

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

**ANNUAL SPECIAL TAX AND  
BOND ACCOUNTABILITY REPORT  
FOR FISCAL YEAR 2018/19**



**Report Date:**

MAY 2018

**Prepared by:**

PUBLIC WORKS DEPARTMENT  
SPECIAL DISTRICTS DIVISION

---

# TABLE OF CONTENTS

---

<b>I.</b>	<b>INTRODUCTION.....</b>	<b>1</b>
	A. Description of Proceedings .....	1
	B. District Description .....	2
	i. Boundaries of the District .....	2
	ii. Assessed Valuation.....	2
	C. Public Facilities .....	4
	i. City Facilities .....	4
	ii. EMWD Facilities .....	4
	D. Public Improvements Acquired .....	4
	E. Construction Progress .....	5
	F. Development Restrictions .....	5
<b>II.</b>	<b>FINANCIAL INFORMATION.....</b>	<b>6</b>
	A. Financial Statements .....	6
	B. Principal Amount Outstanding .....	6
	C. Description of Funds .....	6
	i. Improvement Fund .....	6
	ii. Special Tax Fund .....	6
	iii. Bond Fund.....	6
	iv. Reserve Fund.....	7
	v. Administrative Expense Fund .....	7
	vi. Rebate Fund .....	7
	vii. Costs of Issuance Fund .....	8
	D. Fund Balances .....	9
<b>III.</b>	<b>COMPUTATION OF THE SPECIAL TAX REQUIREMENT .....</b>	<b>10</b>
	A. Administrative Expenses.....	10
	i. Fiscal Agent Fees .....	10
	ii. Arbitrage Rebate Calculation .....	10
	iii. Professional Services.....	10
	iv. City Costs—Special Districts.....	10
	v. City Costs—Accounting .....	10
	vi. City Costs—General Administration .....	10
	vii. County Costs.....	10
	B. Special Tax Requirement.....	11
<b>IV.</b>	<b>SPECIAL TAX ALLOCATION.....</b>	<b>12</b>
	A. Special Tax Rates.....	12
	B. Rate and Method of Apportionment.....	13
	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..	13
	i. Special Tax Levy .....	13
	ii. Special Tax Lien.....	13
	C. Special Tax Allocation.....	13
	D. Delinquencies in Payments.....	15
	E. Foreclosure Actions .....	15
	<b>Appendix A: Bond Accountability Report (SB 165).....</b>	<b>A-1</b>

<b>Appendix B: Debt Service Schedule .....</b>	<b>B-1</b>
<b>Appendix C: District Boundary Map .....</b>	<b>C-1</b>
<b>Appendix D: Assessor’s Parcel Map.....</b>	<b>D-1</b>
<b>Appendix E: Stoneridge Towne Centre Site Plan .....</b>	<b>E-1</b>

**TABLES**

TABLE 1: SUMMARY OF PROCEEDINGS .....	1
TABLE 2: BOND PRINCIPAL .....	2
TABLE 3: DETAILED VALUATION .....	3
TABLE 4: HISTORICAL VALUATION .....	3
TABLE 5: PUBLIC IMPROVEMENTS .....	4
TABLE 6: ARBITRAGE CALCULATION SUMMARY .....	8
TABLE 7: FUND BALANCES .....	9
TABLE 8: SPECIAL TAX REQUIREMENT FY 2018/19 .....	11
TABLE 9: SPECIAL TAX RATES .....	12
TABLE 10: SPECIAL TAX ALLOCATION .....	14
TABLE 11: DELINQUENCIES .....	15

---

# LIST OF PARTICIPANTS

---

## Community Facilities District No. 5 2007 Special Tax 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

Warren B. Diven  
Best Best & Krieger LLP  
655 West Broadway, 15th Floor  
San Diego, CA 92101  
619-525-1300  
[warren.diven@bbklaw.com](mailto: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@sycr.com](mailto:mhuebsch@sycr.com)

### Underwriter

Raul Amezcua  
E.J. De La Rosa & Co., Inc. \*  
515 S. Figueroa Street, Suite 1800  
Los Angeles, CA 90071  
213-443-5202  
[ramezcua@stifel.com](mailto: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](mailto:jfabian@fieldman.com)

### Fiscal Agent/Dissemination Agent

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

### Special Tax Consultant

Harris and Associates  
22 Executive Park, Suite 200  
Irvine, CA 92614  
949-655-3900  
[www.weareharris.com](http://www.weareharris.com)

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

# 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 to finance a portion of the public improvement capital costs related to the District. In May 2007, the City issued the CFD No. 5, 2007 Special Tax Bonds ("Bonds") in the amount of \$5,870,000. The Bonds are payable solely from revenues derived from annual special taxes levied on properties within the District.

The Bonds were issued to 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. Proceeds were also used to finance Eastern Municipal Water District (EMWD) fees for financing master planned capital facilities.

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

The following table shows a list of pertinent actions regarding the District and the Bonds.

