

**CITY OF MORENO VALLEY, CALIFORNIA  
COMMUNITY FACILITIES DISTRICT NO. 5**

**ANNUAL SPECIAL TAX AND  
BOND ACCOUNTABILITY REPORT  
FOR FISCAL YEAR 2015/16**



**Report Date:**  
MAY 2015

**Prepared by:**  
FINANCIAL & MANAGEMENT SERVICES DEPARTMENT  
SPECIAL DISTRICTS DIVISION

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# I. INTRODUCTION

## A. DESCRIPTION OF PROCEEDINGS

The City of Moreno Valley ("City") is located in the western portion of Riverside County, surrounded by the cities of Riverside and Perris, March Air Reserve Base, and Lake Perris.

Community Facilities District No. 5 of the City of Moreno Valley ("CFD No. 5" or "District") was formed on October 25, 2005. On May 8, 2007, the City Council adopted a resolution to issue debt in order to finance a portion of the public improvement capital costs related to the District. In May 2007, the City issued the CFD No. 5, 2007 Special Tax Bonds ("Bonds") in the amount of \$5,870,000. The Bonds are payable solely from revenues derived from annual special taxes levied on properties within the District.

The Bonds were issued to provide funds to finance the cost of constructing and acquiring certain public improvements needed to develop property located within the District, pay costs related to the issuance of the Bonds, and fund the Reserve Fund and capitalized interest on the Bonds. In addition to financing the cost of constructing and acquiring certain public improvements, proceeds were also used to finance Eastern Municipal Water District ("EMWD") fees imposed pursuant to EMWD fee programs for financing master planned capital facilities.

For further information concerning the City, District, or Bonds, reference is made to the Official Statement of the Bonds.

The following table shows a list of pertinent actions with regards to the District and the Bonds.

**Table 1: Description of Proceedings**

CFD No. 5		
Document	Number	Date
Resolution Approving a Boundary Map	2005-78	September 13, 2005
Resolution of Intention to Establish the District	2005-79	September 13, 2005
Resolution Declaring the Necessity to Incur Bonded Indebtedness	2005-80	September 13, 2005
Resolution Forming and Establishing the District	2005-104	October 25, 2005
Ordinance Authorizing the Levy of a Special Tax	701	November 8, 2005
Resolution Authorizing the Issuance of Bonds	2007-51	May 8, 2007

CFD No. 5, 2007 Special Tax Bonds	
Date of Bond Issue (Dated Date)	May 31, 2007
Date of Bond Maturity	September 1, 2037
Amount of Bond Issue	\$5,870,000
Bond Rating	Not Rated

**Table 2: Bond Principal**

CFD No. 5, 2007 Special Tax Bonds					
Maturity Date (September 1)	CUSIP*	Principal Amount	Maturity Date (September 1)	CUSIP*	Principal Amount
2009	616865 CV1	\$15,000	2017	616865 DD0	\$85,000
2010	616865 CW9	20,000	2018	616865 DE8	95,000
2011	616865 CX7	30,000	2019	616865 DF5	110,000
2012	616865 CY5	35,000	2020	616865 DG3	120,000
2013	616865 CZ2	45,000	2021	616865 DH1	135,000
2014	616865 DA6	55,000	2022	616865 DJ7	150,000
2015	616865 DB4	65,000	2027	616865 DK4	1,010,000
2016	616865 DC2	75,000	2037	616865 DL2	3,825,000

\* Committee on Uniform Security Identification Procedures (“CUSIP”)

**B. DISTRICT DESCRIPTION**

The District consists of the Stoneridge Towne Centre which, based on current land use approvals and projections, is being developed with over 560,000 square feet of commercial retail center uses. The portion of the Stoneridge Towne Centre owned and occupied by Super Target and Kohl’s is approximately 23.28 acres (includes 4.58 acres of parking lot) and is not subject to the special tax. Prior to the issuance of the Bonds, Kohl’s and Target directly paid for their improvement costs and therefore did not finance those improvements through the Bonds. On June 26, 2006, a Notice of Cessation of Special Tax Lien for the Kohl’s and Target parcels was recorded with the Riverside County Recorder’s office. The reduced improvement costs that were financed through CFD No. 5 resulted in a reduction of the final amount of Bonds issued. Accordingly, of the projected 560,000 square feet of commercial retail space within the District, only 287,028\* square feet is subject to the levy of the special tax.

\* The Official Statement lists the square footage as 288,330. The developer’s September 2011 disclosure statement stated that the buildings were re-measured as a result of the center’s sale in October 2010. The total square footage of Phase I is now certified to be 198,957, excluding Target and Kohl’s parcels. Phase II is now estimated to be 88,071, as was originally stated in the Official Statement. The taxable square footage for the center is now 287,028.

**i. BOUNDARIES OF THE DISTRICT**

The District originally consisted of approximately 64 gross acres (33 are net taxable acres) and is located at the southeast corner of the intersection of State Route 60 and Nason Street within the City. The boundary map of the District was filed in the Riverside County Recorder’s office, as Instrument No. 2005-0785281, on Page 20 of Book 64 of the Book of Maps of Assessment and Community Facilities Districts. A map of the boundaries of CFD No. 5 is also set forth in Appendix C of this report.

**ii. ASSESSED VALUATION**

The following tables set forth the most recent assessed and historical assessed values for taxable property within the District.

