

**CITY OF MORENO VALLEY, CALIFORNIA**  
COMMUNITY FACILITIES DISTRICT NO. 87-1 (TOWNGATE)

**ANNUAL SPECIAL TAX AND  
BOND ACCOUNTABILITY REPORT  
FOR FISCAL YEAR 2016/17**



**Report Date:**  
MAY 2016

**Prepared by:**  
PUBLIC WORKS DEPARTMENT  
SPECIAL DISTRICTS DIVISION

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## **LIST OF PARTICIPANTS**

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### **Community Facilities District No. 87-1 (Towngate) 2007 Special Tax Refunding Bonds**

#### **City Contacts**

Marshall Eyerman  
Chief Financial Officer/City Treasurer  
14177 Frederick Street  
P.O. Box 88005  
Moreno Valley, CA 92552-0805  
951-413-3021  
[marshalle@moval.org](mailto:marshalle@moval.org)

Candace E. Cassel  
Special Districts Division Manager  
14177 Frederick Street  
P.O. Box 88005  
Moreno Valley, CA 92552-0805  
951-413-3480  
[candacec@moval.org](mailto:candacec@moval.org)

#### **Bond Counsel**

Mark Huebsch, Esq.  
Stradling Yocca Carlson & Rauth  
660 Newport Center Drive, Suite 1600  
Newport Beach, CA 92660  
949-725-4167  
[mhuebsch@sycr.com](mailto:mhuebsch@sycr.com)

#### **Financial Consultant**

Peter J. Ross  
Ross Financial  
1736 Stockton Street, Suite 1  
San Francisco, CA 94133  
415-912-5612  
[rossfinancial@smkc.com](mailto:rossfinancial@smkc.com)

#### **Underwriter**

Raul Amezcua  
Stifel-California Public Finance  
515 S. Figueroa Street, Suite 1800  
Los Angeles, CA 90071  
213-443-5202  
[ramezcua@stifel.com](mailto:ramezcua@stifel.com)

#### **Arbitrage Rebate Consultant**

Dave Davies  
Willdan Financial Services  
27368 Via Industria, Suite 200  
Temecula, CA 92590  
951-587-3520  
[ddavies@willdan.com](mailto:ddavies@willdan.com)

#### **Trustee**

Dania D. Samai  
Wells Fargo Bank, N. A.  
Corporate Trust Services  
333 S. Grand Avenue, Fifth Floor  
Suite 5A MACE2064-05A  
Los Angeles, CA 90071  
213-253-7516  
[danial.d.samai@wellsfargo.com](mailto:danial.d.samai@wellsfargo.com)

# **I. INTRODUCTION**

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## **A. DESCRIPTION OF PROCEEDINGS**

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

Community Facilities District No. 87-1 (Towngate) of the City of Moreno Valley (“CFD No. 87-1” or “District”) was formed in 1988 to finance the acquisition of certain public facilities (water, sewer, and street improvements; landscaping; storm drain and utility systems). CFD No. 87-1 includes approximately 254 gross developable acres (246.22 net taxable acres) bounded on the north by State Route 60, on the west by Day Street, on the south by Eucalyptus Avenue, and on the east by Frederick Street.

Pursuant to Resolution No. 87-99 (adopted October 20, 1987) and Resolution No. 88-13 (adopted April 12, 1988), the District was formed and bonded indebtedness in an aggregate principal amount not to exceed \$21,000,000 and a Rate and Method of Apportionment of Special Tax (RMA) for the District were authorized. The District voted in favor of the incurrence of bonded indebtedness and the levy of a special tax on real property within the District to pay for the principal and interest on the bonds, specified public facilities, administrative expenses of the District, and for any necessary replenishment of the Reserve Account. On April 20, 1988, the City of Moreno Valley Towngate Community Facilities District No. 87-1 Special Tax Bonds Series A (“Series A Bonds”) were issued and on August 14, 1991, the City of Moreno Valley, Towngate Community Facilities District No. 87-1 Special Tax Bonds Series B (“Series B Bonds”) were issued.

On May 24, 1994, Resolution No. 94-28 approving the issuance of CFD No. 87-1 Towngate Special Tax Refunding Bonds Series A (the “1994 Series A Refunding Bonds”) and the Towngate Special Tax Refunding Bonds Series B (the “1994 Series B Bonds”) collectively known as the “1994 Refunding Bonds”, were issued in the aggregate principal amounts of \$14,170,000 and \$8,530,000 respectively.

On October 23, 2007, the City Council approved the issuance of CFD No. 87-1 2007 Special Tax Refunding Bonds (“Bonds”) to refinance the 1994 Refunding Bonds. On November 29, 2007, the Bonds were issued in the amount of \$10,665,000.

The Bonds are special obligations of CFD No. 87-1 and are payable from and secured by revenues derived from certain annual special taxes levied on the taxable properties within CFD No. 87-1. The former Community Redevelopment Agency (“Agency”) subsequently entered into an agreement with the City on behalf of CFD No. 87-1, entitled “Agency Towngate Agreement,” under which the Agency agreed to make payments to CFD No. 87-1 from tax increment (TI) revenues from the Project Area. It is anticipated enough TI will be available to defray scheduled debt service payments on the Bonds for each year the Bonds remain outstanding and to pay estimated administrative expenses of the District for such year.

In June of 2011, the California Legislature approved trailer bills AB 1x 26 and AB 1x 27 to dissolve redevelopment agencies. On January 10, 2012, the City Council adopted Resolution No. 2012-04, designating the City as Successor Agency to the Agency (“Successor Agency”) for the purpose of discharging the obligations of the former Agency.

Following dissolution of the Agency, the Successor Agency is required to submit a Recognized Obligation Payment Schedule (ROPS) to the Department of Finance (DOF) to discharge the Agency’s obligations. The ROPS includes payment of available TI towards the CFD No. 87-1 special tax. The DOF has approved the payment of TI for this purpose through June 2017. If future TI is unavailable or the ROPS is not approved, debt service payment obligations will be met through the levy and collection of the special taxes.

For further information concerning the City, Agency, Agency Towngate Agreement, or the Project Area, reference is made to the Official Statement of the Bonds.

**Table 1: Summary of Proceedings**

<b>Document</b>	<b>Number</b>	<b>Date</b>
Resolution of Intention	87-83	August 25, 1987
Resolution of Formation	87-99	October 20, 1987
Resolution of Issuance (Series A Bonds)	88-13	April 12, 1988
Resolution of Issuance (Series B Bonds)	91-90	June 25, 1991
Resolution of Issuance (1994 Refunding Bonds)	94-28	May 24, 1994
Resolution of Issuance (Bonds)	2007-119	October 23, 2007

<b>CFD No. 87-1 Bonds</b>	
Date of Bond Issue (Dated Date)	November 29, 2007
Date of Bond Maturity	December 1, 2021
Amount of Bond Issue	\$10,665,000
Bond Insurer	Ambac Assurance Corp.*

\*Bond Insurer’s current rating information may be obtained through the bond rating agencies.

