

# COMMUNITY FACILITIES DISTRICT NO. 87-1

TOWNGATE

ANNUAL  
SPECIAL TAX &

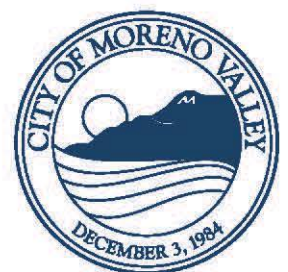
2020/21

## BOND ACCOUNTABILITY REPORT

REPORT DATE: MAY 2020

CITY OF MORENO VALLEY  
**SPECIAL DISTRICTS DIVISION**  
PUBLIC WORKS DEPARTMENT

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# TABLE OF CONTENTS

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<b>I.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
A.	DESCRIPTION OF PROCEEDINGS .....	1
B.	DISTRICT DESCRIPTION .....	2
i.	Assessed Valuation .....	3
ii.	Development Restrictions .....	5
iii.	Development Status .....	5
C.	PUBLIC FACILITIES.....	7
<b>II.</b>	<b>FINANCIAL INFORMATION.....</b>	<b>8</b>
A.	FINANCIAL STATEMENTS.....	8
B.	DESCRIPTION OF FUNDS.....	8
i.	Special Tax Fund .....	8
ii.	Rebate Fund.....	9
iii.	Costs of Issuance Fund .....	10
iv.	Surplus Fund.....	10
C.	FUND BALANCES .....	11
<b>III.</b>	<b>COMPUTATION OF THE SPECIAL TAX REQUIREMENT.....</b>	<b>12</b>
A.	ADMINISTRATIVE EXPENSES .....	12
i.	Special Tax Report and Administration .....	12
ii.	Trustee Fees .....	12
iii.	Arbitrage Rebate Calculation .....	12
iv.	Professional Services.....	12
v.	City Costs – Personnel.....	12
vi.	City Costs – Accounting .....	12
vii.	City Costs – General Administration .....	12
viii.	County Costs.....	12
B.	SPECIAL TAX REQUIREMENT.....	13
<b>IV.</b>	<b>SPECIAL TAX ALLOCATION .....</b>	<b>14</b>
A.	SPECIAL TAX RATES.....	14
B.	RATE AND METHOD OF APPORTIONMENT.....	14
i.	Special Tax Levy .....	14
ii.	Special Tax Lien.....	14
C.	SPECIAL TAX ALLOCATION .....	15
<b>V.</b>	<b>SPECIAL TAX PAYMENTS.....</b>	<b>17</b>
A.	DELINQUENCIES .....	17
B.	FORECLOSURE ACTIONS.....	17
	<b>APPENDIX A: PROPERTY TAX INCREMENT CONTRIBUTIONS .....</b>	<b>A-1</b>
A.	TAX INCREMENT CONTRIBUTION.....	A-1
	<b>APPENDIX B: BOND ACCOUNTABILITY REPORT (SB 165).....</b>	<b>B-1</b>

**APPENDIX C: DEBT SERVICE SCHEDULE..... C-1**

**APPENDIX D: DISTRICT BOUNDARY MAP ..... D-1**

**APPENDIX E: TOWNGATE DEVELOPMENT SITES.....E-1**

**TABLES**

TABLE 1: SUMMARY OF PROCEEDINGS ..... 2

TABLE 2: 2007 SPECIAL TAX REFUNDING BOND PRINCIPAL ..... 2

TABLE 3: HISTORICAL VALUATION ..... 3

TABLE 4: ASSESSED VALUATION..... 4

TABLE 5: DEVELOPMENT STATUS ..... 6

TABLE 6: ARBITRAGE CALCULATION SUMMARY ..... 10

TABLE 7: FUND BALANCES ..... 11

TABLE 8: SPECIAL TAX REQUIREMENT ..... 13

TABLE 9: SPECIAL TAX RATES..... 14

TABLE 10: SPECIAL TAX ALLOCATION/PROPERTY OWNERS ..... 16

TABLE 11: DELINQUENCIES ..... 17

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\* Acquired by Stifel, Nicolaus & Company, Inc. in January 2014.

# **I. INTRODUCTION**

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## **A. DESCRIPTION OF PROCEEDINGS**

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

In 1988, Community Facilities District No. 87-1 (Towngate) of the City of Moreno Valley ("CFD No. 87-1" or "District") was formed to finance the acquisition of certain public facilities (water, sewer, and street improvements; landscaping; and, storm drain and utility systems).

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 authorized the issuance of CFD No. 87-1 Towngate Special Tax Refunding Bonds Series A and the Towngate Special Tax Refunding Bonds Series B (collectively the "1994 Refunding Bonds") which were issued in the principal amounts of \$14,170,000 and \$8,530,000, respectively.

On October 23, 2007, the City Council, acting as the legislative body of the District, approved the issuance of CFD No. 87-1 2007 Special Tax Refunding Bonds the ("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.

In connection with development of the area, the former Community Redevelopment Agency (the "Agency") entered into agreements concerning the provision of the public infrastructure improvements. One such agreement, which was entered into with the City on behalf of CFD No. 87-1, entitled "Cooperation and Reimbursement Agreement" dated as of November 4, 1987 and amended by a "First Amendment to Cooperation and Reimbursement Agreement" dated June 1, 1994, provided that the Agency would make certain payments to the District from tax increment (TI) revenues generated from the TownGate portion of the redevelopment project area. On October 23, 2007, the Agency Towngate Agreement was adopted, restating the Cooperation and Reimbursement Agreement and First Amendment to Cooperation and Reimbursement Agreement.