**Table 3: Detailed Valuation**

Current Assessor's Parcel Number	Property Owner	2015/16 Assessed Land Value	2015/16 Assessed Structure Value	Total 2015/16 Assessed Value
488-400-002	WEINGARTEN STONERIDGE	\$ 183,944	\$ 1,211,565	\$ 1,395,509
488-400-004	STONERIDGE PHASE IILAND	90,962	-	90,962
488-400-005	STONERIDGE PHASE IILAND	84,208	-	84,208
488-400-006	STONERIDGE PHASE IILAND	78,806	-	78,806
488-400-007	STONERIDGE PHASE IILAND	90,064	-	90,064
488-400-008	WASHINGTON MUTUAL BANK/ WEINGARTEN STONERIDGE	164,381	-	164,381
488-400-009	WEINGARTEN STONERIDGE	529,368	2,276,819	2,806,187
488-400-010	WEINGARTEN STONERIDGE	426,281	2,854,842	3,281,123
488-400-011	WEINGARTEN STONERIDGE	103,086	12,655	115,741
488-400-012	WEINGARTEN STONERIDGE	200,601	40,678	241,279
488-400-014	WEINGARTEN STONERIDGE	86,368	1,795,973	1,882,341
488-400-015	WEINGARTEN STONERIDGE	72,403	2,138,168	2,210,571
488-400-016	STONERIDGE FUELS CO/ WEINGARTEN STONERIDGE	938,102	2,675,724	3,613,826
488-400-017	J&R HOCK ENTERPRISES INC/ WEINGARTEN STONERIDGE	254,104	1,100,000	1,354,104
488-400-018	WEINGARTEN STONERIDGE	161,595	1,342,228	1,503,823
488-400-019	WEINGARTEN STONERIDGE	590,576	900,437	1,491,013
488-400-020	WEINGARTEN STONERIDGE	256,326	1,070,746	1,327,072
488-400-021	WEINGARTEN STONERIDGE	1,479,451	5,506,364	6,985,815
488-400-022	WEINGARTEN STONERIDGE	217,318	45,198	262,516
488-400-023	WEINGARTEN STONERIDGE	679,963	112,997	792,960
488-400-024	WEINGARTEN STONERIDGE	398,419	96,725	495,144
488-400-025	WEINGARTEN STONERIDGE	144,878	848,715	993,593
488-400-026	WEINGARTEN STONERIDGE	526,582	2,726,696	3,253,278
488-400-027	WEINGARTEN STONERIDGE	16,714	9,037	25,751
488-400-028	WEINGARTEN STONERIDGE	521,009	3,084,749	3,605,758
<b>Total</b>		<b>\$ 8,295,509</b>	<b>\$ 29,850,316</b>	<b>\$ 38,145,825</b>

Please refer to the Developer's Continuing Disclosure Report for information pertaining to property ownership changes.  
Excludes parcels that are not subject to the special tax, which include the Kohl's and Target parcels.  
Source: Assessed Values - Riverside County Secured Property Tax Roll.

**Table 4: Historical Valuation**

Fiscal Year	Assessed Land Value	Assessed Structure Value	Total Assessed Value
2008/09	\$ 4,124,198	\$ 23,296,560	\$ 27,420,758
2009/10	4,383,674	28,267,969	32,651,643
2010/11	4,373,257	28,200,959	32,574,216
2011/12	7,749,880	26,991,317	34,741,197
2012/13	7,904,867	27,531,134	35,436,001
2013/14	8,062,952	28,081,749	36,144,701
2014/15	8,388,672	29,223,882	37,612,554
2015/16	8,295,509	29,850,316	38,145,825

Excludes exempt parcels, which include the Kohl's and Target parcels.  
Source: Assessed Values - Riverside County Secured Property Tax Roll.

## C. PUBLIC FACILITIES

### i. CITY FACILITIES

The public improvements financed with Bond proceeds consist of all or a portion of design, construction, and indirect and administration costs relating to the construction of certain infrastructure improvements required in connection with the development of the Stoneridge Towne Centre. These facilities include: street improvements (subgrade preparation, curb and gutter, sidewalks/drive approaches, asphalt concrete base, paving, signage, and striping, etc.); street lighting; traffic signals; underground electrical, telephone and gas utilities; and, certain storm drain facilities.

### ii. EMWD FACILITIES

The District also financed the construction of sewer and water system improvements, as well as certain fees for water and sewer facilities included in EMWD water and sewer capacity and connection fee programs used to finance expansion projects constructed by EMWD. The EMWD facilities have been completed and acquired. EMWD is responsible for the operation and maintenance of such facilities.

## D. PUBLIC IMPROVEMENTS ACQUIRED

The following table sets forth the public improvements listed in Table 1 of the Official Statement that have been acquired and paid from Bond proceeds.

**Table 5: Public Improvements**

<b>Facilities/Fees</b>	<b>Acquired/Paid From Bond Proceeds</b>
Street Improvements	
Nason Street	Yes
Eucalyptus Avenue	Yes
Fir Avenue	Yes
Dracaea Avenue	Yes
Traffic Signals	
Nason Street at Fir Avenue	Yes
Nason Street at Eucalyptus Avenue	Yes
Nason Street at Dracaea Avenue	Yes
Fir Avenue at Eucalyptus Avenue	Yes
Stoneridge Fir Entrance	Yes
Stoneridge Eucalyptus Entrance	Yes
EMWD Connection/Capacity Fees (Phase 1)	Yes

In compliance with the Acquisition/Financing Agreement (AFA) and the Fiscal Agent Agreement, Bond proceeds have been used to pay for certain facilities and fees.

## **E. CONSTRUCTION PROGRESS**

Stoneridge Towne Centre is being developed in two phases. Phase 1 consists of approximately 198,957 square feet of space, excluding the Super Target store and the Kohl's store which are not subject to the special tax. Building permits have been obtained for all major tenants in Phase 1 except Major E, as referenced in the Developer's Continuing Disclosure Report. Building permits for pads 12, 13, and 14 have not been issued for construction. Phase 2 is expected to consist of approximately 88,071 square feet of lease space. Construction has yet to commence and no leases have been signed for Phase 2. Construction of Phase 2 and the remainder of Phase 1 are subject to market conditions.

For additional information regarding the lease terms or proposed tenants, reference is made to the Developer's Continuing Disclosure Reports filed with the Electronic Municipal Market Access ("EMMA") service provided by the Municipal Securities Rulemaking Board ("MSRB"). The Developer's Continuing Disclosure Report is due by March 1 and September 1 of each year.

Stoneridge Centre Partners L.P. ("Developer") entered into a Purchase and Sale Agreement with Beazer Homes Holdings Corp., a Delaware corporation ("Beazer") on May 11, 2004. Pursuant to that agreement, Beazer was obligated to rough grade the property in the District for the Developer and complete certain shared infrastructure improvements. Beazer has constructed all offsite improvements for the District. The costs of the offsite improvements were estimated at over \$30,000,000 of which the Developer was responsible to pay 37%. The offsite improvements include facilities relating to sewer, water, electric, drainage, curbs, gutters, sidewalks, traffic signals and streets, and the installation of approximately 1.7 miles of arterial roads. The City released conditions pertaining to the construction of improvements on Nason Street north of Fir Avenue due to the construction of improvements related to the on and off ramps to the State Route 60.