**Table 1: Summary 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**

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

\* Committee on Uniform Security Identification Procedures (CUSIP)

**B. DISTRICT DESCRIPTION**

The District consists of the Stoneridge Towne Centre (“the Centre”) which, based on the original land use, had approval to develop over 560,000 square feet of commercial retail center uses. The portion of the Stoneridge Towne Centre owned and occupied by Super Target and Kohl’s is approximately 23.28 acres (including 4.58 acres of parking lot) and is not subject to the special tax. Prior to the issuance of the Bonds, Kohl’s and Target directly paid for their improvement costs and did not finance those improvements through the Bonds. On June 26, 2006, a Notice of Cessation of Special Tax Lien for the Kohl’s and Target parcels was recorded with the Riverside County Recorder’s office. The reduced improvement costs financed through CFD No. 5 resulted in a reduction of the final amount of Bonds issued. Accordingly, the number of parcels subject to the levy of the special tax is also reduced.

The Official Statement lists the total building square footage for taxable parcels within the Centre as 288,330. The Developer’s March 2018 Continuing Disclosure Annual Report states the total square footage of Phase 1 is 199,435, excluding the Target and Kohl’s parcels. A portion of vacant land from Phase 2, comprised of 4.9 acres, was sold in April 2016 and was developed as a Hyundai Auto Dealership. The balance of Phase 2 (2.74 acres) is being marketed by the Developer for sale or ground lease.

**i. BOUNDARIES OF THE DISTRICT**

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

**ii. ASSESSED VALUATION**

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

**Table 3: Detailed Valuation**

Current Assessor's Parcel Number	Property Owner	Development Status	Taxable Acres	2018/19 Assessed Land Value	2018/19 Assessed Structure Value	Total 2018/19 Assessed Value
488-400-002	WEINGARTEN STONERIDGE	Developed	0.66	\$ 194,287	\$ 1,279,708	\$ 1,473,995
488-400-008	WASHINGTON MUTUAL BANK/ WEINGARTEN STONERIDGE	Undeveloped	0.59	173,624	-	173,624
488-400-009	WEINGARTEN STONERIDGE	Developed	1.91	559,140	2,613,997	3,173,137
488-400-010	WEINGARTEN STONERIDGE	Developed	1.53	450,255	3,015,411	3,465,666
488-400-011	WEINGARTEN STONERIDGE	Developed	0.37	108,881	13,364	122,245
488-400-012	WEINGARTEN STONERIDGE	Developed	0.72	211,882	42,963	254,845
488-400-014	WEINGARTEN STONERIDGE	Developed	0.31	91,223	1,896,985	1,988,208
488-400-015	WEINGARTEN STONERIDGE	Developed	0.26	76,474	2,258,427	2,334,901
488-400-016	STONERIDGE FUELS CO/ WEINGARTEN STONERIDGE	Developed	1.36	990,863	2,826,219	3,817,082
488-400-017	J&R HOCK ENTERPRISES INC/ WEINGARTEN STONERIDGE	Developed	0.79	543,969	1,198,859	1,742,828
488-400-018	WEINGARTEN STONERIDGE	Developed	0.58	170,681	1,417,720	1,588,401
488-400-019	WEINGARTEN STONERIDGE	Developed	1.06	623,791	951,081	1,574,872
488-400-020	WEINGARTEN STONERIDGE	Developed	0.92	270,740	1,130,969	1,401,709
488-400-021	WEINGARTEN STONERIDGE	Developed	5.31	1,562,660	5,816,070	7,378,730
488-400-022	WEINGARTEN STONERIDGE	Undeveloped	0.78	229,538	47,738	277,276
488-400-023	WEINGARTEN STONERIDGE	Undeveloped	2.44	718,205	119,350	837,555
488-400-024	WEINGARTEN STONERIDGE	Undeveloped	1.43	420,826	102,163	522,989
488-400-025	WEINGARTEN STONERIDGE	Developed	0.52	153,024	896,448	1,049,472
488-400-026	WEINGARTEN STONERIDGE	Developed	1.89	556,197	2,880,057	3,436,254
488-400-027	WEINGARTEN STONERIDGE	Developed	0.06	17,652	9,543	27,195
488-400-028	WEINGARTEN STONERIDGE	Developed	1.87	550,310	3,258,249	3,808,559
488-400-040	M R STERLING	Developed	4.89	1,718,012	1,302,540	3,020,552
488-400-041	STONERIDGE PHASE IILAND	Undeveloped	0.88	105,711	-	105,711
488-400-042	STONERIDGE PHASE IILAND	Undeveloped	0.93	59,655	-	59,655
488-400-043	STONERIDGE PHASE IILAND	Undeveloped	0.93	112,251	-	112,251
<b>Total</b>			<b>32.99</b>	<b>\$ 10,669,851</b>	<b>\$ 33,077,861</b>	<b>\$ 43,747,712</b>

Please refer to the Developer's Continuing Disclosure Report for information pertaining to property ownership changes.

Excludes parcels that are not subject to the special tax, which include the Kohl's and Target parcels.

Source: Assessed Values - Riverside County Property Tax Roll Information - April 2018.

