special districts to schools and community college districts pursuant to ERAF shifts. The Fiscal Year 2005 State Budget included an additional \$1.3 billion shift of property taxes from certain local agencies, including the City, in Fiscal Years 2005 and 2006.

On November 2, 2004, State voters approved Proposition 1A, which amended the State Constitution to significantly reduce the State’s authority over major local government revenue sources. Under Proposition 1A, the State may not: (i) reduce local sales tax rates or alter the method of allocating the revenue generated by

such taxes; (ii) shift property taxes from local governments to schools or community colleges; (iii) change how property tax revenues are shared among local governments without two-thirds approval of both houses of the State Legislature; or (iv) decrease Vehicle License Fee revenues without providing local governments with equal replacement funding. Beginning in Fiscal Year 2009, the State may shift to schools and community colleges a limited amount of local government property tax revenue if certain conditions are met, including: (a) a proclamation by the Governor that the shift is needed due to a severe financial hardship of the State; and (b) approval of the shift by the State Legislature with a two-thirds vote of both houses. Under such a shift, the State must repay local governments for their property tax losses, with interest, within three years. Proposition 1A does allow the State to approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county.

On July 27, 2009, the Governor signed a revised Fiscal Year 2010 State budget that included an ERAF shift of approximately 8% of 1% *ad valorem* property tax revenues from certain local agencies, including the City. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the California Statewide Communities Development Authority.

Set forth in Table 4 are the secured and unsecured assessed valuations for property in the City for the Fiscal Years 2011 through 2016.

**TABLE 4  
CITY OF MORENO VALLEY  
ASSESSED VALUATION HISTORY<sup>(1)</sup>**

<i>Fiscal Year</i>	<i>Secured Value</i>	<i>Unsecured Value</i>	<i>Total Assessed Value</i>	<i>Less Exemptions</i>	<i>Taxable Assessed Value</i>	<i>Direct Tax Rate</i>
2011	\$10,516,338,000	\$238,786,000	\$10,755,124,000	\$(227,178,000)	\$10,527,946,000	0.00164
2012	10,561,585,000	271,336,000	10,832,921,000	(236,235,000)	10,596,686,000	0.00258
2013	10,646,415,000	342,094,000	10,988,509,000	(249,331,000)	10,739,178,000	0.00183
2014	11,042,637,000	352,337,000	11,394,974,000	(264,161,000)	11,130,813,000	0.00185
2015	12,102,252,000	366,400,000	12,468,652,000	(262,713,000)	12,205,939,000	0.00179
2016	[					]

<sup>(1)</sup> Figures have been rounded to the nearest thousand dollars.  
Sources: Audited financial statements for Fiscal Year Ended June 30, 2015; County Assessor’s Office.

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Set forth in Table 5 are property tax collections and delinquencies in the City as of June 30 for Fiscal Years 2010 through 2015, the latest period for which such information is available. Although the County has not formally adopted the Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (known as the Teeter Plan), as provided for in Section 4701 *et seq.* of the Revenue and Taxation Code of the State, under a longstanding County policy, the County Auditor-Controller distributes 100% of tax increment revenues allocated to each city in the County without regard to delinquencies in the payment of property taxes. As a result of this allocation method, the City receives no adjustments for redemption payments on delinquent collections. The City does receive supplemental taxes. There can be no assurance that the County Auditor-Controller will not change its policies with respect to delinquencies in property tax payments in the future.

**TABLE 5  
CITY OF MORENO VALLEY  
PROPERTY TAX LEVIES AND COLLECTIONS**

<i>Fiscal Year</i>	<i>Total Tax Levy</i>	<i>Collections within the Fiscal Year of Levy</i>	<i>Percent of Levy Collected within the Fiscal Year of Levy</i>	<i>Collections in Subsequent Years</i>	<i>Percent of Levy Collected to Date</i>
2010	\$35,573,656	\$35,492,693	99.77%	\$80,963	100.00%
2011	33,713,334	33,658,226	99.84	55,108	100.00
2012	33,226,437	33,172,713	99.84	53,724	100.00
2013	25,630,602	25,580,901	99.81	49,701	100.00
2014	26,906,254	26,862,040	99.84	44,214	100.00
2015	26,455,986	26,154,116	98.86		[98.86]

Source: City.

The ten largest taxpayers in the City as shown on the Fiscal Year 2016 tax roll, the assessed valuation and the percentage of the City’s total property tax revenues attributable to each are set forth in Table 6.

**TABLE 6  
CITY OF MORENO VALLEY  
TEN LARGEST TAXPAYERS**

<i>Rank</i>	<i>Property Owner</i>	<i>Fiscal Year 2016 Assessed Valuation</i>	<i>% of Total<sup>(1)</sup></i>
1.		\$	%
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			
<b>TOTAL</b>		\$	%

<sup>(1)</sup> Fiscal Year 2016 Taxable Assessed Value: \$\_\_\_\_\_.  
Source: City.

## Sales Taxes

Sales tax receipts of \$\_\_\_\_\_ (based on unaudited actual results) provided the [second] largest tax revenue source for the City in Fiscal Year 2016, contributing approximately \_\_\_\_\_% of General Fund tax revenues and approximately \_\_\_\_\_% of total General Fund revenues during Fiscal Year 2016. Automobile sales at the Moreno Valley Auto Mall and retail sales at the Moreno Valley Mall at Towngate contribute significantly to such receipts.

A sales tax is imposed on retail sales or consumption of personal property and collected and distributed by the State Board of Equalization. The basic sales tax rate is established by the State Legislature, and local overrides may be approved by voters. The current sales tax rate in the City is 8%.

Additional information relating to sales tax receipts by the City is set forth in Appendix F.

## Utility Taxes

Utility taxes of \$\_\_\_\_\_ (based on unaudited actual results) provided the largest tax revenue source for the City in Fiscal Year 2016, contributing approximately \_\_\_\_\_% of General Fund tax revenues and approximately \_\_\_\_\_% of total General Fund revenues during Fiscal Year 2016. The utility tax is imposed upon utility users in the City, including users of electricity, gas, telephone, mobile telephone and water services, at the rate of \_\_\_\_\_. Exemptions are available for low-income residents. Proceeds of the utility tax are used to fund police, fire, library, school crossing guard, animal control, code enforcement and street maintenance programs and other activities funded by the General Fund.

In July 2015, the City was made aware of an effort by a taxpayer advocacy group to place a measure on the ballot to repeal the City's utility tax. The action is part of a larger Statewide effort affecting approximately 60 municipalities with similar utility taxes. In order to place such a measure on the ballot, a petition must be signed by 10% (or approximately 7,600) of the registered voters in the City, and in order for the measure to be adopted, it must be approved by a majority of citizens voting thereon. There can be no assurance as to whether the requisite number of signatures will be gathered, or the timing thereof, nor can there be any assurance as to whether the measure will ultimately be adopted.

## Other Taxes

Other taxes of \$\_\_\_\_\_ (based on unaudited actual results) collected by the City in Fiscal Year 2016, including but not limited to transient occupancy taxes, business licenses, franchise fees and property transfer taxes, provided approximately \_\_\_\_\_% of General Fund tax revenues and \_\_\_\_\_% of total General Fund revenues during Fiscal Year 2016.

[UPDATE] [A measure has been placed on the November 2016 ballot to increase the transient occupancy tax rate in the City from 8% to 13%. If the measure is adopted by majority vote, the City currently expects transient occupancy tax revenues to increase by approximately \$650,000 per year.

## Services

Fees of \$\_\_\_\_\_ (based on unaudited actual results) collected for services provided by the City in Fiscal Year 2016, including but not limited to fees for plan checks and other planning services, issuance of building permits, police services, paramedic services, public works projects and parks and recreation programs, provided approximately \_\_\_\_\_% of General Fund revenues during Fiscal Year 2016.

### State of California Motor Vehicle In-Lieu Payments

The State imposes a Vehicle License Fee (the “VLF”), which is the portion of the fees paid in lieu of personal property taxes on a vehicle. The VLF is based on vehicle value and declines as the vehicle ages. Prior to the adoption of the Fiscal Year 2005 State Budget, the VLF was 2% of the value of a vehicle. Through legislation in prior Fiscal Years, the State enacted VLF reductions under which the State was required to “backfill” local governments for their revenue losses resulting from the lowered fee. The Fiscal Year 2005 State Budget permanently reduced the VLF from 2% to 0.65% of the value of a vehicle and deleted the requirement for backfill payments, providing instead that the amount of the backfill requirement will be met by an increase in the property tax allocation to cities and counties. See the caption “STATE OF CALIFORNIA BUDGET INFORMATION.”

As set forth in Table 7 below, for Fiscal Year 2016, the City received \$\_\_\_\_\_ (based on unaudited actual results) in total VLF revenues, all of which was distributed from property tax receipts.

**TABLE 7  
CITY OF MORENO VALLEY  
STATE OF CALIFORNIA MOTOR VEHICLE IN-LIEU PAYMENTS**

Source	Fiscal Year				
	2012	2013	2014	2015	2016 <sup>(1)</sup>
Motor Vehicle In-Lieu Payments	\$13,170,964	\$13,414,446	\$13,871,754	\$15,137,754	\$

<sup>(1)</sup> Reflects unaudited actual Fiscal Year 2016 results. Such amounts are subject to change.  
Source: City.

### Indebtedness

#### *General Fund-Supported Debt.*

*2011 Private Placement Obligation – City Hall Refunding.* In 2011, the City and the Authority entered into a lease arrangement (the “2011 Private Placement Obligation – City Hall Refunding”) pursuant to which: (i) the City leased a corporate yard and a senior center to the Authority in exchange for a lump sum payment; and (ii) the Authority subleased such property back to the City in exchange for lease payments payable through November 1, 2016. Proceeds of the 2011 Private Placement Obligation – City Hall Refunding were applied to refund certain prior obligations of the City entered into in 1997. The lease payments bear interest at the rate of 2.92%. As of June 30, 2016, the 2011 Private Placement Obligation – City Hall Refunding was outstanding in the principal amount of \$1,800,000.

The City has covenanted in the 2011 Private Placement Obligation – City Hall Refunding to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

*2013 Bonds.* In 2013, the Authority issued its Lease Revenue Refunding Bonds Series 2013 (the “2013 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2013 Bonds mature on November 1, 2022 and bear interest at rates varying from 1% to 5% per annum. The 2013 Bonds are payable from rental payments payable from the City to the Authority under a Master Facilities Sublease, dated as of December 1, 2013 (the “2013 Sublease”), by and between the City and the Authority. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of June 30, 2016, the 2013 Bonds were outstanding in the aggregate principal amount of \$8,630,000.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

*2014 Bonds.* In November 2014, the Authority issued its Lease Revenue Refunding Bonds Series 2014 (the “2014 Bonds”) to refinance certain capital improvements of the City and the Electric Utility. The 2014 Bonds mature on November 1, 2035 and bear interest at rates varying from 2% to 5% per annum. The 2014 Bonds are payable from rental payments by the City to the Authority under the 2013 Sublease. The leased assets under the 2013 Sublease include City Hall, the City’s Public Safety Building/Emergency Operations Center, Morrison Park Fire Station No. 99, Sunnymead Park, Woodland Park and John F. Kennedy Veterans Memorial Park. As of June 30, 2016, the 2014 Bonds were outstanding in the aggregate principal amount of \$25,265,000.

The City has covenanted in the 2013 Sublease to budget and appropriate moneys annually for the lease payments payable thereunder from legally available funds, including the General Fund, on a basis that is substantially similar to the Facilities Sublease in connection with the Bonds.

*Other Long Term Debt.* As of June 30, 2016, the City had \$20,000,000 aggregate principal amount of obligations under a 2016 Installment Sale Agreement, dated as of August 1, 2013 (the “2013 ISA”), by and between the City and the California Statewide Communities Development Authority. The 2013 ISA is payable from proceeds of a retail transactions and use tax imposed by the County.

*Short-Term Debt.* The City currently has no short-term debt outstanding.

*Estimated Direct and Overlapping Bonded Debt.* The estimated direct and overlapping bonded debt of the City as of June 30, 2015 is set forth in Table 8. The information in Table 8 has been derived from data assembled and reported to the City by California Municipal Statistics, Inc. None of the City, the Authority or the Underwriter has independently verified the information in Table 8 and the City, the Authority and the Underwriter do not guarantee its accuracy.

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**TABLE 8  
CITY OF MORENO VALLEY  
ESTIMATED DIRECT AND OVERLAPPING BONDED DEBT AS OF JUNE 30, 2016**

Fiscal Year 2016-17 Assessed Valuation: \$ \_\_\_\_\_

<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<i>Total Debt</i> 6/30/16	<i>% Applicable</i> <sup>(1)</sup>	<i>City's Share of</i> <i>Debt 6/30/16</i>
---------------------------------------------	------------------------------	------------------------------------	-----------------------------------------------

**[TABLE ORDERED]**

Source: California Municipal Statistics, Inc.

**Retirement Contributions**

*This caption contains certain information relating to the California Public Employees Retirement System ("CalPERS"). The information is primarily derived from information produced by CalPERS, its independent accountants and actuaries. The City and the Authority have not independently verified the information provided by CalPERS and make no representations nor express any opinion as to the accuracy of the information provided by CalPERS.*

*The comprehensive annual financial reports of CalPERS are available on its Internet website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The CalPERS website also contains CalPERS' most recent actuarial valuation reports and other information concerning benefits and other matters. Such information is not incorporated by*



reference herein. Neither the City nor the Authority can guarantee the accuracy of such information. Actuarial assessments are forward-looking statements that reflect the judgment of the fiduciaries of the pension plans, and are based upon a variety of assumptions, one or more of which may not materialize or be changed in the future. Actuarial assessments will change with the future experience of the pension plans.

The City contributes to CalPERS, an agent multiple-employer public employee defined benefit pension plan, on behalf of [331] total City employees who participate in the City's Miscellaneous Plan. CalPERS provides retirement, disability and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State, including the City. CalPERS plan benefit provisions and all other requirements are established by State statute and the City Council.

In June 2012, the Governmental Accounting Standards Board ("GASB") adopted revised standards (GASB Statement No. 68, or "GASB 68") with respect to accounting and financial reporting by state and local government employers for defined benefit pension plans. The revised standards alter the accounting treatment of defined benefit pension plans, changing the way expenses and liabilities are calculated and how state and local government employers report those expenses and liabilities in their financial statements. Major changes include: (i) the inclusion of unfunded pension liabilities on the local government's balance sheet (previously, such unfunded liabilities were typically included as notes to the local government's financial statements); (ii) pension expense incorporates more rapid recognition of actuarial experience and investment returns and is no longer based on the employer's actual contribution amounts; (iii) lower actuarial discount rates that are required to be used for underfunded plans in certain cases for purposes of the financial statements; (iv) closed amortization periods for unfunded liabilities that are required to be used for certain purposes of the financial statements; and (v) the difference between expected and actual investment returns to will be recognized over a closed five-year smoothing period. The reporting requirements took effect in Fiscal Year 2015. Based on the adoption of the revised accounting standards, beginning with the Fiscal Year 2015 actuarial valuation, the annual required contribution and the annual pension expense will be different. GASB 68 is a change in accounting reporting and disclosure requirements, but it does not change the City's pension plan funding obligations.

The City participates in separate CalPERS plans for employees based on hire date. The City's plans are part of CalPERS risk pools. Benefit provisions for each plan are set forth below.

	<i>Employees Hired Before January 1, 2013</i>	<i>Employees Hired On or After January 1, 2013</i>
Benefit Formula	2.7% @55	2.0% @ 62
Benefit Vesting	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life
Retirement Age	50-55	52-62
Monthly Benefits as % of Salary	2.0 – 2.7%	1.0% - 2.0%
Employee Contribution Rate	8.00% / 7.00% <sup>(1)</sup>	6.25% <sup>(2)</sup>

<sup>(1)</sup> The City makes the full 8.00% employee contribution for employees who were hired before July 1, 2009. Employees who were hired between July 1, 2009 and December 22, 2011 are required to make the full employee contribution of 8.00%. Employees who were hired between December 23, 2011 and December 31, 2012 are required to make the full employee contribution of 7.00%.

<sup>(2)</sup> Employees who were hired on or after January 1, 2013 are required to make the full employee contribution.  
Source: City.

City employees who were hired on and after January 1, 2013 and who were not previously CalPERS members participate in the City 2.0% at 62 plan; such employees are required to make the full amount of required contributions themselves under the California Public Employees' Pension Reform Act of 2013 ("AB 340"), which was signed by the State Governor on September 12, 2012. AB 340 established a new pension tier (2.0% at 62 formula) with a maximum benefit formula of 2.5% at age 67. Benefits for such participants

are calculated on the highest average annual compensation over a consecutive 36 month period. Employees are required to pay at least 50% of the total normal cost rate. AB 340 also caps pensionable income for 2015 at \$117,020 (\$140,424 for employees who are not enrolled in Social Security), subject to Consumer Price Index increases, and prohibits retroactive benefits increases, generally prohibiting contribution holidays and purchases of additional non-qualified service credit. CalPERS estimates savings for local agency plans as a result of AB 340 of approximately \$1.653 billion to \$2.355 billion over the next 30 years, primarily due to increased employee contributions and, as the workforce turns over, lower benefit formulas that will gradually reduce normal costs. Savings specific to the City have not been quantified.

Provisions in AB 340 will likely not have a material effect on City contributions in the short term. However, additional employee contributions, limits on pensionable compensation and higher retirement ages for new members will reduce the City's unfunded pension liability and potentially reduce City contribution levels in the long term.

The City is also required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates for Fiscal Year 2016 were 24.859% for the 2.7% at 55 plan and 24.859% for the 2.0% at 62 AB 340 plan. The required employer contribution rates for Fiscal Year 2017 are 27.196% for the 2.7% at 55 plan and 27.196% for the 2.0% at 62 AB 340 plan. Employer contribution rates for all public employers are determined on an annual basis by the CalPERS actuary and are effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount, expressed as a percentage of payroll, that is necessary to finance the costs of benefits that are earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Under GASB 68, which was implemented beginning in Fiscal Year 2015, the City's pension plans had a total net pension liability of approximately \$[\_\_\_\_\_] as of June 30, 2015 and a total net pension liability of approximately \$[\_\_\_\_\_] as of June 30, 2016. The net pension liability is the difference between total pension liability and the fair market value of pension assets. The City's total pension assets include funds that are held by CalPERS, and its net pension asset or liability is based on such amounts.

For Fiscal Year 2016, the City made a [lump sum] CalPERS plan contribution of \$[\_\_\_\_\_]. The City currently expects its annual required contribution in Fiscal Year 2017 to be approximately \$[\_\_\_\_\_] (assuming that the City elects the lump sum payment option).

A summary of principal assumptions and methods used to determine the total pension liability for Fiscal Year 2016 is shown below.

Actuarial Cost Method	Entry Age Normal in accordance with the requirements of GASB 68
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.50% net of pension plan investment and administrative expenses; includes projected inflation rate of 2.75%
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds

<sup>(1)</sup> The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB.  
Source: City.

The total changes in the net pension liability for the City's CalPERS plans were as follows:

	<b>South Coast Water</b>		
	<b>Changes in Net Pension Liability</b>		
	<i>Increase / (Decrease)</i>		
	<i>Total</i>	<i>Plan Fiduciary</i>	<i>Net Pension</i>
	<i>Pension Liability</i>	<i>Net Position</i>	<i>Liability / (Asset)</i>
Balance at June 30, 2015	\$[	\$	\$
Balance at June 30, 2016	_____		
Net Changes during Fiscal Year 2016 <sup>(1)</sup>	\$	\$	\$ ]

<sup>(1)</sup> Unaudited.  
Source: City.

The June 30, 2016 balances are based on CalPERS actuarial valuation data of June 30, 2014 with assumptions and market values updated through June 30, 2015.

The following table presents the net pension liability of the City's CalPERS plans, calculated using the discount rate of 7.50%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.50%) or 1 percentage point higher (8.50%) than the current rate:

	<b>City of Moreno Valley</b>		
	<b>Sensitivity of the Net Pension Liability to Changes in the Discount Rate</b>		
	<i>Discount Rate – 1%</i>	<i>Current Discount Rate</i>	<i>Discount Rate + 1%</i>
	<i>(6.50%)</i>	<i>(7.50%)</i>	<i>(8.50%)</i>
Plan's Net Pension Liability/(Asset)	\$[	\$	\$

Source: City.

CalPERS earnings reports for Fiscal Years 2010 through 2016 report an investment gain in excess of 13.0%, 21.7%, 1%, 12.5%, 18.4% and 2.4%, respectively, with a preliminary return of 0.61% reported for Fiscal Year 2016. Future earnings performance may increase or decrease future contribution rates for plan participants, including the City.

For additional information relating to the City's plan, see Note 8 to the City's audited financial statements for Fiscal Year 2015 attached hereto as Appendix B.

No assurance can be provided that the City's CalPERS plan expenses will not increase significantly in the future.

### **Other Post-Employment Benefits**

The City provides post-employment health care benefits to qualified retired employees. Employees are eligible for such benefits if they were hired prior to September 30, 2011 and retire directly from the City at or after age 50 with at least five years of CalPERS membership. Employees hired after September 30, 2011 are not eligible for such benefits; the City no longer offers such benefits to employees hired after September 30, 2011. The City's plan is an agent multiple-employer defined benefit other post-employment benefits ("OPEB") plan. The OPEB plan contributes an amount for the retiree and dependents, as applicable, for certain healthcare services.

The contribution requirements for OPEB plan participants and the City are established and may be amended by the City Council. The annual required contribution (the "OPEB ARC") is an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The OPEB ARC is equal to the normal cost each year plus a closed 30 year period amortization (ending in 2028) of the unfunded actuarial liability. Based on the actuarial valuation of the City's OPEB plan as of June 30, 2014, the OPEB ARC for Fiscal Year 2015 was approximately \$902,000 and the OPEB ARC for Fiscal Year 2016 was approximately [\$904,000]. The OPEB valuation that was prepared as of June 30, 2013, in accordance with GASB Statement No. 45, was used for reporting OPEB information in the City's financial statements for Fiscal Year 2014.

In July 2015, Bartel & Associates completed an actuarial valuation of the City's OPEB plan based on a valuation date of January 1, 2015. The report was developed in accordance with new accounting standards established by GASB Statement No. 75 ("GASB 75"), which requires that the valuation include the value of the "implied subsidy" of older retired participants by a younger active workforce in a pooled rate medical plan. The City intends to continue to pay the full OPEB ARC without the impact of the implied subsidy included.

Based on the 2015 actuarial valuation of the City's OPEB plan, the OPEB ARC for Fiscal Year 2017 is expected to be \$1,426,000 using the new methodology compliant with GASB 75 (or \$1,341,000 using the old methodology).

The City is not required to fund the amortization of the unfunded actuarial liability. Prior to June 2009, the City's policy was to pay for OPEB plan costs as they are incurred. In June 2009, the City Council approved the establishment of an irrevocable OPEB trust (the "OPEB Trust") and approved and authorized an agreement with CalPERS to administer the OPEB Trust on its behalf. The City estimates that the establishment of the OPEB Trust and pre-funding of the City's OPEB liability will significantly reduce the City's unfunded OPEB obligation. Based on the 2015 actuarial valuation, the actuarial unfunded liability of the City's OPEB plan was estimated to be approximately \$10,343,000 using the new methodology compliant with GASB 75 (or \$9,428,000 using the old methodology).

