

CITY MANAGER'S OFFICE

Administration

State of the City Event

Assistant to the City Manager Michele Patterson is working with Mayor Stewart to put the finishing touches on his speech for the annual State of the City luncheon. Sponsored by the Moreno Valley Chamber of Commerce, the luncheon is scheduled for August 23rd at the CRC. We anticipate another sell out of this popular event. As has been done in previous years, a live feed of the Mayor's address will be provided in an adjacent room for anyone that does not wish to pay the fee for the luncheon. The MVTV-3 crew is producing a couple of original videos and a PowerPoint for the event and Senior Graphics Designer Meleisa Mendonca is creating customized posters for each Council Member to display at their welcome table.

Employee Appreciation Barbecue

On July 26th all permanent City employees were invited to an Employee Appreciation barbecue served by the Executive Team and some members of the City Council at the CRC. Food for the luncheon was generously provided by Margarita's Grill. The intent of this informal event was to thank our hard-working employees and provide them with some food and fun. Special thanks to the Parks & Community Services staff for coordinating the event.

Red Light Enforcement Cameras at Day Street/Canyon Springs

The City Council directed staff to approach the City of Riverside with the request to remove their red light enforcement cameras from the City's traffic signal poles located at the Day Street/Canyon Springs intersection. I recently met with Riverside City Manager Scott Barber and made this request and we have been notified that this equipment will be removed within 30 days.

Media & Communications

MVTV-3 Awards

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 won two first place Star Awards for "Val's Oil" under the Public Service Announcement and Environmental categories. Among the competition for these two Star Awards were

the cities of Beverly Hills, Santa Monica, Irvine and Long Beach. MVTV-3 also won a second place Star Award for the "Moreno Valley: We Can Soar" video in the Economic Development category. These award winning videos are available on the City's YouTube Channel at <http://www.youtube.com/mvtv3morenovalley>.

MVTV-3 Pre-Production

This year's State of the City presentation promises to be great. MVTV-3 is hard at work creating a video, website, graphics and campaign for this year's special announcement. The State of the City will occur August 23, 2012 and air on MVTV-3 shortly after.

New Programming

In an effort to attract new employers to the City of Moreno Valley, MVTV-3 and the Community & Economic Development Department teamed up to create a new video titled "Moreno Valley: The Best Place to Do Business." This video features several prominent Moreno Valley business representatives describing and recommending the business environment in Moreno Valley. This video airs daily on MVTV-3 and also on YouTube at <http://youtu.be/gTD5cjqrNIA>.

The Independence Day Parade returned to Moreno Valley in 2012 and MVTV-3 was there. This year's parade featured 55 entries from the community and was hosted by Robin Lang and Ed Velasquez. The video of the 2012 parade is available daily on MVTV-3 and also on YouTube at <http://youtu.be/LQfb-zYNjeI>.

Join Mayor Richard Stewart and the Moreno Valley City Council as they pay tribute to the men and women of the armed forces at this year's Memorial Day Ceremony. The ceremony featured the Moreno Valley Master Chorale, Knights of Columbus, Air Force Total Force Honor Guard and the March Aero Club. This video airs daily on MVTV-3 and also on YouTube at <http://youtu.be/FZIRBJw3kq4>.

MVTV-3 and the Moreno Valley Police Department have teamed up to create a public service announcement to help prevent jaywalking in the City of Moreno Valley. This video informs residents of the consequences of this dangerous activity. This video is available on the City's YouTube Channel <http://www.youtube.com/mvtv3morenovalley>.

Graphics Support

CityLink

We want to promote you! The City Manager's Office is looking for City facilities to promote in the Park of the Month segment in CityLink. August's issue promoted the new soccer facilities at March Field/Valley Skate Park. To recommend a facility please contact meleisam@moval.org. Have story ideas, the monthly publications deadline for story submittals is the 15th of the month.

Appreciation

In July, the Moreno Valley Police Department presented Meleisa Mendonca with a plaque to honor her work on the 2011 California Law Enforcement Challenge, a publication contest that highlights the traffic safety enforcement efforts within the City. This year, the City won first place statewide in the Law Enforcement Challenge and took second place nationally. Meleisa and the Police Department worked together to produce the winning 46-page, full-color, hardbound book. This is the second year in a row that the Moreno Valley Police Department has won the statewide award and last year it took home first place in the national contest.

FINANCIAL & ADMINISTRATIVE SERVICES DEPARTMENT

Animal Services Division

Animal Control Officers Rescue Dog and Pup from Abandoned House

Animal Control Officers Stephanie Loraas and Daniel Pacheco found out on August 2 during the "Dog Days of Summer" there's more than one way to rescue a trapped dog and pup from an abandoned house. Both officers worked alongside



Steve Lulli, Field Services Supervisor, to extract a trapped dog and pup from under a house in the Edgemont area of Moreno Valley. Several area residents became concerned over the welfare of the animals and contacted Animal Services. Officers Loraas and Pacheco were able to locate the approximate area of the trapped animals by the crying sounds of the puppy.



Working together, the officers and their supervisor

removed several wood floorboards to ensure the officers could safely remove the animals from their fate. After the dog and pup were removed several concerned residents expressed interest in adopting both pets if no owner comes forward. Pictured are Officer Loraas and Supervisor Lulli removing the adult female dog and Officer Loraas holding the rescued puppy.

Purchasing Division

New ERP System LOGOS – Requisitions and Purchase Orders

The Purchasing Division has received 572 purchase requisitions in the first month of the new LOGOS system. Of the submitted requisitions, 449 purchase orders have been created. The electronic workflow process is working smoothly with staff reviewing and approving requisitions on a daily basis, keeping the process quick and efficient. Staff has already created 341 annual purchase orders to date, with more to follow as these are established early each year to efficiently process purchases for the fiscal year.

FIRE DEPARTMENT

Fire Operations

Remembering a Fallen Firefighter

On August 6, 2005 shortly after 3pm, a tragic accident occurred involving CAL FIRE/Riverside County Firefighter Chris Kanton, who was 22 years old. Chris was working that day on Moreno Beach Fire Engine 58 when they were dispatched initially to move up to the Banning



Pass area due to numerous storm related emergencies. Subsequently they were dispatched to a water flooding incident in the Cherry Valley area. Engine 58 encountered a terrible thunderstorm when transitioning from eastbound SR 60 to eastbound I-10 resulting in the fire engine leaving the road, causing the death of Chris Kanton. Firefighter Kanton paid the ultimate sacrifice of public service in giving his life in a most traumatic way while attempting to help others.

On August 6, 2012, seven years after his death, a Riverside Unit engine company who was covering the San Luis Obispo Unit due to fire activity, visited Chris's grave site and also visited Chris' parents, Paul and Mary Kanton. The Kanton family continues to appreciate the support from the CAL FIRE family.

Letter of Appreciation

Every day our city's firefighters respond to numerous medical emergencies and provide outstanding advance life support care. The Fire Department recently received a letter of appreciation from one of our residents for saving her life, not once, but twice. She sincerely thanked the Fire Department for not only assisting her but also in acting in the best interest of her son. She was grateful for the respect that our firefighters demonstrated to her and to her son. She was also thankful for the kindness and compassion provided to her and her family by our firefighters. It is not often that we receive letters such as this from the community, so we treasure each one we receive.

Potential Grant Opportunity

The Fire Department has applied for the Department of Homeland Security, Federal Emergency Management Agency, Staffing for Adequate Fire and Emergency Response (SAFER) grant. This grant was created to provide funding directly to fire departments to help increase the number of trained, "front line" firefighters available in their communities. If successful, the city would receive 100% funding for three fire apparatus engineers and two firefighter paramedics to staff a paramedic squad. The total amount requested by the Fire Department is just over \$1.3 million for the two year period of performance for this grant.

