



AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF
THE CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
BOARD OF LIBRARY TRUSTEES

June 21, 2016

REGULAR MEETING – 6:00 PM

City Council Study Sessions

Second Tuesday of each month – 6:00 p.m.

City Council Meetings

Special Presentations – 5:30 P.M.

First & Third Tuesday of each month – 6:00 p.m.

City Council Closed Session

Will be scheduled as needed at 4:30 p.m.

City Hall Council Chamber – 14177 Frederick Street

Upon request, this agenda will be made available in appropriate alternative formats to persons with disabilities, in compliance with the Americans with Disabilities Act of 1990. Any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 72 hours before the meeting. The 72-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

Dr. Yxstian A. Gutierrez, Mayor

Jeffrey J. Giba, Mayor Pro Tem
Jesse L. Molina, Council Member

George E. Price, Council Member
D. LaDonna Jempson, Council Member

AGENDA
CITY COUNCIL OF THE CITY OF MORENO VALLEY
June 21, 2016

CALL TO ORDER - 5:30 PM

SPECIAL PRESENTATIONS

1. Senior Community Center - Mayoral Proclamation

2. Officer of the Year - Officer Matthew Schmidt

3. Volunteer of the Year - Joshua Goins

4. National Parks & Recreation Month - Proclamation

**AGENDA
JOINT MEETING OF THE
CITY COUNCIL OF THE CITY OF MORENO VALLEY
MORENO VALLEY COMMUNITY SERVICES DISTRICT
CITY AS SUCCESSOR AGENCY FOR THE
COMMUNITY REDEVELOPMENT AGENCY OF THE
CITY OF MORENO VALLEY
MORENO VALLEY HOUSING AUTHORITY
AND THE BOARD OF LIBRARY TRUSTEES**

***THE CITY COUNCIL RECEIVES A SEPARATE STIPEND FOR CSD
MEETINGS***

**REGULAR MEETING – 6:00 PM
JUNE 21, 2016**

CALL TO ORDER

Joint Meeting of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority and the Board of Library Trustees - actions taken at the Joint Meeting are those of the Agency indicated on each Agenda item.

PLEDGE OF ALLEGIANCE

INVOCATION

Apostle Duane Spencer, End Time Ministries

ROLL CALL

INTRODUCTIONS

PUBLIC COMMENTS ON MATTERS ON THE AGENDA WILL BE TAKEN UP AS THE ITEM IS CALLED FOR BUSINESS, BETWEEN STAFF'S REPORT AND CITY COUNCIL DELIBERATION (SPEAKER SLIPS MAY BE TURNED IN UNTIL THE ITEM IS CALLED FOR BUSINESS.)

PUBLIC COMMENTS ON ANY SUBJECT NOT ON THE AGENDA UNDER THE JURISDICTION OF THE CITY COUNCIL

Those wishing to speak should complete and submit a BLUE speaker slip to the Sergeant-at-Arms. There is a three-minute time limit per person. All remarks and questions shall be addressed to the presiding officer or to the City Council.

JOINT CONSENT CALENDARS (SECTIONS A-D)

All items listed under the Consent Calendars, Sections A, B, C, and D are considered to be routine and non-controversial, and may be enacted by one motion unless a member of the City Council, Community Services District, City as Successor Agency for the Community Redevelopment Agency, Housing Authority or the Board of Library Trustees

requests that an item be removed for separate action. The motion to adopt the Consent Calendars is deemed to be a separate motion by each Agency and shall be so recorded by the City Clerk. Items withdrawn for report or discussion will be heard after public hearing items.

A. CONSENT CALENDAR-CITY COUNCIL

- A.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

- A.2. ADOPT RESOLUTION NO. 2016-47 ACCEPTING PUBLIC RIGHT OF WAY FOR PORTIONS OF OLIVER STREET AND KALMIA AVENUE (Report of: Public Works)

Recommendations:

1. Adopt Resolution 2016-47, a Resolution of the City Council of the City of Moreno Valley, California, Accepting Dedication of Easements over Certain Property for Public Right of Way Purposes for Portions of Oliver Street between State Route 60 and Hemlock Avenue, Oliver Street between Juniper Avenue and Kalmia Avenue, and Kalmia Avenue between Oliver Street and Moreno Beach Drive.
2. Direct the City Clerk to certify the acceptance of said dedication and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with said Resolution.

- A.3. DISABILITY ACCESS CONSULTANTS PROFESSIONAL SERVICES AGREEMENT FOR SERVICES RELATED TO AMERICANS WITH DISABILITIES ACT AND PREPARATION OF THE CITY'S ADA TRANSITION PLAN (Report of: City Attorney)

Recommendation:

1. Approve the attached proposal submitted by Disability Access Consultants and direct the City Attorney's Office to prepare the requisite agreement and have the appropriate City officials execute the agreement on behalf of the City.
2. Approve the expenditure budget adjustment in the amount of \$100,000 as set forth in the Fiscal Impact section of this report.

- A.4. PA11-0007 (PM 35879) – MARCH BUSINESS CENTER - ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D16-001 FOR KRAMERIA AVENUE AND IRIS AVENUE

ROAD IMPROVEMENTS AND TRAFFIC SIGNAL IMPROVEMENTS AT HEACOCK STREET AND IRIS AVENUE AND HEACOCK STREET AND GENTIAN AVENUE ASSOCIATED WITH THE MARCH BUSINESS CENTER PROJECT (Report of: Public Works)

Recommendations:

1. Accept the Development Impact Fee (DIF) Improvement Credit Agreement #D16-001 (DIF Agreement) for PA11-0007 (PM 35879) improvements.
2. Authorize the City Manager to execute the DIF Agreement.

- A.5. P15-051 (PA12-0023) – FIRST SAN MICHELE LOGISTICS - APPROVE COOPERATIVE AGREEMENT BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, CITY OF MORENO VALLEY, AND FIRST INDUSTRIAL, L.P. FOR THE PERRIS VALLEY MASTER DRAINAGE PLAN (MDP) LATERAL B-1, STAGE 3, LOCATED ON SAN MICHELE ROAD, WEST OF PERRIS BOULEVARD AND ON PERRIS BOULEVARD, SOUTH OF SAN MICHELE ROAD (Report of: Public Works)

Recommendations:

1. Approve the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District (the District), the City of Moreno Valley, and First Industrial, L.P., for the Perris Valley Master Drainage Plan (MDP) Lateral B-1, Stage 3.
2. Authorize the City Manager to execute the Cooperative Agreement.
3. Direct the City Clerk to forward the signed Cooperative Agreement to the District.

- A.6. APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$46,292 ALLOCATION TO THE CITY (Report of: Community Development)

Recommendations:

1. Approve Resolution 2016-48, a Resolution of the City Council of the City of Moreno Valley, California, approving the Grant Application submitted by the Code and Neighborhood Services Division to the Office of Justice Programs for the Edward Byrne Memorial Justice Assistance Grant and Accept the \$46,292 Allocated.
2. Authorize revenue and expenditure budget appropriations of \$46,292

respectively to a new JAG Program fund for fiscal year 2016-2017.

- A.7. AUTHORIZE CITY MANAGER TO SIGN CONTRACT WITH HDL COREN & CONE FOR PROPERTY TAX AUDIT, REVIEW, MONITORING AND REPORTING SERVICES (Report of: Financial & Management Services)

Recommendation:

1. Approve the contract with HdL Coren & Cone.
2. Authorize the City Manager to sign the contract with HdL Coren & Cone and any related amendments to the contract.

- A.8. FIRST AMENDMENT TO UTILITY AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR SR-60/MORENO BEACH INTERCHANGE (Report of: Public Works)

Recommendations:

1. Authorize the City Manager to execute Amendment No. 1 to the Utility Agreement with Southern California Edison (SCE) to relocate its facilities associated with the SR-60/Moreno Beach Interchange Improvements project.
2. Authorize an increase to the Purchase Order with SCE in the amount of \$92,447.93 in Account No. 3008-70-77-80001.

- A.9. LIST OF PERSONNEL CHANGES (Report of: Administrative Services)

Recommendation:

1. Ratify the list of personnel changes as described.

- A.10. AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE MAINTENANCE SERVICES FOR CERTAIN LANDSCAPE DISTRICTS (Report of: Public Works)

Recommendations:

1. Approve the Agreement for Landscape Districts – South, Maintenance of Landscaping and Irrigation (“Agreement”) with Merchants Landscape Services, Inc., 1510 S. Lyon St., Santa Ana, CA, 92705, to provide landscape and irrigation maintenance services in CSD Zone E-8 and Zones 04, 05, 06, and 07 of Landscape Maintenance District No. 2014-02 totaling \$390,594.88 for fiscal year 2016/17 (If Zone 04 Ballot is Approved).
2. Approve the Agreement for Landscape Districts – South, Maintenance of Landscaping and Irrigation (“Agreement”) with Merchants

Landscape Services, Inc., 1510 S. Lyon St., Santa Ana, CA, 92705, to provide landscape and irrigation maintenance services in CSD Zone E-8 and Zones 04, 05, 06, and 07 of Landscape Maintenance District No. 2014-02 totaling \$345,595.60 for fiscal year 2016/17 (If Zone 04 Ballot is Not Approved).

3. Authorize the City Manager to execute the Agreement with Merchants Landscape Services, Inc.
4. Authorize the issuance of purchase orders for service beginning July 1, 2016 to Merchants Landscape Services, Inc. in the not-to-exceed (NTE) amount consistent with the approved agreement.
5. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the Agreement, provided sufficient funding appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

B. CONSENT CALENDAR-COMMUNITY SERVICES DISTRICT

- B.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

C. CONSENT CALENDAR - HOUSING AUTHORITY

- C.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

D. CONSENT CALENDAR - BOARD OF LIBRARY TRUSTEES

- D.1. ORDINANCES - READING BY TITLE ONLY - THE MOTION TO ADOPT AN ORDINANCE LISTED ON THE CONSENT CALENDAR INCLUDES WAIVER OF FULL READING OF THE ORDINANCE.

Recommendation: Waive reading of all Ordinances.

E. PUBLIC HEARINGS

Questions or comments from the public on a Public Hearing matter are limited to five minutes per individual and must pertain to the subject under consideration.

Those wishing to speak should complete and submit a GOLDENROD speaker slip to the Sergeant-at-Arms.

E.1. PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02 (Report of: Public Works)

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed levy of real property assessments for Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.
2. Direct the City Clerk to count the returned property owner ballots for Zone 04.
3. Verify and accept the results of the mail ballot proceeding as provided by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If the assessment increase for Zone 04 is supported by the Zone 04 property owners, Adopt Resolution No. CSD 2016-15. A Resolution Of The Moreno Valley Community Services District Of The City Of Moreno Valley, California, Confirming A Diagram And Assessment For Fiscal Year 2016/17 In Connection With Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 And Approving A Rate Increase And Automatic Inflation Adjustment Formula For Zone 04 Of That District.
6. If the assessment increase for Zone 04 is rejected by the Zone 04 property owners, Adopt Resolution No. CSD 2016-16. A Resolution Of The Moreno Valley Community Services District Of The City Of Moreno Valley, California, Confirming A Diagram And Assessment For Fiscal Year 2016/17 In Connection With Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.
7. Authorize the Chief Financial Officer to adjust the assessment levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied assessment does not exceed the maximum assessment, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

E.2. PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LIGHTING MAINTENANCE DISTRICT NO. 2014-01 (Report of: Public Works)

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed levy of real property assessments for Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
2. Adopt Resolution No. CSD 2016-17. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Confirming a Diagram and Assessment for Fiscal Year 2016/17 in Connection with Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
3. Authorize the Chief Financial Officer to adjust the assessment levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied assessment does not exceed the maximum assessment, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

E.3. PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT ANNUAL PARCEL TAXES AND CHARGES FOR FISCAL YEAR 2016/17 (Report of: Public Works)

Recommendations: That the CSD:

1. Conduct a Public Hearing to consider continuing the current Moreno Valley Community Services District annual parcel taxes and charges as proposed for Fiscal Year 2016/17.
2. Adopt Resolution No. CSD 2016-18. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Tax for Providing Zone A (Parks and Community Services) Services During Fiscal Year 2016/17.
3. Adopt Resolution No. CSD 2016-19. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Tax for Providing Zone C (Arterial Street Lighting and Intersection Lighting) Services During Fiscal Year 2016/17.
4. Adopt Resolution No. CSD 2016-20. A Resolution of the Moreno

Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone D (Parkway Landscape Maintenance) Services During Fiscal Year 2016/17.

5. Adopt Resolution No. CSD 2016-21. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone E (Extensive Landscape Maintenance) Services During Fiscal Year 2016/17.
6. Adopt Resolution No. CSD 2016-22. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone M (Commercial/Industrial/Multifamily Improved Median Maintenance) Services During Fiscal Year 2016/17.
7. Adopt Resolution No. CSD 2016-23. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Rate for Providing Zone S (Sunnymead Boulevard Maintenance) Services During Fiscal Year 2016/17.
8. Authorize the Chief Financial Officer to adjust the charges levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied charge does not exceed the maximum charge, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

E.4. PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY (Report of: Public Works)

Recommendations: That the City Council:

1. Acting as the legislative body of Community Facilities District No. 7, conduct the Public Hearing on the proposed amendments to the Rate and Method of Apportionment for Improvement Area 1 of Community Facilities District No. 7.
2. Acting as the legislative body of Community Facilities District No. 7, approve and adopt Resolution No. 2016-49. A Resolution of the City Council of the City of Moreno Valley, California, Calling Special Mailed-Ballot Election Within Improvement Area No. 1 of Community

Facilities District No. 7 of the City of Moreno Valley.

3. Direct the City Clerk to count the ballots received and report the results of the special election to the Legislative Body.
 4. Acting as the legislative body of Community Facilities District No. 7, approve and adopt Resolution No. 2016-50. A Resolution of the City Council of the City of Moreno Valley, California, for Change Relating to and Making Certain Amendments to Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley.
 5. Introduce Ordinance No. 911. An Ordinance of the City Council of the City of Moreno Valley, California, Levying Special Taxes Within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley.
- E.5. A PUBLIC HEARING FOR AN AMENDMENT TO THE CITY'S MUNICIPAL CODE TO ADD TECHNICAL CORRECTIONS, DEFINITIONS AND OTHER TEXT MODIFICATIONS TO IMPROVE CLARITY, AND TO ADDRESS INTERNAL INCONSISTENCIES IN TITLES 8, 9, AND 12 OF THE MUNICIPAL CODE. (Report of: Community Development)

Recommendations: That the City Council:

1. Certify that the proposed Municipal Code Amendment (PA14-0011) is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) (Review for Exemption) of the CEQA Guidelines in that there is no possibility that the proposal could have a significant impact on the environment; and
 2. Introduce Ordinance No. 912. An Ordinance of the City Council of the City of Moreno Valley, California, amending Titles 8, 9 and 12 of the City of Moreno Valley Municipal Code to add technical corrections, definitions and other text modifications to improve clarity, and to address internal inconsistencies.
- E.6. PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS (Report of: Public Works)

Recommendations: That the City Council:

1. Approve placing the submitted list of the 2015 delinquent solid waste accounts on the Fiscal Year (FY) 2016/2017 Riverside County property tax roll for collection.
2. Direct the City Clerk to file with the Riverside County Auditor a certified copy of Resolution No. 2012-55 and the list of 2015 delinquent solid waste accounts as required by Section 5473.4 of the California Health

and Safety Code and Section 6.02.030 of the City of Moreno Valley Municipal Code.

E.7. PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT PLAN (Report of: Public Works)

Recommendation: That the City Council, the Housing Authority, and the Community Services District:

1. Conduct a public hearing and accept public comments for consideration of the adoption of the Fiscal Year (FY) 2016-2017 Capital Improvement Plan.

Recommendation: That the City Council:

1. Adopt Resolution No. 2016-51. A Resolution of the City Council of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

Recommendation: That the Community Services District:

1. Adopt Resolution No. CSD 2016-24. A Resolution of the Community Services District of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

Recommendation: That the Housing Authority:

1. Adopt Resolution No. HA 2016-01. A Resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

F. ITEMS REMOVED FROM CONSENT CALENDARS FOR DISCUSSION OR SEPARATE ACTION

G. REPORTS

G.1. CITY COUNCIL REPORTS ON REGIONAL ACTIVITIES

(Informational Oral Presentation - not for Council action)

March Joint Powers Commission (JPC)

Riverside County Habitat Conservation Agency (RCHCA)

Riverside County Transportation Commission (RCTC)

Riverside Transit Agency (RTA)

Western Riverside Council of Governments (WRCOG)

Western Riverside County Regional Conservation Authority (RCA)

School District/City Joint Task Force

Southern California Association of Governments (SCAG)

Box Springs Mutual Water District (BSMWD)

- G.2. Waste Management FY 2016-2017 Rate Adjustment (Report of: Public Works)

Recommendations: That the City Council:

1. Approve the Waste Management proposed Fiscal Year (FY) 2016/2017 Rate Adjustment.

- G.3. STRATEGIC PLAN PROCESS (Report of: City Clerk)

Recommendations: That the City Council:

1. Discuss the proposed strategic plan and consider taking action to modify the direction, scope and schedule.

- G.4. PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ & COMPANY LLP RELATED TO AN INDEPENDENT IN-DEPTH INTERNAL REVIEW OF THE CITY'S FINANCIAL PROCEDURES AND PRACTICES (Report of: City Attorney)

Recommendation: That the City Council

1. Approve the Professional Services Agreement with Vasquez & Company LLP related to an independent in-depth internal review of the City's financial procedures and practices.
2. Approve the expenditure budget adjustment in the amount of \$100,000 as set forth in the Fiscal Impact section of this report.