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") to discharge the obligations of the Agency.

Following dissolution of the Agency, the Successor Agency is required to submit a Recognized Obligation Payment Schedule (ROPS) to the Countywide Oversight Board (the "County Board") to fulfill the Agency's obligations, which is then ratified by the Department of Finance (DOF). The ROPS includes payment of available TI payable towards the CFD No. 87-1 special tax requirement. The County Board and DOF have approved the payment of TI for this purpose through June 2021. If future TI is unavailable, special taxes will be

levied against the parcels in the District, at a rate sufficient to cover the special tax requirement, provided the special tax does not exceed the maximum special tax rate as authorized under the terms of the Rate and Method of Apportionment of Special Tax (the "RMA") of the District.

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

**Table 1: Summary of Proceedings**

Document	Number	Date
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

CFD No. 87-1 Bonds	
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**

Year	CUSIP*	Principal	Year	CUSIP*	Principal
2008	616865 ED9	\$575,000	2016	616865 EM9	\$790,000
2009	616865 EE7	600,000	2017	616865 EN7	830,000
2010	616865 EF4	630,000	2018	616865 EP2	120,000
2011	616865 EG2	655,000	2018	616865 EQ0	750,000
2012	616865 EH0	680,000	2019	616865 ER8	910,000
2013	616865 EJ6	700,000	2020	616865 ES6	950,000
2014	616865 EK3	730,000	2021	616865 ET4	985,000
2015	616865 EL1	760,000			

\* Committee on Uniform Security Identification Procedures (CUSIP)

The principal amount outstanding for the Bonds following the December 1, 2019 debt service payment is \$1,935,000. For a complete principal payment schedule, please refer to Appendix C.

**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 (247.74 net taxable acres) of land. A boundary map of CFD No. 87-1 is included in Appendix D.

CFD No. 87-1 is located within and adjacent to the boundaries of the Towngate development and includes the 1) Towngate Center and Plaza, 2) Moreno Valley Mall, 3)

Towngate Promenade, 4) Towngate Crossing, 5) Towngate Square, and 6) Fresco Apartment Homes (formerly Stonegate at Towngate Apartments).

**i. ASSESSED VALUATION**

The most recent assessed and historical assessed values, as well as the most recent assessed value for taxable property within the District are listed below.

**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
2017/18	119,069,669	323,089,556	442,159,225
2018/19	121,957,728	333,922,936	455,880,664
2019/20	126,892,572	346,855,038	473,747,610
2020/21	126,600,212	344,655,302	471,255,514

Source: Assessed Values - Riverside County Property Tax Roll Information - Feb 2020.