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the last five Fiscal Years was as follows:

<i>Fiscal Year</i>	<i>Annual OPEB Cost<sup>(1)</sup></i>	<i>Percentage of Annual OPEB Cost Contributed</i>	<i>Net OPEB Obligation<sup>(2)</sup></i>
2011	\$1,564,000	100%	\$ -
2012	1,615,000	72	450,000
2013	1,018,000	56	900,000
2014	1,066,000	58	1,347,000
2015	910,000	73	1,593,000

<sup>(1)</sup> Equal to the OPEB ARC.

<sup>(2)</sup> See Note 9 in Appendix B for a description of the calculation of the net OPEB obligation.

Historical information with respect to the funded status of the City's OPEB plan is set forth below.

<i>Valuation Date</i>	<i>Actuarial Accrued Liability</i>	<i>Actuarial Value of Assets</i>	<i>Unfunded Actuarial Accrued Liability</i>	<i>Funded Ratio<sup>(1)</sup></i>	<i>Annual Covered Payroll</i>	<i>Unfunded Actuarial Accrued Liability as Percentage of Payroll</i>
01/01/10	\$13,600,000	\$2,386,000	\$11,214,000	17.5%	\$22,465,000	49.9%
06/30/11	11,670,000	4,428,000	7,242,000	37.9	23,195,000	31.2
06/30/13	12,531,000	6,186,000	6,345,000	49.4	21,589,000	29.4
06/30/15 <sup>(1)</sup>	18,148,000	7,805,000	10,343,000	43.0	17,919,000	57.7

<sup>(1)</sup> Reflects effect of implied subsidy in accordance with new GASB 75 requirements, as described above. Not comparable with prior years.

Actuarial valuations of an ongoing plan involve estimates of the value of expected benefit payments and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the City's financial statements set forth in Appendix B, presents multi-year trend information about whether the actuarial value of OPEB plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits are based on the substantive plan and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the City and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Significant methods and assumptions are described in detail in Note 9 to Appendix B.

### City Investment Policy

The City invests its funds in accordance with the City's investment policy (the "Investment Policy"), which was most recently amended in June 2015. In accordance with Section 53600 *et seq.* of the California Government Code, idle cash management and investment transactions are the responsibility of the City Treasurer. The City's Investment Policy sets forth the policies and procedures applicable to the investment of City funds and designates eligible investments. The Investment Policy sets forth a stated objective, among others, of insuring the safety of invested funds by limiting credit and market risks. Eligible investments are generally limited to the Local Agency Investment Fund which is operated by the California State Treasurer, the County investment pool for local agencies, local agency bonds, U.S. Treasury Bills, Notes and Bonds, obligations issued by United States Government agencies, FDIC-insured or negotiable certificates of deposit,

repurchase agreements, banker’s acceptances and commercial paper rated A1/P1, as applicable, or better, and money market funds rated in the highest category by Moody’s or S&P or administered by a domestic bank with long-term debt rated in one of the top two categories of Moody’s and S&P. Funds are invested in the following order of priority:

- Safety of Principal;
- Liquidity; and
- Return on Investment.

The City Treasurer is required to provide a quarterly report to the City Manager and the City Council showing the type of investment, date of maturity, amount invested, current market value, rate of interest, and other such information as may be required by the City Council.

A summary of the City’s investments as of June 30, 2016 is set forth in the below table. Approximately \$\_\_\_\_\_ million (\_\_\_\_%) of the total investment portfolio as of June 30, 2016 was attributed to the General Fund.

**CITY OF MORENO VALLEY  
INVESTMENTS AS OF JUNE 30, 2016<sup>(1)</sup>**

<i>Investment Type</i>	<i>Investment Maturity</i>				<i>Total</i>
	<i>6 Months or Less</i>	<i>6 Months to 1 Year</i>	<i>1 to 3 Years</i>	<i>3 to 5 Years</i>	
Local Agency Investment Fund	\$	\$	\$	\$	\$
Asset-Backed Securities					
Commercial Paper					
US Corporate					
US Treasury Notes					
Federal Farm Credit Bank					
Federal Home Loan Bank					
Federal Home Loan Mortgage Corp.					
Federal National Mortgage Assn.					
Federated Government					
Cash					
<b>Totals</b>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

<sup>(1)</sup> Totals may not add due to rounding.  
Source: City.

See Note 3 in Appendix B for further information with respect to City investments.

**RISK FACTORS**

*The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Series 2016 Bonds. However, the following does not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Series 2016 Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks.*

**General Considerations – Security for the Series 2016 Bonds**

The Series 2016 Bonds are special obligations of the Authority, payable solely from Base Rental Payments on a parity with the Series 2015 Bonds and the other assets pledged under the Trust Agreement. Neither the faith and credit nor the taxing power of the Authority, the City, the State, or any political subdivision thereof, is pledged to the payment of the Series 2016 Bonds. The Authority has no taxing power.

The obligation of the City to make the Base Rental Payments does not constitute a debt of the City, the County or the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the City or the State is obligated to levy or pledge any form of taxation or for which the City, the County or the State has levied or pledged any form of taxation.

Although the Facilities Sublease does not create a pledge, lien or encumbrance upon the funds of the City, the City is obligated under the Facilities Sublease to pay the Base Rental Payments and Additional Payments from any source of legally available funds, and the City has covenanted in the Facilities Sublease to take such action as may be necessary to include all such Base Rental Payments and Additional Payments due thereunder in its annual budgets, and to make necessary annual appropriations for all such Base Rental Payments and Additional Payments, subject to abatement. The City is currently liable and may become liable on other obligations payable from general revenues. See the caption “CITY FINANCIAL INFORMATION — Indebtedness — General Fund-Supported Debt.”

The City has the capacity to enter into other obligations which may constitute additional charges against its revenues, including pension obligations and essential services. To the extent that additional obligations are incurred by the City, the funds available to make Base Rental Payments may be decreased. In the event that the City’s revenue sources are less than its total obligations, the City could choose to fund other activities before making Base Rental Payments and other payments due under the Facilities Sublease. The same result could occur if, because of State Constitutional limits on expenditures, the City is not permitted to appropriate and spend all of its available revenues. However, the City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution. See the caption “CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIII B of the State Constitution.”

### **Abatement**

In the event of substantial interference with the City’s right to use and occupy any portion of the Property by reason of damage to or destruction or condemnation of the Property, or any defects in title to the Property, Base Rental Payments will be subject to abatement. See the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Abatement.” In the event that such portion of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the City’s rental interruption insurance will be available in lieu of Base Rental Payments, plus the period in which funds are available from the funds and accounts established under the Trust Agreement, or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Property or redemption of the Series 2016 Bonds, there could be insufficient funds to make payments to Owners in full.

It is not always possible to predict the circumstances under which abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, the value of the Property could be substantially higher or lower than its value at the time of the issuance of the Series 2016 Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Series 2016 Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Property results in abatement of the Base Rental Payments related to such Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction), and eminent domain proceeds, if any, are insufficient to make all payments of principal and interest with respect to the Series 2016 Bonds during the period that the Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be

made. Under the Facilities Sublease and the Trust Agreement, no remedy is available to the Series 2016 Bond Owners for nonpayment under such circumstances.

### **Natural Disasters**

The occurrence of any natural disaster in the City, including, without limitation, fire, windstorm, drought, earthquake or flood, could have an adverse material impact on the economy within the City, its General Fund and the revenues available for the payment of the Base Rental Payments. The City does not maintain earthquake insurance for the Property.

Earthquakes are considered a threat to the City due to the highly active seismic region and the proximity of fault zones, which could influence the entire southern coastal portion of the State. However, no major earthquake has caused substantial damage to the City.

An earthquake along one of the faults in the vicinity of the City, either known or unknown, could cause a number of casualties and extensive property damage. The effects of such a quake could be aggravated by aftershocks and secondary effects such as fires, landslides, dam failure, liquefaction and other threats to public health, safety and welfare. The potential direct and indirect consequences of a major earthquake could easily exceed the resources of the City and would require a high level of self-help, coordination and cooperation.

The occurrence of natural disasters in the City could result in substantial damage to the City which, in turn, could substantially reduce General Fund revenues and affect the ability of the City to make the Base Rental Payments. Reduced ability to make the Base Rental Payments could affect the payment of the principal of and interest on the Series 2016 Bonds. The City maintains liability insurance and property casualty insurance (for losses other than from seismic events) for the Property. See the caption “THE CITY — Risk Management.” However, there can be no assurance that specific losses will be covered by insurance or, if covered, that claims will be paid in full by the applicable insurers.

### **Hazardous Substances**

An additional environmental condition that may result in the reduction in the assessed value of property, and therefore property tax revenue available to make Base Rental Payments, would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the City. In general, the owners and operators of a property may be required by law to remedy conditions of the property 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 State laws with regard to hazardous substances are also stringent and similar in effect. Under many of these laws, the owner or operator may be required 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 within the City be affected by a hazardous substance, could be to reduce the marketability and value of such property 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.

The City has not independently verified, but is not aware of, the presence of any hazardous substances on the Property. Hazardous substance liabilities may arise in the future with respect to any of the property in the City resulting from the existence, currently, 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. Additionally, such liabilities may arise from the method of handling such substance. These possibilities could significantly affect the value of a parcel and could result in substantial delays in completing planned development on parcels that are currently undeveloped.



## Other Financial Matters

Due to weakness in the economy of the State and the United States, it is possible that the general revenues of the City will decline. Such financial matters may have a detrimental impact on the City's General Fund, and, accordingly, may reduce the City's ability to make Base Rental Payments. See the caption "CITY FINANCIAL INFORMATION."

In addition, City expenses could also rise as a result of unforeseen events, including but not limited to increases in pension obligations or a determination that the Successor Agency's payment obligations under various agreements with the City are not enforceable obligations. Such a determination could require the City to make payments that were expected to come from Successor Agency funds from General Fund moneys or cause moneys received from the Successor Agency to be lower than budgeted. See the caption "STATE OF CALIFORNIA BUDGET INFORMATION — Redevelopment Dissolution."

## Substitution, Addition and Removal of Property; Additional Bonds

The Authority and the City may amend the Facilities Sublease: (a) to substitute alternate real property for any portion of the Property; (b) to add additional real property to the Property; or (c) to release a portion of the Property from the Facilities Sublease, upon compliance with all of the conditions set forth in the Facilities Sublease. After a substitution or release, the portion of the Property for which the substitution or release has been effected will be released from the leasehold encumbrance of the Facilities Sublease. Moreover, the Authority may issue Additional Bonds secured by Base Rental Payments which are increased from current levels. See the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS—Substitution, Addition and Removal of Property" and "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Additional Bonds."

Although the Facilities Sublease requires, among other things, that the Property, as constituted after such substitution or release, have an annual fair rental value at least equal to the maximum Base Rental Payments becoming due in the then current Fiscal Year or in any subsequent Fiscal Year, it does not require that such Property have an annual fair rental value equal to the annual fair rental value of the Property at the time of substitution or release. Thus, a portion of the Property could be replaced with less valuable real property, or could be released altogether. Such a replacement or release could have an adverse impact on the security for the Series 2016 Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such substitution or release. See Appendix A.

The Trust Agreement requires, among other things, that upon the issuance of Additional Bonds, the Facilities Lease and the Facilities Sublease will be amended, to the extent necessary, so as to increase the Base Rental Payments payable by the City thereunder by an aggregate amount equal to the principal of and interest on such Additional Bonds; provided, however, that no such amendment will be made such that the sum of Base Rental Payments, including any increase in the Base Rental Payments as a result of such amendment, plus Additional Payments, in any Fiscal Year is in excess of the annual fair rental value of the Property after taking into account the use of the proceeds of any Additional Bonds issued in connection therewith. See the caption "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Additional Bonds" for a full description of the requirements that must be met in order for the Authority to issue Additional Bonds.

## Limited Recourse on Default; No Acceleration of Base Rental

Failure by the City to make Base Rental Payments or other payments required to be made under the Facilities Sublease, or failure to observe and perform any other terms, covenants or conditions contained in the Facilities Sublease or in the Trust Agreement for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute events of default under the Facilities Sublease and permit the Trustee or the Authority to pursue any and all remedies

available. In the event of a default, notwithstanding anything in the Facilities Sublease or in the Trust Agreement to the contrary, there is no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable, nor do the Authority or the Trustee have any right to re-enter or re-let the Property except as described in the Facilities Sublease.

The enforcement of any remedies provided in the Facilities Sublease and the Trust Agreement could prove both expensive and time consuming. If the City defaults on its obligation to make Base Rental Payments with respect to the Property, the Trustee, as assignee of the Authority, may retain the Facilities Sublease and hold the City liable for all Base Rental Payments thereunder on an annual basis and enforce any other terms or provisions of the Facilities Sublease to be kept or performed by the City.

Alternatively, the Authority or the Trustee may terminate the Facilities Sublease, retake possession of the Property and proceed against the City to recover damages pursuant to the Facilities Sublease. Due to the specialized and limited nature of the Property, existing Permitted Encumbrances (as such term is defined in Appendix A) on the Property, and the restrictions on its use, it is unlikely that the Trustee would be able to re-let the Property so as to provide rental income sufficient to make all payments of principal of, interest and premium, if any, on the Series 2016 Bonds when due. Similar limitations and constraints would apply to any property substituted for the Property pursuant to the Facilities Sublease. Moreover, the Trustee is not empowered to sell the Property for the benefit of the Owners of the Series 2016 Bonds. Any suit for money damages would be subject to limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS” and “THE PROPERTY” and Appendix A.

#### **Possible Insufficiency of Insurance Proceeds**

The Facilities Sublease obligates the City to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Property in the event of damage, destruction or title defects, subject to certain exceptions. The Authority and the City make no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Facilities Sublease and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal of and interest on the Series 2016 Bonds when due. In addition, certain risks, such as earthquakes and floods, are not required to be covered under the Facilities Sublease, and therefore, are not carried by the City. See the captions “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS — Insurance” and “THE CITY — Risk Management.”

#### **Limitations on Remedies**

The rights of the Owners of the Series 2016 Bonds are subject to the limitations on legal remedies against cities in the State, including a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. Furthermore, the remedies available to the Owners of the Series 2016 Bonds upon the occurrence of an event of default under the Trust Agreement or the Facilities Sublease are in many respects dependent upon judicial actions which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

Additionally, enforceability of the rights and remedies of the Owners of the Series 2016 Bonds, and the obligations incurred by the City, may become subject to the provisions of Title 11 of the United States Code (the “Bankruptcy Code”) and applicable bankruptcy, insolvency, reorganization, moratorium or similar laws relating to or affecting the enforcement of creditors’ rights generally, now or later in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the federal Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the

State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against cities in the State. Bankruptcy proceedings, or the exercise of powers by the federal or State government, if initiated, could subject the Owners of the Series 2016 Bonds to judicial discretion and interpretation of their rights in bankruptcy or otherwise, and consequently may entail risks of delay, limitation or modification of their rights. Under Chapter 9 of the Bankruptcy Code, which governs the bankruptcy proceedings for public agencies such as the City, involuntary petitions are not permitted. If the City were to file a petition under Chapter 9 of the Bankruptcy Code, the Owners of the Series 2016 Bonds, the Trustee and the Authority could be prohibited from taking any steps to enforce their rights under the Facilities Sublease, and from taking any steps to collect amounts due from the City under the Facilities Sublease.

In particular, if the City were to become a debtor under the Bankruptcy Code, the City would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9 case. Among the adverse effects of such a bankruptcy might be: (i) the application of the automatic stay provisions of the Bankruptcy Code, which, until relief is granted, would prevent collection of payments from the City or the commencement of any judicial or other action for the purpose of recovering or collecting a claim against the City, and which could prevent the Trustee from making payments from funds in its possession; (ii) the avoidance of preferential transfers occurring during the relevant period prior to the filing of a bankruptcy petition; (iii) the existence of unsecured or secured debt which may have a priority of payment that is superior to that of Owners of the Series 2016 Bonds; and (iv) the possibility of the adoption of a plan (an "Adjustment Plan") for the adjustment of the City's various obligations over the objections of the Trustee or all of the Owners of the Series 2016 Bonds and without their consent, which Adjustment Plan may restructure, delay, compromise or reduce the amount of any claim of the Owners if the Bankruptcy Court finds that such Adjustment Plan is "fair and equitable" and in the best interests of creditors. The Adjustment Plans approved by the Bankruptcy Courts in connection with the bankruptcies of the cities of Vallejo, San Bernardino and Stockton resulted in significant reductions in the amounts payable by the cities under lease revenue obligations that were substantially identical or similar to the Series 2016 Bonds. The City can provide no assurances about the outcome of the bankruptcy cases of other California municipalities or the nature of any Adjustment Plan if it were to file for bankruptcy.

In addition, the City could either reject the Facilities Sublease or the Facilities Lease or assume the Sublease or the Facilities Lease despite any provision of the Facilities Sublease or the Facilities Lease that makes the bankruptcy or insolvency of the City an event of default thereunder. If the City rejects the Facilities Sublease, the Trustee, on behalf of the Owners of the Series 2016 Bonds, would have a pre-petition unsecured claim that may be substantially limited in amount, and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the Series 2016 Bonds. Moreover, such rejection would terminate the Facilities Sublease and the City's obligations to make payments thereunder. The City may also be permitted to assign the Facilities Sublease or the Facilities Lease to a third party, regardless of the terms of the transaction documents. If the City rejects the Facilities Lease, the Trustee, on behalf of the Owners of the Series 2016 Bonds, would have a pre-petition unsecured claim and this claim would be treated in a manner under an Adjustment Plan over the objections of the Trustee or Owners of the Series 2016 Bonds. Moreover, such rejection may terminate both the Facilities Sublease and the Facilities Lease and the obligations of the City to make payments thereunder.

The opinion to be delivered by Bond Counsel concurrently with the execution and delivery of the Series 2016 Bonds will be subject to such limitations and the various other legal opinions to be delivered concurrently with the issuance of the Series 2016 Bonds will be similarly qualified. See Appendix C. In the event that the City fails to comply with its covenants under the Facilities Sublease or fails to pay Base Rental Payments, there can be no assurance of the availability of remedies adequate to protect the interest of the Owners of the Series 2016 Bonds.

### **No Liability of Authority to the Owners**

Except as expressly provided in the Trust Agreement, the Authority has no obligation or liability to the Owners of the Series 2016 Bonds with respect to: (a) the payment when due of the Base Rental Payments by the City; (b) the performance by the City of other agreements and covenants required to be performed by it contained in the Facilities Sublease or the Trust Agreement; or (c) the performance by the Trustee of any right or obligation required to be performed by it contained in the Trust Agreement.

### **Secondary Market**

There can be no guarantee that there will be a secondary market for the Series 2016 Bonds or, if a secondary market exists, that the Series 2016 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices are suspended or terminated. Additionally, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

### **Risks Associated with Bond Insurance**

In the event that the Authority defaults in the payment of principal of or interest on the Series 2016 Bonds when due, the owners of the Series 2016 Bonds will have a claim under the Policy for such payments. See the caption “BOND INSURANCE.” In the event that [INSURER] becomes obligated to make payments with respect to the Series 2016 Bonds, no assurance can be given that such event will not adversely affect the market for the Series 2016 Bonds. In the event that [INSURER] is unable to make payment of principal of and interest on the Series 2016 Bonds when due under the Policy, the Series 2016 Bonds will be payable solely from Revenues and amounts held in certain funds and accounts established under the Trust Agreement, as described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS.”

The long-term rating on the Series 2016 Bonds is dependent in part on the financial strength of [INSURER] and its claims-paying ability. [INSURER]’s financial strength and claims-paying ability are predicated upon a number of factors which could change over time. If the long-term ratings of [INSURER] are lowered, such event could adversely affect the market for the Series 2016 Bonds. See the caption “RATINGS.”

None of the Authority, the City nor the Underwriter have made an independent investigation of the claims-paying ability of [INSURER] and no assurance or representation regarding the financial strength or projected financial strength of [INSURER] is being made by the Authority, the City or the Underwriter in this Official Statement. Therefore, when making an investment decision with respect to the Series 2016 Bonds, potential investors should carefully consider the ability of the Authority to pay principal and interest on the Series 2016 Bonds, assuming that the Policy is not available for that purpose, and the claims-paying ability of [INSURER] through final maturity of the 2016 Bonds.

So long as the Policy remains in effect and [INSURER] is not in default of its obligations thereunder, [INSURER] has certain notice, consent and other rights under the Trust Agreement and will have the right to control all remedies for default under the Trust Agreement. [INSURER] is not required to obtain the consent of the owners of the Series 2016 Bonds with respect to the exercise of remedies. See Appendix A.

## STATE OF CALIFORNIA BUDGET INFORMATION

### State Budget

Information about the State budget is regularly available at various State-maintained websites. Text of proposed and adopted budgets may be found at the website of the State Department of Finance (the “DOF”), <http://www.dof.ca.gov>, under the heading “California Budget.” An impartial analysis of the budget is posted by the Legislative Analyst’s Office (the “LAO”) at <http://www.lao.ca.gov>. In addition, various State official statements, many of which contain a summary of the current and past State budgets and the impact of those budgets on cities in the State, may be found at the website of the State Treasurer, <http://www.treasurer.ca.gov>. The information referred to is prepared by the respective State agency maintaining each website and not by the City, and the City can take no responsibility for the continued accuracy of these Internet addresses or for the accuracy, completeness or timeliness of information posted there, and such information is not incorporated herein by these references.

### Budget for State Fiscal Year 2016-17

On June 27, 2016, the Governor signed into the law the State budget for fiscal year 2016-17 (the “2016-17 Budget”). The following information is drawn from the Department of Finance’s summary of the 2016-17 Budget and the LAO’s preliminary review of the 2016-17 Budget.

The 2016-17 Budget projects, for fiscal year 2015-16, total general fund revenues and transfers of \$117.0 billion and total expenditures of \$115.6 billion. The State is projected to end fiscal year 2015-16 with total available reserves of \$7.3 billion, including \$3.9 billion in the traditional general fund reserve and \$3.4 billion in the Budget Stabilization Account (the “BSA”), the State’s basic reserve account. For fiscal year 2016-17, the 2016-17 Budget projects a growth in State general fund revenues driven primarily by total general fund revenues of \$120.3 billion and authorizes expenditures of \$122.5 billion. The State is projected to end the fiscal year 2016-17 with total available reserves of \$8.5 billion, including \$1.8 billion in the traditional general fund reserve and \$6.7 billion in the BSA.

As a result of higher general fund revenue estimates for fiscal years 2015-16 and 2016-17, and after accounting for expenditures that are controlled by State Constitutional funding requirements such as Proposition 2 and Proposition 98, the 2016-17 Budget allocates over \$6 billion in discretionary funding for various purposes. These include: (i) additional deposits of \$2 billion to the BSA and \$600 million to the State’s discretionary budget reserve fund; (ii) approximately \$2.9 billion in one-time funding for infrastructure, affordable housing, public safety and other purposes; and (iii) \$700 million in on-going funding commitments for higher education (the California State University and the University of California systems), corrections and rehabilitation and State courts.

As required by Proposition 2, the 2016-17 Budget applies \$1.3 billion towards the repayment of existing State liabilities, including loans from special funds, State and University of California pension and retiree health benefits and settle-up payments to K-14 school districts resulting from an underfunding of the Proposition 98 minimum funding guarantee in a prior fiscal year. With respect to education funding, the 2016-17 Budget sets the Proposition 98 minimum funding guarantee at \$71.9 billion, an increase of \$2.8 billion over the revised level from the prior fiscal year.