- G.5. CITY MANAGER'S REPORT

(Informational Oral Presentation - not for Council action)

- G.6. CITY ATTORNEY'S REPORT

(Informational Oral Presentation - not for Council action)

H. LEGISLATIVE ACTIONS

H.1. ORDINANCES - 1ST READING AND INTRODUCTION - NONE

H.2. ORDINANCES - 2ND READING AND ADOPTION - NONE

H.3. ORDINANCES - URGENCY ORDINANCES - NONE

CLOSING COMMENTS AND/OR REPORTS OF THE CITY COUNCIL, COMMUNITY SERVICES DISTRICT, CITY AS SUCCESSOR AGENCY FOR THE COMMUNITY REDEVELOPMENT AGENCY, HOUSING AUTHORITY AND THE BOARD OF LIBRARY TRUSTEES.

PUBLIC INSPECTION

The contents of the agenda packet are available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

Any written information related to an open session agenda item that is known by the City to have been distributed to all or a majority of the City Council less than 72 hours prior to this meeting will be made available for public inspection on the City's website at www.moval.org and in the City Clerk's office at 14177 Frederick Street during normal business hours.

ADJOURNMENT

CERTIFICATION

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, certify that 72 hours prior to this Regular Meeting, the City Council Agenda was posted on the City's website at: www.moval.org and in the following three public places pursuant to City of Moreno Valley Resolution No. 2007-40:

City Hall, City of Moreno Valley
14177 Frederick Street

Moreno Valley Library
25480 Alessandro Boulevard

Moreno Valley Senior/Community Center
25075 Fir Avenue

Leslie Keane, CMC,
Interim City Clerk

Date Posted: June 9, 2016



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: ADOPT RESOLUTION NO. 2016-47 ACCEPTING PUBLIC RIGHT OF WAY FOR PORTIONS OF OLIVER STREET AND KALMIA AVENUE

RECOMMENDED ACTION

Recommendations:

1. Adopt Resolution 2016-47, a Resolution of the City Council of the City of Moreno Valley, California, Accepting Dedication of Easements over Certain Property for Public Right of Way Purposes for Portions of Oliver Street between State Route 60 and Hemlock Avenue, Oliver Street between Juniper Avenue and Kalmia Avenue, and Kalmia Avenue between Oliver Street and Moreno Beach Drive.
2. Direct the City Clerk to certify the acceptance of said dedication and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with said Resolution.

SUMMARY

Offers of dedication for public right of way have been made to the City via recorded maps for portions of Oliver Street north of State Route 60 (SR-60) and Kalmia Avenue east of Oliver Street. These outstanding offers must be accepted by City Council Resolution in order for the City to utilize the right of way for purposes such as utilities and streets. Therefore, staff recommends adoption of the Resolution thus accepting the offers of dedication. There is no cost to the City in accepting the offers of dedication.

DISCUSSION

The Otis Subdivision Map and Parcel Map 10718 offered various public rights of way within the City generally in the area between Nason Street and Redlands Boulevard, north of SR-60. These maps were recorded prior to the incorporation of the City of

Moreno Valley. To date, the offers of dedication made with the maps have only been partially accepted by the City.

As development continues to occur within the area, the public right of way will be needed to support the installation of new infrastructure. At this time, it is necessary to accept portions of the offers of dedication such that development projects can move forward. Specifically, Oliver Street right of way between SR-60 and Hemlock Avenue, Oliver Street right of way between Juniper Avenue and Kalmia Avenue, and Kalmia Avenue right of way between Oliver Street and Moreno Beach Drive are needed in order for infrastructure to be constructed. Acceptance of these public rights of way will contribute towards public convenience and welfare.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative, because it will allow the City to accept the offers of dedication and utilize the public right of way.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative, because it will result in unaccepted offers of dedication that cannot be utilized as public right of way.*

FISCAL IMPACT

There is no cost to the City for accepting the offers of dedication for public right of way.

PREPARATION OF STAFF REPORT

Prepared By:
Michael Lloyd, P.E.
Interim Engineering Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

1. Resolution No. 2016-47
2. Resolution Exhibit A (1 of 2)
3. Resolution Exhibit A (2 of 2)

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/03/16 2:10 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 11:12 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 11:13 AM |

RESOLUTION NO. 2016-47

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, ACCEPTING DEDICATION OF EASEMENTS OVER CERTAIN PROPERTY FOR PUBLIC RIGHT OF WAY PURPOSES FOR PORTIONS OF OLIVER STREET BETWEEN STATE ROUTE 60 AND HEMLOCK AVENUE, OLIVER STREET BETWEEN JUNIPER AVENUE AND KALMIA AVENUE, AND KALMIA AVENUE BETWEEN OLIVER STREET AND MORENO BEACH DRIVE

WHEREAS, each parcel of the real property hereafter described was heretofore a portion of the real property offered for dedication to use for public road, utility, and public service purposes, which said offers of dedication have not heretofore been accepted by the City Council; and said portions of offers of dedication are more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, public convenience and welfare now require the use by the public of the above described real property for public road, utility, and public service purposes; and

WHEREAS, the above described property is only a portion of the property offered for dedication and the remaining unaccepted portions of the offers of dedication shall be available for acceptance by future action of the City Council.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The property described herein is hereby accepted for public road, utility, and public service purposes.
2. The City Clerk shall certify to the acceptance of said property and cause said certification to be recorded in the Office of the Recorder of the County of Riverside together with this Resolution.

1
Resolution No. 2016-47
Date Adopted: June 21, 2016

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Resolution No. 2016-47 [Revision 1] (2126 : ADOPT RESOLUTION NO. 2016-47 ACCEPTING PUBLIC RIGHT OF WAY)

2
Resolution No. 2016-47
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-47 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2016-47
Date Adopted: June 21, 2016

Attachment: Resolution No. 2016-47 [Revision 1] (2126 : ADOPT RESOLUTION NO. 2016-47 ACCEPTING PUBLIC RIGHT OF WAY)

Copy Plm 51
Sheet 1 of 1 Sheet

RECORDER'S CERTIFICATE

Filed this 21 day of June, 1978, at 1:00 P.M. in Book 51 of Parcel Maps at page 51, at the request of the County Clerk, No. 177480
For 1978
W.D. Balogh County Recorder
By: Michael C. Beale Deputy
Sub. of the First American Title Assurance Co.

SURVEYOR'S CERTIFICATE

This map was prepared by me or under my direction and is based upon a field survey in accordance with the requirements of the Subdivision Map Act of the State of California, 1977. I hereby state that the survey, maps, projections of the local agency have been complied with and that this parcel map conforms to the approved tentative map and the conditions of approval thereon which were required to be fulfilled prior to the filing of the parcel map.
Michael C. Anderson
Michael E. Anderson L.S. 4480

COUNTY SURVEYOR'S CERTIFICATE

This map conforms with the requirements of the Subdivision Map Act and local ordinance.
Dated: 6-8-78

A.E. Newcomb
A.E. Newcomb, County Surveyor

BOARD OF SUPERVISORS' CERTIFICATE

The County of Riverside, State of California, by and through its duly authorized officers hereby approves said parcel map and accepts the affairs of dedication made hereon except Lots "C" through "N", inclusive.
Dated: June 13, 1978
County of Riverside, State of California

By: Walter R. Beale
Chairman of the Board of Supervisors

ATTEST:
Donald D. Sullivan
County Clerk and Ex-Officio
Clerk of the Board of Supervisors
By: Glenn Danner Deputy

SURVEYOR'S NOTES

- Denotes found monuments as noted.
- o Denotes set 1" iron pipe flagged L.S. 4480 flush, unless otherwise noted.

Basis of Bearings
The Basis of Bearings for this survey is the centerline of Arrow Beach Drive (Hendricks Road) from Ironwood Avenue to Arrow Beach Drive N0°26'48"E taken from RS-55/57-58 Records of Riverside County.

FLOOD CONTROL NOTE

Floodway must be clear free of all buildings, obstructions and encroachments by land lots.
All new dwelling units constructed within the area subject to sheet flow flooding shall be floodproofed by elevating the finished floor a minimum of 18 inches above adjacent ground surface. Flood protection shall be provided for mobile home supports.

W.D. No. 77-93

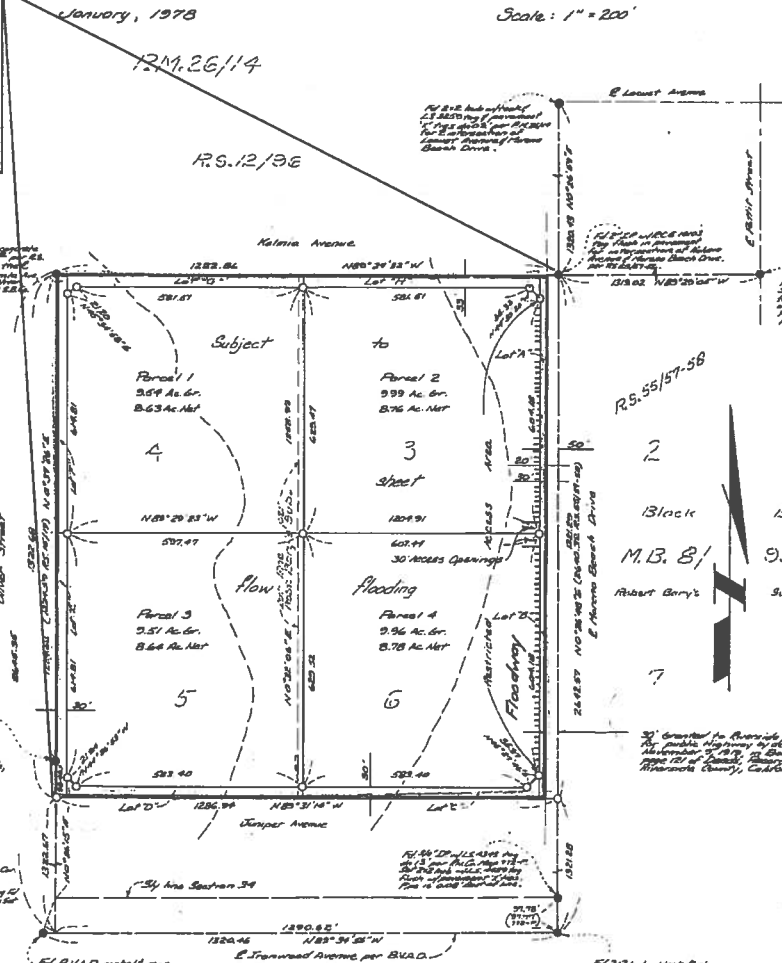
IN THE COUNTY OF RIVERSIDE, CALIFORNIA
PARCEL MAP 10,718

Showing the division of Lots 3, 4, 5, and 6 in Block "B" of Robert Bory's Subdivision as shown by map on file in Book 8, at page 93, of Maps, Records of San Bernardino County, California, lying in Section 34, Township 2 South, Range 3 West, San Bernardino Base Meridian.

M.E.A. Inc.

January, 1978 Scale: 1" = 200'

LIMITS OF ACCEPTANCE OF OFFERS OF DEDICATION (LOTS "E", "F", "G" AND "H")



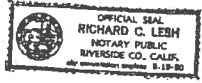
OWNER'S CERTIFICATE

I hereby certify that I am the owner of the land included within the subdivision shown hereon that I am the only person whose consent is necessary to pass a clear title to said land and that I consent to the making and recording of this Parcel Map as shown within the colored border hereon. I hereby dedicate to public use for street and public utility purposes, lots 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52, 53, 54, 55, 56, 57, 58, 59, 60, 61, 62, 63, 64, 65, 66, 67, 68, 69, 70, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 82, 83, 84, 85, 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97, 98, 99, 100, 101, 102, 103, 104, 105, 106, 107, 108, 109, 110, 111, 112, 113, 114, 115, 116, 117, 118, 119, 120, 121, 122, 123, 124, 125, 126, 127, 128, 129, 130, 131, 132, 133, 134, 135, 136, 137, 138, 139, 140, 141, 142, 143, 144, 145, 146, 147, 148, 149, 150, 151, 152, 153, 154, 155, 156, 157, 158, 159, 160, 161, 162, 163, 164, 165, 166, 167, 168, 169, 170, 171, 172, 173, 174, 175, 176, 177, 178, 179, 180, 181, 182, 183, 184, 185, 186, 187, 188, 189, 190, 191, 192, 193, 194, 195, 196, 197, 198, 199, 200, 201, 202, 203, 204, 205, 206, 207, 208, 209, 210, 211, 212, 213, 214, 215, 216, 217, 218, 219, 220, 221, 222, 223, 224, 225, 226, 227, 228, 229, 230, 231, 232, 233, 234, 235, 236, 237, 238, 239, 240, 241, 242, 243, 244, 245, 246, 247, 248, 249, 250, 251, 252, 253, 254, 255, 256, 257, 258, 259, 260, 261, 262, 263, 264, 265, 266, 267, 268, 269, 270, 271, 272, 273, 274, 275, 276, 277, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 289, 290, 291, 292, 293, 294, 295, 296, 297, 298, 299, 300, 301, 302, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 314, 315, 316, 317, 318, 319, 320, 321, 322, 323, 324, 325, 326, 327, 328, 329, 330, 331, 332, 333, 334, 335, 336, 337, 338, 339, 340, 341, 342, 343, 344, 345, 346, 347, 348, 349, 350, 351, 352, 353, 354, 355, 356, 357, 358, 359, 360, 361, 362, 363, 364, 365, 366, 367, 368, 369, 370, 371, 372, 373, 374, 375, 376, 377, 378, 379, 380, 381, 382, 383, 384, 385, 386, 387, 388, 389, 390, 391, 392, 393, 394, 395, 396, 397, 398, 399, 400, 401, 402, 403, 404, 405, 406, 407, 408, 409, 410, 411, 412, 413, 414, 415, 416, 417, 418, 419, 420, 421, 422, 423, 424, 425, 426, 427, 428, 429, 430, 431, 432, 433, 434, 435, 436, 437, 438, 439, 440, 441, 442, 443, 444, 445, 446, 447, 448, 449, 450, 451, 452, 453, 454, 455, 456, 457, 458, 459, 460, 461, 462, 463, 464, 465, 466, 467, 468, 469, 470, 471, 472, 473, 474, 475, 476, 477, 478, 479, 480, 481, 482, 483, 484, 485, 486, 487, 488, 489, 490, 491, 492, 493, 494, 495, 496, 497, 498, 499, 500, 501, 502, 503, 504, 505, 506, 507, 508, 509, 510, 511, 512, 513, 514, 515, 516, 517, 518, 519, 520, 521, 522, 523, 524, 525, 526, 527, 528, 529, 530, 531, 532, 533, 534, 535, 536, 537, 538, 539, 540, 541, 542, 543, 544, 545, 546, 547, 548, 549, 550, 551, 552, 553, 554, 555, 556, 557, 558, 559, 560, 561, 562, 563, 564, 565, 566, 567, 568, 569, 570, 571, 572, 573, 574, 575, 576, 577, 578, 579, 580, 581, 582, 583, 584, 585, 586, 587, 588, 589, 590, 591, 592, 593, 594, 595, 596, 597, 598, 599, 600, 601, 602, 603, 604, 605, 606, 607, 608, 609, 610, 611, 612, 613, 614, 615, 616, 617, 618, 619, 620, 621, 622, 623, 624, 625, 626, 627, 628, 629, 630, 631, 632, 633, 634, 635, 636, 637, 638, 639, 640, 641, 642, 643, 644, 645, 646, 647, 648, 649, 650, 651, 652, 653, 654, 655, 656, 657, 658, 659, 660, 661, 662, 663, 664, 665, 666, 667, 668, 669, 670, 671, 672, 673, 674, 675, 676, 677, 678, 679, 680, 681, 682, 683, 684, 685, 686, 687, 688, 689, 690, 691, 692, 693, 694, 695, 696, 697, 698, 699, 700, 701, 702, 703, 704, 705, 706, 707, 708, 709, 710, 711, 712, 713, 714, 715, 716, 717, 718, 719, 720, 721, 722, 723, 724, 725, 726, 727, 728, 729, 730, 731, 732, 733, 734, 735, 736, 737, 738, 739, 740, 741, 742, 743, 744, 745, 746, 747, 748, 749, 750, 751, 752, 753, 754, 755, 756, 757, 758, 759, 760, 761, 762, 763, 764, 765, 766, 767, 768, 769, 770, 771, 772, 773, 774, 775, 776, 777, 778, 779, 780, 781, 782, 783, 784, 785, 786, 787, 788, 789, 790, 791, 792, 793, 794, 795, 796, 797, 798, 799, 800, 801, 802, 803, 804, 805, 806, 807, 808, 809, 810, 811, 812, 813, 814, 815, 816, 817, 818, 819, 820, 821, 822, 823, 824, 825, 826, 827, 828, 829, 830, 831, 832, 833, 834, 835, 836, 837, 838, 839, 840, 841, 842, 843, 844, 845, 846, 847, 848, 849, 850, 851, 852, 853, 854, 855, 856, 857, 858, 859, 860, 861, 862, 863, 864, 865, 866, 867, 868, 869, 870, 871, 872, 873, 874, 875, 876, 877, 878, 879, 880, 881, 882, 883, 884, 885, 886, 887, 888, 889, 890, 891, 892, 893, 894, 895, 896, 897, 898, 899, 900, 901, 902, 903, 904, 905, 906, 907, 908, 909, 910, 911, 912, 913, 914, 915, 916, 917, 918, 919, 920, 921, 922, 923, 924, 925, 926, 927, 928, 929, 930, 931, 932, 933, 934, 935, 936, 937, 938, 939, 940, 941, 942, 943, 944, 945, 946, 947, 948, 949, 950, 951, 952, 953, 954, 955, 956, 957, 958, 959, 960, 961, 962, 963, 964, 965, 966, 967, 968, 969, 970, 971, 972, 973, 974, 975, 976, 977, 978, 979, 980, 981, 982, 983, 984, 985, 986, 987, 988, 989, 990, 991, 992, 993, 994, 995, 996, 997, 998, 999, 1000.

