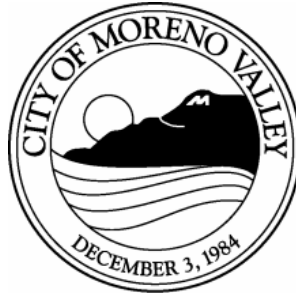

Board Members

GLENN MOSS
Chair

CHRIS CARLSON
Vice-Chair

JOHN STRICKLER
Board Member



JAMIL DADA
Board Member

MAYS KAKISH
Board Member

DAVE SLAWSON
Board Member

AHMAD ANSARI
Board Member

AGENDA

Oversight Board of the City as Successor Agency
for the Community Redevelopment Agency
of the City of Moreno Valley

Regular Meeting

January 14, 2015 -2:00p.m.

Moreno Valley City Hall, Council Chamber
14177 Frederick Street, Moreno Valley

CALL TO ORDER

ROLL CALL/INTRODUCTIONS

PUBLIC COMMENTS

Those wishing to speak should complete and submit a BLUE speaker slip to the Board Secretary. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley and not to any individual Board member, staff member or other person.

APPROVAL OF MINUTES

1. Approval of Minutes

REGULAR BUSINESS

1. UPDATE ON THE AMENDMENT NO. 2 - COOPERATION AGREEMENT BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT, THE CITY OF MORENO VALLEY AND CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

2. UPDATE ON THE LONG RANGE PROPERTY MANAGEMENT PLAN - THE TRANSFER OF TITLES FROM PROPERTIES OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY TO THE CITY OF MORENO VALLEY
3. UPDATE ON THE OTHER ASSETS DUE DILIGENCE REVIEW BY THE STATE CONTROLLER'S OFFICE
4. CONSIDERATION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING AN EXTENSION TO THE AGREEMENT FOR LEGAL REPRESENTATION TO THE OVERSIGHT BOARD
5. UPDATE ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 14/15A
6. ORAL REPORT ON THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE 15/16A

ADJOURNMENT

Materials related to an item on this Agenda submitted to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley after distribution of the agenda packet are available for public inspection in the Community & Economic Development Department at 14177 Frederick Street during normal business hours.

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 Mark Sambito, 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.

**MINUTES
OVERSIGHT BOARD OF THE CITY AS SUCCESSOR AGENCY
FOR THE COMMUNITY REDEVELOPMENT AGENCY
OF THE CITY OF MORENO VALLEY**

**SPECIAL MEETING – 2:00 P.M.
September 24, 2014**

CALL TO ORDER - Meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley (Oversight Board) was called to order at 2:02 p.m. by Vice Chair Carlson in the Council Chamber at Moreno Valley City Hall. Copies of the Agenda and items for review were made available to the public.

ROLL CALL/INTRODUCTIONS

Oversight Board:

| | |
|----------------|--------------|
| Chris Carlson | Vice-Chair |
| Jamil Dada | Board Member |
| Mays Kakish | Board Member |
| David Slawson | Board Member |
| Ahmad Ansari | Board Member |
| John Strickler | Board Member |

Absent:

| | |
|------------|----------|
| Glenn Moss | Chairman |
|------------|----------|

Staff:

| | |
|------------------|--------------------------------------|
| Marshall Eyerman | Financial Resources Division Manager |
| Kathi Pierce | Board Secretary |
| Anochar Clark | Senior Financial Analyst |

Legal Representation:

| | |
|--------------|--|
| Mark Huebsch | Successor Agency Counsel (Stradling, Yocca, Carlson & Rauth) |
| Jon Goetz | Oversight Board Counsel - KMTG (Kronick Moskovitz Tiedemann & Girard) |

PUBLIC COMMENTS

None

1. APPROVAL OF MINUTES

Motion to Approve Minutes of February 26, 2014 by m/Board Member Slawson, s/Board Member Strickler (Approved by a vote of 6-0-1).

REGULAR BUSINESS

Marshall Eyerman, Financial Resources Division Manager provided background on the staff report before the Board recommending the adoption of the ROPS for the period of 14-15B, January 1, 2015 to June 30, 2015, the Restructuring of Towngate Acquisition Notes Payment Schedule, and the Administrative Budget for the period of January 1, 2015 through June 30, 2015. A detailed discussion between Board Members, Staff and Legal Counsel occurred regarding the Agency's legally binding and enforceable obligations and anticipated payment schedule.

1. RESOLUTION OF THE OVERSIGHT BOARD OF THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING THE RECOGNIZED OBLIGATION PAYMENT SCHEDULE, THE RESTRUCTURING OF TOWNGATE ACQUISITION NOTES PAYMENT SCHEDULE, AND ADMINISTRATIVE BUDGET FOR THE PERIOD OF JANUARY 1, 2015 THROUGH JUNE 30, 2015 (ROPS 14-15B)

RESOLUTION NO. OB 2014-16

A Resolution of the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley Approving the Recognized Obligation Payment Schedule, The Restructuring of Towngate Acquisition Notes Payment Schedule, and Administrative Budget for the Period of January 1, 2015 through June 30, 2015 (ROPS 14-15B) and Authorizing the Executive Director or his Designee to make modifications thereto

Motion to Adopt Resolution No. OB 2014-16 approved by m/Board Member Dada, s/Board Member Ansari. Board Member Strickler abstained from Item 13, 14 & 82, (Approved by a vote of 5-1-1) Board Member Slawson abstained from Item 20. (Approved by a vote of 5-1-1).

2. CONFLICT OF INTEREST CODE

Marshall Eyerman, Financial Resources Division Manager summarized the need for the Board to review the Conflict of Interest Code that is currently in place and Adopted in 2012.

The Conflict of Interest Code was reviewed by the Board. No action is required..
It is a receive and file item.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 2:20 p.m. by unanimous informal consent.

NEXT MEETING

The next Regular Meeting of the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley is scheduled for October 8, 2014 from 2 – 4 p.m. in the Council Chamber.

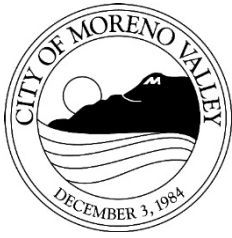
Submitted by:

Board Secretary, Kathi Pierce

Approved by:

Vice Chair, Chris Carlson

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| APPROVALS | |
|----------------|-----------------|
| BUDGET OFFICER | <BudgetOfficer> |
| CITY ATTORNEY | <CityAttorney> |
| CITY MANAGER | <CityManager> |

Report to City Council

TO: Mayor and City Council; and Mayor and City Council Acting in their capacity as the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

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

AGENDA DATE: December 9, 2014

TITLE: AMENDMENT NO. 2 - COOPERATION AGREEMENT BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT, THE CITY OF MORENO VALLEY AND CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

RECOMMENDED ACTION

Recommendation:

1. Approve Amendment No. 2 for the Cooperation Agreement between the Riverside County Flood Control and Water Conservation District (“District”), the City of Moreno Valley (“City”) and City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley (“Agency”), and authorize the Mayor acting in both capacities, to execute Amendment No. 2.

SUMMARY

Staff recommends approval of Amendment No. 2 to the existing Cooperation Agreement between The Riverside County Flood Control and Water Conservation District (“District”), the City of Moreno Valley (“City”), and City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley (“Agency”) for the funding and construction of master-planned flood control improvements. The Cooperation Agreement includes a list of possible flood control projects within the City, and allows the list to be amended as needed, with mutual consent of the City, the District and the Agency.

DISCUSSION

On April 12, 1988, the Riverside County Flood Control and Water Conservation District, the City and the Redevelopment Agency (prior to dissolution), entered into a Cooperation Agreement to establish a mutual understanding regarding redevelopment area related improvement projects for flood control. The Cooperation Agreement established a mechanism for the collection of drainage tax increment fees by the District and the distribution of the fees for potential flood control improvement projects within the District's approved MDP and the redevelopment project areas. The agreement designated the City to utilize the collected fees for the construction of these drainage facilities. Exhibit A of the Cooperation Agreement included a list of drainage facilities to build which were agreed upon and stated that the list of potential flood control improvement projects may, from time to time, be amended with the mutual consent of all parties. The listing of projects doesn't obligate the City to construct all or any of the potential projects, but merely identifies Master Drainage Plan approved facilities that the District agrees may be funded with the tax increment.

On May 24 2011, the City processed Amendment No. 1 to the agreement which added two new locations to the project list in Exhibit A to support the cost of the drainage improvement portion of ongoing street improvement projects at that time. MDP Line I and J were subsequently funded and constructed.

Since there is at least \$400,000 available under this Cooperation Agreement, District and City staff recommend amending the existing list of potential flood control facilities in Exhibit A again. Funds are needed to pursue priority improvement projects at several locations. Amendment No. 2 updates the existing list to include the extension of Sunnymead Master Drainage Plan (MDP) Line B, the storm drain system adjacent to Heacock Street, between Cactus Avenue and Lateral A (Heacock Bridge); Perris Valley MDP Lateral B-1, the uncompleted system on Perris Blvd and San Michele Road; and Moreno MDP Line K-1, located in the San Timoteo Foothill neighborhood. Additionally, adding these locations to the list will assist with flood control management in the community. These projects are approved facilities in Riverside County Flood Control's Master Drainage Plan and the funds can only be used for those facilities within the list of the approved Cooperation Agreement.

ABx 126 (the "Dissolution Act") provides for an Oversight Board to be duly constituted to review and approve the activities of the Successor Agency and ensure the former RDA's assets are distributed to the taxing entities. Amendment No. 2 will be presented to the Oversight Board for review on January 14, 2015.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *This alternative will allow for the funding and construction of needed master-planned flood control improvements.*

2. Do not approve and authorize the recommended actions as presented in this staff report. *This alternative will result in the lack of adequate funding of needed flood control improvements and hinder the timing of pursuing important capital improvement projects.*

FISCAL IMPACT

The available trust account funding for the flood control improvement projects is estimated at four hundred thousand dollars (\$400,000). These funds can only be used for Master Drainage Plan storm drain improvements identified in Exhibit A of the Cooperation Agreement. By amending the Cooperation Agreement the City is afforded the opportunity to use these funds to construct much needed storm drain facilities in the City. **There is no impact to the General Fund.**

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 material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects.

Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment:

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

ATTACHMENTS

- Attachment 1: Amendment No. 2 to the Cooperation Agreement Between The Riverside County Flood Control & Water Conservation District, the City of Moreno Valley, and City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley
- Attachment 2: Amendment No.1 - Cooperation Agreement Between The Riverside County Flood Control & Water Conservation District, The City of Moreno Valley and The Redevelopment Agency of the City of Moreno Valley
- Attachment 3: Cooperation Agreement Between The Riverside County Flood Control and Water Conservation District, the City of Moreno Valley and the Redevelopment Agency for the City of Moreno Valley

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

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

Concurred By:
Prem Kumar, P.E.
Deputy Public Works Director/Assistant City Engineer

Concurred By:
Marshall Eyerman
Financial Resources Division Manager

AMENDMENT NO. 2
COOPERATION AGREEMENT
BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT,
THE CITY OF MORENO VALLEY AND
CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF MORENO VALLEY

The RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter called "DISTRICT", the CITY OF MORENO VALLEY, hereinafter called "CITY" and the CITY serving as the SUCCESSOR AGENCY for the COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, hereinafter called "AGENCY", previously entered into that certain Cooperation Agreement, dated April 12, 1988, hereinafter called "AGREEMENT"; and

WHEREAS, the CITY and the AGENCY desire to add additional flood control drainage facilities; and

WHEREAS, the DISTRICT agrees to add said flood control drainage facilities, provided that these facilities are Master Drainage Plan approved facilities; and

WHEREAS, Section 3 of the AGREEMENT stipulates that the listing of Project Improvements on Exhibit A may be amended with the mutual consent of the CITY, the AGENCY and DISTRICT.