**Table 2: 2007 Special Tax Refunding Bond Principal**

<b>Year</b>	<b>CUSIP*</b>	<b>Principal</b>	<b>Year</b>	<b>CUSIP*</b>	<b>Principal</b>
2012	616865 EH0	\$680,000	2018	616865 EP2	\$120,000
2013	616865 EJ6	700,000	2018	616865 EQ0	750,000
2014	616865 EK3	730,000	2019	616865 ER8	910,000
2015	616865 EL1	760,000	2020	616865 ES6	950,000
2016	616865 EM9	790,000	2021	616865 ET4	985,000
2017	616865 EN7	830,000			

\* Committee on Uniform Security Identification Procedures (CUSIP)

The principal amount outstanding for the Bonds following the December 1, 2015 debt service payment is \$5,335,000. For a complete principal payment schedule, please refer to Appendix C: Debt Service Schedule.

## B. DISTRICT DESCRIPTION

CFD No. 87-1 is bounded on the north by State Route 60, on the west by Day Street, on the south by Eucalyptus Avenue and Towngate Boulevard, and on the east by Frederick Street and includes approximately 254 gross developable acres (246.22 net taxable acres) of land. A boundary map of CFD No. 87-1 is included in Appendix E of this report.

CFD No. 87-1 is located within and adjacent to the boundaries of the Towngate development and consists of the following areas: 1) Towngate Center and Plaza, 2) Moreno Valley Mall, 3) Towngate Promenade, 4) Towngate Crossing, 5) Towngate Square, and 6) Stonegate at Towngate Apartments.

### i. ASSESSED VALUATION

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

**Table 3: Historical Valuation**

<b>Fiscal Year</b>	<b>Assessed Land Value</b>	<b>Assessed Structure Value</b>	<b>Total Assessed Value</b>
2007/08	\$ 77,598,229	\$ 233,227,451	\$ 310,825,680
2008/09	83,203,113	292,577,793	375,780,906
2009/10	84,909,506	269,773,103	354,682,609
2010/11	86,180,297	225,085,220	311,265,517
2011/12	93,371,604	278,225,623	371,597,227
2012/13	93,563,138	247,463,314	341,026,452
2013/14	96,296,902	229,544,733	325,841,635
2014/15	110,810,809	281,343,815	392,154,624
2015/16	109,361,101	292,269,229	401,630,330
2016/17	113,473,963	303,617,372	417,091,335

Source: Assessed Values - Riverside County Secured Property Tax Roll.

**Table 4: Detailed Valuation**

Current Assessor's Parcel Number	Property Owner	Development Status	Taxable Acres	2016/17 Assessed Land Value	2016/17 Assessed Structure Value	Total 2016/17 Assessed Value
291-110-017	STONEGATE 552	Developed	26.09	\$ 15,300,822	\$ 71,039,553	\$ 86,340,375
291-110-032	2250 TOWN CIRCLE HOLDINGS	Developed	31.09	12,504,237	49,799,487	62,303,724
291-110-033	2250 TOWN CIRCLE HOLDINGS	Developed	7.43	3,518,581	8,441,989	11,960,570
291-110-034	EL CORTE INGLES	Developed	9.58	6,513,835	11,039,632	17,553,467
291-110-035	SERITAGE SRC FINANCE	Developed	10.51	4,732,025	8,872,548	13,604,573
291-110-036	J C PENNEY PROP INC	Developed	10.13	6,941,912	11,987,648	18,929,560
291-110-037	MACYS CALIF INC	Developed	11.41	5,205,228	9,582,354	14,787,582
291-110-039	COSTCO WHOLESALE CORP	Developed	12.69	5,885,548	9,833,676	15,719,224
291-110-040	NEAL T BAKER ENTERPRISES	Developed	0.79	854,908	652,831	1,507,739
291-110-041	CFT DEV	Developed	0.79	936,341	786,022	1,722,363
291-570-001	BRIXTON ALTO SHOPPING CENTER	Developed	0.61	291,305	645,034	936,339
291-570-002	BRIXTON ALTO SHOPPING CENTER	Developed	2.42	920,735	2,200,402	3,121,137
291-570-003	BRIXTON ALTO SHOPPING CENTER	Developed	2.08	988,360	2,548,930	3,537,290
291-570-005	BRIXTON ALTO SHOPPING CENTER	Developed	0.40	187,267	1,503,348	1,690,615
291-570-006	BRIXTON ALTO SHOPPING CENTER	Developed	0.69	327,718	972,754	1,300,472
291-570-007	BRIXTON ALTO SHOPPING CENTER	Developed	2.30	873,918	2,195,200	3,069,118
291-570-008	BRIXTON ALTO SHOPPING CENTER	Developed	1.41	671,044	1,654,203	2,325,247
291-570-010	BRIXTON ALTO SHOPPING CENTER	Developed	3.30	1,253,656	2,543,728	3,797,384
291-570-011	E D D INV CO	Developed	0.64	254,372	936,341	1,190,713
291-570-013	BRIXTON ALTO EASTRIDGE	Undeveloped	0.76	367,253	11,443	378,696
291-570-014	YANLOT DEV CORP	Developed	0.85	597,538	2,550,000	3,147,538
291-570-015	BRIXTON ALTO EASTRIDGE	Undeveloped	0.25	123,700	1,143	124,843
291-570-016	BRIXTON ALTO EASTRIDGE	Undeveloped	2.10	665,842	57,219	723,061
291-570-017	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	769,880	436,958	1,206,838
291-570-018	BRIXTON ALTO SHOPPING CENTER	Developed	0.91	431,756	1,087,196	1,518,952
291-570-019	BRIXTON ALTO SHOPPING CENTER	Developed	0.34	327,718	951,946	1,279,664
291-570-020	BRIXTON ALTO SHOPPING CENTER	Developed	0.49	234,084	1,388,906	1,622,990
291-570-021	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	379,737	2,013,134	2,392,871
291-570-022	BRIXTON ALTO SHOPPING CENTER	Developed	4.69	1,779,048	4,775,342	6,554,390
291-570-024	BRIXTON ALTO SHOPPING CENTER	Developed	2.96	1,123,609	2,933,869	4,057,478
291-570-026	BRIXTON ALTO SHOPPING CENTER	Developed	0.90	426,554	1,040,379	1,466,933
291-570-027	BRIXTON ALTO SHOPPING CENTER	Developed	3.40	1,612,588	3,245,983	4,858,571
291-570-028	HAROLD BERAL	Developed	1.18	396,740	1,875,669	2,272,409
291-570-029	HAROLD BERAL	Developed	1.25	417,551	94,403	511,954
291-570-030	HAROLD BERAL	Developed	0.83	286,783	1,355,246	1,642,029
291-570-031	HAROLD BERAL	Developed	1.10	414,716	1,316,302	1,731,018
291-570-032	HAROLD BERAL	Developed	0.64	241,319	1,273,315	1,514,634
291-570-033	HAROLD BERAL	Developed	2.11	795,544	2,017,378	2,812,922
291-570-034	HAROLD BERAL	Developed	0.92	346,919	1,167,723	1,514,642
291-570-035	HAROLD BERAL	Developed	2.34	612,464	1,947,289	2,559,753
291-570-036	BURLINGTON COAT FACTORY OF CALIF	Developed	6.68	2,738,167	6,232,992	8,971,159
291-590-021	GATEWAY CO	Developed	1.52	55,892	1,474,612	1,530,504
291-590-022	GATEWAY CO	Developed	0.83	30,518	2,100,679	2,131,197
291-590-023	LOWES HIW INC	Developed	14.29	8,588,679	6,832,007	15,420,686
291-590-025	JK TOWNGATE PROP	Developed	0.95	882,650	1,121,434	2,004,084
291-590-033	GATEWAY CO	Developed	1.77	50,954	4,603,541	4,654,495
291-590-034	DAY MORENO VALLEY	Developed	3.53	1,476,415	6,891,720	8,368,135
291-590-037	PLAYLAND CENTER INC	Developed	0.78	839,195	2,242,863	3,082,058
291-590-038	GATEWAY CO	Undeveloped (*)	0.98	6,315	45,978	52,293
291-590-039	99 ONLY STORES	Developed	3.50	1,095,508	1,373,733	2,469,241
291-650-001	LEW LA FAYETTE PROP	Developed	1.50	1,019,571	2,018,336	3,037,907
291-650-002	WINCO FOODS	Developed	10.94	4,987,183	3,540,494	8,527,677
291-650-003	GATEWAY CO	Undeveloped (*)	0.94	33,902	53,935	87,837
291-650-004	GATEWAY CO	Undeveloped (*)	1.96	70,698	22,770	93,468
291-650-005	GATEWAY CO	Undeveloped (*)	1.95	70,340	58,557	128,897
291-650-006	GATEWAY CO	Undeveloped (*)	1.90	68,532	79,710	148,242
291-650-007	GATEWAY CO	Undeveloped (*)	1.56	56,267	157,641	213,908
291-650-008	GATEWAY CO	Undeveloped (*)	1.98	71,419	47,269	118,688
291-650-009	GATEWAY CO	Undeveloped (*)	2.07	74,666	112,491	187,157
291-650-020	GATEWAY CO	Undeveloped (*)	1.29	-	-	-
291-650-021	FOCUS DAY STREET	Undeveloped (*)	1.42	-	-	-
291-650-018	SDG INV	Developed	1.05	551,816	1,490,129	2,041,945
291-660-001	GATEWAY CO	Developed	1.15	26,499	2,552,715	2,579,214
291-660-002	GATEWAY CO	Developed	1.23	1,118,052	2,085,131	3,203,183
291-660-003	MAX EXO	Developed	1.13	694,972	364,132	1,059,104
291-660-004	GALA DEV PARTNERS	Undeveloped (*)	1.13	1,015,156	99,608	1,114,764
291-660-028	AYRES MORENO VALLEY	Developed	2.76	2,523,667	5,961,178	8,484,845
291-660-029	BRE POLYGON PROP OWNER	Developed	2.39	2,142,000	10,710,000	12,852,000
291-660-033	GATEWAY CO	Developed	1.04	5,934	83,567	89,501
291-660-034	GATEWAY CO	Undeveloped (*)	1.18	26,720	108,493	135,213
291-660-035	CHE CHEN LIU	Developed	3.80	2,532,660	11,951,340	14,484,000
291-660-040	GATEWAY CO	Developed	1.53	35,413	166,583	201,996
291-660-042	GATEWAY CO	Developed	1.40	32,494	162,918	195,412
291-660-043	GATEWAY CO	Developed	1.69	38,554	94,293	132,847
<b>Total</b>			<b>152.97</b>	<b>\$ 113,473,963</b>	<b>\$ 303,617,372</b>	<b>\$ 417,091,335</b>