**Table 4: Assessed Valuation**

Assessor's Parcel		Development	Taxable	Assessed	Assessed	Total Assessed
Number	Property Owner	Status	Acres	Land Value	Structure Value	Value
291-110-017	TOWNGATE ON MEMORIAL APARTMENTS	Developed	26.09	\$ 18,040,536	\$ 86,541,512	\$ 104,582,048
291-110-032	MORENO VALLEY MALL HOLDING	Developed	31.09	13,471,956	53,653,538	67,125,494
291-110-033	MORENO VALLEY MALL HOLDING	Developed	7.43	3,790,886	9,095,323	12,886,209
291-110-034	MORENO VALLEY MALL HOLDINGS	Developed	9.58	3,162,000	2,346,000	5,508,000
291-110-035	SERITAGE SRC FINANCE	Developed	10.51	4,952,126	8,848,882	13,801,008
291-110-036	J C PENNEY PROP INC	Developed	10.13	7,479,153	12,915,385	20,394,538
291-110-037	MACYS CALIF INC	Developed	11.41	5,608,065	10,323,944	15,932,009
291-110-039	COSTCO WHOLESALE CORP	Developed	12.69	6,341,037	10,594,715	16,935,752
291-110-040	NEAL T BAKER ENTERPRISES	Developed 2	0.75	921,068	703,351	1,624,419
291-110-041	CFT DEV	Developed 2	0.77	1,039,134	1,071,606	2,110,740
291-570-001	TUMON BAY RESORT & SPA	Developed	0.61	313,846	707,687	1,021,533
291-570-002	TUMON BAY RESORT & SPA	Developed	2.42	991,989	2,370,693	3,362,682
291-570-003	TUMON BAY RESORT & SPA	Developed	2.08	1,064,849	2,780,151	3,845,000
291-570-005	TUMON BAY RESORT & SPA	Developed	0.40	201,757	1,619,691	1,821,448
291-570-006	TUMON BAY RESORT & SPA	Developed	0.69	353,078	1,048,034	1,401,112
291-570-007	TUMON BAY RESORT & SPA	Developed	2.30	941,548	2,365,087	3,306,635
291-570-008	TUMON BAY RESORT & SPA	Developed	1.41	722,976	1,782,221	2,505,197
291-570-010	TUMON BAY RESORT & SPA	Developed	3.30	1,350,675	2,740,589	4,091,264
291-570-011	E D D INV CO	Developed	0.64	274,056	1,008,803	1,282,859
291-570-013	TUMON BAY RESORT & SPA	Undeveloped 1	0.76	395,673	12,325	407,998
291-570-014	YANLOT DEV CORP	Developed	0.85	643,781	2,747,346	3,391,127
291-570-015	TUMON BAY RESORT & SPA	Undeveloped 1	0.25	133,270	1,229	134,499
291-570-016	TUMON BAY RESORT & SPA	Undeveloped 1	2.10	717,370	61,645	779,015
291-570-017	TUMON BAY RESORT & SPA	Developed	0.80	829,459	470,772	1,300,231
291-570-018	TUMON BAY RESORT & SPA	Developed	0.91	465,167	1,171,334	1,636,501
291-570-019	TUMON BAY RESORT & SPA	Developed	0.34	353,078	1,025,616	1,378,694
291-570-020	TUMON BAY RESORT & SPA	Developed	0.49	252,198	1,496,393	1,748,591
291-570-021	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	409,123	2,168,932	2,578,055
291-570-022	TUMON BAY RESORT & SPA	Developed	4.69	1,916,729	5,144,910	7,061,639
291-570-024	TUMON BAY RESORT & SPA	Developed	2.96	1,210,564	3,160,923	4,371,487
291-570-026	TUMON BAY RESORT & SPA	Developed	0.90	459,564	1,120,893	1,580,457
291-570-027	TUMON BAY RESORT & SPA	Developed	3.40	1,737,386	3,497,191	5,234,577
291-570-028	BERAL HAROLD	Developed	1.18	427,440	2,020,829	2,448,269
291-570-029	BERAL HAROLD	Developed	1.25	449,863	101,707	551,570
291-570-030	BERAL HAROLD	Developed	0.83	308,975	1,460,127	1,769,102
291-570-031	BERAL HAROLD	Developed	1.10	446,807	1,418,172	1,864,979
291-570-032	BERAL HAROLD	Developed	0.64	259,990	1,371,857	1,631,847
291-570-033	BERAL HAROLD	Developed	2.11	857,110	2,173,503	3,030,613
291-570-034	BERAL HAROLD	Developed	0.92	373,765	1,258,093	1,631,858
291-570-035	BERAL HAROLD	Developed	2.34	659,860	2,097,991	2,757,851
291-570-036	BURLINGTON COAT FACTORY OF CALIF	Developed	6.68	2,950,075	6,715,369	9,665,444
291-590-021	GATEWAY CO	Developed	1.52	60,214	1,588,730	1,648,944
291-590-022	GATEWAY CO	Developed	0.83	32,877	2,263,251	2,296,128
291-590-023	LOWES HIW INC	Developed	14.29	9,253,366	7,360,743	16,614,109
291-590-025	SC HOTEL MANAGEMENT CORP	Developed	0.95	1,342,214	2,933,390	4,275,604
291-590-033	GATEWAY CO	Developed	1.77	54,894	4,959,812	5,014,706
291-590-034	LIU CHE CHEN & SHU FEN REVOCABLE TRUST I	Developed	3.53	2,351,100	5,120,400	7,471,500
291-590-037	SOUTHERN CALIF DEV	Developed	0.78	902,026	2,732,610	3,634,636
291-590-038	MORENO VALLEY SLEEP ONE	Developed	0.98	986,150	23,811	1,009,961
291-590-039	99 ONLY STORES	Developed	3.50	1,180,289	1,480,045	2,660,334
291-650-001	LEW LA FAYETTE PROP	Developed	1.50	1,098,474	2,174,534	3,273,008
291-650-002	WINCO FOODS	Developed	10.94	5,373,146	3,814,496	9,187,642
291-650-003	QUICK QUACK DEV II	Developed	0.94	926,996	52,831	979,827
291-650-004	GATEWAY CO	Undeveloped 1	1.96	76,167	24,529	100,696
291-650-005	GATEWAY CO	Undeveloped 1	1.95	75,781	63,085	138,866
291-650-006	GATEWAY CO	Undeveloped 1	1.90	73,833	85,875	159,708
291-650-007	GATEWAY CO	Undeveloped 1	1.56	60,619	169,838	230,457
291-650-018	SDG INV	Developed	1.05	594,519	1,605,450	2,199,969
291-650-020	GATEWAY CO	Undeveloped 1	1.29	50,126	134,897	185,023
291-650-021	FOUR QUARTS & ASSOCIATES	Developed	1.42	1,448,400	4,212,600	5,661,000
291-650-033	MV MMP INC	Developed	2.31	1,708,519	-	1,708,519
291-650-034	GATEWAY CO	Undeveloped 1	1.74	67,617	36,357	103,974
291-660-001	GATEWAY CO	Developed	1.15	28,547	2,750,270	2,778,817
291-660-002	GATEWAY CO	Developed	1.23	1,204,578	2,246,500	3,451,078
291-660-003	IRURY	Developed	1.13	969,000	2,652,000	3,621,000
291-660-004	GALA DEV PARTNERS	Undeveloped 1	1.13	1,093,717	107,314	1,201,031
291-660-028	AYRES MORENO VALLEY	Developed	2.76	2,718,975	6,422,519	9,141,494
291-660-029	BRE POLYGON PROP OWNER	Developed	2.39	2,307,771	11,538,860	13,846,631
291-660-033	GATEWAY CO	Undeveloped 1	1.04	6,391	90,031	96,422
291-660-034	GATEWAY CO	Developed	1.18	65,199	2,781,350	2,846,549
291-660-035	LIU CHE CHEN	Developed	3.80	2,728,663	12,876,269	15,604,932
291-660-040	GATEWAY CO	Developed	1.53	179,292	1,661,980	1,841,272
291-660-042	GATEWAY CO	Developed	1.40	35,005	3,184,108	3,219,113
291-660-043	GATEWAY CO	Developed	1.69	267,765	4,292,448	4,560,213
<b>Total</b>			<b>247.74</b>	<b>\$ 126,600,212</b>	<b>\$ 344,655,302</b>	<b>\$ 471,255,514</b>

<sup>1</sup> APNs which are Undeveloped, but have constructed certain parcel improvements.  
<sup>2</sup> County records show a decrease in acreage from FY 2018/19 (FY 2019/20 showed 0 acreage, therefore FY 2018/19 was used for the FY 2019/20 Report).  
Source: Assessed Values - Riverside County Property Tax Roll Information - Feb 2020.