For additional information regarding the 2016-17 Budget, see the DOF website at [www.dof.ca.gov](http://www.dof.ca.gov) and the LAO’s website at [www.lao.ca.gov](http://www.lao.ca.gov). The information presented on such websites is not incorporated herein by reference.

## Potential Impact of State Financial Condition on the City

The State has experienced significant financial stress in recent years, with budget shortfalls in the several billions of dollars. There can be no assurance that, as a result of such State financial stress, the State will not significantly reduce revenues to local governments (including the City) or shift financial responsibility for programs to local governments as part of its efforts to address the State financial difficulties. Although the State is not a significant source of City revenues, no prediction can be made by the City as to what measures the State will adopt to respond to the current or potential future financial difficulties. There can be no assurance that State actions to respond to State financial difficulties will not adversely affect the financial condition of the City.

## Redevelopment Dissolution

**General.** On December 29, 2011, the State Supreme Court upheld Assembly Bill 1x26 (“AB 1x26”), which dissolved redevelopment agencies in the State. The effect of AB 1x26 upon the City is the termination of the redevelopment functions of the Community Redevelopment Agency of the City of Moreno Valley (the “Former Agency”) and the transfer of such functions to a successor agency (the City, referred to in the capacity of a successor agency, and being referred to in this context as the “Successor Agency”) tasked with winding down the Former Agency’s redevelopment activities. Under AB 1x26, the Successor Agency cannot enter into new redevelopment projects or obligations and its assets can be used only to pay enforceable obligations, which enforceable obligations are generally limited to obligations in existence in mid-2011, when AB 1x26 was signed by the Governor. In addition, the Successor Agency will receive tax increment revenues in amounts that are sufficient to pay 100% (but no greater amount) of such enforceable obligations until such obligations (including accrued interest, as applicable) are paid in full, at which time the Successor Agency will be dissolved. Certain tax revenues formerly allocable to the Former Agency will continue to be available to the Successor Agency to pay certain obligations, and a portion of such revenues may be redirected to other taxing agencies, such as the County, school districts and the City. The Successor Agency’s activities are subject to review by an oversight board established under AB 1x26. Under AB 1x26, liabilities of the Successor Agency are not liabilities of the City.

On June 27, 2012, the Governor signed Assembly Bill 1484 (“AB 1484”), which made certain amendments to AB 1x26. Under AB 1484, the County Auditor-Controller, the DOF and the State Controller may require the return of funds improperly spent or transferred to a public entity in conflict with the provisions of the Community Redevelopment Law, as amended by AB 1x26 and AB 1484, and if such funds are not returned within 60 days, they may be recovered through an offset of sales and use tax or property tax allocations to the local agency, which, in the case of the Successor Agency, is the City.

On September 22, 2015, the following amendments to the dissolution legislation discussed under the caption “— General” were enacted as Senate Bill 107 (“SB 107”): (1) redevelopment successor agencies that enter into a written agreement with the DOF to remit unencumbered cash to the county auditor-controller will receive a finding of completion, which provides successor agencies with additional fiscal tools and reduced State oversight; (2) successor agencies that have a “Last and Final” ROPS (as discussed below) may expend a portion of proceeds of bonds issued in 2011, which proceeds are currently frozen; (3) pension or State Water Project override revenues that are not pledged to or not needed for redevelopment bond debt service will be returned to the entity that levies the override; (4) agreements relating to State highway improvements and money loaned to successor agencies to pay costs associated with redevelopment dissolution litigation will be considered enforceable obligations; and (5) reentered agreements entered into after the passage of AB 1484 are unenforceable unless entered into for the purpose of providing administrative support.

SB 107 also: (a) requires the preparation of a Recognized Obligation Payment Schedule with respect to enforceable obligations (a “ROPS”), which are required to be submitted to the oversight board and the DOF in accordance with AB 1x26, once a year beginning with the ROPS period that commences on July 1, 2016 (rather than twice a year under current law); (b) establishes an optional “Last and Final” ROPS process

beginning in September 2015; under this process, a successor agency that elected to submit a “Last and Final ROPS would no longer submit a periodic ROPS and the enforceable obligations set forth in the “Last and Final” ROPS would be binding on all parties; and (c) clarifies that former tax increment caps and plan limits do not apply for the purposes of paying approved enforceable obligations.

***Impact on the City.*** Significant provisions of AB 1x26, AB 1484, SB 107 and implementing actions of affected parties, including the Successor Agency, the oversight board, the County and the DOF, may be subject to legal challenge, statutory or administrative changes and other clarifications which could affect the impact of the dissolution of redevelopment on the City and its General Fund. The DOF has periodically proposed additional legislation which would modify statutes affecting redevelopment dissolution; it is not known whether additional legislation will be enacted. The full extent of the impact of the implementation of AB 1x26, AB 1484 and SB 107 or potential future legislation on the City’s General Fund is unknown at this time. While certain administrative costs previously charged to the Former Agency by the General Fund will no longer be supported by the Successor Agency, certain property tax revenues formerly allocated to the Former Agency will now be received by the City’s General Fund.

The City does not believe that it has received material amounts from the Former Agency or the Successor Agency which may be asserted to be in violation of AB 1x26 or AB 1484.

There can be no assurance that the City and the Successor Agency will not enter into additional loan agreements in the future to enable the Successor Agency to meet its payment obligations in future years.

***Successor Agency Obligations to the General Fund.*** Although AB 1x26 generally invalidates agreements between host cities and their former redevelopment agencies, provision is made for the enforcement of agreements entered into with respect to obligations which meet certain specified criteria. The City believes that the Successor Agency’s payment obligations under a note relating to the Moreno Valley Mall at Towngate (the “Towngate Regional Mall Note”) and miscellaneous other advances (the “Other Advances”) to the Former Agency, each as described below, constitute enforceable obligations of the Successor Agency. The City expects that the Successor Agency will continue to be able to apply tax increment revenues to the payment of such obligations. The City has listed the Towngate Regional Mall Note and the Other Advances in its ROPS, and such obligations have been approved as enforceable obligations by the Successor Agency’s oversight board and the DOF. However, there can be no assurance that such entities, the State Controller, other State or County bodies implementing the dissolution of redevelopment or a court will not disagree with the City’s interpretation and seek to prohibit the Successor Agency from making the payments on the Towngate Regional Mall Note and the Other Advances in the future or that additional legislation could be enacted which will not be consistent with the City’s interpretation.

As of June 30, 2014, the Towngate Regional Mall Note was outstanding in the principal of \$13,000,000. The Towngate Regional Mall Note originated from a participation agreement (as amended) whereby the Former Agency acquired certain parcels within the Moreno Valley Mall at Towngate for subsequent transfer to anchor tenants. The Towngate Regional Mall Note bears interest at the rate of 7.25% per annum and is payable from the property tax increment and up to 50% of the sales tax revenues generated from the acquired parcels. In Fiscal Year 2004, the City purchased the rights to the Towngate Regional Mall Note from the holder thereof and, thereafter, has received the associated interest and principal payments related thereto. Through negotiations with the DOF, the City has reached an agreement which amends the terms of the Towngate Regional Mall Note such that \$1,400,000 will now be paid annually to the City from revenues in the Redevelopment Property Tax Trust Fund maintained by the County Auditor-Controller with respect to the former redevelopment project areas within the City through December 2035. On September 23, 2014 and September 24, 2014, respectively, the Successor Agency and the Successor Agency’s oversight board approved resolutions that incorporate terms of the agreement reached between the City and the DOF. Such resolutions provided for the restructuring of the Towngate Regional Mall Note payment schedule for submission to the DOF. The restructured payment schedule was approved as part of the 2014/15B ROPS on November 15, 2014.

As of June 30, 2014, the Other Advances were outstanding in the principal amount of \$652,248. The Other Advances were used by the Former Agency for various redevelopment purposes and are payable from available Successor Agency moneys. The Other Advances bear interest at the rate of 12% but do not have a specific maturity date.

There can be no assurances that AB 1x26, AB 1484 and/or subsequent implementing statutes will not interfere with the receipt by the City from the Successor Agency of the amounts contemplated to be received by the City pursuant to the Towngate Regional Mall Note, the Other Advances or otherwise.

To the extent that the Successor Agency's assets are liquidated for distribution of proceeds to the affected taxing entities, the City currently expects that the City's General Fund will receive approximately 11% of such assets.

### **Future State Budgets**

No prediction can be made by the City as to whether the State will continue to encounter budgetary problems in future years, and if it were to do so, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the City cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on City finances and operations or what actions will be taken in the future by the State Legislature and the Governor to deal with changing State revenues and expenditures. There can be no assurance that actions taken by the State to address its financial condition will not materially adversely affect the financial condition of the City. Current and future State budgets will be affected by national and State economic conditions and other factors, including the current economic downturn, over which the City has no control.

## **CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS**

There are a number of provisions in the State Constitution that limit the ability of the City to raise and expend tax revenues.

### **Article XIII A of the State Constitution**

On June 6, 1978, State voters approved an amendment (commonly known as both Proposition 13 and the Jarvis-Gann Initiative) to the State Constitution. The amendment, which added Article XIII A to the State Constitution, among other things affects the valuation of real property for the purpose of taxation in that it defines the full cash property 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 newly constructed, or when a change in ownership has occurred after the 1975 assessment." The full cash value may be adjusted annually to reflect inflation at a rate not to exceed 2% per year, or a reduction in the consumer price index or comparable local data at a rate not to exceed 2% per year, or reduced in the event of declining property value caused by damage, destruction or other factors including a general economic downturn. The amendment further limits the amount of any *ad valorem* tax on real property to 1% of the full cash value, except that additional taxes may be levied to pay debt service on indebtedness approved by the voters prior to December 1, 1978, and bonded indebtedness for the acquisition or improvement of real property approved on or after December 1, 1978 by two-thirds of the votes cast by the voters voting on the proposition (55% in the case of certain school facilities). Property taxes subject to Proposition 13 are a significant source of the City's General Fund revenues. See the caption "CITY FINANCIAL INFORMATION."

Legislation enacted by the State Legislature to implement Article XIII A provides that all taxable property is shown at full assessed value as described above. Tax rates for voter approved bonded indebtedness are also applied to 100% of assessed value.



Future assessed valuation growth allowed under Article XIII A (new construction, change of ownership, 2% annual value growth) is allocated on the basis of “situs” among the jurisdictions that serve the tax rate area within which the growth occurs. Local agencies and school districts share the growth of “base” revenue from the tax rate area. Each year’s growth allocation becomes part of each agency’s allocation the following year. Article XIII A effectively prohibits the levying of any other *ad valorem* property tax above the 1% limit except for taxes to support indebtedness approved by the voters as described above.

Article XIII A has subsequently been amended to permit reduction of the “full cash value” base in the event of declining property values caused by damage, destruction or other factors, and to provide that there would be no increase in the “full cash value” base in the event of reconstruction of property damaged or destroyed in a disaster and in certain other limited circumstances.

### **Article XIII B of the State Constitution**

At the Statewide special election on November 6, 1979, the voters approved an initiative entitled “Limitation on Government Appropriations,” which added Article XIII B to the State Constitution. Under Article XIII B, State and local government entities have an annual “appropriations limit” which limits the ability to spend certain moneys which are called “appropriations subject to limitation” (consisting of tax revenues and investment proceeds thereof, certain State subventions and regulatory license fees, user charges and user fees to the extent that the proceeds thereof exceed the costs of providing such services, together called “proceeds of taxes,” and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriation of moneys which are excluded from the definition of “appropriations limit,” including debt service on indebtedness existing or authorized as of October 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in the consumer price index, population and services provided by these entities. Among other provisions of Article XIII B, if those entities’ revenues in any year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years.

The City’s appropriations have never exceeded the limitation on appropriations under Article XIII B of the State Constitution.

### **Proposition 62**

A statutory initiative (“Proposition 62”) was adopted by the voters of the State at the November 4, 1986 general election which: (a) requires that any tax for general governmental purposes imposed by local governmental entities be approved by resolution or ordinance adopted by two-thirds vote of the governmental agency’s legislative body and by a majority of the electorate of the governmental entity; (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two-thirds vote of the voters within the jurisdiction; (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax is imposed; (d) prohibits the imposition of *ad valorem* taxes on real property by local governmental entities except as permitted by Article XIII A; (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities; and (f) requires that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the electorate within two years of the adoption of the initiative or be terminated by November 15, 1988. The requirements imposed by Proposition 62 were upheld by the State Supreme Court in *Santa Clara County Local Transportation Authority v. Gardino*, 11 Cal.4th 220 (1995).

Proposition 62 applies to the imposition of any taxes or the implementation of any tax increases after its enactment in 1986, but the requirements of Proposition 62 are largely subsumed by the requirements of Proposition 218 for the imposition of any taxes or the effecting of any tax increases after November 5, 1996. See the caption “— Proposition 218” below.

## Proposition 218

On November 5, 1996, State voters approved Proposition 218, an initiative measure entitled the “Right to Vote on Taxes Act.” Proposition 218 added Articles XIIC and XIID to the State Constitution, imposing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments and property-related fees and charges. Proposition 218 states that all taxes imposed by local governments are deemed to be either general taxes or special taxes. Special purpose districts, including school districts, have no power to levy general taxes. 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. 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.

Proposition 218 also provides that no tax, assessment, fee or charge may be assessed by any agency upon any parcel of property or upon any person as an incident of property ownership except: (a) the *ad valorem* property tax imposed pursuant to Articles XIII and XIII A of the State Constitution; (b) any special tax receiving a two-thirds vote pursuant to the State Constitution; and (c) assessments, fees and charges for property related services as provided in Proposition 218. Proposition 218 then goes on to add voter requirements for assessments and fees and charges imposed as an incident of property ownership, other than fees and charges for sewer, water, and refuse collection services. In addition, all assessments and fees and charges imposed as an incident of property ownership, including sewer, water, and refuse collection services, are subjected to various additional procedures, such as hearings and stricter and more individualized benefit requirements and findings. The effect of such new provisions will presumably be to increase the difficulty a local agency will have in imposing, increasing or extending such assessments, fees and charges.

Proposition 218 also extended the initiative power to reducing or repealing any local taxes, assessments, fees and charges. This extension of the initiative power is not limited to taxes imposed on or after November 6, 1996, the effective date of Proposition 218, and could result in retroactive repeal or reduction in any existing taxes, assessments, fees and charges, subject to overriding federal constitutional principles relating to the impairments of contracts. Legislation implementing Proposition 218 provides that the initiative power provided for in Proposition 218 “shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after (the effective date of Proposition 218) assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights” protected by the United States Constitution. However, no assurance can be given that the voters of the City will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges that currently are deposited into the City’s General Fund.

Although a portion of the City’s General Fund revenues are derived from general taxes purported to be governed by Proposition 218 as discussed under the caption “CITY FINANCIAL INFORMATION — Other Taxes,” all of such taxes were imposed in accordance with the requirements of Proposition 218. No assurance can be given that the voters of the City will not, in the future, approve an initiative or initiatives which reduce or repeal local taxes, assessments, fees or charges which support the City’s General Fund.

## Unitary Property

Some amount of property tax revenue of the City is derived from utility property which is considered part of a utility system with components located in many taxing jurisdictions (“unitary property”). Under the State Constitution, such property is assessed by the State Board of Equalization (the “SBE”) as part of a “going concern” rather than as individual pieces of real or personal property. State-assessed unitary and certain other property is allocated to the counties by the SBE, taxed at special county-wide rates, and the tax revenues distributed to taxing jurisdictions (including the City) according to statutory formula generally based on the distribution of taxes in the prior year.

## Proposition 22

On November 2, 2010, voters in the State approved Proposition 22, which eliminates the State's ability to borrow or shift local revenues and certain State revenues that fund transportation programs. It restricts the State's authority over a broad range of tax revenues, including property taxes allocated to cities (including the City), counties and special districts, the VLF, State excise taxes on gasoline and diesel fuel, the State sales tax on diesel fuel, and the former State sales tax on gasoline. It also makes a number of significant other changes, including restricting the State's ability to use motor vehicle fuel tax revenues to pay debt service on voter-approved transportation bonds.

## Proposition 1A

As part of former Governor Schwarzenegger's agreement with local jurisdictions, Senate Constitutional Amendment No. 4 was enacted by the State Legislature and subsequently approved by the voters as Proposition 1A ("Proposition 1A") at the November 2, 2004 general election. Proposition 1A amended the State Constitution to, among other things, reduce the State Legislature's authority over local government revenue sources by placing restrictions on the State's access to local governments' property, sales, and vehicle license fee revenues as of November 3, 2004. Beginning with Fiscal Year 2009, the State may borrow up to 8% of local property tax revenues, but only if the Governor proclaims that such action is necessary due to a severe State fiscal hardship and two-thirds of both houses of the State Legislature approve the borrowing. The amount borrowed is required to be paid back within three years. The State also will not be able to borrow from local property tax revenues for more than two Fiscal Years within a period of ten Fiscal Years. In addition, the State cannot reduce the local sales tax rate or restrict the authority of local governments to impose or change the distribution of the Statewide local sales tax.

The Fiscal Year 2010 State budget included a Proposition 1A diversion of \$1.935 billion in local property tax revenues from cities, counties, and special districts to the State to offset State general fund spending. Such diverted revenues were required to be repaid, with interest, by no later than June 30, 2013. The amount of the Proposition 1A diversion from the City was \$1,307,713. The City participated in the State of California Proposition 1A Receivables Program to securitize its receivable from the State, and, as a result, received the shifted funds in the amount of \$1,307,713, without interest, in two installments in 2010 from the California Statewide Communities Development Authority. See the caption "CITY FINANCIAL INFORMATION — Property Taxes."

## Proposition 26

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIII C of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (a) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (b) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (c) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (d) a charge imposed for entrance to or use of local government property, or the purchase, rental or lease of local government property; (e) a fine, penalty or other monetary charge imposed by the judicial branch of government or a local government as a result of a violation of law; (f) a charge imposed as a condition of property development; and (g) assessments and property-related fees imposed in accordance with the provisions of Article XIII D. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the evidence that a levy, charge, or other exaction is not a tax, that the amount is no more than necessary to cover the reasonable costs of the governmental activity, and that the manner in which those

costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The City does not believe that Proposition 26 will adversely affect its General Fund revenues.

### Future Initiatives

Articles XIII A and XIII B and Propositions 62, 218, 22, 1A and 26 were each adopted as measures that qualified for the ballot pursuant to the State's initiative process. From time to time other initiative measures could be adopted, further affecting the City's current revenues or its ability to raise and expend revenues.

## TAX MATTERS

Interest on the Series 2016 Bonds is not excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code"). Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority ("Bond Counsel"), is of the opinion that interest on the Series 2016 Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences relating to the ownership or disposition of, or the amount, accrual, or receipt of interest on, the Series 2016 Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal tax considerations generally applicable to holders of the Series 2016 Bonds that acquire their Series 2016 Bonds in the initial offering. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal tax consequences discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Series 2016 Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar. Furthermore, it does not address (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Code, or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Series 2016 Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors that acquire their Series 2016 Bonds pursuant to this offering for the issue price that is applicable to such Series 2016 Bonds (i.e., the price at which a substantial amount of the Series 2016 Bonds are sold to the public) and who will hold their Series 2016 Bonds as "capital assets" within the meaning of Section 1221 of the Code.

As used herein, "U.S. Holder" means a beneficial owner of a Series 2016 Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). As used herein, "Non-U.S. Holder" generally means a beneficial owner of a Series 2016 Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series 2016 Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Series 2016 Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax

consequences of an investment in the Series 2016 Bonds (including their status as U.S. Holders or Non-U.S. Holders).

Prospective investors should consult their own tax advisors in determining the U.S. federal, state, local or non-U.S. tax consequences to them from the purchase, ownership and disposition of the Series 2016 Bonds in light of their particular circumstances.

## U.S. Holders

**Interest.** Interest on the Series 2016 Bonds generally will be taxable to a U.S. Holder as ordinary interest income at the time such amounts are accrued or received, in accordance with the U.S. Holder's method of accounting for U.S. federal income tax purposes.

To the extent that the issue price of any maturity of the Series 2016 Bonds is less than the amount to be paid at maturity of such Series 2016 Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series 2016 Bonds), the difference may constitute original issue discount ("OID"). U.S. Holders of Series 2016 Bonds will be required to include OID in income for U.S. federal income tax purposes as it accrues, in accordance with a constant yield method based on a compounding of interest (which may be before the receipt of cash payments attributable to such income). Under this method, U.S. Holders generally will be required to include in income increasingly greater amounts of OID in successive accrual periods.

Series 2016 Bonds purchased for an amount in excess of the principal amount payable at maturity (or, in some cases, at their earlier call date) will be treated as issued at a premium. A U.S. Holder of a Series 2016 Bond issued at a premium may make an election, applicable to all debt securities purchased at a premium by such U.S. Holder, to amortize such premium, using a constant yield method over the term of such Series 2016 Bond.

**Sale or Other Taxable Disposition of the Series 2016 Bonds.** Unless a non-recognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or other disposition of a Series 2016 Bond will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a Series 2016 Bond will recognize gain or loss equal to the difference between (i) the amount of cash plus the fair market value of property received (except to the extent attributable to accrued but unpaid interest on the Series 2016 Bond, which will be taxed in the manner described above) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Series 2016 Bond (generally, the purchase price paid by the U.S. Holder for the Series 2016 Bond, decreased by any amortized premium, and increased by the amount of any OID previously included in income by such U.S. Holder with respect to such Series 2016 Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Series 2016 Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Series 2016 Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

**Defeasance of the Taxable Bonds.** If the Authority defeases any Series 2016 Bond, the Series 2016 Bond may be deemed to be retired and "reissued" for federal income tax purposes as a result of the defeasance. In that event, in general, a holder will recognize taxable gain or loss equal to the difference between (i) the amount realized from the deemed sale, exchange or retirement (less any accrued qualified stated interest which will be taxable as such) and (ii) the holder's adjusted tax basis in the Series 2016 Bond.

**Information Reporting and Backup Withholding.** Payments on the Series 2016 Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate U.S. Holder of the Series 2016 Bonds may be subject to backup withholding at the current rate of 28% with respect to "reportable

payments,” which include interest paid on the Series 2016 Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series 2016 Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number (“TIN”) to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a “notified payee underreporting” described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against the U.S. Holder’s federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. A holder’s failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### **Non-U.S. Holders**

**Interest.** Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” payments of principal of, and interest on, any Series 2016 Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation, as such term is defined in the Code, which is related to the Authority through stock ownership and (2) a bank which acquires such Series 2016 Bond in consideration of an extension of credit made pursuant to a loan agreement entered into in the ordinary course of business, will not be subject to any U.S. federal withholding tax provided that the beneficial owner of the Series 2016 Bond provides a certification completed in compliance with applicable statutory and regulatory requirements, which requirements are discussed below under the heading “Information Reporting and Backup Withholding,” or an exemption is otherwise established.

**Disposition of the Series 2016 Bonds.** Subject to the discussions below under the headings “Information Reporting and Backup Withholding” and “FATCA,” any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or a deemed retirement due to defeasance of the Series 2016 Bond) or other disposition of a Series 2016 Bond generally will not be subject to U.S. federal income tax, unless (i) such gain is effectively connected with the conduct by such Non-U.S. Holder of a trade or business within the United States; or (ii) in the case of any gain realized by an individual Non-U.S. Holder, such holder is present in the United States for 183 days or more in the taxable year of such sale, exchange, redemption, retirement (including pursuant to an offer by the Authority) or other disposition and certain other conditions are met.

