

CITY MANAGER'S OFFICE

Administration

City Sponsors June Wake Up Moreno Valley Meeting

The City sponsored the June meeting of the Moreno Valley Chamber of Commerce's monthly *Wake Up Moreno Valley* event. Hosted by Assistant to the City Manager Michele Patterson, the program included a presentation on the Police Surveillance Camera Project by Sergeant John Del Valle and a brief update on the City's upcoming July 4th activities by Parks & Community Services Director Mike McCarty. The Executive Team was in attendance in support of the City's program.

Federal Lobbyist Interviews

In their Mid-Year budget adjustments, Council approved allocating funds to contract with a federal lobbyist. The Finance Subcommittee interviewed 3 different federal lobbying firms on June 27. The focus of the City's lobbying efforts at the federal level will be to secure critical transportation funds for freeway widening and bridge construction on State Route 60.

June Public Safety Subcommittee

At their June 25 meeting, the Public Safety Subcommittee took the following actions:

- Recommended Council approval of additional funding for several safety features at the Public Safety Building, including the installation of ballistic glass upgrades in the lobby area to provide additional protection for fire and police staff.
- Recommended Council approval of a COPS grant application requesting \$155,384 which, if awarded, will be used to fund the purchase of additional cameras for the surveillance program, make upgrades to the Mobile Command Center, and purchase personal uniform mounted audio and video recording devices.
- Recommended Council award the contract for the Citywide Surveillance Camera System.
- Received and filed the Fire Services, Office of Emergency Management, and Police Personnel Status Reports.

The next meeting of the Public Safety Subcommittee is scheduled for July 30. The Subcommittee members are Mayor Pro Tem Batey and Council Member Co.

Media & Communications

Award Nominations

Every year members of the Southern California and Nevada chapters of the National Association of Television Officers and Advisors compete for the STAR Municipal Video Awards. This year MVTV-3 was nominated in three categories: Public Service Announcement, Economic Development and Environmental Videos. The results of the competition will be announced on July 1.

Pre-Production

This year's State of the City presentation promises to be another great event. MVTV-3 is hard at work creating a video, website ad, and graphics for the Mayor's presentation. The State of the City will take place on August 23, 2012.

Post Production

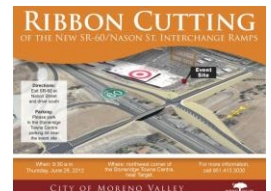
MVTV-3 and the Moreno Valley Police Department have teamed up to create a public service announcement to help prevent jay walking in the City of Moreno Valley. This video informs residents of the consequences of this dangerous activity. This video will air on MVTV-3 in July.

New Programming

"Fourth of July – Public Services Announcement" – To promote the upcoming Fourth of July festivities MVTV-3 has created a short commercial announcing the return of the Independence Day Parade, the Family FunFest, and the Fourth of July Fireworks Extravaganza. This commercial airs on MVTV-3 and is available on the City's YouTube Channel at <http://www.youtube.com/mvtv3morenovalley>.

SR-60 / Nason Street Ribbon-Cutting

The City Manager's Office coordinated a ribbon-cutting ceremony celebrating the completion of the SR-60 / Nason Street interchange project. The ceremony was held on Thursday, June 28 at 9:30 a.m. in the Stoneridge Towne Centre parking lot.



The City Council and representatives from CalTrans, the County of Riverside, Riverside County Transportation Commission, and Western Riverside Council of Governments recognized the significant traffic

enhancements accomplished through the inter-agency collaboration exercised for this project.

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

Animal Services Division

Animal Services Division Receives Grant Award Notification from the National Animal Control Association

On June 15, the Animal Services Division received official notification from the National Animal Control Association (NACA) that the grant application submitted for the implementation of the American Society for the Prevention of Cruelty to Animals' "ID Me" Animal Tagging Program was approved. The \$6,000 grant award is to be used to cover the cost of an engraver machine, ID tags and collars. As a grant recipient, the Animal Services Division will place collars and tags on each dog and cat that leaves the Moreno Valley Animal Shelter, either through adoption or return to owner. During this project, expected to last approximately 12 months, the Animal Services Division will report back to NACA the number of animals tagged and collared. The intent of the "ID Me" Animal Tagging Program is to investigate the impact on whether ID tags affect stray intake by the local animal control jurisdiction. The Animal Services Division expects to begin the "ID Me" program in August.

Technical Services Division

Wireless Network Extension at the CRC

Technology Services completed an extension of a wireless network to cover the outdoor areas of the CRC. The extension facilitates the Movies in the Park program offered by the Parks & Community Services Department.

Microsoft Office 2010 Training Citywide

A total of 107 City staff received hands-on training of the Microsoft Office 2010 suite of software products. Tim Owens, a professional trainer, led the training sessions over 3 days and has given staff access to 30-second training videos on the Internet in case any quick knowledge refreshes are needed. In preparation for the training, Technology Services remotely upgraded Office on the PCs of the staff that received the training.

Purchasing and Facilities Division

City Hall/Public Safety Building Refresh Work Continues

Over the past decade the natural slate stone on the City Hall/PSB entry monuments have degraded to the point of flaking apart. This slate was removed and replaced

with a superior product that will last longer and provide the same look as the original slate. This job entailed the laborious work of removing the old slate and mortar and applying the new slate material. Additionally, the aluminum letters spelling out "Moreno Valley" were removed and new dowel holes drilled in order to epoxy the letters back into place. This repair will ensure the entrance to the PSB will look aesthetically pleasing for years to come.

FIRE DEPARTMENT

Fire Operations

Moreno Valley Firefighter Scott Callahan graduated from the six week CALFIRE permanent fire academy in Ione, CA on May 23. During the academy, students receive over 300 hours of classroom and manipulative training in all facets of firefighting and rescue activities. The final week of the academy is reserved for testing. All students must pass written and manipulative tests with a minimum 80% score. Firefighter Callahan was well prepared for this tough challenge through the experience and training gained here in Moreno Valley a Limited Term Employee. Firefighter Callahan is assigned to Truck 2 at the Sunnymead Fire Station. Congratulations to Scott.