NOW, THEREFORE, in consideration of the foregoing facts, the DISTRICT, the CITY and the AGENCY agree to amend the AGREEMENT as follows:

Exhibit A of the AGREEMENT is deleted and replaced with a new Exhibit A, attached hereto and made a part hereof.

Except as specifically modified herein, all other provisions of said AGREEMENT shall remain in full force and effect between the Parties hereto.

IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL: RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____
WARREN D. WILLIAMS
General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and Water
Conservation District Board of Supervisors

APPROVED AS TO FORM:

ATTEST:

PAMELA J. WALLS
County Counsel

KECIA HARPER-IHEM
Clerk of the Board

By _____
NEAL KIPNIS
Deputy County Counsel

By _____
Deputy

(SEAL)

Amendment No. 2
Cooperation Agreement
10/01/14
TT

Attachment A

CITY OF MORENO VALLEY, a municipal Corporation

CITY
serving as the SUCCESSOR AGENCY for the
COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF MORENO
VALLEY

By _____
JESSE L. MOLINA
Mayor

By _____
JESSE L. MOLINA
Mayor

ATTEST:

JANE HALSTEAD
City Clerk

RECOMMENDED FOR APPROVAL:

AHMAD R. ANSARI
Public Works Director/City Engineer

APPROVED AS TO FORM:

SUZANNE BRYANT
City Attorney

Amendment No. 2
Cooperation Agreement
10/01/14
TT

Attachment A

Exhibit A (Page 1 of 1)

MORENO VALLEY REDEVELOPMENT PROJECT

PROJECT IMPROVEMENTS

| Master Drainage Plan | Facility | Station Limits | Eligible for Financing |
|----------------------|--------------------------------|------------------------------|------------------------|
| Sunnymead | Line A-1 | | |
| | Line B | 105+00 – 131+70 | No |
| | Line B | 5+00 – 105+00 | |
| | Line B-5 | 19+90 – 22+80 & 0+00 – 12+50 | Yes |
| | Line B-6 | 9+40 – 17+60 | Yes |
| | Line B-7 | 0+00 – 25+90 | No |
| | Line B-8, Stg I & B-10 | 0+00 – 10+00 & 0+00 – 13+20 | Yes |
| | Line B-8, Stg II | 10+60 – 44+00 | |
| | Line B-9 | 0+00 – 10+00 | Yes |
| | Line B-11 | 0+00 – 10+00 | Yes |
| | Line B-12 | 0+00 – 13+80 | No |
| | Line F (D/S of Hemlock) | 119+00 – 125+00 | No |
| | Line F-1 | 0+00 – 20+30 | No |
| | Line G | 0+00 – 10+60 | No |
| | Line H (D/S of Hwy 60) | 0+00 – 4+00 | Yes |
| | Line H (Hwy 60 U/S to basin) | | No |
| | Line H (U/S of basin) | | No |
| | Line H-1 (in Indian) | | No |
| | Line H-1 (to basin) | | No |
| | Indian St. Basin (Master Plan) | | |
| | Line H-4 | | No |
| | Line H-5 (D/S of Ironwood) | | No |
| | Line H-12 | 0+00 – 13+00 | Yes |
| | Line M-4 | 41+30 – 74+00 | No |
| | Line M-5 | 0+00 – 11+40 | No |
| | Line P-1 | 0+00 – 14+10 | No |
| | Line P-2 | 0+00 – 48+90 | No |
| Line P-4 | 0+00 – 2+00 | No | |
| Line P-5 | 0+00 – 2+00 | No | |
| Line P-6 | 0+00 – 13+10 | No | |
| Line P-7 | 0+00 – 4+30 | No | |
| Line T | 0+00 – 25+40 | No | |
| Moreno | Line G | | No |
| | Line I | | |
| | Line J | | |
| | Line K-1 | | |
| Perris Valley | Lateral B-1 | | |
| | | | |

Amendment No. 2
Cooperation Agreement
10/01/14
TT

AMENDMENT NO. 1

COOPERATION AGREEMENT
BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT,
THE CITY OF MORENO VALLEY

AND
THE REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

The RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, hereinafter called "DISTRICT", the CITY OF MORENO VALLEY, hereinafter called "CITY", and the REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, hereinafter called "AGENCY", previously entered into that certain Cooperation Agreement, dated April 12, 1988, hereinafter called "AGREEMENT"; and

WHEREAS, the CITY and the AGENCY desire to add two (2) additional flood control drainage facilities; and

WHEREAS, the DISTRICT agrees to add said flood control drainage facilities, provided that these facilities are Master Drainage Plan approved facilities; and

WHEREAS, Section 3 of the AGREEMENT stipulates that the listing of Project Improvements on Exhibit A may be amended with the mutual consent of the AGENCY and DISTRICT.

NOW, THEREFORE, in consideration of the foregoing facts, the DISTRICT, the CITY and the AGENCY agree to amend the AGREEMENT as follows:

Exhibit A of the AGREEMENT is deleted and replaced with a new Exhibit A, attached hereto and made a part hereof.

Except as specifically modified herein, all other provisions of said AGREEMENT shall remain in full force and effect between the Parties hereto.

//


IN WITNESS WHEREOF, the Parties hereto have executed this Amendment on

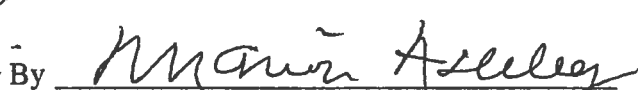
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JUN 14 2011

(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL: RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By 
WARREN D. WILLIAMS
General Manager-Chief Engineer

By 
MARION ASHLEY, Chairman
Riverside County Flood Control and Water Conservation District Board of Supervisors

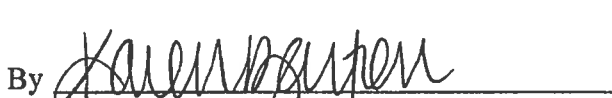
APPROVED AS TO FORM:

PAMELA J. WALLS
County Counsel

By 
NEAL KIPNIS
Deputy County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By 
Deputy

(SEAL)

Amendment No. 1
Cooperation Agreement
5/16/11
TT:blj

JUN 14 2011 11.5

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CITY OF MORENO VALLEY, a municipal corporation

By: Richard A. Stewart
Its: Mayor

ATTEST:

Jane Halshel
City Clerk

COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, a public body corporate and politic

By: Richard A. Stewart
Chairman

"AGENCY"

RECOMMENDED FOR APPROVAL:

W. A. G.
Public Works Director/City Engineer

ATTEST:

Jane Halshel
Agency Secretary

Amendment No. 1
Cooperation Agreement
5/16/11
TT:blj

Exhibit A (Page 1 of 1)

MORENO VALLEY REDEVELOPMENT PROJECT

PROJECT IMPROVEMENTS

| Master Drainage Plan | Facility | Station Limits | Eligible for Financing |
|----------------------|--------------------------------|------------------------------|------------------------|
| Sunnymead | Line B | 105+00 – 131+70 | No |
| | Line B-5 | 19+90 – 22+80 & 0+00 – 12+50 | Yes |
| | Line B-6 | 9+40 – 17+60 | Yes |
| | Line B-7 | 0+00 – 25+90 | No |
| | Line B-8, Stg I & B-10 | 0+00 – 10+00 & 0+00 – 13+20 | Yes |
| | Line B-8, Stg II | 10+60 – 44+00 | |
| | Line B-9 | 0+00 – 10+00 | Yes |
| | Line B-11 | 0+00 – 10+00 | Yes |
| | Line B-12 | 0+00 – 13+80 | No |
| | Line F (D/S of Hemlock) | 119+00 – 125+00 | No |
| | Line F-1 | 0+00 – 20+30 | No |
| | Line G | 0+00 – 10+60 | No |
| | Line H (D/S of Hwy 60) | 0+00 – 4+00 | Yes |
| | Line H (Hwy 60 U/S to basin) | | No |
| | Line H (U/S of basin) | | No |
| | Line H-1 (in Indian) | | No |
| | Line H-1 (to basin) | | No |
| | Indian St. Basin (Master Plan) | | |
| | Line H-4 | | No |
| | Line H-5 (D/S of Ironwood) | | No |
| | Line H-12 | 0+00 – 13+00 | Yes |
| | Line M-4 | 41+30 – 74+00 | No |
| | Line M-5 | 0+00 – 11+40 | No |
| | Line P-1 | 0+00 – 14+10 | No |
| | Line P-2 | 0+00 – 48+90 | No |
| | Line P-4 | 0+00 – 2+00 | No |
| | Line P-5 | 0+00 – 2+00 | No |
| Line P-6 | 0+00 – 13+10 | No | |
| Line P-7 | 0+00 – 4+30 | No | |
| Line T | 0+00 – 25+40 | No | |
| Moreno | Line G | 106+80 – 127+80 | No |
| | Line I | | |
| | Line J | | |

Amendment No. 1
 Cooperation Agreement
 5/09/11
 TT

1 WHEREAS, Agency and City desire to resolve and settle once
 2 and for all times, all present, past and future controversies,
 3 claims, causes of action or purported causes of action, differen-
 4 ces or disputes, both real and potential, arising against Agency
 5 and City in relation to the Project and the Plan; and

6 WHEREAS, District, City and Agency, in consideration of the
 7 mutual undertaking, desire to settle their differences and
 8 cooperatively provide for the redevelopment of certain areas of
 9 the City. This Agreement is a compromise and settlement of
 10 claims and liabilities alleged by District in relationship to the
 11 Project.

12 NOW, THEREFORE, in consideration of the foregoing and the
 13 mutual promises and covenants contained herein, the parties here-
 14 to agree as follows:

15 Section 1. Definitions

16 (a) "District" shall mean the Riverside County Flood Control
 17 and Water Conservation District, a political subdivision of the
 18 State of California.

19 (b) "City" shall mean the City of Moreno Valley, a municipal
 20 corporation.

21 (c) "Agency" shall mean the Redevelopment Agency of the City
 22 of Moreno Valley.

23 (d) "Project" and "Project Area" shall mean the specific
 24 geographical areas and redevelopment activities as set forth in
 25 the Redevelopment Plan for the Moreno Valley Redevelopment
 26 Project.

27
 28

1 (e) "Project Improvements" shall mean the specific flood
2 control improvements as set forth in Exhibit A which is attached
3 hereto and by this reference is incorporated herein.

4 Such improvements are, and must be, part of an approved
5 Master Drainage Plan. Project improvements for the purposes of
6 this Agreement shall not include those facilities not normally
7 funded by the District, namely developer convenience drains,
8 bridges and box culverts or pipes serving as bridges at street
9 crossings.