## **F. DEVELOPMENT RESTRICTIONS**

As of the date of this report, the City is not aware of any significant events that have occurred, which resulted in a reduction of the taxable acreage within the District.

An Interim Urgency Ordinance was adopted by the City Council on January 22, 2013, Ordinance No. 859. The urgency ordinance placed a temporary moratorium on the issuance of land use entitlements in four designated areas along the State Route 60 east corridor, one of which included the undeveloped parcels in Phase II of the District. Ordinance No. 859 was effective for a period of 45-days. Pursuant to Government Code 65858, the City Council adopted Ordinance No. 861 extending the initial moratorium by ten months and 15-days during its February 26, 2013 meeting.

A study entitled "SR-60 East Corridor Study", prepared by Raimi & Associates, was presented to the City Council during its January 14, 2014 meeting. The Study outlined several options for proposed land uses in each of the four designated areas. The Council opted to receive and file the Study and recognized that Ordinance 861 would expire on January 23, 2014.

## **II. FINANCIAL INFORMATION**

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### **A. FINANCIAL STATEMENTS**

The City's audited financial statements for the period ended June 30, 2014, have been filed separately with the EMMA service provided by the MSRB ([www.emma.msrb.org](http://www.emma.msrb.org)) and are hereby incorporated by reference into this report. The audited financial statements are also available from the City's Financial & Management Services Department and available for review on the City's website at [www.moval.org](http://www.moval.org). The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement. No funds or assets of the City have been pledged or are required to be allocated for the payment of debt service on the Bonds.

### **B. PRINCIPAL AMOUNT OUTSTANDING**

The principal amount outstanding for the Bonds following the September 1, 2014, payment date was \$5,670,000. For a complete principal payment schedule, please refer to Appendix B: Debt Service Schedule.

### **C. DESCRIPTION OF FUNDS**

The Fiscal Agent Agreement (Articles III, IV and VI) requires the Fiscal Agent to establish funds and accounts for the administration and control of the revenues and the proceeds of the Bonds. The following is information regarding these funds and accounts.

#### **i. IMPROVEMENT FUND**

The Improvement Fund shall be established and maintained by the Fiscal Agent (Section 3.03 of the Fiscal Agent Agreement) and shall contain the following accounts:

##### **a) Acquisition and Construction Account**

All amounts in the Acquisition and Construction Account have been expended to pay for the cost of design, acquisition, and construction of the project.

##### **b) EMWD Account**

All amounts in the EMWD Account were used for the payment or reimbursement of the costs of EMWD acquisition facilities and/or EMWD fee facilities.

#### **ii. SPECIAL TAX FUND**

The Trustee shall transfer available monies from the Special Tax Fund in accordance with Section 3.04 of the Fiscal Agent Agreement.

#### **iii. SURPLUS ACCOUNT**

Any amounts remaining in the Special Tax Fund after transfers and deposits shall be deposited into the Surplus Account and distributed as set forth in the Fiscal Agent Agreement.

#### **iv. BOND FUND**

The Bond Fund shall be established and maintained by the Fiscal Agent (Section 4.02 of the Fiscal Agent Agreement). In accordance with the Fiscal Agent Agreement, monies

within the Bond Fund shall be disbursed for the payment of principal and interest. Within the Bond Fund, there shall be established the following accounts:

**a) Interest Account**

All amounts in the Interest Account will be used solely to pay interest on the Bonds.

**b) Principal Account**

All amounts in the Principal Account will be used solely to pay the principal on the Bonds.

**c) Special Tax Prepayment Account**

All prepayments shall be deposited in the Special Tax Prepayment Account and shall be used for redeeming the Bonds.

Following the issuance of Bonds, there have been no prepayments of the special tax obligation for any parcels within the District.

**v. RESERVE FUND**

The Fiscal Agent shall maintain a separate Reserve Fund for the Bonds. Amounts from this fund may be deposited into the Interest and Principal Accounts, if needed, to cure deficiencies (Section 4.03 of the Fiscal Agent Agreement).

**a) Reserve Fund Requirement**

As per the Fiscal Agent Agreement, the Reserve Fund Requirement as of March 2, 2015 was \$543,093.75. Following the September 1, 2015 debt service payment the Reserve Requirement will be increased to \$546,000.

**b) Reserve Account Draws**

All debt service payments in FY 2014/15 were made as scheduled through the payment of special taxes. As of the date of this report, there are no Reserve Account deficiencies.

**vi. EXCESS RESERVE FUND TRANSFERS**

Any funds in the Reserve Fund in excess of the Reserve Requirement are to be transferred to the Interest and Principal Accounts of the Bond Fund.

**vii. ADMINISTRATIVE EXPENSE FUND**

CFD No. 5 shall pay administrative expenses from the Administrative Expense Fund. On or before the date amounts are needed to pay administrative expenses, the City on behalf of CFD No. 5 shall write a request for the Fiscal Agent to withdraw from the Administrative Expense Fund and transfer to the City the amount necessary to pay the administrative expenses.

**viii. REBATE FUND**

The District, in accordance with the Fiscal Agent Agreement (Section 6.02), shall calculate the arbitrage rebate requirement in accordance with the Tax Certificate for the

Bonds and shall, in writing, direct the Trustee to transfer funds to the Rebate Fund from funds furnished by the District as provided for in the Fiscal Agent Agreement. The first installment date computation was for the period ended September 1, 2011. The table below reflects the cumulative arbitrage calculation through September 1, 2014.