Public Relations

On July 26 the College Park Fire Station conducted a tour of Fire Station 91, Engine 91, and Truck 91 for 25 Chinese exchange students who are staying in Moreno Valley with various host families. The event was extremely informative for the students.

Significant Events

On July 24, fire department personnel from Moreno Valley, Perris, and Riverside County responded to a residential structure fire in College Park Fire Station 91's primary response area. The first arriving engine company found heavy smoke and fire issuing from a rear bedroom window and a portion of the roof. An aggressive interior attack limited the fire spread to the bedroom of origin, an adjacent hallway, and a portion of the attic. The home was unoccupied at the time of the fire and no one was injured. Seven residents were displaced.

On July 24, fire department personnel from Moreno Valley were dispatched to a multi-family residential structure fire in Towngate Fire Station 6's primary response area. The first arriving engine company found heavy smoke and fire in a single unit on the first floor of a two story complex. An aggressive interior attack

confined the fire to the unit of origin. The apartment was occupied at the time of the fire and the resident suffered from minor smoke inhalation. One other civilian was injured by broken glass while attempting to extinguish the fire prior to the arrival of the Moreno Valley Fire Department. Both of the individuals were treated by fire department paramedics and are expected to make a full recovery.

On August 2, Towngate Fire Engine 6 responded to a report of a child who had fallen. Upon arrival, fire department personnel were met by Moreno Valley Police Department personnel who advised the child had been submerged in a bathtub. The child was unconscious with shallow breathing. Fire Department paramedics began pediatric advance life support measures as the patient's skin color was pale and the child had audible wheezing in all lobes of his lungs. The paramedic from Engine 6 continued to administer advance life support care while the patient was transported to AMR to the local area trauma center. The patient's projected outcome is unknown at this time; however, the last report received by fire department personnel from the hospital listed the child in stable condition.

On August 3, Towngate Fire Engine 6 was dispatched to a report of a seizure at Olive Garden Restaurant. Upon arrival, Fire Department personnel were directed to an elderly female who was unconscious, unresponsive, and had very shallow respirations with a faint pulse. The patient also presented with stroke-like symptoms. Approximately one minute later, and upon further evaluation by the firefighter paramedic, the patient was determined to be in cardiac arrest. The crew from Engine 6 immediately began administering CPR on the patient and the paramedic firefighter initiated advance life support care. Shortly thereafter, the patient was placed into the ambulance and the firefighter paramedic continued to administer advance life support care while AMR transported the patient to a local area hospital. During transport to the hospital, the patient began to breathe on her own. The final outcome of this patient is unknown at this time.

HUMAN RESOURCES DEPARTMENT

Enterprise Resource Planning (ERP) System

The Human Resources Department continues to dedicate significant resources to support successful migration to the HR module within the City's new Enterprise Resource Planning (ERP) system. HR staff members are working with Technology Services, Finance and the City's consultant team to establish processes to migrate historical data as well as handle new transactions. HR continues to emphasize an approach which takes full

advantage of the industry best practices engineered into the Logos/New World system and reduces any requirements for customization.

MotiVate Wellness

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

- Interview Skills Workshops: In partnership with the Toastmasters Group, the second of three Interview Skills workshops took place on August 1st. At the specific request of participants, a mock interview session has been added to the curriculum, tailored to support applicants for the ongoing Sr. Administrative Assistant recruitment. All of these interactive sessions are helping prepare employees for their next career opportunities with our City organization by equipping them with the tools and techniques for an intelligent conversation during any interview process. The program will also broaden awareness of the Toastmasters program, and the significant benefits derived from joining this outstanding professional development program.
- Aerobics Program: In response to survey requests, the Line Dancing program now features Light Aerobics instruction.
- Lunch & A Movie: Employees enjoyed July's presentation of "The Dark Knight."
- Child Support: Information was provided regarding an upcoming session during which Riverside County staff will be on-hand to assist with needs such as establishing/modifying a court order, addressing owed child support, etc.) or to open a child support case.
- MoVal Movers: The Summer Slim Down program is in full swing, featuring information on healthy habits, weekly weigh-ins and kudos to each week's respective weight loss leaders. The program committee's work has created a program which provides meaningful support and camaraderie for all participants.

Talent Management

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

- Sr. Electrical Engineer (17 applicants to date). Opened 7/23/12, closes 9/6/12.
- Animal Control Officer (228 applicants). Closed 7/26/12. Interviews being scheduled.
- Library Assistant-PT Career & PT-Temp (653 applicants). Closed 7/26/12. Interviews scheduled for 8/16/12.

- Lead Parks Maintenance Worker Internal (9 applicants). Closed 7/5/12. 2nd round interviews were scheduled for 8/9/12.
- Sr. Administrative Assistant Internal-Eligibility List (12 applicants). Closed 6/28/12. Interviews were scheduled for 8/14/12.
- Executive Assistant I Public Works/Financial & Administrative Services-Internal (17 applicants). Closed 6/28/12. Two candidates selected, recruitment closed.
- Senior Parks Maintenance Technician-Internal. Two candidates selected. Recruitment closed.
- Office Assistant-Fire Internal (5 applicants). Candidate selected. Recruitment closed.

Facilities Division

The City's Security Guard program has recently been transferred to the Facilities Division. The program comprises two city employees and two contract security employees working at four facilities to ensure both staff and public safety. Employees are encouraged to interact with our guards when they have any concerns or personal safety needs. The Security Guard program augments, but does not duplicate or replace services provided by trained law enforcement professionals in the Moreno Valley Police Department. Guards assist with:

1. Watching for suspect individuals
2. Looking for suspect packages left on City property
3. Escorting employees to their vehicles
4. Contacting public safety authorities when needed

Employees who have any concerns or needs should contact the Facilities Division for direct assistance.

PARKS & COMMUNITY SERVICES DEPARTMENT

Special Events

Residents continue to enjoy the Movies in the Park. More than 600 residents have joined the weekly free entertainment at the Conference and Recreation Center. Movies shown include Despicable Me on July 12, How to Train Your Dragon on July 19, Up on July 26, and the final showing of Bolt on August 2. Each week has also seen a steady increase of resident attendance. Moreno Valley based business, Yoshida Ice, has also been onsite to sponsor and support exciting family-friendly events. With the increased popularity, fall and winter movies have been added to the schedule beginning in October. More information to be released soon!

YouthFest 2012 is scheduled to be held on September 8 at Community Park from 10:00 a.m. to 2:00 p.m.

Residents are welcome to join community youth-based businesses and organizations for complimentary festivities as they gather information regarding youth programs available in the community. The annual event also features a DJ, opportunity drawings, emergency vehicles available for public tours, and dance and music performances. Booth spaces are being filled by the local businesses eager to share their services with the community. It is sure to be an exciting day for residents!

Park Projects

The installation of the protective sealant over the concrete at the Conference and Recreation Center ballroom patio has been completed.

Listed below is a detailed status of the Lasselle Sports Project:

- Fullmer Construction has been approved as the General Contractor.
- Burrowing Owl study needs to be performed.
- Grading, Site Improvement and Building Plans have been approved.
- Eastern Municipal Water District: Civil engineering, Recycled Water Use and Irrigation plans are approved.
- Department of Water Resources issued an executed Encroachment Permit for work over their pipeline.

Metro Cellular is installing cellular antenna on a sports field light pole, as well as a building to house their equipment at John F. Kennedy Park. This improvement will provide cell phone users in the area improved service and the Department over \$2,100 in monthly rent.

Staff is in the planning stage for the TownGate Community Center patio improvements.

Parks Maintenance

Projects completed included: Aerated and fertilized sports fields, and installed new exterior doors on restroom buildings at Ridgecrest, JFK and Fairway Parks.