**Table 4: Historical Valuation**

Fiscal Year	Assessed Land Value	Assessed Structure Value	Total Assessed Value
2008/09	\$ 4,124,198	\$ 23,296,560	\$ 27,420,758
2009/10	4,383,674	28,267,969	32,651,643
2010/11	4,373,257	28,200,959	32,574,216
2011/12	7,749,880	26,991,317	34,741,197
2012/13	7,904,867	27,531,134	35,436,001
2013/14	8,062,952	28,081,749	36,144,701
2014/15	8,388,672	29,223,882	37,612,554
2015/16	8,295,509	29,850,316	38,145,825
2016/17	8,727,342	30,482,427	39,209,769
2017/18	10,460,651	32,429,284	42,889,935
2018/19	10,669,851	33,077,861	43,747,712

Excludes exempt parcels, which include the Kohl's and Target parcels.

Source: Assessed Values - Riverside County Property Tax Roll Information - April 2018.

**C. PUBLIC FACILITIES**

**i. CITY FACILITIES**

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

**ii. EMWD FACILITIES**

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

**D. PUBLIC IMPROVEMENTS ACQUIRED**

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

**Table 5: Public Improvements**

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.



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

## **E. CONSTRUCTION PROGRESS**

Stoneridge Towne Centre is being developed in two phases. Phase 1 consists of approximately 199,435 square feet of building space, excluding Target and Kohl’s, which are not subject to the special tax. Building permits have been obtained for all major tenants in Phase 1 except Major E, as referenced in the Developer’s Continuing Disclosure Report. Building permits for pads 12, 13, and 14 have not been issued for construction. In prior year’s Developer’s Continuing Disclosure Reports, Phase 2 was proposed to consist of approximately 88,071 square feet of lease space.

In April 2016, the Developer sold 4.9 acres within Phase 2 for a 22,466 square foot Hyundai Dealership. The dealership, which includes a show room and service bays opened for business on April 7, 2018. The remaining portion of Phase 2 has not yet commenced construction, nor have any leases been signed for the remaining portion of Phase 2.

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

## **F. DEVELOPMENT RESTRICTIONS**

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

An Interim Urgency Ordinance (Ordinance No. 859) was adopted by the City Council on January 22, 2013. 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 2 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 received and filed the Study and recognized that Ordinance 861 would expire on January 23, 2014.

## **II. FINANCIAL INFORMATION**

---

### **A. FINANCIAL STATEMENTS**

The City's audited financial statements for the period ended June 30, 2018, will be filed separately with the EMMA service provided by the MSRB ([www.emma.msrb.org](http://www.emma.msrb.org)) and are hereby incorporated by reference into this report. The audited financial statements are also available from the City's Financial & Management Services Department and available for review on the City's website at [www.moval.org](http://www.moval.org). The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement. No funds or assets of the City have been pledged or are required to be allocated for the payment of debt service on the Bonds.

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

The principal amount outstanding for the Bonds following the September 1, 2017 payment date was \$5,445,000. For a complete principal payment schedule, please refer to Appendix B: Debt Service Schedule.

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

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

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

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

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

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

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

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

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

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

##### **a) Surplus Account**

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

#### **iii. BOND FUND**

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

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

**a) Interest Account**

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

**b) Principal Account**

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

**c) Special Tax Prepayment Account**

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

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

**iv. RESERVE FUND**

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

**a) Reserve Fund Requirement**

Following the September 1, 2017 debt service payment, the Reserve Requirement will be \$546,000.

**b) Reserve Account Draws**

All debt service payments in fiscal year (FY) 2017/18 were made as scheduled through the payment of special taxes. As of the date of this report, there are no Reserve Account deficiencies.

**c) Excess Reserve Fund Transfers**

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

**v. ADMINISTRATIVE EXPENSE FUND**

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

**vi. REBATE FUND**

The District, in accordance with the Fiscal Agent Agreement (Section 6.02), shall calculate the arbitrage rebate requirement in accordance with the Tax Certificate for the Bonds and shall, in writing, direct the Trustee to transfer funds to the Rebate Fund from

funds furnished by the District as provided for in the Fiscal Agent Agreement. The first installment date computation was for the period ended September 1, 2011. The table below reflects the cumulative arbitrage calculation through September 1, 2017.

**Table 6: Arbitrage Calculation Summary**

**Arbitrage Rebate Liability  
For the Period May 31, 2007 – September 1, 2017**

FV Prior Liability – 09/01/10	\$ (347,686.82)
Reserve	(219,602.39)
FV Computation Date Credit – 09/01/11	(2,046.03)
FV Computation Date Credit – 09/01/12	(1,985.58)
FV Computation Date Credit – 09/01/13	(1,938.39)
FV Computation Date Credit – 09/01/14	(1,879.53)
FV Computation Date Credit – 09/01/15	(1,821.82)
FV Computation Date Credit – 09/01/16	(1,733.78)
Computation Date Credit – 09/01/17	(1,670.00)
<b>Total</b>	<b>\$ (580,364.34)</b>
<b>Rebate Liability (90% of Total)</b>	<b>-</b>
Source: Arbitrage Rebate Calculation dated November 2018 prepared by Willdan Financial Services	

**vii. COSTS OF ISSUANCE FUND**

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

## D. FUND BALANCES

All special taxes collected to date for FY 2017/18 have been transferred to the Fiscal Agent in compliance with the Fiscal Agent Agreement.