\* APNs which are Undeveloped, but have constructed certain parcel improvements.  
Source: Assessed Values - Riverside County Secured Property Tax Roll.

**ii. DEVELOPMENT RESTRICTIONS**

As of the date of this report, there have not been any significant amendments to land use entitlements or significant legislative, administrative, or judicial challenges to construction, development or to the use of any parcels in the District known to the City.

**iii. DEVELOPMENT STATUS**

Table 5 is a summary of building permits (BP) issued for new construction and certificates of occupancy (CoFO) issued on parcels subject to the special tax for fiscal year (FY) 2015/16 through April 2016.

**Table 5: Development Status**

APN	Date Issued <sup>(1)</sup>	Business Name	Address	Sq. Footage	Occupancy Type
291-590-022	05/13/2015	CoFO FOR NUTRITION ZONE (CHANGE OF OWNERSHIP)	12430 DAY ST	702	Retail
291-570-014	05/26/2015	TI FOR CHASE BANK MODIFICATION TO TELLER STATIONS, INSTALL 3 ATM UPGRADE TO SIDEWALK & EXTERIOR PATH OF TRAVEL FOR ADA	22950 TOWNGATE BLVD	Not Available	Retail
291-660-003	06/01/2015	TI CoFO FOR TILTED KLT PUB & EATERY	12580 DAY ST	6,885	Restaurant
291-110-032 <sup>(2)</sup>	06/05/2015	CoFO FOR THE REPAIR CENTER	22500 TOWN CIR SUITE #2057	1,385	Retail
291-110-032 <sup>(2)</sup>	06/10/2015	CoFO FOR INW INC DBA CRICKET WIRELESS	22500 TOWN CIR SUITE #1168	Not Available	Retail
291-110-032 <sup>(2)</sup>	06/18/2015	CoFO FOR NIEVE DE GARRAFA LA QUE BUENA	22500 TOWN CIR SUITE #1060	827	Retail
291-570-033	07/10/2015	TI FOR OLIVE GARDEN REPLACE 2 HOOD SYSTEMS	22880 CENTERPOINT DR	4,500	Restaurant
291-110-032 <sup>(2)</sup>	07/16/2015	CoFO FOR SOLO WEAR	22500 TOWN CIR SUITE #2000	4,363	Retail
291-110-039	07/17/2015	TI FOR COSTCO RESTROOMS, FOOD COURT, AND REFRIGERATION UNITS	12700 DAY ST	Not Available	Retail
291-570-001	08/10/2015	TI CoFO FOR FLAMING GRILL	12625 FREDERICK ST	1,206	Restaurant
291-570-001	09/02/2015	TI CoFO FOR AT&T RETAIL STORE	12625 FREDERICK ST SUITE #V	4,500	Retail
291-110-032 <sup>(2)</sup>	10/22/2015	CoFO FOR S AND E SUBS MORENO VALLEY INC, DBA: CHARLEY'S PHILLY STEAKS (CHANGE OF OWNERSHIP)	22500 TOWN CIR SUITE #2148	1,214	Restaurant
291-110-032 <sup>(2)</sup>	11/13/2015	CoFO FOR CHAMPIONS BARBERSHOP	22500 TOWN CIR SUITE #2063	2,492	Retail
291-110-032 <sup>(2)</sup>	11/16/2015	CoFO FOR VIP LUGGAGE & GIFTS	22500 TOWN CIR SUITE #2036	3,450	Retail
291-110-032 <sup>(2)</sup>	11/23/2015	CoFO FOR FRAME FACTORY	22500 TOWN CIR SUITE #2045	1,935	Retail
291-570-001	01/11/2016	CoFO FOR PZACODE	12625 FREDERICK ST SUITE #W4	950	Restaurant
291-570-001	01/13/2016	TI INSIDE EXISTING SHELL BUILDING INCLUDING WALLS, MEPS AND ACCESSIBILITY	12625 FREDERICK ST SUITE #S2	1,418	Retail
291-570-001	01/25/2016	CoFO FOR SPEEDY INSURANCE AGENCY INC	12625 FREDERICK ST SUITE #IA	734	Retail
291-110-032 <sup>(2)</sup>	02/01/2016	CoFO FOR DOLLAR FASHION	22500 TOWN CIR SUITE #1000	1,759	Retail
291-110-032 <sup>(2)</sup>	02/02/2016	TI - JOURNEY'S SHOE STORE LIMITED SCOPE TENANT REMODEL, NEW MECHANICAL, LIKE FOR LIKE LIGHTING - NEW FIXTURES	22500 TOWN CIR SUITE #1135	1,005	Retail
291-660-042	02/04/2016	NEW CONSTRUCTION FOR SHOP BLDG J; WEST SIDE OF ALDI (SHELL ONLY)	12620 DAY ST	8,400	Retail
291-660-040	02/04/2016	NEW CONSTRUCTION FOR SHOP BLDG L; LOCATED BETWEEN 24 HOUR FITNESS AND ALDI (SHELL ONLY)	12650 DAY ST	13,000	Retail
291-110-032 <sup>(2)</sup>	02/24/2016	CoFO FOR ROMANCE CLOTHING	22500 TOWN CIR SUITE #2212	726	Retail
291-110-032 <sup>(2)</sup>	03/09/2016	TI CoFO FOR KNOCKOUT BURGERS	22500 TOWN CIR SUITE #2136	856	Restaurant
291-570-001	03/29/2016	CoFO FOR ART BROW THREADING SALON (HENNA TATTOOS/EYEBROW THREADING)	12625 FREDERICK ST SUITE #F13	825	Retail
291-570-018	03/30/2016	CoFO FOR THE MENS CLUB BARBERSHOP	12625 FREDERICK ST SUITE #H	833	Retail
291-110-032 <sup>(2)</sup>	04/05/2016	CoFO FOR TORRID (CHANGE OF OWNERSHIP)	22500 TOWN CIR SUITE #1044A	2,500	Retail
291-110-032 <sup>(2)</sup>	04/12/2016	TI CoFO FOR JUMP 'N JAMMIN CHILDRENS ENTERTAINMENT CENTER	22500 TOWN CIR SUITE #2126	8,136	Amusement
291-110-032 <sup>(2)</sup>	04/13/2016	CoFO FOR ROSBY - ZERO GRAVITY TRADING CARD GAMES & COLLECTIBLES	22500 TOWN CIR SUITE #2078	4,700	Retail
291-110-032 <sup>(2)</sup>	04/15/2016	TENANT IMPROVEMENTS FOR FOREVER 21 (FUTURE TENANT) INSTALL ELEVATOR, ESCALATOR, NEW RTU, ELEC UPGRADES, MISC PLUMBING	22500 TOWN CIR SUITES #1045 & #2042	Not Available	Retail
291-110-032 <sup>(2)</sup>	04/15/2016	CoFO FOR SUBWAY (CHANGE OF OWNERSHIP)	22500 TOWN CIR SUITE #2139	1,109	Restaurant