Public Relations

Twenty-two second graders from Armada Elementary School visited Fire Station 91, College Park on June 1. Fire Department personnel showed the children a 15 minute video on fire safety, home exit drills, and 9-1-1 education as part of the "9-1-1 for Kids" Fire Prevention campaign. All of the children received a tour of the fire station which included a static display of the fire truck as well as a brief demonstration of the equipment that is carried on the truck.

On June 2, College Park Truck 91 attended a PTA Carnival at Ridgecrest Elementary School. Numerous students received a tour of the fire truck while receiving information from the firefighters on fire safety.

On June 8, Kennedy Park Engine 65 attended an event at Visterra Credit Union. Both patrons of the bank and credit union staff were provided with tours of Engine 65. The crew from Engine 65 answered questions about the Moreno Valley Fire Department as well as job related questions.

Kennedy Park Engine 65 attended an event at New Light Baptist Church on June 9 where they interacted with visitors of the event and the event organizers. Tours of the fire engine were given to the public and Fire Department staff answered questions on the Fire Explorer Program, Reserve Firefighter Program, and

provided direction on how to start a career in the fire service.

Significant Events

On June 7 the Fire Department was dispatched to a residential structure fire in Fire Station 65's primary response area. Fire Department units arrived on scene and noticed moderate smoke issuing from the eaves and soffit vents of a single story residence. Fire Department personnel confirmed that a significant portion of the attic space was on fire, and through the coordinated roof top ventilation efforts of truck company personnel and interior fire suppression activities by engine company personnel, further damage by fire was limited. The fire was contained within six minutes of the arrival of fire department units.



On June 17, Truck 91 responded to a medical emergency in the parking lot of the Moreno Valley Ranch Golf Course. Fire Department personnel arrived on scene and located a 52 year-old male complaining of pressure in his chest with significant pain. Basic life support care was provided by Fire Department personnel and advance life support care was provided by AMR. The patient was transported to the local area heart attack receiving center, also known as a STEMI center. This designation for a hospital means that a heart attack patient will receive treatment in 90 minutes or less upon arrival at the hospital utilizing the most comprehensive emergency and interventional care to treat their heart attack. This includes expedited patient processing into the cardiac catheterization lab and intensive care unit as well as access to a cardiac emergency call team. Upon arrival at the hospital, the patient's blood pressure had stabilized and his skin color had improved. The final outcome of the patient is unknown at this time.

HUMAN RESOURCES & RISK MANAGEMENT DEPARTMENT

Employee Relations

The City Council approved Memoranda of Understanding with all of the City's employee associations on June 12. These three-year Agreements were reached in a cooperative spirit by the City and its employee representatives, reflecting continued partnership in serving Moreno Valley residents. These Agreements retain cost saving measures which have been in place since 2009, as well as Pension and Benefit reform measures under a tiered system where new employees receive lower City contributions toward

medical benefits and significantly reduced pension benefits. Providing a long-needed feature not afforded by previous MOUs, the Agreements with MVMA and MVCME are comprehensive listings of all terms applicable to their respective members. Still under development, the MOU with MVCEA will ultimately provide comprehensive terms.

Liability Insurance Program

On June 12th, the City Council approved a multi-year contract with Public Entity Risk Management Authority (PERMA) to provide insurance coverage in areas including:

- General Liability (Excess Coverage)
- Property
- Boiler & Machinery
- Automobile
- Auto Physical Damage
- Special Events

This effort has been unique in that it covered all Property and Casualty Insurance product lines, and because this was the first such competitively bid process undertaken in more than a decade.

Contract with CalPERS

Human Resources Staff secured approval from Council of an amended contract with the California Public Employee Retirement System which will allow successful Recreation Aides and Crossing Guards to continue serving in these temporary positions.

Motivate Wellness

The City's employee wellness program remains extremely active, with the following activities taking place:

- Publicized Home Loan Modification seminar held for Bank of America mortgage customers.
- Supported a Moreno Valley Employment Resource Center recruiting event featuring a wide range of retail employment opportunities of interest to City employees with family members seeking employment.
- Introduced a free Zumba class to offer employees an exhilarating, Latin-inspired dance workout program which has become very popular on a national level.

Talent Management

Robust recruitments are underway for several positions in the City workforce. Recruiting and/or selection processes are underway for the following openings:

- Senior Permit Technician - Building & Safety (98 applicants). Candidate selected, recruitment closed.
- Administrative Assistant (internal recruitment). Candidate selected, recruitment closed.
- Senior Parks Maintenance Technician (internal recruitment). Candidate selected, 2nd candidate selection pending approval.
- Human Resources Analyst (253 applicants). Interviews pending.
- Animal Care Technician PT/Temp (199 applicants to date). Screening in process.
- Laborer PT/Temp (149 applicants). Interviews 6/11/12, two candidates selected pending references.
- Executive Assistant I (Internal). Opened 6/14/12, closes 6/28/12.
- Sr. Administrative Assistant (Internal to establish eligibility list). Opened 6/14/12, closes 6/28/12.
- Lead Parks Maintenance Worker (Internal). Opened 6/14/12, closes 6/28/12.

PARKS & COMMUNITY SERVICES DEPARTMENT

Special Events

Summer Movies in the Park

The Moreno Valley Parks and Community Services Department held its first annual Free Summer Movies in the Park series during the summer on June 7. There were more than 400 people attending the movie. The series will run through August 2 on Thursdays at the Moreno Valley Conference and Recreation Center located at 14075 Frederick Street. All movies will begin at dusk with exciting pre-show activities also scheduled. Come early with your beach chairs and blankets to enjoy the show! Movies include: Ratatouille (June 14), Toy Story 3 (June 21), Tin Tin (June 28), Dpicable Me (July 12), How to Train Your Dragon (July 19), UP (July 26), and Bolt (August 2). For general information regarding Free Summer Movies in the Park, please contact the Moreno Valley Parks and Community Services Department at 951.413.3280.

