

**CITY OF MORENO VALLEY**

**\$3,265,000**

**IMPROVEMENT AREA NO.1  
COMMUNITY FACILITIES DISTRICT NO. 7  
SPECIAL TAX BONDS, SERIES 2016**

**Dated: September 15, 2016  
Riverside County, California  
Base CUSIP<sup>+</sup>: 616865**



**2015/16 ANNUAL CONTINUING DISCLOSURE  
INFORMATION STATEMENT**

**As of March 23, 2017**

Also available at:



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\* In its role as Disclosure Consultant and Dissemination Agent, Willdan Financial Services has not passed upon the accuracy, completeness or fairness of the statements contained herein.

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## ***I. INTRODUCTION***

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Pursuant to an Official Statement dated August 25, 2016, the Community Facilities District No. 7 of the City of Moreno Valley (the “District”) issued \$3,265,000, Special Tax Bonds, Series 2016 (the “Bonds”). Proceeds of the Bonds were used to refinance certain public facilities and issuance costs with respect thereto related to the development within Improvement Area No. 1 of the District (“Improvement Area No. 1”).

The City of Moreno Valley (the “City”) is located approximately 66 miles east of Los Angeles and 100 miles north of San Diego, California. The City is approximately 51.5 square miles, located in the western portion of Riverside County, surrounded by Riverside, Perris, March Air Reserve Base, Lake Perris and the Badlands. Improvement Area No 1 is located east of Interstate 215 and south of State Route 60 in the City. Only Zone 2 within Improvement Area No. 1 is subject to the special tax. Zone 2 of the Improvement Area No.1 consist of the property on the north side of San Michele Road, on the south side of Cardinal Avenue, on the west side of Indian Street and on the east side of Heacock Street. Zone 2 consists of approximately 73.48 acres which have been fully developed into an approximately 1.25 million square foot, one story mezzanine warehouse currently being leased and operated as an Amazon.com “Fulfillment Center”.

The Bonds are special obligations of the District, and were issued as fully registered bonds secured by special taxes (the “Special Tax”) levied on the taxable properties within the District payable solely from Net Special Tax Revenues pledged pursuant to an Indenture dated September 1, 2016. Neither the faith and credit nor the taxing power of the City, the County, the State of California or any political subdivision thereof, is pledged to the payment of the Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds. The Bonds are not general or special obligations of the City nor general obligations of the District, but are special obligations of the District payable exclusively from Special Taxes and amounts held under the Fiscal Agent Agreement, as more fully described in the Official Statement.

This Annual Continuing Disclosure Information Statement is being provided pursuant to a covenant made by the City for the benefit of the holders of the Bonds and includes the information specified in a Continuing Disclosure Agreement. For further information and a more complete description of the District, the City and the Bonds, reference is made to the Official Statement.

The information set forth herein has been furnished by the City and by sources, which is believed to be accurate and reliable, but is not guaranteed as to accuracy or completeness. Statements contained in this Annual Continuing Disclosure Information Statement which involve estimates, forecasts, or other matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact. Further, the information and expressions of opinion contained herein are subject to change without notice and the delivery of this Annual Continuing Disclosure Information Statement will not, under any circumstances,

create any implication that there has been no change in the affairs of the City, the District or any other parties described herein.

This Annual Continuing Disclosure Information Statement is of a factual nature without subjective assumptions, opinions, or views and may not be relied upon as advice or recommendation to purchase or sell any product or utilize any particular strategy relating to the issuance of municipal securities or purchase of financial products. Willdan Financial Services and its employees (collectively “Willdan”) do not recommend any actions and are not acting as an advisor to any municipal entity, board, officer, agent, employee or obligated person pursuant to section 15b of the exchange act. Prior to acting on any information or material contained in this communication, you should discuss it with appropriate internal or external advisors and experts and only rely upon their advice.

## **II. REFERENCE TO PREVIOUSLY FILED INFORMATION**

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For historical information, reference is made to the Annual Continuing Disclosure Information Statements previously filed with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("EMMA").

## **III. BOND INFORMATION**

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### **A. PRINCIPAL OUTSTANDING**

<b>Issue</b>	<b>As of November 30, 2016</b>
CFD No. 7 2016 Special Tax Bonds	\$3,265,000

For a complete principal payment schedule, please refer to Appendix A: Debt Service Schedule. As of the date of the report there has been no prepayments or early redemption.

### **B. FUND BALANCES**

<b>Fund</b>	<b>As of November 30, 2016</b>
Special Tax Fund	\$35,458
Bond Fund	\$19,513
Redemption Fund	\$0
Rebate Fund	\$0
Administration Expense Fund	\$30,011
Cost of Issuance Fund	\$11,689
Reserve Fund	\$170,422
Reserve Requirement	\$170,363

Note: Reserve Requirement is satisfied by the Reserve Fund Balance \$170,422. a surplus of \$59.