291-110-032 <sup>(2)</sup>	04/19/2016	CoFO FOR BODY BASICS	22500 TOWN CIR SUITE #1147	4,421	Retail
291-570-001	04/27/2016	TI CoFO FOR TOWNGATE MASSAGE NEW WALLS TO CREATE 3 NEW ROOMS, NEW ELECTRICAL PLUGS/SWITCHES AND DRY WALL	12625 FREDERICK ST SUITE #F14	825	Retail
291-110-032 <sup>(2)</sup>	05/11/2016	CoFO FOR TICK TOCK JEWELRY & WATCH REPAIRS	22500 TOWN CIR SUITE #2217	987	Retail

Notes: <sup>(1)</sup> Date issued represents the date the certificate of occupancy or tenant improvement permit was issued, not the date of the final inspection.  
<sup>(2)</sup> 291-110-032 is the Mall's Main Area, which includes the smaller (non-anchor) shops.

Source: Permit Plus

## **C. PUBLIC FACILITIES**

The public facilities were developed in two phases: "Phase One" and "Phase Two." Phase One included the development of approximately 163 acres within CFD No. 87-1. The public facilities financed with bond proceeds were constructed to serve Phase One development and consisted of roadway improvements to include certain grading, paving, base, curbs, gutters, sidewalks, landscaping, sewers, drainage, intersection work, street lights, signing, striping, traffic signals, irrigation conduit and utilities, together with appurtenances and appurtenant work on Eucalyptus Avenue (formerly Eastridge Avenue), Heritage Way, a segment of Towngate Circle, Centerpoint Drive, and Frederick Street, as well as storm drain improvements, water and sewer improvements, and construction of a freeway ramp.

The Phase Two improvements consisted of road improvements to include certain grading, paving, base, curbs, gutters, sidewalks, landscaping, rights-of-way, drainage, intersection work, street lights, signing, striping, traffic signal, irrigation conduit and utilities, together with appurtenances and appurtenant work on Campus Parkway, Gateway Drive, Eucalyptus Avenue (formerly Eastridge Avenue, northwest to southeast), Eucalyptus Avenue (northeast to southwest), and Day Street, as well as storm drain improvements, sewer improvements, a sewer lift station, detention basin, purchase of right-of way, and construction of a freeway ramp.

## II. FINANCIAL INFORMATION

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### A. FINANCIAL STATEMENTS

The City's audited financial statements for the period ending June 30, 2016, will be filed separately with the Electronic Municipal Market Access (EMMA) service provided by the Municipal Securities Rulemaking Board ([www.emma.msrb.org](http://www.emma.msrb.org)) and are hereby incorporated by reference into this report. In addition, the audited financial statements will be 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).

### B. DESCRIPTION OF FUNDS

Article III of the Bond Indenture requires the Trustee to establish and maintain the following funds and accounts.

#### i. SPECIAL TAX FUND

The Trustee shall transfer available monies from the Special Tax Fund in accordance with the Bond Indenture (Section 3.2).

##### a) Administrative Expense Account

The Trustee in accordance with the Bond Indenture (Section 3.3) shall, not less than annually, transfer payment of funds to the Administrative Expense Account.

##### b) Principal and Interest Accounts

The principal and interest due on the Bonds until maturity shall be paid by the Trustee from the Principal and Interest Accounts. In accordance with the Bond Indenture (Section 3.4), the Trustee shall transfer the payment of principal prior to each June 1 and interest prior to each June and December 1. Payment shall be applied first to the Interest Account, then to the Principal Account from the Special Tax Fund. If the amounts in the Special Tax Fund are inadequate, any deficiency shall be made up by the Reserve Account.

The payment of interest, as set forth in the Bond Indenture (Section 3.4[a]), shall equal the amount of interest due on the Bonds as of the interest payment date and include any amount of prior unpaid interest.

The payment of principal, as set forth in the Bond Indenture (Section 3.4[b]), shall equal the amount of the principal payment due on December 1 and any unpaid principal amount due from the previous December 1.

##### c) Redemption Account

As set forth in the Bond Indenture (Section 3.5), the Redemption Account is available for the purpose of paying the interest, principal, and premiums, if any, on the Bonds called for optional redemption. This fund shall be used solely for the purpose of redeeming Bonds.