**U.S. Federal Estate Tax.** A Series 2016 Bond that is held by an individual who at the time of death is not a citizen or resident of the United States will not be subject to U.S. federal estate tax as a result of such individual’s death, provided that, at the time of such individual’s death, payments of interest with respect to such Series 2016 Bond would not have been effectively connected with the conduct by such individual of a trade or business within the United States.

**Information Reporting and Backup Withholding.** Subject to the discussion below under the heading “FATCA,” under current U.S. Treasury Regulations, payments of principal and interest on any Series 2016 Bonds to a holder that is not a United States person will not be subject to any backup withholding tax requirements if the beneficial owner of the Series 2016 Bond or a financial institution holding the Series 2016 Bond on behalf of the beneficial owner in the ordinary course of its trade or business provides an appropriate certification to the payor and the payor does not have actual knowledge that the certification is false. If a beneficial owner provides the certification, the certification must give the name and address of such owner, state that such owner is not a United States person, or, in the case of an individual, that such owner is neither a citizen nor a resident of the United States, and the owner must sign the certificate under penalties of perjury. The current backup withholding tax rate is 28%.

## Foreign Account Tax Compliance Act (“FATCA”) — U.S. Holders and Non-U.S. Holders

Sections 1471 through 1474 of the Code, impose a 30% withholding tax on certain types of payments made to foreign financial institutions, unless the foreign financial institution enters into an agreement with the U.S. Treasury to, among other things, undertake to identify accounts held by certain U.S. persons or U.S.-owned entities, annually report certain information about such accounts, and withhold 30% on payments to account holders whose actions prevent it from complying with these and other reporting requirements, or unless the foreign financial institution is otherwise exempt from those requirements. In addition, FATCA imposes a 30% withholding tax on the same types of payments to a non-financial foreign entity unless the entity certifies that it does not have any substantial U.S. owners or the entity furnishes identifying information regarding each substantial U.S. owner. Failure to comply with the additional certification, information reporting and other specified requirements imposed under FATCA could result in the 30% withholding tax being imposed on payments of interest and principal under the Series 2016 Bonds and sales proceeds of Series 2016 Bonds held by or through a foreign entity. In general, withholding under FATCA currently applies to payments of U.S. source interest (including OID) and, under current Treasury Regulations, will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2016 and (ii) certain “pass-thru” payments no earlier than January 1, 2017. However, the U.S. Treasury Department recently stated its intention to revise the current U.S. Treasury Regulations regarding FATCA to provide that withholding under FATCA generally will apply to (i) gross proceeds from the sale, exchange or retirement of debt obligations paid after December 31, 2018 and (ii) certain “pass-thru” payments no earlier than January 1, 2019. Prospective investors should consult their own tax advisors regarding FATCA and its effect on them.

The foregoing summary is included herein for general information only and does not discuss all aspects of U.S. federal taxation that may be relevant to a particular holder of Series 2016 Bonds in light of the holder’s particular circumstances and income tax situation. Prospective investors are urged to consult their own tax advisors as to any tax consequences to them from the purchase, ownership and disposition of Series 2016 Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

The form of Bond Counsel’s proposed opinion with respect to the Series 2016 Bonds is attached hereto in Appendix C.

### FINANCIAL ADVISOR

The City has retained Fieldman Rolapp & Associates, Inc., Irvine, California (the “Financial Advisor”) as financial advisor in connection with the sale of the Series 2016 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.

The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### CERTAIN LEGAL MATTERS

The validity of the Series 2016 Bonds and certain other legal matters are subject to the approving opinion of Orrick, Herrington & Sutcliffe LLP, Los Angeles, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in Appendix C. Bond Counsel and Disclosure Counsel will receive compensation from the City contingent upon the sale and delivery of the Series 2016 Bonds. Certain legal matters will be passed upon for the City and the Authority by Martin Koczanowicz, City Attorney and counsel to the Authority, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel, for the Underwriter by Norton Rose Fulbright US LLP and for the Trustee by its counsel.

## ABSENCE OF LITIGATION

To the best knowledge of the City and the Authority, there is no action, suit or proceeding pending or threatened either restraining or enjoining the execution or delivery of the Series 2016 Bonds, the Facilities Lease, the Facilities Sublease or the Trust Agreement, or in any way contesting or affecting the validity of the foregoing or any proceedings of the Authority or the City taken with respect to any of the foregoing. There are a number of lawsuits and claims from time to time pending against the City. In the opinion of the City Attorney, and taking into account likely insurance coverage and litigation reserves, there are no lawsuits or claims pending against the City that will materially affect the City's finances so as to impair its ability to pay Base Rental Payments when due.

## UNDERWRITING

The Series 2016 Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"). The Underwriter will purchase the Series 2016 Bonds from the Authority at an aggregate purchase price of \$\_\_\_\_\_, representing the principal amount of the Series 2016 Bonds, less \$\_\_\_\_\_ of original issue discount and less \$\_\_\_\_\_ of Underwriter's discount.

The initial public offering prices stated on the inside front cover of this Official Statement may be changed from time to time by the Underwriter. The Underwriter may offer and sell the Series 2016 Bonds to certain dealers (including dealers depositing Series 2016 Bonds into investment trusts), dealer banks, banks acting as agents and others at prices lower than said public offering prices.

## RATINGS

S&P is expected to assign the Series 2016 Bonds the rating of "\_\_\_" based upon the delivery of the Policy by [INSURER] at the time of issuance of the Series 2016 Bonds. S&P is also expected to assign the Series 2016 Bonds the rating of "\_\_\_" notwithstanding the delivery of the Policy. There is no assurance that any credit rating given to the Series 2016 Bonds will be maintained for any period of time or that the ratings may not be lowered or withdrawn entirely by S&P if, in the judgment of S&P, circumstances so warrant. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Series 2016 Bonds. The ratings reflect only the views of S&P, and an explanation of the significance of such ratings may be obtained from S&P. Generally, a rating agency bases its ratings on the information and materials furnished to it and on investigations, studies and assumptions of its own.

None of the Authority, the City or the Underwriter makes any representation as to [INSURER]'s creditworthiness and no representation that [INSURER]'s credit rating will be maintained in the future. S&P has previously taken action to downgrade the ratings of certain municipal bond insurers and has published various releases outlining the processes that S&P intends to follow in evaluating the ratings of financial guarantors. For some financial guarantors, the result of such evaluations could be a rating affirmation, a change in rating outlook, a review for downgrade or a downgrade. Potential investors are directed to S&P for additional information on S&P's evaluations of the financial guaranty industry and individual financial guarantors, including [INSURER]. See the caption "BOND INSURANCE" for further information relating to [INSURER].

## CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate of the City, dated as of the date of issuance of the Series 2016 Bonds (the "Disclosure Certificate"), the City has covenanted for the benefit of the holders and Beneficial Owners of the Series 2016 Bonds to provide certain financial information and operating data relating to the District by 270 days following the end of the City Fiscal Year (currently its Fiscal Year ends on June 30) (the "Annual Report"), commencing with the report for the Fiscal Year ended June 30, 2016, and to provide notices of the occurrence of certain enumerated events. The Annual Report and the notices of



enumerated events will be filed by the City with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, maintained on the Internet at <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report and the notices of enumerated events are set forth in Appendix D. These covenants have been made in order to assist the Underwriter in complying with subsection (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission ("Rule 15c2-12").

The requirement that the City file its audited financial statements as a part of the Annual Report has been included in the Disclosure Certificate solely to satisfy the provisions of Rule 15c2-12. The inclusion of such information does not mean that the Series 2016 Bonds are secured by any resources or property of the City or any entity other than Base Rental Payments. See the captions "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2016 BONDS" and "RISK FACTORS — General Considerations – Security for the Series 2016 Bonds."

The City and its related entities 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 City and its related entities, including the Authority and the Former Agency, with their respective continuing disclosure undertakings, the City has retained Willdan Financial Services ("Willdan") to serve as dissemination agent and assist such entities in complying with their continuing disclosure obligations. Willdan will also perform these duties for the land-secured financings involving the City's community facilities districts. 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.

### **FINANCIAL STATEMENTS OF THE CITY**

Included as Appendix B are the audited financial statements of the City as of and for the Fiscal Year ended June 30, 2015, together with the report of the Auditor thereon dated December 7, 2015. Such audited financial statements have been included herein in reliance upon the report of the Auditor. The Auditor has not undertaken to update the audited financial statements of the City or its report, or to take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to its report dated December 7, 2015.

### **MISCELLANEOUS**

Summaries of certain documents and reports do not purport to be complete or definitive and reference is made to such documents and reports for full and complete statements of the contents thereof. Copies of the Trust Agreement, the Facilities Lease, the Facilities Sublease and other documents are available, upon request, and upon payment to the City of a charge for copying, mailing and handling, from the Chief Financial Officer of the City at 14177 Frederick Street, P.O. Box 88005, Moreno Valley, California 92552.

Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact. This Official Statement is not to be construed as a contract or agreement between the Authority or the City and the purchasers or Owners of any of the Series 2016 Bonds.

The execution and delivery of this Official Statement have been duly authorized by the Authority and the City.

**MORENO VALLEY PUBLIC FINANCING  
AUTHORITY**

By: \_\_\_\_\_  
Executive Director

**CITY OF MORENO VALLEY**

By: \_\_\_\_\_  
City Manager

**APPENDIX A**  
**SUMMARY OF CERTAIN PROVISIONS OF THE PRINCIPAL LEGAL DOCUMENTS**  
**[TO COME FROM BOND COUNSEL]**

**APPENDIX B**

**AUDITED FINANCIAL STATEMENTS OF THE CITY FOR THE YEAR ENDED JUNE 30, 2015**

**APPENDIX C****PROPOSED FORM OF BOND COUNSEL OPINION**

*Upon issuance of the Series 2016 Bonds, Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, proposes to render its final approving opinion with respect to the Series 2016 Bonds in substantially the following form:*

[Date of Delivery]

Moreno Valley Public Financing Authority  
Moreno Valley, California

Moreno Valley Public Financing Authority  
Lease Revenue Refunding Bonds, Series 2016 (Taxable)  
(Final Opinion)

**[TO COME FROM BOND COUNSEL]**

## APPENDIX D

### PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE

*Upon issuance of the Series 2016 Bonds, the City proposes to enter into a Continuing Disclosure Certificate in substantially the following form:*

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Moreno Valley (the “City”) in connection with the issuance by the Moreno Valley Public Financing Authority (the “Authority”) of its \$\_\_\_\_ Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Bonds”). The Bonds are being issued pursuant to a Master Trust Agreement, dated as of December 1, 2015 (the “2015 Master Trust Agreement”), by and among the City, the Authority and the Wells Fargo Bank, National Association, as trustee (the “Trustee”), as amended by that certain First Supplement to Master Trust Agreement, dated as of November 1, 2016, by and among the City, the Authority and the Trustee (the “First Supplement to the 2015 Master Trust Agreement,” and, together with the 2015 Master Trust Agreement, the “Trust Agreement”). The City covenants and agrees as follows:

1. Purpose of this Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the Bond Insurer, the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule.

2. Definitions. In addition to the definitions set forth in the Trust Agreement, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

Annual Report. The term “Annual Report” means any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

Beneficial Owner. The term “Beneficial Owner” means 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 tax purposes.

EMMA. The term “EMMA” means the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access System for municipal securities disclosures, maintained on the Internet at <http://emma.msrb.org/>.

Fiscal Year. The term “Fiscal Year” means the one-year period ending on the last day of June of each year.

Holder. The term “Holder” means a registered owner of the Bonds.

Listed Events. The term “Listed Events” means any of the events listed in Sections 5(a) and (b) of this Disclosure Certificate.

Official Statement. The term “Official Statement” means the Official Statement dated November \_\_, 2016 relating to the Bonds.

Participating Underwriter. The term “Participating Underwriter” means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Rule. The term “Rule” means Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

3. Provision of Annual Reports.

(a) The City shall provide not later than 270 days following the end of its Fiscal Year (commencing with Fiscal Year 2016) to EMMA an Annual Report relating to the immediately preceding Fiscal Year which is consistent with the requirements of Section 4 of this Disclosure Certificate, which Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate.

(b) If the City is unable to provide to EMMA an Annual Report by the date required in subsection (a), the City shall send to EMMA a notice in the manner prescribed by the Municipal Securities Rulemaking Board.

4. Content of Annual Reports. The Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements of the City and the Authority for the prior Fiscal Year, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the City’s audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the final Official Statement, and the audited financial statements shall be filed in the same manner as the Annual Report when they come available.

(b) To the extent not included in the audited financial statements provided pursuant to the foregoing Section 4(a), the Annual Report shall contain the following information:

(i) revenues, expenditures, and beginning and ending fund balances relating to the General Fund of the City for the most recent completed Fiscal Year;

(ii) property tax levies and collections for the most recently completed Fiscal Year; and

(iii) outstanding debt of the City for the most recently completed Fiscal Year, including revenue and lease indebtedness.

The items described above may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been submitted to EMMA; provided, that if any document included by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board; and provided further, that the City shall clearly identify each such document so included by reference.

5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given, 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, the issuance by the Internal Revenue Service of proposed or final determinations of taxability or Notices 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 U.S. 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 City 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 Section 5(a)(5), other notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other events affecting the tax status of the Bonds;
2. modifications to the rights of Bond holders;
3. optional, unscheduled or contingent Bond redemptions;
4. release, substitution or sale of property securing repayment of the Bonds;
5. non-payment related defaults;
6. the consummation of a merger, consolidation, or acquisition involving the City or the sale of all or substantially all of the assets of the City, 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; and
7. appointment of a successor or additional trustee or the change of the name of a trustee.

(c) If the City determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the City shall file a notice of such occurrence with EMMA in a timely manner not more than ten (10) Business Days after the event.



6. Customarily Prepared and Public Information. Upon request, the City shall provide to any person financial information and operating data regarding the City which is customarily prepared by the City and is publicly available.

7. Termination of Obligation. The City's obligations under this Disclosure Certificate 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 City shall give notice of such termination in the same manner as for a Listed Event under Section 5(c).

8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that, in the opinion of nationally recognized bond counsel, such amendment or waiver is permitted by the Rule.

9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall not thereby have any obligation under this Disclosure Certificate to update such information or include it in any future notice of occurrence of a Listed Event.

10. Default. In the event of a failure of the City to comply with any provision of this Disclosure Certificate, the Bond Insurer or any Holders or Beneficial Owners of at least 50% aggregate principal amount of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Trust Agreement, and the sole remedy under this Disclosure Certificate in the event of any failure of the City to comply with this Disclosure Certificate shall be an action to compel performance.

No Holder or Beneficial Owner of the Bonds may institute such action, suit or proceeding to compel performance unless they shall have first delivered to the City satisfactory written evidence of their status as such, and a written notice of and request to cure such failure, and the City shall have refused to comply therewith within a reasonable time.

11. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Bond Insurer, the Participating Underwriter and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: November \_\_, 2016

CITY OF MORENO VALLEY

By: \_\_\_\_\_  
Its: City Manager

Attachment: Preliminary Official Statement for Moreno Valley (2016 Refunding) (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE

## APPENDIX E

### BOOK-ENTRY ONLY SYSTEM

*The information in this Appendix concerning DTC and DTC's book-entry only system has been obtained from sources that the Authority, the City and the Underwriter believe to be reliable, but none of the Authority, the City or the Underwriter takes any responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Series 2016 Bonds, payment of principal, premium, if any, accreted value and interest on the Series 2016 Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Series 2016 Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC.*

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Series 2016 Bonds. The Series 2016 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 Series 2016 Bonds, each in the aggregate principal amount of such annual maturity, and will be deposited with 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 3.5 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](http://www.dtcc.com).

Purchases of Series 2016 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2016 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2016 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 Series 2016 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 certificates representing their ownership interests in the Series 2016 Bonds, except in the event that use of the book-entry system for the Series 2016 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2016 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 Series 2016 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 Series 2016 Bonds; DTC's records reflect only the identity of the Direct

Participants to whose accounts such Series 2016 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 Series 2016 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2016 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2016 Bond documents. For example, Beneficial Owners of Series 2016 Bonds may wish to ascertain that the nominee holding the Series 2016 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 Series 2016 Bonds within a maturity are being redeemed, 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 Series 2016 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 Authority 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 Series 2016 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Series 2016 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 Authority 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 Authority, 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 Authority 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 Series 2016 Bond Owner shall give notice to elect to have its Series 2016 Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Series 2016 Bonds by causing the Direct Participant to transfer the Participant's interest in the Series 2016 Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Series 2016 Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Series 2016 Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Series 2016 Bonds to the Trustee's DTC account. DTC may discontinue providing its services as depository with respect to the Series 2016 Bonds at any time by giving reasonable notice to the Authority 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 Authority 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 SERIES 2016 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 SERIES 2016 BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX F

GENERAL INFORMATION REGARDING THE CITY OF MORENO VALLEY AND THE REGION

The following information is presented as general background data. The Series 2016 Bonds are payable solely from the Base Rental Payments under the Facilities Sublease as described in the Official Statement. The taxing power of the City, the State or any political subdivision thereof is not pledged to the payment of the Base Rental Payments or the Series 2016 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 205,383 as of January 1, 2016. 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

Table with 6 columns: Location, 2012, 2013, 2014, 2015, 2016. Rows include Moreno Valley, Riverside County, and California.

Source: State of California, Department of Finance, E-4 Population Estimates for Cities, Counties, and the State, 2011-2016, with 2010 Census Benchmark. Sacramento, California, May 2016.

Attachment: Preliminary Official Statement for Moreno Valley (2016 Refunding) (2292 : 2016 REFUNDING OF THE 2007 LEASE REVENUE

## 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<sup>(1)</sup></i>	<i>Unemployment<sup>(2)</sup></i>	<i>Unemployment Rate (%)<sup>(3)</sup></i>
<b>2010</b>				
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 <sup>(4)</sup>	153,889,000	139,064,000	14,825,000	9.6
<b>2011</b>				
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 <sup>(4)</sup>	153,617,000	139,869,000	13,747,000	8.9
<b>2012</b>				
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 <sup>(4)</sup>	154,975,000	142,469,000	12,506,000	8.1
<b>2013</b>				
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 <sup>(4)</sup>	155,389,000	143,929,000	11,460,000	7.4
<b>2014</b>				
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 <sup>(4)</sup>	155,922,000	146,305,000	9,617,000	6.2
<b>2015</b>				
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 <sup>(4)</sup>	157,130,000	148,834,000	8,296,000	5.3

<sup>(1)</sup> Includes persons involved in labor-management trade disputes.

<sup>(2)</sup> Includes all persons without jobs who are actively seeking work.

<sup>(3)</sup> The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

<sup>(4)</sup> 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	227,500	224,600	225,200	228,800	233,400
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 D.

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 <sup>(1)</sup>	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

<sup>(1)</sup> 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  
(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	1,307,780	1,688	1,475,946	2,181

Source: California State Board of Equalization.

**RETAIL SALES**  
**City of Moreno Valley**  
**2010 through 2014**  
**(Dollars in Thousands)**

<i>Type of Business</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
Apparel Stores	\$ 72,118	\$ 74,107	\$ 87,871	\$ 98,978	\$ 104,758
General Merchandise Stores	239,866	250,607	255,502	258,862	267,507
Food Stores	81,341	82,516	84,447	84,981	90,389
Eating/Drinking Places	150,713	161,054	174,706	186,885	203,353
Home Furnishing	22,901	23,044	16,927	12,361	11,764
Building Materials	78,985	79,177	85,822	91,247	99,220
Auto Dealers	126,172	150,504	205,299	230,751	252,500
Service Stations	163,294	197,564	199,696	197,899	199,145
Other Retail Stores	<u>59,075</u>	<u>74,118</u>	<u>75,607</u>	<u>78,280</u>	<u>79,144</u>
Retail Stores Totals	\$ 994,464	\$ 1,092,691	\$ 1,185,877	\$ 1,240,243	\$ 1,307,780
All Other Outlets	<u>73,082</u>	<u>79,532</u>	<u>90,045</u>	<u>108,886</u>	<u>161,167</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>\$ 1,475,946</u>

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<sup>(1)</sup>

<i>Year</i>	<i>City of Moreno Valley</i>	<i>County of 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	-- <sup>(1)</sup>	2,061,337,141	15,324,108,725

Note: Dollars in Thousands.

<sup>(1)</sup> 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<sup>(1)</sup> City of Moreno Valley, County of Riverside, State of California, and United States 2009-2015<sup>(2)</sup>

<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	-- <sup>(2)</sup>	52,651	47,669

<sup>(1)</sup> 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).

<sup>(2)</sup> 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 is a significant source of income in the County. In 2015, principal agricultural products were milk, nursery stock, table grapes, hay, lemons, bell peppers, eggs, grapefruit, dates and avocados.

Four areas in the County account for the major portion of 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 County, and all of Southern California, is experiencing a severe drought. The County cannot predict the impact that a prolonged drought would have on agricultural production in the County.

The following table sets forth the value of agricultural production in the County for the years 2011 through 2015.

**COUNTY OF RIVERSIDE  
VALUE OF AGRICULTURAL PRODUCTION**

	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>	<i>2015</i>
Citrus Fruits	\$ 119,942,513	\$ 125,711,000	\$ 142,404,000	\$ 170,891,000	\$ 199,772,000
Trees and Vines	232,649,262	217,214,000	232,536,000	223,593,000	234,928,000
Vegetables, Melons, Misc.	278,628,295	286,234,000	340,407,000	337,404,000	327,199,000
Field and Seed Crops	149,198,052	147,352,000	154,582,000	156,575,000	122,794,000
Nursery	200,154,964	190,878,100	191,215,000	172,910,000	158,648,000
Apiculture	4,844,400	4,983,400	4,715,000	4,819,000	4,897,000
Aquaculture	4,808,250	4,205,000	2,262,000	5,078,000	5,397,000
Livestock and Poultry	<u>292,030,380</u>	<u>276,553,000</u>	<u>259,683,000</u>	<u>290,746,000</u>	<u>260,015,000</u>
Grand Total	<u>\$ 1,282,256,116</u>	<u>\$ 1,253,130,000</u>	<u>\$ 1,327,804,000</u>	<u>\$ 1,362,016,000</u>	<u>\$ 1,313,650,000</u>

Source: Riverside County Agricultural Commissioner.

### 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 Moreno Valley Electric Utility ("MVU") that is providing service for the remainder of the south and east ends 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 with an approximate enrollment of 35,068 students and Val Verde Unified School District with an approximate enrollment of 20,500 students. Moreno Valley Unified School District has 23 elementary schools, six middle schools, four 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, four middle schools, three high schools and one continuation high school.

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 G**  
**SPECIMEN MUNICIPAL BOND INSURANCE POLICY**

TO BE RECORDED AND WHEN RECORDED  
RETURN TO:  
Orrick, Herrington & Sutcliffe LLP  
777 South Figueroa Street, 32<sup>nd</sup> Floor  
Los Angeles, California 90017  
Attention: William W. Bothwell

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.