Ruth Elizabeth Rendle
Ruth Elizabeth Rendle

NOTARY ACKNOWLEDGEMENT

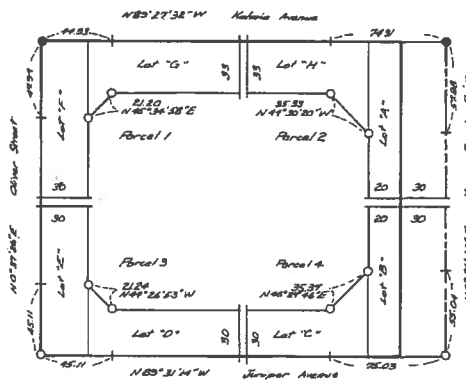
State of California } S.S.
County of Riverside }
On this 5 day of October, 1977 before me Richard C. Leish, a Notary Public in and for said County and State personally appeared Ruth Elizabeth Rendle known to me to be the person whose name is subscribed to the within instrument, and acknowledged to me that she executed the same. WITNESS my hand and official seal. My Commission expires 5-13-80



Richard C. Leish
Notary Public in and for said County and State

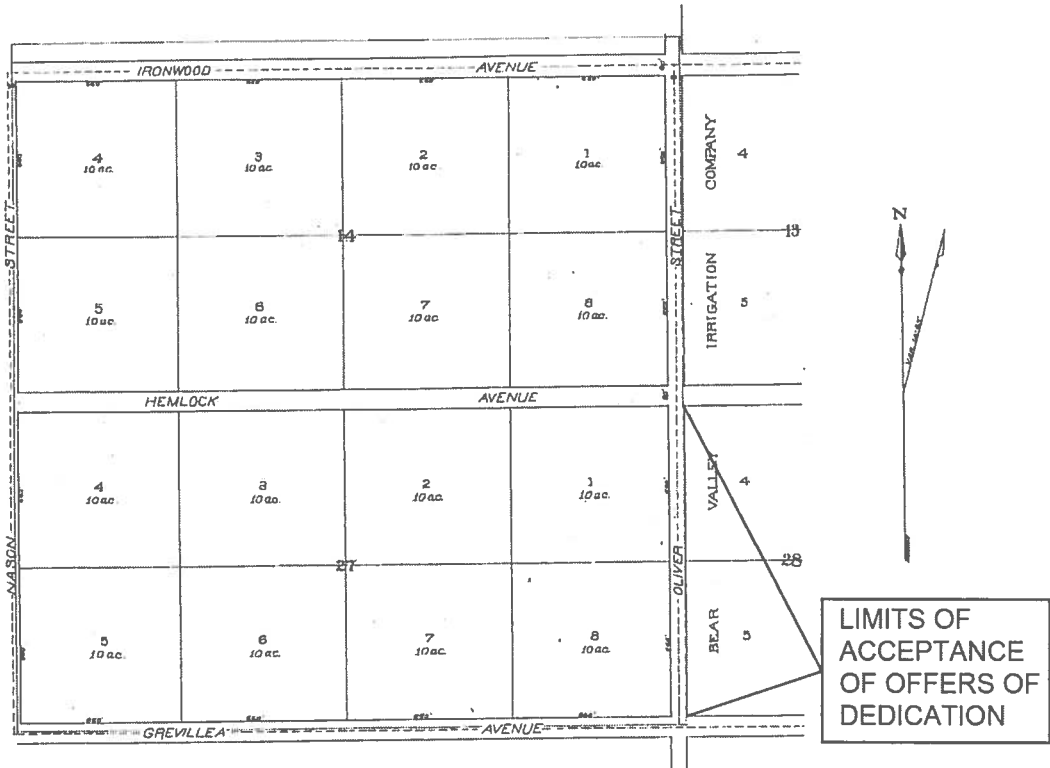
EASEMENT NOTE

Easement for pipe lines and incidental purposes, in favor of Eastern Municipal Water District, in instrument recorded November 12, 1965 as instrument No. 15832 of Official Records of Riverside County, California. Said easement cannot be located from the records.



Corner Cut-back Details
Scale 1" = 50'

PM 51/64



OTIS' SUBDIVISION
OF THE
NORTHWEST QUARTER OF SECTION 3
T. 3 S. R. 3 W. S. 3 M.
SAN BERNARDINO CO. CAL.

SURVEYED JUNE 1891 SCALE 1 IN. = 300 FT.
All areas and distances to the centre of adjoining Avenues
and Streets

I, Geo. E. Otis, President of the *Alexandra Land and Citrus Company*, a corporation, organized and existing under the laws of the State of California, and having its main place of business in San Bernardino in said State, do hereby acknowledge and certify that the map to which this acknowledgment and certificate is attached, and which is a correct map of the Otis Subdivision of the Northwest Quarter of Section Three of Township Three South and Range Three West, San Bernardino District and Meridian, and contains an accurate description of all parcels of ground within said subdivision, surveyed for public purposes by their said State, courses and extent, and also of all lots intended for sale by number of lot and block, and their precise length and width.
Witness my hand and the seal of said Corporation this 3rd day of May 1898.

Geo. E. Otis
President *Alexandra Land and Citrus Co.*

Recorded at request of
Alexandra Land and Citrus Company
May 12, 1898
at 35 min. past 10 o'clk in Book 18
of Maps, Page 12
Records San Bernardino County
John G. Quinn, County Recorder
by J. F. ... Deputy Recorder

A true and correct copy of the
original reduced to 11x17 1/2 in.
at 1/4 in. scale
by order of San Bernardino Co.
and ex officio Deputy Recorder
by G. W. ... Deputy

State of California) ss
County of San Bernardino)
On this 3rd day of May in the year
one thousand eight hundred and ninety three, before me
James H. Boyd, a Notary in and for said County of San
Bernardino, personally appeared Geo. E. Otis, President
of the *Alexandra Land and Citrus Co.* a Corporation
that executed the within instrument and map attached
thereto, and acknowledged to me that such Corporation
executed the same.
In witness whereof, I have here unto set
my hand and affixed my official seal, the day and
year in this certificate first above written.

James H. Boyd, Notary Public
in and for the County of San Bernardino
State of California



Report to City Council

TO: Mayor and City Council

FROM: Steve Quintanilla, Interim City Attorney

AGENDA DATE: June 21, 2016

TITLE: DISABILITY ACCESS CONSULTANTS PROFESSIONAL SERVICES AGREEMENT FOR SERVICES RELATED TO AMERICANS WITH DISABILITIES ACT AND PREPARATION OF THE CITY'S ADA TRANSITION PLAN

RECOMMENDED ACTION

Recommendation:

1. Approve the attached proposal submitted by Disability Access Consultants and direct the City Attorney's Office to prepare the requisite agreement and have the appropriate City officials execute the agreement on behalf of the City.
2. Approve the expenditure budget adjustment in the amount of \$100,000 as set forth in the Fiscal Impact section of this report.

DISCUSSION

The City Attorney's Office, with the concurrence of the Public Entity Risk Management Authority ("PERMA") which is the Joint Powers Authority that provides insurance coverage and risk management services for the City, strongly recommend that the City Council contract with Disability Access Consultants ("DAC") to conduct a comprehensive review of the City's 1995 ADA Transition Plan ("1995 Transition Plan") and the City's Public Right of Way Access Americans with Disabilities Act Transition Plan ("2010 ROW Plan") and develop a single Comprehensive City-Wide Transition Plan that incorporates the elements of both Plans.

One of the main reasons for utilizing the services of DAC (in addition to their expertise in the field of ADA compliance) is that they provide their services at a "not to exceed pricing cap" which they must provide to the City pursuant to the terms of a negotiated

master agreement for PERMA members, which includes the City of Moreno Valley. Basically, the City is the beneficiary of a bulk discount price for DAC's services through the negotiated master agreement.

The scope of services for the above work will eventually involve a thorough and complete evaluation of all of the City's services, programs, policies, practices, facilities and public right-of-way infrastructure, to determine what kind of modifications and/or structural changes are necessary or required to meet all applicable ADA accessibility requirements. DAC will also be expected to include in the Comprehensive City-Wide Transition Plan a proposed budget for meeting the objectives of the Plan along with a specific time table for completing each required modification and change necessary to achieve ADA compliant accessibility within the time mandated by law and/or as expeditiously as possible. Finally, DAC will have to provide an opportunity for interested individuals to participate in the transition planning process by submitting comments, suggestions and recommendations.

In an effort to control and monitor costs and provide adequate advance time for the City to budget (in advance) for such costs, the Interim City Attorney recommends that the work toward completing a single Comprehensive City-Wide Transition Plan be done in segments via a series of separate agreements with DAC. As such, at a previous City Council meeting the City Attorney's Office asked that it be authorized to prepare an interim agreement with DAC, which the City Council approved. The purpose of the interim agreement which had a \$20,000 cap was to immediately review the initiatives of the City to assess whether the City has met any or all of the mediatory compliance requirements of the ADA. In addition, under the interim agreement, DAC was required to assist the City's ADA Coordinator with analyzing and responding to all inquiries, complaints and/or claims regarding any current ADA related concerns or issues.

In addition to the Interim Agreement, City staff approved a second agreement with DAC in the amount of \$39,425. The scope of services set forth in the second agreement was for the following: (1) conducting a comprehensive survey of the City public rights-of-way which include the City's sidewalks and curb ramps; and (2) incorporating field data into the DACTrak Web-based Accessibility Management.

The third proposed agreement with DAC includes the following ADA services:

1. Providing individual training for the ADA Coordinator;
2. Assisting with the resolution of ADA related complaints;
3. Assisting with the prioritization of the overall plan and making recommendations regarding phases of implementation;
4. Making recommendations regarding applicable areas where compliance can be achieved through programmatic measures;
5. Reviewing the current public right-of-way transition plan developed by the City;
6. Assisting the City to update the overall implementation plan in DACTrak;
7. Meeting with designated City staff on site to review recommendations and the plan implementation;
8. Providing on-site and off-site consultation as requested;

9. Providing accessibility reviews of plans;
10. Reviewing City specifications and standards;
11. Providing accessibility training for staff;
12. Assisting with or providing expert witness testimony; and
13. Providing other related accessibility services as requested by the City.

The cost for services set forth in the third agreement will be based on an as-needed basis at the following rates: (1) \$120 per hour for off-site consultation, and (2) \$150 per hour for on-site consultation. In addition, the City will be required to pay for out-of-pocket expenses and travel time. The cost of the above services will be subject to a \$100,000 cap.

BACKGROUND

Americans with Disabilities Act (ADA)

The Americans with Disabilities Act (ADA) is a Federal civil rights law that prohibits discrimination against people with disabilities. Under this law, people with disabilities are entitled to all of the rights, privileges, advantages, and opportunities that others have when participating in civic activities. The integration of people with disabilities into the mainstream of American life is a fundamental purpose of the ADA.

Title II of the ADA

Title II of the ADA applies all programs, services, or activities of the City and its affiliated agencies. Title II also requires that contractors that provide public services (such as for-profit and non-profit organizations) also have an obligation to refrain from discriminating against people with disabilities. Equal treatment is the fundamental purpose of the ADA; basically, people with disabilities must not be treated in a different or inferior manner with respect to the rights, privileges, advantages, and opportunities that others have when participating in civic activities.

ADA Coordinator

Since the City of Moreno Valley is a public entity with 50 or more employees, it is required to have an ADA grievance procedure place and to designate at least one responsible employee to coordinate ADA compliance. Although the law does not require the use of the term “ADA Coordinator,” it is commonly used by state and local governments across the country.

The ADA Coordinator’s role is to coordinate the City’s efforts to comply with the ADA and investigate any complaints that the City has violated the ADA. The ADA Coordinator serves as the point of contact for individuals with disabilities to request auxiliary aids and services, policy modifications, and other accommodations or to file a complaint with the City; for the general public to address ADA concerns; and often for

other departments and employees of the public entity. The name, office address, and telephone number of the ADA Coordinator must be provided to all interested persons.

Currently, the City's designated ADA Coordinator is Senior Engineer Guy Pegan, who works in the City's Public Works Division. Mr. Pegan assumed the role as the City's ADA Coordinator upon the departure of former Land Development Division Manager Mark Sambito in mid-2015.

Self-Evaluation

All cities were required to complete a self-evaluation of their facilities, programs, policies, and practices by January 26, 1993. The purpose of the self-evaluation is to identify and correct those policies and practices that are inconsistent with the ADA (Title II) requirements. Self-evaluations should consider all of the City's programs, activities, and services, as well as the policies and practices that the City has put in place to implement its various programs and services. Remedial measures necessary to bring the programs, policies, and services into compliance with Title II should be specified -- including, but not limited to: (1) relocation of programs to accessible facilities; (2) offering programs in an alternative accessible manner; (3) structural changes to provide program access; (4) policy modifications to ensure nondiscrimination; and (5) auxiliary aids needed to provide effective communication.

1995 Transition Plan

In accordance with Title II of the ADA, staff completed a self-evaluation of all City programs and facilities, which included among other things, a review of City policies pertaining to program access. In addition, staff inspected all City owned and leased facilities to evaluate compliance with ADA. From this, the City adopted the 1995 ADA Transition Plan ("1995 Transition Plan"). The 1995 Transition Plan identified specific facilities that required structural and nonstructural modifications to be in compliance with accessibility standards. The 1995 Transition Plan focused on City programs that were to be made in compliance with the ADA as well. The City made changes to procedures and programs as well as facility modifications to be in compliance and/or consistent with the 1995 Transition Plan.

In 2014, the City retained ADA consultant Disability Access Consultants ("DAC") to conduct a review of the City's policies and facilities to update the City's 1995 Plan in accordance with the ADA. ("2014 DAC Review") Although the work was comprehensive, completion dates were not identified, nor were priorities identified – but not through the fault of DAC.

2010 Public Right-of-Way Access Transition Plan

In 2010, the City adopted The Public Right of Way Access Americans with Disabilities Act Transition Plan ("2010 ROW Plan"). The 2010 ROW Plan was deemed to be an extension of the 1995 Transition Plan. The 2010 ROW Plan summarizes pedestrian access needs in the City and outlines the recommended procedures for the

prioritization, implementation and scheduling of remedial work to provide an evaluation of ADA complying curb (access) ramps and public sidewalks (only those within the City’s Right-of-way and control), and includes other traffic pedestrian detectable warning devices.

In 2014, the City’s Public Works Department conducted a separate accessibility study regarding the 2010 ROW Plan with a focus on curb ramps (“2014 ROW Study”). As such, the City revised the 2010 ROW Plan based upon this 2014 ROW Study primarily with respect to only curb ramps. This means that there is a need for the City to complete its review of the entire 2010 ROW Plan.

ALTERNATIVES

1. Approve the attached proposal submitted by Disability Access Consultants, direct the City Attorney’s Office to prepare the requisite agreement, have the appropriate City officials execute the agreement on behalf of the City and approve the expenditure budget adjustment for \$100,000.
2. Do not approve the attached proposal submitted by Disability Access Consultants and do not approve the expenditure budget adjustment.

FISCAL IMPACT

The fiscal impact of approving this professional services agreement for an amount not to exceed \$100,000 will increase the City Attorney’s expenditure budget for FY 2016-17 as follows:

| Description | Fund | GL Account No. | Type (Rev/Exp) | FY 16/17 Budget | Proposed Adjustments | FY 16/17 Amended Budget |
|-----------------------|---------|-------------------------|----------------|-----------------|----------------------|-------------------------|
| Professional Services | General | 1010-14-10-14010-620299 | Exp | \$ 2,000 | \$100,000 | \$102,000 |

NOTIFICATION

Publication of the Agenda.

ATTACHMENT

1. Disability Access Consultants Proposal

PREPARATION OF STAFF REPORT

Prepared By:
Steven B. Quintanilla
Interim City Attorney

CITY COUNCIL GOALS

Advocacy. Develop cooperative intergovernmental relationships and be a forceful advocate of City policies, objectives, and goals to appropriate external governments, agencies and corporations.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

ATTACHMENTS

- 1. DAC Proposal to Moreno Valley for as needed consultation services June 2016

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 4:06 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 1:24 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:40 PM |

June 8, 2016

City of Moreno Valley
 14117 Frederick Street
 Moreno Valley, CA 92562

DAC Services

Disability Access Consultants (DAC) will provide the following services as requested by the City of Moreno Valley. DAC will:

1. Provide individual training for the ADA Coordinator;
2. Assist with the resolution of ADA related complaints;
3. Assist with the prioritization of the overall plan and make recommendations regarding phases of implementation;
4. Make recommendations regarding applicable areas where compliance can be achieved through programmatic measures;
5. Review the current public right-of-way transition plan developed by the City;
6. Assist the City to update the overall implementation plan in DACTrak;
7. Meet with designated City staff on site to review recommendations and the plan implementation;
8. Provide on-site and off-site consultation as requested;
9. Provide accessibility reviews of plans;
10. Review City specifications and standards;
11. Provide accessibility training for staff;
12. Assist with or provide expert witness testimony;
13. Provide other related accessibility services as requested by the City.