**d) Reserve Account**

The Reserve Account, as set forth in the Bond Indenture (Section 3.6), is established to maintain an amount equal to the Reserve Requirement. The Reserve Account will be used solely to pay principal and interest on the Bonds in the event that the monies in the Interest and Principal Accounts are insufficient to pay the principal and interest due on any payment date or any required transfer to the Rebate Fund in accordance with the Bond Indenture.

As set forth in the Bond Indenture, monies in the Reserve Account in excess of the Reserve Requirement are to be transferred to the Interest Account to pay interest on the Bonds.

**ii. REBATE FUND**

Per the Bond Indenture (Section 3.7), the Trustee shall establish and maintain the Rebate Fund, which is separate from any other fund. All money at any time deposited in the Rebate Fund, Rebate Account, or Alternative Penalty Account shall be held by the Trustee for payment to the United States Treasury.

**a) Rebate Account**

The Rebate Account shall be maintained by the Trustee in accordance with Section 3.7(i) of the Bond Indenture.

**b) Alternative Penalty Account**

The Alternative Penalty Account shall be maintained by the Trustee in accordance with Section 3.7(ii) of the Bond Indenture.

**c) Rebate Liability**

With regard to the Bonds, the Arbitrage Rebate Consultant shall prepare the computations for the arbitrage rebate liability for each account requiring an arbitrage calculation. The first installment computation for the Bonds was due November 29, 2012, five years from the dated date of the Bonds. For Arbitrage purposes, the 8038G tax certificate treats the 2007 Special Tax Refunding Bonds and the 2007 Tax Allocation Bonds, Series A as a single issue. As such, the Arbitrage Report contains the combined calculation for both issues. The table below reflects the cumulative arbitrage calculation through November 29, 2012. The next installment computation for the Bonds is due November 29, 2017.

## Table 6: Arbitrage Calculation Summary

### Arbitrage Rebate Liability For the Period November 29, 2007 – November 29, 2012

Costs of Issuance - 87-1 Refunding Bonds	\$	(429.82)
Costs of Issuance - 2007 TAB		(148.53)
Improvement - 2007 TAB (Unrestricted)		(3,071,054.92)
Improvement - 2007 TAB (Restricted)		(2,040,356.57)
Reserve - 87-1 Refunding Bonds		(257,069.38)
FV Computation Date Credit - 11/29/08		(1,739.40)
FV Computation Date Credit - 11/29/09		(1,725.78)
FV Computation Date Credit - 11/29/10		(1,654.33)
FV Computation Date Credit - 11/29/11		(1,596.28)
Computation Date Credit - 11/29/12		(1,550.00)
<b>Total</b>	<b>\$</b>	<b>(5,377,325.01)</b>
<b>Rebate Liability (90% of Total)</b>		<b>-</b>

Source: Arbitrage Rebate Calculation dated January 2013 prepared by Willdan Financial Services

#### iii. COSTS OF ISSUANCE FUND

In accordance with the Bond Indenture (Section 3.9), the Trustee has disbursed all monies from the Cost of Issuance Fund. During FY 2008/09, all remaining monies were transferred by the Trustee to the Surplus Fund and the Costs of Issuance Fund was closed.

#### iv. SURPLUS FUND

After all transfers have been made as required by the Bond Indenture (Sections 3.3 thru 3.7), all remaining amounts in the Special Tax Fund, if any, shall be transferred to the Surplus Fund. Monies remaining in this fund may be used for payment of interest, principal, administrative expenses, replenishment of the Reserve Fund, reduction of next year's special tax levy, or for any other lawful purpose.

### C. FUND BALANCES

All tax increment for FY 2015/16 has been received and transferred to the Trustee in compliance with the Bond Indenture. Bank statements, as provided by the Trustee, were not available to reflect the transfer of funds as of the date of this report. The Bonds were primarily issued for refunding purposes. As such, no proceeds were allocated for the establishment or funding of an Acquisition and Construction Fund.

**Table 7: Fund Balances**

<b>Fund / Account</b>	<b>Balance as of March 31, 2016</b>
Special Tax Fund	\$ 696,940.00
Interest Account	52.29
Principal Account	2.29
Redemption Account	-
*Reserve Account	1,028,715.36
Administration Expense Account	377.02
Lehman Bros. Investment Agreement	536,147.34
Rebate Fund	-
Cost of Issuance Fund	-
Surplus Fund	0.35

\* Funds in the Reserve Account reflect an amount at least equal to the Reserve Fund Requirement. The Reserve Fund Requirement for FY 2016/17 is \$1,028,681.26.

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

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#### **A. ADMINISTRATIVE EXPENSES**

The administrative expense categories are described below. The estimates for these administrative expenses are set forth in Section III.B of this report, Special Tax Requirement. Expenses of this type shall be paid from the Special Tax Fund (Section 3.3 of the Bond Indenture).

##### **i. SPECIAL TAX REPORT AND ADMINISTRATION**

This expense relates to the cost for preparing the Special Tax Report, Continuing Disclosure Report, delinquency monitoring and the special tax installment information to submit to the County of Riverside.

##### **ii. TRUSTEE FEES**

This expense relates to the fees for the Trustee's services associated with bond and fund administration.

##### **iii. ARBITRAGE REBATE CALCULATION**

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

##### **iv. PROFESSIONAL SERVICES**

This expense relates to the costs for preparation and dissemination of significant event reports associated with CFD No. 87-1, which may include disclosure and legal counsel services.

##### **v. CITY COSTS – PERSONNEL**

This estimated cost relates to the City's expense for coordinating the consultants, attorneys, bankers, investment bankers, and other administrative contractors, as well as administrative services and project management provided by the City staff in monitoring tax installments, foreclosure proceedings, bond proceedings, and compliance with related laws.

##### **vi. CITY COSTS – ACCOUNTING**

This expense relates to the cost 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.

##### **vii. CITY COSTS – GENERAL ADMINISTRATION**

This expense relates to the cost of the City's general administrative services, overhead for personnel support, building rental and maintenance, insurance, City Council support, City Manager support, purchasing, communications, etc.

**viii. 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 2016/17**

<b>GROSS REQUIREMENT</b>	
Annual Debt Service	\$ 1,028,681
Reserve Fund Replenishment	-
<b>Total Debt Requirement</b>	<b>\$ 1,028,681</b>
Administrative Expenses:	
Special Tax Report & Administration	\$ 52,090
Trustee Fees	2,000
Arbitrage Rebate Calculation	500
Professional Services	950
Personnel	32,798
Accounting	37,230
General Administration	20,996
<b>Total Administrative Expenses</b>	<b>\$ 146,564</b>
County Costs:	
County Tax Roll Fees	\$ -
<b>Total County Administrative Expenses</b>	<b>\$ -</b>
<b>TOTAL GROSS REQUIREMENT</b>	<b>\$ 1,175,245</b>
<b>CREDITS: INTEREST EARNINGS, TRANSFERS &amp; TAX CONTRIBUTIONS</b>	
Interest Earnings (Estimated)	\$ -
Surplus Reserve Fund Credit	-
<b>Total Interest Earnings and Transfers</b>	<b>\$ -</b>
Tax Increment Contribution/Recognized Obligation Payment Schedule	\$ 1,175,245
Prior Year Tax Contribution Adjustment	-
<b>Total Tax Increment/ROP Contributions</b>	<b>\$ 1,175,245</b>
<b>ERAF Shift</b>	<b>\$ -</b>
<b>TOTAL CREDITS</b>	<b>\$ 1,175,245</b>
<b>TOTAL NET SPECIAL TAX REQUIREMENT</b>	<b>\$ 0</b>

\* The ROPS amount is approved through June 2017.