**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) and certificates of occupancy (CofO) issued on parcels subject to the special tax for fiscal year (FY) 2019/20 through April 2020.

**Table 5: Development Status**

APN	Permit Date <sup>1</sup>	Permit Description
291110032	<sup>2</sup> 9/30/2019	"London's Pony Rides & More, LLC" Pumpkin Patch - electrical lighting w/ weather proof protection connecting the lines - at the Moreno Valley Mall NE Parking Lot (near Home Town Buffet) - 22500 Town Circle 1206 Event Dates: 10/2/2019 - 10-31/2019
291110032	2/18/2020	(2) Interior Channel Letter wall signs for Jochi Mongolian Grill in suite 2128-2130
291110032	<sup>2</sup> 8/16/2019	(2) interior signs for "Windsor Fashions" in Suite 1138 - 1st Floor
291110032	<sup>2</sup> 1/13/2020	CofO - A Girls Best Friend in Suite 1044A of 2200 SF tenant space - no changes (Retail of beauty products)
291110032	<sup>2</sup> 3/10/2020	COFO - Change of Business Ownership For: "UDW, Inc. Urban D. Wear" Space no. 2169 (No Interior Changes) Total 3,400 SF (Men's Retail Clothing Store)
291110032	<sup>2</sup> 8/5/2019	CofO - Designersoff in 10,387 SF of tenant space in suite 1123 (retail - no changes)
291110032	<sup>2</sup> 11/12/2019	CofO - First Impressions Salon & Spa in Suite 1096 at MV Mall of 2188 SF tenant space - no changes
291110032	<sup>2</sup> 12/12/2019	CofO for "Dash Legacy dba: Mom & Dad Realty" (office) - Ste 2090 in 965 sf of tenant space - no changes
291110032	<sup>2</sup> 11/7/2019	CofO for Blood Bank of San Bernardino & Riverside Counties" DBA "LifeStream"- Stes 2214 -1020 SF - no structural changes
291110032	<sup>2</sup> 9/9/2019	C-of-O For: "Beauty Bar Wigs & Hair" Suite 1,000 SF (Retail Store) No Interior/Exterior Changes - Moreno Valley Mall 1st Floor (Adjacent to Macy's)
291110032	<sup>2</sup> 7/17/2019	CofO For: "Windsor Fashions" in Space 1138 - 1st Floor (old Charlotte Russe location) No Interior Changes - Total 7,879 SF of tenant space
291110032	<sup>2</sup> 1/7/2020	C-of-O For: Adem Ilbak, Inc. dba Designers Off - Moreno Valley Mall 1st Floor Suite 1003 - No Interior or Exterior Changes - Total 3,230 SF (Retail Store)
291110032	<sup>2</sup> 9/30/2019	Installing a new 200 AMP Subpanel in Unit 1006 and Transformer in Electrical Room "A" at MV Mall - SCE Release
291110032	<sup>2</sup> 2/12/2020	TI / CofO for: Jochi Mongolian Grill - Moreno Valley Mall Food Court (Space 2128/2130) Total 1,109 SF - Includes Replacement of Commercial Kitchen Hood @ Front, Remodel (e) Front Counter, New Front Facade and Replace (e) Light Fixtures
291110032	<sup>2</sup> 1/29/2020	TI / CofO For: Yogurt & Yogurt Self Serve Frozen Yogurt (Suite 1006) 1st Floor Moreno Valley Mall - TI Includes: New Interior Walls, New Plumbing, Electrical & Mechanical, New Kitchen Equipment; CofO Includes Dry Storage Area (527 Total SF)
291110032	<sup>2</sup> 7/26/2019	TI/CofO - "Bath and Body Works" Moreno Valley Mall - Space 1043 (1st Floor) Total 4,059 SF - Interior Remodel, New Storefront, New Flooring, New Wall Construction, New Lighting, Electrical, Mechanical and Plumbing - Includes Max 10' High Racks, Total 23 LF; 08/02/2019 Revisions to Expand Into Suite 1040 (965 SF) Under BPR19-0307
291110034	11/8/2019	Moreno Valley Mall - Remove (e) 4 Roof Top HVAC Units and Install New 4 HVAC Units @ Same Location - (Former Gottschalks Bldg)
291110034	10/24/2019	Phase II vanilla shell owner improvements to former Gottschalks Store - Moreno Valley Mall - Total 15059 SF TI w/ 152,912 SF bldg - add employee locker rooms, new storage rooms (1st floor), new restrooms, new electrical rooms (1st & 2nd floors), includes new MEP's - no changes to exterior elevations
291110039	7/23/2019	Costco - Install New Baking Oven and Relocating and Shifting a Proof Box in the Bakery Department and Install New Exhaust Fan, Includes Related MEP's
291570003	3/12/2020	Install (1) channel letter wall sign for "California Realty" (DBA for Berkshire Hathaway Home Services CA Realty) - Stes B6-B7-B8 (PSN20-0016)
291570003	1/21/2020	TI / CofO - "Berkshire Hathaway HomeServices CA Realty" Stes B6-B7-B8 office only 2880 SF - offices/cubicles walls added (subject to field inspection); 02/14/2020 Revised to Include Electrical Outlets in Partition Walls
291570014	<sup>2</sup> 9/20/2019	Chase Bank - Remove (E) Teller Window and Install (N) Drive-up ATM (Same Opening)
291570014	<sup>2</sup> 8/15/2019	Chase Bank - Re-Roof Over (1) (e) layer of built up with Built up roofing - Total 3,200 SF
291570018	12/5/2019	(1) Front Elevation Illuminated Channel Letter Building Wall Sign & Logo for "369 Ramen & Poke" Suites I-8 & I-9 (PSN19-0072)
291570018	<sup>2</sup> 10/31/2019	C-OF-O FOR: "THE MEN'S CLUB BARBERSHOP" SUITE I-4 (for subleases only - original CofO B1600918)
291570018	11/27/2019	TI / CofO For: "369 Ramen & Poke" Suites I-8 & I-9 (Total 1,468 SF) Includes: Relocation of Floor Sink, New Counter(s) and Install New Kitchen Cooking Equipment
291570026	<sup>2</sup> 10/10/2019	(2) LED Channel Letter Building Wall Signs for: Sushi Miguel's Style (Suite K1)
291570026	<sup>2</sup> 10/7/2019	C-of-O for: "AB and A LLC dba Sushi Miguel's Style III" Total 1,917 SF (no interior/exterior changes)
291570032	11/15/2019	Bank of America - Electrical Site Lighting (retrofit) Fixture Replacement to Include: Add (1) New Light Pole to Match Existing, (1) New Replacement Fixture Matching Existing Canopy, and Replace (33) Light Fixtures (PCK19-0047)
291570033	7/8/2019	Repair to Path of Travel to Public Way for Olive Garden
291590021	2/12/2020	COFO and Change of Business Ownership for: "4 Front Nutrition, LLC dba CBD Authority" Suite C2 - No Interior/Exterior Changes - Retail Store for Nutrition/Hemp CBD Products
291590023	4/17/2020	Re-Roof 152,157 / CRRC 0676-0013 Flat Roof TPO for Lowe's Home Center
291590039	<sup>2</sup> 9/6/2019	CofO - Spirit Halloween Superstore in Suite E1-B of 10504 SF of tenant space - No Changes
291650003	1/15/2020	Install flag pole at Gateway Dr entrance for Quick Quack Car Wash