10 (f) "Project Costs" shall mean those costs paid by the Agen-
11 cy commencing with the date of this Agreement, for the construc-
12 tion of the Project Improvements, and shall be limited to the
13 direct costs to design, acquire right-of-way and construct the
14 Project Improvements. Project Costs for those Project Improve-
15 ments identified on Exhibit A as "Eligible for Financing" will
16 also include the prorata share of the financing costs associated
17 with such Project Improvements, including but not limited to,
18 interest, cost of issuance, refunding, refinancing, etc.

19 (g) "Tax Increment" shall mean that portion of property tax-
20 es resulting from the increase in assessed evaluation in the
21 Project Area over the base year assessed evaluations in the Proj-
22 ect Area, as defined in Section 33670 of the Health and Safety
23 Code. "Tax Increment" shall refer to those taxes raised as a
24 result of the 1% levy allowed under ARTICLE XIII A of the Con-
25 stitution of the State of California. "Tax Increment" as re-
26 ferred to in this Agreement, shall not include those taxes levied
27 in excess of the 1% general levy.

28

1 (h) "District Share" shall mean that portion of "Tax Incre-
2 ment" that, had there not been a redevelopment project adopted,
3 would be allocated and paid to District for the benefit of Dis-
4 trict's General Fund and the General Fund of Zone 4 of the Dis-
5 trict as computed by the County Auditor-Controller in accordance
6 with the applicable provisions of the Revenue and Taxation Code
7 of the State of California.

8 Section 2. Distribution of Tax Increment

9 (a) Commencing with Fiscal Year 1988-89 the County
10 Auditor-Controller shall allocate one hundred percent (100%) of
11 District Share to Agency. Such allocation shall remain in effect
12 until the total annual Tax Increment is 12 million dollars, at
13 which time the County Auditor-Controller shall pay to the
14 District, fifty percent (50%) of District Share, which is to be
15 utilized for operation and maintenance.

16 (b) Commencing with the Fiscal Year in which the District is
17 paid 50% of District Share in accordance with Section 2(a) above,
18 the Agency must annually demonstrate to the satisfaction of the
19 District on a project by project basis, that the cumulative
20 Project Costs paid by the Agency for the Project Improvements,
21 exceeds the cumulative total of District Share received by the
22 Agency, through the date of calculation. To the extent that the
23 cumulative Project Costs paid by Agency exceed the cumulative
24 total of District Share received by Agency, the District will
25 cause the Auditor-Controller to pay to Agency from the remaining
26 fifty percent (50%) of District Share, that sum needed to cause
27 the two amounts to be equal. Any portion of the remaining fifty
28 percent (50%) of District Share in excess of this amount, will be

1 paid to District by the Auditor-Controller.

2 (c) Nothing in this Agreement shall prohibit the District
3 from expending funds on the Project Improvements. Such
4 expenditures, however, shall not be considered Project Costs.

5 (d) It is the intent of the parties to this Agreement, that
6 over the effective life of the Redevelopment Plan, that the
7 cumulative total of District Share paid to Agency shall not
8 exceed the cumulative total of Project Costs expended by Agency
9 for the Project Improvements. It is their further intent that
10 financing costs associated with the Project Improvements be kept
11 to the lowest level possible.

12 Section 3. Project Improvements

13 In addition to the limitations set forth in Section 1(e), and
14 the listing of Project Improvements on Exhibit A, it is under-
15 stood that the Agency is not obligated to construct all listed
16 facilities, but such list merely identifies those Master Drainage
17 Plan approved facilities that the District agrees may be funded
18 with District Share. It should be further noted that such list-
19 ing may, from time to time, be amended with the mutual consent of
20 the Agency and District.

21 The District shall supervise and approve the design and con-
22 struction of the Project Improvements and, upon completion of
23 said Project Improvements, shall assume responsibility for their
24 maintenance.

25 Section 4. Section 63676 Resolution

26 Within 60 days of the executing this Agreement, District will
27 repeal the resolution that it has adopted pursuant to Section

28

1 63676 of the Health and Safety Code regarding the Plan and the
2 Project.

3 Section 5. Modification and Termination

4 If, after this Agreement is executed, State enacts laws or
5 policies in conflict with all or any portion of this Agreement,
6 Agency and District may mutually agree to excuse performance of
7 all or any portion of this Agreement by Agency or District. In
8 the event any section or portion of this Agreement shall be held,
9 found or determined to be unenforceable or invalid for any reason
10 whatsoever, the remaining provisions shall remain in effect, and
11 the parties thereto shall take further actions as may be reason-
12 ably necessary and available to them to effectuate the intent of
13 the parties as to all provisions set forth in this Agreement.

14 Section 6. Effective Date and Term

15 This Agreement shall become effective upon the date of execu-
16 tion of this Agreement and shall remain in effect during the term
17 of the Redevelopment Plan.

18 Section 7. Entire Agreement

19 This Agreement constitutes the entire, complete and final
20 expression of agreements between the parties.

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1 IN WITNESS WHEREOF, the parties have executed this Agreement
2 on the day and year first written above.

3
4 DATED: May 6, 1988

CITY OF MORENO VALLEY
By Raymond [Signature]
Mayor

6 ATTEST:
7 By Talvie A. Burrows
8 City Clerk

9
10 DATED: May 6, 1988

REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
By Raymond [Signature]
Chairman

12 ATTEST:
13 By Talvie A. Burrows
14 Secretary

15 RECOMMENDED FOR APPROVAL:
16 Robert A. Nelson
KENNETH L. EDWARDS
Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
By Kay [Signature]
Vice-Chairman, Board of Supervisors

17 DATED: 4/6/88

19 ATTEST:
20 GERALD A. MALONEY, Clerk
21 By Amy [Signature]
Deputy

FORM APPROVED
COUNTY COUNSEL
APR 1 1988
By Timothy [Signature]

22 AGRMT305.MASTER

25 APPROVED AS TO FORM:
26 DATE 5/1/88
27 BY: [Signature]
CITY ATTORNEY
CITY OF MORENO VALLEY

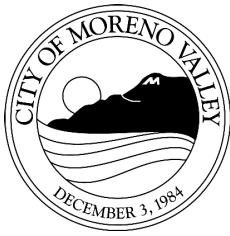
MORENO VALLEY REDEVELOPMENT PROJECT

PROJECT IMPROVEMENTS

Sunnymead Master Drainage Plan

| <u>Facility</u> | <u>Station Limits</u> | <u>Eligible for Financing</u> |
|--------------------------------|-----------------------|-------------------------------|
| Line B | 105+00 - 131+70 | No |
| Line B-5 | 19+90 - 22+80 | Yes |
| | & 0+00 - 12+50 | |
| Line B-6 | 9+40 - 17+60 | Yes |
| Line B-7 | 0+00 - 25+90 | No |
| Line B-8, Stg I & B-10 | 0+00 - 10+00 | Yes |
| | & 0+00 - 13+20 | |
| Line B-8, Stg II | 10+60 - 44+00 | |
| Line B-9 | 0+00 - 10+00 | Yes |
| Line B-11 | 0+00 - 10+00 | Yes |
| Line B-12 | 0+00 - 13+80 | No |
| Line F (D/S of Hemlock) | 119+00 - 125+00 | No |
| Line F-1 | 0+00 - 20+30 | No |
| Line G | 0+00 - 10+60 | No |
| Line H (D/S of Hwy 60) | 0+00 - 4+00 | Yes |
| Line H (Hwy 60 U/S to basin) | | No |
| Line H (U/S of basin) | | No |
| Line H-1 (in Indian) | | No |
| Line H-1 (to basin) | | No |
| Indian St. Basin (Master Plan) | | |
| Line H-4 | | No |
| Line H-5 (D/S of Ironwood) | | No |
| Line H-12 | 0+00 - 13+00 | Yes |
| Line M-4 | 41+30 - 74+00 | No |
| Line M-5 | 0+00 - 11+40 | No |
| Line P-1 | 0+00 - 14+10 | No |
| Line P-2 | 0+00 - 48+90 | No |
| Line P-4 | 0+00 - 2+00 | No |
| Line P-5 | 0+00 - 2+00 | No |
| Line P-6 | 0+00 - 13+10 | No |
| Line P-7 | 0+00 - 4+30 | No |
| Line T | 0+00 - 25+40 | No |
| Moreno Master Drainage Plan | | |
| Line G | 106+80 - 127+80 | No |

DPZ:bjp
exh308a



| APPROVALS | |
|----------------|-----------------|
| BUDGET OFFICER | <BudgetOfficer> |
| CITY ATTORNEY | <CityAttorney> |
| CITY MANAGER | <CityManager> |

Report to City Council

TO: Mayor and City Council; and Mayor and City Council Acting in their capacity as the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: December 9, 2014

TITLE: ADOPT RESOLUTIONS APPROVING THE TRANSFER OF TITLES FROM PROPERTIES OF THE FORMER COMMUNITY REDEVELOPMENT AGENCY TO THE CITY OF MORENO VALLEY AND AUTHORIZE THE CITY CLERK TO ACCEPT AND CONSENT TO THE DEEDS OR GRANTS OF THE PROPERTIES

RECOMMENDED ACTION

Recommendations:

1. Adopt Resolution No. SA 2014-____. A Resolution of the City Council of the City of Moreno Valley Serving as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley, California, Approving the Transfer of Titles of the Conference and Recreation Center Property and the Property Located at Cactus Avenue and Day Street from the Former Community Redevelopment Agency to the City of Moreno Valley.
2. Adopt Resolution No. 2014-____. A Resolution of the City Council of the City of Moreno Valley, California, Authorizing the City Clerk to Accept and Consent to the Deeds or Grants for the Conference and Recreation Center Property and the Property Located at Cactus Avenue and Day Street being Transferred to the City of Moreno Valley from the Former Community Redevelopment Agency as Assigned to the Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley.
3. Authorize the Executive Director or their assignee to execute quit claim deeds and to direct staff to take the necessary action to record the fully-executed deeds.

SUMMARY

This report recommends adoption of Resolution No. SA 2014-__ approving and authorizing the transfer of titles for the Conference and Recreation Center property, as well as the property located at Cactus Avenue and Day Street, from the former Community Redevelopment Agency of the City of Moreno Valley (“RDA”) to the City of Moreno Valley, and adoption of Resolution No. 2014-__ authorizing the City Clerk to accept and consent to the deeds or grants of the properties being transferred to the City of Moreno Valley from the former Community Redevelopment Agency of the City of Moreno Valley as assigned to the Successor Agency of the Community Redevelopment Agency of the City of Moreno Valley.

As Successor Agency, the City is responsible for winding down the affairs of the RDA including the disposal of its assets. The Long Range Property Management Plan (“Property Management Plan”) for the disposition of the former RDA real property assets identifies the method(s) in which these assets are to be disposed. The Property Management Plan called for the Conference and Recreation Center property and the property located at Cactus Avenue and Day Street to be transferred to the City. The Property Management Plan was previously approved by the Successor Agency and the Oversight Board in November 2013 as Resolution No. SA 2013-10 and Resolution No. OB 2013-10. The Property Management Plan and the disposition of the properties were also approved by the California Department of Finance on March 6, 2014.