## **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 RMA, which the qualified electors within CFD No. 87-1 have approved. The special tax formula apportions the total net special tax requirement (principal, interest, administrative expenses, and restoration of the Bond Reserve Account, if required) each year and takes into account the availability of other revenues.

The City has covenanted in the Bond Indenture to levy the special tax for collection in each FY to generate that amount of special tax revenue which, when combined with the estimated reimbursement tax increments to be received by CFD No. 87-1 during such FY and all available funds on deposit in the Special Fund, will yield an amount adequate to pay for the following costs, listed by priority as stated in Section 3.2 of the Bond Indenture:

1. Authorized costs of administration,
2. Interest on the Bonds,
3. Principal on the Bonds, and
4. Replenishment of the Bond Reserve Account to the reserve requirements.

### **A. MAXIMUM SPECIAL TAX RATE**

The maximum special tax shall first be uniformly applied to the developed property in an amount not to exceed \$11,500 per net acre. The maximum special tax shall be applied to the developed property prior to the levy of any special tax on the undeveloped property. The remaining special tax levy, if any, shall then be uniformly applied to the undeveloped property which amount shall not exceed \$11,500 per net acre. There is no escalator clause for the maximum special tax for this district.

### **B. RATE AND METHOD OF APPORTIONMENT**

#### **i. SPECIAL TAX LEVY**

Each year, the City Council, acting as the Legislative Body of the District, shall determine the total special tax to be levied and collected for the upcoming FY including, but not limited to, the amounts required to pay for debt service on any indebtedness, pay incidental or administrative expenses incurred by the District, and replenish the Reserve Account, as necessary.

#### **ii. SPECIAL TAX LIEN**

The special taxes and any penalties thereon constitute a lien against the lots and parcels of land, which 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 they 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 the District, they do not constitute a personal indebtedness of the owners of property within the District. 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. These limitations are more fully described in Article V of the Bond Indenture, and in the "Sources of Payment for the Bonds" section of the Official Statement.

### C. SPECIAL TAX ALLOCATION

The special taxes for the District are allocated to all taxable properties. Table 9 sets forth the FY 2016/17 allocation of Special Taxes.

**Table 9: Special Tax Allocation/Property Owners**

Assessor's Parcel Number	Property Owner	Development Status	Taxable Acres	FY 2016/17 Maximum Special Tax	FY 2016/17 Applied Special Tax <sup>(2)</sup>
291-110-017	STONEGATE 552	Developed	26.09	\$ 300,035	\$ -
291-110-032	2250 TOWN CIRCLE HOLDINGS	Developed	31.09	357,535	-
291-110-033	2250 TOWN CIRCLE HOLDINGS	Developed	7.43	85,445	-
291-110-034	EL CORTE INGLÉS	Developed	9.58	110,170	-
291-110-035	SERITAGE SRC FINANCE	Developed	10.51	120,865	-
291-110-036	J C PENNEY PROP INC	Developed	10.13	116,495	-
291-110-037	MACYS CALIF INC	Developed	11.41	131,215	-
291-110-039	COSTCO WHOLESALE CORP	Developed	12.69	145,935	-
291-110-040	NEAL T BAKER ENTERPRISES	Developed	0.79	9,085	-
291-110-041	CFT DEV	Developed	0.79	9,085	-
291-570-001	BRIXTON ALTO SHOPPING CENTER	Developed	0.61	7,015	-
291-570-002	BRIXTON ALTO SHOPPING CENTER	Developed	2.42	27,830	-
291-570-003	BRIXTON ALTO SHOPPING CENTER	Developed	2.08	23,920	-
291-570-005	BRIXTON ALTO SHOPPING CENTER	Developed	0.40	4,600	-
291-570-006	BRIXTON ALTO SHOPPING CENTER	Developed	0.69	7,935	-
291-570-007	BRIXTON ALTO SHOPPING CENTER	Developed	2.30	26,450	-
291-570-008	BRIXTON ALTO SHOPPING CENTER	Developed	1.41	16,215	-
291-570-010	BRIXTON ALTO SHOPPING CENTER	Developed	3.30	37,950	-
291-570-011	E D D INV CO	Developed	0.64	7,360	-
291-570-013	BRIXTON ALTO EASTRIDGE	Undeveloped	0.76	8,740	-
291-570-014	YANLOT DEV CORP	Developed	0.85	9,775	-
291-570-015	BRIXTON ALTO EASTRIDGE	Undeveloped	0.25	2,875	-
291-570-016	BRIXTON ALTO EASTRIDGE	Undeveloped	2.10	24,150	-
291-570-017	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	9,200	-
291-570-018	BRIXTON ALTO SHOPPING CENTER	Developed	0.91	10,465	-
291-570-019	BRIXTON ALTO SHOPPING CENTER	Developed	0.34	3,910	-
291-570-020	BRIXTON ALTO SHOPPING CENTER	Developed	0.49	5,635	-
291-570-021	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	9,200	-
291-570-022	BRIXTON ALTO SHOPPING CENTER	Developed	4.69	53,935	-
291-570-024	BRIXTON ALTO SHOPPING CENTER	Developed	2.96	34,040	-
291-570-026	BRIXTON ALTO SHOPPING CENTER	Developed	0.90	10,350	-
291-570-027	BRIXTON ALTO SHOPPING CENTER	Developed	3.40	39,100	-
291-570-028	HAROLD BERLAL	Developed	1.18	13,570	-
291-570-029	HAROLD BERLAL	Developed	1.25	14,375	-
291-570-030	HAROLD BERLAL	Developed	0.83	9,545	-
291-570-031	HAROLD BERLAL	Developed	1.10	12,650	-
291-570-032	HAROLD BERLAL	Developed	0.64	7,360	-
291-570-033	HAROLD BERLAL	Developed	2.11	24,265	-
291-570-034	HAROLD BERLAL	Developed	0.92	10,580	-
291-570-035	HAROLD BERLAL	Developed	2.34	26,910	-
291-570-036	BURLINGTON COAT FACTORY OF CALIF	Developed	6.68	76,820	-
291-590-021	GATEWAY CO	Developed	1.52	17,480	-
291-590-022	GATEWAY CO	Developed	0.83	9,545	-
291-590-023	LOWES HIW INC	Developed	14.29	164,335	-
291-590-025	JK TOWNGATE PROP	Developed	0.95	10,925	-
291-590-033	GATEWAY CO	Developed	1.77	20,355	-
291-590-034	DAY MORENO VALLEY	Developed	3.53	40,595	-
291-590-037	PLAYLAND CENTER INC	Developed	0.78	8,970	-
291-590-038	GATEWAY CO	Undeveloped <sup>(1)</sup>	0.98	11,270	-
291-590-039	99 ONLY STORES	Developed	3.50	40,250	-
291-650-001	LEW LA FAYETTE PROP	Developed	1.50	17,250	-
291-650-002	WINCO FOODS	Developed	10.94	125,810	-
291-650-003	GATEWAY CO	Undeveloped <sup>(1)</sup>	0.94	10,810	-
291-650-004	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.96	22,540	-
291-650-005	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.95	22,425	-
291-650-006	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.90	21,850	-
291-650-007	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.56	17,940	-
291-650-008	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.98	22,770	-
291-650-009	GATEWAY CO	Undeveloped <sup>(1)</sup>	2.07	23,805	-
291-650-020	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.29	14,835	-
291-650-021	FOCUS DAY STREET	Undeveloped <sup>(1)</sup>	1.42	16,330	-
291-650-018	SDG INV	Developed	1.05	12,075	-
291-660-001	GATEWAY CO	Developed	1.15	13,225	-
291-660-002	GATEWAY CO	Developed	1.23	14,145	-
291-660-003	MAX EXO	Developed	1.13	12,995	-
291-660-004	GALA DEV PARTNERS	Undeveloped <sup>(1)</sup>	1.13	12,995	-
291-660-028	AYRES MORENO VALLEY	Developed	2.76	31,740	-
291-660-029	BRE POLYGON PROP OWNER	Developed	2.39	27,485	-
291-660-033	GATEWAY CO	Developed	1.04	11,960	-
291-660-034	GATEWAY CO	Undeveloped <sup>(1)</sup>	1.18	13,570	-
291-660-035	CHE CHEN LIU	Developed	3.80	43,700	-
291-660-040	GATEWAY CO	Developed	1.53	17,595	-
291-660-042	GATEWAY CO	Developed	1.40	16,100	-
291-660-043	GATEWAY CO	Developed	1.69	19,435	-
<b>Total</b>			<b>247.80</b>	<b>\$ 2,849,700</b>	<b>\$ -</b>