Projects in progress include: Tree planting at various park sites; renovate portions of Salas infield at Sunnymead Park; weed abate March Field Park and the Equestrian Center; remove old and install new ET irrigation controllers at 19 park sites; trim hedges at various park sites; spray annual weeds at all park sites; weed all trails and parks (75% complete); put decomposed granite on all trails; place fiber at Patriot Park playground; resurface Shadow Mountain Park; and

repaired all golf course equipment at Cottonwood Golf Center.

Vandalism and graffiti have been reported at the following areas in July: Aqueduct Bikeway (\$123), Adrienne Mitchell (\$133), Bayside (\$75), Community (\$314), Edison Easement (\$76), Fairway (\$41), Gateway (\$28), JFK (\$94), Rancho Verde Staging Area (\$41), Shadow Mountain (\$29), Sunnymead (\$314), TownGate (\$51), Valley Skate Park (\$27), Weston (\$66), and Woodland (\$27). The total cost for vandalism/graffiti during July was \$1,439. Total labor hours for vandalism/graffiti during July were 28 hours, approximately 3.5 full-time work days.

The mobile stage was used on July 4 for the City's FunFest.

Training for staff included heat stress on July 12 and preventing trip and slip injuries on July 26.

Court referrals performed a total of 675 hours during July. The total hours for court referrals in 2012 are 2,998, which equates to approximately 375 full-time work days.

Recreation Division

The Time for Tots summer sessions continued to flow smoothly during July with both the Conference and Recreation Center and TownGate Community Center filled with children ages 3 to 5 years. The month's themed sessions included themes of America and dinosaurs, and storybook and space. Creative educational curriculum was created by staff to coincide with these themes. Those registered for the summer sessions have also been participating in Harkin's Movie Theater Summer Movie Fun. Each Thursday featured exciting movies that the children enjoyed, such as Kung-fu Panda 2, Mr. Popper's Penguins, Puss in Boots, and the Smurfs. The summer session closed on August 9.

Staff have been preparing for the upcoming Time for Tots Open House to be held at the TownGate Community Center from 10:00 a.m. to 12:00 p.m. on August 16. This fun-filled event features an information booth, face painting, arts and crafts, a bouncer, police and fire vehicles tours, and light refreshments. The fall session of Time for Tots is set to begin in late August.

Recreation classes were very busy during July with residents registered for music, art, dance, martial arts, cheerleading, and computer classes. Many of these classes were filled to capacity with youth and adults enjoying their summer in fun-filled classes. New classes added in July were Computers for Beginners, Lyrical

Dance, Master Steve's Tae Kwon Do, and Watercolor Technique.

Summer Valley Kids Camp was full for the month of July with children in grades kindergarten through eighth from the Moreno Valley and Val Verde Unified School Districts enjoying their break from school playing exciting recreational games, watching movies, playing video games, nurturing their creativity with arts and crafts, and experiencing fun-filled field trips to LA Zoo, Glen Helen Regional Park, Jumping Jacks, SPLASH! Buccaneer Bay, and Fiesta Village. Summer Valley Kids Camp closed on August 14.

Youth and Teen Basketball League ended on August 1 with one team being crowned champion in all four of our age divisions. The next youth sports program will be a basketball clinic starting on October 8.

Pee Wee and Junior tee ball concluded with their banquets held at the CRC the week of July 30. There were 170 youth participants learning skills and improving their athleticism through T-ball. The next sport for this age group is also a basketball clinic starting August 20.

Khawi Leonard from the NBA's San Antonio Spurs will be at the CRC on August 11 for a free basketball clinic offered to 75 previously registered youth participants.

Senior Community Center

The Senior Community Center held a Texas BBQ on July 12 for the seniors. Approximately 180 seniors enjoyed 70 lbs. of BBQ chicken, three tri-tips, 100 hot dogs, 50 cheeseburgers, 12 slabs of ribs, BBQ baked beans, Caesar salad, and potato salad. Nineteen prizes were raffled. There was also live entertainment by Donovan (Elvis). Sponsors included Wienerschnitzel, Shakeys, Costco, Cardenas, and Food 4 Less.

On July 13 the Center held its first ever Multi-Cultural Fair. Various traditional foods were available to sample from various cultures and each culture had art and music on display. Approximately 80 seniors attended. The event was sponsored by Alessandro Self Storage.

The July Senior Birthday Party was celebrated on July 26. This event was sponsored by the Friends of Moreno Valley Senior Center, which provided a free meal, and Miller Jones Mortuary donated a cake and ice cream.

On July 4 there was a senior day trip to Morongo Casino. The cost was \$20.

From July 15-17 the participants enjoyed a three-day trip to Laughlin. The trip cost was \$75 for double occupancy with two free buffets at Buffalo Bills and the Colorado Belle.

On July 21 seniors went on a day trip to Harrah's Hotel Casino. The cost was \$25 with \$25 back in free play.

Library Services

More E-books

The library recently acquired more than 60 additional e-book titles, which are now available to download with your library card! Through the Axis 360 service, you can use your library card to check out e-books for up to two weeks, after a one-time download of the Blio software. These e-books run on iOS, Android and Windows tablets and smartphones (including iPads and iPhones), PCs, Kindle Fires, and more. View the title display on the Magic Wall, browse by subject, and see book reviews and recommendations for further reading. This new service is made possible through the generous support of the Moreno Valley Friends of the Library.

Volunteer of the Year to Retire

Alma Mittleider, Moreno Valley's 2009 Volunteer of the Year, and a long-time member of the Moreno Valley Friends of the Library, has announced her retirement from managing the popular Book Nook, the area in the library that features used books, videos, CDs and other items at yard sale prices. Alma has been directly involved with the Book Nook for over 12 years, and since assuming leadership of the program in 2005, has been instrumental in raising over \$100,000 to help support the library. This revenue is utilized to purchase materials and equipment needed by the library, and to sponsor such programs as the annual Summer Reading Program. We will be forever grateful to Alma for her many years of dedicated service and for her delightful personality and sunny disposition. We wish her the best, and hope that she will enjoy a well-deserved rest from her many labors in our behalf. Alma will continue her duties through the end of August, at which time the Friends are hoping to appoint a successor to take over the management of this important resource. Anyone interested in helping to continue the Book Nook may contact Emily Paul, current president of the Friends of the Library, at 951.242.7752.

POLICE DEPARTMENT

Citywide Camera Project – Community Advisory Meeting

On August 22, 2012, at 6:00 p.m., there will be another Community Advisory Meeting for the Moreno Valley Citywide Camera System project. The goal of the meeting is to inform attendees of the history, purpose,

benefits, and progress of the project. The meeting will also include an open forum for community input, questions and answers. The meeting will be at the Moreno Valley Police Department, Community Conference Room.

Traffic Division

The conversion of the old Emergency Operations Center into the new Moreno Valley Police Department Traffic Division is almost complete. It is anticipated the renovation project will be completed either this August or September. The formal date of opening will be announced soon.

Cases of the Week

- On Tuesday, July 17, 2012, at 11:00 p.m., our officers responded to the Kaiser Hospital in the City of Riverside to contact an attempted carjacking victim from the City of Moreno Valley. During the investigation, our officers learned the victim was parked on Nason St., between Eucalyptus Ave. and Dracaea Ave., when two suspects tried to forcibly take her vehicle. Several bystanders came to the victim's aid, and the suspects fled on foot. The victim drove away and reported the incident while she was seeking medical attention for minor injuries. The investigation is still ongoing.
- On Wednesday, July 25, 2012, at 12:15 p.m., our officers responded to an in progress burglary in the 13900 block of Chagall Ct. When the officers arrived, they detained two suspects near the front of the residence. Two additional suspects were located inside the residence. As the suspects were being detained, officers observed several counterfeit items and narcotics inside the residence. As it turned out, no burglary occurred; however, due to the officers' observations of illegal items, further investigation was initiated. Members of the Burglary Suppression Team assumed the investigation and obtained a search warrant for the residence. Later that evening the search warrant was served and numerous illegal items such as counterfeit currencies, identification cards, bank checks, illegal narcotics and stolen property were located. All four suspects were booked into the Robert Presley Detention Center for numerous criminal violations.