**Table 6: Arbitrage Calculation Summary**

**Arbitrage Rebate Liability  
For the Period May 31, 2007 – September 1, 2014**

FV Prior Liability – 09/01/10	\$ 299,677.73
Reserve	116,763.80
FV Computation Date Credit – 09/01/11	1,763.51
FV Computation Date Credit – 09/01/12	1,711.41
FV Computation Date Credit – 09/01/13	1,670.74
Computation Date Credit – 09/01/14	1,620.00
<b>Total</b>	<b>\$ 423,207.19</b>
<b>Rebate Liability (90% of Total)</b>	<b>-</b>
Source: Arbitrage Rebate Calculation dated November 17, 2014 prepared by Willdan Financial Services	

**ix. COST OF ISSUANCE FUND**

All funds pertaining to the Cost of Issuance Fund were distributed in accordance with the Fiscal Agent Agreement and the fund was closed.

## D. FUND BALANCES

All special taxes collected to date for FY 2014/15 have been transferred to the Fiscal Agent in compliance with the Fiscal Agent Agreement.

**Table 7: Fund Balances**

<b>Fund / Account</b>	<b>Balance as of March 31, 2015</b>
Improvement Fund	
Acquisition and Construction Account	\$ -
EMWD Account	-
Special Tax Fund	-
Surplus Account	-
Bond Fund	39,549.20
Interest Account	0.42
Principal Account	0.02
Special Tax Prepayment Account	-
Reserve Fund	546,050.02
Administration Expense Fund	127.27
Rebate Fund	-
Cost of Issuance Fund	-

### **III. COMPUTATION OF THE SPECIAL TAX REQUIREMENT**

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#### **A. ADMINISTRATIVE NEEDS**

The anticipated administrative expenses payable during the applicable debt service payment period for FY 2015/16 are included in the calculation of the special tax requirement (Table 8) of this report. Expenses of this type shall be paid through the CFD No. 5 Administrative Expense Fund.

##### **i. FISCAL AGENT FEES**

This expense relates to the fees of the Fiscal Agent for carrying out its responsibilities associated with the Bonds and fund administration.

##### **ii. ARBITRAGE REBATE**

This expense is related to the cost of calculating the arbitrage rebate as required by Federal Law.

##### **iii. CITY COSTS—SPECIAL DISTRICTS**

This cost relates to the City's estimated expense in coordinating consultants, attorneys, bankers, investment bankers, and other contractors. In addition, City staff provides administrative services, prepares the Annual Special Tax and Bond Accountability Report, and files the annual continuing disclosure report, prepares special tax levy information for submission to the Riverside County Auditor-Controller, monitors tax installments, Bond proceeds, and ensures compliance with related laws.

##### **iv. CITY COSTS—ACCOUNTING**

This relates to the costs of the City's accounting of the Bond proceeds, fund monitoring, and administration of the debt service requirements, as well as costs associated with outside auditors.

##### **v. CITY COSTS—GENERAL ADMINISTRATION**

This expense relates to the costs of the City's general administrative services and includes overhead for personnel support, office rent and maintenance, insurance, and support from City Council, City Manager, purchasing, media, and communications.

##### **vi. COUNTY COSTS**

This expense includes the Riverside County fees to levy and collect the tax installments on the property tax bills. Riverside County will assess additional fees for any adjustments made to the property tax bills.

**B. SPECIAL TAX REQUIREMENT**

**Table 8: Special Tax Requirement FY 2015/16**

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<b>GROSS REQUIREMENT</b>	
Annual Debt Service	\$ 352,462.50
Delinquent Installments	-
<b>Total Debt Requirement</b>	<b>\$ 352,462.50</b>
City Administrative Expenses:	
Fiscal Agent Fee	2,000.00
Arbitrage Rebate Calculation	1,250.00
Special Districts	30,000.00
Accounting	2,000.00
General Administration	18,000.00
<b>Total City Administrative Expenses</b>	<b>\$ 53,250.00</b>
County Administrative Expenses:	
County Tax Roll Fees	200.00
<b>Total County Administrative Expenses</b>	<b>\$ 200.00</b>
<b>TOTAL GROSS REQUIREMENT</b>	<b>\$ 405,912.50</b>
<b>ADJUSTMENTS: INTEREST EARNINGS, TRANSFERS &amp; TAX CONTRIBUTIONS</b>	
Interest Earnings:	
Reserve Fund Interest Earnings	\$ (50.02)
<b>Total Interest Earnings</b>	<b>\$ (50.02)</b>
Transfer to Reserve Fund*	
Adjustments & Contingency	-
<b>Total Contributions / Transfers</b>	<b>\$ -</b>
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (50.02)</b>
<b>TOTAL NET SPECIAL TAX REQUIREMENT</b>	<b>\$ 405,862.48</b>

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\*The Special Tax Requirement for FY 2015/16 includes any excess from the Reserve Fund Requirement.

## IV. SPECIAL TAX ALLOCATION

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The City has the power and as such is obligated to levy and collect the special tax according to a rate and method of apportionment of special tax, which the legislative body (City Council) of CFD No. 5 and the eligible property owners within CFD No. 5 previously approved. The special tax formula apportions the total debt service requirement (principal, interest, administrative expenses, and restoration of the Reserve Fund, if required) each year and takes into account the availability of other revenues.

### A. RATE AND METHOD OF APPORTIONMENT

There have been no changes to the rate and method of apportionment of the special taxes approved or submitted to the qualified electors for approval, prior to the date of this report.

### B. MAXIMUM SPECIAL TAX RATE

The maximum annual special tax for each Assessor's Parcel of developed and undeveloped property shall be \$10,652 per acre for FY 2006/07, and shall increase thereafter, commencing on July 1, 2007 and on July 1 of each fiscal year thereafter, by an amount equal to two percent (2%) of the maximum annual special tax in effect in the previous fiscal year.