Cost for services on an as-needed basis

The fee for off-site consultation and services is \$120 per hour.

The fee for on-site consultation is \$150, plus expenses and travel time.

Cost

A not-to-exceed cost of \$100,000.

Submitted and authorized by:



Barbara Thorpe, President

Disability Access Consultants (DAC)
 2243 Feather River Blvd
 Oroville, CA 95965
 P: 530-533-3000
 F: 530-533-3001
bthorpe@dac-corp.com



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PA11-0007 (PM 35879) – MARCH BUSINESS CENTER - ACCEPT DEVELOPMENT IMPACT FEE (DIF) IMPROVEMENT CREDIT AGREEMENT #D16-001 FOR KRAMERIA AVENUE AND IRIS AVENUE ROAD IMPROVEMENTS AND TRAFFIC SIGNAL IMPROVEMENTS AT HEACOCK STREET AND IRIS AVENUE AND HEACOCK STREET AND GENTIAN AVENUE ASSOCIATED WITH THE MARCH BUSINESS CENTER PROJECT

RECOMMENDED ACTION

Recommendations:

1. Accept the Development Impact Fee (DIF) Improvement Credit Agreement #D16-001 (DIF Agreement) for PA11-0007 (PM 35879) improvements.
2. Authorize the City Manager to execute the DIF Agreement.

SUMMARY

As part of the project conditions of approval, the developer will be constructing required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to designated arterial streets and traffic signals. The developer's maximum credit amount is based on the lower of the DIF Nexus Study Costs, the Engineer's Cost Estimate provided by the developer, and the DIF Fee Obligation.

DISCUSSION

The City's Municipal Code, Chapter 3.42, "Commercial and Industrial Development Impact Fees" requires the developer to pay DIF. The DIF covers the developer's fair

share of the costs to construct improvements and right-of-way dedications that help mitigate the traffic impacts and burdens on the City's network of arterial streets and traffic signals generated by the project.

As part of the project conditions of approval, the developer will be constructing required DIF-related public improvements. Section 3.42.110 of the City's Municipal Code allows the developer to receive a credit for qualifying public improvements made to the designated arterial streets and traffic signals. The developer of Parcel Map No. 35879 (PA11-0007) is required to construct public improvements on Krameria Avenue and Iris Avenue, and traffic signals at the intersection of Heacock Street and Iris Avenue, and Heacock Street and Gentian Avenue.

The developer is eligible to receive DIF Credits for specific improvements identified in the DIF Nexus Study for Krameria Avenue and Iris Avenue as well as the above mentioned traffic signals. Qualifying DIF improvements include roadway excavation, pavement, base, curb and gutter, striping and traffic control.

Per the DIF Improvement Credit Agreement, the initial credit is the least of the DIF Nexus Study Costs, Engineer's Cost Estimate provided by the developer, and DIF Fee Obligation. The DIF Improvement Credit Agreement is attached to this Staff Report as Attachment 1. Based on the information provided by the developer and confirmed by City staff, the maximum DIF Credit for this project is \$236,022 for the Arterial Street components and \$160,108 for the traffic signal components of the DIF.

ALTERNATIVES

1. Approve and accept the recommended actions as presented in this staff report. *Staff recommends this alternative to support the developer in achieving the construction goals as identified within the DIF Nexus Study.*
2. Do not approve and accept the recommended actions as presented in this staff report. *Staff does not recommend this alternative because it would result in no DIF credit being provided to the developer thereby not supporting the developer in achieving the construction goals as identified within the DIF Nexus Study.*

FISCAL IMPACT

There is no fiscal impact to the General Fund.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Guy Pegan, P.E.
Senior Engineer

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Michael Lloyd, P.E.
Interim Engineering Division Manager

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

- 1. DIF Credit Agreement MBC - PA11-0007 (PM 35879)

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/03/16 12:04 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 8:37 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:37 PM |

**DEVELOPMENT IMPACT FEES
IMPROVEMENT CREDIT AGREEMENT
NUMBER D16-001
PM 35879 PA 11-0007
SQ FT 1,380,246, BUILDINGS 1&2**

This Development Impact Fees Improvement Credit Agreement is made and entered into as of the date the City signs this Agreement, by and between the City of Moreno Valley, a municipal corporation, hereinafter referred to as “City” and the undersigned Developer, hereinafter referred to as “Developer.”

RECITALS

WHEREAS, Developer and City have entered into an Agreement for Public Improvements (attached hereto as Exhibit “A”), dated June 24, 2015 which Agreement for Public Improvements sets forth all obligations of the Developer for Public Improvements that are a condition of approval for the above-titled development (hereinafter referred to as the “Project”), some of which may be eligible for Development Impact Fees (hereinafter referred to as “DIF”) Credit under this Agreement; and

WHEREAS, the City of Moreno Valley Municipal Code Chapter 3.38 “Residential Development Impact Fees” and Chapter 3.42 “Commercial and Industrial Development Impact Fees” requires Developer to pay the DIF for projects identified in the most

recently adopted DIF study (hereinafter referred to as “DIF Obligation”) which covers the Project’s fair share of the costs to construct improvements that help mitigate the impacts and burdens on the City’s local systems generated by the Project and that are necessary to provide City services and protect the safety, health, and welfare of residential and non-residential users; and

WHEREAS, certain improvements set forth in the Agreement for Public Improvements are also identified in the City’s DIF Program as improvements that are to be funded from DIF, which identified improvements are set forth in Exhibit B attached hereto and hereby incorporated by reference and are hereinafter referred to as the DIF Improvements; and

WHEREAS, if the City or some other third party constructs the DIF improvements set forth in the Agreement for Public Improvements prior to Developer, then this Improvement Credit Agreement shall become null and void and the Developer shall be required to pay the full DIF Obligation of the Project; and

WHEREAS, the City and Developer now desire to enter into this Improvement Credit Agreement to provide a means by which the Developer may receive a Credit for required DIF improvements actually constructed by the Developer for the subject Project subject to the terms and limitations set forth in this Agreement.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged, Developer and City hereby agree as follows:

1.0 General Provisions.

1.1 Incorporation of Recitals. The Parties hereby affirm the facts and provisions set forth in the above Recitals and agree to their incorporation herein as though set forth in full.

1.2 Incorporation of the Agreement for Public Improvements. The Parties hereby affirm the terms, conditions and requirements set forth in the Agreement for Public Improvements (Exhibit "A") and agree to their incorporation herein as though set forth in full.

2.0 DIF Obligation.

2.1 Developer's DIF Obligation. Developer hereby agrees and accepts that, as of December 11, 2015, the Developer is obligated to pay DIF for the Project to City in the amount of one million four hundred two, two hundred twenty and fourth cent. (\$1,402,220.40) (hereinbefore and hereinafter referred to as the "DIF Obligation").

2.2 Effect of Agreement. Notwithstanding anything in this Agreement, Developer acknowledges that the DIF Obligation is established by the provisions of the

City of Moreno Valley Municipal Code Chapter 3.38 “Residential Development Impact Fees,” or Chapter 3.42 “Commercial and Industrial Development Impact Fees,” and that this Agreement does not alter, limit, increase or reduce the obligations under those code sections nor prevent City from adjusting or correcting the DIF Obligation amount to conform to the requirements of the Municipal Code.

3.0 DIF Credit Limitations.

3.1 Calculation of DIF Credit. Pursuant to City of Moreno Valley Municipal Code Sections 3.38.150 “Credit for Improvements Provided by Developers” (residential), or 3.42.110 “Credit for Improvements Provided by Developers” (commercial and industrial), and in accordance with the City’s Development Impact Fee Credit and Reimbursement Policy, as adopted by the City Council on August 26, 2008, (the “Credit and Reimbursement Policy”) and in consideration of Developer’s obligations under the Conditions of Approval for the Project and the Agreement for Public Improvements to construct the DIF improvements, the maximum amount of DIF Credit that shall be applied by City to offset the DIF Obligation shall be as defined in Sections 4.0 of this Agreement and the Credit and Reimbursement Policy.

3.2 Effect of Agreement. Notwithstanding the foregoing, Developer acknowledges that the amounts of DIF Credits are established by the provisions of the City of Moreno Valley Municipal Code and the DIF Credit and Reimbursement Policy and this Agreement shall not prevent City from adjusting or correcting the DIF Credit amounts set forth in this Agreement to conform to the requirements of the Municipal Code and the Credit and Reimbursement policy.

4.0 DIF Credit

4.1 Maximum DIF Credit. City shall apply DIF Credit to offset, in whole or in part, the Project's DIF Obligation. The maximum amount of DIF Credit that shall be applied by City to offset the DIF Obligation shall be equal to the least of: (A) the City Engineer's Estimate of the actual cost of the DIF Improvements (hereinafter collectively referred to as "Engineer's Estimate"), or (B) project costs as identified in the DIF study in effect at the time of the issuance of a building permit, or (C) the actual DIF Obligation. In no event shall a DIF Credit exceed the actual DIF Obligation.

4.2 DIF Credit Offset to DIF Obligation. The DIF Credit shall be applied at the time DIF obligation is due and payable. If the project is to be developed by phases, by specific units, or by specific buildings, DIF Credit shall be applied according to a Public Improvements Phasing Schedule approved by the City and attached and incorporated to this agreement.

4.3 Submittal Timeframe. The Developer shall submit to the City Engineer any and all documentation the Developer deems relevant in substantiating the claim for DIF Credit for the DIF Qualifying Improvements to be constructed by the Developer. Such documentation may include contracts, bids, estimates, or any other relevant documents pertaining to the actual cost of the Qualifying Improvements. The City Engineer shall take into consideration, but shall not be bound by, any such documentation submitted by the Developer in formulating the Engineer's Estimate. All

such documentation shall be submitted by the Developer to the City Engineer no later than ninety (90) calendar days prior to the date for payment of DIF for the project. The City Engineer will use his or her best efforts and professional judgment in formulating an Engineer's Estimate and shall endeavor to provide said estimate to the Developer in writing within sixty (60) calendar days after submittal of the last document submitted by the Developer.

4.4 DIF Credit Calculation (*completed by City*).

As of the date hereof, the amount of DIF Credit for which Developer is potentially eligible is set forth in Exhibit C "DIF Credit Calculation Table" attached hereto and hereby incorporated by reference.

4.5 Reconciliation - Final DIF Credit. If the dollar amount of the actual DIF Credit is less than the amount of the actual unpaid DIF Obligation (hereinafter referred to as "DIF Balance"), the City shall notify the Developer in writing of the amount of the DIF Balance and Developer shall pay the DIF Balance to fully satisfy the DIF Obligation at the time DIF payments are due. If the dollar amount of the actual DIF Credit exceeds the amount of the actual DIF Obligation, Developer will be deemed to have fully satisfied the DIF Obligation. If the Developer has actually paid DIF and completed DIF Improvements, but has not received full DIF Credit for which the Developer would have been otherwise eligible under the DIF Credit and Reimbursement Policy, the Developer may be eligible for a Reimbursement Agreement, to the extent applicable, as provided in a separate Development Impact Fees Improvement Reimbursement Agreement.

4.6 Credit Transfer for Unfunded DIF Reimbursement Eligibility.

To the extent that Developer has Reimbursement Eligibility Amounts which are both unpaid and unfunded by the City and which have not expired under the ten (10) year limitation set forth in the Development Impact Fee Credit and Reimbursement Policy No. 3.24, Section F – Time Limitation, Developer may apply to receive partial or full DIF Credits for the same component of DIF on another development project within the City owned or controlled by that Developer and which has received all necessary approvals, on a dollar for dollar basis. Written application shall be made to the City and Developer shall provide any and all documentation and other information the City may reasonably request. The City shall not unreasonably withhold approval of such a Credit Transfer.

5.0 No Interest. Developer shall not be entitled to any interest, or any other cost or time value adjustment, for DIF paid to the City whether or not subsequently credited under Section 4.6 or reimbursed.

6.0 Term of Agreement. For purposes of Reimbursement Eligibility and Credit Transfer, this Agreement shall remain in effect for a period not to exceed ten (10) years from the date of execution by the City.

7.0 General.

7.1 Assignment. Except as specifically set forth in this Agreement, this Agreement shall not be assigned by any Party without the prior written consent of

the non-assigning Party, which consent shall not be unreasonably withheld. All assignees and successors in interest shall assume and become obligated to perform all obligations and be entitled to all benefits of the original Party.

7.2 Amendment. This Agreement may only be amended in writing signed by the Parties.

7.3 Law, Venue and Jurisdiction. This Agreement shall be governed by the laws of the State of California. Venue and Jurisdiction of all matters arising out, pertaining to, or in any way related to this Agreement shall be vested in the Superior Court of the State of California, in and for the County of Riverside, California.

7.4 Notices. Any notices to be given pursuant to this Agreement shall be in writing and delivered by First Class Mail addressed to the Parties as follows:

City: City Engineer
City of Moreno Valley
Post Office Box 88005
Moreno Valley, California 92552-0805

Developer: _____

Attachment: DIF Credit Agreement MBC - PA11-0007 (PM 35879) (2137 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER)

7.5 Entire Agreement. This Agreement is the final, complete and exclusive statement of the Agreement of the Parties with respect to the subject matter hereof and supersedes and replaces any prior oral or written agreements between the Parties addressing the same subject matter.

(SIGNATURE PAGE TO FOLLOW)

Attachment: DIF Credit Agreement MBC - PA11-0007 (PM 35879) (2137 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER)

IN WITNESS WHEREOF, the Parties hereto have caused their authorized representatives to execute this Agreement.

CITY OF MORENO VALLEY,
a California municipal corporation

(Name of Developer)
a _____
(legal capacity of Developer)

By: _____
City Manager

Its: _____

Date: _____

By: _____

Its: _____

Date: _____

Recommended:

Public Works Director /City Engineer

Date: _____

By: _____

Its: _____

Date: _____

APPROVED AS TO FORM:

City Attorney

Date: _____

SIGNING INSTRUCTION TO THE DEVELOPER:

All signatures on the Contract Agreement on behalf of the Developer must be acknowledged before a notary public. In the event that the Developer is a corporation, the president or vice-president plus the secretary of/or an assistant secretary of the corporation must sign. Corporate seal may be affixed hereto.

Attachment: DIF Credit Agreement MBC - PA11-0007 (PM 35879) (2137 : PA11-0007 ? MARCH BUSINESS CENTER)

**DEVELOPMENT IMPACT FEES
IMPROVEMENT CREDIT AGREEMENT, NO. D16-001
PM 35879, PA11-0007
SQ FT 1,380,246, BUILDINGS 1 & 2**

EXHIBIT "A"

**PUBLIC IMPROVEMENT AGREEMENT
WITH BONDS**

(ATTACHED BEHIND THIS PAGE)

EXHIBIT "A"

**PM 35879 (PA11-0007)
ENGINEER'S ESTIMATE OF DIF IMPROVEMENTS
IRIS AVENUE**

| THIENES ENGINEERING INC. | | | | | |
|---------------------------------|----------|------|------------|-------------------|---------|
| CONSTRUCTION ITEM | QUANTITY | UNIT | UNIT PRICE | TOTAL | |
| Roadway Excavation | 2500 | C.Y. | 29.00 | 72,500 | |
| Aggregate Base Class II | | | | | |
| Thickness (ft.) | 1 | | | | |
| Area (sf) | 44,949 | 3258 | Ton | 33.00 | 107,514 |
| Asphalt Concrete | | | | | |
| Thickness (ft.) | 0.5 | | | | |
| Area (sf) | 44,949 | 1629 | Ton | 80.00 | 130,320 |
| Curb and Gutter - 8" | 1,589 | L.F. | 30.00 | 47,670 | |
| Striping | 1 | L.S. | - | 3,500 | |
| Traffic Control | 1 | L.S. | - | 10,000 | |
| | | | | \$ 371,504 | |

Footnotes:

**PM 35879 (PA11-0007)
ENGINEER'S ESTIMATE OF DIF IMPROVEMENTS
KRAMERIA AVENUE**

| THIENES ENGINEERING INC. | | | | | |
|---------------------------------|----------|------|------------|-------------------|---------|
| CONSTRUCTION ITEM | QUANTITY | UNIT | UNIT PRICE | TOTAL | |
| Roadway Excavation | 3000 | C.Y. | 29.00 | 87,000 | |
| Aggregate Base Class II | | | | | |
| Thickness (ft.) | 1 | | | | |
| Area (sf) | 53,766 | 3898 | Ton | 33.00 | 128,634 |
| Asphalt Concrete | | | | | |
| Thickness (ft.) | 0.5 | | | | |
| Area (sf) | 53,766 | 1949 | Ton | 80.00 | 155,920 |
| Curb and Gutter - 8" | 1,687 | L.F. | 30.00 | 50,610 | |
| Striping | 1 | L.S. | - | 3,500 | |
| Traffic Control | 1 | L.S. | - | 10,000 | |
| | | | | \$ 435,664 | |

Footnotes:

EXHIBIT "B"

Attachment: DIF Credit Agreement MBC - PA11-0007 (PM 35879) (2137 : PA11-0007 (PM 35879) ? MARCH BUSINESS CENTER)

EXHIBIT “C” – DIF Credit Calculation Table

| Item | Process for DIF Credit Calculation | Streets | Traffic Signals (2) | Police | Fire | Libraries | Parks | Community/ Rec Centers | Public Facilities* | Interchange Imp | Electric Utility | 2% Admin |
|------|------------------------------------------------------|-----------|---------------------|-----------|-----------|-----------|-------|------------------------|--------------------|-----------------|------------------|----------|
| 1 | Engineer’s Estimate | \$807,168 | \$548,200 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 2 | Project costs as identified in DIF study | \$458,720 | \$548,200 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |
| 3 | Actual DIF Obligation | \$236,022 | \$160,108 | \$160,108 | \$354,723 | \$0 | \$0 | \$0 | \$317,457 | \$146,306 | \$0 | \$27,495 |
| 3 | Developer’s Credit Amount** - Least of Lines 1 2 & 3 | \$236,022 | \$160,108 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 |

*may include, but not be limited to, City Hall, Corporate Yard, Animal Shelter, and/or maintenance equipment.