**Table 7: Fund Balances**

<b>Fund / Account</b>	<b>Balance as of April 30, 2018</b>
Improvement Fund	
Acquisition and Construction Account	\$ -
EMWD Account	-
Special Tax Fund	27,660.88
Surplus Account	-
Bond Fund	36.12
Interest Account	1,163.97
Principal Account	3.98
Special Tax Prepayment Account	-
Reserve Fund	547,093.90
Administration Expense Fund	1.17
Rebate Fund	-
Cost of Issuance Fund	-

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

---

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

The anticipated administrative expenses payable during the period for FY 2018/19 are included in the calculation of the special tax requirement (Table 8) of this report. Expenses of this type shall be paid through the CFD No. 5 Administrative Expense Fund.

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

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

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

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

##### **iii. PROFESSIONAL SERVICES**

This expense relates to the costs for preparation and dissemination of significant events and reports associated with CFD No. 5, which may include disclosure legal counsel services.

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

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

##### **v. CITY COSTS—ACCOUNTING**

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

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

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

##### **vii. 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

The Special Tax Requirement for FY 2018/19 is calculated with delinquencies, as of the date of this report and as discussed in Section IV D, and without delinquencies.

**Table 8: Special Tax Requirement FY 2018/19**

<b>GROSS REQUIREMENT</b>	<b>With Delinquencies</b>	<b>Without Delinquencies</b>
Annual Debt Service	\$ 375,987.50	\$ 375,987.50
Reserve Fund Replenishment	-	-
Collection for Delinquent Installments	10,860.36	-
<b>Total Debt Requirement</b>	<b>\$ 386,847.86</b>	<b>\$ 375,987.50</b>
<b>Administrative Expenses:</b>		
Fiscal Agent Fees	2,000.00	2,000.00
Arbitrage Rebate Calculation	1,250.00	1,250.00
Professional Services	950.00	950.00
Special Districts	30,000.00	30,000.00
Accounting	2,000.00	2,000.00
General Administration	18,000.00	18,000.00
<b>Total City Administrative Expenses</b>	<b>\$ 54,200.00</b>	<b>\$ 54,200.00</b>
<b>County Costs:</b>		
County Tax Roll Fees	200.00	200.00
<b>Total County Administrative Expenses</b>	<b>\$ 200.00</b>	<b>\$ 200.00</b>
<b>TOTAL GROSS REQUIREMENT</b>	<b>\$ 441,247.86</b>	<b>\$ 430,387.50</b>
<b>ADJUSTMENTS: CREDITS &amp; TRANSFERS</b>		
<b>Credits:</b>		
Interest Earnings	\$ (4,080.96)	\$ (4,080.96)
<b>Total Interest Earnings</b>	<b>\$ (4,080.96)</b>	<b>\$ (4,080.96)</b>
Transfer to Reserve Fund		
Adjustments & Contingency	-	-
<b>Total Contributions / Transfers</b>	<b>\$ -</b>	<b>\$ -</b>
<b>TOTAL ADJUSTMENTS</b>	<b>\$ (4,080.96)</b>	<b>\$ (4,080.96)</b>
<b>TOTAL NET SPECIAL TAX REQUIREMENT <sup>(1)</sup></b>	<b>\$ 437,166.90</b>	<b>\$ 426,306.54</b>

<sup>(1)</sup> If the delinquent parcels are paid in full prior to the submittal of the special taxes to the County for placement on the 2018/19 property tax roll then the Total Net Special Tax Requirement will be adjusted to \$426,306.54.

## IV. SPECIAL TAX ALLOCATION

The City has the power and as such is obligated to levy and collect the special tax according to a rate and method of apportionment of special tax, which the legislative body (City Council) of CFD No. 5 and the eligible property owners within CFD No. 5 previously approved. The special tax formula apportions the total special tax requirement (principal, interest, administrative expenses, and restoration of the Reserve Fund, if required) each year and takes into account the availability of other revenues and estimates reasonably anticipated delinquent Special Taxes based on the delinquency rate for Special Taxes levied in the previous FY.

### A. SPECIAL TAX RATES

The maximum annual special tax rate for each Assessor's Parcel of developed and undeveloped property shall be \$10,652 per acre for FY 2006/07, and shall increase thereafter, commencing on July 1, 2007 and on July 1 of each FY thereafter, by an amount equal to two percent (2%) of the maximum annual special tax rate in effect in the previous FY. Below are the maximum special tax rates and the FY 2018/19 applied special tax rates for developed and undeveloped property, depending upon delinquencies at the time the rates are levied on the property tax bills.

**Table 9: Special Tax Rates**

Fiscal Year	Maximum Special Tax Rate	
	Annual Increase	per Acre
2006/07	base year	\$ 10,652.00
2007/08	2.00%	10,865.04
2008/09	2.00%	11,082.34
2009/10	2.00%	11,303.98
2010/11	2.00%	11,530.05
2011/12	2.00%	11,760.65
2012/13	2.00%	11,995.86
2013/14	2.00%	12,235.77
2014/15	2.00%	12,480.48
2015/16	2.00%	12,730.08
2016/17	2.00%	12,984.68
2017/18	2.00%	13,244.37
2018/19	2.00%	13,509.25

Development Status	FY 2018/19 Applied Rate	
	w/ Delinquencies <sup>(1)</sup>	w/out Delinquencies <sup>(1)</sup>
Developed	\$ 13,509.25	\$ 13,509.25
Undeveloped	12,443.70	11,082.75

<sup>(1)</sup> If the delinquent parcels are paid in full prior to the submittal of the special taxes to the County for placement on the FY 2018/19 property tax roll then the lower applied special tax rate will be applied to the undeveloped parcels.