**Table 9: Maximum Special Tax Rate**

Fiscal Year	Annual Increase	Maximum Special Tax per Acre
2006/07	base year	\$ 10,652.00
2007/08	2.00%	10,865.04
2008/09	2.00%	11,082.34
2009/10	2.00%	11,303.98
2010/11	2.00%	11,530.05
2011/12	2.00%	11,760.65
2012/13	2.00%	11,995.86
2013/14	2.00%	12,235.77
2014/15	2.00%	12,480.48
2015/16	2.00%	12,730.08

### C. SPECIAL TAX LIEN

The special taxes and any penalties thereon constitute a lien against the parcels of land that will be annually imposed until they are paid. Such lien is on parity with all special taxes and special assessments and is co-equal to and independent of the lien for general property taxes, regardless of when the taxes are imposed upon the same property. The special taxes have priority over all existing and future private liens imposed on the property. Although the special taxes constitute liens on taxed parcels within CFD No. 5, they do not constitute a personal indebtedness of the owners of property within CFD No. 5. There is no assurance that the owners will be financially able to pay the annual special taxes or that they will pay such taxes

even if financially able to do so. With certain limitations, the City has covenanted to commence foreclosure proceedings in the event delinquencies occur.

#### D. SPECIAL TAX ALLOCATION

In accordance with the rate and method of apportionment, the special tax levy will first be uniformly applied to developed property in an amount not to exceed the maximum special tax rate. Then, if additional monies are needed to satisfy the annual special tax requirement, the special tax shall be levied proportionately on each undeveloped property. The following table provides the development status for properties within the boundaries of CFD No. 5, the bonded indebtedness for each parcel, along with the allocation of the FY 2015/16 maximum and applied special tax.

**Table 10: Special Tax Allocation**

Current Assessor's Parcel Number	Property Owner	Development Status <sup>(1)</sup>	Taxable Acres	FY 15/16 Maximum Special Tax	FY 15/16 Applied Special Tax <sup>(2,6)</sup>	Bonded Indebtedness <sup>(3,4)</sup>
488-400-002	WEINGARTEN STONERIDGE	Developed	0.66	\$ 8,401.85	\$ 8,401.84	\$ 112,099.99
488-400-004	STONERIDGE PHASE IILAND	Undeveloped	2.02	25,714.76	23,483.02	343,094.01
488-400-005	STONERIDGE PHASE IILAND	Undeveloped	1.87	23,805.24	21,739.24	317,616.62
488-400-006	STONERIDGE PHASE IILAND	Undeveloped	1.75	22,277.64	20,344.20	297,234.93
488-400-007	STONERIDGE PHASE IILAND	Undeveloped	2.00	25,460.16	23,250.52	339,697.06
488-400-008	WASHINGTON MUTUAL BANK/ WEINGARTEN STONERIDGE	Undeveloped	0.59	7,510.74	6,858.90	100,210.54
488-400-009	WEINGARTEN STONERIDGE	Developed	1.91	24,314.45	24,314.44	324,410.65
488-400-010	WEINGARTEN STONERIDGE	Developed	1.53	19,477.02	19,477.02	259,868.22
488-400-011	WEINGARTEN STONERIDGE	Developed	0.37	4,710.12	4,710.12	62,843.83
488-400-012	WEINGARTEN STONERIDGE	Developed	0.72	9,165.65	9,165.64	122,290.84
488-400-014	WEINGARTEN STONERIDGE	Developed	0.31	3,946.32	3,946.32	52,652.98
488-400-015	WEINGARTEN STONERIDGE	Developed	0.26	3,309.82	3,309.82	44,160.61
488-400-016	STONERIDGE FUELS CO/ WEINGARTEN STONERIDGE	Developed	1.36	17,312.90	17,312.90	230,993.88
488-400-017	J&R HOCK ENTERPRISES INC/ WEINGARTEN STONERIDGE	Developed	0.79	10,056.76	10,056.76	134,180.30
488-400-018	WEINGARTEN STONERIDGE	Developed	0.58	7,383.44	7,383.44	98,512.06
488-400-019	WEINGARTEN STONERIDGE	Developed	1.06	13,493.88	13,493.88	180,039.38
488-400-020	WEINGARTEN STONERIDGE	Developed	0.92	11,711.67	11,711.66	156,260.60
488-400-021	WEINGARTEN STONERIDGE	Developed	5.31	67,596.72	67,596.72	901,895.63
488-400-022	WEINGARTEN STONERIDGE	Undeveloped	0.78	9,929.46	9,067.70	132,481.82
488-400-023	WEINGARTEN STONERIDGE	Undeveloped	2.44	31,061.39	28,365.64	414,430.34
488-400-024	WEINGARTEN STONERIDGE	Undeveloped	1.43	18,204.01	16,624.12	242,883.34
488-400-025	WEINGARTEN STONERIDGE	Developed	0.52	6,619.64	6,619.64	88,321.21
488-400-026	WEINGARTEN STONERIDGE	Developed	1.89	24,059.85	24,059.84	321,013.70
488-400-027	WEINGARTEN STONERIDGE	Developed	0.06	763.80	763.80	10,190.85
488-400-028	WEINGARTEN STONERIDGE	Developed	1.87	23,805.24	23,805.24	317,616.62
<b>Total <sup>(5)</sup></b>			<b>33.00</b>	<b>\$ 420,092.53</b>	<b>\$ 405,862.42</b>	<b>\$ 5,605,000.01</b>

<sup>(1)</sup> The Developer's Continuing Disclosure Report contains information regarding the lease terms for each tenant.

<sup>(2)</sup> Developed parcels are levied at 100% of the Maximum Special Tax then Undeveloped parcels are levied proportionally up to the Maximum Special Tax.

<sup>(3)</sup> The Bonded Indebtedness is calculated based on the proration of each parcels' Maximum Special Tax multiplied by the Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District.

<sup>(4)</sup> The City has not issued any additional land secured debt for the parcels within the District.

<sup>(5)</sup> Excludes parcels that are not subject to the special tax, 488-400-001 and 488-400-013 (owned by Target) and 488-400-003 (owned by Kohl's).

<sup>(6)</sup> The difference in the annual special tax requirement and the applied special tax of \$0.06 (due to rounding down per County requirements) will be funded through available fund balance.

Source: Property Owner-Riverside County Secured Property Tax Roll.

## V. SPECIAL TAX PAYMENTS

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### A. DELINQUENCIES IN PAYMENTS

For FY 2014/15, \$398,468.02 was levied and collected to cover the special tax requirement. There are no delinquencies in the payment of the CFD No. 5 special taxes for prior years.

Any amounts required to establish or replenish the reserve fund resulting from the delinquency in the payment of special taxes for all bonds issued by CFD No. 5 shall be included in the calculation of the annual special tax.