Library Services

New Online Catalog

Moreno Valley Public Library is changing to a new and improved catalog system that library customers use to search for and check out materials. Effective July 12, the library will be migrating to Polaris from the current SIRSI system. This will help us provide our best customer service and offer new capabilities, including searching the online catalog with greater ease and

improved results; having more options for being notified about account activity, including automated phone and text messaging; keeping a list of books you have read (if you choose to do so); and more. Any holds currently in place will transfer to the new system. Existing library cards will work with the new system as well; there is no need to get a new card or change the PIN (Personal Identification Number).

POLICE DEPARTMENT

Citywide Camera Project – Community Advisory Meeting

The most recent Camera Project Community Advisory Meeting was held on June 27 at the Moreno Valley Police Department. The meeting afforded the community an opportunity to learn about and discuss the citywide camera system. Additionally, the status of the RFP was addressed.

Citywide Camera Surveillance System

The selection committee is in the process of choosing the best vendor to fit the needs of the City of Moreno Valley. The vendor selection process should be completed this month.

Party Enforcement

As the summer approaches, the Moreno Valley Police Department is gearing up to handle the typical increase in party and noise related complaints throughout the city. In addition to high-visibility patrols during the weekend evening hours, we are providing patrol officers with effective ways to handle noise and large party disturbances. The information we are providing to our officers, includes a citizen's guide for managing loud parties and noise related disturbances. Our officers will begin providing the guides to the community when they handle related calls for service. The guide will help inform our community of the related municipal codes and ordinances, as well as educate them on the enforcement standard for the laws. Our goal is to ensure a fun and safe summer.

Fourth of July Parade and Festival

The Moreno Valley Police Department will be assisting with the City's Fourth of July parade and festival. The parade is scheduled to begin at 9:15 a.m., and is expected to draw 7,000 spectators. The Moreno Valley Traffic Division will provide security and road closures throughout the parade route. After the parade, the POP, SET, Traffic, reserve officer, volunteer, and explorer teams will provide security and law enforcement service at the festival. The festival will open to the public at 2:00 p.m. and remain open until the fireworks show, which is scheduled to start between 8:30-9:00 p.m. Due to the expected high public attendance, we will maintain

street closures and a police presence until the fireworks show is over.

Cases of the Week

- On Tuesday, June 05, at about 3:00 p.m., our School Resource Officers were conducting after school patrol near Moreno Valley High School, when they saw a vehicle speeding through the school zone. The officers stopped the vehicle and the driver identified himself as an undercover DEA agent. However, a records check revealed he was on probation and not a peace officer of any type. The officers searched the driver and discovered he was wearing a holstered pellet gun and had a shotgun concealed under his seat. During the traffic stop, a citizen approached the officers and informed them the driver had brandished a weapon and threatened to arrest him days earlier. When the officers finished their investigation, they arrested the driver for possession of the firearm and a probation violation. The driver was booked at Robert Presley Detention Center. The investigation into the driver's conduct is continuing.
- On Friday, June 15, at 4:00 p.m., our patrol officers responded to a residential burglary that had just occurred in the 24800 block of Bay Avenue. The investigation revealed that when the victim came home, she discovered a male suspect inside her residence. Once the suspect was discovered, he fled through the backyard and into another nearby residence. The officers' investigation led them to the residence where the suspect was hiding, and they located him inside when he fell through the ceiling. The victim positively identified the suspect and a records check revealed he was a Parolee-At-Large from Los Angeles County. He was booked at Robert Presley Detention Center.

PUBLIC WORKS DEPARTMENT

Capital Projects

Street Improvements for Local Street Pavement Resurfacing

All American completed construction of the Local Street Pavement Resurfacing on April 30. The project resurfaced fifteen (15) local streets at various locations. All American's contracted items of work included preparing existing pavement surfaces, performing pavement crack sealing, removing and replacing any areas of existing pavement that were heavily distressed or weathered, applying a layer of crushed rock or aggregate chips with an asphalt emulsion binder to the existing pavement surfaces, and finally applying a layer of slurry seal to cover the aggregate chips. This

innovative process called the ARAM is another new tool used by the Public Works Department to stretch the limited funding in improving the quality and lifespan for streets in the City. The project also included the reconstruction of sixteen (16) existing access ramps in the vicinity of the project to meet current ADA standards.

The project enhances the drivability and appearance of the streets and protects the pavement against environmental effects, prolonging the service life of the pavement. The project was completed ahead of schedule, within budget, and in accordance with the project's contract documents. The Notice of Completion is scheduled to go before Council at the June 26 City Council Meeting.

The project received favorable responses from residents living on these streets. A number of residents living on Lombardy Lane, Sage Grouse Lane, San Fernando Street, Rio Grande Drive, and other streets thanked the City for the great work in improving the neighborhood and enhancing safety for the residents.

Auto Mall Improvements

Construction for the Auto Mall Improvement project has been underway for two months. Sean Malek Engineering & Construction, the Contractor, has completed the six vehicle display pads, the vehicle



access road behind the pads, and constructed the new pedestrian sidewalk in front of the pads (as can be seen in the pictures). The new entrance sign construction plans have been approved for



construction, which will allow for construction of the new sign foundation to begin within the next few weeks. The electrical for the landscaping and

lighting is also presently being installed. The contractor has completed about 80% of the concrete work which will allow him to complete his final grading for the installation of the landscaping and irrigation at the southeast corner of Auto Mall Parkway at Eucalyptus Avenue and at the northeast corner of Auto Mall Parkway (Moreno Beach Drive) at Auto Mall Drive. The project continues to be on schedule with no delays.