PUBLIC WORKS DEPARTMENT

Capital Projects

Gilman Springs Road

As part of the FY 2012-2013 CIP Budget, City Council has approved a budget for the improvements of the City-owned portion of Gilman Springs Road. The project

includes the repaving and drainage improvements along Gilman Springs Road, as well as modification to the Gilman Springs/Alessandro Boulevard intersection. Project will be designed and constructed by the County of Riverside as part of its Gilman Spring Road Improvements project. The County has offered assistance to the City to complete the design, environmental clearance, advertising and award, and project contract administration at no cost to the City. The City is only responsible for the construction and construction engineering costs for the City-owned Gilman Springs Road portion. Staff is requesting the City Council to approve the cooperative agreement with the County to implement the project at its meeting on August 28, 2012. Construction is tentatively scheduled to start in early 2014.

Pavement Management Program

The City's Pavement Management Program (PMP) was developed for the purpose of inventorying the City street network, restoring and analyzing pavement conditions, and prioritizing streets for pavement rehabilitation. The PMP was updated in 2003, 2006 and 2009 to capture all the changes in the street network and pavement conditions, and it is now again due for updates. Staff is requesting the City Council to award a contract to Willdan Engineering to provide updates to the PMP at its meeting on August 28, 2012.



Dracaea Avenue Improvements

The Dracaea Avenue Improvements from Perris Boulevard to Patricia Street is under construction. The Contractor has completed constructing curb, gutter and sidewalk in first week of August 2012. The Contractor will remove the existing pavement and constructing new pavement for Dracaea Avenue. The construction is to be completed by end of August 2012.

Iris Avenue Pavement Resurfacing

The City Council approved the construction contract with Hardy & Harper on July 10, 2012, for the resurfacing of Iris Avenue from Lasselle Street to Grande Vista Drive and from Moreno Valley Community Hospital Entrance to Via Del Lago. The Contractor has scheduled to start the project in the week of August 27, 2012. The construction is to be completed by mid-October 2012.

State Route 60/Moreno Beach Drive Interchange Improvements - Phase 1

The SR-60/Moreno Beach Drive Phase 1 project is one of the key projects in the City Manager's Economic Development Action Plan. Phase 1 improvements will consist of realigning the eastbound on- and off-ramps to SR-60 to a "diamond" configuration that will connect to Moreno Beach Drive immediately south of the existing bridge over SR-60.



The new eastbound on-ramp will be built immediately behind the Auto Mall. Once these ramps are moved, the project will build the road connection of Eucalyptus Avenue to Moreno Beach Drive, thereby providing better access to Super Wal-Mart, businesses on the west side of Moreno Beach Drive, Panda Express, and Carl's Jr. The plans were approved by Caltrans for bidding in July. Bids were opened on August 13. Once the contractor is on-board, construction is expected to start mid to late-October, and will extend to summer 2013.

Special Districts

Tree Inventory Complete

There are 15,211 trees within the city's landscape districts and water quality basins. For the better part of a year, a Landscape Services Inspector physically inventoried every tree, water meter and backflow device in Special Districts' areas of responsibility. With the assistance of Technology Services staff, a database form was created in a handheld GPS device which was used for the data collection. The tree's location, type, size and date of last trimming were all catalogued. Sizes and locations of water meters and backflow devices were also inventoried. The database will serve as a useful tool to ensure each tree is being trimmed at necessary intervals, for risk management documentation, and to allow for the development of a comprehensive plan to maintain facilities, fund replacements and identify trends. Additionally, a current database may make the City eligible to apply for future grants or satisfy other objectives (e.g. Tree City designation). Special thanks to Technology Services and to Special Districts staff who completed the field work and supported the effort for this special project to be completed.

Fixed Charges Successfully Transmitted

Fixed charges for the 2012-13 property tax bills were successfully transmitted to the County Property Tax

Division with no errors or returns. The data for the 175,722 different charges was reviewed and scrubbed multiple ways to ensure accuracy prior to submission. A total of \$14,245,327.72 was submitted to be applied on behalf of all of the City's special districts, CFDs, NPDES, weed and nuisance abatement, and solid waste. Property tax bills are traditionally mailed at the end of October with payments due in December and April.

Moreno Valley Utility

Low Income Assistance Program

Moreno Valley Utility is seeking to establish a Low-Income Assistance Program for its residential customers. The program offers qualifying customers a 20% discount on the monthly electric bill. The initial phase of the program will run through June 30, 2013. The funding level for this program may be increased based upon the level of need of MVU customers. The program will be implemented within 30 days upon approval by the City Council.

Solar Rebate Program

Since July 1, 2012, Moreno Valley Utility has received 5 residential solar applications for a total system size of 30 KW DC. MVU has 2 commercial customers under the Rebate Program – Taco Bell, with a 38 KW DC system, and Skechers/Highland Fairview, with a 808 KW DC system.

COMMUNITY & ECONOMIC DEVELOPMENT DEPARTMENT

Administration

TJ Maxx & HomeGoods Superstore Opens



The new TJ Maxx and HomeGoods superstore opened on August 5 at TownGate Center. An estimated 1,300 people were waiting in line when the doors opened for the two store concepts. TJX officials—the parent company for TJ Maxx and HomeGoods do not comment on sales performance, but a knowledgeable representative stated that 'they were very happy with the opening and that it exceeded expectations. Reportedly, there were four other TJ Maxx store opening on August 5 across the U.S. and that the Moreno Valley location experienced strong sales

for the opening day.

Nearly \$4 million was invested to rehabilitate the 51,000 S.F. former Ralph's grocery store—inside and out—for reuse as the new TJ Maxx and HomeGoods superstore. There are only about 50 combo stores—with a TJ Maxx and HomeGoods stores together, in operation in the U.S., with the new Moreno Valley location being one of four being opened in 2012. The superstore concept in Moreno Valley is just the 5th in Southern California – with Aliso Viejo, Chino Hills, Costa Mesa and Tustin also having combo stores locations.

A total of 145 employees were hired for the two stores including 95 working for TJ Maxx and 50 employed by HomeGoods. Combined, 107 out of the 145 the employees or 74% of the new workforce are residents of Moreno Valley. Almost 1,600 people applied for the 145 positions—just another example that people want to work in Moreno Valley. The City's Employment Resource Center (ERC) was used for the recruitment efforts for both stores. Many thanks to the staff from the ERC for helping with the recruiting events.

Another Starbucks Coffee Location



A 5th Starbucks Coffee location is on the way for Moreno Valley. A Lease is fully executed and tenant improvement work is underway for a new Starbucks to move into a 1,500 S.F. shop space at Lakeside Plaza. Look for the new Starbucks Coffee location, to be

situated at the NW corner of Lasselle and Iris, to open in September.

New at Stoneridge Towne Centre

A new restaurant—China One is nearly ready to open at Stoneridge Towne Centre (STC). The China One restaurant will be in the space in the Main Street area of STC formerly occupied by the Fish Shack. China One will offer fresh and healthy Chinese Cuisine in a fast-casual restaurant environment, with food available to dine in, take-out or via delivery.

Also at Stoneridge Towne Centre, Audeo Charter School has opened in a 2,674 S.F. facility in the Main Street area—just across the plaza from Bob's Big Boy Restaurant.

Moreno Beach Plaza II

New uses are coming to the 2nd phase of Moreno Beach Plaza. Originally, Moreno Beach Plaza II was to include a Circuit City, Staples, and PetSmart, along with a shop building and two restaurant pads with a Carl's Jr. and Panda Express. With the collapse of the housing development market—both Staples and PetSmart chose

not to open their new stores. Then Circuit City opened its new store at Moreno Beach Plaza II, but went into bankruptcy just 45 days later. The new Circuit City store closed after just 90 days of operation, along with all the other Circuit City stores in their chain. At that point the only remaining businesses at Moreno Beach Plaza II were Carl's Jr. and Panda Express. With so many tenant challenges, the Developer of the Moreno Beach Plaza II project defaulted on their construction loan and the property was foreclosed on by the lender—Bank of America—which ironically was to have a bank location in the shop building.