** credit amount shall not exceed obligation.

EXHIBIT “C”

Attachment: DIF Credit Agreement MBC - PA11-0007 (PM 35879) (2137 : PA11-0007 (PM 35879) ? MARCH



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: P15-051 (PA12-0023) – FIRST SAN MICHELE LOGISTICS - APPROVE COOPERATIVE AGREEMENT BETWEEN THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT, CITY OF MORENO VALLEY, AND FIRST INDUSTRIAL, L.P. FOR THE PERRIS VALLEY MASTER DRAINAGE PLAN (MDP) LATERAL B-1, STAGE 3, LOCATED ON SAN MICHELE ROAD, WEST OF PERRIS BOULEVARD AND ON PERRIS BOULEVARD, SOUTH OF SAN MICHELE ROAD

RECOMMENDED ACTION

Recommendations:

1. Approve the Cooperative Agreement with the Riverside County Flood Control and Water Conservation District (the District), the City of Moreno Valley, and First Industrial, L.P., for the Perris Valley Master Drainage Plan (MDP) Lateral B-1, Stage 3.
2. Authorize the City Manager to execute the Cooperative Agreement.
3. Direct the City Clerk to forward the signed Cooperative Agreement to the District.

SUMMARY

This report recommends approval of the Cooperative Agreement between the District, the City, and First Industrial, L.P., to allow for the construction of storm drain facilities. As a condition of approval for P15-051 (PA12-0023) First San Michele Logistics, the City requires the developer to construct certain public improvements in order to provide flood protection and drainage as a result of the developer's planned development. The Cooperative Agreement is the District's mechanism by which the District, the City, and

the developer coordinate the construction and maintenance of master storm drain facilities.

DISCUSSION

The Planning Commission of the City of Moreno Valley approved this project (PA12-0023) on March 31, 2014 and its amended plot plan (P15-051) on November 20, 2015 for the construction of an approximately 187,985 square-foot warehouse facility. The project site is located at the southwest corner of San Michele Road and Perris Boulevard. The required facility for this project includes the construction of a storm drain facility of an approximately 1,236 lineal feet consisting of a new underground storm drain system with catch basins and laterals located along the project's easterly and northerly boundary.

The Developer will be responsible for the design and construction of the project improvements. The Developer will prepare plans and specifications in accordance with the District's and the City's standards and submit improvement plans to the District and the City for review and approval. The City will review the plans and specifications, provide inspection for the construction, and accept responsibility for the operation and maintenance of the City's drainage facilities, if the developer meets all requirements of the agreement. The District will review the plans and specifications, provide inspection for the construction, and accept ownership and responsibility for the maintenance of the District's drainage facilities, if the developer meets all requirements of the agreement.

On May 3, 2016, the City Council approved the bonded improvements by the Developer as part of the Agreement for Public Improvements for P15-051 (PA12-0023). The Agreement also included a Faithful Performance bond and Material and Labor bond for both the District's drainage facility and the City's drainage facility. The storm drain portion of the bonds will be held by the City until completion of the storm drain and acceptance of the storm drain improvements by the City and City Council.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow the project to construct master drainage plan storm drain facilities.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will not allow the project to construct master drainage plan storm drain facilities.*

FISCAL IMPACT

No fiscal impact.

NOTIFICATION

Publication of agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Zara Terrell
Management Analyst

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Hoang Nguyen, P.E.
Associate Engineer

Concurred By:
Michael Lloyd, P.E.
Interim Engineering Division Manager

CITY COUNCIL GOALS

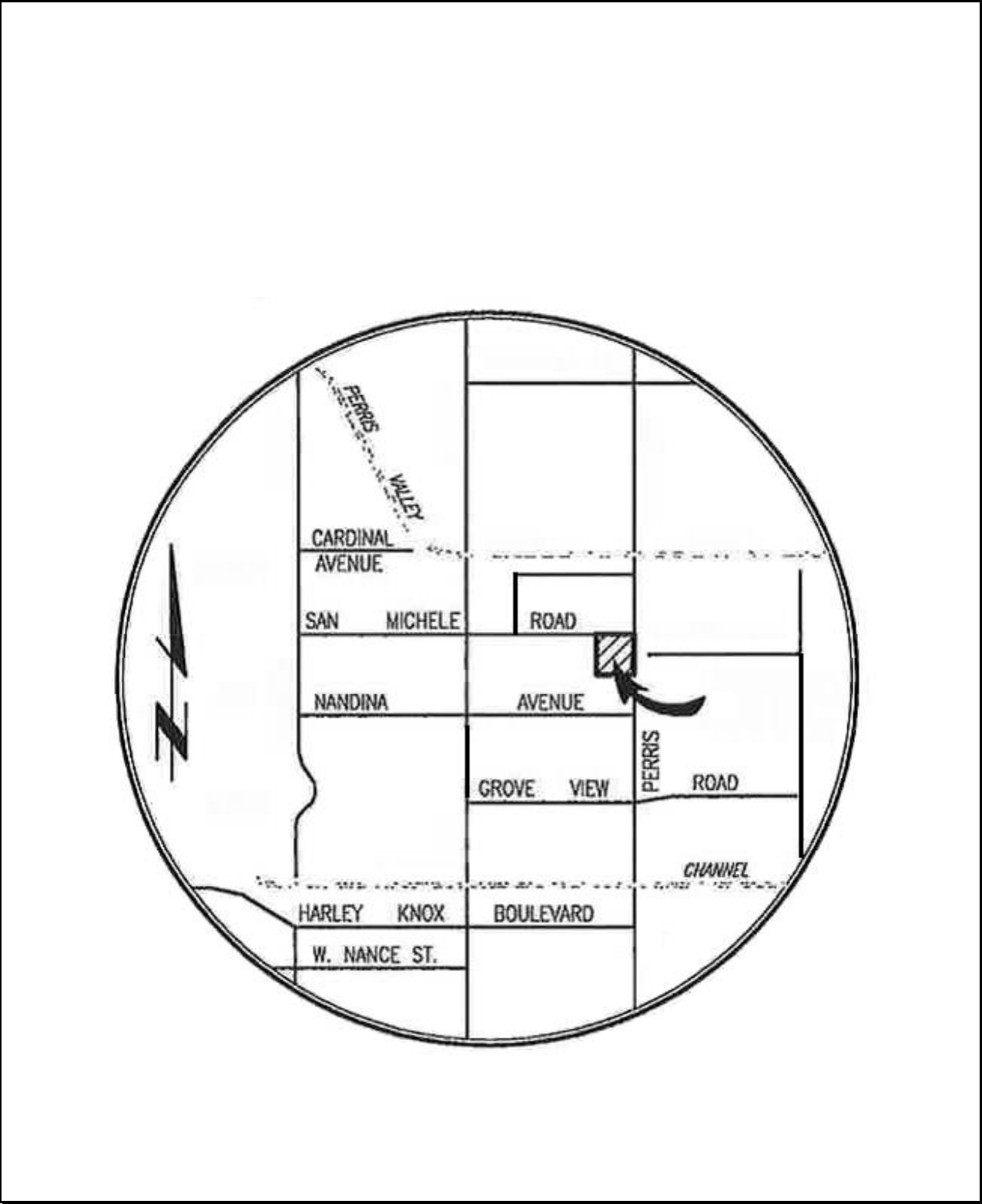
Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

ATTACHMENTS

1. Vicinity Map - P15-051 (PA12-0023)
2. Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3

APPROVALS

| | | |
|-------------------------|-------------------------------|------------------|
| Budget Officer Approval | <u> ✓ Approved </u> | 6/03/16 12:11 PM |
| City Attorney Approval | <u> ✓ Approved </u> | 6/03/16 10:45 AM |
| City Manager Approval | <u> ✓ Approved </u> | 6/08/16 5:36 PM |



CITY OF MORENO VALLEY
PUBLIC WORKS DEPARTMENT - LAND DEVELOPMENT

P15-051 (PA12-0023)

Attachment: Vicinity Map - P15-051 (PA12-0023) (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)

COOPERATIVE AGREEMENT

Perris Valley Master Drainage Plan (MDP) Lateral B-1, Stage 3
 Project No. 4-0-00486
 (MS 157)

The Riverside County Flood Control and Water Conservation District, hereinafter called "DISTRICT", the City of Moreno Valley, hereinafter called "CITY", and First Industrial, L.P., a Delaware limited partnership, hereinafter called "DEVELOPER", hereby agree as follows:

RECITALS

A. DEVELOPER is the legal owner of record of certain real property located within the County of Riverside. DEVELOPER has submitted for approval MS 157 located in the city of Moreno Valley. As a condition of approval, DEVELOPER must construct certain flood control facilities in order to provide flood protection and drainage for DEVELOPER'S planned development; and

B. The legal description of MS 157 is provided in Exhibit "A" attached hereto and made a part hereof; and

C. The required flood control facilities, all as shown in District Drawing No. 4-1094, include construction of a segment of DISTRICT'S Perris Valley MDP Lateral B-1, Stage 3 consisting of approximately 1,236 lineal feet of a reinforced concrete pipe, hereinafter called "DISTRICT DRAINAGE FACILITY", as shown in concept in blue on Exhibit "B" attached hereto and made a part hereof. At its downstream terminus, DISTRICT DRAINAGE FACILITY shall connect to DISTRICT'S Perris Valley MDP Lateral B-1, Stage 2 facility. At its upstream terminus, DISTRICT DRAINAGE FACILITY terminates with a concrete bulkhead for future extension; and

D. Associated with the construction of DISTRICT DRAINAGE FACILITY is the construction of certain catch basins, inlets, connector pipes, and various lateral storm drains that are thirty-six inches (36") or less in diameter that are located within CITY held easements or rights of way, hereinafter called "APPURTENANCES". Together, DISTRICT DRAINAGE FACILITY and APPURTENANCES are hereinafter called "PROJECT"; and

E. CITY and DEVELOPER desire DISTRICT to ultimately accept ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITY. Therefore, DISTRICT must review and approve DEVELOPER'S plans and specifications for DISTRICT DRAINAGE FACILITY and subsequently inspect the construction of DISTRICT DRAINAGE FACILITY; and

F. DISTRICT and DEVELOPER desire CITY to accept ownership and responsibility for the operation and maintenance of APPURTENANCES. Therefore, CITY must review and approve DEVELOPER'S plans and specifications for PROJECT and subsequently inspect the construction of PROJECT; and

G. DISTRICT is willing to (i) review and approve DEVELOPER'S plans and specifications for DISTRICT DRAINAGE FACILITY, (ii) inspect the construction of DISTRICT DRAINAGE FACILITY, and (iii) accept ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITY, provided that DEVELOPER (i) complies with this Agreement, (ii) constructs PROJECT in accordance with DISTRICT and CITY approved plans and specifications, (iii) obtains and conveys to DISTRICT and the necessary rights of way for the inspection, operation and maintenance of DISTRICT DRAINAGE FACILITY; and (iv) accepts ownership and responsibility for the operation and maintenance of PROJECT following completion of PROJECT construction until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITY; and

H. CITY is willing to (i) review and approve PROJECT plans and specifications, (ii) inspect the construction of PROJECT, (iii) accept and hold faithful performance and payment bonds submitted by DEVELOPER for DISTRICT DRAINAGE FACILITY, (iv) grant DISTRICT the right to inspect, operate and maintain portions of DISTRICT DRAINAGE FACILITY located within CITY rights of way, (v) accept ownership and responsibility for the operation and maintenance of APPURTENANCES, provided PROJECT is constructed in accordance with plans and specifications approved by DISTRICT and CITY.

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION I

DEVELOPER shall:

1. Prepare PROJECT plans and specifications, hereinafter called "IMPROVEMENT PLANS", including separate plans and specifications for DISTRICT DRAINAGE FACILITY, in accordance with applicable DISTRICT and CITY standards, and submit to DISTRICT and CITY for their respective review and approval.

2. Continue to pay DISTRICT, within thirty (30) days after receipt of periodic billings from DISTRICT, any and all such amounts as are deemed reasonably necessary by DISTRICT to cover DISTRICT'S costs associated with the review of IMPROVEMENT PLANS, review and approval of right of way and conveyance documents, and with the processing and administration of this Agreement.

3. Deposit with DISTRICT (Attention: Business Office - Accounts Receivable), at the time of providing written notice to DISTRICT of the start of PROJECT construction as set forth in Section I.8. herein, the estimated cost of providing construction inspection for DISTRICT DRAINAGE FACILITY, in an amount as determined and approved by DISTRICT in accordance with Ordinance Nos. 671 and 749 of the County of Riverside, including any amendments thereto, based upon the bonded value of DISTRICT DRAINAGE FACILITY.

4. Secure, at its sole cost and expense, all necessary licenses, agreements, permits, approvals, rights of way, rights of entry and temporary construction easements as may be needed for the construction, inspection, operation and maintenance of PROJECT. DEVELOPER shall furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., or not less than twenty (20) days prior to recordation of the final map for MS 157 or any phase thereof, whichever occurs first, with sufficient evidence of DEVELOPER having secured such necessary licenses, agreements, permits, approvals, rights of way, rights of entry and temporary construction easements as determined and approved by DISTRICT and CITY.

5. Prior to commencing construction, furnish DISTRICT and CITY with copies of all permits, approvals or agreements required by any federal, state or local resource and/or regulatory agency for the construction, operation and maintenance of PROJECT. Such documents include but are not limited to those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California State Department of Fish and Wildlife, State Water Resources Control Board and Western Riverside County Regional Conservation Authority.

6. Grant DISTRICT and CITY, by execution of this Agreement, the right to enter upon DEVELOPER'S property where necessary and convenient for the purpose of gaining access to and performing inspection service for the construction of PROJECT as set forth herein.

7. Provide CITY, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., or not less than twenty (20) days prior to recordation of the final map for MS 157 or any phase thereof, whichever occurs first, with faithful performance and payment bonds, each in the amount of one hundred percent (100%) of the estimated cost for construction of DISTRICT DRAINAGE FACILITY as determined by DISTRICT. The surety, amount and form of the bonds shall be subject to the approval of DISTRICT and CITY. The bonds shall remain in full force and effect until DISTRICT DRAINAGE FACILITY are accepted by DISTRICT and CITY as complete; at which time the bond amount may be reduced to five percent (5%) for a period of one (1) year to guarantee against any defective work, labor or materials.

8. Notify DISTRICT in writing (Attention: Administrative Services Section) at least twenty (20) days prior to the start of construction of PROJECT. Construction shall not begin on any element of PROJECT, for any reason whatsoever, until DISTRICT has issued to DEVELOPER a written Notice to Proceed authorizing DEVELOPER to commence construction of PROJECT.

9. Obtain and provide DISTRICT (Attention: Right of Way Acquisition Section), at the time of providing written notice to DISTRICT of the start of construction as set

forth in Section I.8., or not less than twenty (20) days prior to the recordation of the final map for MS 157 or any phase thereof, whichever occurs first, with duly executed Irrevocable Offer(s) of Dedication to the public for flood control and drainage purposes, including ingress and egress, for the rights of way deemed necessary by DISTRICT for the construction, inspection, operation and maintenance of DISTRICT DRAINAGE FACILITY, as shown in concept in blue on Exhibit "B" attached hereto and made a part hereof. The Irrevocable Offer(s) of Dedication shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the offer(s).

10. Furnish DISTRICT, when submitting the Irrevocable Offer(s) of Dedication as set forth in Section I.9. with Preliminary Reports on Title dated not more than thirty (30) days prior to date of submission of all the property described in the Irrevocable Offer(s) of Dedication.

11. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., with a complete list of all contractors and subcontractors to be performing work on DISTRICT DRAINAGE FACILITY, including the corresponding license number and license classification of each. At such time, DEVELOPER shall further identify in writing its designated superintendent for PROJECT construction.

12. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., a construction schedule which shall show the order and dates in which DEVELOPER or DEVELOPER'S contractor proposes to carry out the various parts of work, including estimated start and completion dates. As construction of PROJECT progress, DEVELOPER shall update said construction schedule as requested by DISTRICT.

13. Furnish DISTRICT with final mylar PROJECT plans and assign their ownership to DISTRICT prior to the start on any portion of PROJECT construction.