<sup>1</sup> Permit Date represents date the permit for certificate of occupancy or tenant improvement was issued, not the date of the final inspection.

<sup>2</sup> 291110032 is the Mall's common area and includes smaller (non-anchor) businesses

Source: ACP

## **C. PUBLIC FACILITIES**

The public facilities were constructed in two phases. Bond proceeds were used to acquire the following public facilities:

### Phase One Public Improvements

Road 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.

### Phase Two Public Improvements

Road improvements to include certain grading, paving, base, curbs, gutters, sidewalks, landscaping, 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, 2020, 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. 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). 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. DESCRIPTION OF FUNDS**

The Bond Indenture (Article III) 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 December 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 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 Bonds and the Agency's 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, 2017. The next installment computation for the Bonds is due November 29, 2022.

**Table 6: Arbitrage Calculation Summary**

<b>Arbitrage Rebate Liability</b>	
<b>For the Period November 29, 2007 – November 29, 2017</b>	
Costs of Issuance - 87-1 Refunding Bonds	\$ 549.06
Costs of Issuance - 2007 TAB	189.73
Improvement - 2007 TAB (Unrestricted)	3,808,308.47
Improvement - 2007 TAB (Restricted)	2,521,864.44
Reserve - 87-1 Refunding Bonds	604,935.76
<sup>1</sup> FV Computation Date Credit - 11/29/08	2,221.93
FV Computation Date Credit - 11/29/09	2,204.52
FV Computation Date Credit - 11/29/10	2,113.26
FV Computation Date Credit - 11/29/11	2,039.10
FV Computation Date Credit - 11/29/12	1,979.98
FV Computation Date Credit - 11/29/13	1,934.02
FV Computation Date Credit - 11/29/14	1,876.35
FV Computation Date Credit - 11/29/15	1,819.77
FV Computation Date Credit - 11/29/16	1,732.81
Computation Date Credit - 11/29/17	1,670.00
<b>Total</b>	<b>\$ 6,955,439.20</b>
<b>Rebate Liability (90% of Total)</b>	<b>-</b>
<sup>1</sup> FV = Future Value	
Source: Arbitrage Rebate Calculation dated March 2018 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 Costs of Issuance Fund. During FY 2008/09, the Trustee transferred all remaining monies 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 TI for FY 2018/19 has been received and transferred to the Trustee in compliance with the Bond Indenture. 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**

Fund / Account	Balance as of March 31, 2020
Special Tax Fund	\$ 773,522.81
Interest Account	10,882.10
Principal Account	376.29
Redemption Account	-
Reserve Account <sup>1</sup>	1,033,739.05
Administration Expense Account	22.69
Lehman Bros. Investment Agreement <sup>2</sup>	67.88
Rebate Fund	-
Cost of Issuance Fund	-
Surplus Fund <sup>2</sup>	521,378.39
<sup>1</sup> Funds in the Reserve Account reflect an amount at least equal to the Reserve Requirement. The Reserve Requirement for FY 2020/21 is \$1,028,631.26.	
<sup>2</sup> The District and Lehman Brothers terminated their investment agreement (Termination Agreement dated April 17, 2019). Per Section 3.1(iv) of the 2007 Indenture, amounts received for the Prior Bonds shall be deposited in the Surplus Fund. Therefore, on May 31, 2019, the Lehman funds were transferred to the Surplus fund, less the termination fee due under the Agreement.	