Moreno Townsite Area Storm Drain and Street Improvements

The Public Works Department conducted an informal Project Information Open House for the Moreno Townsite Area Storm Drain and Street Improvements project on Thursday, June 14. The presentation was held at the Ridge Crest Elementary School in Moreno Valley. The public was invited to this informal open forum style informational meeting to discuss and provide feedback on this project. Invitations were mailed to affected property owners and residents within the project area.

The project is to install an underground storm drain in the middle of the area, from Alessandro Boulevard to Campbell Avenue and to Redlands Boulevard, and connected to existing open channel drainage facility Line F on the southwest corner of Redlands Boulevard and Brodiaea Avenue. Miscellaneous street improvements are to be constructed to accommodate the new storm drain. Storm drain inlets are to be installed on Alessandro Boulevard, Kimberly Avenue, Maltby Avenue, Campbell Avenue and Redlands Boulevard. Existing landscape, hardscape, and street pavement along the storm drain alignment will be restored as part of the project. This project provides much needed storm drain and street improvements that would help to mitigate flooding hazards and improve the Moreno Townsite area. The Public Works Department is currently working to finalize the design and in process to acquire storm drain easement dedications from the affected property owners. Construction is tentatively scheduled to start in September 2012.

Cactus/Nason Project



Construction work for the widening and extension of Cactus Avenue and Nason Street is currently on schedule with 10% completion. Clearing/grubbing, remedial

grading, Edison infrastructure along Cactus and 21”/24” sewer along Nason are complete. Bridge along Nason over flood channel is scheduled to start in July 2012. The project completion is anticipated by June 30, 2013.



Iris Avenue Pavement Resurfacing Project

The project consists of resurfacing Iris Avenue from Lasselle Street to Grande Vista Drive and from the entrance of Moreno Valley Community Hospital to Via Del Lago by replacing existing asphalt concrete pavement and overlaying with an asphalt rubber hot mix concrete cap. The work also includes reconstruction of access

ramps and adjacent sidewalks at designated locations to ADA standards, adjustment of utility facilities to finish grade, and re-establishment of traffic striping.

The design and bid documents were completed in April 2012 by in-house staff as a cost savings solution for the City. In May 2012, the project was advertised for construction bids. To maximize the use of available funding for pavement resurfacing, this project was bid utilizing Base Bid Schedule and Additive Bid Schedules A to D. The Base Bid Schedule and Additive Bid Schedules provide resurfacing for several sections of Iris Avenue as follows:

- Base Bid: From Oliver Street to Via Del Lago
- Additive Bid A: From entrance of Moreno Valley Community Hospital to Oliver Street
- Additive Bid B: From Fire Rock Lane to Grande Vista Drive
- Additive Bid C: From Coachlight Court to Fire Rock Lane
- Additive Bid D: From Lasselle Street to Coachlight Court

The staff report for Notice of Award for construction is going before the City Council for approval on July 10, 2012. Construction is scheduled to begin August 2012 and completion is anticipated in October 2012.

Administration

World Logistics Center

City staff and its PEER consultant continue to work with Highland Fairview and its consulting team in reviewing and evaluating technical studies that will make up the Draft Environmental Impact Report (EIR) for the World Logistics Center (WLC). Additionally, work is progressing on analyzing and refining the Specific Plan (SP) for the WLC project. Once the Draft EIR has been released for public review, City staff will move to schedule another public forum to further discuss the master planned business park project, along with a number of key technical studies such as traffic, air quality and water use efficiency. The WLC project is planned to be environmentally friendly and utilize leading techniques to help mitigate environmental considerations. Look for the forum to be scheduled for late summer.

LEED Certification for Skechers

Highland Fairview is in the process of working with two respected consulting firms—LPA and the Farnsworth Group, in preparing the required applications, rating forms and supporting materials to pursue LEED certification for the Skechers USA facility at the Highland Fairview Corporate Park. The U.S. Green Building Council offer LEED (Leadership in Energy & Environmental Design) certification through a rating system that measures green development practices through five categories including 1) Sustainable Sites, 2)

Water Efficiency, 3) Energy & Atmosphere, 4) Materials & Resources and 5) Indoor Environment—with 100 points being the maximum score. Additionally, projects can earn up to another 10 bonus points through Innovative Design and Regional Priority. A project is deemed LEED Certified by scoring at least 40 points. Projects can receive higher LEED ratings including Silver—50 to 59 points; Gold—60 to 79 points; Platinum—80+ points.

The actual submittal to the U.S. Green Building Council for LEED certification only occurs after the development project is complete and operational for a one-year period. Waiting for one year after completion of a project and start-up of a business allows for measurement and verification of the operation and maintenance efficiency of a project. The Skechers USA facility started operations in October 2011, so the facility has been operational for less than 9 months. Highland Fairview continues to work with LPA and Farnsworth on gathering the supporting materials necessary to submit a LEED certification application this fall. Preliminary scoring by the consulting team for Highland Fairview indicate the Skechers project will easily be LEED certified and likely score high enough in points to attain at least a Silver rating category—maybe even possibly high enough for Gold level.

Please note that the City of Moreno Valley is NOT involved in the LEED certification process--nor does the City of Moreno Valley condition projects to achieve LEED certification. While the City embraces green development and sustainable development practices, the idea of pursuing LEED certification is a business decision by a developer.

Industrial Vacancy—2nd Quarter 2012

With the completion of a large speculative building in South Moreno Valley, the City’s vacancy rate for industrial buildings jumped from 2.2 to 8.3% in 2nd Quarter 2012. The new 691,960 S.F. building was developed by First Industrial Realty Trust as part of the First Inland Logistics Center, near the corner of Nandina Avenue and Perris Blvd. The new building is being aggressively marketed and is one of nine large scale industrial buildings currently under development in the Inland Region, including three in Moreno Valley. Several potential users are interested in the First Industrial project.