**FIRST AMENDMENT TO  
MASTER FACILITIES LEASE**

**by and between**

**CITY OF MORENO VALLEY**

**and**

**MORENO VALLEY PUBLIC FINANCING AUTHORITY**

**Dated as of [DATED DATE]**



Attachment: First Amendment to Master Facilities (Site) Lease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE



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Attachment: First Amendment to Master Facilities (Site) Lease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

**FIRST AMENDMENT TO  
MASTER FACILITIES LEASE**

**THIS FIRST AMENDMENT TO MASTER FACILITIES LEASE** (this “First Amendment to Master Facilities Lease”) executed and entered into as of [DATED DATE], is by and between the CITY OF MORENO VALLEY (the “City”), a city organized and validly existing under the Constitution and general laws of the State of California, as lessor, and the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley), as lessee.

**RECITALS**

**WHEREAS**, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”), which was recorded in the official records of the County of Riverside (the “Official Records”) on December 9, 2015, as instrument number 2015-0533682;

**WHEREAS**, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”), which was recorded in the Official Records on December 9, 2015, as instrument number 2015-0533683;

**WHEREAS**, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015, (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

**WHEREAS**, the Authority intends to issue its Lease Revenue Refunding Bonds, Series 2016 (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement, to supplement and amend the 2015 Master Trust Agreement, as so supplemented and amended the “2016 Master Trust Agreement,” or simply the “Trust Agreement,” and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2016 Bonds will be applied by the City to refund the remaining Outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “2007 Refunded Bonds”), referred to herein as the “2016 Refunding Project”;

**WHEREAS**, in order to accomplish such 2016 Refunding Project, the Authority and the City are entering into this First Amendment to Master Facilities Lease in order to amend the

2015 Master Facilities Lease, as so amended, the “2016 Master Facilities Lease,” or simply the “Lease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

**WHEREAS**, in order to accomplish such 2016 Refunding Project, the Authority and the City are also entering into a First Amendment to Master Facilities Sublease in order to amend the 2015 Master Facilities Sublease, as so amended, the “2016 Master Facilities Sublease,” or simply the “Sublease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Sublease, (ii) to increase the amount of base rental payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Amendment to Master Facilities Lease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment to Master Facilities Lease;

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

## PART 1

### PARTICULAR AMENDMENTS

**Part 1.1. Amendments to Section 2.** Section 3 of the 2015 Master Facilities Lease is amended to read as follows:

The Authority shall pay to the City as and for rental hereunder, including but not limited to the payment of rent for the Facilities, the sum of \$1.00, which, together with the execution and delivery of the Sublease, shall constitute full consideration for this Lease over its term, and which amount the City finds and determines is full and fair rental for the Facilities.

**Part 1.2. Amendment to Exhibit A.** Exhibit A to the 2015 Master Facilities Lease is hereby amended to read in full as set forth in Exhibit A hereto.

## PART 2

### MISCELLANEOUS

**Part 2.1. Effect of First Amendment to Master Facilities Lease.** This First Amendment to Master Facilities Lease and all of the terms and provisions herein contained shall form part of the 2015 Master Facilities Lease as fully and with the same effect as if all such

terms and provisions had been set forth in the 2015 Master Facilities Lease. The 2015 Master Facilities Lease is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this First Amendment to Master Facilities Sublease and the terms of the 2015 Master Facilities Lease (as in effect on the day prior to the effective date of this First Amendment to Master Facilities Lease), the terms of this First Amendment to Master Facilities Lease shall prevail.

**Part 2.2. Execution in Counterparts.** This First Amendment to Master Facilities Lease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Part 2.3. Effective Date.** This First Amendment to Master Facilities Lease shall become effective upon the Series 2016 Closing Date (as defined in the 2016 Master Trust Agreement).

**IN WITNESS WHEREOF**, the parties hereto have caused this First Amendment to Master Facilities Lease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

CITY OF MORENO VALLEY,  
Lessor

By \_\_\_\_\_  
Michelle Dawson, City Manager

MORENO VALLEY PUBLIC FINANCING  
AUTHORITY,  
Lessee

By \_\_\_\_\_  
Michelle Dawson, Executive Director

Attachment: First Amendment to Master Facilities (Site) Lease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

**EXHIBIT A**  
**DESCRIPTION OF THE FACILITIES**

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

PARCEL 1 OF PARCEL MAP 17864, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 129, PAGES 79 THROUGH 82, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THE ABOVE DESCRIBED PARCEL, THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ON THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE EASTERLY LINE OF PARCEL 10 OF SAID PARCEL MAP NO. 17864; THENCE ON SAID EASTERLY LINE OF SAID PARCEL NO. 10 NORTH 10° 06' 25" WEST, 60.02 FEET; THENCE NORTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE EASTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE WESTERLY SIDELINE OF FREDERICK STREET; THENCE SOUTHERLY ON SAID EASTERLY LINE SOUTH 00° 06' 28" EAST, 60.02 FEET TO THE POINT OF BEGINNING.

APN: 297-140-046-3 and 297-140-047-4

**[KITCHING SUBSTATION LEGAL DESCRIPTION]**

**[MORENO BEACH SUBSTATION LEGAL DESCRIPTION]**

Attachment: First Amendment to Master Facilities (Site) Lease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

TO BE RECORDED AND WHEN RECORDED  
RETURN TO:  
Orrick, Herrington & Sutcliffe LLP  
777 South Figueroa Street, 32<sup>nd</sup> Floor  
Los Angeles, California 90017  
Attention: William W. Bothwell

THIS TRANSACTION IS EXEMPT FROM CALIFORNIA DOCUMENTARY TRANSFER TAX PURSUANT TO SECTION 11929 OF THE CALIFORNIA REVENUE AND TAXATION CODE. THIS DOCUMENT IS EXEMPT FROM RECORDING FEES PURSUANT TO SECTION 27383 OF THE CALIFORNIA GOVERNMENT CODE.



**FIRST AMENDMENT TO  
MASTER FACILITIES SUBLEASE**

**by and between**

**MORENO VALLEY PUBLIC FINANCING AUTHORITY**

**and**

**CITY OF MORENO VALLEY**

**Dated as of [DATED DATE]**



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Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE



**FIRST AMENDMENT TO  
MASTER FACILITIES SUBLEASE**

**THIS FIRST AMENDMENT TO MASTER FACILITIES SUBLEASE** (this “First Amendment to Master Facilities Sublease”) executed and entered into as of [DATED DATE], is by and between the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley), as lessor, and the CITY OF MORENO VALLEY (the “City”), a city organized and validly existing under the Constitution and general laws of the State of California, as lessee.

**RECITALS**

**WHEREAS**, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”), which was recorded in the official records of the County of Riverside (the “Official Records”) on December 9, 2015, as instrument number 2015-0533682;

**WHEREAS**, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”), which was recorded in the Official Records on December 9, 2015, as instrument number 2015-0533683;

**WHEREAS**, the Authority issued its Lease Revenue Refunding Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2013, (the “2015 Master Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2015 Bonds were applied by the City to finance certain Facilities, as defined in the 2015 Master Facilities Sublease;

**WHEREAS**, the Authority intends to issue its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to a First Supplement to Master Trust Agreement to supplement and amend the 2015 Master Trust Agreement, as so supplemented and amended the “2016 Master Trust Agreement,” or simply the “Trust Agreement,” and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2016 Bonds will be applied by the City to refund the remaining Outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “2007 Refunded Bonds”), referred to herein as the “2016 Refunding Project”;

**WHEREAS**, in order to accomplish such 2016 Refunding Project, the Authority and the City are entering into a First Amendment to Master Facilities Lease in order to amend the 2015 Master Facilities Lease, as so amended, the “2016 Master Facilities Lease,” or simply the “Lease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Sublease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

**WHEREAS**, in order to accomplish such 2016 Refunding Project, the Authority and the City are entering into this First Amendment to Master Facilities Sublease in order to amend the 2015 Master Facilities Sublease, as so amended, the “2016 Master Facilities Sublease,” or simply the “Sublease,” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Sublease, (ii) to increase the amount of Base Rental Payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

**WHEREAS**, the Authority and the City have determined that the sum of Base Rental Payments, including Base Rental Payments payable as provided herein, in any year is not in excess of the annual fair rental value of the Facilities; and

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Amendment to Master Facilities Sublease do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Amendment to Master Facilities Sublease;

**NOW, THEREFORE**, in consideration of the mutual covenants hereinafter contained, the parties hereto agree as follows:

## PART 1

### PARTICULAR AMENDMENTS

**Part 1.1. Amendments to Section 1.01.** Section 1.01 of the 2015 Master Facilities Sublease is hereby amended by adding thereto the following definitions:

#### Original 2015 Base Rental Payments

The term “Original 2015 Base Rental Payments” means the portion of the Base Rental Payments set forth under the caption “Original 2015 Base Rental Payment Schedule” on Exhibit B hereto.

## Series 2016 Base Rental Payments

The term “Series 2016 Base Rental Payments” means the portion of the Base Rental Payments set forth under the caption “Series 2016 Base Rental Payment Schedule” on Exhibit B hereto.

**Part 1.2. Amendments to Section 4.01.** Section 4.01 of the 2015 Master Facilities Sublease is amended to read as follows:

The parties hereto agree that the proceeds of the Series 2016 Bonds will be used to refund the 2007 Refunded Bonds. Proceeds of any Additional Bonds will be applied in accordance with a supplement to this Sublease.

**Part 1.3. Amendment to Exhibit A.** Exhibit A to the 2015 Master Facilities Sublease is hereby amended to read in full as set forth in Exhibit A hereto.

**Part 1.4. Amendment to Exhibit B.** Exhibit B to the 2015 Master Facilities Sublease is hereby amended to read in full as set forth in Exhibit B hereto.

## PART 2

### MISCELLANEOUS

**Part 2.1. Effect of First Amendment to Master Facilities Sublease.** This First Amendment to Master Facilities Sublease and all of the terms and provisions herein contained shall form part of the 2015 Master Facilities Sublease as fully and with the same effect as if all such terms and provisions had been set forth in the 2015 Master Facilities Sublease. The 2015 Master Facilities Sublease is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this First Amendment to Master Facilities Sublease and the terms of the 2015 Master Facilities Sublease (as in effect on the day prior to the effective date of this First Amendment to Master Facilities Sublease), the terms of this First Amendment to Master Facilities Sublease shall prevail.

**Part 2.2. Execution in Counterparts.** This First Amendment to Master Facilities Sublease may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Part 2.3. Effective Date.** This First Amendment to Master Facilities Sublease shall become effective upon the Series 2016 Closing Date (as defined in the 2016 Master Trust Agreement).

**IN WITNESS WHEREOF**, the parties hereto have caused this First Amendment to Master Facilities Sublease to be executed by their respective officers thereunto duly authorized, all as of the day and year first above written.

MORENO VALLEY PUBLIC FINANCING  
AUTHORITY,  
Lessor

By \_\_\_\_\_  
Michelle Dawson, Executive Director

CITY OF MORENO VALLEY,  
Lessee

By \_\_\_\_\_  
Michelle Dawson, City Manager

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

**EXHIBIT A**  
**DESCRIPTION OF THE FACILITIES**

Real property in the City of Moreno Valley, County of Riverside, State of California, described as follows:

PARCEL 1 OF PARCEL MAP 17864, IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 129, PAGES 79 THROUGH 82, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPT FROM THE ABOVE DESCRIBED PARCEL, THAT PORTION DESCRIBED AS FOLLOWS:

BEGINNING AT THE SOUTHEAST CORNER OF SAID PARCEL 1; THENCE ON THE SOUTHERLY LINE OF SAID PARCEL 1, SOUTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE WESTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE EASTERLY LINE OF PARCEL 10 OF SAID PARCEL MAP NO. 17864; THENCE ON SAID EASTERLY LINE OF SAID PARCEL NO. 10 NORTH 10° 06' 25" WEST, 60.02 FEET; THENCE NORTH 88° 40' 53" EAST, 1,036.43 FEET TO A POINT ON THE EASTERLY LINE OF SAID PARCEL 1, SAID POINT ALSO BEING ON THE WESTERLY SIDELINE OF FREDERICK STREET; THENCE SOUTHERLY ON SAID EASTERLY LINE SOUTH 00° 06' 28" EAST, 60.02 FEET TO THE POINT OF BEGINNING.

APN: 297-140-046-3 and 297-140-047-4

**[KITCHING SUBSTATION LEGAL DESCRIPTION]**

**[MORENO BEACH SUBSTATION LEGAL DESCRIPTION]**

**EXHIBIT B**  
**BASE RENTAL PAYMENT SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
May 1, 2017			
November 1, 2017			
May 1, 2018			
November 1, 2018			
May 1, 2019			
November 1, 2019			
May 1, 2020			
November 1, 2020			
May 1, 2021			
November 1, 2021			
May 1, 2022			
November 1, 2022			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			
May 1, 2031			
November 1, 2031			
May 1, 2032			
November 1, 2032			
May 1, 2033			
November 1, 2033			
May 1, 2034			
November 1, 2034			
May 1, 2035			
November 1, 2035			

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

Date	Principal	Interest	Total
May 1, 2036			
November 1, 2036			
May 1, 2037			
November 1, 2037			
May 1, 2038			
November 1, 2038			
May 1, 2039			
November 1, 2039			
May 1, 2040			
November 1, 2040			
May 1, 2041			
November 1, 2041			
May 1, 2042			
November 1, 2042			
May 1, 2043			
November 1, 2043			
May 1, 2044			
November 1, 2044			
May 1, 2045			
November 1, 2045			

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

## ORIGINAL BASE RENTAL PAYMENT SCHEDULE

Date	Principal	Interest	Total
May 1, 2017	--	229,596.88	229,596.88
November 1, 2017	200,000.00	229,596.88	429,596.88
May 1, 2018	--	227,846.88	227,846.88
November 1, 2018	205,000.00	227,846.88	432,846.88
May 1, 2019	--	225,540.63	225,540.63
November 1, 2019	210,000.00	225,540.63	435,540.63
May 1, 2020	--	222,784.38	222,784.38
November 1, 2020	215,000.00	222,784.38	437,784.38
May 1, 2021	--	219,559.38	219,559.38
November 1, 2021	220,000.00	219,559.38	439,559.38
May 1, 2022	--	216,121.88	216,121.88
November 1, 2022	225,000.00	216,121.88	441,121.88
May 1, 2023	--	212,325.00	212,325.00
November 1, 2023	235,000.00	212,325.00	447,325.00
May 1, 2024	--	208,065.63	208,065.63
November 1, 2024	240,000.00	208,065.63	448,065.63
May 1, 2025	--	203,565.63	203,565.63
November 1, 2025	250,000.00	203,565.63	453,565.63
May 1, 2026	--	198,565.63	198,565.63
November 1, 2026	260,000.00	198,565.63	458,565.63
May 1, 2027	--	193,365.63	193,365.63
November 1, 2027	270,000.00	193,365.63	463,365.63
May 1, 2028	--	187,796.88	187,796.88
November 1, 2028	285,000.00	187,796.88	472,796.88
May 1, 2029	--	181,740.63	181,740.63
November 1, 2029	295,000.00	181,740.63	476,740.63
May 1, 2030	--	175,471.88	175,471.88
November 1, 2030	305,000.00	175,471.88	480,471.88
May 1, 2031	--	168,800.00	168,800.00
November 1, 2031	320,000.00	168,800.00	488,800.00
May 1, 2032	--	161,200.00	161,200.00
November 1, 2032	335,000.00	161,200.00	496,200.00
May 1, 2033	--	153,243.75	153,243.75
November 1, 2033	350,000.00	153,243.75	503,243.75
May 1, 2034	--	144,931.25	144,931.25
November 1, 2034	\$370,000.00	\$144,931.25	\$514,931.25
May 1, 2035	--	136,143.75	136,143.75
November 1, 2035	385,000.00	136,143.75	521,143.75
May 1, 2036	--	127,000.00	127,000.00
November 1, 2036	405,000.00	127,000.00	532,000.00



<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
May 1, 2037	--	116,875.00	116,875.00
November 1, 2037	425,000.00	116,875.00	541,875.00
May 1, 2038	--	106,250.00	106,250.00
November 1, 2038	445,000.00	106,250.00	551,250.00
May 1, 2039	--	95,125.00	95,125.00
November 1, 2039	470,000.00	95,125.00	565,125.00
May 1, 2040	--	83,375.00	83,375.00
November 1, 2040	490,000.00	83,375.00	573,375.00
May 1, 2041	--	71,125.00	71,125.00
November 1, 2041	515,000.00	71,125.00	586,125.00
May 1, 2042	--	58,250.00	58,250.00
November 1, 2042	540,000.00	58,250.00	598,250.00
May 1, 2043	--	44,750.00	44,750.00
November 1, 2043	570,000.00	44,750.00	614,750.00
May 1, 2044	--	30,500.00	30,500.00
November 1, 2044	595,000.00	30,500.00	625,500.00
May 1, 2045	--	15,625.00	15,625.00
November 1, 2045	625,000.00	15,625.00	640,625.00

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

**SERIES 2016 BASE RENTAL PAYMENT SCHEDULE**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
May 1, 2017			
November 1, 2017			
May 1, 2018			
November 1, 2018			
May 1, 2019			
November 1, 2019			
May 1, 2020			
November 1, 2020			
May 1, 2021			
November 1, 2021			
May 1, 2022			
November 1, 2022			
May 1, 2023			
November 1, 2023			
May 1, 2024			
November 1, 2024			
May 1, 2025			
November 1, 2025			
May 1, 2026			
November 1, 2026			
May 1, 2027			
November 1, 2027			
May 1, 2028			
November 1, 2028			
May 1, 2029			
November 1, 2029			
May 1, 2030			
November 1, 2030			
May 1, 2031			
November 1, 2031			
May 1, 2032			
November 1, 2032			
May 1, 2033			
November 1, 2033			
May 1, 2034			
November 1, 2034			
May 1, 2035			
November 1, 2035			
May 1, 2036			
November 1, 2036			

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

Date	Principal	Interest	Total
May 1, 2037			
November 1, 2037			
May 1, 2038			
November 1, 2038			
May 1, 2039			
November 1, 2039			
May 1, 2040			
November 1, 2040			
May 1, 2041			
November 1, 2041			
May 1, 2042			
November 1, 2042			
May 1, 2043			
November 1, 2043			
May 1, 2044			
November 1, 2044			
May 1, 2045			
November 1, 2045			

Attachment: First Amendment to Master Facilities Sublease - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007 LEASE

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**FIRST SUPPLEMENT TO MASTER  
TRUST AGREEMENT**

**Between the**

**MORENO VALLEY PUBLIC FINANCING AUTHORITY**

**and**

**WELLS FARGO BANK, NATIONAL ASSOCIATION,  
as Trustee**

**Dated as of [DATED DATE]**

**Relating to  
\$XX,000,000  
City of Moreno Valley Public Financing Authority  
Lease Revenue Refunding Bonds, Series 2016 (Taxable)**

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Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007

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Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007

## FIRST SUPPLEMENT TO MASTER TRUST AGREEMENT

**THIS FIRST SUPPLEMENT TO MASTER TRUST AGREEMENT** (this “First Supplement to Master Trust Agreement”), is made and entered into as of [DATED DATE], by and between the MORENO VALLEY PUBLIC FINANCING AUTHORITY, a public entity and agency (duly organized and existing pursuant to an Agreement entitled “Joint Exercise of Powers Agreement” by and between the City of Moreno Valley and the former Redevelopment Agency of the City of Moreno Valley) (the “Authority”) and WELLS FARGO BANK, NATIONAL ASSOCIATION, a national banking association organized and existing under and by virtue of the laws of the United States of America (the “Trustee”).

### WITNESSETH:

**WHEREAS**, the City previously leased certain real property and improvements thereon (the “Facilities”) to the Authority pursuant to a Master Facilities Lease, dated as of December 1, 2015 (the “2015 Master Facilities Lease”);

**WHEREAS**, the Authority subleased the Facilities back to the City pursuant to a Master Facilities Sublease, dated as of December 1, 2015 (the “2015 Master Facilities Sublease”);

**WHEREAS**, the Authority issued its Lease Revenue Bonds, Series 2015 (Taxable) (the “Series 2015 Bonds”) pursuant to a Master Trust Agreement, dated as of December 1, 2015, (the “2015 Master Trust Agreement” or the “Original Trust Agreement”) between the Authority and Wells Fargo Bank, National Association, as trustee (the “Trustee”), and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2015 Bonds were applied by the City to finance the 2015 Project, as defined in the 2015 Master Trust Agreement;

**WHEREAS**, the 2015 Master Trust Agreement provides that, subject to the conditions set forth therein, in addition to the Series 2015 Bonds, the Authority may by execution of a Supplemental Trust Agreement without the consent of the Owners, provide for the execution and delivery of Additional Bonds secured by additional Base Rental Payments;

**WHEREAS**, the Authority intends to issue its Lease Revenue Refunding Bonds, Series 2016 (Taxable) (the “Series 2016 Bonds”) pursuant to this First Supplement to Master Trust Agreement, as so amended the “2016 Master Trust Agreement,” or simply the “Trust Agreement,” and in accordance with the Joint Exercise of Powers Agreement and its powers thereunder and under the laws of the State of California;

**WHEREAS**, the proceeds of the Series 2016 Bonds will be applied by the City to refund the remaining outstanding Moreno Valley Public Financing Authority 2007 Taxable Lease Revenue Bonds (the “2007 Refunded Bonds”), referred to herein as the “2016 Refunding Project;”

**WHEREAS**, in order to accomplish such 2016 Refunding Project, the Authority and the City are entering into a First Amendment to Master Facilities Lease, dated as of [DATED

DATE], in order to amend the 2015 Master Facilities Lease, as so amended, the 2016 Master Facilities Lease,” or simply the “Lease” or the “Facilities Lease” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Lease and (ii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

**WHEREAS**, in addition, in order to accomplish such 2007 Refunding Project, the Authority and the City are entering into a First Amendment to Master Facilities Sublease, dated as of [DATED DATE], in order to amend the 2015 Master Facilities Sublease, as so amended, the 2016 Master Facilities Sublease,” or simply the “Sublease” or the “Facilities Sublease” (i) to add certain additional real property and improvements thereon to Exhibit A of the 2015 Master Facilities Sublease, (ii) to increase the amount of Base Rental Payments payable thereunder and (iii) to make certain other modifications in order to provide for the execution and delivery of the Series 2016 Bonds in accordance with the provisions of the 2016 Master Trust Agreement;

**WHEREAS**, all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in connection with the execution and entering into of this First Supplement to Master Trust Agreement do exist, have happened and have been performed in regular and due time, form and manner as required by law, and the parties hereto are now duly authorized to execute and enter into this First Supplement to Master Trust Agreement;

**NOW, THEREFORE**, in consideration of the premises and of the mutual agreements and covenants contained herein and for other valuable consideration, the parties do hereby agree as follows:

## PART 1

### PARTICULAR AMENDMENTS

#### **Part 1.1. Amendments to the Trust Agreement.**

(a) Section 1.01 of the Original Trust Agreement is hereby amended by modifying the following terms:

Bonds, Series 2015 Bonds, Series 2016 Bonds, Additional Bonds, Serial Bonds, Term Bonds

The term “Bonds” means the Series 2015 Bonds, the Series 2016 Bonds and all Additional Bonds. The term “Series 2015 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Section 2.02(a) and Section 3.01. The term “Series 2016 Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article XIII hereof. The term “Additional Bonds” means all bonds of the Authority authorized by and at any time Outstanding pursuant hereto and executed, issued and delivered in accordance with Article III. The term “Serial Bonds” means Bonds for which no sinking fund payments are provided. The term “Term Bonds” means Bonds which are payable on or before their specified maturity dates from sinking fund payments established for that purpose and calculated to retire such Bonds on or before their specified maturity dates.