Notes: <sup>(1)</sup> APNs which are Undeveloped, but have constructed certain parcel improvements.

<sup>(2)</sup> In accordance with the Official Statement, Agency Payments, "The Agency anticipates that Agency Towngate Agreement Amounts will be paid to the District in amounts sufficient to defray scheduled debt service payments on the Bonds for each year that the Bonds remain outstanding and to pay estimated administrative expenses of the District for such year.

Source: Property Owners/Values/Taxable Acres - Riverside County Secured Property Tax Roll.

## V. SPECIAL TAX PAYMENTS

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### A. DELINQUENCIES

For FYs 2003/04 through 2015/16, the special tax obligation was met with the tax increment generated by CFD No. 87-1 as per the Agency Towngate Agreement. As of the date of this report, there are no outstanding special tax delinquencies in the District for FY 2015/16 or prior years.

**Table 10: Delinquencies**

<b>Fiscal Year</b>	<b>No of Parcels Levied <sup>(1)</sup></b>	<b>No of Parcels Delinquent</b>	<b>Amount Levied</b>	<b>Amount Delinquent</b>	<b>Percent Delinquent</b>
2007/08	0	0	\$ -	\$ -	0.00%
2008/09	0	0	-	-	0.00%
2009/10	0	0	-	-	0.00%
2010/11	0	0	-	-	0.00%
2011/12	0	0	-	-	0.00%
2012/13	0	0	-	-	0.00%
2013/14	0	0	-	-	0.00%
2014/15	0	0	-	-	0.00%
2015/16	0	0	-	-	0.00%

(1) Special taxes have not been levied because tax increment has been available to meet historical special tax requirements.

Source: Riverside County Tax Collector.

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### B. FORECLOSURE ACTIONS

There are no delinquent parcels, foreclosure actions, or foreclosure sales pending in the District. In the event of any delinquencies, the District has covenanted for the benefit of the owners of the Bonds that it shall commence and diligently pursue judicial foreclosure proceedings against parcels with delinquent special taxes in excess of \$1,000 by December 1 following the close of the FY in which such special taxes were due. Additionally, the District shall commence and diligently pursue judicial foreclosure proceedings against all parcels with delinquent special taxes by December 1 following the close of any FY in which it receives special taxes in an amount that is less than 90% of the total special tax levied for the FY.

## **Appendix A: PROPERTY TAX INCREMENT CONTRIBUTIONS**

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### **A. TAX INCREMENT CONTRIBUTION**

Pursuant to the Agency Towngate Agreement, CFD No. 87-1 is to receive a contribution of tax increment. The Specific Plan Area 200 (TownGate) documents define the property within the Project Area. The base year for the tax increment computation was 1986/87, but was changed to FY 1987/88 by Resolution No. RDA 87-4, adopted in July 1987.

On June 14, 1994, the City adopted Resolution No. 94-35 and the RDA adopted Resolution No. RDA 94-7 approving the First Amendment (“Amendment”) to the November 4, 1987, Cooperation and Reimbursement Agreement. The rating agency and Capital Guaranty Insurance Company, the municipal bond insurer for the Refunding Series A Bonds, requested this Amendment. The Amendment continues the 1987 Moreno Valley Redevelopment Project Mixed Use Development Participation Agreement’s (the “Owner Participation Agreement’s”) pledge of tax increment contribution towards the debt service for the 1994 Refunding Bonds. The Amendment also specifies that the RDA will not cause the reimbursement tax increments to be reduced to an amount less than \$1,600,000 a FY so long as the Refunding Series A Bonds are outstanding.

On October 23, 2007, the City adopted Resolution No. 2007-121 and the RDA adopted Resolution No. RDA 2007-08, approving the Agency Towngate Agreement. The Agreement continued the previous pledge of tax increment contribution towards the debt service for the Bonds.

In June of 2011, the California Legislature approved trailer bills AB 1x 26 and AB 1x 27 to dissolve redevelopment agencies. On January 10, 2012, the Moreno Valley City Council adopted Resolution No. 2012-04, which names the City as the Successor Agency to the Agency for the purpose of discharging the obligations of the former Agency.

Given the dissolution of the Agency and process established to discharge its obligations, the Successor Agency submits ROPS which includes the calculation of the payment of available tax increment (TI) toward the CFD No. 87-1 special tax. For FY 2016/17, the CFD No. 87-1 TI amount is based upon the gross special tax calculation of \$1,175,245 (as identified in Table 8). The DOF has approved the payment of TI for this purpose through June 2017. In the future if TI is unavailable, any debt service obligation payments will be met through the levy and collection of the special taxes.

## **Appendix B: 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 CFD No. 87-1 special tax requirement as calculated in Table 8, the FY 2016/17 special tax levy for each assessable parcel is shown in Table 9.

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 in accordance with 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 all of the following:

- (a) The amount of funds collected and expended.
- (b) The status of any project required or authorized to be funded as identified in subdivision (a) of Section 53410."

The requirements of the Act apply to the Improvement/Construction Fund of the District. All improvements for the District are complete. There were no improvement/construction funds associated with the issuance of the Bonds. Special Taxes were not levied on the parcels in the District. To date, Tax Increment has been available to pay the administrative expenses and debt service (principal and interest) for the District.

<b>District</b>	<b>Date Bonds Issued</b>	<b>Initial Amount Deposited to Improvement / Construction Fund</b>	<b>Balance as of June 30, 2016</b>	<b>Expended Amount to Date</b>	<b>Project Status</b>
CFD No. 87-1	Nov. 29, 2007	NA	NA	NA	Completed

For additional information, please see Section II Financial Information.