DISCUSSION**The Conference and Recreation Center**

In 1994, the Conference and Recreation Center, along with the other adjoining parcels, was acquired for the purpose of development of a governmental center for the City. The Center comprises of City Hall, the Public Safety Building, the Emergency Operations Center, the Conference and Recreation Center and the Veteran’s Memorial Plaza. City Hall was the first building to be constructed, followed by the Public Safety Building. The Conference and Recreation Center, which occupies a portion of the Center was completed in 2005 and the title was transferred to the former Redevelopment Agency as a part of the financing.

Property located at Cactus Avenue and Day Street

After the realignment of the I-215, Caltrans relinquished approximately 16 acres of excess right of way on the north side of Cactus Avenue at the Old 215 frontage road and Day Street to the City. In 2006, in an effort to assist in the development of an adjoining parcel, the Cactus at the Old 215 property was transferred from the City to the former RDA. The development of the property was never materialized and the RDA remains in title to the property. Since the property is relinquished public right-of-way, it was never assessed for tax purposes and, therefore, has no Assessor’s Parcel Number.

Assembly Bill X1 26, effective on June 27, 2011, caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484 (Dissolution Act). As of February 1, 2012 the RDA was dissolved pursuant to the Dissolution Act, and as a separate legal entity the City now serves as the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley (“Successor Agency”).

Pursuant to the Health & Safety Code, the Successor Agency prepared a Property Management Plan for the former RDA real property assets. The Property Management Plan was approved by the Oversight Board and the California Department of Finance. The Property Management Plan calls for the transfer of title of said properties by way of quit claim deeds, attached hereto as Attachments 3 & 4, in accordance with the Property Management Plan as adopted and approved.

ALTERNATIVES

1. Adopt the attached proposed resolutions, which approve and authorize the transfer of titles, as well as authorizing the City Clerk to accept and consent to deeds or grants to the Conference and Recreation Center and the property located at Cactus Avenue and Day Street from the former Community Redevelopment Agency of the City of Moreno Valley to the City of Moreno Valley. *Staff recommends this alternative because this action would meet the approved conditions set forth in the approved Long-Range Property Management Plan in accordance with the California State legislation.*
2. Decline to adopt the attached proposed resolutions, which could potentially violate the approved conditions set out in the approved Long-Range Property Management Plan. *Staff does not recommend this alternative.*

FISCAL IMPACT

There is no fiscal impact for this action.

NOTIFICATION

No public notice is required prior to the City Council taking action on this item. However, the agenda for the meeting during which this item may be considered has been posted in the three locations that have been designated for the posting of City Council agendas.

ATTACHMENTS

Attachment 1 – Proposed Resolution

Attachment 2 – Proposed Resolution

Attachment 3 – Quit Claim Deed for the Conference & Recreation Center

Attachment 4 – Quit Claim Deed for the property at Cactus and Day

Prepared By:
Anochar Clark
Sr. Financial Analyst

Department Head Approval:
Richard Teichert
Chief Financial Officer

Concurred By:
Marshall Eyerman
Financial Resources Division Manager

RESOLUTION NO. SA 2014-xx

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY SERVING AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE TRANSFER OF TITLES OF THE CONFERENCE AND RECREATION CENTER PROPERTY AND THE PROPERTY LOCATED AT CACTUS AVENUE AND DAY STREET FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY TO THE CITY OF MORENO VALLEY

WHEREAS, prior to February 1, 2012, the Community Redevelopment Agency of the City of Moreno Valley (herein referred to as the "Former Agency") was a community redevelopment agency duly organized and existing under the California Community Redevelopment Law (Health and Safety Code Sections 33000 et seq.), and was authorized to transact business and exercise the powers of a redevelopment agency pursuant to action of the City Council ("City Council") of the City of Moreno Valley ("City"); and

WHEREAS, Assembly Bill x1 26, chaptered and effective on June 27, 2011, added Parts 1.8 and 1.85 to Division 24 of the California Health and Safety Code, which caused the dissolution of all redevelopment agencies and winding down of the affairs of former agencies, including as such laws were amended by Assembly Bill 1484, chaptered and effective on June 27, 2012 (together, the "Dissolution Act"); and

WHEREAS, as of February 1, 2012 the Former Agency was dissolved pursuant to the Dissolution Act and as a separate legal entity the City serves as the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley ("Successor Agency"); and

WHEREAS, the Successor Agency is responsible for winding down the affairs of the Former Agency, including the disposal of its assets; and

WHEREAS, pursuant to Health & Safety Code Section 34191.5(b), upon the Successor Agency's receipt of a "Finding of Completion" from the California Department of Finance pursuant to Health & Safety Code Section 34179.7, the Successor Agency prepared a long range property management plan ("Property Management Plan") for the Former Agency's real property assets and submit the approved Property Management Plan to the Oversight Board and the Department of Finance for approval, and

WHEREAS, the Property Management Plan was approved by the Oversight Board and the State Department of Finance; and

WHEREAS, the approved Property Management Plan includes the transfer of title to certain parcels of real property, including parcels pertaining to the Conference and Recreation Center (herein referred to as the Conference and Recreation parcels) and the parcel located at Cactus Avenue and Day Street (herein referred to as the

Cactus Avenue and Day Street parcel), from the Former Agency to the City of Moreno Valley; and

WHEREAS, by this Resolution, the Successor Agency desires to transfer titles to the Conference and Recreation parcels and to the Cactus Avenue and Day Street parcel using the form of the quit claim deeds submitted to the City of Moreno Valley by the Successor Agency.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, SERVING AS THE SUCCESSOR AGENCY, DOES HEREBY RESOLVE AS FOLLOWS:

SECTION 1. The foregoing recitals are true and correct and constitute a substantive part of this Resolution.

SECTION 2. The Successor Agency hereby approves the transfer of titles as shown on the quit claim deeds in the form submitted to the Successor Agency concurrently herewith and authorizes the Executive Director or nominee to execute the documents necessary to effect the title transfer and record the fully-executed deeds.

SECTION 3. This Resolution shall be effective immediately upon adoption.

SECTION 4. The Successor Agency shall maintain on file as a public record this Resolution as approved hereby.

SECTION 5. The City Clerk shall certify to the adoption of this resolution.

APPROVED AND ADOPTED this 9th day of December 2014.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

2
Resolution No. SA 2014-XX
Date Adopted: December 09, 2014

RESOLUTION JURAT

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

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. SA 2014-XX was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 9th day of December, 2014, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Resolution No. SA 2014-XX³
Date Adopted: December 09, 2014

RESOLUTION NO. 2014-XX

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, AUTHORIZING THE CITY CLERK TO ACCEPT AND CONSENT TO THE DEEDS OR GRANTS FOR THE CONFERENCE AND RECREATION CENTER PROPERTY AND THE PROPERTY LOCATED AT CACTUS AVENUE AND DAY STREET BEING TRANSFERRED TO THE CITY OF MORENO VALLEY FROM THE FORMER COMMUNITY REDEVELOPMENT AGENCY AS ASSIGNED TO THE SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

WHEREAS, Section 27281 of the Government Code provides that deeds or grants conveying an interest in or easement upon real estate to a political corporation or governmental agency for public purposes shall not be accepted for recordation without the consent of the grantee evidenced by its certificate or resolution of acceptance attached to or printed upon the deed or grant; and

WHEREAS, Section 27281 of the Government Code also provides that a political corporation or governmental agency may, by general resolution, authorize an officer or agent of the grantee to accept and consent to such deeds or grants; and

WHEREAS, the Mayor and Council of the City of Moreno Valley desires and believes that it is in the best interests of convenience and efficiency for the City to designate the City Clerk as the officer authorized to accept on behalf of the City deeds and grants for properties acquired by or assigned to the City.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY OF MORENO VALLEY:

SECTION 1. The City Clerk of the City of Moreno Valley is authorized to accept and consent to the deeds and grants conveying properties acquired by or assigned to the City of Moreno Valley.

SECTION 2. Whenever the City Clerk consents to the deeds or grants conveying properties acquired by or assigned to the City of Moreno Valley, the City Clerk shall execute a certificate of acceptance and consent in substantially the following form.

This is to certify that the interest in real property conveyed by the deeds or grants dated _____ from the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley to the City of Moreno Valley, a political corporation, in the forms attached as Exhibits A & B hereto, are hereby accepted by the undersigned City Clerk (or his/her assignee) on behalf of the City of Moreno Valley pursuant to authority conferred by Resolution No. 2014-__ of the Mayor and Council of the City of

1
Resolution No. 2014-
Date Adopted: December 9, 2014

Moreno Valley adopted December 9, 2014 and the grantee consents to recordation thereof by the City Clerk.

APPROVED AND ADOPTED this 9th day of December, 2014.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

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

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2014- was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 9th day of December, 2014 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Exhibit A

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property, if any, conveyed under the foregoing Quitclaim Deed by the Successor Agency to the City of Moreno Valley as to the following property:

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 00° 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 and 047

is hereby accepted by the City Clerk on behalf of the City of Moreno Valley pursuant to authority conferred by Resolution No. _____ of said City adopted on December 9, 2014, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF MORENO VALLEY

By: _____
City Clerk

4
Resolution No. 2014-
Date Adopted: December 9, 2014

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

Exhibit B

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property, if any, conveyed under the foregoing Quitclaim Deed by the Successor Agency to the City of Moreno Valley as to the following property:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE AND NOW KNOWN AS DAY STREET, BEING ALSO A PORTION OF LOT 1 IN BLOCK 13 OF ALESSANDRO TRACT, AS SHOWN BY MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DECREE OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2, 1942 IN BOOK 532, PAGE, 311, OFFICIAL RECORDS. AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 IN BOOK 571, PAGE, 236. OFFICIAL RECORDS, WITH THE WEST LINE OF SAID UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID WEST LINE NORTH 0° 12' 02" EAST, 526.03 FEET; THENCE SOUTH 67° 14' 15" EAST, 64.92 FEET TO THE EAST LINE OF SAID DAY STREET;

THENCE ALONG SAID EAST LINE SOUTH 0° 12' 02" WEST, 500.74 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST, 60.00 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51 '15" WEST, 60.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 1 IN BLOCK 13 OF ALESSANDRO TRACT, AS SHOWN BY MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DECREE

OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2, 1942 IN BOOK 532, PAGE 311, OFFICIAL RECORDS, AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 IN BOOK 571, PAGE 236, OFFICIAL RECORDS, WITH THE EAST LINE OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID EAST LINE NORTH 0° 12' 02" EAST, 500.74 FEET;

THENCE SOUTH 67° 14' 15" EAST, 271.65 FEET;

THENCE SOUTH 71° 20' 01" EAST, 149.00 FEET;

THENCE SOUTH 67° 14' 15" EAST, 400.00 FEET;

THENCE ALONG A TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 940.00 FEET. THROUGH AN ANGLE OF 22° 54' 30". 375.84 FEET;

THENCE NORTH 89° 51' 15" EAST, 1,466.78 FEET TO THE WEST LINE OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS ELLSWORTH STREET;

THENCE ALONG SAID WEST LINE SOUTH 0° 02' 06" WEST, 120.00 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST, 2,586.53 FEET FROM THE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51' 15" WEST, 2,586.53 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF LOT 4 IN BLOCK 12 OF ALESSANDRO TRACT, IN THE CITY OF MORENO VALLEY, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DECREE OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2, 1942 IN BOOK 532, PAGE 311, OFFICIAL RECORDS, AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 I BOOK 571, PAGE 236, OFFICIAL RECORDS WITH THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE STATE OF CALIFORNIA, AS PARCEL NO. 35 IN DECREE OF CONDEMNATION. A CERTIFIED

COPY OF WHICH WAS RECORDED MAY 18, 1943 IN BOOK 580, PAGE 327, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ALONG SAID EASTERLY LINE NORTH 19° 57' 35" WEST 1,047.38 FEET;

THENCE SOUTH 24° 06' 50" EAST 140.16 FEET;

THENCE ALONG A TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 224.00 FEET; THROUGH AN ANGLE OF 43° 07' 25", 168.59 FEET;

THENCE SOUTH 67° 14' 15" EAST 540.66 FEET TO THE WEST LINE OF THAT CERTAIN UNNAMED STREET 60.00 FEET WIDE AS SHOWN ON SAID ~, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID WEST LINE SOUTH 0° 12' 02" WEST 526.03 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST 316.68 FEET FROM THE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51' 15" WEST 316.88 FEET TO THE POINT OF BEGINNING.