**Table 11: Delinquencies**

<b>Fiscal Year</b>	<b>Amount Levied</b>	<b>Amount Delinquent <sup>(1)</sup></b>	<b>Percent Delinquent</b>
2007/08	\$198,306.00	\$0.00	0.00%
2008/09	\$344,701.00	\$0.00	0.00%
2009/10	\$362,123.50	\$0.00	0.00%
2010/11	\$376,004.64	\$0.00	0.00%
2011/12	\$384,248.58	\$0.00	0.00%
2012/13	\$388,022.38	\$0.00	0.00%
2013/14	\$393,684.44	\$0.00	0.00%
2014/15	\$398,468.02	\$0.00	0.00%

<sup>(1)</sup> Amount delinquent as of May 2015.

Source: Riverside County Tax Collector

### B. FORECLOSURE ACTIONS

Because there are no delinquent parcels, no foreclosure actions or sales of property are pending in the District. In the event of any delinquency in the payment of any special tax or receipt by the City of special tax in an amount which is less than the special tax due, the City has covenanted that within sixty days after each interest payment date it will commence foreclosure proceedings.

## Appendix A: Bond Accountability Report (SB 165)

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This Bond Accountability Report is required to demonstrate the special tax requirement for each parcel within the District in order to meet the debt service requirements of the Bonds. Based upon the special tax requirement, as calculated in Section III, the FY 2015/16 special tax levy for each taxable parcel is shown in Section IV.

The Local Agency Special Tax Bond and Accountability Act (“Act”), enacted by Senate Bill 165 and codified in the California Government Code Sections 53410 through 53412, requires local agencies to submit an annual report to its governing body on local bond measures sold after January 1, 2001. In addition to the Annual Special Tax Report, this report also serves as the Annual Bond Accountability Report as required per the Act. The purpose of the report is to comply with Section 53411 of the Government Code that states:

“The chief fiscal officer of the issuing local agency shall file a report with its governing body no later than January 1, 2002, and at least once a year thereafter. The annual report shall contain 1) the amount of funds collected and expended and 2) the status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410.”

Below are two tables, which represent the deposits and expenditures for the Improvement/Construction Fund as well as the expenses and revenues extracted from the 2013/14 audited City financials for the District. The special taxes collected from property owners within CFD No. 5 are collected and expended to pay debt service and administrative expenses of the District. For additional financial information, please see Section II Financial Information.

District	Date Bonds Issued	Improvement / Construction Fund Initial Deposit*	Balance as of March 31, 2015	Amount Expended to Date**	Project Status
CFD No. 5	May 31, 2007	\$4,646,390.15	\$0.00	\$4,845,788.69	See Section I E

\*Does not reflect transfers from the Cost of Issuance Fund for the payment of the Acquisition Audit.

\*\*Amount includes the disbursement of interest earnings.



## Trial Balance Listing

Through 06/30/14  
 Detail Listing  
 Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Ending Balance
Department <b>30 - Financial &amp; Management Svcs</b>					
Division <b>79 - PW - Special Districts</b>					
Section <b>25805 - CFD No 5</b>					
402040	Special Tax Proceeds	.00	.00	.00	.00
404000	Special Taxes	.00	9.75	393,694.19	(393,684.44)
460010	Interest Income - Investments	.00	.00	60.66	(60.66)
620299	Professional Svcs - Other	.00	3,000.00	.00	3,000.00
620320	Agency Svcs - Cnty	.00	116.42	.00	116.42
670314	Bond Principal	.00	45,000.00	.00	45,000.00
670410	Interest Expense	.00	283,632.50	.00	283,632.50
692020	Admin Chrg - Special Dist	.00	49,883.58	.00	49,883.58
Section <b>25805 - CFD No 5 Totals</b>		<b>\$0.00</b>	<b>\$381,642.25</b>	<b>\$393,754.85</b>	<b>(\$12,112.60)</b>
Division <b>79 - PW - Special</b>		<b>\$0.00</b>	<b>\$381,642.25</b>	<b>\$393,754.85</b>	<b>(\$12,112.60)</b>
Department <b>30 - Financial &amp;</b>		<b>\$0.00</b>	<b>\$381,642.25</b>	<b>\$393,754.85</b>	<b>(\$12,112.60) *</b>

\* Amount in Ending Balance was collected to fund the increase in the Reserve Requirement, future Debt Service payments, and interest collected in the Bond accounts.