Gaining new and modern industrial building stock is critical for Moreno Valley to secure new logistic and distribution users and most importantly to create new jobs in the community. Below is a summary of the Industrial Vacancy Report for Moreno Valley.

**Moreno Valley – Industrial Building
Occupancy - 2nd Quarter – 2012**

<u>Centerpointe – Ridge</u>		<u>Centerpointe – Other</u>	
• Occupied	2,064,026 s.f.	• Occupied	1,119,289 s.f.
• Vacant	0	• Vacant	234,098 s.f.
• Total	2,064,026 s.f.	• Total	1,353,387 s.f.
• Available	0%	• Available	17.3%

<u>South Moreno Valley Ind. Area</u>		<u>East Moreno Valley – Rancho Belago</u>	
• Occupied	5,273,508 s.f.	• Occupied	1,820,000 s.f.
• Vacant	691,960 s.f.	• Vacant	0
• Total	5,965,468 s.f.	• Total	1,820,000 s.f.
• Available	11.6%	• Available	0

Total Moreno Valley Industrial Building

- Occupied 10,276,823 s.f.
- Vacant 926,058 s.f.
- Total 11,202,881 s.f.
- Available 8.3%

TJ Maxx Recruitment

TJ Maxx is using the City’s Employment Resource Center (ERC) for a three-day workforce recruiting event to hire employees for its new Moreno Valley store. On June 26, 27 & 28 from 8 am till 5 pm daily, TJ officials were at the ERC looking to hire people for the new 51,000 s.f. store slated to open in August at TownGate Center. TJ Maxx will be looking to hire people for positions as sales associates, stocking, loss prevention, jewelry sales, and maintenance work. On the first day, Tuesday, June 26, nearly 900 people showed up and 300 people were given applications, and the rest were told to come back during the next two days. HomeGoods will have a recruitment at the ERC during the week of July 2. Together TJ Maxx and HomeGoods will hire about 100 people for the Moreno Valley stores.

Chipotle

Chipotle is working toward establishing a new restaurant in Town Gate Center. Chipotle will occupy ½ of an existing building that currently houses a Blockbuster store. City Development Services staff is working to quickly advance Tenant Improvement plans for the new 3,800 s.f. Chipotle restaurant that is looking to open early this fall. Chipotle presently has nearly 1,000 restaurants nationwide including fifteen in the Inland Empire. Chipotle currently has six restaurant locations in Riverside County including Riverside, Hemet, Menifee, Murrieta, Norco and Eastvale.

Dollar General Opens

The new Dollar General store will open the end of June at 13473 Perris Boulevard in the Hometown Square shopping center. The new Dollar General store is situated in a recently remodeled 14,900 s.f. building and is one of a handful of new stores that Dollar General has recently opened in Southern California, as Dollar

General enters the California marketplace. Tennessee based Dollar General, is looking for at least two more store locations in Moreno Valley.

Lakeside Terrace

Work is underway to help stabilize the 6.5-acre Lakeside Terrace center, situated at the NE corner of Iris Avenue and Lasselle Avenue. The original developer and owner of the center defaulted on its loan and the property became bank owned late in 2011. A number of commercial retail groups are bidding to acquire the small neighborhood shopping center, which is situated within an area with strong demographics, including Moreno Valley Ranch, along with being located nearby to Moreno Valley College, Riverside County Regional Medical Center and Kaiser Permanente's Moreno Valley Community Hospital.

A new national tenant—Dollar Tree, is looking to occupy 10,579 S.F. at Lakeside Terrace. Development Services staff are looking to fast-track the process for Dollar Tree to start up business by November 2012. Virginia based, Dollar Tree has over 4,100 stores in 48 states, including two existing stores in Moreno Valley. Dollar Tree currently has 38 stores in the Inland Empire including 23 in Riverside County. Besides the two current stores in Moreno Valley—Dollar Tree stores are located in Riverside County in Banning, Beaumont, Corona (4 stores), Hemet (2 stores), Jurupa Valley, Lake Elsinore, Menifee, Murrieta (2 stores), Norco, Palm Springs, Perris, Riverside (3 stores) and Temecula (2 stores). Dollar Tree is a chain of discount variety stores offering national, regional and private label brands including product offerings in the following: health & personal care, food & snacks, décor, housewares, kitchen & tableware, office supplies and arts & crafts.

Hotel Business is Strong

Moreno Valley hotels and motels are doing a strong business. The trend in California and the Inland Region is that occupancy rates are up, but that room rates are still somewhat soft. Despite opening three new hotels (Hampton Inn, La Quinta Inn & Ayres Hotel) in 2009 and 2010 the vast majority of hotels and motels (10 out of 11) experienced revenue increases in the first three quarters of FY 2011/12 as compared to the same period in FY 2010/11. Collectively, revenues for the eleven Moreno Valley hotels/motels increased by 20.9%. Below are percentage changes for the individual hotel/motel properties:

- Ayres Hotel +35.3%
- Best Western +23.0%
- Comfort Inn +0.8%
- Econolodge +2.1%
- Hampton Inn +2.3%
- Holiday Inn Express +1.1%
- La Quinta Inn -5.9%
- Motel 7 +4.1%
- New Star +5.4%
- Regency +10.1%
- Travel Inn +2.6%

The three larger hotel properties—Ayres Hotel, Hampton Inn and Holiday Inn Express all report strong occupancy—with all rooms typically sold out on weekends and about 60% occupancy during the week. The Holiday Inn Express has rebounded nicely with solid sales performance after its \$5 million upgrade in 2011. The 150 room Holiday Inn Express in Moreno Valley consistently ranks as the #1 Holiday Inn Express out of the 12 Holiday Inn Express locations in Riverside and San Bernardino counties.