### **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 or the Surplus Fund (Sections 3.3 and 3.8 of the Bond Indenture).

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

This expense is for the cost to prepare the annual reports (Special Tax Report and Continuing Disclosure Report), to monitor payments and delinquencies, and to submit the special taxes, after calculating and submitting for the legislative body's approval, to the County of Riverside.

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

This expense is for the Trustee's services associated with bond and fund administration.

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

This expense is to calculate the arbitrage rebate as required by Federal Law.

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

This expense is to prepare and disseminate significant event reports, which may include disclosure and legal counsel services.

##### **v. CITY COSTS – PERSONNEL**

This cost is for the City's estimated expense to coordinate consultants, attorneys, bankers, investment bankers, and other administrative contractors, as well as administrative services and project management provided by City staff.

##### **vi. CITY COSTS – ACCOUNTING**

This expense is for the City's estimated expense to account for the Bond proceeds, monitor funds, and administer debt service requirements, as well as to cover costs associated with outside auditors.

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

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

##### **viii. COUNTY COSTS**

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



## B. SPECIAL TAX REQUIREMENT

Table 8: Special Tax Requirement

SPECIAL TAX REQUIREMENT	
Annual Debt Service	\$1,025,631.26
Reserve Fund Replenishment	-
<b>Total Debt Requirement</b>	<b>\$1,025,631.26</b>
Administrative Expenses:	
Special Tax Report & Administration	\$ 52,090.00
Trustee Fees	2,000.00
Arbitrage Rebate Calculation	500.00
Professional Services	1,950.00
Personnel	31,798.00
Accounting	37,230.00
General Administration	20,996.00
<b>Total Administrative Expenses</b>	<b>\$ 146,564.00</b>
County Costs:	
County Tax Roll Fees	\$ -
<b>Total County Administrative Expenses</b>	<b>\$ -</b>
<b>TOTAL GROSS REQUIREMENT</b>	<b>\$1,172,195.26</b>
<b>ADJUSTMENTS: INTEREST EARNINGS, TRANSFERS &amp; TAX CONTRIBUTIONS</b>	
Interest Earnings (Estimated)	\$ -
Surplus Reserve Fund Credit	526,486.18
<b>Total Interest Earnings and Transfers</b>	<b>\$ 526,486.18</b>
Tax Increment Contribution/Recognized Obligation Payment Schedule (ROPS) <sup>1</sup>	\$ 645,709.08
Prior Year Tax Contribution Adjustment	-
<b>Total Tax Increment/ROP Contributions</b>	<b>\$ 645,709.08</b>
<b>ERAF Shift</b>	<b>\$ -</b>
<b>TOTAL ADJUSTMENTS</b>	<b>\$1,172,195.26</b>
<b>TOTAL NET SPECIAL TAX REQUIREMENT</b>	<b>\$ -</b>
<sup>1</sup> The ROPS amount is approved through June 2021. However, with maturity of the bonds nearing, it is not likely that the full amount will be needed during this fiscal year.	

## **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 the RMA, which the legislative body (City Council) of the District and the eligible qualified electors within CFD No. 87-1 previously 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 fiscal year to generate that amount of special tax revenue which, when combined with the estimated reimbursement of TI to be received by CFD No. 87-1 during such fiscal year and all available funds on deposit in the Special Tax 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. SPECIAL TAX RATES**

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. The maximum and applied special tax rates for each parcel classification is listed below.

**Table 9: Special Tax Rates**

<b>Development Status</b>	<b>Maximum Special Tax Rate</b>	<b>2020/21 Applied Special Tax Rate</b>
Developed	\$ 11,500.00	\$ -
Undeveloped	11,500.00	-

### **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 fiscal year 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. The following table sets forth the FY 2020/21 allocation of Special Taxes.