14. Not permit any change to, or modification of, DISTRICT and CITY approved IMPROVEMENT PLANS without the prior written permission and consent of DISTRICT and CITY.

15. Comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintain a safe working environment for DEVELOPER, DISTRICT and CITY employees on the site.

16. Furnish DISTRICT, at the time of providing written notice to DISTRICT of the start of construction as set forth in Section I.8., a confined space entry procedure specific to DISTRICT DRAINAGE FACILITY. The procedure shall comply with requirements contained in California Code of Regulations, Title 8 Section 5158, Other Confined Space Operations, Section 5157, Permit Required Confined Space and District Confined Space Procedures, SOM-18. The procedure shall be reviewed and approved by DISTRICT prior to the issuance of a Notice to Proceed.

17. DEVELOPER shall not commence operations until DISTRICT and CITY have been furnished with original certificate(s) of insurance and original certified copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Section. Without limiting or diminishing DEVELOPER'S obligation to indemnify or hold DISTRICT or CITY harmless, DEVELOPER shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement:

A. Workers' Compensation:

If DEVELOPER has employees as defined by the State of California, DEVELOPER shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than \$1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT and CITY, and, if applicable, to provide a Borrowed Servant/Alternate Employer Endorsement.

B. Commercial General Liability:

Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of DEVELOPER'S performance of its obligations hereunder. Policy shall name the DISTRICT and CITY, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds. Policy's limit of liability shall not be less than \$2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.

C. Vehicle Liability:

If DEVELOPER'S vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then DEVELOPER shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than \$1,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name the DISTRICT and CITY, its agencies, districts, special districts, and departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as additional insureds.

D. Professional Liability:

DEVELOPER shall maintain Professional Liability Insurance providing coverage for DEVELOPER'S performance of work included within this Agreement, with a limit of liability of not less than \$2,000,000 per occurrence and \$4,000,000 annual aggregate. If DEVELOPER'S Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and DEVELOPER shall purchase at his sole expense either 1) An Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) Demonstrate through Certificates of Insurance that DEVELOPER has maintained continuous coverage with the same or original insurer. Coverage provided under items: 1), 2) or 3) will continue as long as the law allows.

E. General Insurance Provisions – All Lines:

- i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A: 8) unless such requirements are waived, in writing, by the County Risk Manager. If the County Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.
- ii. The DEVELOPER must declare its insurance self-insured retention for each coverage required herein. If any such self-insured retention exceeds \$500,000 per occurrence each such retention shall have the prior written consent of the County Risk

Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to the DISTRICT, and at the election of the County Risk Manager, DEVELOPER'S carriers shall either: 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

- iii. DEVELOPER shall cause their insurance carrier(s) to furnish DISTRICT and CITY with 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by the County Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of sixty (60) days written notice shall be given to the DISTRICT and CITY prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If DEVELOPER insurance carrier(s) policies does not meet the minimum notice requirement found herein, DEVELOPER shall cause DEVELOPER'S insurance carrier(s) to furnish a 60 day Notice of Cancellation Endorsement. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith, unless DISTRICT and CITY receives, prior to such effective date, another properly

executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto, evidencing coverages set forth herein and the insurance required herein is in full force and effect. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

- iv. It is understood and agreed by the parties hereto that DEVELOPER'S insurance shall be construed as primary insurance, and DISTRICT'S or CITY'S insurance and/or deductibles and/or self-insured retentions or self-insured programs shall not be construed as contributory.
- v. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services or there is a material change in the equipment to be used in the performance of the scope of work which will add additional exposures (such as the use of aircraft, watercraft, cranes, etc.); or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT and CITY reserves the right to adjust the types of insurance required under this Agreement and the monetary limits of liability for the insurance coverages currently required herein, if, in the County Risk Manager's reasonable judgment, the amount or type of insurance carried by DEVELOPER has become inadequate.
- vi. DEVELOPER shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

vii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT and CITY.

viii. DEVELOPER agrees to notify DISTRICT and CITY of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

Failure to maintain the insurance required by this paragraph shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to DEVELOPER that DISTRICT is unable to perform its obligations hereunder, nor to accept responsibility for ownership, operation and maintenance of DISTRICT DRAINAGE FACILITY due, either in whole or in part, to said breach of this Agreement.

18. Construct or cause to be constructed, PROJECT at DEVELOPER'S sole cost and expense in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

19. Within two (2) weeks of completing PROJECT construction, provide DISTRICT (Attention: Development Review Section) and CITY with written notice that PROJECT construction is substantially complete and request that DISTRICT conduct a final inspection of DISTRICT DRAINAGE FACILITY and CITY conduct a final inspection of PROJECT.

20. Upon completion of PROJECT construction, and upon acceptance by CITY of all rights of way deemed necessary by DISTRICT and CITY for the operation and maintenance of PROJECT, but prior to CITY acceptance of DISTRICT DRAINAGE FACILITY for ownership, operation and maintenance, convey, or cause to be conveyed to CITY the flood control easement(s) or grant deed(s) of fee title where appropriate. The easement(s) or grant deed(s) shall be in a form approved by both DISTRICT and CITY and

shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

21. At the time of recordation of the conveyance document(s) as set forth in Section I.20., furnish DISTRICT with policies of title insurance, each in the amount of not less than (i) fifty percent (50%) of the estimated fee value, as determined by DISTRICT, for each easement parcel to be conveyed to DISTRICT, or (ii) one hundred percent (100%) of the estimated value, as determined by DISTRICT, for each fee parcel to be conveyed to DISTRICT, guaranteeing DISTRICT'S interest in said property as being free and clear of all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), and except those which, in the sole discretion of DISTRICT, are acceptable.

22. Accept ownership and sole responsibility for the operation and maintenance of PROJECT until such time as DISTRICT accepts ownership and responsibility for operation and maintenance of DISTRICT DRAINAGE FACILITY and CITY accepts ownership and responsibility for the operation and maintenance of APPURTENANCES.

23. Accept all liability whatsoever associated with the ownership, operation and maintenance of DISTRICT DRAINAGE FACILITY until such time as DISTRICT DRAINAGE FACILITY are formally accepted by DISTRICT for ownership, operation and maintenance

24. Pay, if suit is brought upon this Agreement or any bond guaranteeing the completion of PROJECT, all costs and reasonable expenses and fees, including reasonable attorneys' fees, and acknowledge that, upon entry of judgment, all such costs, expenses and fees shall be computed as costs and included in any judgment rendered.

25. Upon completion of PROJECT construction, but prior to DISTRICT acceptance of DISTRICT DRAINAGE FACILITY for ownership, operation and maintenance, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT with a redlined "record drawings" copy of PROJECT plans. After DISTRICT approval of the redlined "record drawings", DEVELOPER'S engineer shall schedule with DISTRICT a time to transfer the redlined changes

onto DISTRICT'S original mylars at DISTRICT'S office, after which the engineer shall review, stamp and sign the original PROJECT engineering plans "record drawings".

26. Ensure that all work performed pursuant to this Agreement by DEVELOPER, its agents or contractors is done in accordance with all applicable laws and regulations, including but not limited to all applicable provisions of the Labor Code, Business and Professions Code, and Water Code. DEVELOPER shall be solely responsible for all costs associated with compliance with applicable laws and regulations.

SECTION II

DISTRICT shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.
2. Provide CITY an opportunity to review and approve IMPROVEMENT PLANS prior to DISTRICT'S final approval.
3. Upon execution of this Cooperative Agreement, record or cause to be recorded, a copy of this Cooperative Agreement in the Official Records of the Riverside County Recorder.
4. Record, or cause to be recorded, the Irrevocable Offer(s) of Dedication provided by DEVELOPER pursuant to Section I.9.
5. Inspect DISTRICT DRAINAGE FACILITY construction.
6. Keep an accurate accounting of all DISTRICT costs associated with the review and approval of IMPROVEMENT PLANS, the review and approval of right of way and conveyance documents, and the processing and administration of this Cooperative Agreement.
7. Keep an accurate accounting of all DISTRICT construction inspection costs, and within forty-five (45) days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITY as being complete, submit a final cost statement to DEVELOPER. If the deposit, as set forth in Section I.3., exceeds such costs, DISTRICT shall reimburse DEVELOPER the excess amount within sixty (60) days after DISTRICT acceptance of DISTRICT DRAINAGE FACILITY as being complete. If at any time the costs exceed the deposit or are anticipated by

DISTRICT to exceed the deposit, DEVELOPER shall pay such additional amount(s), as deemed reasonably necessary by DISTRICT to complete inspection of DISTRICT DRAINAGE FACILITY, within thirty (30) days after receipt of billing from DISTRICT.

8. Accept ownership and sole responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITY upon (i) DISTRICT inspection of DISTRICT DRAINAGE FACILITY in accordance with Section I.19., (ii) DISTRICT acceptance of PROJECT construction as being complete, (iii) DISTRICT receipt of stamped and signed "record drawings" of PROJECT plans, as set forth in Section I.25., (iv) recordation of all conveyance documents described in Section I.21., (v) CITY acceptance of APPURTENANCES for ownership, operation, and maintenance, and (vi) DISTRICT'S sole determination that DISTRICT DRAINAGE FACILITY are in a satisfactorily maintained condition.

9. Provide CITY with a reproducible duplicate copy of "record drawings" PROJECT plans upon DISTRICT acceptance of DISTRICT DRAINAGE FACILITY as being complete.

SECTION III

CITY shall:

1. Review and approve IMPROVEMENT PLANS prior to the start of PROJECT construction.
2. Accept CITY and DISTRICT approved faithful performance and payment bonds submitted by DEVELOPER, as set forth in Section I.7., and hold said bonds as provided herein.
3. Inspect PROJECT construction.
4. Consent, by execution of this Cooperative Agreement, to the recording of any Irrevocable Offer(s) of Dedication furnished by DEVELOPER pursuant to this Cooperative Agreement.
5. As requested by DISTRICT, accept the Irrevocable Offer(s) of Dedication as set forth herein, and any other outstanding offers of dedication necessary for the

construction, inspection, operation and maintenance of DISTRICT DRAINAGE FACILITY, and convey sufficient rights of way to DISTRICT to allow DISTRICT to construct, inspect, operate and maintain DISTRICT DRAINAGE FACILITY.

6. Grant DISTRICT, by execution of this Agreement, the right to construct, inspect, operate and maintain DISTRICT DRAINAGE FACILITY within CITY rights of way.

7. Accept ownership and sole responsibility for the operation and maintenance of APPURTENANCES upon DISTRICT acceptance of DISTRICT DRAINAGE FACILITY for ownership, operation and maintenance.

8. Upon DISTRICT acceptance of DISTRICT DRAINAGE FACILITY construction as being complete, accept sole responsibility for the adjustment of all PROJECT manhole rings and covers located within CITY rights of way which must be performed at such time(s) that the finished grade along and above the underground portions of DISTRICT DRAINAGE FACILITY are improved, repaired, replaced or changed. It being further understood and agreed that any such adjustments shall be performed at no cost to DISTRICT.

SECTION IV

It is further mutually agreed:

1. All work involved with PROJECT shall be inspected by DISTRICT and CITY but shall not be deemed complete until DISTRICT and CITY mutually agree in writing that construction is completed in accordance with DISTRICT and CITY approved IMPROVEMENT PLANS.

2. CITY and DEVELOPER personnel may observe and inspect all work being done on DISTRICT DRAINAGE FACILITY, but shall provide any comments to DISTRICT personnel who shall be solely responsible for all quality control communications with DEVELOPER'S contractor(s) during the construction of PROJECT.

3. DISTRICT acceptance of ownership and responsibility for the operation and maintenance of DISTRICT DRAINAGE FACILITY shall be in a satisfactorily maintained condition as solely determined by DISTRICT. If, subsequent to the inspection and, in the sole

discretion of DISTRICT, DISTRICT DRAINAGE FACILITY are not in an acceptable condition, corrections shall be made at sole expense of DEVELOPER.

4. DEVELOPER shall complete construction of PROJECT within twelve (12) consecutive months after execution of this Agreement and within one hundred twenty (120) consecutive calendar days after commencing work on PROJECT. It is expressly understood that since time is of the essence in this Agreement, failure of DEVELOPER to perform the work within the agreed upon time shall constitute authority for DISTRICT to perform the remaining work and require DEVELOPER'S surety to pay to CITY the penal sum of any and all bonds. In which case, CITY shall subsequently reimburse DISTRICT for DISTRICT costs incurred.

5. If DEVELOPER fails to commence construction of PROJECT within eight (8) months after execution of this Agreement, then DISTRICT reserves the right to withhold issuance of the Notice to Proceed pending a review of the existing site conditions as they exist at the time DEVELOPER provides written notification to DISTRICT of the start of construction as set forth in Section I.8. In the event of a change in the existing site conditions that materially affects PROJECT function or DISTRICT'S ability to operate and maintain DISTRICT DRAINAGE FACILITY, DISTRICT may require DEVELOPER to modify IMPROVEMENT PLANS as deemed necessary by DISTRICT. In the event of a change in the existing site conditions that materially affects PROJECT function or CITY'S ability to operate and maintain APPURTENANCES, CITY may require DEVELOPER to modify IMPROVEMENTS as deemed necessary by CITY.

6. DISTRICT shall endeavor to issue DEVELOPER a Notice to Proceed within twenty (20) days of receipt of DEVELOPER'S complete written notice, as set forth in Section I.8.; however, DISTRICT'S construction inspection staff is limited and, therefore, the issuance of a Notice to Proceed is subject to staff availability.

In the event DEVELOPER wishes to expedite issuance of a Notice to Proceed, DEVELOPER may elect to furnish an independent qualified construction inspector at DEVELOPER'S sole cost and expense. DEVELOPER shall furnish appropriate documentation

of the individual's credentials and experience to DISTRICT for review and, if appropriate, approval. DISTRICT shall review the individual's qualifications and experience and, upon approval thereof, said individual, hereinafter called "DEPUTY INSPECTOR", shall be authorized to act on DISTRICT'S behalf on all DISTRICT DRAINAGE FACILITY construction and quality control matters. If DEVELOPER'S initial construction inspection deposit furnished pursuant to Section I.3. exceeds ten thousand dollars (\$10,000), DISTRICT shall refund to DEVELOPER up to eighty percent (80%) of DEVELOPER'S initial inspection deposit within forty-five (45) days of DISTRICT'S approval of DEPUTY INSPECTOR; however, a minimum balance of ten thousand dollars (\$10,000) shall be retained on account.

7. PROJECT construction work shall be on a five (5) day, forty (40) hour work week with no work on Saturdays, Sundays or DISTRICT designated legal holidays, unless otherwise approved in writing by DISTRICT. If DEVELOPER feels it is necessary to work more than the normal forty (40) hour work week or on holidays, DEVELOPER shall make a written request for permission from DISTRICT to work the additional hours. The request shall be submitted to DISTRICT at least seventy-two (72) hours prior to the requested additional work hours and shall state the reasons for the overtime and the specific time frames required. The decision of granting permission for overtime work shall be made by DISTRICT at its sole discretion and shall be final. If permission is granted by DISTRICT, DEVELOPER will be charged the cost incurred at the overtime rates for additional inspection time required in connection with the overtime work in accordance with Ordinance Nos. 671 and 749, including any amendments thereto, of the County of Riverside.

8. DEVELOPER for itself, its successors and assigns hereby releases DISTRICT and County of Riverside (including their agencies, districts, special districts and departments, their respective directors, officer, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any and all claims, demands, actions, or suits of any kind arising out of any liability, known or unknown, present or future, including but not limited to any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other

law or ordinance which seeks to impose any other liability or damage, whatsoever, for damage caused by the discharge of drainage within or from PROJECT. Nothing contained herein shall constitute a release by DEVELOPER of DISTRICT, its officers, agents and employees from any and all claims, demands, actions or suits of any kind arising out of any liability, known or unknown, present or future, for the negligent maintenance of DISTRICT DRAINAGE FACILITY, after the acceptance of ownership, operation and maintenance of DISTRICT DRAINAGE FACILITY by DISTRICT.

9. DEVELOPER shall indemnify and hold harmless DISTRICT, County of Riverside, and CITY (including their respective agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) from any liability, claim, damage, proceeding or action, present or future, based upon, arising out of or in any way relating to DEVELOPER'S (including its officers, employees, subcontractors and agents) actual or alleged acts or omissions related to this Agreement, performance under this Agreement, or failure to comply with the requirements of this Agreement, including but not limited to: (a) property damage; (b) bodily injury or death; (c) liability or damage pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution or any other law, ordinance or regulation caused by the diversion of waters from the natural drainage patterns or the discharge of drainage within or from PROJECT; or, (d) any other element of any kind or nature whatsoever.

DEVELOPER shall defend, at its sole expense, including all costs and fees (including but not limited to attorney fees, cost of investigation, defense and settlements or awards), DISTRICT, County of Riverside, and CITY (including their respective agencies, districts, special districts and departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives) in any claim, proceeding or action for which indemnification is required.

With respect to any of DEVELOPER'S indemnification requirements, DEVELOPER shall, at its sole cost, have the right to use counsel of their own choice and shall

have the right to adjust, settle, or compromise any such claim, proceeding or action without the prior consent of DISTRICT, County of Riverside and CITY; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes DEVELOPER'S indemnification obligations to DISTRICT, County of Riverside, or CITY.