Capitalized Interest Account

“Capitalized Interest Account” means the account by that name established pursuant to Section 13.06 hereof.

Continuing Disclosure Certificate

The term Continuing Disclosure Certificate shall mean that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2015 Bonds and/or that certain Continuing Disclosure Certificate executed by the City dated the date of issuance and delivery of the Series 2016 Bonds, as appropriate, as each is originally executed and as each may be amended from time to time in accordance with the terms thereof.

MSRB

The term “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>.

Projects

The term “Projects” means the 2015 Project, the 2016 Refunding Project and all Additional Projects.

2007 Refunded Bonds; 2016 Refunding Project

The terms “2007 Refunded Bonds” and “2016 Refunding Project” have the meanings set forth in the preambles hereto.

(b) Section 1.01 of the Original Trust Agreement is hereby amended by adding thereto the following definitions:

2016 Irrevocable Refunding Instructions

The term “2016 Irrevocable Refunding Instructions” means the 2016 Irrevocable Refunding Instructions, dated the Series 2016 Closing Date, given by the City and the Authority to the Trustee.

Series 2016 Closing Date

The term “Series 2016 Closing Date” means \_\_\_\_\_, 2016.

[2016 Bond Insurance Policy

The term “2016 Bond Insurance Policy” means the insurance policy issued by \_\_\_\_\_ guaranteeing the scheduled payment of principal of and interest on the Series 2016 Bonds when due.



## 2016 Reserve Policy

The term “2016 Reserve Policy” means the debt service reserve fund policy issued by \_\_\_\_\_ guaranteeing the scheduled payment of principal of and interest on the Series 2016 Bonds when due.]

(b) **Amendments to Section 5.02 (a) of the Trust Agreement.** The First paragraph of Section 5.02(a) of the Original Trust Agreement is hereby amended to read as follows:

On or before each Interest Payment Date, the Trustee shall set aside from the Revenue Fund and deposit in the Interest Account that amount of money which is equal to the amount of interest becoming due and payable on all Outstanding Bonds on the next succeeding Interest Payment Date; *provided, however,* that on each Interest Payment Date occurring on or before the later of \_\_\_\_\_ 1, 201\_ or the delivery to the Trustee of the Certificate of Completion, before making said deposit, if and to the extent available in the Capitalized Interest Account within the Interest Account, an amount equal to the \_\_\_% of the amount of interest coming due on such Interest Payment Date, shall be transferred from the Capitalized Interest Account within the Interest Account to the Interest Account. Moneys in the Interest Account shall be used by the Trustee for the purpose of paying the interest on a portion of the Bonds when due and payable. Upon the later of \_\_\_\_\_ 1, 201\_ or the delivery to the Trustee of the Certificate of Completion, the Trustee shall transfer any amounts then remaining in the Capitalized Interest Account to the Interest Account.

(c) **Amendments to Section 6.03(g) of the Trust Agreement.** Section 6.03(g) of the Original Trust Agreement is hereby amended to read as follows:

The foregoing provisions of this Section 6.03 shall not be applicable to the Series 2015 Bonds, the Series 2016 bonds nor to any Series of Bonds or the proceeds thereof that the Authority determines upon the issuance thereof are to be taxable bonds, the interest on which is intended to be included in the gross income of the Owner thereof for federal income tax purposes.

## **PART 2**

### **ADDITION OF ARTICLE XIII**

**Part 2.1. Addition of Article XIII.** The 2015 Master Trust Agreement is hereby amended and supplemented by adding thereto an additional Article as follows:

## ARTICLE XIII

### SERIES 2016 BONDS

**Section 13.01. Authorization of Series 2016 Bonds.** A second Series of Bonds is hereby created and designated “Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds, Series 2016 (Taxable).” The aggregate principal amount of Series 2016 Bonds which may be issued and Outstanding under this Trust Agreement shall not exceed \$XX,000,000.

The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Series 2016 Bonds and has found, as a result of such review, and hereby finds and determines that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of the Series 2016 Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and that the Authority is now duly authorized, pursuant to each and every requirement of the Act, to issue the Series 2016 Bonds in the form and manner provided herein and that the Series 2016 Bonds shall be entitled to the benefit, protection and security of the provisions hereof.

The validity of the issuance of the Series 2016 Bonds shall not be dependent on or affected in any way by the proceedings taken by the Authority for the financing of a capital improvement or by any contracts made by the Authority or its agents in connection therewith, and shall not be dependent upon the completion of a capital improvement or upon the performance by any person, firm or corporation of his or its obligation with respect thereto. The recital contained in the Series 2016 Bonds that the same are issued pursuant to the Act and pursuant hereto shall be conclusive evidence of their validity and of the regularity of their issuance, and all Series 2016 Bonds shall be incontestable from and after their issuance. The Series 2016 Bonds shall be deemed to be issued, within the meaning hereof, whenever the definitive Series 2016 Bonds (or any temporary Series 2016 Bonds exchangeable therefor) shall have been delivered to the purchaser thereof and the proceeds of sale thereof received.

**Section 13.02. Terms of Series 2016 Bonds.** The Series 2016 Bonds shall be issued in the aggregate principal amount of \$XX,000,000. The Series 2016 Bonds shall be dated as of the date of initial delivery, shall be issued only in fully registered form in Authorized Denominations (not exceeding the principal amount of Series 2016 Bonds maturing at any one time), and shall mature in the years and in the principal amounts and bear interest at the rates as set forth in the following schedule, subject to prior redemption as described in Article IV hereof:

#### Series 2016 Bonds

<u>Maturity Date</u> <u>(November 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest Rate</u>
---------------------------------------------	-----------------------------------	----------------------

2045

The Series 2016 Bonds shall bear interest at the rates set forth above, payable commencing May 1, 2017, and semiannually thereafter on May 1 and November 1 in each year. The Series 2016 Bonds shall bear interest from the Interest Payment Date next preceding the date of registration thereof, unless such date of registration is an Interest Payment Date, in which event they shall bear interest from such date, or unless such date of registration is prior to the first Interest Payment Date, in which event they shall bear interest from their dated date. The amount of interest so payable on any Interest Payment Date shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Payment of interest on the Series 2016 Bonds due on or before the maturity or prior redemption thereof shall be paid by check mailed by first class mail on each Interest Payment Date to the person in whose name the Bond is registered as of the applicable Record Date for such Interest Payment Date at the address shown on the registration books maintained by the Trustee; provided, however, that interest on any Series of Bonds shall be paid by wire transfer or other means to provide immediately available funds to any Holder of at least \$1,000,000 in aggregate principal amount of such Series of Bonds, at its option, according to wire instructions given to the Trustee in writing for such purpose and on file prior to the applicable Record Date preceding the Interest Payment Date.

**Section 13.03. Form of Series 2016 Bonds.** The Series 2016 Bonds and the assignment to appear thereon shall be in substantially the forms set forth in Exhibit B hereto, with necessary or appropriate insertions, omissions and variations as permitted or required hereby.

**Section 13.04. Execution of Series 2016 Bonds.** The Executive Director of the Authority is hereby authorized and directed to execute each of the Series 2016 Bonds on behalf of the Authority and the Secretary of the Authority is hereby authorized and directed to countersign each of the Series 2016 Bonds on behalf of the Authority. The signatures of such Executive Director and Secretary may be by printed, lithographed or engraved by facsimile reproduction. In case any officer whose signature appears on the Series 2016 Bonds shall cease to be such officer before the delivery of the Series 2016 Bonds to the purchaser thereof, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery of the Series 2016 Bonds.

Only those Series 2016 Bonds bearing thereon a certificate of authentication in the form hereinbefore recited, executed manually and dated by the Trustee, shall be entitled to any benefit, protection or security hereunder or be valid or obligatory for any purpose, and such certificate of the Trustee shall be conclusive evidence that the Series 2016 Bonds so authenticated have been duly authorized, executed, issued and delivered hereunder and are entitled to the benefit, protection and security hereof.

**Section 13.05. Special Covenants as to Book-Entry Only System for Series 2016 Bonds.** (a) Except as otherwise provided in subsections (b) and (c) of this Section, all of the Series 2016 Bonds initially issued shall be registered in the name of Cede & Co., as nominee for DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. Payment of the interest on any Series 2016 Bond registered in the name of Cede & Co. shall be made on each Interest Payment Date for such Series 2016 Bonds to the account, in the manner and at the address indicated in or pursuant to the Representation Letter.

(b) The Series 2016 Bonds initially shall be issued in the form of a single authenticated fully registered bond for each stated maturity of such Series 2016 Bonds, representing the aggregate principal amount of the Series 2016 Bonds of such maturity. Upon initial issuance, the ownership of all such Series 2016 Bonds shall be registered in the registration records maintained by the Trustee pursuant to Section 2.09 in the name of Cede & Co., as nominee of DTC, or such other nominee as DTC shall request pursuant to the Representation Letter. The Trustee, the Authority and any paying agent 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 or redemption price of and interest on such Series 2016 Bonds, selecting the Series 2016 Bonds or portions thereof to be redeemed, giving any notice permitted or required to be given to Bondholders hereunder, registering the transfer of Series 2016 Bonds, obtaining any consent or other action to be taken by Bondholders of the Series 2016 Bonds and for all other purposes whatsoever; and neither the Trustee nor the Authority or any paying agent shall be affected by any notice to the contrary. Neither the Trustee nor the Authority or any paying agent shall have any responsibility or obligation to any “Participant” (which shall mean, for purposes of this Section, securities brokers and dealers, banks, trust companies, clearing corporations and other entities, some of whom directly or indirectly own DTC), 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 records as being a Bondholder, with respect to (i) the accuracy of any records maintained by DTC or any Participant, (ii) the payment by DTC or any Participant of any amount in respect of the principal or redemption price of or interest on the Series 2016 Bonds, (iii) any notice which is permitted or required to be given to Bondholders of Series 2016 Bonds hereunder, (iv) 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 (v) any consent given or other action taken by DTC as Bondholder of Series 2016 Bonds. The Trustee shall pay all principal of and premium, if any, and interest on the Series 2016 Bonds only at the times, to the accounts, at the addresses and otherwise in accordance with the Representation Letter, and all such payments shall be valid and effective to satisfy fully and discharge the Authority’s obligations with respect to the payment of the principal of and premium, if any, and interest on the Series 2016 Bonds to the extent of the sum or sums so paid. 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 its then existing nominee, the Series 2016 Bonds will be transferable to such new nominee in accordance with subsection (e) of this Section.

(c) In the event that the Authority determines that the Series 2016 Bonds should not be maintained in book-entry form, the Trustee shall, upon the written instruction of the Authority, so notify DTC, whereupon DTC shall notify the Participants of the availability through DTC of bond certificates. In such event, the Series 2016 Bonds will be transferable in

accordance with subsection (e) of this Section. DTC may determine to discontinue providing its services with respect to the Series 2016 Bonds or a portion thereof, at any time by giving written notice of such discontinuance to the Authority or the Trustee and discharging its responsibilities with respect thereto under applicable law. In such event, the Series 2016 Bonds will be transferable in accordance with subsection (e) of this Section. If at any time DTC shall no longer be registered or in good standing under the Securities Exchange Act or other applicable statute or regulation and a successor securities depository is not appointed by the Authority within 90 days after the Authority receives notice or becomes aware of such condition, as the case may be, then this Section shall no longer be applicable and the Authority shall execute and the Trustee shall authenticate and deliver certificates representing the Series 2016 Bonds as provided below. Whenever DTC requests the Authority and the Trustee to do so, the Trustee and the Authority will cooperate with DTC in taking appropriate action after reasonable notice to arrange for another securities depository to maintain custody of all certificates evidencing the Series 2016 Bonds then Outstanding. In such event, the Series 2016 Bonds will be transferable to such securities depository in accordance with subsection (e) of this Section, and thereafter, all references in this Trust Agreement to DTC or its nominee shall be deemed to refer to such successor securities depository and its nominee, as appropriate.

(d) Notwithstanding any other provision of this Trust Agreement to the contrary, so long as all Series 2016 Bonds Outstanding are registered in the name of any nominee of DTC, all payments with respect to the principal of and premium, if any, and interest on each such Series 2016 Bond and all notices with respect to each such Series 2016 Bond shall be made and given, respectively, to DTC as provided in or pursuant to the Representation Letter.

In the event that any transfer or exchange of Series 2016 Bonds is authorized under subsection (b) or (c) of this Section, such transfer or exchange shall be accomplished upon receipt by the Trustee from the registered owner thereof of the Series 2016 Bonds to be transferred or exchanged and appropriate instruments of transfer to the permitted transferee, all in accordance with the applicable provisions of Sections 2.07 and 2.08. In the event Series 2016 Bond certificates are issued to Bondholders other than Cede & Co., its successor as nominee for DTC as holder of all the Series 2016 Bonds, another securities depository as holder of all the Series 2016 Bonds, or the nominee of such successor securities depository, the provisions of Sections 2.07 and 2.08 shall also apply to, among other things, the registration, exchange and transfer of the Series 2016 Bonds and the method of payment of principal of, premium, if any, and interest on the Series 2016 Bonds.

**Section 13.06. Establishment of Capitalized Interest Account.** The Trustee shall establish and maintain the Capitalized Interest Account within the Interest Account until the date all amounts are transferred therefrom in accordance with Section 5.02(a) hereof.

**Section 13.07. Deposit of Proceeds of Series 2016 Bonds; Other Moneys.** The proceeds received from the sale of the Series 2016 Bonds in the amount of \$\_\_\_\_\_ (consisting of the par amount of the Series 2016 Bonds of \$XX,000,000.00, less a net original issue discount of \$\_\_\_\_\_, less an underwriter's discount of \$\_\_\_\_\_), plus the amount of \$\_\_\_\_\_ held in the \_\_\_\_\_ established for the 2007 Refunded Bonds shall be transferred for deposit by the Trustee to the following respective funds or accounts:

(a) The Trustee shall deposit in the Costs of Issuance Fund established pursuant to Section 3.01 hereof the amount of \$\_\_\_\_\_;

(b) The Trustee shall deposit in the Capitalized Interest Fund established pursuant to Section 13.06 hereof the amount of \$\_\_\_\_\_;

(c) The Trustee deposit the amount of \$\_\_\_\_\_ in the Escrow Account which account is hereby created and which account the Trustee hereby agrees to maintain until payment of the redemption price of the 2007 Refunded Bonds, as described in the 2016 Irrevocable Refunding Instructions. All money in the Escrow Account shall be governed exclusively by and applied in accordance with the 2016 Irrevocable Refunding Instructions, which 2016 Irrevocable Refunding Instructions are for that purpose incorporated herein by reference.

The Trustee shall deposit the 2016 Reserve Policy in the Reserve Fund established pursuant to section 3.03 hereof.

The deposits required of the Trustee set forth above into funds or accounts shall be deemed made by the transfer of funds by the Trustee in accordance with the instructions of the City. To facilitate any transfers to or for the benefit of the City required in this Section 13.06, the Trustee may, in its discretion open a temporary fund or account on its records which shall be closed upon completion of such transfers.

**Section 13.08. Redemption of Series 2016 Bonds.** The Series 2016 Bonds shall be subject to redemption prior to their Principal Payment Date as set forth in this Section.

(a) *Extraordinary Redemption.* The Series 2016 Bonds are subject to redemption by the Authority on any date prior to their respective stated maturities, upon notice as hereinafter provided, as a whole or in part by lot within each stated maturity in integral multiples of Authorized Denominations, from prepayments made by the City pursuant to Section 7.02(A) of the Sublease, at a Redemption Price equal to the sum of the principal amount thereof, without premium, plus accrued interest thereon to the Redemption Date.

(b) *Optional Redemption.* The Series 2016 Bonds maturing on and after November 1, 20\_\_ are subject to optional redemption prior to their stated Principal Payment Dates, on any date on or after November 1, 202, in whole or in part, in Authorized Denominations, from and to the extent of prepaid Base Rental Payments paid pursuant to subsection (B) of Section 7.02 of the Sublease, any such prepayment to be at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium.

(c) *Mandatory Sinking Account Prepayment.* The Series 2016 Bonds with a stated Principal Payment Date of November 1, 20\_\_ are subject to prepayment prior to such stated Principal Payment Date, in part, from Mandatory Sinking Account Payments, on each November 1 specified below, at a Redemption Price equal to the principal amount of the Series 2016 Bonds to be redeemed, plus accrued interest thereon to the Redemption Date, without premium. The principal of such Series 2016 Bonds to be so redeemed and the dates therefor shall be as follows:



of a Bond to be prepaid in part only, together with interest accrued thereon to the redemption date, and that from and after such redemption date interest thereon shall cease to accrue, and shall require that such Bonds be then surrendered at the address or addresses of the Trustee specified in the redemption notice.

Failure by the Trustee to give notice pursuant to this Section to any one or more of the information services or securities depositories, or the insufficiency of any such notice shall not affect the sufficiency of the proceedings for redemption. The failure of any Owner to receive any redemption notice mailed to such Owner and any defect in the notice so mailed shall not affect the sufficiency of the proceedings for redemption.

The Authority shall have the right to rescind any optional redemption by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of redemption shall be cancelled and annulled if for any reason funds are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default hereunder. The Trustee shall mail notice of such rescission of redemption in the same manner as the original notice of redemption was sent.

All Bonds redeemed pursuant to the provisions of this Article shall be cancelled by the Trustee and shall be destroyed and shall not be reissued.

### PART 3

#### MISCELLANEOUS

**Part 3.1. Effect of First Supplement to Master Trust Agreement.** This First Supplement to Master Trust Agreement and all of the terms and provisions herein contained shall form part of the 2015 Master Trust Agreement as fully and with the same effect as if all such terms and provisions had been set forth in the 2015 Master Trust Agreement. The 2015 Master Trust Agreement is hereby ratified and confirmed and shall continue in full force and effect in accordance with the terms and provisions thereof, as heretofore amended and supplemented, and as amended and supplemented hereby. If there shall be any conflict between the terms of this First Supplement to Master Trust Agreement and the terms of the 2015 Master Trust Agreement (as in effect on the day prior to the effective date of this First Supplement to Master Trust Agreement), the terms of this First Supplement to Master Trust Agreement shall prevail.

**Part 3.2. Execution in Counterparts.** This First Supplement to Master Trust Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which shall constitute but one and the same instrument.

**Part 3.3. Effective Date.** This First Supplement to Master Trust Agreement shall become effective upon its execution and delivery.



**IN WITNESS WHEREOF**, the parties hereto have executed this First Supplement to Master Trust Agreement by their officers thereunto duly authorized as of the day and year first written above.

MORENO VALLEY PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Michelle Dawson, Executive Director

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Officer

Acknowledged:

CITY OF MORENO VALLEY

By: \_\_\_\_\_  
Michelle Dawson, City Manager

Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007

EXHIBIT A

FORM OF SERIES 2016 BOND

MORENO VALLEY PUBLIC FINANCING AUTHORITY  
LEASE REVENUE REFUNDING BOND, SERIES 2016 (TAXABLE)

NEITHER THE FULL FAITH AND CREDIT OF THE AUTHORITY NOR THE CITY OF MORENO VALLEY IS PLEDGED FOR THE PAYMENT OF THE INTEREST ON OR PRINCIPAL OF THE BONDS AND NO TAX OR OTHER SOURCE OF FUNDS OTHER THAN THE REVENUES HEREINAFTER REFERRED TO IS PLEDGED TO PAY THE INTEREST ON OR PRINCIPAL OF THE BONDS. NEITHER THE PAYMENT OF THE PRINCIPAL OF NOR INTEREST ON THE BONDS CONSTITUTES A DEBT, LIABILITY OR OBLIGATION OF THE CITY OF MORENO VALLEY.

Interest <u>Rate</u> ____%	Maturity <u>Date</u> November 1, ____	Dated <u>Date</u> _____, 2016	<u>CUSIP</u> _____
----------------------------------	---------------------------------------------	-------------------------------------	-----------------------

REGISTERED OWNER: CEDE & CO.

PRINCIPAL SUM: \_\_\_\_\_ DOLLARS

The MORENO VALLEY PUBLIC FINANCING AUTHORITY, a joint exercise of powers authority, duly organized and validly existing under and pursuant to the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues hereinafter referred to) to the registered owner identified above or registered assigns, on the maturity date specified above (subject to any right of prior redemption hereinafter provided for) the principal sum specified above, together with interest on such principal sum from the interest payment date next preceding the date of authentication of this Bond (unless this Bond is registered as of an interest payment date or during the period from the first day of the month containing an interest payment date to such interest payment date, in which event it shall bear interest from such interest payment date, or unless this Bond is authenticated prior to May 1, 2015, in which event it shall bear interest from the original issue date specified above) until the principal hereof shall have been paid at the interest rate per annum specified above, payable on May 1, 2015, and semiannually thereafter on each November 1 and May 1. Interest due on or before the maturity or prior redemption of this Bond shall be payable only by check mailed by first-class mail to the registered owner hereof; provided that upon the written request of a Bondholder of \$1,000,000 or more in aggregate principal amount of Bonds of the Series of which this Bond is a part received by the Trustee prior to the applicable record date, interest shall be paid by wire transfer in immediately available funds. The principal hereof is payable in

lawful money of the United States of America upon presentation of this Bond at the principal office of Wells Fargo Bank, National Association, in San Francisco or Los Angeles, California.

This Bond is one of a duly authorized issue of bonds of the Authority designated as its “Moreno Valley Public Financing Authority Lease Revenue Refunding Bonds” (the “Bonds”) and is one of a duly authorized series of such Bonds known as “Series 2016 (Taxable)” (the “Series 2016 Bonds”) issued in an aggregate principal amount of \$XX,000,000, all of like tenor and date (except for such variations, if any, as may be required to designate varying numbers, maturities and interest rates), and is issued under and pursuant to the provisions of the Joint Exercise of Powers Act (being Chapter 5 of Division 7 of Title 1 of the California Government Code, as amended) and all laws amendatory thereof or supplemental thereto (the “Act”) and under and pursuant to the provisions of a master trust agreement, dated as of December 1, 2015, as amended by a first supplement thereto, dated as of [DATED DATE] (and as further amended from time to time, the “Trust Agreement”), between the Authority and Wells Fargo Bank, National Association, as trustee (together with any successor as trustee under the Trust Agreement, the “Trustee”) (copies of the Trust Agreement are on file at the principal office of the Trustee in San Francisco, California).