City and RCRMC

The City of Moreno Valley and Riverside County Regional Medical Center (RCRMC) have re-initiated regular quarterly meetings as a way to enhance communication between the two entities. On June 18, Barry Foster (Community & Economic Development Director), Viren Shah (Public Works-Capital Projects) and I met with Ellie Bennett of RCRMC to discuss issues related to the many capital improvement projects happening near RCRMC, as well as the proposed medical/healthcare corridor slated for Nason Street. Barry Foster and I will meet with Ms. Bennett, along with Doug Bagley (CEO of RCRMC) in September for updates on RCRMC's Master Development Plan and the proposed World Logistics Center project.

Economic Development Rate for City's Electric Utility

Moreno Valley's Electric Utility has adopted a pilot program for an Economic Development Rate program. The new pilot program will be utilized for new business attraction and retention, with a special focus on job creation and sales tax revenue generation. Targeted business types include logistics/distribution, healthcare and automobile dealerships, along with the stabilization of anchor tenants at Stoneridge Towne Centre and Moreno Beach Plaza. Discounts depend on the business category of a specific user and can range from 10 to 20%.

Leadership Moreno Valley - 2012

The thirteen person class (including the City Manager) for the Leadership Moreno Valley program graduated on Thursday, June 28 at the TownGate Community Center. The Leadership Moreno Valley program included nine themed sessions held between October 2011 and June 2012 including:

- Government
- Business
- Public Safety
- Media Relations
- Education
- Healthcare & Human Services
- Natural Resources
- Military & March JPA
- Quality of Life

Office/Healthcare	211	Office/Healthcare	167
Automobile Dealerships	57	Automobile Dealerships	20
Retail/Restaurant	242	Retail/Restaurants	345
Total Jobs—2011	1,404	Total Jobs—2012	850

Economic Development Summary

The Economic Development Summary has been updated for June 2012 and is available on the City’s website or via hard copy in the information rack on the 2nd floor of City Hall.

Unemployment - May 2012

Unemployment was almost flat in May as compared to the previous month of April. Moreno Valley’s unemployment rate dipped slightly from 13.7 in April to 13.6 percent in May. Below are unemployment statistics for the months of April and May 2012.

	May	April
California	10.4	10.5
Riverside County	11.8	11.8
Banning	13.4	13.4
Beaumont	13.4	13.4
Hemet	14.8	14.8
Moreno Valley	13.6	13.7
Perris	18.3	18.3
Riverside	11.9	11.9
San Jacinto	17.8	17.8

Job Creation in Moreno Valley

With all the chatter about the Skechers project not producing enough jobs, as well as a recent article from the PE criticizing Moreno Valley’s efforts to produce jobs in logistics/distribution—city staff felt it was important to document the many new jobs that have been created in Moreno Valley during the past four years (2009, 2010, 2011 & 2012). During this period of time—which have clearly been challenging economic times, Moreno Valley has actually produced a total of 4,741 new jobs—NOT counting the 600 people working at Skechers (word has it that Skechers is looking to significantly increase its workforce in Moreno Valley in the next few months—so look for more to come on this later). The following represents a summary of the job creation in Moreno Valley in 2009, 2010, 2011 & 2012 (the full report on job creation is attached to the City Manager Report for your review).

2009		2010	
Distribution/Manufacturing	1,152	Distribution/Manufacturing	895
Retail/Restaurant	80	Retail/Restaurant	260
Hotels	26	Hotels	48
Total Jobs—2009	1,258	Total Jobs—2010	1,128
2011		2012	
Distribution/Manufacturing	894	Distribution/Manufacturing	318

Building & Safety Division

Quick Statistics

The following statistics provided are for the Building & Safety Division for the months of May 2011 and May 2012.

	May 2011	May 2012
Counter Customer Visits	568	592
Building Permits	112	174
Valuation	\$1,214,704	\$4,246,832
Inspections Performed	646	726
Certificate of Occupancy	19	17
Plan Check Activity	No data	141
Monthly Revenue	\$76,658	\$82,608
Year to Date Revenue	\$883,584	\$1,310,278

Centerpointe Logistics Center

Work started June 18 to tilt up walls for the 522,774 s.f. Centerpointe Logistics Center being developed at the NW corner of Frederick Street and Cactus Avenue. With walls now going up, the developer of the project—a partnership of USAA Real Estate and Overton Moore Properties is confident that tenant interest will intensify.

Code & Neighborhood Services Division

Quick Statistics

The following statistics provided are for the Code & Neighborhood Services Division for the months of May 2011 and May 2012.

	May 2011	May 2012
Cases Initiated	451	403
Closed Case Investigations	353	307
Parking Citations Issued	2,096	1,901
Administrative Citations Issued	70	59
Customer Counter Visits	342	366

Land Development Division

Quick Statistics

The following statistics provided are for the Land Development Division of the months of May 2011 and May 2012.

	May 2011	May 2012
Plan Checks Processed	18	19
Grading Permits Issued	1	0
Number of Inspections	240	427
Counter Customer Visit	122	133

Neighborhood Preservation Division

Redevelopment Successor Agency & Oversight Board Update

In 2007 the City of Moreno Valley RDA authorized the transfer of eight properties that were acquired with Low and Moderate Income Housing (LMIH) Set-Aside Funds, or 20% funds, to the RDA's 80% Fund portfolio. As part of the transaction, the 80% Fund was required to compensate the LMIH Set-Aside Fund the appraised value of the property determined under the Statement of Value dated June 1, 2007 (\$4,157,976) in exchange for the properties. The properties were transferred from the LMIH fund of the RDA because the RDA was not successful in initiating Low or Moderate Income Housing projects on these parcels within 5 years of purchase, which was a requirement under state law. Payments were to be made from future tax increment revenue in annual installments of five percent of the remaining balance, plus interest, until the balance was paid in full. Subsequently, principal payments were made between July 2007 and July 2010, reducing the principal balance on the debt for the land to \$3,386,697. In February of 2012, as part of the dissolution of the Moreno Valley RDA, the Moreno Valley Successor Agency and the Oversight Board authorized the transfer of all housing assets and obligations of the former RDA to the Moreno Valley Housing Authority. As was the case with most agreements between the City and the former RDA, staff assumed that any agreement to repay the LMIH Set-Aside Fund with future tax increment revenue was invalidated.