APN: N/A

is hereby accepted by the City Clerk on behalf of the City of Moreno Valley pursuant to authority conferred by Resolution No. _____ of said City adopted on December 9, 2014, and the Grantee consents to recordation thereof by its duly authorized officer.

CITY OF MORENO VALLEY

By: _____
City Clerk

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

STATE OF CALIFORNIA)
) ss.
COUNTY OF _____)

On _____ before me, _____, Notary Public, personally appeared _____, who proved to me on the basis of satisfactory evidence to be the person(s) whose names(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 OF NOTARY PUBLIC

RECORDING REQUESTED BY,
MAIL TAX STATEMENTS TO AND
WHEN RECORDED MAIL TO:

Moreno Valley Housing Authority
14177 Frederick Street
Moreno Valley, CA 92553
Attn: Executive Director

APN: 297-140-046 and 047

MAIL TAX STATEMENTS TO:
DOCUMENTARY TRANSFER TAX \$(exempt; no
consideration)

QUITCLAIM DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY** (the "Grantor") hereby does REMISE, RELEASE, AND FOREVER QUITCLAIM To the **CITY OF MORENO VALLEY**, a municipal corporation organized and existing under and by virtue of the laws of the State of California ("Grantee"), all of Grantor's right, title, and interest in and to that certain real property the real property described in Exhibit A attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Quitclaim Deed as of _____, 2014.

SUCCESSOR AGENCY:

**SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY
OF MORENO VALLEY**

By: _____

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS 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 00° 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 and 047

RECORDING REQUESTED BY,
MAIL TAX STATEMENTS TO AND
WHEN RECORDED MAIL TO:

The City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553
Attn: City Clerk

APN: N/A

MAIL TAX STATEMENTS TO:
DOCUMENTARY TRANSFER TAX \$(exempt; no
consideration)

QUITCLAIM DEED

For valuable consideration, receipt of which is hereby acknowledged,

The **SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY** (the "Grantor") hereby does REMISE, RELEASE, AND FOREVER QUITCLAIM To the **CITY OF MORENO VALLEY**, a Municipal Corporation ("Grantee"), all of Grantor's right, title, and interest in and to that certain real property the real property described in Exhibit A attached hereto and incorporated herein by this reference.

IN WITNESS WHEREOF, Grantor has executed this Quitclaim Deed as of _____, 2014.

SUCCESSOR AGENCY:

**SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY
OF MORENO VALLEY**

By: _____

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 1:

THAT PORTION OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE AND NOW KNOWN AS DAY STREET, BEING ALSO A PORTION OF LOT 1 IN BLOCK 13 OF ALESSANDRO TRACT, AS SHOWN BY MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DECREE OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2, 1942 IN BOOK 532, PAGE, 311, OFFICIAL RECORDS. AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 IN BOOK 571, PAGE, 236. OFFICIAL RECORDS, WITH THE WEST LINE OF SAID UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID WEST LINE NORTH 0° 12' 02" EAST, 526.03 FEET; THENCE SOUTH 67° 14' 15" EAST, 64.92 FEET TO THE EAST LINE OF SAID DAY STREET;

THENCE ALONG SAID EAST LINE SOUTH 0° 12' 02" WEST, 500.74 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST, 60.00 FEET FROM THE POINT OF BEGINNING; THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51 '15" WEST, 60.00 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THAT PORTION OF LOT 1 IN BLOCK 13 OF ALESSANDRO TRACT, AS SHOWN BY MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA, LYING WITHIN THE FOLLOWING DESCRIBED PROPERTY:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DECREE OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2. 1942 IN BOOK 532, PAGE 311, OFFICIAL RECORDS, AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 IN BOOK 571, PAGE 236, OFFICIAL RECORDS, WITH THE EAST LINE OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID EAST LINE NORTH 0° 12' 02" EAST, 500.74 FEET;

THENCE SOUTH 67° 14' 15" EAST, 271.65 FEET;

THENCE SOUTH 71° 20' 01" EAST, 149.00 FEET;

THENCE SOUTH 67° 14' 15" EAST, 400.00 FEET;

THENCE ALONG A TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 940.00 FEET. THROUGH AN ANGLE OF 22° 54' 30". 375.84 FEET;

THENCE NORTH 89° 51' 15" EAST, 1,466.78 FEET TO THE WEST LINE OF THAT CERTAIN UNNAMED STREET, 60.00 FEET WIDE, NOW KNOWN AS ELLSWORTH STREET;

THENCE ALONG SAID WEST LINE SOUTH 0° 02' 06" WEST, 120.00 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST, 2,586.53 FEET FROM THE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51' 15" WEST, 2,586.53 FEET TO THE POINT OF BEGINNING.

PARCEL 3:

THAT PORTION OF LOT 4 IN BLOCK 12 OF ALESSANDRO TRACT, IN THE CITY OF MORENO VALLEY, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA AS PER MAP RECORDED IN BOOK 6, PAGE 13, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY, DESCRIBED AS FOLLOWS:

BEGINNING AT THE INTERSECTION OF THE NORTHERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE UNITED STATES OF AMERICA BY DEGREE OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED MARCH 2, 1942 IN BOOK 532, PAGE 311, OFFICIAL RECORDS, AND BY DECREE ON AMENDED DECLARATION OF TAKING, A CERTIFIED COPY OF WHICH WAS RECORDED FEBRUARY 24, 1943 I BOOK 571, PAGE 236, OFFICIAL RECORDS WITH THE EASTERLY LINE OF THAT CERTAIN PARCEL OF LAND ACQUIRED BY THE STATE OF CALIFORNIA, AS PARCEL NO. 35 IN DECREE OF CONDEMNATION. A CERTIFIED COPY OF WHICH WAS RECORDED MAY 18, 1943 IN BOOK 580, PAGE 327, OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE ALONG SAID EASTERLY LINE NORTH 19° 57' 35" WEST 1,047.38 FEET;

THENCE SOUTH 24° 06' 50" EAST 140.16 FEET;

THENCE ALONG A TANGENT CURVE CONCAVE NORTHEASTERLY WITH A RADIUS OF 224.00 FEET; THROUGH AN ANGLE OF 43° 07' 25", 168.59 FEET;

THENCE SOUTH 67° 14' 15" EAST 540.66 FEET TO THE WEST LINE OF THAT CERTAIN UNNAMED STREET 60.00 FEET WIDE AS SHOWN ON SAID ~, NOW KNOWN AS DAY STREET;

THENCE ALONG SAID WEST LINE SOUTH 0° 12' 02" WEST 526.03 FEET TO SAID NORTHERLY LINE OF THE UNITED STATES OF AMERICA PARCEL OF LAND, DISTANT ALONG SAID NORTHERLY LINE NORTH 89° 51' 15" EAST 316.68 FEET FROM THE POINT OF BEGINNING;

THENCE ALONG SAID NORTHERLY LINE SOUTH 89° 51' 15" WEST 316.88 FEET TO THE POINT OF BEGINNING.

MORENO VALLEY COMMUNITY REDEVELOPMENT AGENCY

ASSET TRANSFER REVIEW

Review Report

January 1, 2011, through January 31, 2012



JOHN CHIANG
California State Controller

December 2014



JOHN CHIANG
California State Controller

December 26, 2014

Michelle Dawson, City Manager
Moreno Valley Community Redevelopment/Successor Agency
14177 Frederick Street
Moreno Valley, CA 92553

Dear Ms. Dawson:

Pursuant to Health and Safety Code section 34167.5, the State Controller's Office (SCO) reviewed all asset transfers made by the Moreno Valley Community Redevelopment Agency (RDA) to the City of Moreno Valley (City) or any other public agency after January 1, 2011. This statutory provision states, "The Legislature hereby finds that a transfer of assets by a redevelopment agency during the period covered in this section is deemed not to be in furtherance of the Community Redevelopment Law and is thereby unauthorized." Therefore, our review included an assessment of whether each asset transfer was allowable and whether the asset should be turned over to the Successor Agency.

Our review applied to all assets including, but not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payment of any kind. We also reviewed and determined whether any unallowable transfers to the City or any other public agency have been reversed.

Our review found that the RDA transferred \$133,244,497 in assets after January 1, 2011, including an unallowable transfer to the City totaling \$298,513, or 0.002% of transferred assets. These assets must be turned over to the Successor Agency.

If you have any questions, please contact Elizabeth González, Chief, Local Government Compliance Bureau, by telephone at (916) 324-0622.

Sincerely,

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

JVB/kw

MAILING ADDRESS P.O. Box 942850, Sacramento, CA 94250-5874
SACRAMENTO 3301 C Street, Suite 700, Sacramento, CA 95816 (916) 324-8907
LOS ANGELES 901 Corporate Center Drive, Suite 200, Monterey Park, CA 91754 (323) 981-6802

Michelle Dawson, City Manager

-2-

December 26, 2014

cc: Dena Heald, Financial Operations Division Manager
City of Moreno Valley
Glenn Moss, Chair of the Oversight Board
Moreno Valley Community Redevelopment/Successor Agency
Paul Angulo, Auditor-Controller
Riverside County
Richard Teichert, Chief Financial Officer
City of Moreno Valley
David Botelho, Program Budget Manager
California Department of Finance
Richard J. Chivaro, Chief Legal Counsel
State Controller's Office
Elizabeth González, Bureau Chief
Division of Audits, State Controller's Office
Betty Moya, Audit Manager
Division of Audits, State Controller's Office
Margaux Clark, Auditor-in-Charge
Division of Audits, State Controller's Office
Tuan Tran, Auditor
Division of Audits, State Controller's Office

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Review Report

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Attachment—City’s Response to Draft Review Report

Asset Transfer Review Report

Summary

The State Controller's Office (SCO) reviewed the asset transfers made by the Moreno Valley Community Redevelopment Agency (RDA) after January 1, 2011. Our review included, but was not limited to, real and personal property, cash funds, accounts receivable, deeds of trust and mortgages, contract rights, and rights to payments of any kind from any source.