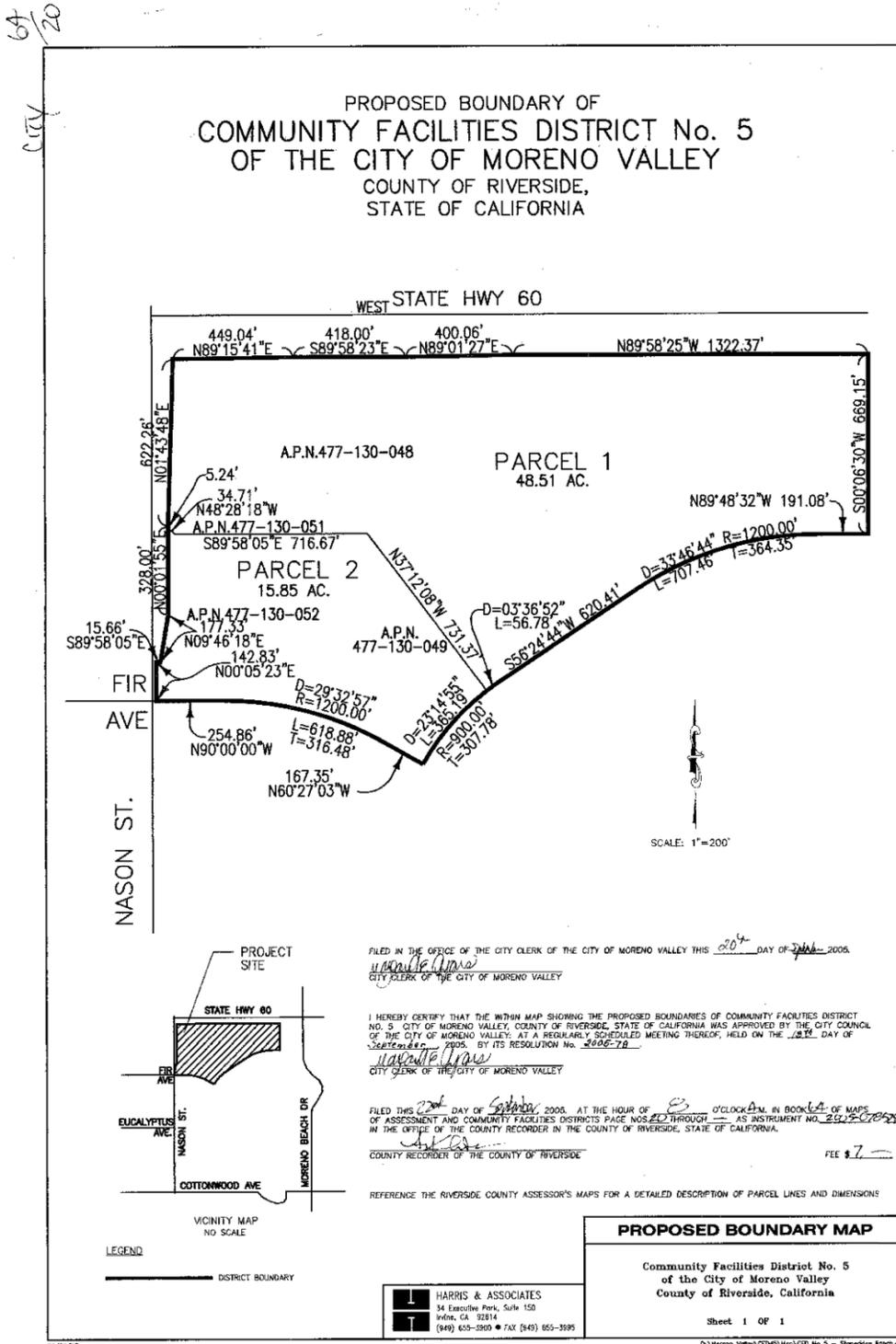
## Appendix B: Debt Service Schedule

### CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 5 2007 SPECIAL TAX BONDS

Dated Date 31-May-07 Last Maturity 01-Sep-37  
 Issue Date 31-May-07 First Coupon 01-Sep-07  
 First Maturity 01-Sep-09