The Bonds are issued to provide funds to refund certain outstanding lease revenue bonds of the Authority. The Bonds are limited obligations of the Authority and are payable, as to interest thereon and principal thereof, solely from certain proceeds of the Bonds held in certain funds and accounts pursuant to the Trust Agreement and the revenues (as more fully defined in the Trust Agreement, the “Revenues”) derived from Base Rental Payments and other payments made by the City of Moreno Valley (the “City”), and all interest or other investment income thereon, pursuant to the Master Facilities Sublease, dated as of December 1, 2015, as amended by a First Amendment thereto, dated as of [DATED DATE] (as further amended from time to time, the “Facilities Sublease”), by and between the Authority and the City, and the Authority is not obligated to pay the interest or premium, if any, on and principal of the Bonds except from the Revenues. All Bonds are equally and ratably secured in accordance with the terms and conditions of the Trust Agreement by a pledge of and charge and lien upon the Revenues, and the Revenues constitute a trust fund for the security and payment of the interest or premium, if any, on and principal of the Bonds as provided in the Trust Agreement. The full faith and credit of the Authority and the City are not pledged for the payment of the interest or premium, if any, on or principal of the Bonds. No tax shall ever be levied to pay the interest on or principal of the Bonds. The Bonds are not secured by a legal or equitable pledge of or charge or lien upon any property of the Authority or any of its income or receipts except the Revenues, and neither the payment of the interest on nor principal of the Bonds is a debt, liability or general obligation of the Authority, the City or any member of the Authority for which such entity is obligated to levy or pledge any form of taxation. Additional bonds payable from the Revenues may be issued which will rank equally as to security with the Bonds, but only subject to the conditions and upon compliance with the procedures set forth in the Trust Agreement. Reference is hereby made to the Act and to the Trust Agreement and any and all amendments thereof and supplements thereto for a description of the terms on which the Bonds are issued, the provisions with regard to the nature and extent of the Revenues, the rights of the registered owners of the Bonds, security for payment of the Bonds, remedies upon default and limitations thereon, and amendment of the Trust Agreement (with or without consent of the registered owners of the Bonds); and all the terms of the Trust Agreement are hereby incorporated herein and constitute a

contract between the Authority and the registered owner of this Bond, to all the provisions of which the registered owner of this Bond, by acceptance hereof, agrees and consents.

The Bonds are subject to redemption by the Authority on the dates, and at the redemption prices, set forth in the Trust Agreement.

Notice of redemption of this Bond shall be given by first-class mail not less than thirty (30) days nor more than sixty (60) days before the redemption date to the registered owner of any Bond selected for redemption, subject to and in accordance with provisions of the Trust Agreement with respect thereto. If notice of redemption has been duly given as aforesaid and money for the payment of the above-described redemption price is held by the Trustee, then this Bond shall, on the redemption date designated in such notice, become due and payable at the above-described redemption price; and from and after the date so designated, interest on this Bond shall cease to accrue and the registered owner of this Bond shall have no rights with respect hereto except to receive payment of the redemption price hereof.

If an Event of Default (as defined in the Trust Agreement) shall occur, the Trust Agreement provides that the Trustee may take certain actions and exercise certain remedies as provided in the Trust Agreement.

This Bond is transferable only on a register to be kept for that purpose at the above-mentioned corporate trust office of the Trustee by the registered owner hereof in person or by the duly authorized attorney of such owner upon payment of the charges provided in the Trust Agreement and upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or the duly authorized attorney of such owner, and thereupon a new fully registered Bond or Bonds in the same aggregate principal amount in authorized denominations will be issued to the transferee in exchange therefor. The Authority and the Trustee may deem and treat the registered owner hereof as the absolute owner hereof for the purpose of receiving payment of the interest hereon and principal hereof and for all other purposes, whether or not this Bond shall be overdue, and neither the Authority nor the Trustee shall be affected by any notice or knowledge to the contrary; and payment of the interest on and principal of this Bond shall be made only to such registered owner, which payments shall be valid and effectual to satisfy and discharge liability on this Bond to the extent of the sum or sums so paid.

This Bond shall not be entitled to any benefit, protection or security under the Trust Agreement or become valid or obligatory for any purpose until the certificate of authentication hereon endorsed shall have been executed and dated by the Trustee.

It is hereby certified and recited that all acts, conditions and things required by law to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Act, and by the Constitution and laws of the State of California, that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or laws of the State of California and is not in excess of the amount of Bonds permitted to be issued under the Trust Agreement.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the issuer or its agent for registration of transfer, exchange or payment, and any 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 Moreno Valley Public Financing Authority has caused this Bond to be executed in its name and on its behalf by the manual or facsimile signature of the Executive Director of the Authority and countersigned by the manual or facsimile signature of the Secretary of said Authority, and has caused this Bond to be dated as of the original issue date specified above.

MORENO VALLEY PUBLIC FINANCING  
AUTHORITY

By: \_\_\_\_\_  
Executive Director

Countersigned:

\_\_\_\_\_  
Secretary

Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007

[FORM OF CERTIFICATE OF AUTHENTICATION  
TO APPEAR ON SERIES 2016 BONDS]

This is one of the Bonds described in the within-mentioned Trust Agreement which has been registered and authenticated on \_\_\_\_\_, 2016.

WELLS FARGO BANK, NATIONAL  
ASSOCIATION, as Trustee

By: \_\_\_\_\_  
Authorized Signatory

Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007

[FORM OF ASSIGNMENT TO  
APPEAR ON SERIES 2016 BONDS]

For value received the undersigned hereby sells, assigns and transfers unto (Taxpayer Identification Number: \_\_\_\_\_) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints attorney to transfer the within bond on the books kept for registration thereof, with full power of substitution in the premises.

\_\_\_\_\_  
NOTE: The signature to this Assignment must correspond with the name as written on the face of the Bond in every particular, without alteration or enlargement or any change whatever.

Dated: \_\_\_\_\_

PLEASE INSERT SOCIAL SECURITY NUMBER, TAXPAYER IDENTIFICATION NUMBER OR OTHER IDENTIFYING NUMBER OF ASSIGNEE:

Signature Guaranteed:

\_\_\_\_\_  
NOTE: Signature must be guaranteed by an eligible guarantor institution.

Attachment: First Supplement to 2015 Electric Master Trust Agreement - Moreno Valley LRRB 2016 (2292 : 2016 REFUNDING OF THE 2007



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Marie Macias, Interim City Clerk

**AGENDA DATE:** November 15, 2016

**TITLE:** APPOINTMENTS TO THE CITY COUNCIL ADVISORY  
BOARDS AND COMMISSIONS

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### **RECOMMENDED ACTION**

#### **Recommendations: That the City Council:**

1. Appoint those applicants who receive a majority vote by the City Council.
2. If vacancies are not filled by a majority vote of the City Council, authorize the City Clerk to re-advertise the positions as vacant and carry over the current applications for reconsideration of appointment at a future date.

### **SUMMARY**

Applications were accepted by the City Clerk's Office for appointments to those vacancies on the various City Council Boards and Commissions that were not filled on September 20, 2016, as well as vacancies created by resignation(s). As provided in the City's Municipal Code, the appointees shall serve without compensation for designated terms.

Pursuant to City of Moreno Valley Administrative Policy #1.11 adopted on June 7, 2016, appointments to Boards and Commissions must be discussed and made in an open session meeting of the City Council, and must be reported in an open session meeting of the City Council on the day of the appointment. Nominations may be made by any member of the City Council. Each selection shall be by three or more votes in the selection process.

### **DISCUSSION**

Pursuant to Municipal Code Subsection 2.06.010(e), "Unless otherwise specifically



provided by the action establishing the body or appointing its initial members, no person shall be at the same time a member of more than one citizens' advisory body created by ordinance or resolution of the City Council." This section of the code is waived for members of the Accessibility Appeals Board. Virgil Chancy applied for the Accessibility Appeals Board and the Environmental and Historical Preservation Board. Newton Reagons Jr. applied for the Arts and the Traffic Safety Commissions.

Per City Council adopted Administrative Policy #1.11, "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."

Prospective applicants are required to attend at least one meeting of the desired board or commission prior to appointment. Marisa Gonzalez and Newton Reagons Jr. were unable to attend an Arts Commission meeting; however, they plan to attend the meeting of November 23<sup>rd</sup>. Juan Solis attended the October Utilities Commission meeting; however, the meeting was cancelled. Tonica Lucas attended the October Traffic Safety Commission meeting; however, the meeting was cancelled. Virgil Chancy has attended meetings in the past.

Applicants shall be subject to a criminal background check and verification of voter registration.

The vacancies to be filled are as follows:

### **ACCESSIBILITY APPEALS BOARD**

One (1) term expiring June 30, 2019

Applicant: Virgil Chancy

### **ARTS COMMISSION**

One (1) term expiring June 30, 2017

Applicant(s): Fernando Guzman Aparicio  
 Marisa Gonzalez  
 Eric von Mizener \*  
 Dumitru Sandru  
 Kiana Grady  
 Newton Reagons Jr. \*\*

### **ENVIRONMENTAL AND HISTORICAL PRESERVATION BOARD**

One (1) term expiring June 30, 2019

Applicant(s): Virgil Chancy

### **PARKS AND RECREATION COMMISSION**

One (1) teen member with a term expiring September 23, 2017 or until high school graduation, whichever comes first

Applicant(s): Tiffany Ann DeGo

### **TRAFFIC SAFETY COMMISSION**

One (1) term expiring June 30, 2017

Applicant(s): Frank Wright\*  
 Tonica Lucas  
 Newton Reagons Jr. \*\*

### **UTILITIES COMMISSION**

One (1) term expiring June 30, 2019 (Customer of Moreno Valley Utility)

One (1) term expiring June 30, 2019 (Business Customer of Moreno Valley Utility)

Applicant(s): Stephen E. Lafond (Customer of Moreno Valley Utility)  
 Juan D. Solis (Business Customer of Moreno Valley Utility)

### **RECREATIONAL TRAILS BOARD**

One (1) term expiring June 30, 2017

Applicant(s): None

### **EMERGING LEADERS COUNCIL**

Two (2) Alternate Members with Terms Expiring May 31, 2018

Applicant(s): None

\* Incumbent

\*\* Applied for more than one board/commission

The Accessibility Appeals Board conducts hearings on written appeals regarding Title 24 accessibility issues brought by any person aggrieved by enforcement action taken by the Building Division of the Community Development Department of the City of Moreno Valley, and renders decisions regarding accessibility "hardship" cases as prescribed by the State's Title 24 Accessibility Regulations.

The Arts Commission considers matters pertaining, but not limited, to the planning for the arts in the City; facilitating interaction among artists; promoting arts activities and education; and researching possible sources of funding, in addition to public funds for potential City public art projects.

The Environmental and Historical Preservation Board considers matters pertaining to the preservation of the City's heritage and cultures, including the designation of landmarks and review of all restoration, rehabilitation, alteration and demolition projects in preservation areas; and matters of environmental concern, including matters pertaining to hazardous materials and waste within or affecting the City.

The Parks and Recreation Commission considers matters pertaining to the administration, operation, development, improvement and maintenance of parks, recreation facilities, and parks and recreation programs within the City.

The Recreational Trails Board considers matters pertaining to single-use and multi-use recreational trails, including bicycle, jogging and equestrian trails within or affecting the City.

The Traffic Safety Commission considers matters pertaining to traffic safety within the City; evaluates proposals for traffic control devices; and evaluates the need for striping, signing or other measures not of a regulatory nature. The Commission educates the public on traffic issues and responds to public concerns regarding traffic and pedestrian safety.

The Utilities Commission has the general power and duty to act in an advisory capacity to the City Council and staff in all matters pertaining to Moreno Valley Utility (MVU), pertaining to other utility services such as water, sewer, gas and the investor-owned electric utility serving parts of the City, and in addition, particular powers and duties including reviewing the budget for the Moreno Valley Utility, making recommendations with respect thereto to the City Council, reviewing and making recommendations on all Moreno MVU capital improvements and rates, and responding to requests and concerns of the public relating to utility issues.

## **ALTERNATIVES**

Members of the Council appointed boards and commissions serve in an advisory capacity to the City Council. Choosing to appoint members to the above-mentioned boards and commissions would result in increased participation from residents. This option is consistent with the City Council goal of creating a positive environment for the development of Moreno Valley's future. Therefore, staff recommends that the City Council make the appointments.

## **FISCAL IMPACT**

N/A

**NOTIFICATION**

1. Posting of Notices of Openings
2. Personal notification to existing board members and commissioners
3. Publication of the agenda
4. Report and agenda emailed to applicants

**PREPARATION OF STAFF REPORT**

Prepared By:  
Marie Macias  
Interim City Clerk

Department Head Approval:  
Marie Macias  
Interim City Clerk

**CITY COUNCIL GOALS**

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

**CITY COUNCIL STRATEGIC PRIORITIES**

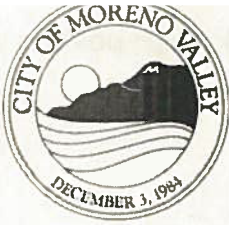
1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

**ATTACHMENTS**

1. Accessibility Board Applications 11-15-16
2. Arts Commission Applications 11-15-16
3. EHPB Applications 11-15-16
4. Parks and Rec Teen Comm Apps 11-15-16
5. Traffic Safety Comm Applications 11-15-16
6. Utilities Commission Apps 11-15-16

**APPROVALS**

Budget Officer Approval	<u>✓ Approved</u>	11/03/16 4:01 PM
City Attorney Approval	<u>✓ Approved</u>	11/03/16 4:52 PM
City Manager Approval	<u>✓ Approved</u>	11/03/16 5:22 PM



# City of Moreno Valley

## ACCESSIBILITY APPEALS BOARD Membership Application Form

CITY CLERK  
MORENO VALLEY  
RECEIVED

16 OCT 19 PM 5:08

For City Clerk's Use  
Stamp Date and Time Received

The Board shall have the general power and duty to conduct hearings on written appeals made under Subdivision (a) of California Health and Safety Code 19957.5 and may approve or disapprove interpretations and enforcement actions taken by the building division of the Community Development Department of the City contemplated in that Section or under other state, federal or local law, rule regulations and ordinances pertaining to building and construction, including, without limitation, the Americans With Disabilities Act.

Name: VIRGIL CHANCY

Home Address: [REDACTED]

### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]

Work Phone No.: [REDACTED] Cell Phone No.: \_\_\_\_\_

E-mail Address: [REDACTED]

Business Name: N/A Title: \_\_\_\_\_

Address: \_\_\_\_\_

What other areas of interest do you have in our City government?  
ENVIRONMENTAL & HISTORICAL PRESERVATION BOARD.

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:

Coaching Blind swimmer. Working with Wounded Warriors and being part of the annual Wound Warrior Games at Camp Pendleton with Allied Forces Wounded Warriors. / Area Chair for U.S. Swimming Diversity and Inclusion / Former Parks and Recreation Commissioner 8 yrs.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

2008 Leadership Moreno Valley Graduate / Former Parks & Recreation Commissioner 8yrs. / Area Chair for U.S. Swimming Diversity & Inclusion / U.S. Swimming Official / U.S. Masters Swimming Official / High School Swimming Official / Member of E.MW.D. Director's Advisory Committee / Moreno Valley Chamber Member / Active Realtor / Hawaiian Civic Club Member / United States Marine Corps... Retired {All Current}

Insofar as practicable, the Board shall be composed of the following. Please mark which position you are applying for.

- Two physically challenged persons
- Two persons experienced in construction
- One public member

Why do you wish to serve on this Board?

Working with Wounded Warriors and the Blind I have become aware of a lot of the challenges with accessibility. People without physical challenges easily take for granted issues that arise for others that have limitations of some sort. I want to be another voice for accessibility.

Explain briefly your understanding of what this Board does, including its powers and limitations.

My understanding is the Accessibility Appeals Board is a voice for members in our community that have encountered problems or hardships dealing with accessibility.

Have you attended any meetings of this Board? If so, how many?

COULD NOT FIND DATE & LOCATION OF MEETING.

What do you hope to accomplish by your participation?

To assist our community in working together to accomplish accessibility citywide without causing undo hardships on businesses.

How long have you resided in Moreno Valley? 22 yrs.

Would you be available for meetings during the day  or evening?

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Committee meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

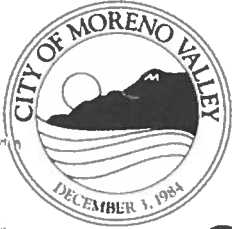
[Redacted Signature]

13 October 2016

Date

Signature

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round. Revised: 05/01/2014



CITY CLERK  
MORENO VALLEY  
RECEIVED

15 DEC 31 PM 1:04

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: Fernando Guzman Aparicio  
Home Address: [REDACTED]  
Moreno Valley, CA 92555

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: [REDACTED] Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: Guzapa Art + Frame Title: Owner  
Address: 1260 Center St.  
Riverside, CA 92507

What other areas of interest do you have in our City government?  
I am interested in community, social, family outreach events that would further enhance our city government.

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:  
I have worked in the art trade since 1994, attended Santa Ana Community College. There, I took classes in Dimensional Art, Black + White photography and Computer Graphics.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
I have assisted in Riverside Arts Walk, in Santa Ana (Santora Artwalk 95) and in several other Riverside Art Museum functions/special events. I have also done art installations in art functions in the cities of Laguna Niguel, Pasadena.

How long have you resided in Moreno Valley? I have resided here for 4 years.

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I wish to serve on this Commission for several reasons; I would like this community to thrive in the arts program and create an environment where art is welcomed and refine the skills found in our city. Also, to raise awareness

Explain briefly your understanding of what this Commission does, including its powers and limitations. I understand that the individual in charge of this position will provide planning for the arts program in the city, and will facilitate as well as promote arts activities and education.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: Yes about 2 years ago

What do you hope to accomplish by your participation?

I hope to increase awareness and liven up the current arts program as well as be able to promote a better understanding for it and the community. I hope to enhance the quality of life by promoting all aspects of arts within the city.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

Signature

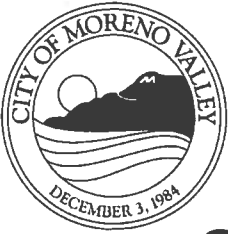
12/31/15

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 05/01/14





CITY CLERK  
MORENO VALLEY  
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15 NOV 30 AM 11:24

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# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: Marisa Gonzalez  
Home Address: [REDACTED]  
Moreno Valley CA 92555

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: [REDACTED] Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: Heavenlee Promotions Title: Founder - President  
Address: 28929 Alessandro Blvd.  
Moreno Valley, CA 92555

What other areas of interest do you have in our City government?  
Environment & Youth

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:  
Speak spanish, promotions, sales, marketing, management

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
Multiethnic Peace and Reconstruction Fund 2005 - present

How long have you resided in Moreno Valley? 7 years + (Feb. 1, 2008)

Would you be available for meetings during the day  or evening?  varies

Why do you wish to serve on this Commission?

I am interested in expanding the arts (music) in our community. Especially for the youth.

Explain briefly your understanding of what this Commission does, including its powers and limitations.

Expanding arts in our community and events for the community.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: \_\_\_\_\_

What do you hope to accomplish by your participation?

A more diverse community & keeping the youth away from gangs, drugs, delinquency.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No  I have no criminal record.

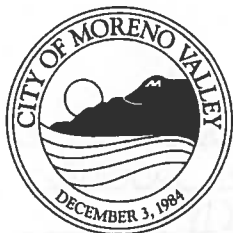
I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

Signature 

Date Nov. 29, 2015

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.  
Revised 05/01/14



CITY CLERK  
MORENO VALLEY  
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16 OCT 11 PM 4:08

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name:

Kiana Gradu

Home Address:

[REDACTED]  
MORENO VALLEY, CA 92555

#### CONFIDENTIAL INFORMATION

Home Phone No.: N/A

Driver's License No.: [REDACTED]

Work Phone No.: N/A

Cell Phone No.: [REDACTED]

E-mail Address: [REDACTED]

Business Name:

Title:

Address:

What other areas of interest do you have in our City government?

NONE. At the moment but I'm sure if I hang around city hall more, my interest will change.

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:

Web Design Certificate / Moreno Valley College  
I really love art and anything art. I grew up loving Andy Warhol and Frida Kahlo. At the moment, I'm working on Fashion.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

Real Talk on the Streets / Salvation Army / 2013 - Present  
Renaissance Program / Moreno Valley College / 2011 - 2015  
Receptionist / Riverside Art Museum (RAM) / Summer 2013

How long have you resided in Moreno Valley? 25 years. Born and raised

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I wish to serve the Art Commission because I want our resident to know more about the wonderful local artists we have. Plus have more art events.

Explain briefly your understanding of what this Commission does, including its powers and limitations.

Honestly, I didn't really know about the Art Commission until I attended the ArttoberFest. Which was amazing. But from my understanding, it's about promoting art activities and getting funds for the arts.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: October 26

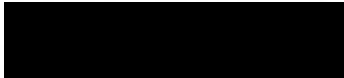
What do you hope to accomplish by your participation?

Residents of Moreno Valley know more about what our local artists can do. Also spread the word more for more recognition.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

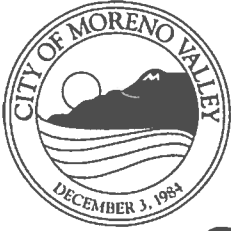
CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

  
Signature

10/11/16  
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 05/01/14



CITY CLERK  
MORENO VALLEY  
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16 AUG 10 PM 4:38

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: Eric von Mizener  
Home Address: [REDACTED]  
Moreno Valley, CA 92557

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: [REDACTED] Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: Keller Williams Title: Real Estate Agent  
Address: 7898 Mission Grove Pkwy S, Ste 102  
Riverside, CA 92508

What other areas of interest do you have in our City government?  
Our local library.

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:  
Master of Professional Writing degree, University of Southern California. BA English-Creative Writing, CSU-San Bernardino.  
AA Journalism, Fullerton College. Pushcart-Nominated Poet.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
Vice President, Coffee House Writers Group (A registered 501(c)3 non-profit organization) since April, 2015. Member Moreno Valley Arts Commission since the commission's founding in 2007. Community organizer of literary events in Riverside and Orange Counties (1995-1999).  
Executive Director, Cayman Islands Film Festival (1993-1996). Education Director, American Academy of Independent Film Producers (1986-1987).  
Host of Poets Cafe radio program, KPFK-FM Los Angeles (2009-2011).

How long have you resided in Moreno Valley? 12 years.

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I wish to continue the work the commission began nine years ago and has continued to This includes our signature event, the ArtoberFest, the "art in the park" events and particularly the Writers Launch Pad events which I have had the honor to lead and host since 2010 as the commission's literary member. There is great talent within the city of Moreno Valley, and it has been my continued pleasure to help bring these artists to light.

Explain briefly your understanding of what this Commission does, including its powers and limitations.

We are a city commission, subject to the Brown Act, working with the city council to create and expand arts events and awareness in Moreno Valley.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: July 27, 2016 (Most recent).

What do you hope to accomplish by your participation?

In addition to the above, I am looking forward to expanding the Writers Launch Pad into a full day, then hopefully a two day event.

In pursuit of this goal, I have secured the volunteer assistance of the organizer of the Mt San Antonio College weekend writers event and the San Gabriel Valley Literary Festival.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

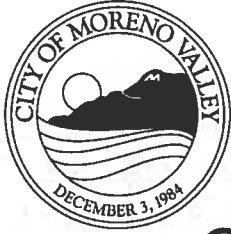
Signature

August 09, 2016

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 05/01/14



CITY CLERK  
MORENO VALLEY  
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16 SEP 15 PM 2:06

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Stamp Date and Time Received

# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: NEWTON REAGANS JR

Home Address: [REDACTED]

Moreno Valley California 92557

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]

Work Phone No.: N/A Retired Cell Phone No.: [REDACTED]

E-mail Address: [REDACTED]

Business Name: N/A Title: \_\_\_\_\_

Address: \_\_\_\_\_

What other areas of interest do you have in our City government?

I have always had an interest in City Government since taking a civics class in high school. Since my retirement from the Department of Corrections & Community here in California I would like to become more involved in my community.

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:

I have a Bachelors of Science degree in The administration of Justice and an Associate of Science degree in administration of Justice

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

I worked in the Parole & Community Services Division of The California Department of Corrections from April 2001 / April 2006

How long have you resided in Moreno Valley? I have lived in Moreno Valley 22 yrs.

