

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

**CONTINUING DISCLOSURE REPORT
FOR FISCAL YEAR 2013/14**



Report Date:
FEBRUARY 2015

Prepared by:
FINANCIAL & MANAGEMENT SERVICES DEPARTMENT
SPECIAL DISTRICTS DIVISION

LIST OF PARTICIPANTS

**City of Moreno Valley
Community Facilities District No. 5
2007 Special Tax Bonds**

City Contacts

Richard Teichert
Chief Financial Officer/City Treasurer
14177 Frederick Street
P.O. Box 88005
Moreno Valley, CA 92552-0805
951-413-3021
richardt@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

Bond Counsel

Warren Diven
Best Best & Krieger LLP
655 West Broadway, 15th Floor
San Diego, CA 92101
619-525-1300
warren.diven@bbklaw.com

Disclosure Counsel

Mark J. Huebsch, Esq.
Stradling Yocca Carlson & Rauth
660 Newport Center Drive, Suite 1600
Newport Beach, CA 92660
949-725-4167
mhuebsch@syocr.com

Underwriter

Raul Amezcua
Stifel – California Public Finance
515 S. Figueroa Street, Suite 1800
Los Angeles, CA 90071
213-443-5202
ramezcua@stifel.com

Financial Advisor

James V. Fabian
Fieldman, Rolapp & Associates
19900 MacArthur Boulevard, Suite 1100
Irvine, CA 92612
949-660-7300
jfabian@fieldman.com

Fiscal Agent/Dissemination Agent

Dania D. Samai
Wells Fargo Bank, N. A.
Corporate Trust Services
333 S. Grand Ave., Fifth Floor, Suite 5A
Los Angeles, CA 90071
213-253-7516
danial.d.samai@wellsfargo.com

Special Tax Consultant

Harris and Associates
22 Executive Park, Suite 200
Irvine, CA 92614
949-655-3900
www.harris-assoc.com

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 facilities 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 and collected from the 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.

The District consists of approximately 64 gross acres, of which 33 are net taxable acres, located at the southeast corner of the intersection of State Route 60 and Nason Street within the City.

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 proceedings 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

II. FINANCIAL AND OPERATING INFORMATION

A. FINANCIAL INFORMATION

The City's audited financial statements for the period ending June 30, 2014, have been filed separately with the Electronic Municipal Market Access ("EMMA") service provided by the Municipal Securities Rulemaking Board (www.emma.msrb.org) and are hereby incorporated by reference into this report. The audited financial statements are also available through the City's Financial & Management Services Department and available for review on the City's website at 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 is \$5,670,000. For a complete principal payment schedule, please refer to Appendix A: Debt Service Schedule.

C. FUND BALANCES

Table 3: Fund Balances

Fund / Account	Balance as of September 30, 2014
Improvement Fund	
Acquisition and Construction Account	\$ -
EMWD Account	-
Special Tax Fund	-
Surplus Account	-
Bond Fund	6,779.14
Interest Account	0.15
Principal Account	-
Special Tax Prepayment Account	-
Reserve Fund	546,077.26
Administration Expense Fund	127.23
Rebate Fund	-
Cost of Issuance Fund	-

Note: The Special Tax Requirement for fiscal year 2014/15 includes a credit from an excess in the Reserve Fund.

D. PUBLIC IMPROVEMENTS ACQUIRED

Table 4 sets forth the public improvements listed in Table 1 of the Official Statement that have been acquired and paid from Bond proceeds.

Table 4: Public Improvements

Facilities/Fees	Acquired/Paid From Bond Proceeds
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. 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.

F. PREPAYMENTS

There have been no prepayments of the Special Tax obligation for any parcels within the District.