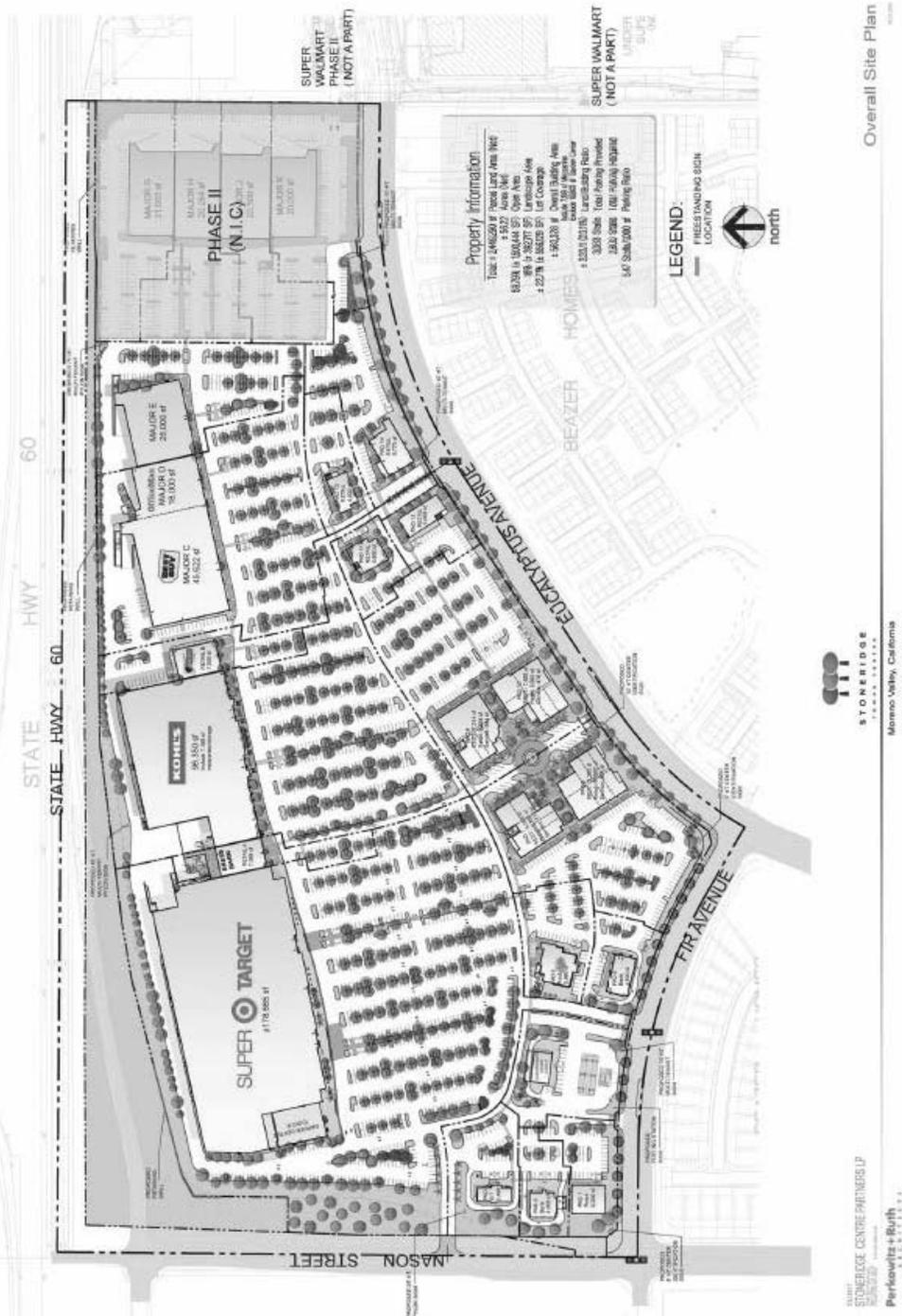
Date	Principal Due	Interest Rate	Interest Due	Total Debt Service	Annual Debt Service	Principal Remaining
01-Sep-07	\$ -		\$ 72,954.83	\$ 72,954.83	\$ 72,954.83	\$ 5,870,000
01-Mar-08	-		144,306.25	144,306.25	-	5,870,000
01-Sep-08	-		144,306.25	144,306.25	288,612.50	5,870,000
01-Mar-09	-		144,306.25	144,306.25	-	5,870,000
01-Sep-09	15,000	4.000%	144,306.25	159,306.25	303,612.50	5,855,000
01-Mar-10	-		144,006.25	144,006.25	-	5,855,000
01-Sep-10	20,000	4.000%	144,006.25	164,006.25	308,012.50	5,835,000
01-Mar-11	-		143,606.25	143,606.25	-	5,835,000
01-Sep-11	30,000	4.000%	143,606.25	173,606.25	317,212.50	5,805,000
01-Mar-12	-		143,006.25	143,006.25	-	5,805,000
01-Sep-12	35,000	4.100%	143,006.25	178,006.25	321,012.50	5,770,000
01-Mar-13	-		142,288.75	142,288.75	-	5,770,000
01-Sep-13	45,000	4.200%	142,288.75	187,288.75	329,577.50	5,725,000
01-Mar-14	-		141,343.75	141,343.75	-	5,725,000
01-Sep-14	55,000	4.300%	141,343.75	196,343.75	337,687.50	5,670,000
01-Mar-15	-		140,161.25	140,161.25	-	5,670,000
01-Sep-15	65,000	4.400%	140,161.25	205,161.25	345,322.50	5,605,000
01-Mar-16	-		138,731.25	138,731.25	-	5,605,000
01-Sep-16	75,000	4.500%	138,731.25	213,731.25	352,462.50	5,530,000
01-Mar-17	-		137,043.75	137,043.75	-	5,530,000
01-Sep-17	85,000	4.500%	137,043.75	222,043.75	359,087.50	5,445,000
01-Mar-18	-		135,131.25	135,131.25	-	5,445,000
01-Sep-18	95,000	4.500%	135,131.25	230,131.25	365,262.50	5,350,000
01-Mar-19	-		132,993.75	132,993.75	-	5,350,000
01-Sep-19	110,000	4.600%	132,993.75	242,993.75	375,987.50	5,240,000
01-Mar-20	-		130,463.75	130,463.75	-	5,240,000
01-Sep-20	120,000	4.700%	130,463.75	250,463.75	380,927.50	5,120,000
01-Mar-21	-		127,643.75	127,643.75	-	5,120,000
01-Sep-21	135,000	4.750%	127,643.75	262,643.75	390,287.50	4,985,000
01-Mar-22	-		124,437.50	124,437.50	-	4,985,000
01-Sep-22	150,000	4.750%	124,437.50	274,437.50	398,875.00	4,835,000
01-Mar-23	-		120,875.00	120,875.00	-	4,835,000
01-Sep-23	165,000	5.000%	120,875.00	285,875.00	406,750.00	4,670,000
01-Mar-24	-		116,750.00	116,750.00	-	4,670,000
01-Sep-24	185,000	5.000%	116,750.00	301,750.00	418,500.00	4,485,000
01-Mar-25	-		112,125.00	112,125.00	-	4,485,000
01-Sep-25	200,000	5.000%	112,125.00	312,125.00	424,250.00	4,285,000
01-Mar-26	-		107,125.00	107,125.00	-	4,285,000
01-Sep-26	220,000	5.000%	107,125.00	327,125.00	434,250.00	4,065,000
01-Mar-27	-		101,625.00	101,625.00	-	4,065,000
01-Sep-27	240,000	5.000%	101,625.00	341,625.00	443,250.00	3,825,000
01-Mar-28	-		95,625.00	95,625.00	-	3,825,000
01-Sep-28	265,000	5.000%	95,625.00	360,625.00	456,250.00	3,560,000
01-Mar-29	-		89,000.00	89,000.00	-	3,560,000
01-Sep-29	285,000	5.000%	89,000.00	374,000.00	463,000.00	3,275,000
01-Mar-30	-		81,875.00	81,875.00	-	3,275,000
01-Sep-30	310,000	5.000%	81,875.00	391,875.00	473,750.00	2,965,000
01-Mar-31	-		74,125.00	74,125.00	-	2,965,000
01-Sep-31	335,000	5.000%	74,125.00	409,125.00	483,250.00	2,630,000
01-Mar-32	-		65,750.00	65,750.00	-	2,630,000
01-Sep-32	360,000	5.000%	65,750.00	425,750.00	491,500.00	2,270,000
01-Mar-33	-		56,750.00	56,750.00	-	2,270,000
01-Sep-33	390,000	5.000%	56,750.00	446,750.00	503,500.00	1,880,000
01-Mar-34	-		47,000.00	47,000.00	-	1,880,000
01-Sep-34	420,000	5.000%	47,000.00	467,000.00	514,000.00	1,460,000
01-Mar-35	-		36,500.00	36,500.00	-	1,460,000
01-Sep-35	455,000	5.000%	36,500.00	491,500.00	528,000.00	1,005,000
01-Mar-36	-		25,125.00	25,125.00	-	1,005,000
01-Sep-36	485,000	5.000%	25,125.00	510,125.00	535,250.00	520,000
01-Mar-37	-		13,000.00	13,000.00	-	520,000
01-Sep-37	520,000	5.000%	13,000.00	533,000.00	546,000.00	-
<b>Total</b>	<b>\$ 5,870,000</b>		<b>\$ 6,498,395</b>	<b>\$ 12,368,395</b>	<b>\$ 12,368,395</b>	

# Appendix C: District Boundary Map





# Appendix E: Stoneridge Towne Centre Site Plan



Bondowners should not assume that the mix of tenants shown above will lease property within the District through the maturity of the Bonds.

Source: Official Statement for the CFD No. 5, 2007 Special Tax Bonds.