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I would like to become more involved in my community. I believe my work and life experiences while working for the Department of Corrections & Community Services divisions for over 20 years uniquely qualifies me for this service.

Explain briefly your understanding of what this Commission does, including its powers and limitations.

The Arts Commission promotes art activities, also education, facilitates interaction among artists, encourages service organizations and other governmental agencies to propose, finance and give public arts projects to the city.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: available upon request

What do you hope to accomplish by your participation?

I hope to be on the cutting edge of new ideas, innovations and every<sup>thing</sup> that pertain to artistic professionals.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

Signature

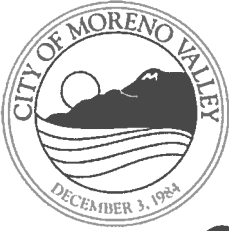
9-16-2016

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 05/01/14





# City of Moreno Valley

## ARTS COMMISSION

### Membership Application Form

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The Arts Commission considers matters pertaining to, but not limited to, the planning for the arts in the City; facilitating interaction among artists, promoting arts activities and education, and researching possible sources of funding, in addition to public funds, for potential City public art projects. Meeting Schedule: Fourth Wednesday of each month at 6:30 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: Dumitru Sandru (Mit)  
Home Address: [REDACTED]  
Moreno Valley, CA 92557

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: --- Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

What other areas of interest do you have in our City government?  
Writing fiction novels  
\_\_\_\_\_  
\_\_\_\_\_

List any education, training, or special skills, you have which may be relevant or of particular use to this Board:  
Although retired, I am an author and artist, and I wrote 11 novels and painted dozens of canvases.  
I have a BS in engineering. My last employed position was Project Manager in IT working for SCE.  
See my website sandru.com

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
None  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

How long have you resided in Moreno Valley? 3 years

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

Interest in art

Explain briefly your understanding of what this Commission does, including its powers and limitations.

Curator, organizing, promoting art in Moreno Valley

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: 12/23/2015

What do you hope to accomplish by your participation?

A member of the commission

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

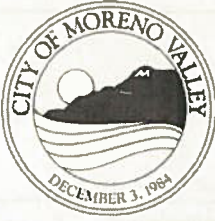
Signature

11/28/2015

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 05/01/14



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16 OCT 19 PM 5:08

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## ENVIRONMENTAL AND HISTORICAL PRESERVATION BOARD

### Membership Application Form

The Ecological Protection Board considers matters pertaining to the preservation of the City's heritage and cultures, including the designation of landmarks and review of all restoration, rehabilitation, alteration and demolition projects in preservation areas; and matters of environmental concern, including matters pertaining to hazardous materials and waste within or affecting the City. Meeting Schedule: Second Monday of each odd-numbered month at 7 p.m., City Hall - Council Chamber, 14177 Frederick St.

Name: VIRGIL CHANCY

Home Address: [REDACTED]

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]

Work Phone No.: [REDACTED] Cell Phone No.: \_\_\_\_\_

E-mail Address: [REDACTED]

Business Name: N/A Title: \_\_\_\_\_

Address: \_\_\_\_\_

#### What other areas of interest do you have in our City government?

Other areas of interest to me is the Planning Commission. I understand that becoming a part of the Planning Commission is challenging and a process.

#### List any education, training, or special skills, you have which may be relevant or of particular use to this Board:

I am an Active Realtor. Besides selling residential properties I have had extensive experience selling / finding land for clients. I also was an intern for the Nature Conservancy here in California. My duties were inspecting the deeds, monitoring the land holdings and working with the various environmental centers.

#### List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

2008 Leadership Moreno Valley Graduate / Former Parks & Recreation Commissioner 8yrs / Area Chair for U.S. Swimming Diversity & Inclusion / High School Swimming Official / U.S. Swimming Official / Member of E.M.W.D. Director's Advisory Committee / Moreno Valley Chamber Member / Hawaiian Civic Club Member / Realtor / United States Marine Corps...Retired.

How long have you resided in Moreno Valley? 22 years

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Board?

Preserving the environmental sensitive areas as well as preserving the cities Historical sites and history is very important but not widely known to our populace. Having green spaces , trails and parks are very important. I want to part of the group helping to educate and protect our treasures.

Explain briefly your understanding of what this Board does, including its powers and limitations.

My understanding of the Boards duties are identifying Historical areas / properties. Identifying any suspected hazardous matters, environmental concerns. Also monitor / review restoration projects in city as well as keep community informed of the city's historical treasures.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: Attending November meeting.

What do you hope to accomplish by your participation?

I hope to contribute my aquired skills in Conservancy , real estate compliance and community involvement. Learning from the other board members and their experiences is important to me.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Board meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

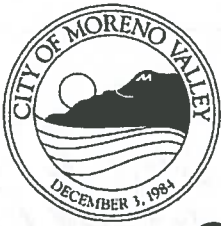


Signature

11 October 2016

Date

**Please Note:** Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.  
Revised 05/01/14



CITY CLERK  
MORENO VALLEY  
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16 OCT 18 PM 2: 04

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## PARKS AND RECREATION COMMISSION

### Membership Application Form

#### TEEN MEMBER

The Parks and Recreation Commission considers matters pertaining to the administration, operation, development, improvement and maintenance of parks, recreation facilities, park and recreation programs, and activities and programs of and for teenagers within the City. Meeting Schedule: Second Thursday of each odd-numbered month at 6:00 p.m., Conference and Recreation Center, 14075 Frederick Street.

Name: Tiffany-Ann Deyo  
Home Address: [REDACTED]  
Moreno Valley, CA, 92557

#### CONFIDENTIAL INFORMATION

Home Phone No.: N/A Driver's License No.: N/A  
Work Phone No.: N/A Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Name of High School/Middle School Valley View High School  
Address: 13135 Nason Street, Moreno Valley, CA 92555

What other areas of interest do you have in our City government?  
I would like to help provide a voice and information from and to the Middle College Highschool program, Bill's special kids, and the American sign language club on the Moreno Valley Community College campus (MVC)

List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:  
I am currently the treasurer of American sign language club at MVC. I have volunteered at Disney marathons under the Department of Insurance. I am also currently attempting to obtain an A.S. at MVC.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
I am ~~member~~ the treasurer of American sign language club at MVC. I attend a few games that Bill's special kids have done and continue to do for moral support. I also have done volunteer work at Disney Marathons under the Department of Insurance with my family on August 2014, January 2015, and ~~the winter~~ January of 2016

How long have you resided in Moreno Valley? Seventeen years

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I would like to be a teen member so that I may collect and give information about events to My Home highschool, my dual enrollment program, ~~at~~ The American Sign Language Club at MUC, and Bill's special kids

Explain briefly your understanding of what this Commission does, including its powers and limitations.

I understand that the commission discusses and reviews past, current, and future events that happen in Moreno Valley thanks to the commission. Calendar reviews and recollection of how well a past event has gone also comes into conversation in the commission.

Have you attended any meetings of this Commission? If so, how many?

I have attended one meeting

What do you hope to accomplish by your participation?

I hope to effectively represent teens as well as provide them with social opportunities. I would like to possibly help the American Sign Language club expand their goal on the community to socialize as well.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

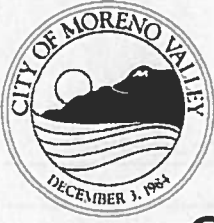
CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature Area]

Signature

10-14-16  
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.  
Revised 05/01/14



CITY CLERK  
MORENO VALLEY  
RECEIVED

16 OCT 28 AM 8:55

For City Clerk's Use  
Stamp Date and Time Received

# City of Moreno Valley

## TRAFFIC SAFETY COMMISSION

### Membership Application Form

The Traffic Safety Commission considers matters pertaining to traffic safety within the City; evaluates proposals for traffic control devices; and evaluates the need for striping, signing or other measures not of a regulatory nature. The Commission educates the public on traffic issues and responds to public concerns regarding traffic and pedestrian safety. Meetings are scheduled on the first Wednesday of each month at 6:00 p.m., City Hall - Council Chamber, 14177 Frederick St.

Name: Tonica Lucas

Home Address: [REDACTED]

Moreno Valley, CA 92551

#### CONFIDENTIAL INFORMATION

Home Phone No.: N/A

Driver's License No.: [REDACTED]

Work Phone No.: [REDACTED]

Cell Phone No.: [REDACTED]

E-mail Address: [REDACTED]

Business Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

#### What other areas of interest do you have in our City government?

Being a public policy major, I am interested in local government in general. In our city, I have a particular interest in safety, education, health, and workforce.

#### List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:

I hold a Master's degree in Strategic Leadership and am currently pursuing on in Public Policy. Also, I was a 2016 fellow in Emerge California.

#### List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

I have over 15 years of experience working in the nonprofit and local government arena. From The Salvation Army to Girl Scouts to the city of Las Vegas to Disability Rights Legal Center, all of my work experience has been as a public servant. I currently work for the Center for Employment Opportunities, as a Business Account Manager, giving ex-offenders transitional jobs with CalTrans while working to place them in careers with local businesses.

How long have you resided in Moreno Valley? My family moved to Moreno Valley in 1993. I moved away for college but came back to the city in 2007.

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

It is my passion to be a public servant, which is the reason that have always worked in that capacity. Serving on the commission would be my way of giving back to the community that has given so much to me.

Explain briefly your understanding of what this Commission does, including its powers and limitations.

My understanding is that the Commission is in place to make suggestion to the city council and city manager. The commission acts as a liaison between the community and government officials.

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: October 5, 2016 meeting but it was cancelled due to a lack of quorum. I will attend in November.

What do you hope to accomplish by your participation?

I hope to help continue the safety of Moreno Valley by making sure the roads are safe and efficient for drivers, as well as pedestrians.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

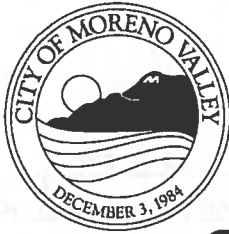
CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

  
\_\_\_\_\_  
Signature

10/27/2018  
\_\_\_\_\_  
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.





CITY CLERK  
MORENO VALLEY  
RECEIVED  
16 SEP 15 PM 2:06

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# City of Moreno Valley

## TRAFFIC SAFETY COMMISSION

### Membership Application Form

The Traffic Safety Commission considers matters pertaining to traffic safety within the City; evaluates proposals for traffic control devices; and evaluates the need for striping, signing or other measures not of a regulatory nature. The Commission educates the public on traffic issues and responds to public concerns regarding traffic and pedestrian safety. Meetings are scheduled on the first Wednesday of each month at 6:00 p.m., City Hall - Council Chamber, 14177 Frederick St.

Name: NEWTON Reagons JR,  
Home Address: [REDACTED]  
Moreno Valley California 92557

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: Retired Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: NA Title: \_\_\_\_\_  
Address: \_\_\_\_\_  
\_\_\_\_\_

What other areas of interest do you have in our City government?  
I am retired from the Department of Corrections & Community Services. However other than Political & adm of Justice classes in college I have very little experience in City Govt. However my experience and interaction with all levels of Govt makes me to be highly motivated to work in city government.  
List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:

I have worked at The California Department of Corrections, Paroles and taught classes in public services, additionally I have a Bachelors of Science degree in The Administration of Justice also an A.S. degree from Riverside Community College.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:

I worked in The Parole & Community division of the Department of Corrections from April 2001 till April 2006

How long have you resided in Moreno Valley? I have lived in Moreno Valley 22 yrs.

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

I am retired I want to become more active in my community. I believe my experiences working in the parole & community service would be an asset to this commission additionally being a part of any law enforcement agency keeps me informed of any new innovations regarding law in my community. Explain briefly your understanding of what this Commission does, including its powers and limitations. This commission educates the public on traffic issues and responds to public concerns regarding traffic & pedestrian safety

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: Available upon request

What do you hope to accomplish by your participation?

I hope to be informed of any new ideas & innovations and to be able to talk, when asked by the public in a knowledgeable manner.

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

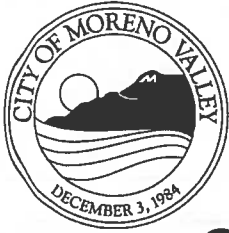
CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

Signature

9- 16 -2016  
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.



CITY CLERK  
MORENO VALLEY  
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16 SEP -8 PM 2: 15

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# City of Moreno Valley

## TRAFFIC SAFETY COMMISSION

### Membership Application Form

The Traffic Safety Commission considers matters pertaining to traffic safety within the City; evaluates proposals for traffic control devices; and evaluates the need for striping, signing or other measures not of a regulatory nature. The Commission educates the public on traffic issues and responds to public concerns regarding traffic and pedestrian safety. Meetings are scheduled on the first Wednesday of each month at 6:00 p.m., City Hall - Council Chamber, 14177 Frederick St.

Name: FRANK WRIGHT

Home Address: [REDACTED] MV 9253

**CONFIDENTIAL INFORMATION**

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
 Work Phone No.: NA Cell Phone No.: [REDACTED]  
 E-mail Address: [REDACTED]

Business Name: NA Title: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

What other areas of interest do you have in our City government?  
CITY DEVELOPMENT - PLANNING

List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:  
HAVE BEEN A MEMBER OF THE CITY TRAFFIC SAFETY COMMISSION FOR THE PAST TWO YRS 2014-2016

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
MEMBER OF THE SAFETY TRAFFIC COMMISSION - 2 YRS 2014-2016

How long have you resided in Moreno Valley? \_\_\_\_\_

Would you be available for meetings during the day  or evening?

Why do you wish to serve on this Commission?

WANT TO CONTINUE TO SERVE ON THE COMMISSION FOR SERVICE OF THE CITY

Explain briefly your understanding of what this Commission does, including its powers and limitations.

PROVIDES MEANS OF TRAFFIC SAFETY FOR SCHOOLS, MAIN STREETS + CROSSINGS, + TRUCK CONDITIONS. CAN INDUCE SAFETY REGULATIONS TO CITY COUNCIL, CANNOT ENFORCE OR OVERRIDE EXISTING STATE + COUNTY REGULATIONS

Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: ALL MEETINGS ON THE 1ST WEDNESDAY OF EACH MONTH

What do you hope to accomplish by your participation?

IN HELPING, SUGGESTING + PROVIDING PROPER SAFETY CONDITIONS, WORKING WITH THE POLICE DEPT. FOR THE CARE OF THE PUBLIC. PROVIDE BICYCLE PATHS, IMPROVE STREET CONDITIONS + INDUCE MEANS IN PROVIDING THE PUBLIC FOR THE NEEDS IN BEING COLLISION AWARE DRIVING ASPECTS

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.

[Redacted Signature]

Signature

9/8/16  
Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.



# City of Moreno Valley

## UTILITIES COMMISSION

### Membership Application Form

CITY CLERK  
MORENO VALLEY  
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16 SEP 30 AM 10:27

For City Clerk's Use  
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The Commission shall have the general power and duty to act in an advisory capacity to the City Council and staff in all matters pertaining to Moreno Valley Utility (MVU), pertaining to other utility services such as water, sewer, gas, and the investor-owned electric utility serving parts of the city, and in addition, particular powers and duties including reviewing the budget for the Moreno Valley Utility, making recommendations with respect thereto to the City Council, reviewing and making recommendations on all Moreno MVU capital improvements and rates, and responding to requests and concerns of the public relating to utility issues. Meeting Schedule: 3<sup>rd</sup> Friday of each month at 6:00 p.m., 14177 Frederick Street, Council Chamber

Name: Stephen E. Lafond  
Home Address: [REDACTED]  
Moreno Valley CA 92555-6018

### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: [REDACTED] Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: Riverside Public Utilities Title: Principal Engineer  
Address: 3750 University Avenue, Third Floor  
Riverside CA 92501-3335

What other areas of interest do you have in our City government?  
I am primarily interested in the Public Utilities Commission,  
\_\_\_\_\_  
\_\_\_\_\_

List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:  
I have a Bachelor of Science Degree in Electrical Engineering (Power) and 35 years of experience in planning, designing, commissioning,  
operating, and maintaining electric utility facilities including: transmission and distribution lines, substations, communications, control  
systems, and street light systems.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
I am employed by the City of Riverside as a Principal Engineer with responsibility for Transmission, Distribution and Substation Standards/  
I am assigned to prepare and develop emergency response plans for the Utility and hazard mitigation programs. I am also  
managing the City-wide Street Light LED Conversion program. March 23, 1989 to present  
I have previously served on the Moreno Valley Utilities Commission as Vice Chair from July 2014 through June 2015

Insofar as practicable, the Commission shall be composed of three public members, of which at least two members must be Moreno Valley Utility customers; one of the two MVU customers must be a MVU business customer (Residency in the City of Moreno Valley is not a requirement). Please indicate which position you are applying for:

- Public Member
- Customer of Moreno Valley Utility
- Business Customer of Moreno Valley Utility

**Why do you wish to serve on this Commission?**

I believe that my utility experience and training will allow me to provide appropriate advice to the City Council concerning utility matters.

---

I have served on the Commission previously from July 2014 through June 2015 and was elected vice-chair to conduct meetings when the chair was unable to attend. I live in the community and receive service from Moreno Valley Utilities.

---

**Explain briefly your understanding of what this Commission does, including its powers and limitations.**

The Commission reviews and evaluates Moreno Valley Utilities staff recommendations and provides recommendations to the City Council for consideration. The Commission may hear community concerns related to utility service and advise staff and City Council on possible resolutions. The Commission actions are advisory only.

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Attendance of at least one (1) meeting is required prior to the appointment.

Date(s) of the meeting(s) attended: July 2014 to June 2015

**What do you hope to accomplish by your participation?**

I believe that my extensive background, education and experience in utility matters will allow me to provide good recommendations and advice for consideration by the City Council. I have the ability to apply that knowledge to review staff reports and recommend improvements or to identify possible areas of concern or courses of action. I regularly contact the public to investigate and resolve concerns and may use that background effectively when hearing community concerns.

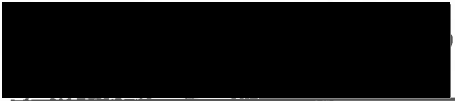
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Would you be available for meetings during the day  or evening?

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.



Signature

September 30, 2016

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 06/4/15



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MORENO VALLEY  
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16 OCT 21 PM 1:20

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Stamp Date and Time Received

# City of Moreno Valley

## UTILITIES COMMISSION

### Membership Application Form

The Commission shall have the general power and duty to act in an advisory capacity to the City Council and staff in all matters pertaining to Moreno Valley Utility (MVU), pertaining to other utility services such as water, sewer, gas, and the investor-owned electric utility serving parts of the city, and in addition, particular powers and duties including reviewing the budget for the Moreno Valley Utility, making recommendations with respect thereto to the City Council, reviewing and making recommendations on all Moreno MVU capital improvements and rates, and responding to requests and concerns of the public relating to utility issues. Meeting Schedule: 3<sup>rd</sup> Friday of each month at 6:00 p.m., 14177 Frederick Street, Council Chamber

Name: JUAN D. SOLIS  
Home Address: [REDACTED]  
MURRIETA, CA. 92563

#### CONFIDENTIAL INFORMATION

Home Phone No.: [REDACTED] Driver's License No.: [REDACTED]  
Work Phone No.: [REDACTED] Cell Phone No.: [REDACTED]  
E-mail Address: [REDACTED]

Business Name: WALMART Title: GENERAL MANAGER  
Address: 12721 MORENO BEACH DR  
MORENO VALLEY, CA. 92555

What other areas of interest do you have in our City government?  
ANY AREA IN WHICH I CAN HELP THE CITY OF MORENO VALLEY CONTINUE TO GROW.

List any education, training, or special skills, you have which may be relevant or of particular use to this Commission:  
MY ENTIRE CAREER HAS BEEN IN THE AREA OF PEOPLE MANAGEMENT, THROUGH A RETAIL ENVIRONMENT AS WELL AS THE RESTAURANT INDUSTRY. I WORKED AS AN ACCOUNTANT FOR SOUTHERN CALIFORNIA GAS CO FOR A PERIOD OF EIGHT YEARS.  
I SPENT FOUR YEARS OF ACTIVE DUTY IN THE UNITED STATES MARINE CORPS.

List any employment, volunteer work, or membership in a service/community organization that you have served on, or are now a member of. Please provide the name(s) of the agency(ies) and dates served:  
COOS COUNTY, OREGON UNITED WAY BOARD OF DIRECTORS (2003). ONE STOP JOB CORPORATION SAN FERNANDO VALLEY, CA BOARD OF DIRECTORS (199-2000).



Insofar as practicable, the Commission shall be composed of three public members, of which at least two members must be Moreno Valley Utility customers; one of the two MVU customers must be a MVU business customer (Residency in the City of Moreno Valley is not a requirement). Please indicate which position you are applying for:

- Public Member
- Customer of Moreno Valley Utility
- Business Customer of Moreno Valley Utility

Why do you wish to serve on this Commission?

I WISH TO SERVE THE CITY OF MORENO VALLEY IN ORDER TO ASSIST IN FUTURE DEVELOPMENT OF A SUSTAINABLE PLAN TO IMPROVE THE ENVIRONMENT AS WELL AS IDENTIFYING OPPORTUNITIES TO MAKE THE CITY OF MORENO VALLEY A PLACE WHERE OUR CITIZENS CAN LIVE AND WORK IN A SAFE ENVIRONMENT

Explain briefly your understanding of what this Commission does, including its powers and limitations.

TO MY UNDERSTANDING THE COMMISSION ACTS ON A CONSULTING LEVEL FOR THE CITY COUNCIL IN THE PLANNING OF LONG TERM GOALS AND IN THE DEVELOPING OF INNOVATIVE UTILITY PROGRAMS THAT HELP THE CITY OF MORENO VALLEY GROW

Attendance of at least one (1) meeting is required prior to the appointment.  
 Date(s) of the meeting(s) attended: PLANNING TO ATTEND THE OCTOBER MTNG

What do you hope to accomplish by your participation?

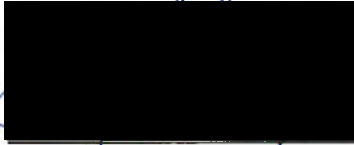
IT IS MY GOAL TO DEVELOP A STRONG RELATIONSHIP WITHIN THE CITY OF MORENO VALLEY TO ASSIST IN ADVANCING THE DEVELOPMENT AND CONTINUED GROWTH OF THE COMMUNITY AS WELL AD THE BUSINESS ENVIRONMENT

Would you be available for meetings during the day  or evening?

I hereby give my consent that the City may obtain and review, on a confidential basis, such information regarding me as may be contained in the California State Summary Criminal History and in records of the California Department of Motor Vehicles. Yes  No

I hereby agree to attend all Commission meetings, unless excused, and understand I may be removed for lack of attendance, pursuant to Municipal Code, Subsection 2.06.010(C) which states, "If a member is absent without advance permission of the board or commission or the appointing authority, from three consecutive regular or from 25 percent of the duly scheduled meetings of the board or commission within any fiscal year, the membership shall thereupon become vacant and shall be filled as any other vacancy."

CERTIFICATE OF APPLICANT: I certify that all statements in this application are true and complete to the best of my knowledge. I understand that any false statements of material fact will subject me to disqualification or dismissal if appointed. I release the City of Moreno Valley from any liability for the use of aforesaid information.



Signature

OCTOBER 20, 2016

Date

Please Note: Applications will be kept on file for potential future vacancies for one year after the application submittal date. Applications are accepted year-round.

Revised 06/4/15