About 15 months ago, Merelone Grier Partners (MGP) acquired Moreno Beach Plaza II from the lender at a discounted value. MGP has worked hard to generate potential user interest in the property. Key to securing new users is the construction of new off ramps on the south side of SR60 at Moreno Beach, along with the eventual connection of Eucalyptus to Moreno Beach Drive. In late July, a new Sprint retail store opened in the shop building. Even more exciting are the plans by LA Fitness to open a new 40,000 S.F. sports club facility in the buildings that previously were to be Circuit City and Staples. Development Services staff are working with LA Fitness on processing their renovation plans with a target of opening early in 2013. Another national retailer is looking hard at the other anchor space (was to be Petsmart), but is waiting for the freeway ramp project to start before completing a lease document.

Harbor Freight Tools Expanding in Moreno Valley

Harbor Freight Tools' (HFT) presence continues to grow in Moreno Valley. First Industrial Realty Trust finalized a Lease (with a 15-year term) on July 20 with HFT to use First Industrial's recently completed 691,960 S.F. building as a second distribution facility in Moreno Valley. HFT has already maxed out its fairly new 779,016 S.F. Distribution Center (DC) at Centerpointe Business Park. HFT is looking to relocate its entire west coast operation (except its new corporate offices in Calabasas) to Moreno Valley. Leasing the new First Industrial building in South Moreno Valley allows HFT to not renew an expiring lease for an older distribution building in Oxnard, while expanding its DC capability in the Moreno Valley area. Development Services staff from Moreno Valley have moved quickly in allowing HFT to begin occupying the First Industrial building on July 26, while fast-tracking tenant improvement plans for equipment and racking installation. HFT will initially employ 50 to 75 people at the new building and then increase to about 200 workers when fully operation this fall.

Negotiations and preliminary planning continues between Ridge Property Trust and Harbor Freight Tools (HFT) to further expand the presence of HFT in Moreno Valley. Ridge and City staff are working on plans for an expansion of HFT's existing 779,016 S.F. building at Centerpointe to add another 507,720 S.F. to make the facility a total of 1.28 million sq. ft. Additionally, Ridge is processing plans to build another 607,430 S.F. building to the north of Brodiaea that could further expand HFT's presence in Moreno Valley. All of this is good news for creating new jobs in Moreno Valley.

Westridge Settlement

With the settlement of the CEQA lawsuit for Westridge, representatives of Ridge Property Trust indicate a strong desire to pursue the development of the new 943,800 S.F. building proposed for an area near the SW corner of SR60 and Redlands Boulevard, on a speculative basis. Having another nearly 1 million sq. ft. building under construction will mean more job creation opportunities.

Another CEQA Challenge Likely

An Environmental Impact Report (EIR) and development plan for a 1,616,133 S.F. industrial building was approved by the Planning Commission on July 12. Unfortunately, an attorney from Johnson & Sedlack representing the Sierra Club has filed an appeal of the approval of the project by the Planning Commission and is expected to eventually file a CEQA lawsuit challenging the EIR. Sares REGIS, which will be the developer of the future project, has strong interest from several leading logistics users. However, securing a fully approved and entitled project will be key to competing negotiations with a user. This is bad news—because a delay in securing planning approvals and entitlements will clearly cause uncertainty for the timing of the project and hinder completing negotiations for a user—thereby delaying the creation of badly needed jobs. Challenging a project like this in an area where the industrial zoning has been in place for more than 20 years and the nearest residential area is many miles away is an example of why the CEQA process needs to be reformed in California.

Developer's Workshop

Another quarterly Developer's Workshop was hosted by the Economic Development Subcommittee on August 9. Participants from the development community included a variety of developers including industrial, commercial retail and residential, along with representatives from NAIOP (National Association of Industrial & Office Properties) and the BIA (Building Industry Association). The Developers Workshop format is a great opportunity to solicit feedback on ways to make Moreno Valley a 'Best Place to do Business'.

1st Qt. 2012 Sales Tax Report

In a continued trend upward, reports for First Quarter (Q1) 2012 sales tax revenue is encouraging. The 7.7% rise in Q1 sales tax revenue, on an adjusted basis, as compared to Q1 2011 marks the 9th consecutive increase since the bottoming-out of the recession in fourth quarter 2009. While the "cash basis" increase is reported at 8.2%, the adjusted percent change is reflective of certain accounting aberrations such as under or over payment providing a more accurate account of actual sales activity in a given quarter.

The Q1 2012 Sales Tax Revenue Summary report compares adjusted Q1 sales tax revenue totals with adjusted Q1 2011 totals (Q1 revenue is generated between January and March). Hinderliter de Llamas Companies (HdL) compiles the sales tax revenue data obtained from the State Board of Equalization. The release of data by the State and the preparation of the comprehensive report by HdL typically occur approximately four to five months after the end of the respective quarter.

Q1 sales tax revenue increases for the City of Moreno Valley fell just slightly below both Riverside County and the State with increases of 8.0%, and 8.5%, respectively. Nearly all twenty-eight Riverside County cities experienced a positive sales tax performance with the exception of Perris and Indian Wells with a sales tax reduction of 2.6% and 5.3%, respectively. The City of Moreno Valley was in the middle--ranked 14th. Jurupa Valley, the newly incorporated city does not yet have a comparable quarter.

Nine cities in Riverside County experienced double digit growth for this quarter. Leading Riverside County cities sales tax revenue increases with double digit growth was newly incorporated Eastvale followed by Canyon Lake, Desert Hot Springs, Norco, Banning, Blythe, Murrieta, Palm Springs, Wildomar, Indio, Menifee, and Lake Elsinore. Most of these cities are small to mid-sized so it doesn't take much growth to have a large percentage increase.

The table below compares the adjusted Q1 2012 sales tax revenues to Q1 2011 sales tax revenues for the City of Moreno Valley and other immediately surrounding western Riverside County cities, as well as Riverside County and the State of California, ranking the all agencies by adjusted percentage change.

Sales Tax Trends Q1 2012

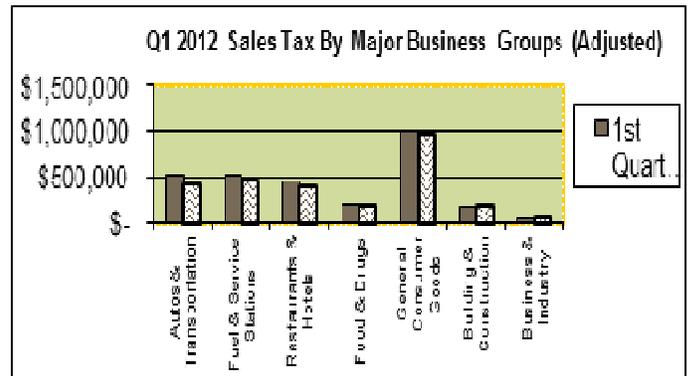
ADJUSTED FOR ECONOMIC DATA

City/Agency	Population	1st Quarter 2012	1st Quarter 2011	Dollar Difference	Standard Percent Change	Adjusted Percent Change
Murrieta	104,459	\$2,309,012	\$2,219,625	\$89,387	4.0%	11.8%
State	37,510,766	\$1,279,130,594	\$1,169,893,553	\$109,237,041	9.3%	8.5%
Riverside County	2,217,778	\$65,801,645	\$60,952,148	\$4,849,497	8.0%	8.0%
Moreno Valley	195,216	\$2,952,509	\$2,728,602	\$223,907	8.2%	7.7%
Corona	153,649	\$6,830,037	\$6,098,395	\$731,642	12.0%	7.1%
Riverside	306,779	\$10,002,364	\$9,404,757	\$597,607	6.4%	6.7%
Temecula	101,657	\$5,813,147	\$5,540,439	\$272,708	4.9%	5.4%
Hemet	79,607	\$2,041,938	\$1,952,247	\$89,691	4.6%	0.1%
Perris	69,781	\$1,382,266	\$1,370,767	\$11,499	0.8%	-2.6%