## **B. 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.

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

Each year, the City Council, acting as the Legislative Body of the District, shall approve and adopt a resolution of the Council approving the maximum and applied special tax rates for the FY for which the special tax shall be levied and calculation thereof. This amount will include, but is not limited to, the amounts required to pay for the debt service on any indebtedness, replenishment of the Reserve Account as necessary, payment of incidental or administrative expenses incurred by the District, and reasonably anticipated delinquent Special Taxes.

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

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

## **C. SPECIAL TAX ALLOCATION**

In accordance with the rate and method of apportionment, the special tax levy will first be uniformly applied to developed property in an amount not to exceed the maximum special tax rate. Then, if additional monies are needed to satisfy the annual special tax requirement, the special tax shall be levied proportionately on each undeveloped property. The following tables provide the development status for properties within the boundaries of CFD No. 5, the bonded indebtedness for each parcel, along with the allocation of the FY 2018/19 maximum and applied special tax. Two separate calculations are provided on the following page; one takes into account delinquencies and the other does not.

**Table 10: Special Tax Allocation**

Current Assessor's Parcel Number	Property Owner	Development Status <sup>(1)</sup>	Taxable Acres	FY 18/19 Maximum Special Tax	With Anticipated Delinquencies		Without Anticipated Delinquencies		Bonded Indebtedness <sup>(3,4)</sup>
					FY 18/19 Applied Special Tax <sup>(2)</sup>	Percentage of Applied Special Tax	FY 18/19 Applied Special Tax <sup>(2)</sup>	Percentage of Applied Special Tax	
488-400-002	WEINGARTEN STONERIDGE	Developed	0.66	\$ 8,916.10	8,916.10	2.04%	\$ 8,916.10	2.09%	\$ 108,933.00
488-400-008	WASHINGTON MUTUAL BANK/ WEINGARTEN STONERIDGE	Undeveloped	0.59	7,970.44	7,341.76	1.68%	6,538.80	1.53%	97,379.34
488-400-009	WEINGARTEN STONERIDGE	Developed	1.91	25,802.66	25,802.66	5.90%	25,802.66	6.05%	315,245.58
488-400-010	WEINGARTEN STONERIDGE	Developed	1.53	20,669.14	20,669.14	4.73%	20,669.14	4.85%	252,526.48
488-400-011	WEINGARTEN STONERIDGE	Developed	0.37	4,998.42	4,998.42	1.14%	4,998.42	1.17%	61,068.50
488-400-012	WEINGARTEN STONERIDGE	Developed	0.72	9,726.66	9,726.66	2.22%	9,726.66	2.28%	118,836.06
488-400-014	WEINGARTEN STONERIDGE	Developed	0.31	4,187.86	4,187.86	0.96%	4,187.86	0.98%	51,165.44
488-400-015	WEINGARTEN STONERIDGE	Developed	0.26	3,512.40	3,512.40	0.80%	3,512.40	0.82%	42,912.96
488-400-016	STONERIDGE FUELS CO/ WEINGARTEN STONERIDGE	Developed	1.36	18,372.58	18,372.58	4.20%	18,372.58	4.31%	224,468.12
488-400-017	J&R HOCK ENTERPRISES INC/ WEINGARTEN STONERIDGE	Developed	0.79	10,672.30	10,672.30	2.44%	10,672.30	2.50%	130,389.48
488-400-018	WEINGARTEN STONERIDGE	Developed	0.58	7,835.36	7,835.36	1.79%	7,835.36	1.84%	95,728.99
488-400-019	WEINGARTEN STONERIDGE	Developed	1.06	14,319.80	14,319.80	3.28%	14,319.80	3.36%	174,953.03
488-400-020	WEINGARTEN STONERIDGE	Developed	0.92	12,428.50	12,428.50	2.84%	12,428.50	2.92%	151,845.96
488-400-021	WEINGARTEN STONERIDGE	Developed	5.31	71,734.10	71,734.10	16.41%	71,734.10	16.83%	876,415.76
488-400-022	WEINGARTEN STONERIDGE	Undeveloped	0.78	10,537.20	9,706.08	2.22%	8,644.54	2.03%	128,738.89
488-400-023	WEINGARTEN STONERIDGE	Undeveloped	2.44	32,962.56	30,362.64	6.95%	27,041.92	6.34%	402,722.09
488-400-024	WEINGARTEN STONERIDGE	Undeveloped	1.43	19,318.22	17,794.48	4.07%	15,848.34	3.72%	236,021.53
488-400-025	WEINGARTEN STONERIDGE	Developed	0.52	7,024.80	7,024.80	1.61%	7,024.80	1.65%	85,825.92
488-400-026	WEINGARTEN STONERIDGE	Developed	1.89	25,532.48	25,532.48	5.84%	25,532.48	5.99%	311,944.64
488-400-027	WEINGARTEN STONERIDGE	Developed	0.06	810.54	810.54	0.19%	810.54	0.19%	9,902.82
488-400-028	WEINGARTEN STONERIDGE	Developed	1.87	25,262.28	25,262.28	5.78%	25,262.28	5.93%	308,643.45
488-400-040	M R STERLING	Developed	4.89	66,060.22	66,060.22	15.11%	66,060.22	15.50%	807,094.78
488-400-041	STONERIDGE PHASE IILAND	Undeveloped	0.88	11,888.14	10,950.46	2.50%	9,752.82	2.29%	145,244.08
488-400-042	STONERIDGE PHASE IILAND	Undeveloped	0.93	12,563.60	11,572.64	2.65%	10,306.96	2.42%	153,496.55
488-400-043	STONERIDGE PHASE IILAND	Undeveloped	0.93	12,563.60	11,572.64	2.65%	10,306.96	2.42%	153,496.55
<b>Total <sup>(5)</sup></b>			<b>32.99</b>	<b>\$ 445,669.96</b>	<b>\$ 437,166.90</b>	<b>100.00%</b>	<b>\$ 426,306.54</b>	<b>100.00%</b>	<b>\$ 5,445,000.00</b>