DEVELOPER'S indemnification obligations shall be satisfied when DEVELOPER has provided to DISTRICT, County of Riverside, and CITY the appropriate form of dismissal (or similar document) relieving DISTRICT, County of Riverside, or CITY from any liability for the claim, proceeding or action involved.

The specified insurance limits required in this Agreement shall in no way limit or circumscribe DEVELOPER'S obligations to indemnify and hold harmless DISTRICT, County of Riverside and CITY from third party claims.

In the event there is conflict between this section and California Civil Code Section 2782, this section shall be interpreted to comply with California Civil Code Section 2782. Such interpretation shall not relieve the DEVELOPER from indemnifying DISTRICT, County of Riverside or CITY to the fullest extent allowed by law.

10. Any waiver by DISTRICT or by CITY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of DISTRICT or CITY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or estopping DISTRICT or CITY from enforcement hereof.

11. Any and all notices sent or required to be sent to the parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Administration Services Section

CITY OF MORENO VALLEY
14177 Frederick Street
Moreno Valley, CA 92552
Attn: Michael Lloyd, Interim Engineering
Division Manager

FIRST INDUSTRIAL, L.P.
898 N. Sepulveda Blvd., Ste. 175
El Segundo, CA 90245
Attn: Larry Cochrun

Attachment: Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3 (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)

12. This Agreement is to be construed in accordance with the laws of the State of California. If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

13. Any action at law or in equity brought by any of the parties hereto for the purpose of enforcing a right or rights provided for by the Agreement, shall be tried in a court of competent jurisdiction in the County of Riverside, State of California, and the parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

14. This Agreement is the result of negotiations between the parties hereto, and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by DISTRICT shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Agreement in its final form.

15. The rights and obligations of DEVELOPER shall inure to and be binding upon all heirs, successors and assignees.

16. DEVELOPER shall not assign or otherwise transfer any of its rights, duties or obligations hereunder to any person or entity without the written consent of the other parties hereto being first obtained. In the event of any such transfer or assignment, DEVELOPER expressly understands and agrees that it shall remain liable with respect to any and all of the obligations and duties contained in this Agreement.

17. The individual(s) executing this Agreement on behalf of DEVELOPER hereby certify that they have the authority within their company to enter into and execute this Agreement, and have been authorized to do so by any and all boards of directors, legal counsel, and/or any other board, committee or other entity within their company which have the authority to authorize or deny entering this Agreement.

18. This Agreement is intended by the parties hereto as a final expression of their understanding with respect to the subject matters hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral or written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the parties hereto.

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Attachment: Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3 (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)

IN WITNESS WHEREOF, the parties hereto have executed this Cooperative

Agreement on _____.
(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL: **RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION ISTRICT**

By _____
JASON E. UHLEY
General Manager-Chief Engineer

By _____
MARION ASHLEY, Chairman
Riverside County Flood Control and Water Conservation District Board of Supervisors

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
County Counsel

ATTEST:

KECIA HARPER-IHEM
Clerk of the Board

By _____
NEAL R. KIPNIS
Deputy County Counsel

By _____
Deputy
(SEAL)

Cooperative Agreement w/ City of Perris and First Industrial, L.P.:
Perris Valley MDP Lateral B-1, Stage 3
Project No. 4-0-00486
(MS 157)
05/25/2016
AMR:rlp

Attachment: Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3 (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)

RECOMMENDED FOR APPROVAL:

CITY OF MORENO VALLEY

By _____
AHMAD R. ANSARI
Public Works Director/City Engineer

By _____

City Manager

APPROVED AS TO FORM:

ATTEST:

STEVEN B. QUINTANILLA
Interim City Attorney

By _____
PAUL EARLY
Assistant City Attorney

By _____
LESLIE KEANE
Interim City Clerk

(SEAL)

Cooperative Agreement w/ City of Perris and First Industrial, L.P.:
Perris Valley MDP Lateral B-1, Stage 3
Project No. 4-0-00486
(MS 157)
05/25/2016
AMR:rlp

Attachment: Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3 (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)

FIRST INDUSTRIAL, L.P.
a Delaware limited partnership

By: FIRST INDUSTRIAL REALTY TRUST INC.,
a Maryland corporation, its sole General Partner

By: _____
LARRY COCHRUN
Director of Development

Cooperative Agreement w/ City of Perris and First Industrial, L.P.:
Perris Valley MDP Lateral B-1, Stage 3
Project No. 4-0-00486
(MS 157)
05/25/2016
AMR:rlp

Attachment: Cooperative Agreement - Perris Valley MDP Lateral B-1, Stg3 (2125 : P15-051 (PA12-0023) ? FIRST SAN MICHELE LOGISTICS)



Report to City Council

TO: Mayor and City Council

FROM: Allen Brock, Community Development Director

AGENDA DATE: June 21, 2016

TITLE: APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$46,292 ALLOCATION TO THE CITY

RECOMMENDED ACTION

Recommendations:

1. Approve Resolution 2016-48, a Resolution of the City Council of the City of Moreno Valley, California, approving the Grant Application submitted by the Code and Neighborhood Services Division to the Office of Justice Programs for the Edward Byrne Memorial Justice Assistance Grant and Accept the \$46,292 Allocated.
2. Authorize revenue and expenditure budget appropriations of \$46,292 respectively to a new JAG Program fund for fiscal year 2016-2017.

SUMMARY

The U.S. Department of Justice, through the Office of Justice Programs, provides federal leadership for the development of programs nationally aimed at preventing and suppressing crime. This effort is carried out through the formation of partnerships with other federal, state and local agencies. Additionally, the Office of Justice administers grants that assist states, tribes and local governments to focus on programs that address youth crime, substance abuse, family violence and other enforcement needs, the prosecution of offenders, crime prevention and education of the community.

In 2016, the Justice Assistance Grant (JAG) program has allocated a total of \$429,942 to Riverside County, including \$46,292 awarded to the City of Moreno Valley, as a sub-grantee for programs with an emphasis on crime prevention through enforcement

efforts. As part of JAG, Moreno Valley's Code and Neighborhood Services Division is proposing the continued funding of the City's Weekend Code Enforcement Program.

DISCUSSION

Since January 1, 2009, the Code and Neighborhood Services Division has experienced the loss of several positions due to budgetary constraints. Community demand for services has increased during this time due to home foreclosures and deferred property maintenance by area residents. As a result, Code staff has experienced difficulty in their ability to maintain service levels and pursue specialized enforcement activities proactively.

Code personnel began searching for additional funding sources to augment traditional funding resources aimed at maintaining the integrity of its neighborhoods. Code staff applied for 2009, 2010, 2011, 2012, 2013, 2014 and 2015 JAG allocations and has subsequently been awarded a total of \$531,296 to support the City's Weekend Code Enforcement Program.

To date, staff has expended approximately \$473,370 of the total JAG funds awarded and anticipates that the remaining funds will be expended in FY 2016/2017. Therefore, staff is proposing to apply the 2016 allocation to continue the support of these important programs, as well as funding three part-time Code officers currently assigned to the Code Compliance Division.

ALTERNATIVES

1. Approve the resolution accepting the 2016 Justice Assistance Grant funding allocation of \$46,292 to continue the City's Weekend Code Enforcement Program.
Staff recommends this alternative as it continues efforts to reduce crime in the community.
2. Do not approve the resolution accepting the 2016 Justice Assistance Grant funding allocation of \$46,292 to continue the City's Weekend Code Enforcement Program.
This alternative is not recommended by staff as it reduces resources to improve the community through crime reduction efforts.

FISCAL IMPACT

This grant has no requirement for matching funds. All expenses are reimbursed by the grant. Therefore, this is cost neutral to the City and there is no impact to the General Fund.

| Description | Fund | GL Account No. | Type (Rev/Exp) | FY 16/17 Budget | Proposed Adjustments | FY 16/17 Amended Budget |
|------------------|------|--------------------------|----------------|-----------------|----------------------|-------------------------|
| Receipt of Grant | JAG | 2715-20-26-72115-485000 | Rev | \$0 | \$46,292 | \$46,292 |
| Administration | JAG | 2715-20-26-72115-Various | Exp | \$0 | \$46,292 | \$46,292 |

NOTIFICATION

Publication of the Agenda.

PREPARATION OF STAFF REPORT

Prepared By:
Allen D. Brock
Community Development Director

Department Head Approval:
Allen D. Brock
Community Development

CITY COUNCIL GOALS

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Proposed Resolution
2. Grant Application - Program Narrative
3. Grant Application - Budget Narrative
4. Grant Application - Budget Detail Worksheet
5. Grant Application - Project Abstract
6. 2016 Inter-local Agreement

APPROVALS

| | | |
|-------------------------|-------------------------------|-----------------|
| Budget Officer Approval | <u> ✓ Approved </u> | 6/03/16 2:09 PM |
| City Attorney Approval | <u> ✓ Approved </u> | 6/08/16 2:28 PM |
| City Manager Approval | <u> ✓ Approved </u> | 6/08/16 5:35 PM |

RESOLUTION NO. 2016-48

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE GRANT APPLICATION SUBMITTED BY THE CODE & NEIGHBORHOOD SERVICES DIVISION TO THE OFFICE OF JUSTICE PROGRAMS FOR THE EDWARD BYRNE MEMORIAL JUSTICE ASSISTANCE GRANT AND ACCEPT THE \$46,292 ALLOCATION

WHEREAS, The City of Moreno Valley, a city within the State of California, has applied for the 2016 Edward Byrne Memorial Justice Assistance Grant; and

WHEREAS, the Office of Justice allocated \$46,292 of 2016 Justice Assistance Grant to the City of Moreno Valley.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The City Council approves the grant application submitted by the Code & Neighborhood Services Division to the County of Riverside for the 2016 Edward Byrne Memorial Justice Assistance Grant.
2. The City Council accepts the \$46,292 allocation from the grant and hereby directs Finance to establish a separate account identified with a separate unique expenditure activity number.
3. The City of Moreno Valley hereby agrees to use the funds in the manner presented in the grant application and in accordance with the application package. It also may execute any and all instruments required by the Office of Justice for participation in the Edward Byrne Memorial Justice Assistance Grant Program.
4. The City of Moreno Valley authorizes the City Manager to execute the grant application in the name of the City of Moreno Valley, and all other documents required by the Office of Justice for participation in the Edward Byrne Memorial Justice Assistance Grant Program.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: Proposed Resolution [Revision 1] (2124 : APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-48 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2016-48
Date Adopted: June 21, 2016

Attachment: Proposed Resolution [Revision 1] (2124 : APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD

**City of Moreno Valley
Edward Byrne Memorial Justice Assistance Grant
Program Narrative**

The City of Moreno Valley Code & Neighborhood Services Division is responsible for the enforcement of the City's municipal codes relating to neighborhood nuisances, health and safety, substandard housing, vehicle abatement, zoning/land use, illegal signs, parking control, business licenses and illegal vendors. Blight and nuisances can devalue, detract and degrade the quality of any neighborhood. The City has adopted codes that govern the use and maintenance of private property in order to enhance and protect the quality of life for all who work, live and play in Moreno Valley.

Since 2009, the Code and Neighborhood Services Division has experienced reductions in staffing due to the City's budget challenges while community demand for services increased due to the proliferation of home foreclosures and deferred property maintenance by area residents. Existing staff resources were and continue to be challenged in their ability to pursue compliance activities pro-actively.

Faced with increased demand for services and decreased resources, staff began the process of identifying alternate and/or outside funding sources via grants to augment the staffing reductions and maintain existing service levels. Staff identified the Justice Assistance Grant (JAG) as a potential funding source and subsequently applied for the JAG grant and was rewarded in 2010, 2011, 2012, 2013, 2014 and 2015. JAG funding will be used to support the code programs that were impacted most significantly by the reductions in the Weekend Enforcement Program.

Staff has fully expended funding for the grant years 2010, 2011, 2012 and 2013. Staff estimates that 2014 and 2015 JAG funding will be fully spent by the end of fiscal year 2016/2017. The City of Moreno Valley is currently applying for the 2016 allocation to continue the support of the Weekend Enforcement Program.

Staff has provided a brief description of the program below to comply with application provisions under the Program Narrative section of the U.S. Department of Justice, Edward Byrne Memorial Justice Assistance Grant 2016 local solicitation guidelines.

Weekend Enforcement Program

JAG funds will be utilized to continue deployment of three (3) part-time code officers on weekends when full-time staff is unavailable. Code personnel will continue to pro-actively target specific violations that primarily occur on weekends such as unlicensed vendors, illegal automotive sales, theft of

recyclable materials, posting of signs in the public right-of-way, illegal commercial vehicle parking and garage sales. In addition, staff will provide emergency inspection services for the Moreno Valley Police Department and the Fire Department when necessary for violations including but not limited to the following; fire damaged buildings, unsecured vacant residences and pools, substandard housing and other severe health and safety issues that warrant immediate action.

**City of Moreno Valley
Edward Byrne Memorial Justice Assistance Grant
Budget Narrative**

As stated in Attachment 2 – Program Narrative, the City of Moreno Valley’s Code & Neighborhood Services Division is proposing to use 2016 Justice Assistance Grant (JAG) funds for the Weekend Enforcement Program. Specifically, staff intends to utilize JAG funds to augment staffing levels, which have been reduced due to budgetary constraints.

Staff has determined the cost for staffing and additional expenditures for the program. The Budget Detail Worksheet details all related costs such as salaries and fringe benefits for all personnel, in addition to standard and supplementary costs for field personnel (i.e. Landline and cell phone usage and office supplies) per JAG requirements.

JUSTICE ASSISTANCE GRANT LAW ENFORCEMENT GRANT
 City of Moreno Valley
Budget Detail Worksheet 2016/2017

A. Personnel

| Name/Position | Computation | Cost |
|---------------------------|------------------------------------------------|----------|
| Code Compliance Officer I | 16 hrs. weekly X 39 weeks = 624 hrs. X 21.61 = | \$13,485 |
| Code Compliance Officer I | 16 hrs. weekly X 39 weeks = 624 hrs. X 21.61 = | \$13,485 |
| Code Compliance Officer I | 8 hrs. weekly X 42 weeks = 336 hrs. X 23.83 = | \$8,007 |
| Total Personnel | | \$34,976 |

Personnel Narrative: This grant will be funding personnel cost to fund (3) part-time Code Compliance Officer's on the weekends when full-time staff is not available. The Personnel computation information details the projected hours that the officer's will be scheduled for the 2016 JAG grant period.

B. Fringe Benefits

| Name/Position | Computation | Cost |
|----------------------------------------------|---------------------------------------------------------------------------------|---------|
| Medicare - 2 (16hr) Code Compliance Officer | 21.61 hourly X 32 hrs. = 691.52 wkly. X 1.45% = 5.014 Medicare wkly. X 39 wks.= | \$391 |
| Medicare - 1 (8 hr) Code Compliance Officers | 23.83 hourly X 8 hrs. = 190.64 wkly. X 1.45% = 7.898 Medicare wkly. X 42 wks.= | \$116 |
| PERS Retirement - 2 (16hr) Code Compliance | 21.61 hourly X 32 hrs. = 691.52 wkly. X 26.5% = 183.25 PERS wkly. X 39 wks.= | \$7,147 |
| PERS Retirement - 1 (8 hr) Code Compliance | 23.83 hourly X 8 hrs. = 190.64 wkly. X 26.5% = 50.52 PERS wkly. X 42 wks. = | \$2,122 |
| Total Fringe Benefits | | \$9,776 |

Fringe Benefits Narrative: The City of Moreno Valley is required to pay some fringe benefits for part-time staff. The above information details the computation information for the fringe benefits. Please note that there are salary and hourly differences between each fringe benefit.

C. Travel

| Description | Computation | Cost |
|----------------|-------------|------|
| Not applicable | | |
| Total Travel | | \$0 |

D. Equipment

| Description | Computation | Cost |
|----------------|-------------|------|
| Not applicable | | |

Attachment: Grant Application - Budget Detail Worksheet [Revision 1] (2124 : APPROVE RESOLUTION

Total Equipment \$0

E. Supplies

| Description | Computation | Cost |
|----------------|-------------|------|
| Not applicable | | \$0 |

Total Supplies \$0

F. Construction

| Description | Computation | Cost |
|----------------|-------------|------|
| Not applicable | | |

Total Constructions \$0

G. Consultants/Contracts

| Description | Computation | Cost |
|----------------|-------------|------|
| Not applicable | | |

Total Consultants/Contracts \$0

H. Other Costs

| Description | Computation | Cost |
|---------------|--------------------------|---------|
| Office phones | \$100.00 per officer X 3 | \$300 |
| Cell phones | \$413.34 per officer X 3 | \$1,240 |

Total Other Costs \$1,540

Other Cost Narrative: The Code Officer's require a need for landline office phones and cellular phones to perform the duties outlined in the Program Narrative section of this grant application. The cost associated with this need is detailed above in the computation section of Other Costs. Cellular phone cost are thoroughly monitored in an effort to keep cost at a minimum.