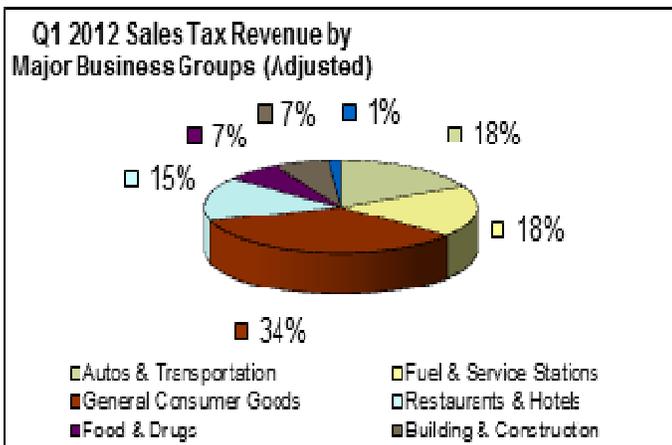
Among this comparative group, the City of Moreno Valley ranked 4th with a \$223,907 increase as compared to Q1 2011. Leading were the City of Murrieta, State, and County with increases of 11.8%, 8.5%, and 8.0%, respectively. Sales tax revenue generation for Riverside County is likely to appear weaker than expected overall, as the incorporation of the two new cities, Eastvale and Jurupa Valley, has impacted the County's sales tax revenue. Trailing slightly behind Moreno Valley was Corona with a 7.1% increase, and Riverside close behind at 6.7%. Temecula was nearly two percentage points behind, and Hemet experienced a relatively flat quarter. The City of Perris experienced a decline at -2.6%

The pie chart provides a graphic illustration of the percentage breakdown of Moreno Valley's Q1 2012 sales tax revenue allocations by major business group. The largest contributor of point-of-sale revenue came from sales in the General Consumer Goods category, representing 34% of Moreno Valley's total allocation with a 2.3% increase in spending overall.

Demonstrating Moreno Valley's Q1 spending changes from 2011 to 2012, the chart below categorizes spending changes (largest to smallest) by major business group.



Moreno Valley's ongoing course toward economic recovery is evident in the categories with double digit increases in sales tax revenue. The **Autos & Transportation** category jumped in sales by 24.3% (\$102,053) over the Q1 in 2011. The rise in Autos & Transportation was directly reflective of consumer confidence and successful ownership at the Moreno Valley Auto Mall. All brands experienced increases in sales except for Volkswagen of Moreno Valley, the new brand which did not have sales reported for the comparable quarter in Q1 2011. High performing brands were Moss Bros Buick GMC (40.04%), Moss Bros. Chrysler Jeep Dodge (27.05%), Moss Bros. Honda (10.31%), and Moss Bros. Toyota (8.64%). Moreno Valley's sales performances were well ahead of the State (8.5%) and the County (8.0%) in the Autos & Transportation category. The 14.4% (\$67,772) increase in the **Fuel & Service Stations** category is largely due to price increases.



Notable gains were achieved in the **Restaurants & Hotels** category with an 11.2% increase. Restaurants including BJs Chicago Pizza & Brewery, Buffalo Wild Wings, Olive Garden, Chili's Bar and Grill, IHop, and Sizzler all had solid increases in sales. Also experiencing a positive quarter in this category were the following fast food restaurants: Carl's Jr., Del Taco, In N' Out Burger, Jack in the Box, KFC, Little Caesars Pizza, McDonald's, Panda Express, and Pizza Hut. The 4.7% modest gain in the **Food & Drugs** category slipped just below that of County and State with sales increases of 6.1% and 5.0%, respectively. The increases in these two categories are representative of "real gain" in business categories. "Real gain" occurs when no payment aberrations, overstatements, or new outlets occur, thus increases in spending is the only factor affecting the positive change.

With a 2.3% increase in Q1 sales tax revenue in the **General Consumer Goods** category, sales in Moreno Valley fall slightly below State and County increases at 5.5%, and 4.8%, respectively. The sales increase in this category represents \$1,007,143 in additional sales. Overall, the category was helped by gains in major discount department store sales. Sales for giants such as Costco, and SuperTarget were up. Sales for Walmart Supercenter dipped slightly, which is not unlikely as new discount retailers become increasingly popular such as Bargain Fair, Dollar Tree and 99 Cents Only Stores. Additionally, family apparel and specialty outlets such as AutoZone, Footlocker, Forever 21, Harbor Freight Tools, iHerb.com, Ross, and Victoria's Secret have had a positive quarter.

Decreases in revenue were experienced in the remaining two categories. The 2.6% decrease in revenue in the **Building & Construction** category is deceiving. The category was actually up; however account discrepancies for both Lowe's and Home Depot resulted in deficiencies in reporting. Reports for Q2 2012 will show a double-up, bringing the accounts up-to-date. The **Business & Industry** category suffered a 29.3% decline when comparing Q1 2012 and Q1 2011 due to a significant decrease in sales for a leading medical device manufacturer.

The following identifies Moreno Valley's top twenty-five sales tax producers during the 1st Quarter 2012 (listed alphabetically):

- Arco (2)
- Best Buy
- Chevron (2)
- Circle K
- Costco
- Food 4 Less
- Home Depot
- iHerb
- Jack in the Box
- Lowe's
- Macy's Moreno Gas Mart
- Moss Bros Buick GMC

- Moss Bros. Chevrolet
- Moss Bros. Chrysler-Jeep-Dodge
- Moss Bros. Honda
- Moss Bros. Toyota
- Ross Dress for Less
- Sears
- Shell
- Stater Bros.
- Super Target
- Thrifty Gas
- Volkswagen of Moreno Valley
- Walmart Supercenter

Overall, sales in Moreno Valley have steadily increasing. HdL, however, does caution agencies against perceiving these increases have set a new pace for revenue increases. Most revenue increases have come from auto sales and increases in fuel prices, neither of which independently indicate a healthy economic climate. Additionally there are issues ranging from, and stemming from, the State's budget crisis to the European financial crisis that will impact spending, investment and hiring plans, slowing the recovery for the balance of 2012.

For more information, please refer to the *Moreno Valley Sales Tax Update* and the *California Forecast* prepared by Hinderliter de Llamas & Associates (HdL) that is available in the Economic Development Department or on the City's website.

Business Spotlight

The Spotlight on Moreno Valley Business program seeks to increase the community's awareness of the many diverse businesses that operate in Moreno Valley. The businesses showcased at the July 10 City Council meeting were Fitness 19 and Round Table Pizza.

The Business Spotlight program also wishes to alert the City Council of some of the new businesses in the community. A few recent openings include:

- **Boost Mobile** – Opened 2nd location January 2012 in Moreno Valley at TownGate Center. Original location is at Sunnymead Towne Center on Perris Boulevard.
- **Family Dollar** – New national discount retailer opening its first store in Moreno Valley in June at Moreno Valley Plaza. The company is working on other locations for Moreno Valley.
- **Low Cost Outlet** – New business concept opened by Moreno Valley resident focused on providing discount purchase opportunities for furniture, appliances, house goods, and kitchenware.