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

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

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

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

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

Source: Property Owner-Riverside County Property Tax Roll Information - April 2018.

#### D. DELINQUENCIES IN PAYMENTS

For FY 2017/18, \$419,662.50 was levied to fund the special tax requirement. As of the date of this report, payment of the 2<sup>nd</sup> installment for two (2) parcels has not been received. There are no delinquencies for prior years.

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

**Table 11: Delinquencies**

<b>Fiscal Year</b>	<b>Amount Levied</b>	<b>Amount Delinquent <sup>(1)</sup></b>	<b>Percent Delinquent</b>
2007/08	\$198,306.00	\$0.00	0.00%
2008/09	\$344,701.00	\$0.00	0.00%
2009/10	\$362,123.50	\$0.00	0.00%
2010/11	\$376,004.64	\$0.00	0.00%
2011/12	\$384,248.58	\$0.00	0.00%
2012/13	\$388,022.38	\$0.00	0.00%
2013/14	\$393,684.44	\$0.00	0.00%
2014/15	\$398,468.02	\$0.00	0.00%
2015/16	\$405,862.42	\$0.00	0.00%
2016/17	\$413,455.62	\$0.00	0.00%
2017/18	\$419,662.50	\$10,860.37	2.59%

<sup>(1)</sup> Amount delinquent per the Riverside County website  
(<https://taxpayments.co.riverside.ca.us/taxpayments/Search.aspx>) as of May 15, 2018.

#### E. FORECLOSURE ACTIONS

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. Staff will continue to monitor payment of the delinquent special taxes and if delinquencies exist following the September interest payment, the City will commence foreclosure proceedings in compliance with Section 5.11 of the Fiscal Agent Agreement.

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

---

This Bond Accountability Report is required to demonstrate the special tax requirement for each parcel within the District in order to meet the debt service requirements of the Bonds. Based upon the special tax requirement, as calculated in Section III, the FY 2018/19 special tax levy for each taxable parcel is shown in Section IV.

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

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

The requirements of the Act apply to the Improvement/Construction Fund of the District. All improvements for the District are complete as noted in Section I D of this report. The special taxes collected from property owners within CFD No. 5 are collected and expended to pay debt service and administrative expenses of the District. For additional financial information, please see Section II Financial Information of this report.

---

District	Date Bonds Issued	Improvement / Construction Fund Initial Deposit*	Balance as of December 31, 2017	Amount Expended to Date**	Project Status
CFD No. 5	May 31, 2007	\$4,646,390.15	\$0.00	\$4,845,788.69	See Section I D