**Table 10: Special Tax Allocation/Property Owners**

Assessor's Parcel Number	Property Owner	Development Status	Taxable Acres	FY 2020/21 Maximum Special Tax	FY 2020/21 Applied Special Tax <sup>2</sup>
291-110-017	TOWNGATE ON MEMORIAL APARTMENTS	Developed	26.09	\$ 300,035	\$ -
291-110-032	MORENO VALLEY MALL HOLDING	Developed	31.09	357,535	-
291-110-033	MORENO VALLEY MALL HOLDING	Developed	7.43	85,445	-
291-110-034	MORENO VALLEY MALL HOLDINGS	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	0.75	8,625	-
291-110-041	CFT DEV	Developed	0.77	8,855	-
291-570-001	TUMON BAY RESORT & SPA	Developed	0.61	7,015	-
291-570-002	TUMON BAY RESORT & SPA	Developed	2.42	27,830	-
291-570-003	TUMON BAY RESORT & SPA	Developed	2.08	23,920	-
291-570-005	TUMON BAY RESORT & SPA	Developed	0.40	4,600	-
291-570-006	TUMON BAY RESORT & SPA	Developed	0.69	7,935	-
291-570-007	TUMON BAY RESORT & SPA	Developed	2.30	26,450	-
291-570-008	TUMON BAY RESORT & SPA	Developed	1.41	16,215	-
291-570-010	TUMON BAY RESORT & SPA	Developed	3.30	37,950	-
291-570-011	E D D INV CO	Developed	0.64	7,360	-
291-570-013	TUMON BAY RESORT & SPA	Undeveloped <sup>1</sup>	0.76	8,740	-
291-570-014	YANLOT DEV CORP	Developed	0.85	9,775	-
291-570-015	TUMON BAY RESORT & SPA	Undeveloped <sup>1</sup>	0.25	2,875	-
291-570-016	TUMON BAY RESORT & SPA	Undeveloped <sup>1</sup>	2.10	24,150	-
291-570-017	TUMON BAY RESORT & SPA	Developed	0.80	9,200	-
291-570-018	TUMON BAY RESORT & SPA	Developed	0.91	10,465	-
291-570-019	TUMON BAY RESORT & SPA	Developed	0.34	3,910	-
291-570-020	TUMON BAY RESORT & SPA	Developed	0.49	5,635	-
291-570-021	BRIXTON ALTO SHOPPING CENTER	Developed	0.80	9,200	-
291-570-022	TUMON BAY RESORT & SPA	Developed	4.69	53,935	-
291-570-024	TUMON BAY RESORT & SPA	Developed	2.96	34,040	-
291-570-026	TUMON BAY RESORT & SPA	Developed	0.90	10,350	-
291-570-027	TUMON BAY RESORT & SPA	Developed	3.40	39,100	-
291-570-028	BERAL HAROLD	Developed	1.18	13,570	-
291-570-029	BERAL HAROLD	Developed	1.25	14,375	-
291-570-030	BERAL HAROLD	Developed	0.83	9,545	-
291-570-031	BERAL HAROLD	Developed	1.10	12,650	-
291-570-032	BERAL HAROLD	Developed	0.64	7,360	-
291-570-033	BERAL HAROLD	Developed	2.11	24,265	-
291-570-034	BERAL HAROLD	Developed	0.92	10,580	-
291-570-035	BERAL HAROLD	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 HW INC	Developed	14.29	164,335	-
291-590-025	SC HOTEL MANAGEMENT CORP	Developed	0.95	10,925	-
291-590-033	GATEWAY CO	Developed	1.77	20,355	-
291-590-034	LIU CHE CHEN & SHU FEN REVOCABLE T	Developed	3.53	40,595	-
291-590-037	SOUTHERN CALIF DEV	Developed	0.78	8,970	-
291-590-038	MORENO VALLEY SLEEP ONE	Developed	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	QUICK QUACK DEV II	Developed	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	-
291-650-018	SDG INV	Developed	1.05	12,075	-
291-650-020	GATEWAY CO	Undeveloped <sup>1</sup>	1.29	14,835	-
291-650-021	FOUR QUARTS & ASSOCIATES	Developed	1.42	16,330	-
291-650-033	MV MMP INC	Developed	2.31	26,565	-
291-650-034	GATEWAY CO	Undeveloped <sup>1</sup>	1.74	20,010	-
291-660-001	GATEWAY CO	Developed	1.15	13,225	-
291-660-002	GATEWAY CO	Developed	1.23	14,145	-
291-660-003	IRURY	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	Undeveloped <sup>1</sup>	1.04	11,960	-
291-660-034	GATEWAY CO	Developed	1.18	13,570	-
291-660-035	LIU CHE CHEN	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>247.74</b>	<b>\$ 2,849,010</b>	<b>\$ -</b>

<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 Owner-Riverside County GIS Parcel Data - February 2020.

## V. SPECIAL TAX PAYMENTS

### A. DELINQUENCIES

To-date, there are no delinquencies in the payment of special taxes.

**Table 11: Delinquencies**

Fiscal Year	No of Parcels Levied <sup>1</sup>	No of Parcels Delinquent	Amount Levied	Amount Delinquent	Percent Delinquent
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%
2016/17	0	0	-	-	0.00%
2017/18	0	0	-	-	0.00%
2018/19	0	0	-	-	0.00%
2019/20	0	0	-	-	0.00%

<sup>1</sup> Special taxes have not been levied because tax increment has been available to meet the special tax requirement to-date.

### 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 fiscal year 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 fiscal year in which it receives special taxes in an amount that is less than 90% of the total special tax levied for the fiscal year.

## **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 TI. The Specific Plan Area 200 (TownGate) documents define the property within the Project Area. The base year for the TI 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 Agency 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 TI contribution towards the debt service for the 1994 Refunding Bonds. The Amendment also specifies that the Agency will not cause the reimbursement TI to be reduced to an amount less than \$1,600,000 a fiscal year so long as the Refunding Series A Bonds are outstanding.

On October 23, 2007, the City adopted Resolution No. 2007-121 and the Agency adopted Resolution No. RDA 2007-08, approving the Agency Towngate Agreement. The Agreement continued the previous pledge of TI 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 to discharge the obligations of the Agency.