Our review found that the RDA transferred \$133,244,497 in assets after January 1, 2011, including an unallowable transfer to the City of Moreno Valley (City) totaling \$298,513, or 0.002% of transferred assets. The assets must be turned over to the Successor Agency.

Background

In January of 2011, the Governor of the State of California proposed statewide elimination of redevelopment agencies (RDAs) beginning with the fiscal year (FY) 2011-12 State budget. The Governor's proposal was incorporated into Assembly Bill 26 (ABX1 26, Chapter 5, Statutes of 2011, First Extraordinary Session), which was passed by the Legislature, and signed into law by the Governor on June 28, 2011.

ABX1 26 prohibited RDAs from engaging in new business, established mechanisms and timelines for dissolution of the RDAs, and created RDA Successor Agencies to oversee dissolution of the RDAs and redistribution of RDA assets.

A California Supreme Court decision on December 28, 2011 (*California Redevelopment Association et al. v. Matosantos*), upheld ABX1 26 and the Legislature's constitutional authority to dissolve the RDAs.

ABX1 26 was codified in the Health and Safety Code (H&S Code) beginning with section 34161.

H&S Code section 34167.5, states, in part, ". . .the Controller is required to review the activities of redevelopment agencies in the state to determine whether an asset transfer has occurred after January 1, 2011, between the city or county, or city and county that created a redevelopment agency or any other public agency, and the redevelopment agency."

The SCO identified asset transfers that occurred after January 1, 2011, between the RDA, the City, and/or other public agencies. By law, the SCO is required to order that such assets, except those that already had been committed to a third party prior to June 28, 2011, the effective date of ABX1 26, be turned over to the Successor Agency. In addition, the SCO may file a legal action to ensure compliance with this order.

Objective, Scope, and Methodology

Our review objective was to determine whether asset transfers that occurred after January 1, 2011, and the date upon which the RDA ceased to operate, or January 31, 2012, whichever was earlier, between the city or county, or city and county that created an RDA or any other public agency, and the RDA, were appropriate.

We performed the following procedures:

- Interviewed Successor Agency personnel to gain an understanding of the Successor Agency operations and procedures.
- Reviewed meeting minutes, resolutions, and ordinances of the RDA, the City, the Successor Agency, and the Oversight Board.
- Reviewed accounting records relating to the recording of assets.
- Verified the accuracy of the Asset Transfer Assessment Form. This form was sent to all former RDAs to provide a list of all assets transferred between January 1, 2011, and January 31, 2012.
- Reviewed applicable financial reports to verify assets (capital, cash, property, etc.).

Conclusion

Our review found that the Moreno Valley Community Redevelopment Agency transferred \$133,244,497 in assets after January 1, 2011, including an unallowable transfer to the City of Moreno Valley totaling \$298,513, or 0.002% of transferred assets. These assets must be turned over to the Successor Agency.

Details of our finding are described in the Finding and Order of the Controller section of this report.

Views of Responsible Officials

We issued a draft review report on September 23, 2014. Richard Teichert, Chief Financial Officer, responded by letter dated October 1, 2014. The City's response is included in this final review report as an attachment.

Restricted Use

This report is solely for the information and use of the Successor Agency, the Oversight Board, the City of Moreno Valley, and the SCO; it is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which is a matter of public record when issued final.

Original signed by

JEFFREY V. BROWNFIELD, CPA
Chief, Division of Audits

December 26, 2014

Finding and Order of the Controller

**FINDING—
Unallowable asset
transfers to the
City of Moreno
Valley**

The Moreno Valley Community Redevelopment Agency made an unallowable asset transfer of \$298,513 to the City of Moreno Valley. The transfer occurred after January 1, 2011, and the assets were not contractually committed to a third party prior to June 28, 2011.

On June 29, 2011, the RDA transferred \$298,513 in cash to the City of Moreno Valley. The transfer was an interest payment for the Conference and Recreation Center promissory note. The RDA purchased the Conference and Recreation Center from the City on April 26, 2005.

Order of the Controller

Pursuant to Health and Safety (H&S) Code section 34167.5, the City is ordered to reverse the transfer totaling \$298,513 and turn over the assets to the Successor Agency.

City's Response

The City disagrees with the finding and states that the interest payment was an allowable transfer based on Oversight Board approval ratifying the interest payments, their interpretation of ABX1 26, as well as the fact that the payment was not a new engagement of business by the RDA.

See attachment for the City's complete response.

SCO's Comment

A recent Superior Court ruling (Successor Agency to the *Brea Redevelopment Agency, et al. v. Matosantos, et al.*) states:

The redevelopment dissolution laws established oversight boards to supervise the actions of successor agencies, but not to supervise or ratify (after the fact) the actions of former redevelopment agencies. Conversely, the Court has not located any provision of the redevelopment laws that requires or authorizes an oversight board retrospectively to review or ratify an action of a redevelopment agency taken before its dissolution. The Oversight Board thus appears to have no legal authority or mandate to review actions of the RDA.

As such, the Oversight Board did not have legal authority to retroactively approve the transfers.

The SCO's authority under H&S Code section 34167.5 extends to all assets transferred after January 1, 2011, by the RDA to the city or county, or city and county that created the RDA or any other public agency. This responsibility is not limited by the other provisions of the RDA dissolution legislation.

On May 24, 2013, the Successor Agency received a Finding of Completion from the Department of Finance. Pursuant to H&S Code section 34191.4, the Successor Agency may place payments for loan agreements between the RDA and the City on the Recognized Obligation Payment Schedule as an enforceable obligation, provided that the Oversight Board finds that the loans were for legitimate redevelopment purpose.

The Finding and Order of the Controller remain as stated.

**Attachment—
City’s Response to
Draft Review Report**

TEL: 951.413.3021
FAX: 951.413.3096
WWW.MOVAL.ORG



14177 FREDERICK STREET
P.O. Box 88005
MORENO VALLEY, CA 92552-0805

October 1, 2014

CERTIFIED MAIL

Elizabeth Gonzalez, Chief
Local Government Compliance Bureau
State Controller's Office, Division of Audits
PO Box 942850
Sacramento, CA 94250-5874

Dear Ms. Gonzalez:

We are in receipt of your letter dated September 23, 2014 in regards to the unallowable transfer to the City of Moreno Valley from the Moreno Valley Community Redevelopment / Successor Agency in the amount of \$298,513. As instructed in your letter, we are submitting this letter within 10 calendar days after receipt as we would like to have the following comments added to the final report.

The sale of the property was approved in 2005 through Resolution 2005-39 and RDA Resolution 2005-04, which allowed for the purchase/sale of the property along with the terms of the payments. The interest payments made were the result of a contractual obligation entered into in 2005, prior to the dissolution of the Community Redevelopment Agency of the City of Moreno Valley (RDA). Per the terms of the Agreement, the RDA had completed scheduled payments to the City through February 1, 2012. Following the dissolution of the RDA on February 1, 2012, all future payments were delayed until payments could be confirmed and identified as part of the Enforceable Obligation Payment Schedule.

As part of the Oversight Board review of the Amended Recognized Obligation Payment Schedule for the period January 1, 2012 through June 30, 2012, the Board took action on May 9, 2012 to "voluntarily" remove the future payments of the note from the payment schedule. Since the property was to be used for governmental purposes, the ownership of the parcel would be later addressed as part of the Long Range Property Management Plan to revert ownership back to the City and to cancel the loan due to the dissolution of the RDA.

FINANCIAL & MANAGEMENT SERVICES DEPARTMENT

Elizabeth Gonzalez
October 1, 2014
Page 2

On December 11, 2013, the Oversight Board approved Resolution OB 2013-13 which ratified and approved the said interest payments of \$298,513 as an enforceable obligation for a valid loan that remained intact through February 1, 2012.

As part of the review by the State Controller's Office, it was determined that one interest payment of \$298,513 made on June 29, 2011 per the terms of the Agreement was unallowable. Based on these details, our interpretation of ABX1 26, and the fact that this was not an engagement of new business by the RDA, it is our stance that this interest payment was an allowable transfer.

Please take these details into consideration prior to finalizing the report. Should you continue to classify this as an unallowable transfer, please include the comments in the above paragraphs in your final report. Thank you in advance for your time and consideration to this matter.

Sincerely,



Richard Teichert
Chief Financial Officer

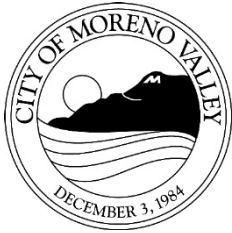
RT/djh

c: Michelle Dawson, City Manager, City of Moreno Valley
Suzanne Bryant, City Attorney, City of Moreno Valley

**State Controller's Office
Division of Audits
Post Office Box 942850
Sacramento, CA 94250-5874**

<http://www.sco.ca.gov>

S14-RDA-977



Report to the Oversight Board for Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Richard Teichert, Chief Financial Officer

AGENDA DATE: January 14, 2015

TITLE: CONSIDERATION OF THE OVERSIGHT BOARD TO THE SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY APPROVING AN EXTENSION TO THE AGREEMENT FOR LEGAL REPRESENTATION FOR THE OVERSIGHT BOARD

RECOMMENDED ACTION:

Staff recommends that the Oversight Board consider an extension to the term of the Legal Services Agreement with Kronick, Moskovitz, Tiedemann & Girard and direct staff to take appropriate action.

BACKGROUND:

During a discussion at the April 11, 2012 meeting, members expressed the desire to solicit a proposal from a qualified law firm to provide legal advice specific to the responsibilities and actions of the Oversight Board. As a result, Staff requested a proposal from Jon Goetz with Kronick, Moskovitz, Tiedemann & Girard (KMTG). Details of the terms and conditions of the proposal were presented at the April 25, 2012 Oversight Board Meeting and the current Agreement is included as Attachment 2 to this staff report.

KMTG has continued to function in the capacity as Oversight Board Counsel since the execution of the Legal Services Agreement in 2012.

DISCUSSION:

The original Legal Services Agreement dated May 2, 1012 provided a term of one year, expiring on April 24, 2013 with a provision that it could be extended by mutual consent

of the Client, Contracting Party and KMTG. The Successor Agency is proposing an amendment to the Legal Service Agreement which would eliminate the term of the Agreement as currently set forth in Section 7 of the Agreement. This change will allow for Legal Counsel to continue their representation of the Oversight Board until such time as the oversight activities are transferred to the County on July 1, 2016 as set forth in ABx1 26 or as later modified by the Legislature.

ALTERNATIVES:

1. Approve the proposed amendment to the Legal Service Contract with Kronick, Moskovitz, Tiedemann & Girard.
2. Do not approve the proposed amendment to the Legal Service Contract with Kronick, Moskovitz, Tiedemann & Girard. Provide staff with alternative direction

FISCAL IMPACT:

The cost of the legal services will be appropriated within the overall administrative allowance provided by the Recognized Obligation Payment Schedule (ROPS). The cost to provide the legal counsel and representation for the Oversight Board will be provided from the Redevelopment Property Tax Trust Fund.