## **IV. FINANCIAL INFORMATION**

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### **A. AUDITED FINANCIAL STATEMENTS**

The City's audited financial statements for the fiscal year ended June 30, 2016 have been separately filed with the EMMA and are hereby incorporated by reference into this Annual Information Statement.

## V. OPERATING INFORMATION

### A. PROPERTY OWNERS AND VALUE-TO-LIEN RATIO

The following table sets forth the property owners responsible for the FY 2016/17 annual Special Tax, the allocation of current outstanding debt for each property owner, the allocable Maximum Special Tax, and the FY 2016/17 assessed value-to-lien ratios of each of the five parcels of taxable property within Zone 2 of Improvement Area No. 1.

#### Improvement Area No. 1

Assessor Parcel No.	Property Owner	Fiscal Year 2016/17 Special Tax Levy <sup>(1)</sup>	Percentage of Fiscal Year 2016/17 Special Tax	Bonds Outstanding (Special Tax) <sup>(2,3)</sup>	Maximum Special Tax	Percentage of Fiscal Year 2016/17 Maximum Tax	Bonds Outstanding (Max Tax) <sup>(3,4)</sup>	Fiscal Year 2016/17 Assessed Value	Estimated Assessed Value-to-Lien Ratio <sup>(5)</sup>
316-170-018	I-215 Logistics	\$0.00	0.00%	\$0	\$525	0.20%	\$6,665	\$42,939	N/A
316-170-020	I-215 Logistics	0.00	0.00%	0	315	0.12%	3,999	25,778	N/A
316-170-023	I-215 Logistics	34,276.72	48.33%	1,578,112	123,900	48.18%	1,572,959	48,799,810	30.92:1
316-170-025	I-215 Logistics	17,845.20	25.16%	821,599	64,505	25.08%	818,916	27,241,440	33.15:1
316-170-026	I-215 Logistics	18,794.10	26.50%	865,287	67,935	26.42%	862,461	9,135,883	10.55:1
<b>Total</b>		<b>\$70,916.02</b>	<b>100.00%</b>	<b>\$3,265,000</b>	<b>\$257,180</b>	<b>100.00%</b>	<b>\$3,265,000</b>	<b>\$85,245,850</b>	<b>26.10:1</b>

(1) Includes an ADP Fee Payment of \$19,512.50.

(2) The Bonds Outstanding (Special Tax) is calculated based on the proration of each parcel's Applied Special Tax multiplied by the total Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District.

(3) Other than the Bonds, there is no other overlapping land secured special tax or assessment debt within Improvement Area No. 1.

(4) The Bonds Outstanding (Max Tax) is calculated based on the proration of each parcel's Maximum Tax multiplied by the total Bonds outstanding. Bonds are not allocated to or secured by any particular parcel within the District.

(5) Based on the Applied Special Tax.

## B. DELINQUENCY SUMMARY

Due to the timing of issuance of the Bonds, there was no levy of taxes within the District to pay the Fiscal Year 2015/16 debt service. As of the date of this report, there are no outstanding Special Tax delinquencies for the first half of Fiscal Year 2016/17.

<b>Fiscal Year</b>	<b>Amount Levied</b>	<b>Number of Parcels</b>	<b>Amount Delinquent</b>	<b>Percent Delinquent</b>
2016/17	\$70,916.02	0	\$0.00 <sup>(1)</sup>	0.00%

(1) Of the \$35,458.01 due as of December 12, 2016, \$35,458.01 was paid, which represents a mid-year delinquency rate of 0.00%.

## C. FORECLOSURE ACTIONS

There are no foreclosure actions or sales pending in the District. In the event of any delinquencies, the District has covenanted for the benefit for the owners of the Bonds that it will determine or cause to be determined, no later than August 15 of each year, whether or not any owners of property within Improvement Area No. 1 of the District are delinquent in the payment of Special Taxes and, if such delinquencies exist, the District will order and cause to be commenced no later than October 1, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of any Special Taxes or installment thereof not paid when due; provided, however, that the Community Facilities District shall not be required to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in Improvement Area No. 1 of the Community Facilities District for such Fiscal Year is less than 5% of the total Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement.

## D. ANNEXATIONS

As of November 30, 2016, there has been no annexations in the Improvement Area No.1.



## **VI. OCCURRENCE OF LISTED EVENTS**

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The Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***irrespective of any determination as to whether such event may or may not be deemed material.*** The District has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2016.