---

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

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

---

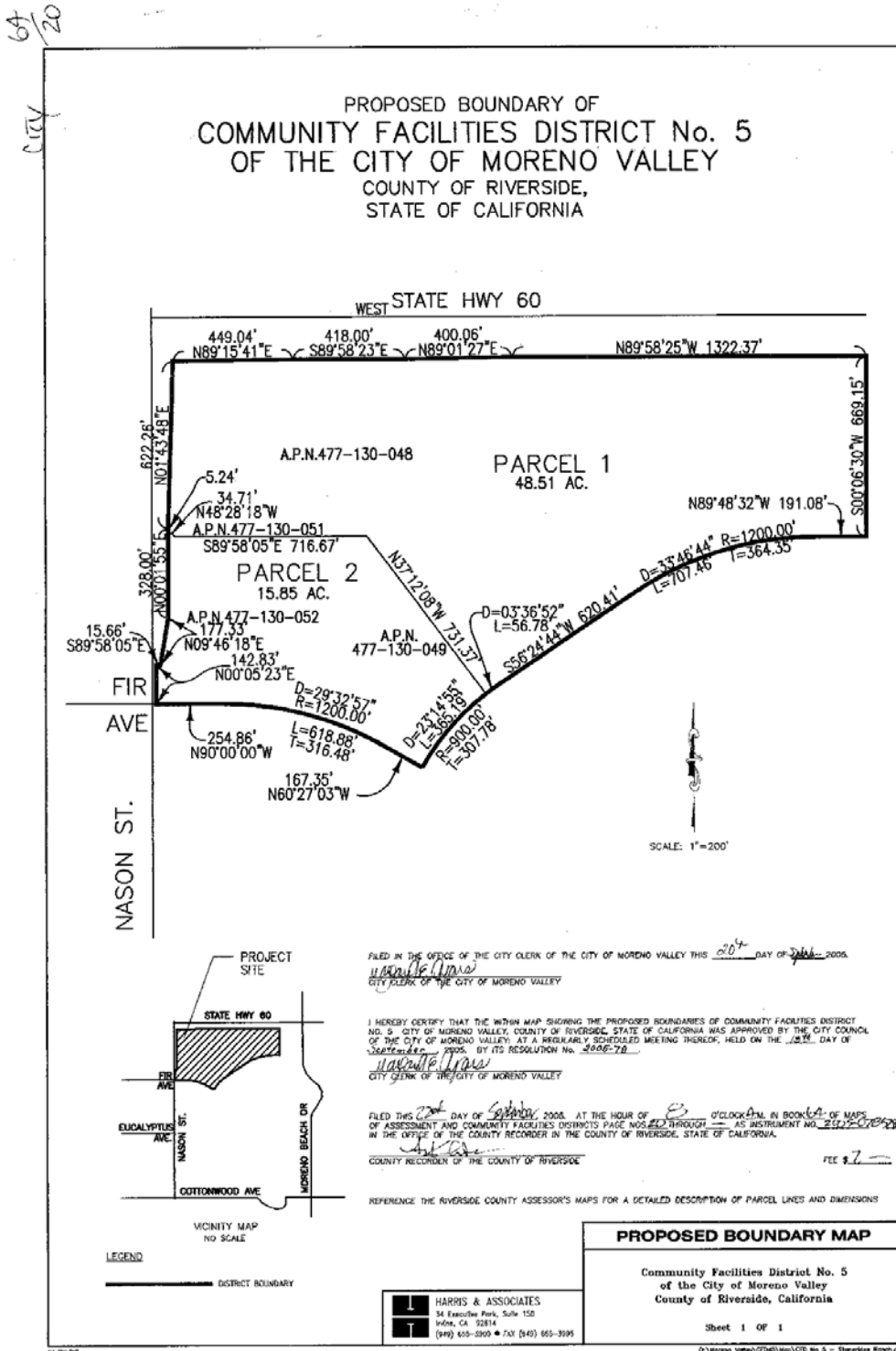
## Appendix B: Debt Service Schedule

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

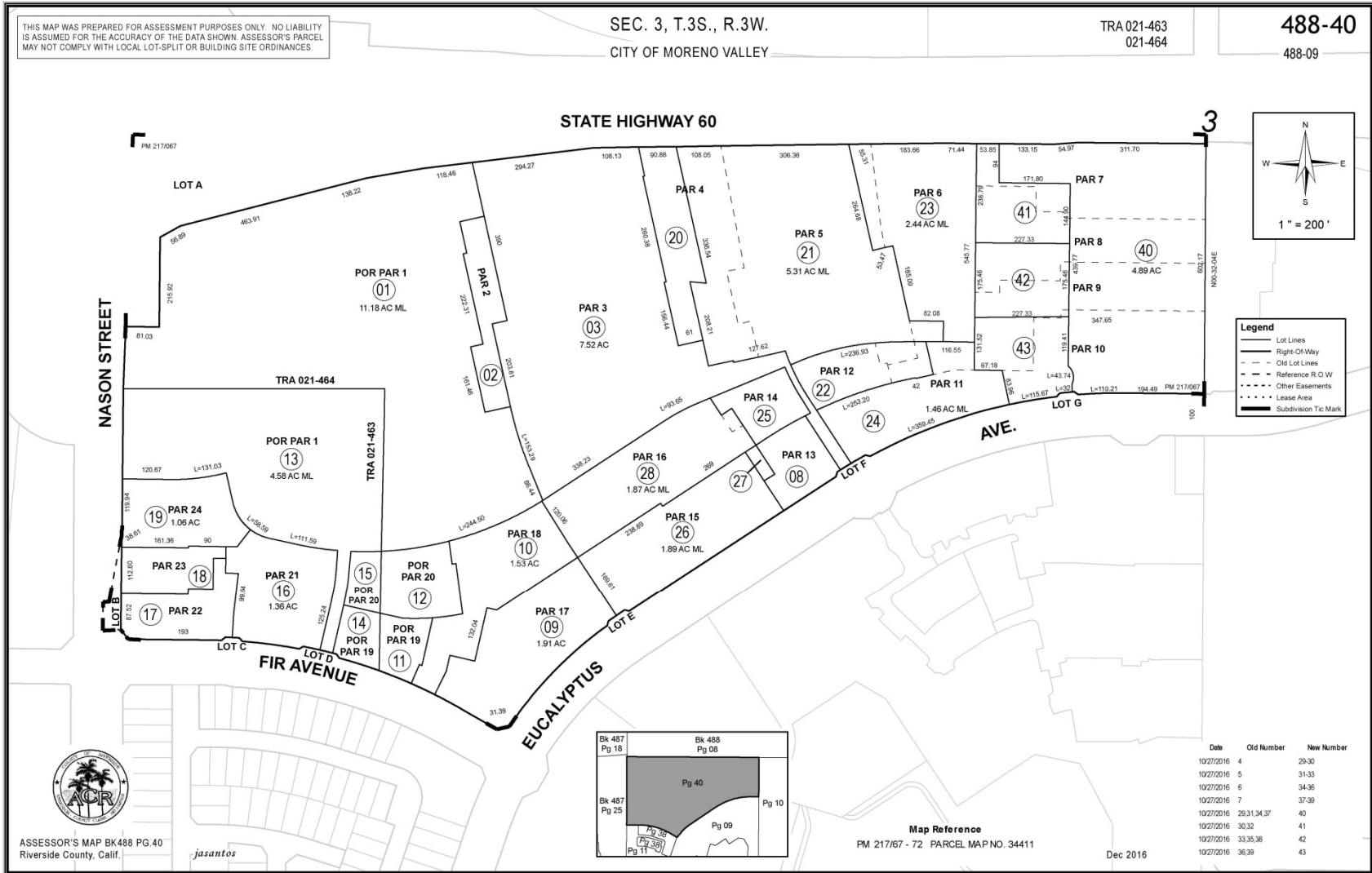
Dated Date 31-May-07 Last Maturity 01-Sep-37  
 Issue Date 31-May-07 First Coupon 01-Sep-07  
 First Maturity 01-Sep-09