ATTACHMENT:

Attachment 1 – Extension of Term of Legal Services Agreement

Attachment 2 – Legal Service Agreement

Attachment 3 – April 25, 2012 Staff Report Proposing Legal Representation

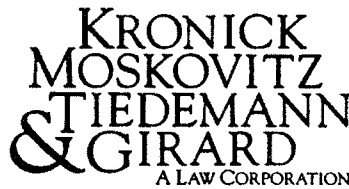
SUCCESSOR AGENCY STAFF:

Prepared by:

Marshall Eyerman
Financial Resources Division Manger

Approved by:

Richard Teichert
Chief Financial Officer



Jon Goetz

805.786.4302
jgoetz@kmtg.com

November 20, 2014

Richard Teichert, Chief Financial Officer
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553

Re: *Extension of Term of Legal Services Agreement for Moreno Valley Successor Agency Oversight Board*

Dear Mr. Teichert:

When I began providing legal services to the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley, my law firm Kronick Moskowitz Tiedemann & Girard ("KMTG") entered into an "Agreement for Legal Services" with the Oversight Board and the Successor Agency dated May 8, 2012. A copy of the executed Agreement for Legal Services is attached to this letter.

Section 7 of the Agreement for Legal Services provides that "This Agreement shall only be for a one (1) year term effective on April 25, 2012, (Effective Date) and expiring on April 24, 2013, unless extended by mutual consent of the Client, Contracting Party and KMTG in writing and upon the same terms and conditions set forth herein."


Staff of the Successor Agency has proposed that the time limit of the term of the Agreement for Legal Services be eliminated. By this letter, KMTG hereby consents to delete the time limit on the term of the Agreement for Legal Services. If this is acceptable to the Oversight Board and Successor Agency, please obtain signatures on behalf of the Oversight Board and the Successor Agency in the signature lines set forth below, and return a copy to me. Except as expressly provided herein, nothing in this letter shall be deemed to modify any of the other provisions of the Agreement for Legal Services, which shall remain in effect upon the same terms and conditions set forth therein.

Extension of Legal Services Agreement
November 20, 2014
Page 2

I appreciate the opportunity to work with the Oversight Board and the Successor Agency on the dissolution process, and look forward to continuing our relationship through this process.

Very truly yours,

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD
A Professional Corporation



Jon Goetz

[SIGNATURES ON NEXT PAGE]

**KRONICK
MOSKOVITZ
TIEDEMANN
& GIRARD**

733 Marsh Street, Suite 210
San Luis Obispo, CA 93401
www.kmtg.com

Extension of Legal Services Agreement
November 20, 2014
Page 3

AGREED BY CLIENT AND CONTRACTING PARTY:

CLIENT:

OVERSIGHT BOARD OF THE CITY OF
MORENO VALLEY, AS SUCCESSOR AGENCY
TO THE COMMUNITY REDEVELOPMENT
AGENCY OF THE CITY OF MORENO VALLEY

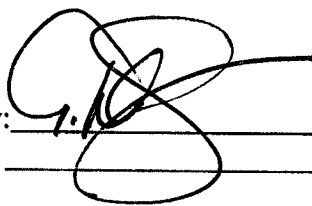
DATE: _____

By: _____
Its _____

CONTRACTING PARTY:

CITY OF MORENO VALLEY, AS
SUCCESSOR AGENCY TO THE COMMUNITY
REDEVELOPMENT AGENCY OF THE CITY OF
MORENO VALLEY

DATE: 12.18.14

By:  _____
Its _____

APPROVED AS TO FORM:

DATE 11-26-14

BY:  _____

CITY ATTORNEY
CITY OF MORENO VALLEY

**KRONICK
MOSKOVITZ
STIEDEMANN
& GIRARD**

733 Marsh Street, Suite 210
San Luis Obispo, CA 93401
www.kmtg.com

AGREEMENT FOR LEGAL SERVICES

This Agreement for Legal Services is entered into between Kronick, Moskovitz, Tiedemann & Girard, a Professional Corporation ("KMTG"), the Oversight Board of the Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley ("Client"), and the City of Moreno Valley as Successor Agency to the Community Redevelopment Agency of the City of Moreno Valley ("Contracting Party"), as of the date last set forth herein.

By signing and returning this Agreement for Legal Services, the parties hereto indicate their acceptance of the terms set forth in this document.

1. SCOPE OF AGREEMENT

Client retains KMTG to provide legal services to the Client in connection with advice regarding the dissolution of the Community Redevelopment Agency of the City of Moreno Valley. All amounts due to KMTG hereunder shall be paid by the Contracting Party. Notwithstanding the payment obligations herein, KMTG shall represent the Client and shall not represent the Contracting Party with respect to the services rendered hereunder.

2. DUTIES OF KMTG AND CLIENT

KMTG DUTIES

KMTG shall provide those legal services reasonably required to represent Client in the matter described above. KMTG shall also take reasonable steps to keep Client informed of significant developments and to respond to Client's inquiries.

While the attorney with whom Client originally met may be primarily responsible for completing the work on Client's matter, that attorney may also delegate work to other attorneys, paralegals, law clerks and office personnel within KMTG, if he or she determines that such delegation is appropriate in representation of Client's interests. If Client so requests, Client will be consulted before any delegation is made.

KMTG may, with Client's prior consent, select and hire attorneys, investigators, consultants and experts to assist in the preparation and presentation of Client's case. While any such persons will report exclusively to KMTG to preserve the Attorney-Client and Attorney Work Product privileges, they will be employed by Client.

KMTG is not authorized or obligated to perform any services for Client until KMTG has received an original-signed copy of this Agreement for Legal Services from Client.

CLIENT'S DUTIES

Client shall be truthful with KMTG, cooperate with KMTG, keep KMTG informed of developments related to the subject matter for which Client has engaged KMTG, and perform the obligations Client has agreed to perform under this Agreement.

CONTRACTING PARTY'S DUTIES

Contracting Party shall pay statements from KMTG in a timely manner, and shall perform the obligations Contracting Party has agreed to perform under this Agreement.

3. BILLING RATES

Contracting Party agrees to pay for legal services at the rates set forth in the attached Schedule of Rates. KMTG's fees will be calculated based on those hourly rates, billed in increments of 1/10th hour for the legal staff involved, multiplied by the hours devoted on Client's behalf. These rates are subject to adjustment at the beginning of each fiscal year. KMTG will give written notice of rate adjustments at least thirty (30) days prior to the effective date thereof, and the new rates will be instituted only in consultation with Client and Contracting Party. These rates are based principally on experience, specialization and training.

KMTG will charge for all time worked on a matter, including travel time portal-to-portal, time waiting in court, and time spent in meetings, unless otherwise agreed to in writing.

4. COSTS AND EXPENSES

Whenever practical, Contracting Party shall directly pay for major costs and expenses in addition to KMTG's fees, either by advancing such costs or expenses to KMTG, or by paying third parties directly. Upon demand, Client shall advance funds to KMTG or directly pay third parties, as specified by KMTG.

In all other cases, Contracting Party shall reimburse KMTG for all costs and expenses incurred by KMTG, including, but not limited to, the following: costs of serving pleadings, filing fees and other charges assessed by courts and other public agencies, court reporters' fees, jury fees, witness fees, long distance telephone calls, messenger and other delivery fees, postage, photocopying, parking, mileage, travel expenses (including air fare at coach rates, lodging, meals, and ground transportation), research, investigation expenses, consultants' fees, expert witness fees, and other costs.

KMTG shall itemize all costs incurred on each periodic statement.

5. STATEMENTS

KMTG shall send Contracting Party (with a copy to Client) a statement for fees and costs incurred every month. However, when the fees and costs for a particular month are minimal, they may be carried over to the next month's statement. Contracting Party shall pay statements from KMTG within thirty (30) days after each statement's date.

KMTG's statements shall clearly state the basis thereof, including the amount, rate and basis for calculation (or other method of determination) of KMTG's fees.

KMTG shall provide a statement to Contracting Party or Client, upon request, no later than ten (10) days following the request. Contracting Party and Client are entitled to make subsequent requests for statements at intervals of no less than thirty (30) days following the initial request.

6. DISCLAIMER OF GUARANTEE

By signing this Agreement, Client acknowledges that KMTG has made no promises or guarantees to Client about the outcome of Client's matter, and nothing in this Agreement shall be construed as such a promise or guarantee.

7. DISCHARGE AND WITHDRAWAL

This Agreement shall only be for a one (1) year term effective on April 25, 2012, (Effective Date) and expiring on April 24, 2013, unless extended by mutual consent of the Client, Contracting Party and KMTG in writing and upon the same terms and conditions set forth herein.

, Client or KMTG may terminate this Agreement upon thirty (30) days written notice to the other parties. If Client or KMTG elects to terminate this Agreement, KMTG shall be paid for all fees and costs that have accrued up to the time of termination.

The parties each agree to sign any documents reasonably necessary to complete KMTG's discharge or withdrawal.

8. LEGAL ACTION UPON DEFAULT

If Contracting Party does not pay the balance when due, or if Client or Contracting Party breaches any other term of this Agreement, KMTG may demand that the entire unpaid balance be paid immediately and, as provided by law, commence any legal action for collection of the balance due.

Client, Contracting Party and KMTG agree that all legal proceedings related to the subject matter of this Agreement shall be maintained in courts sitting within the State of California. Client, Contracting Party and KMTG consent and agree that the jurisdiction and venue for proceedings relating to this Agreement shall lie exclusively with such courts. Further, the prevailing party in any such dispute shall be entitled to reasonable costs, including attorneys' fees.

9. ARBITRATION OF FEE DISPUTE

If a dispute arises between KMTG and Contracting Party and/or Client regarding attorneys' fees or costs under this Agreement and KMTG files suit in any court, or begins an arbitration proceeding other than through the State Bar or a local bar association under Business and Professions Code Sections 6200-6206, Contracting Party and/or Client will have the right to stay that suit or arbitration proceeding by timely electing to arbitrate the dispute through the State Bar or a local bar association under Business and Professions Code Sections 6200-6206. If Contracting Party and/or Client elects to so arbitrate the dispute, KMTG will submit the matter to that arbitrator.

10. COMPLETION OF SERVICES

Upon the completion of KMTG's services, all unpaid charges for services rendered and costs incurred or advanced through the completion date shall become immediately due and payable.

11. CLIENT FILES

At Client's request, upon the termination of services under this Agreement, KMTG will promptly release all of Client's papers and property (subject to any applicable protective orders or non-disclosure agreements).

12. DESTRUCTION OF CLIENT FILE

If Client does not request the return of Client's papers and property, KMTG will retain Client's file for a period of seven (7) years from the last date of service in the matter described above. After seven (7) years, KMTG may have Client's file destroyed. Client acknowledges that it will not be notified prior to the destruction of its papers and property, and Client consents to the same. If Client desires to have Client's file maintained beyond seven (7) years after Client's matter is concluded, Client must make separate arrangements with KMTG.

13. COMMENCEMENT OF SERVICES

KMTG's obligation to provide legal services shall commence upon KMTG's receipt of a signed copy of this Agreement for Legal Services.

14. INSURANCE

Pursuant to Business and Professions Code Section 6148, Client is hereby informed that KMTG maintains errors and omissions insurance coverage. KMTG shall provide a certificate of Insurance to Client and Contracting Party within thirty (30) days of the Effective Date of this Agreement.

15. MODIFICATION BY SUBSEQUENT AGREEMENT

This Agreement may be modified only by a written instrument signed by all parties.


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The Parties understand and accept the foregoing terms.