The City, acting in the capacity as Successor Agency, is required to complete a final audit of the RDA activity through January 31, 2012, and to audit the Successor Agency activity. The City has hired the audit firm of Lance, Soll and Lunghard (LSL) to complete these audits. The preliminary review by LSL revealed that a formal action by the Oversight Board is needed to amend the initial ROPS (for the period of January – June 2012) to both acknowledge and satisfy the 2007 Successor Agency debt with the land transfer to the Housing Authority. On June 20, the Oversight Board considered including the debt of \$3,386,697 on the ROPS as a debt owed by the Successor Agency to the Moreno Valley Housing Authority which will then allow for the repayment of the debt through the transfer of the land to the Housing Authority. There will be no transfer of cash between the entities, but the City's balance sheet will correctly reflect the satisfaction of the debt between the two agencies.

U.S. Department of Housing and Urban Development Monitoring Visit

During the week of June 11, the U.S. Department of Housing and Urban Development (HUD) conducted an on-site monitoring of the Community Development Block Grant (CDBG), HOME Partnership, and Homeless Prevention and Rapid Re-Housing Program (HPRP) programs administered by the City of Moreno Valley. Three people from HUD participated in the four-day monitoring visit. The objective of the audit was to determine whether the City administered its federal programs in compliance with all applicable regulations governing its administrative, financial, and programmatic operations. Overall, the HUD representatives acknowledged that the City is making a diligent effort to comply with applicable Federal requirements. No major issues were verbally noted by HUD in the exit interview with City staff. A report detailing HUD's analysis of the visit will be released within the next several weeks.

Housing Resale Market – May 2012

The housing resale market continues to fluctuate in the first five months of 2012. The average resale home value in Moreno Valley for May was \$160,641, which was a 4.5% increase from the value of \$153,731 for the month of April. Other nearby communities such as Corona, Riverside, Hemet/San Jacinto, and Temecula/Murrieta also saw property values increase, but none as significant as Moreno Valley. The City of Perris saw an 11.6% decrease in property values from April to May of 2012.

The number of resale transactions in Moreno Valley increased in this reporting period, going from 197 transactions in April to 249 in May. During the first five months of the calendar year, there have been 1,060 resale transactions in Moreno Valley, which is a monthly average of 212. The housing resale market continues to be mixed in other nearby Riverside County communities including Corona, Riverside, Perris and Temecula/Murrieta.

Planning Division

Quick Statistics

The following statistics provided are for the Land Development Division for the months of May 2011 and May 2012.

	<u>May</u> <u>2011</u>	<u>May</u> <u>2012</u>
Counter Customers	N/A	344
Major Case Submittals	2	7
Minor Case Submittals	44	79
Plan Check Submittals	37	17
Application Fees	\$50,226	\$89,072

Planning Commission

The following items were scheduled for the June 28 meeting:

- A Plot Plan for the Vogel Industrial Project, a proposed 1,616,133 s.f. warehouse/distribution building on a 71-acre site located at the southwest corner of Perris Boulevard and Grove View Road in the Moreno Valley Industrial Area. The proposed project is consistent with the Specific Plan for the industrial area and does not require any land use changes or variances. Due to the size of the project, an environmental impact report (EIR) was prepared to assess potential impact and provide mitigation for anticipated project impacts. The draft EIR is currently out for public review and comment. Responses to any comments received on the EIR will be provided at the public hearing. The applicant is Vogel Engineers, Inc. (now scheduled for July 12, 2012 at request of applicant).
- A Conditional Use Permit for a sports bar with entertainment (pool tables and karaoke) in the Lakeshore Village Shopping Center on Sunnymead Ranch Parkway. The proposed location was previously occupied by Boomba's Pizza Parlor. The applicant is Stephen Lim, the owner of a restaurant in the same shopping center.
- A study session review of the draft Energy Efficiency and Climate Action Strategy.

Administrative Approvals

- Amended Plot Plan to expand a recently approved fast food restaurant (McDonald's) in the Moreno Valley Plaza shopping center on Sunnymead Boulevard. The applicant is McDonald's USA.

Recent Case Submittals

- Plot Plan to construct a retail building on the west side of Perris Boulevard south of John F. Kennedy Drive. The proposed tenant is O'Reilly Auto Parts.
- Conditional Use Permit for a church and adult day care facility in an existing building in the Canyon Springs Plaza shopping center on Day Street (Generations Church).
- Plot Plan to establish a church in an existing retail building at 24889 Elder Avenue.
- Plot Plan to establish a takeout pizza restaurant in the Moreno Beach Marketplace shopping center at 14425 Moreno Beach Drive.
- Administrative Variance for parking related to a Plot Plan application to expand the mini-market in an existing gas station (Union 76) at 25020 Alessandro Boulevard.

World Logistics Center

The applicant and the consulting team are working with City staff and the PEER consultant on assembling the Draft Environmental Report (EIR). Once completed, the Draft EIR will be released for public review. The public review period required by State Law is 45 days. The EIR consultant will review any comments received during that period and provide written responses for final review by City staff and the City's PEER consultant. The Draft EIR and Response to Comments will constitute the final EIR which will accompany the Specific Plan for the World Logistics Center for formal review by the Planning Commission and City Council.

The World Logistics Center is a Specific Plan for up to 41.6 million s.f. of high cube logistics warehouse space. High cube warehouses are large, high ceiling buildings built to accommodate modern, high efficiency logistics operations. The proposed Specific Plan includes nearly all of the property encompassed by the Moreno Valley Freeway, Redlands Boulevard, Gilman Springs Road and the southerly City limits. In addition to the Specific Plan, the project includes a General Plan Amendment, a Zone Change, an Annexation for an 85-acre parcel at Alessandro Boulevard and Gilman Springs Road, a Development Agreement, a Tentative Parcel Map for financial purposes and an Environmental Impact Report.