G. ASSESSED VALUATION

Table 5: Valuation

Current Assessor's Parcel Number	Property Owner	Development Status ⁽¹⁾	Taxable Acres	FY 14/15 Assessed Land Value	FY 14/15 Assessed Structure Value	FY 14/15 Total Assessed Value	FY 14/15 Maximum Special Tax	FY 14/15 Applied Special Tax ^(2,6)	Bonded Indebtedness ^(3,4)
488-400-002	WEINGARTEN STONERIDGE	Developed	0.66	186,776	1,230,211	1,416,987	\$ 8,237.10	\$ 8,237.10	\$ 113,400
488-400-004	STONERIDGE PHASE IILAND	Undeveloped	2.02	92,363	-	92,363	25,210.56	23,232.30	347,073
488-400-005	STONERIDGE PHASE IILAND	Undeveloped	1.87	85,504	-	85,504	23,338.48	21,507.12	321,300
488-400-006	STONERIDGE PHASE IILAND	Undeveloped	1.75	80,020	-	80,020	21,840.84	20,126.98	300,682
488-400-007	STONERIDGE PHASE IILAND	Undeveloped	2.00	91,451	-	91,451	24,960.96	23,002.28	343,637
488-400-008	WASHINGTON MUTUAL BANK WEINGARTEN STONERIDGE	Undeveloped	0.59	166,911	-	166,911	7,363.48	6,785.66	101,373
488-400-009	WEINGARTEN STONERIDGE	Developed	1.91	537,516	2,311,860	2,849,376	23,837.70	23,837.70	328,173
488-400-010	WEINGARTEN STONERIDGE	Developed	1.53	432,842	2,898,778	3,331,620	19,095.12	19,095.12	262,882
488-400-011	WEINGARTEN STONERIDGE	Developed	0.37	104,673	12,849	117,522	4,617.76	4,617.76	63,573
488-400-012	WEINGARTEN STONERIDGE	Developed	0.72	203,688	41,304	244,992	8,985.94	8,985.94	123,709
488-400-014	WEINGARTEN STONERIDGE	Developed	0.31	87,698	1,823,614	1,911,312	3,868.94	3,868.94	53,264
488-400-015	WEINGARTEN STONERIDGE	Developed	0.26	73,518	2,171,076	2,244,594	3,244.92	3,244.92	44,673
488-400-016	STONERIDGE FUELS CO WEINGARTEN STONERIDGE	Developed	1.36	952,540	2,716,904	3,669,444	16,973.44	16,973.44	233,673
488-400-017	WEINGARTEN STONERIDGE	Undeveloped	0.79	223,493	31,206	254,699	9,859.56	9,085.90	135,736
488-400-018	WEINGARTEN STONERIDGE	Developed	0.58	164,083	1,362,886	1,526,969	7,238.66	7,238.66	99,654
488-400-019	WEINGARTEN STONERIDGE	Developed	1.06	599,666	914,296	1,513,962	13,229.30	13,229.30	182,127
488-400-020	WEINGARTEN STONERIDGE	Developed	0.92	260,271	1,087,225	1,347,496	11,482.04	11,482.04	158,073
488-400-021	WEINGARTEN STONERIDGE	Developed	5.31	1,502,221	5,591,109	7,093,330	66,271.34	66,271.34	912,355
488-400-022	WEINGARTEN STONERIDGE	Undeveloped	0.78	220,663	45,893	266,556	9,734.76	8,970.88	134,018
488-400-023	WEINGARTEN STONERIDGE	Undeveloped	2.44	690,428	114,736	805,164	30,452.36	28,062.78	419,236
488-400-024	WEINGARTEN STONERIDGE	Undeveloped	1.43	404,551	98,214	502,765	17,847.08	16,446.62	245,700
488-400-025	WEINGARTEN STONERIDGE	Developed	0.52	147,108	861,660	1,008,768	6,489.84	6,489.84	89,345
488-400-026	WEINGARTEN STONERIDGE	Developed	1.89	534,687	2,768,661	3,303,348	23,588.10	23,588.10	324,736
488-400-027	WEINGARTEN STONERIDGE	Developed	0.06	16,972	9,176	26,148	748.82	748.82	10,309
488-400-028	WEINGARTEN STONERIDGE	Developed	1.87	529,029	3,132,224	3,661,253	23,338.48	23,338.48	321,300
Total ⁽⁵⁾			33.00	\$ 8,388,672	\$ 29,223,882	\$ 37,612,554	\$ 411,855.58	\$ 398,468.02	\$ 5,670,000

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

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

⁽³⁾ 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.

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

⁽⁵⁾ 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).

⁽⁶⁾ The difference in the annual special tax requirement and the applied special tax of \$0.10 (due to rounding down per County requirements) will be funded through available fund balance.

Source: Property Owner and Assessed Valuations-Riverside County Secured Property Tax Roll.

H. DEVELOPER CONTINUING DISCLOSURE

The Developer has entered into a Continuing Disclosure Agreement, which requires the filing of semi-annual disclosure reports with EMMA on or prior to March 1 and September 1 of each year. For further information on the Developer or the development, reference is hereby made to the Developer's Continuing Disclosure Reports.

I. 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.

J. DELINQUENCIES

For FY 2013/14 \$393,684.44 was levied and collected to cover the special tax requirement. There are currently no delinquencies in the payment of the CFD No. 5 special taxes.

Table 6: Delinquencies

Fiscal Year	Amount Levied	Amount Delinquent ⁽¹⁾	Percent Delinquent
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 ⁽²⁾	0.00%

⁽¹⁾ Amount delinquent as of August 2, 2014.

⁽²⁾ Of the \$199,234.01 that was due as of December 10, 2014, \$199,234.01 was paid. This represents a mid-year delinquency rate of 0.00%.

Source: Riverside County Tax Collector

K. FORECLOSURE ACTIONS

No foreclosure actions or sales for prior years 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: 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	-
Total	\$ 5,870,000		\$ 6,498,394.83	\$ 12,368,394.83	\$ 12,368,394.83	

Appendix B: Assessor's Parcel Map