1. Principal and interest payment delinquencies on the Bonds.
2. Unscheduled draws on debt service reserves reflecting financial difficulties.
3. Unscheduled draws on credit enhancements reflecting financial difficulties.
4. Substitution of credit or liquidity providers, or their failure to perform.
5. Adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds.
6. Tender offers.
7. Defeasances.
8. Ratings changes.
9. Bankruptcy, insolvency, receivership or similar proceedings pertaining to the District.

As amended, the Continuing Disclosure Covenants outline the Occurrence of Listed Events that must be reported in not more than ten (10) business days after the occurrence of the event, ***if deemed material.*** The District has no knowledge that any of the events listed below have occurred or have not been previously reported during the fiscal year ended June 30, 2016.

10. Notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds.
11. Mergers, consolidations, acquisitions, the sale of all or substantially all of the assets of the District.
12. Appointment of a successor or additional Trustee or the change of the name of the Trustee or any successor or additional Trustee.
13. Non-payment related defaults.
14. Modifications to the rights of Holders.
15. Optional, contingent or unscheduled bond calls, prepayment or redemptions other than defeasances.

## VII. Appendix A: Debt Service Schedule

**CITY OF MORENO VALLEY COMMUNITY FACILITIES DISTRICT NO. 7  
Special Tax Bonds Series 2016**

Dated Date 25-Aug-16 Last Maturity 1-Sep-47  
Issue Date 15-Sep-16 First Coupon 1-Sep-17  
First Maturity 1-Sep-18

Date	Principal Due	Interest Rate	Interest Due	Total Debt Service	Annual Debt Service	Principal Remaining
1-Mar-17			\$43,384.79	\$43,384.79		\$3,265,000.00
1-Sep-17			47,043.75	47,043.75	\$90,428.54	3,265,000.00
1-Mar-18			47,043.75	47,043.75		3,265,000.00
1-Sep-18	\$75,000.00	2.000%	47,043.75	122,043.75	169,087.50	3,190,000.00
1-Mar-19			46,293.75	46,293.75		3,190,000.00
1-Sep-19	75,000.00	2.000%	46,293.75	121,293.75	167,587.50	3,115,000.00
1-Mar-20			45,543.75	45,543.75		3,115,000.00
1-Sep-20	75,000.00	2.000%	45,543.75	120,543.75	166,087.50	3,040,000.00
1-Mar-21			44,793.75	44,793.75		3,040,000.00
1-Sep-21	80,000.00	2.000%	44,793.75	124,793.75	169,587.50	2,960,000.00
1-Mar-22			43,993.75	43,993.75		2,960,000.00
1-Sep-22	80,000.00	2.000%	43,993.75	123,993.75	167,987.50	2,880,000.00
1-Mar-23			43,193.75	43,193.75		2,880,000.00
1-Sep-23	80,000.00	2.000%	43,193.75	123,193.75	166,387.50	2,800,000.00
1-Mar-24			42,393.75	42,393.75		2,800,000.00
1-Sep-24	85,000.00	2.000%	42,393.75	127,393.75	169,787.50	2,715,000.00
1-Mar-25			41,543.75	41,543.75		2,715,000.00
1-Sep-25	85,000.00	2.000%	41,543.75	126,543.75	168,087.50	2,630,000.00
1-Mar-26			40,693.75	40,693.75		2,630,000.00
1-Sep-26	85,000.00	2.250%	40,693.75	125,693.75	166,387.50	2,545,000.00
1-Mar-27			39,737.50	39,737.50		2,545,000.00
1-Sep-27	90,000.00	2.500%	39,737.50	129,737.50	169,475.00	2,455,000.00
1-Mar-28			38,612.50	38,612.50		2,455,000.00
1-Sep-28	90,000.00	2.500%	38,612.50	128,612.50	167,225.00	2,365,000.00
1-Mar-29			37,487.50	37,487.50		2,365,000.00
1-Sep-29	95,000.00	2.750%	37,487.50	132,487.50	169,975.00	2,270,000.00
1-Mar-30			36,181.25	36,181.25		2,270,000.00
1-Sep-30	95,000.00	3.000%	36,181.25	131,181.25	167,362.50	2,175,000.00
1-Mar-31			34,756.25	34,756.25		2,175,000.00
1-Sep-31	100,000.00	3.000%	34,756.25	134,756.25	169,512.50	2,075,000.00
1-Mar-32			33,256.25	33,256.25		2,075,000.00
1-Sep-32	100,000.00	3.000%	33,256.25	133,256.25	166,512.50	1,975,000.00
1-Mar-33			31,756.25	31,756.25		1,975,000.00
1-Sep-33	105,000.00	3.000%	31,756.25	136,756.25	168,512.50	1,870,000.00
1-Mar-34			30,181.25	30,181.25		1,870,000.00
1-Sep-34	110,000.00	3.000%	30,181.25	140,181.25	170,362.50	1,760,000.00
1-Mar-35			28,531.25	28,531.25		1,760,000.00
1-Sep-35	110,000.00	3.125%	28,531.25	138,531.25	167,062.50	1,650,000.00
1-Mar-36			26,812.50	26,812.50		1,650,000.00
1-Sep-36	115,000.00	3.250%	26,812.50	141,812.50	168,625.00	1,535,000.00
1-Mar-37			24,943.75	24,943.75		1,535,000.00
1-Sep-37	120,000.00	3.250%	24,943.75	144,943.75	169,887.50	1,415,000.00
1-Mar-38			22,993.75	22,993.75		1,415,000.00
1-Sep-38	120,000.00	3.250%	22,993.75	142,993.75	165,987.50	1,295,000.00
1-Mar-39			21,043.75	21,043.75		1,295,000.00
1-Sep-39	125,000.00	3.250%	21,043.75	146,043.75	167,087.50	1,170,000.00
1-Mar-40			19,012.50	19,012.50		1,170,000.00
1-Sep-40	130,000.00	3.250%	19,012.50	149,012.50	168,025.00	1,040,000.00
1-Mar-41			16,900.00	16,900.00		1,040,000.00
1-Sep-41	135,000.00	3.250%	16,900.00	151,900.00	168,800.00	905,000.00
1-Mar-42			14,706.25	14,706.25		905,000.00
1-Sep-42	140,000.00	3.250%	14,706.25	154,706.25	169,412.50	765,000.00
1-Mar-43			12,431.25	12,431.25		765,000.00
1-Sep-43	145,000.00	3.250%	12,431.25	157,431.25	169,862.50	620,000.00
1-Mar-44			10,075.00	10,075.00		620,000.00
1-Sep-44	150,000.00	3.250%	10,075.00	160,075.00	170,150.00	470,000.00
1-Mar-45			7,637.50	7,637.50		470,000.00
1-Sep-45	155,000.00	3.250%	7,637.50	162,637.50	170,275.00	315,000.00
1-Mar-46			5,118.75	5,118.75		315,000.00
1-Sep-46	155,000.00	3.250%	5,118.75	160,118.75	165,237.50	160,000.00
1-Mar-47			2,600.00	2,600.00		160,000.00
1-Sep-47	160,000.00	3.250%	2,600.00	162,600.00	165,200.00	0.00
<b>Total</b>	<b>\$3,265,000.00</b>		<b>\$1,870,966.04</b>	<b>\$5,135,966.04</b>	<b>\$5,135,966.04</b>	