Riverside County's 5th District Water, Transportation and Economic Development Symposium

On July 25, Riverside County Supervisor Marion Ashley and the County's Economic Development Agency hosted a symposium at the Moreno Valley Conference & Recreation Center (CRC) focused on several relevant

issues to the region---water, transportation and economic development. More than 200 people from the public and private sector gathered at the CRC to listen to a variety of professionals urge working together in a collaborative effort to help advance ways to boost the local economy in Riverside County.

- Chipotle @ TownGate Center
- Starbucks @ Lakeside Plaza
- Dollar Tree @ Lakeside Terrace

Building & Safety Division

Development Update

The following is a summary of current development activities being worked on within the Building & Safety Division:

- **Certificate of Occupancy**
 - Dollar General
- **Temporary Certificate of Occupancy**
 - Universal Strike
 - Harbor Freight Tool DC @ First Inland Logistics
 - TJ Maxx/HomeGoods
- **Building Permit Issued-Under Construction**
 - Nandina Distribution Center-IDS Real Estate Group
 - Kaiser Permanente Medical Office Building
 - Robertson's Ready Mix Concrete Plant
 - Morrison Fire Station
 - Hemlock Apartments-Rancho Belago Developers
 - Centerpointe Logistics Center – Overton Moore Properties
 - Oasis Community Church
 - Rancho Dorado Apartment (Phase II) – Palm Communities
 - McDonald's @ Moreno Valley Plaza
- **Tenant Improvements Underway**
 - Volkswagen of Moreno Valley
 - Moss GMC/Buick
 - Moss Chevrolet
 - Public Safety Building – Expansion of Traffic Division
 - Round One @ Moreno Valley Mall
 - Wizard's Party House – Jump House
 - Fitness 19 on Perris Blvd.
- **Plan Check Underway for New Buildings**
 - Inland Empire Global Logistics Center-Panatonni Development
 - I-215 Logistics Center-Trammell Crow Co.
 - Alere Property Group
 - Family Dollar on Perris Blvd.
 - O'Reilly Auto Parts on Perris Blvd.
 - Graham Car Wash
 - Westridge Commerce Center – Ridge Property Trust
- **Plan Check Underway for Tenant Improvements**

Temporary Occupancy for First Inland Logistics Center
The City's Development Services staff worked closely with representatives from First Industrial Realty Trust and Harbor Freight Tools (HFT) to allow a Temporary Certificate of Occupancy (TCO) to be issued on July 26 to enable HFT to start occupying the recently completed First Inland Logistics Center in South Moreno Valley. HFT started moving in product—stored on pallets--into the new 691,960 S.F. industrial building. Concurrently HFT is formulating Tenant Improvement and racking plans that will be soon be submitted to the City for plan check. The 15-year Lease between First Industrial Realty Trust and Harbor Freight Tools was just executed late on Friday July 20. On Monday morning July 23, Moreno Valley's Development Services staff were already engaged with First industrial and HFT on ways to expedite occupancy of the building to accept product delivery. Kudos to Barry Foster and the Development Services team for a job well done on assisting HFT with their expansion plans in Moreno Valley.

New McDonalds Coming to Moreno Valley Plaza

Demolition work is complete and construction is underway for the 3,838 S.F. McDonald's restaurant coming to Moreno Valley Plaza. The new McDonald's is another positive step forward for the 341,000 S.F. community shopping center situated at the SW corner of Sunnymead Boulevard and Heacock Street. Other recent additions to Moreno Valley Plaza have included Fallas, Harbor Freight Tools, CitiTrends and Family Dollar.

Code & Neighborhood Services Division

2012 JAG Grant

The Code and Neighborhood Services Division has been awarded a 2012 Edward Byrne Memorial - Justice Assistance Grant (JAG). The JAG program allows jurisdictions to address various enforcement needs including the prosecution of offenders, crime prevention and education of the community. The award of \$69,724 will be utilized for the continued funding of the Weekend Enforcement Program and the Foreclosure Strike Team.

Land Development Division

Development Update

The following represents a summary of the development activity being worked on by the Land Development Division:

- **Grading Permits Issued**
 - Nandina Distribution Center-IDS Real Estate Group
 - Kaiser Permanente Medical Office Building
 - Robertson’s Ready Mix Concrete Plant
 - Morrison Fire Station
 - Hemlock Family Apartments – Rancho Belago Developers
 - Centerpointe Logistics Center – Overton Moore Properties
 - Oasis Community Church
 - Rancho Dorado Apartments (Phase II)-Palm Communities
- **Plan Check Underway for Grading Plans**
 - Inland Empire Global Logistics Center-Panatonni Development
 - I-215 Logistics Center–Trammell Crow Co.
 - Alere Property Group
 - Vogel Development
 - Westridge Commerce Center
 - Family Dollar and O’Reilly Auto Parts on Perris Blvd.

Development Impact Fee (DIF) Program Update

An update of the DIF program will be discussed at the August 21 City Council Study Session.

Neighborhood Preservation Division

Oversight Board Update

Over the last several weeks, staff has worked with the Successor Agency Oversight Board to interpret and comply with new legislation related to the RDA dissolution process. AB 1484, passed on June 27, 2012, requires Successor Agencies and Oversight Boards to implement new rules of conduct than the rules mandated last year by ABx1 26. Although AB 1484 provides new flexibility for successor agencies to secure approval of repayment of certain city loans to redevelopment agencies and to use bond proceeds for their original purposes, several provisions may expose the City to penalties and liabilities for the actions and inactions of the Successor Agency.

The next Oversight Board meeting will be held on August 28, 2012, where the Board will consider approval of the third Recognized Obligation Payment Schedule (ROPS) and other requirements mandated by AB1484.

NSP Single-Family Residential Acquisition, Rehabilitation, and Rental (SFR-ARR) Activity

In conjunction with the City’s four Development Partners, the City of Moreno Valley has acquired 43 single family properties through the Neighborhood Stabilization Program (NSP) for the purpose of

rehabilitating and reselling them to income-qualified households earning up to 120% of the Area Median Income. Since receiving the grant award, the City and its Development Partners have been extremely active acquiring properties and creating homeownership opportunities for families through NSP. Below is a synopsis of NSP1 Acquisition, Rehabilitation, and Resale Activity:

Total Properties Acquired:	43
Properties on the Market	0
Properties with an Accepted Offer/ in Escrow	5
Properties Resold / Escrows Closed	38

The success of the NSP Program has created homeownership opportunities for multiple income-eligible households. Many of the homebuyers participating in the NSP Program have benefited from the City’s Homebuyer Assistance Program (HAP). The City of Moreno Valley HAP Program offers assistance up to 20% of the purchase price to first-time homebuyers which may be used towards the down payment and/or closing costs. The loans are for a 20-year, zero interest, and deferred payment loans. As an incentive for creating neighborhood stabilization- which is the primary objective of the NSP Program- the loans are forgivable upon the maturity of the 20-year term.

There are currently are no NSP homes available for resale. However, the City recently commenced its second round of acquisitions for the NSP1 Program and kicked-off the NSP3 Program. The approximate \$3 million in Program Income generated from the resale of the 43 single-family properties will be used to acquire additional single and multi-family units that will be rehabilitated and resold and/or rented to income-eligible households. The Development Partners are actively seeking additional acquisition opportunities in Moreno Valley.

NSP Multi-Family Residential Acquisition, Rehabilitation, and Rental (MFR-ARR) Activity

Allies Place Project: The City recently entered into a contract with Fannie Mae to acquire a small four-unit multi-family property located on Allies Place within one of the City’s targeted neighborhoods. Riverside Housing Development Corporation (RHDC) - a selected NSP Development Partner and city-designated CHDO- will fully rehabilitate and rent the units to income-eligible households earning up to 50% of the Area Median Income. Escrow is scheduled to close on the acquisition in August.