CLIENT:

OVERSIGHT BOARD OF THE CITY OF MORENO VALLEY, AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

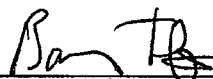
DATE: 5/8/12

By: 
Its Chairman

CONTRACTING PARTY:

CITY OF MORENO VALLEY, AS SUCCESSOR AGENCY TO THE COMMUNITY REDEVELOPMENT AGENCY OF THE CITY OF MORENO VALLEY

DATE: 5/8/12

By: 
Its Community & Economic Development Director

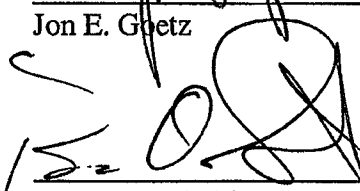
KMTG:

KRONICK, MOSKOVITZ, TIEDEMANN & GIRARD, A Professional Corporation

DATE: 5-8-12


Jon E. Goetz

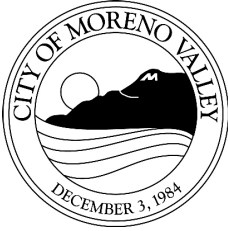
DATE: 5-26-12


Bruce A. Scheidt

SCHEDULE OF RATES

| | |
|---|--------------------|
| Shareholders/Of Counsel..... | \$275-\$475 |
| Principals/Senior Associates | \$225-\$375 |
| Associate Attorneys..... | \$200-\$300 |
| Paralegals..... | \$95-\$160 |
| Document Clerk/Law Clerk..... | \$95 |

Expenses, including mileage, long distance telephone charges, photocopying and delivery charges, will also be billed. A detailed schedule of these charges can be provided upon request. Our usual billing procedure is to submit a monthly itemization of the time and services charged with the names of the attorneys and paralegals whose time is being billed. However, we have a highly sophisticated and flexible billing system which can produce statements specific to each client's billing needs. Please let us know of any specific desires or needs you have in this respect.



Report to the Oversight Board of the City as Successor Agency for the Community Redevelopment Agency of the City of Moreno Valley

TO: Members of the Board

FROM: Barry Foster, Community & Economic Development Director

AGENDA DATE: April 25, 2012

TITLE: LEGAL REPRESENTATION FOR THE OVERSIGHT BOARD

RECOMMENDED ACTION:

Staff recommends that the Oversight Board consider a proposal from Jon Goetz with Kronick, Moskovitz, Tiedemann & Girard to provide legal counsel and representation to the Oversight Board and direct staff to take appropriate action.

BACKGROUND:

Members will recall that at the April 11, 2012 meeting of the Oversight Board, the Board requested that Staff provide a proposal from a qualified law firm to provide legal counsel and representation to the Oversight Board on an "as needed" basis.

DISCUSSION:

During a discussion at the April 11, 2012 meeting, members expressed the desire to solicit a proposal from a qualified law firm to provide legal advice specific to the responsibilities and actions of the Oversight Board. As a result, Staff requested a proposal from Jon Goetz with Kronick, Moskovitz, Tiedemann & Girard. Details of the terms and conditions of the proposal will be presented at the April 25, 2012 Oversight Board Meeting.

ALTERNATIVES:

1. Direct Staff to prepare the budgetary and contractual documentation necessary for the Oversight Board to utilize the services of Jon Goetz with Kronick, Moskovitz, Tiedemann & Girard and return to the Oversight Board for approval.

2. Provide staff with alternative direction

FISCAL IMPACT:

The cost of the legal services will be appropriated outside of the overall administrative allowance provided by the three percent of the 2012/13 Property Tax Increment and will be added as a separate line item to the approved Recognized Obligation Payment Schedule (ROPS). The cost to provide the legal counsel and representation for the Oversight Board will be provided from the Redevelopment Property Tax Trust Fund.

ATTACHMENT:

Attachment A – Letter Proposal for Legal Services for the Oversight Board

SUCCESSOR AGENCY STAFF:

Prepared by:

Dante Hall
Redevelopment & Neighborhood
Programs Administrator

Approved by:

Barry Foster
Community & Economic
Development Department Director

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November 15, 2014

Ms. Annie Clark, Senior Financial Analyst
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

Dear Ms. Clark:

Subject: Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (m), the City of Moreno Valley Successor Agency (Agency) submitted a Recognized Obligation Payment Schedule (ROPS 14-15B) to the California Department of Finance (Finance) on October 1, 2014 for the period of January 1 through June 30, 2015. Finance has completed its review of your ROPS 14-15B, which may have included obtaining clarification for various items.

Based on a sample of line items reviewed and application of the law, Finance made the following determinations:

- Item No. 5 – 2011 Refunding of 97 LRB Bonds in the amount of \$1,200,000 is not an enforceable obligation. Finance continues to deny this item. As previously determined, the 2011 Lease Agreement (Agreement) is between the Moreno Valley Public Financing Authority (Authority) and the City of Moreno Valley (City) for the purpose of defeasing and refunding the 1997 Bonds. Furthermore, the Project Lease Reimbursement Agreement dated January 27, 1998 between the Agency and the City was not entered into at the same time as the bonds. HSC section 34171 (d) (2) states an agreement between the City and the Agency is not enforceable obligations unless it was entered into before December 31, 2010 and solely for the purpose of repaying indebtedness. Therefore, this item is not considered Agency's obligation and is not eligible for Redevelopment Property Tax Trust Fund (RPTTF) funding.
- Item No. 7 – On-going Housing Monitoring Requirements totaling \$25,000 is not an enforceable obligation. HSC section 34176 (a) (1) states if a city, county, or city and county elects to retain the authority to perform housing functions previously performed by a redevelopment agency (RDA), all rights, powers, duties, obligations, and housing assets shall be transferred to the city, county, or city and county. Since the City of Moreno Valley assumed the housing functions, the administrative costs associated with these functions are the responsibility of the housing successor. Therefore, this item is not enforceable obligation and is not eligible for RPTTF funding.

- Item No. 19 – Robertson’s Ready Mix, Inc. Owner Participation Agreement (OPA) in the amount of \$4,000,000 is denied. The OPA notes that certain conditions have to be met prior to the Agency distributing funds to the Robertson’s Ready Mix, Inc. (Developer). It is our understanding that not all the conditions have been met by the Developer. Furthermore, the Agency did not submit sufficient documentation to support the amount requested. To the extent the Agency can provide suitable documentation that the conditions have been met by the Developer and support the requested amount, the Agency may be able to obtain RPTTF on future ROPS.
- Item No. 83 – Publics Works Agreement in the amount of \$9,100,000. Finance continues to deny this item. The Agency still has not provided a fully executed loan agreement between the RDA and the City for this item that includes repayment terms. HSC section 34171 (d) (B) defines enforceable obligations as loans of moneys borrowed by the redevelopment agency for a lawful purpose, to the extent they are legally required to be repaid pursuant to a required schedule or other mandatory loan terms. Therefore, as previously determined, the request for \$600,000 is not an enforceable obligation and not eligible for RPTTF funding.

Pursuant to HSC section 34186 (a), successor agencies were required to report on the ROPS 14-15B form the estimated obligations and actual payments (prior period adjustments) associated with the January through June 2014 period. HSC section 34186 (a) also specifies prior period adjustments self-reported by successor agencies are subject to audit by the county auditor-controller (CAC) and the State Controller. The amount of RPTTF approved in the table below includes the prior period adjustment resulting from the CAC’s review of the Agency’s self-reported prior period adjustment.

Except for the items denied in whole or in part, Finance is not objecting to the remaining items listed on your ROPS 14-15B. If you disagree with the determination with respect to any items on your ROPS 14-15B, you may request a Meet and Confer within five business days of the date of this letter. The Meet and Confer process and guidelines are available at Finance’s website below:

http://www.dof.ca.gov/redevelopment/meet_and_confer/

The Agency’s maximum approved RPTTF distribution for the reporting period is \$3,214,306 as summarized in the Approved RPTTF Distribution Table below:

| Approved RPTTF Distribution For the period of January through June 2015 | |
|--|---------------------|
| Total RPTTF requested for non-administrative obligations | 4,094,015 |
| Total RPTTF requested for administrative obligations | 125,000 |
| Total RPTTF requested for obligations on ROPS | \$ 4,219,015 |
| Total RPTTF requested for non-administrative obligations | 4,094,015 |
| <u>Denied Items</u> | |
| Item No. 5 | (150,000) |
| Item No. 7 | (25,000) |
| Item No. 19 | (150,000) |
| Item No. 83 | (600,000) |
| | (925,000) |
| Total RPTTF authorized for non-administrative obligations | \$ 3,169,015 |
| Total RPTTF requested for administrative obligations | 125,000 |
| Total RPTTF authorized for administrative obligations | \$ 125,000 |
| Total RPTTF authorized for obligations | \$ 3,294,015 |
| ROPS 13-14B prior period adjustment | (79,709) |
| Total RPTTF approved for distribution | \$ 3,214,306 |

Pursuant to HSC section 34177 (l) (1) (E), agencies are required to use all available funding sources prior to RPTTF for payment of enforceable obligations. During the ROPS 14-15B review, Finance requested financial records to support the cash balances reported by the Agency. The Agency was able to support the amounts reported except the ending balance of Other Funds totaling \$61,924. Finance will continue to work with the Agency after the ROPS 14-15B review period to resolve any remaining issues as described above. If it is determined the Agency possesses additional cash balances that are available to pay approved obligations, the Agency should request the use of these cash balances prior to requesting RPTTF in ROPS 15-16A.

Please refer to the ROPS 14-15B schedule that was used to calculate the approved RPTTF amount:

<http://www.dof.ca.gov/redevelopment/ROPS>

Absent a Meet and Confer, this is Finance's final determination related to the enforceable obligations reported on your ROPS for January 1 through June 30, 2015. This determination only applies to items where funding was requested for the six-month period. Finance's determination is effective for this time period only and should not be conclusively relied upon for future periods. All items listed on a future ROPS are subject to a subsequent review and may be denied even if it was or was not denied on this ROPS or a preceding ROPS. The only exception is for those items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of items that have received a Final and Conclusive determination is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment that was available prior to the enactment of ABx1 26 and AB 1484. This amount is not and never

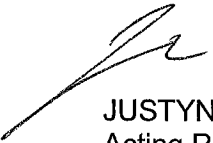
was an unlimited funding source. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the agency in the RPTTF.

Pursuant to HSC section 34177 (a) (3), only those payments listed on an approved ROPS may be made by the successor agency from the funds specified in the ROPS. However, if for whatever reason the Agency needs to make payments for approved obligations from another funding source, HSC section 34177 (a) (4) requires the Agency to first obtain oversight board approval.

To the extent proceeds from bonds issued after December 31, 2010 exist and are not encumbered by an enforceable obligation pursuant to HSC section 34171 (d), HSC section 34191.4 (c) (2) (B) requires these proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation.

Please direct inquiries to Beliz Chappuie, Supervisor or Satveer Ark, Lead Analyst at (916) 445-1546.

Sincerely,



JUSTYN HOWARD
Acting Program Budget Manager

cc: Mr. Richard Teichert, Chief Financial Officer/City Treasurer, City of Moreno Valley
Ms. Pam Elias, Chief Accountant Property Tax Division, Riverside County
California State Controller's Office