# VIII. Appendix B: District Boundary Map

**MAP OF PROPOSED AMENDED BOUNDARIES OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 CITY OF MORENO VALLEY COUNTY OF RIVERSIDE STATE OF CALIFORNIA**

SHEET 1 OF 1

FILED IN THE OFFICE OF THE CITY CLERK THIS 22<sup>nd</sup> DAY OF May, 2016

Debra A. K. Deane  
CITY CLERK  
CITY OF MORENO VALLEY

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED AMENDED BOUNDARIES OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY OF MORENO VALLEY AT REGULAR MEETING HELD ON THE 14<sup>th</sup> DAY OF MAY, 2016, BY ITS RESOLUTION NO. 2016-30

Debra A. K. Deane  
CITY CLERK  
CITY OF MORENO VALLEY

FILED THIS 26<sup>th</sup> DAY OF MAY, 2016 AT THE HOUR OF 8:22 O'CLOCK OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEES: \$10.00

INSTRUMENT NO. 2016-02432

PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDS-R  
BY DEPUTY  
Debra A. K. Deane  
CITY OF CALIFORNIA

THIS AMENDED BOUNDARY DIAGRAM AMENDS IMPROVEMENT AREA NO. 1 OF THE MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7, CITY OF MORENO VALLEY, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, PRIOR RECORDING THE 16TH DAY OF MAY, 2016, AS AMENDED BY RESOLUTION NO. 2016-30 IN THE OFFICE OF THE COUNTY RECORDER OF THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

THE LINES AND DIMENSIONS OF EACH LOT OR PARCEL SHOWN ON THIS DIAGRAM SHALL BE THOSE LINES AND DIMENSIONS LISTED IN THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN OVER ALL OTHER RECORDS SHOWING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

SECRET MAP

IA No. 1

MAP REFERENCE NUMBER	ASSESSOR'S PARCEL NO.
1	316-170-018
2	316-170-020
3	316-170-023
4	316-170-025
5	316-170-026
6	316-180-011
7	316-180-012
8	316-180-014

**Legend**

- IMPROVEMENT AREA NO. 1 (IN AND TO BOUNDARY)
- MAP REFERENCE NUMBER
- ZONE 1
- ZONE 2

N  
W E  
S

**WILLDAN**  
Financial Services

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