2nd Phase Underway for Rancho Dorado Apartments

Construction financing has been finalized and permits have been issued for the 2nd and final phase of Rancho

Dorado Apartments project, situated near the SE corner of JFK and Perris Boulevard. Developer Palm Communities is already under construction on the final phase which will develop another 79-units to complete the 150-unit Rancho Dorado Apartments. Part of the financing for the 2nd phase of Rancho Dorado Apartments includes \$8.25 million in affordable housing assistance from the former Moreno Valley Community Redevelopment Agency. The Rancho Dorado Apartments has a waiting list of more than 200 people.

Planning Division

Planning Commission

At their meeting of July 12, 2012, the Planning Commission took the following actions:

- Approved a Plot Plan for the Vogel Industrial Project, a proposed 1,616,133 square foot 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 and provide mitigation for anticipated project impacts. The final EIR was also certified by the Planning Commission. The applicant is Vogel Engineers, Inc. This project has been appealed and will be set for a City Council hearing as soon as possible.
- Recommended approval of one of several proposed items in a Municipal Code Amendment related to energy efficiency reach codes. That remaining item will be presented at a public hearing before the City Council that is tentatively scheduled for August 28. The applicant is the City of Moreno Valley.

The Planning Commission meeting was scheduled for August 23, 2012. The following items are scheduled for that meeting:

- A General Plan Amendment to revise the street classification for Nason Street between Cactus Avenue and Fir Avenue. The revision is necessary to provide consistency with a City capital project to improve Nason Street. The proposed changes are supported by a recent traffic and alignment study prepared for the project. The applicant is the City of Moreno Valley.
- A Plot Plan and Tentative Condominium Map for a 135-unit multi-family project at the southwest corner of Iris Avenue and Via del Lago. The proposal would replace an approved 90-unit condominium project on the same site. The density

of the project is within the existing zoning for the site, so no land use change is required. The applicant has indicated intent to build and rent the project for apartments. The applicant is Granite Capital.

Administrative Approvals

- Amended Conditional Use Permit to expand and existing adult day care center for individuals with developmental disabilities located at 12199 Heacock Street. The applicant is Moreno Valley Resource Center.
- Plot Plan for an addition to the Moreno Valley Chevrolet showroom and service write up areas, located in the Moreno Valley Auto Mall. The applicant is Moss Brothers Auto Group.
- Plot Plan to approve a lot line adjustment to facilitate operations at Moreno Valley Buick GMC located in the Moreno Valley Auto Mall. The applicant is Moss Brothers Auto Group.
- Amended Conditional Use Permit to upgrade an existing telecommunications facility at 12890 Day Street (existing Robertson's Ready Mix facility) and accommodate increased capacity and current technology. The applicant is AT&T Mobility.
- Conditional Use Permit to replace an existing telecommunications facility at 21595 Box Springs Road with a new facility designed to look like a pine tree. The new facility will accommodate colocation by a second carrier. The applicant is Verizon Wireless.
- Plot Plan to establish an eating/drinking establishment (Starbucks Coffee) in an existing shop building at the Lakeside Plaza shopping center, located at the northwest corner of Iris Avenue and Lasselle Street. The applicant is Starbucks Coffee.
- Plot Plan to establish a dance studio in an existing commercial building at 22420 Cactus Avenue. The studio (Victoria's Simply Dancing) is relocating and expanding from another location in Moreno Valley. The applicant is Ronald Marshall.
- Plot Plan to establish a private party event center and nightclub in an existing shopping center at 22445 Alessandro Boulevard. The applicant is Naji Doumit.
- Plot Plan to relocate the public drop off for recycling at the Waste Management Transfer Station at 17700 Indian Street in the Moreno Valley Industrial Area. The applicant is Waste Management.

Recent Case Submittals

- Amended Conditional Use Permit to upgrade an existing telecommunications facility located on Quincy Street to increase capacity.
- Plot Plan to establish a public charter school, Excel Prep, in an existing building in the Alessandro Plaza shopping center at 23750 Alessandro Boulevard.
- Plot Plan to establish a public charter school in an existing building in the Moreno Valley Plaza shopping center at 23591 Sunnymead Boulevard.
- Plot Plan to locate an emergency generator at the iHerb Distribution Center on Indian Street in the Moreno Valley Industrial Area.
- Plot Plan to establish a restaurant (Chipotle) in an existing building in the TownGate shopping center on Frederick Street.
- Plot Plan to establish a nail salon in an existing building in the Lakeside Terrace shopping center at 26150 Iris Avenue.
- Plot Plan for an office addition at the Barcelona Apartments on Fir Avenue.
- Sign Program Amendment for Lakeside Plaza to accommodate signs for new Starbucks coffee shop.

Foreclosures and Homes Listed for Sale

Information available from the RealtyTrac website for June shows an increase in foreclosure activity in both the City of Moreno Valley and Riverside County, as well most other western Riverside County cities. The website reported one in 126 housing units in Moreno Valley were in some stage of foreclosure, or 0.79%. A higher number (126) indicates a lower foreclosure rate (0.79%). This compares to a rate of one in 139 units in the prior month and one in 109 in the prior year month rate in 2011.

The Moreno Valley foreclosure rate is almost identical to Perris, Wildomar and Lake Elsinore. Banning had the lowest rate locally (1 in 297) and Winchester had the highest rate (1 in 89).

By zip code, area 92555 had the highest rate in the City (1 in 88) and area 92553 had the lowest rates (1 in 166). Foreclosure activity decreased in the 92553 and 92551 zip code areas, but increased in the other two City zip codes.

Moreno Valley had 441 homes reported in some stage of foreclosure in June, more than the 400 homes in the prior month, but substantially less than the 512 homes in the same month last year. The City of Riverside had the highest number of reported foreclosure properties at 701 and Corona was second with 459.

The trends are shown in the chart below:

	June 2012	May 2012	Change	June 2011	Change
Foreclosure Rate/City	126	139	9%	109	16%
Foreclosure Rate/County	166	182	9%	136	18%
Number of Homes/City	441	400	10%	512	(14%)

Information available from the Realtor.com website indicates a continuing decrease in the number of homes for sale in the City and some strength in median asking prices. As of July 1, 2012, 638 homes were listed for sale, compared with 711 at the start of the prior month, and 1,113 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 \$165,000, compared with \$160,000 in the prior month and \$150,000 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:

	July 2012	June 2012	Change	July 2011	Change
Homes for Sale	638	711	(10%)	1,113	(43%)
Median Asking Price	\$165,000	\$160,000	3%	\$150,000	10%

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 7 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 28 to further discuss the CAS and Strategic Solicitation. This will be followed by further discussion at a City Council Study Session on August 21. 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, 2012, and the City Council on October 9, 2012.

For the reach codes, staff presented the proposal at the Developer Workshop of the Economic Development Subcommittee meeting on May 10. 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 City Council on August 28. While input provided by the development community indicates serious concerns with the proposed reach codes, the SCE grant requires presentation to the City Council for formal approval. Based on the input received from the development community, staff has focused the proposal on no cost and low cost items only.

Prologis Business Park

The Draft Environmental Impact Report (DEIR) for the Prologis Business Park was released July 19 for public review and comment. A diskette containing the draft document was sent to all responsible agencies and other interested parties. Notice with an internet link to the draft document was sent to all nearby property owners. The draft document is posted on the City's website. Finally, a press release was issued announcing the availability of the draft document for review.

Written comments on the DEIR are due to the City on September 4. Any written comments received will be made part of the Final EIR along with a response from the Prologis EIR consultant. Once properly completed, the project will be scheduled for Planning Commission review and recommendation. Since the project includes a General Plan Amendment and Zone Change, the final review and action must be made by the City Council.

The proposed Prologis business park includes 5 buildings ranging in size from 186,000 to 861,000 square feet. The proposal includes a zone change to Light Industrial and a General Plan Amendment to Business Park for the southern portion of the site. The southerly portion of the site is currently designated single family and multiple-family residential. The northerly part of the site is currently designated Business Park for both zoning and General Plan.