## Appendix C: Debt Service Schedule

**CITY OF MORENO VALLEY  
COMMUNITY FACILITIES DISTRICT NO. 87-1 (TOWNGATE)  
2007 SPECIAL TAX REFUNDING BONDS**

Dated Date	29-Nov-07	Last Maturity	01-Dec-21
Issue Date	29-Nov-07	First Coupon	01-Jun-08
First Maturity	01-Dec-08		

Date	Principal	Interest Rate	Interest	Total Debt Service	Annual Debt Service	Principal Remaining
01-Jun-08			\$ 226,176.08	\$ 226,176.08	-	\$ 10,665,000
01-Dec-08	\$ 575,000	4.000%	223,690.63	798,690.63	\$ 1,024,866.71	10,090,000
01-Jun-09			212,190.63	212,190.63	-	10,090,000
01-Dec-09	600,000	5.000%	212,190.63	812,190.63	1,024,381.26	9,490,000
01-Jun-10			197,190.63	197,190.63	-	9,490,000
01-Dec-10	630,000	3.750%	197,190.63	827,190.63	1,024,381.26	8,860,000
01-Jun-11			185,378.13	185,378.13	-	8,860,000
01-Dec-11	655,000	3.500%	185,378.13	840,378.13	1,025,756.26	8,205,000
01-Jun-12			173,915.63	173,915.63	-	8,205,000
01-Dec-12	680,000	3.500%	173,915.63	853,915.63	1,027,831.26	7,525,000
01-Jun-13			162,015.63	162,015.63	-	7,525,000
01-Dec-13	700,000	3.750%	162,015.62	862,015.62	1,024,031.25	6,825,000
01-Jun-14			148,890.63	148,890.63	-	6,825,000
01-Dec-14	730,000	4.000%	148,890.63	878,890.63	1,027,781.26	6,095,000
01-Jun-15			134,290.63	134,290.63	-	6,095,000
01-Dec-15	760,000	4.000%	134,290.63	894,290.63	1,028,581.26	5,335,000
01-Jun-16			119,090.63	119,090.63	-	5,335,000
01-Dec-16	790,000	5.000%	119,090.63	909,090.63	1,028,181.26	4,545,000
01-Jun-17			99,340.63	99,340.63	-	4,545,000
01-Dec-17	830,000	5.000%	99,340.63	929,340.63	1,028,681.26	3,715,000
01-Jun-18			78,590.63	78,590.63	-	3,715,000
01-Dec-18	870,000	3.875% / 5.000%	78,590.63	948,590.63	1,027,181.26	2,845,000
01-Jun-19			57,515.63	57,515.63	-	2,845,000
01-Dec-19	910,000	4.000%	57,515.63	967,515.63	1,025,031.26	1,935,000
01-Jun-20			39,315.63	39,315.63	-	1,935,000
01-Dec-20	950,000	4.000%	39,315.63	989,315.63	1,028,631.26	985,000
01-Jun-21			20,315.63	20,315.63	-	985,000
01-Dec-21	985,000	4.125%	20,315.63	1,005,315.63	1,025,631.26	-
<b>Total</b>	<b>\$ 10,665,000</b>		<b>\$ 3,705,948.08</b>	<b>\$ 14,370,948.08</b>	<b>\$ 14,370,948.08</b>	

Appendix D: District Boundary Map

ORIGINAL

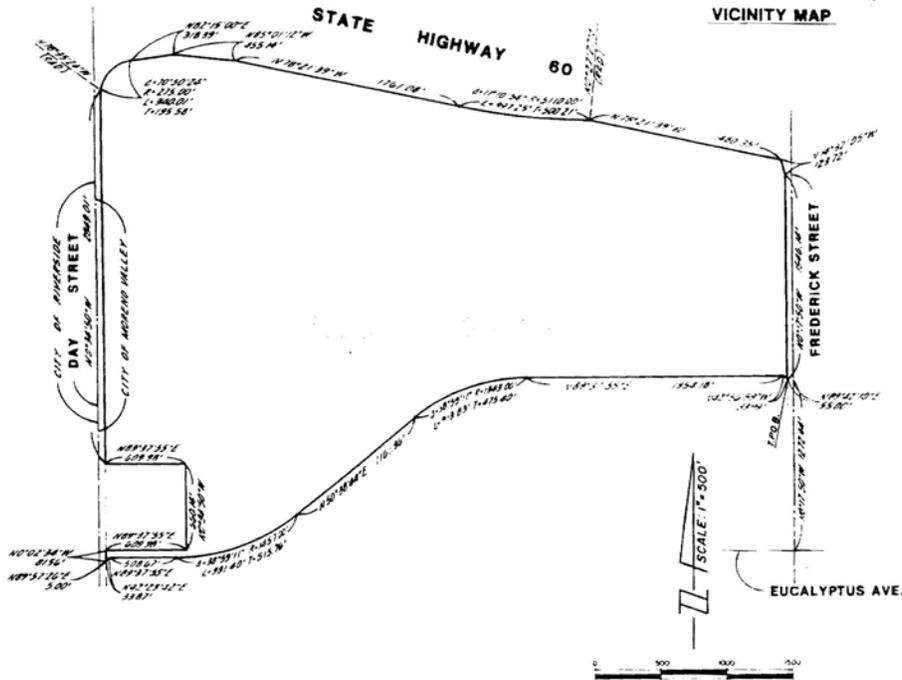
SCALE: 1"=500'

SHEET 1 OF 1 SHEET

**PROPOSED BOUNDARIES  
OF  
COMMUNITY FACILITIES DISTRICT NO. 87-1**

**CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

RECORDER'S CERTIFICATE  
FILED THIS 4<sup>TH</sup> DAY OF SEPTEMBER, 1987  
AT 2:00 P.M. IN BOOK 21 OF MAPS,  
AT PAGE(S) 4, AT THE REQUEST OF THE  
CITY CLERK  
FEE: \$6.00 WILLIAM E. COMERT  
COUNTY RECORDER  
NO: 259089 BY: Santa Regal



THE BASIS OF BEARINGS IS THE CENTERLINE OF FREDERICK STREET BEING NORTH 01°50' WEST AS SHOWN ON A MAP FILED IN BOOK NO. PAGE 91, OF RECORDS OF SURVEY, COUNTY OF RIVERSIDE COUNTY, CALIFORNIA.

Filed in the Office of the City Clerk of the City of Moreno Valley, California, this 25<sup>TH</sup> day of August, 1987.

*Valerie G. Bunnua*  
CITY CLERK OF MORENO VALLEY, CALIFORNIA

I hereby certify that the within map showing proposed boundaries of District No. 87-1, City of Moreno Valley, County of Riverside, State of California, was approved by the City Council of the City of Moreno Valley at a regular meeting thereof, held on the 25<sup>TH</sup> day of August, 1987, by its Resolution No. 87-21.

*Valerie G. Bunnua*  
CITY CLERK OF MORENO VALLEY, CALIFORNIA

PREPARED BY:  
**QFB & ASSOCIATES, INC.**  
8809 INDIANA AVE. SUITE 201  
RIVERSIDE, CA. 92508  
(714) 781-0811

822-0123 7-8-87 BW

## Appendix E: Towngate Development Sites