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

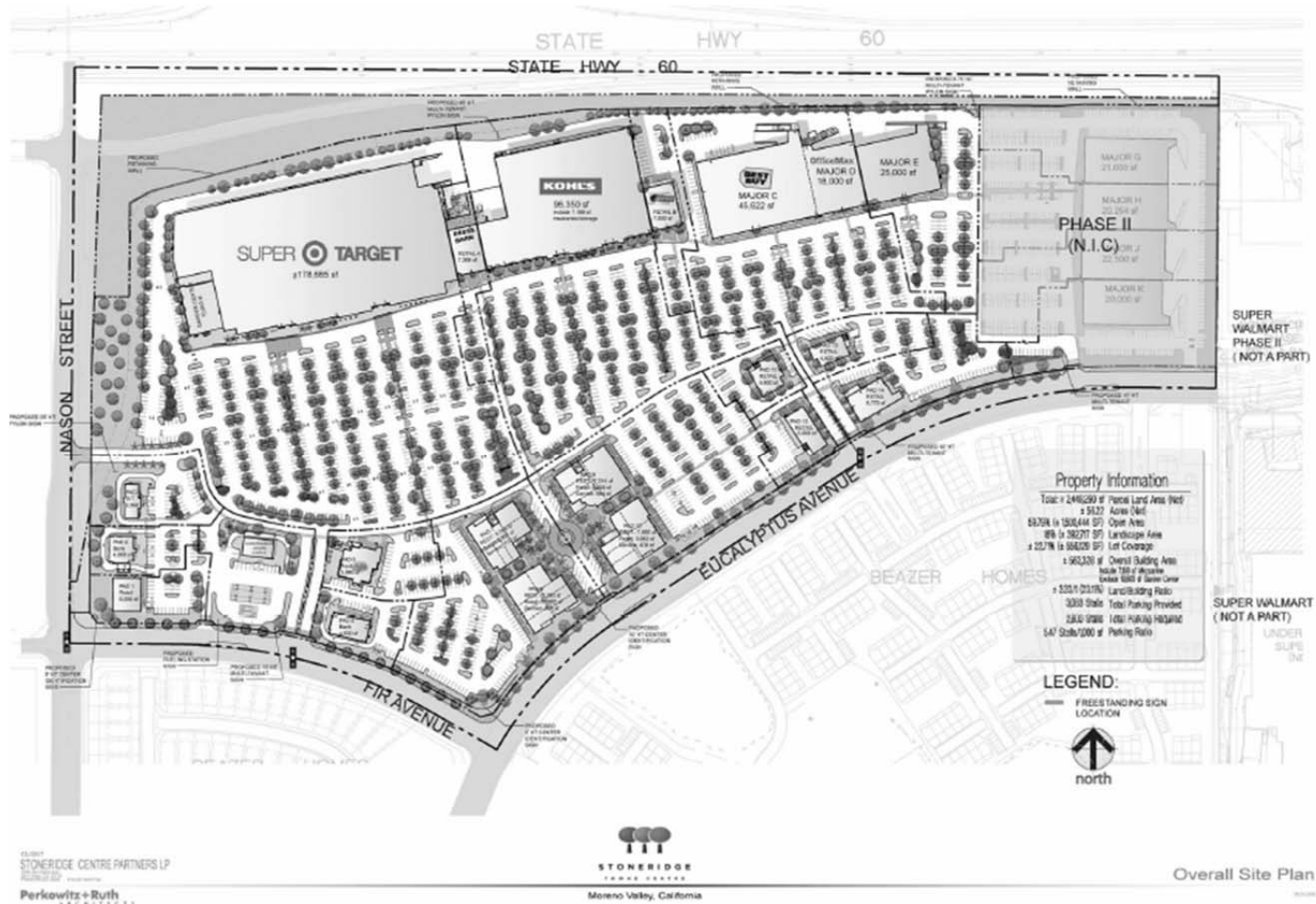
**Appendix C: District Boundary Map**



# Appendix D: Assessor's Parcel Map



# Appendix E: Stoneridge Towne Centre Site Plan



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

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