Western Realco – March Business Park

The Draft Environmental Impact Report (EIR) for the Western Realco Project was distributed for public review on Thursday, April 26. The comment period for the Draft EIR began on April 30, and ended on June 13. The Draft EIR was available to the public for viewing at the Planning counter at City Hall, at the City Library and posted on the City's website. The Draft EIR was reviewed by the Environmental and Historical Preservation Board at their regular meeting of May 14. A total of seven comment letters were submitted on the project. Those comments have been forwarded to the EIR consultant for review and the preparation of responses.

The proposed complex is located at the southeast corner of Heacock Street and Iris Avenue in the Moreno Valley Industrial Area. The complex includes four buildings, ranging in size from 16,732 to 1,103,003 s.f., with a total of 1,484,407 s.f. on 67 acres.

Vogel Industrial Project

The Draft Environmental Impact Report (EIR) for the Vogel Project was distributed for public review on Thursday, April 19, 2012. The comment period for the Draft EIR began on April 20, 2012, and ended on June 4, 2012. The Draft EIR was available to the public for

viewing at the Planning counter at City Hall, at the City Library and posted on the City's website. The Draft EIR was reviewed by the Environmental and Historical Preservation Board at their regular meeting of May 14, 2012. A total of eight comment letters were submitted on the project. Responses to those comment letters have been provided to staff by the EIR consultant. The project is tentatively scheduled for Planning Commission review on July 12, 2012.

The Vogel Industrial Project is a proposed 1,616,133 s.f. warehouse/distribution building on a 71-acre site located at the southwest corner of Perris Boulevard and Grove View Road in the Moreno Valley Industrial Area. The

	June 2012	May 2012	Change	June 2011	Change
Homes for Sale	711	778	(9%)	1,119	(36%)
Median Asking Price	\$160,000	\$160,000	0%	\$156,500	3%

proposed project is consistent with the Specific Plan for the industrial area and does not require any land use changes or variances.

Foreclosures and Homes Listed for Sale

Information available from the RealtyTrac website for May shows a significant increase in foreclosure activity in both the City and Riverside County, as well as most other western Riverside County cities. The website reported one in 139 housing units in Moreno Valley were in some stage of foreclosure. This compares to a rate of one in 172 units in the prior month, or nineteen percent (19%) deterioration, essentially reversing the improvement seen in April. The current rate is five (5%) better than the prior year month rate in 2011, when the rate was one in 132 units. Foreclosure activity was thirteen percent (13%) worse in the region. Contrary to experience during the recent downturn, there were not significant differences in foreclosure rates for communities with the highest levels of single family housing construction during the past building boom and those that grew slower. The Moreno Valley foreclosure rate is similar to nearby communities such as Perris and Lake Elsinore. Calimesa had the lowest rate locally (1 in 281) and San Jacinto had the highest rate (1 in 49). By zip code, area 92555 had the highest rate in the City (1 in 103) and area 92557 had the lowest rates (1 in 191). Foreclosure activity decreased in the 92557 zip code area, but increased in the other three Moreno Valley zip codes. Moreno Valley had 400 homes reported in some stage of foreclosure in May, twenty three percent (23%) more than the 325 homes in the prior month, but five percent (5%) less than the 422 homes in the same month last year. The City of Riverside had the highest number of reported foreclosure properties at 533 and Corona was third with 380. The trends are shown in the chart below.

Information available from the Realtor.com website indicates a continuing decrease in the number of homes for sale in the City and stability in median asking prices. As of June 1, 711 homes were listed for sale, compared with 778 at the start of the prior month, and 1,119 in the same month last year. January 2010 marked the prior low point for inventory in recent years when 806 homes were listed for sale. Inventory fell sharply in 2009 from a high of 2,068 in January 2009, and increased throughout 2010 and early 2011 to a peak of 1,230 in March 2011 before steadily declining since that time. The median asking price \$160,000, compared with \$160,000 in the prior month and \$156,500 in the same month last year. The current inventory of homes for sale is approximately a four month supply. Anything less than a six month supply of homes for sale is considered positive. The trends are shown in the chart below.

Climate Action Strategy

Based on the direction provided by the City Council and Planning Commission at the Joint Study Session on April 3, public outreach efforts for the Draft Energy Efficiency and Climate Action Strategy (CAS), the SCE Strategic Solicitation, and the reach codes are underway.

On May 14, the CAS and Strategic Solicitation were reviewed by the City's Environmental and Historical Preservation Board. A public open house meeting to provide information to the public and receive input was held June 7th in the City Council Chambers. The open house also included representatives from the Southern California Energy Coalition and Western Riverside Council of Governments to discuss their programs. A Planning Commission meeting was held on June 28th to further discuss the CAS and Strategic Solicitation. This will be followed by further discussion at a City Council Study Session on August 21st. The CAS document will be refined based on the direction provided by the Planning Commission and City Council. The final document is tentatively scheduled for public hearings before the Planning Commission on September 13 and the City Council on October 9.

For the reach codes, staff presented the proposal at the Developer Workshop of the Economic Development Subcommittee meeting on May 10th. Additional follow-up with the Riverside County Chapter of the Building Industry Association and other members of the development community is underway. The reach code item is scheduled for a public hearing before the Planning Commission on July 12th, and a public hearing before the City Council on August 28th. While input

	May 2012	April 2012	Change	May 2011	Change
Foreclosure Rate/City	139	172	19%	132	5%
Foreclosure Rate/County	182	208	13%	166	10%
Number of Homes/City	400	325	23%	422	5%

provided by the development community indicates serious concerns with the proposed reach codes, the SCE grant requires presentation to the City Council for formal action. Based on the input received, staff has focused the proposal on no cost and low cost items and dropped those with potentially higher potential.