Given the dissolution of the Agency and process established to fulfill its obligations, the Successor Agency submits the ROPS, which includes the calculation of the payment of available TI toward the CFD No. 87-1 special tax. For FY 2020/21, the CFD No. 87-1 TI amount is based upon the gross special tax calculation of \$1,172,195.26 (as identified in Table 8). The County Board and DOF have approved the payment of TI for this purpose through June 2021. In the future if TI is unavailable, any debt service obligation payments will be met through the levy and collection of the special taxes on taxable properties within the District.

## **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 to meet the debt service requirements of the Bonds. Based on the special tax requirement as calculated in Section III, the FY 2020/21 special tax levy for each assessable parcel within the District is included 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.”

All improvements for the District were completed prior to the issuance of Bonds. As a result, there were no improvement/construction funds associated with the issuance of the Bonds. The table on the following page represents the deposits and expenditures for the District, which were extracted from the City’s FY 2018/19 audited financial statements. To-date, TI has been available to pay the administrative expenses and debt service (principal and interest) for the District. Special Taxes have not been levied on the parcels in the District.

<b>District</b>	<b>Date Bonds Issued</b>	<b>Initial Amount Deposited to Improvement / Construction Fund</b>	<b>Balance as of December 31, 2018</b>	<b>Expended Amount to Date</b>	<b>Project Status</b>
CFD No. 87-1	Nov. 29, 2007	N/A	N/A	N/A	Completed

For additional information, please see Section II Financial Information.



# Trial Balance Listing

Through 06/30/19  
Detail Listing  
Exclude Rollup Account

Account	Account Description	Balance Forward	YTD Debits	YTD Credits	Prior Year YTD Balance
Fund 4106 - 2007 TOWNGATE REFUNDING					
Department 99 - Non-Department					
Division 99 - Non-departmental					
Section 94106 - Non-Dept TOWNGATE SPCL TAX					
460010	Interest Income - Investments	.00	2,785.66	43,231.39	(20,069.16)
620299	Professional Svcs - Other	.00	3,950.00	.00	3,950.00
670314	Bond Principal	.00	870,000.00	.00	830,000.00
670410	Interest Expense	.00	161,224.67	.00	177,945.19
679010	Expenditure Close to Bal *	.00	34,752.32	.00	38,804.97
692020	Admin Chrg - Special Dist	.00	142,114.00	.00	143,114.00
804800	Transfers In - From SUCCESSOR AGENCY ADMIN FUND	.00	800,699.50	1,972,294.76	(1,173,745.00)
Section 94106 - Non-Dept TOWNGATE SPCL TAX Totals		\$0.00	\$2,015,526.15	\$2,015,526.15	\$0.00
Division 99 - Non-departmental Totals		\$0.00	\$2,015,526.15	\$2,015,526.15	\$0.00
Department 99 - Non-Department Totals		\$0.00	\$2,015,526.15	\$2,015,526.15	\$0.00

\* Collected for future Debt Service payments.



## 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%	162,015.63	862,015.63	1,024,031.26	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	-
Total	\$ 10,665,000		\$ 3,705,948.09	\$ 14,370,948.09	\$ 14,370,948.09	

Appendix D: District Boundary Map

ORIGINAL

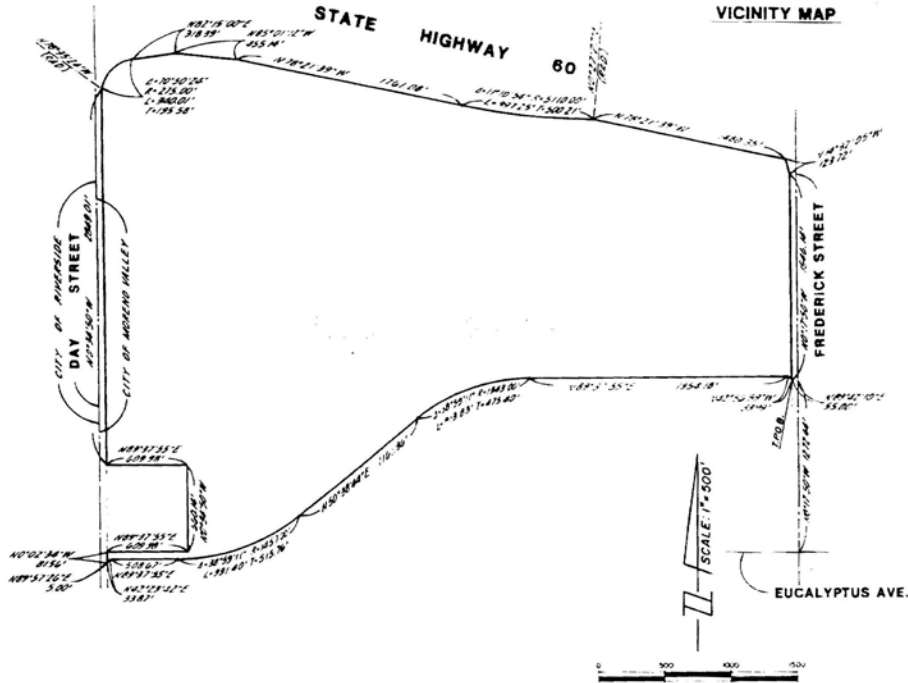
SCALE: 1"=500'

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 4TH DAY OF SEPTEMBER, 1987  
AT 2:00 P.M. IN BOOK 27 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 FREEDRICK 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 25th 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 25th 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