I. Indirect Costs

| Description | Computation | Cost |
|----------------------------|-------------|----------------|
| Fiscal Agent | | \$5,143 |
| Total Indirect Cost | | \$5,143 |

Indirect Cost Narrative: The grant allows for 10% of the grant award to be used for any grant administration cost associated with administering the grant. Since the County of Riverside is the pass through agent for the 2016 JAG grant, that cost will be set aside for the County of Riverside.

| | | |
|----------------------------|--|-----------------|
| A. Personnel | | \$34,976 |
| B. Fringe Benefits | | \$9,776 |
| C. Travel | | \$0 |
| D. Equipment | | \$0 |
| E. Supplies | | \$0 |
| F. Construction | | \$0 |
| G. Consultants | | \$0 |
| H. Other Costs | | \$1,540 |
| I. Indirect Costs | | \$5,143 |
| Total Project Costs | | \$51,435 |
| Agency Allocation | | \$51,435 |

**City of Moreno Valley
Edward Byrne Memorial Justice Assistance Grant
Project Abstract**

Applicant's Name: City of Moreno Valley, CA

Title of Project: Weekend Enforcement Program

The City of Moreno Valley's Code & Neighborhood Services Division is proposing to utilize 2016 Justice Assistance Grant (JAG) funds for the continued funding of part-time staff assigned to the weekend enforcement program. The presence of grant funded staff members would continue code's ability to respond to unmaintained properties timely and provide seven day coverage.

Goals and Objectives:

- Expand staff's focus on enforcement activities described above in an effort to reduce blight.
- Provide continued weekend enforcement personnel that will focus on specialized code activities occurring on weekends in effort to reduce the frequency of occurrences.
- Augment existing staff and better direct division focus towards property maintenance efforts in blighted residential areas.
- Conduct quarterly programmatic and financial reports to assess grant objectives, and verify that grant funds are being utilized appropriately and efficiently.
- Complete the dispersing of funds in a timely manner within the four year allocation.
- Create a trust fund to deposit allocated funds.

Project Identifiers:

Below, staff has listed the five top project identifiers per JAG's application requirements;

- Policing
- Task Force
- Community Based Programs
- Surveillance
- Crime Prevention

INTERLOCAL AGREEMENT
 BETWEEN CITIES OF BANNING, CATHEDRAL CITY, COACHELLA, CORONA, DESERT HOT
 SPRINGS, HEMET, INDIO, JURUPA VALLEY, MORENO VALLEY, PALM SPRINGS, PERRIS, THE
 COUNTY OF RIVERSIDE AND
 THE CITY OF RIVERSIDE, CA

CONCERNING DISTRIBUTION OF THE
 2016 JUSTICE ASSISTANCE GRANT AWARD

This Agreement is made and entered into this ___ day of _____, 2016, by and between THE CITY OF RIVERSIDE, acting by and through its governing body, the Riverside City Council (hereinafter referred to as "CITY"), and the aforementioned COUNTY (hereinafter referred to as "COUNTY") and named CITIES (hereinafter referred to as "CITIES"), acting by and through their respective governing bodies, the Board of Supervisors and City Councils, all of whom are situated within the County of Riverside, State of California, as follows:

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Agreement; and

WHEREAS, the CITY agrees to release to COUNTY and CITIES their respective grant allocation from the JAG Award, less ten percent (10%) re-allocated to CITY, as reflected on Appendix 1 here attached and hereby incorporated by reference as part of this agreement, on a reimbursement basis; and CITY agrees to provide the administration of COUNTY's and CITIES' programs during the entire permissible duration of said programs; and additionally the COUNTY and CITIES each agree that it is their responsibility to ensure these funds are expended in accordance with JAG guidelines; and

WHEREAS, the COUNTY, CITIES and CITY believe it to be in their best interests to reallocate the JAG funds,

NOW THEREFORE, the CITY and COUNTY and CITIES agree as follows:

Section 1.

CITY agrees to release to COUNTY and CITIES up to their respective grant allocation from the JAG Award, less ten percent (10%) re-allocated to CITY, as reflected in Appendix 1 here attached and hereby incorporated by reference as part of this Agreement, on a reimbursement basis, from the JAG Award within (45) days upon receipt of fully documented reimbursement request, and; CITY agrees to provide the administration of COUNTY's and CITIES' programs during the entire permissible duration of said programs.

Section 2.

COUNTY and CITIES each agree that it is their responsibility to ensure these funds are expended in accordance with JAG guidelines.

Section 3.

COUNTY and CITIES agree to provide CITY with sufficient timely information as necessary within five business days after receiving written request from CITY to meet JAG requirements for quarterly financial and performance metrics reports and semi-annual programmatic reports.

Section 4.

Nothing arising from this Agreement shall impose any liability for claims or actions against CITY other than what is authorized by law.

Section 5.

Nothing arising from this Agreement shall impose any liability for claims or actions against COUNTY and/or CITIES other than what is authorized by law.

Section 6.

Each party to this Agreement will be responsible for its own actions in providing services under this Agreement and shall not be liable to any other party to this Agreement for any claim or action arising from the services provided under this Agreement.

Section 7.

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 8.

By entering into this Agreement, the parties do not intend to create any obligations, either express or implied, other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF MORENO VALLEY, CA

City Manager

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

Attachment: 2016 Inter-local Agreement (2124 : APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD BYRNE

Appendix 1
Eligible Agencies in FY2016 JAG Disparate Area

| Riverside City FA | BJA Formula | To Fiscal Agent | New Allocation | % to FA |
|--------------------|----------------|-----------------|-------------------|---------|
| Riverside City | 109,460 | 32,048 | 141,508 | |
| Banning | 10,805 | -1,081 | 9,724 | 10.0% |
| Cathedral City | 12,832 | -1,283 | 11,549 | 10.0% |
| Coachella | 14,646 | -1,465 | 13,181 | 10.0% |
| Corona | 14,486 | -1,449 | 13,037 | 10.0% |
| Desert Hot Springs | 21,049 | -2,105 | 18,944 | 10.0% |
| Hemet | 34,228 | -3,423 | 30,805 | 10.0% |
| Indio | 36,922 | -3,692 | 33,230 | 10.0% |
| Jurupa Valley | 23,103 | -2,310 | 20,793 | 10.0% |
| Moreno Valley | 51,435 | -5,143 | 46,292 | 10.0% |
| Palm Springs | 22,730 | -2,273 | 20,457 | 10.0% |
| Perris | 17,634 | -1,763 | 15,871 | 10.0% |
| Riverside County | 60,612 | -6,061 | 54,551 | 10.0% |
| | 429,942 | 0 | 429,942 | |
| % To Fiscal Agent | 7.454% | | | |
| \$ To FA | 32,048 | | | |

Attachment: 2016 Inter-local Agreement (2124 : APPROVE RESOLUTION FOR THE GRANT APPLICATION FOR THE 2016 EDWARD BYRNE



Report to City Council

TO: Mayor and City Council

FROM: Marshall Eyerman, Chief Financial Officer

AGENDA DATE: June 21, 2016

TITLE: AUTHORIZE CITY MANAGER TO SIGN CONTRACT WITH HDL COREN & CONE FOR PROPERTY TAX AUDIT, REVIEW, MONITORING AND REPORTING SERVICES

RECOMMENDED ACTION

Recommendation:

1. Approve the contract with HdL Coren & Cone.
2. Authorize the City Manager to sign the contract with HdL Coren & Cone and any related amendments to the contract.

SUMMARY

With property taxes being the one of the primary revenue sources for the City of Moreno Valley, the City has maintained a practice of continually auditing and reviewing the property tax payments from the County of Riverside. This report recommends that the City continues this practice and recommends the City Council approve the contract with HdL Coren & Cone for property tax audit, review, monitoring and reporting services.

DISCUSSION

Property Tax is one of the primary revenue sources for the City. As such there is a need to annually audit and review the tax rate data that is used by the Riverside County Assessor's Office, the Riverside County Tax Collector's Office and the Riverside County Auditor-Controller's Office to allocate tax revenues to the City. As part of this contract, HdL Coren & Cone will annually review the county data for anomalies such as coding errors, prepare revenue estimates, track property transfers, monitor appeals, track events that impact property valuations such as AB 8, provide reports required by the Comprehensive Annual Financial Report (CAFR) along with other monitoring and reporting services. If corrections are identified, HdL Coren & Cone works directly with

the County to make any corrections.

The data generated out of this service is generally utilized by the Financial & Management Services Department to generate revenue estimates and to meet reporting requirements for different reporting entities. The data is also utilized by the Economic Development Department for various uses.

The City has utilized HdL Coren & Cone in this capacity for at least the last fifteen years and they have developed a strong knowledge of the City’s property tax base, appeal history and AB-8 adjustment history. HdL Coren & Cone is recognized as the leading expert in property tax audit and monitoring services and is fully versed in the property tax laws for California. Their client list includes 200 cities and special districts throughout the state.

The following table shows the base cost for the contracted property tax services over the five year period. HdL Coren & Cone’s proposal is subject to a Consumer Price Index (CPI) inflation adjustment in the fourth year of the contract and that new rate will be applied to both years four and five.

| Proposed Costs for Property Tax Audit Services | | | | | | |
|------------------------------------------------|------------|------------|------------|------------|------------|------------------|
| | FY 2016-17 | FY 2017-18 | FY 2018-19 | FY 2019-20 | FY 2020-21 | Cumulative Total |
| Base | \$21,450 | \$21,450 | \$21,450 | \$21,450 | \$21,450 | \$107,250 |

Staff requests the City Council to authorize the City Manager to approve the Agreement and any future extensions or amendments subject to satisfactory performance by the Contractor for services performed. The approval of any annual extensions or amendments will be subject to satisfactory performance, the approval of the City Attorney and provided sufficient funding appropriations have been approved by the City Council.

ALTERNATIVES

1. Approve the contract with HdL Coren & Cone and authorize the City Manager to sign the contract and any future amendments to the contract. *This alternative is recommended which will allow the contract to be executed and the audit, monitoring and reporting services can continue.*
2. Do not approve the contract or authorize the City Manager to sign the contract and provide staff with additional direction. *This alternative is not recommended as the delay would result in an interruption of this service.*

FISCAL IMPACT

The fiscal impact of this audit program will be the annual expenditure of \$21,450 for the audit, monitoring and reporting program. This expenditure is currently included in the city-wide budget. The auditing service may result in additional property tax revenue as

coding errors and tax rate application errors are identified and corrected.

NOTIFICATION

Publication of the Agenda

PREPARATION OF STAFF REPORT

Prepared By:
Brooke McKinney
Treasury Operations Division Manager

Department Head Approval:
Marshall Eyerman
Chief Financial Officer

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

ATTACHMENTS

- 1. Draft Contract - HdL Coren & Cone

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 9:55 AM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 2:30 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:35 PM |

CITY OF MORENO VALLEY
AGREEMENT FOR PROPERTY TAX
CONSULTING/AUDIT SERVICES

This AGREEMENT (the "Agreement") is made and entered into as of the ____ day of _____, 2016 by and between the CITY OF MORENO VALLEY, a municipal corporation hereinafter called CITY, and HdL Coren & Cone, a California Corporation hereinafter called CONTRACTOR.

RECITALS

WHEREAS, property tax revenues can be verified and potentially increased through a system of continuous monitoring, identification and reconciliation to county records; and

WHEREAS, an effective program of property tax management will assist the CITY in fiscal, economic and community development planning; and

WHEREAS, CITY desires the property tax data based reports and data analysis required to effectively manage the CITY property tax base and identify and recover revenues misallocated within the CITY, or to other jurisdictions; and

WHEREAS, CONTRACTOR is a state-wide expert in such data analysis with over 190 public agency clients for whom such services are performed and has the programs, equipment, data and personnel required to deliver the property tax services referenced herein;

WHEREAS, CITY prefers to pay for certain of such services through a contingency arrangement where payment is made from monies recovered and CONTRACTOR is willing to base its compensation on such a risk-based formula.

NOW, THEREFORE, CITY and CONTRACTOR, for the consideration hereinafter described, mutually agree as follows:

1.0 DEFINITIONS

For purposes of this Agreement, the following terms shall have the meaning stated below:

Audit Review: "Audit" or "Audit Review" shall mean the comparison of databases to ensure that parcels are correctly coded with the appropriate tax rate area to return revenue to the client city or redevelopment agency. Audits include the secured and unsecured tax rolls and where secured records are corrected; the corresponding unsecured records related to those properties are also corrected. A review of the calculation methodologies developed by auditor/controller offices in the administration of property tax revenues or tax increment revenues is made to ensure compliance. New annexations and newly created redevelopment project areas are audited the 1st or 2nd year after the area's adoption due to the timing of LAFCO and the State Board of Equalization in assigning new tax rate areas and county processing of those changes.

County: "County" shall mean the County in which the CITY is located.

Database: "Database" shall mean a computerized listing of property tax parcels and information compiled for CITY from information provided by the County.

Days: "Days" shall mean calendar days.

Project Area: "Project Area(s)" shall mean the project areas of former redevelopment agency

Property Tax Roll: "Property Tax Roll" shall mean the assessed values of parcels on the secured and unsecured lien date rolls as reported by the County.

Proprietary Information: "Proprietary Information" shall be the reports, technical information, compilations of data, methodologies, formula, software, programs, technologies and other processes previously designed and developed by CONTRACTOR and used in the performance of the services hereunder.

Successor Agency: "Successor Agency" means the City's administration pursuant to Section 34176 of the Health and Safety Code of the former community redevelopment agency of CITY).

Recovered/Reallocated Revenue: "Recovered or Reallocated Revenue" shall mean additional revenue received as a result of an audit or review of properties submitted for correction or for corrections due erroneous calculations or incorrect methods of distributing revenue discovered by the CONTRACTOR and then made by county agencies which result in a return of additional revenue to the city/agency. Reviews of city administered pass throughs are performed to ensure the correctness of distributions being made to participating agencies.

Scope of Services: "Scope of Services" shall mean all of the Base Services specified in Section 2.0, the Optional Services in Section 3.0, the Additional Services in Section 4.0, or any other services rendered hereunder.

TRA: "Tax Rate Area" shall mean the area subject to the tax rate.

2.0 BASE SERVICES

The CONTRACTOR shall perform all of the following duties as part of the Base Services provided hereunder, unless otherwise specified in writing by the Contract Officer:

2.1 Analysis And Identification Of Misallocation Errors (Contingent Fee)

(a) In the first year of this Agreement, and as necessary thereafter but not less than once every five (5) years, CONTRACTOR shall conduct an analysis to identify and verify in the CITY parcels on the secured Property Tax Roll which are not properly attributed to a CITY, and will provide the correct TRA designation to the proper County agency.

Typical errors include parcels assigned to incorrect TRAs within the CITY or an adjacent city, and TRAs allocated to wrong taxing agencies.

(b) CONTRACTOR shall annually reconcile the annual auditor-controller assessed valuations report to the assessor's lien date rolls and identify discrepancies.

(c) CONTRACTOR shall annually review parcels on the unsecured Property Tax Roll to identify inconsistencies such as value variations, values being reported to a mailing address rather than the situs address, and errors involving TRAs (to the extent records are available).

(d) CONTRACTOR may audit general fund or tax increment property tax revenue or other revenues attributable to the SUCCESSOR AGENCY and CITY, districts, (including but not limited base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation and payments reviews).

2.2 Annual Services (Fixed Fee)

Annually, after the Property Tax Roll is available:

(a) CONTRACTOR shall establish a Database for CITY for available through CONTRACTOR's online property tax application.

(b) Utilizing the Database, CONTRACTOR will provide:

(1) A listing of the major property owners in the CITY, including the assessed value of their property.

(2) A listing of the major property tax payers, including an estimate of the property taxes.

(3) A listing of property tax transfers which occurred since the prior lien date.

(4) A comparison of property within the CITY by county-use code designation.

(5) A listing by parcel of new construction activity between tax years to provide reports for use in the CITY's preparation of Gann (Propositions 4 and 111) State Appropriation Limit calculations.

(6) Calculate an estimate of property tax revenue anticipated to be received for the fiscal year by the CITY. This estimate is based upon the initial information provided by the County and is subject to modification. This estimate shall not be used to secure the indebtedness of the CITY.

(7) Development of forecast of estimated general fund property tax revenue for future fiscal years.

(8) Development of historical trending reports involving taxable assessed values for the CITY, median and average sales prices, foreclosure activity and related economics trends.

(9) Upon written request, analyses based on geographic areas designated by the CITY to include assessed valuations and square footage computations for use in community development planning.

2.3 Successor Agency Services

Successor Agency Services including but not limited to:

- (a) Tax increment projections
- (b) Cash flows for the Successor Agency by Project Area
- (c) Assistance with Redevelopment Obligation Payment Schedules
- (d) Assistance in providing property tax information for the taxing agencies receiving property tax revenues from former Project Areas
- (e) Estimates of property tax revenues to be received by the taxing entities from former Project Areas
- (f) Provide property tax information to the Oversight Board at the direction of the Successor Agency
- (g) Provide access to the Oversight Board to City and former redevelopment agency documents at the direction of the Successor Agency
- (h) Monitor the County distribution of tax-sharing revenues to the taxing entities of the former redevelopment agency
- (i) Coordinate with the Auditor-Controller the relationship between the tax-sharing, debt service and other obligations of former redevelopment agency
- (j) Prepare as needed an assessment resources available to the Successor Agency to meet the long term obligations of the former redevelopment agency

2.4 Quarterly Services/Monthly Services (Fixed Fee)

The CONTRACTOR shall perform the following services quarterly:

- (a) A listing of property tax appeals filed on properties in the CITY (selected counties).
- (b) A listing of property transfers that have occurred since the last report.
- (c) Monthly update of CONTRACTOR'S web-based software program to include parcel transfer data and, in select counties, appeal updates.

2.5 On-Going Consultation (Fixed Fee)

During the term of this Agreement, CONTRACTOR will serve as the CITY's resource staff on questions relating to property tax and assist in estimating current year property tax revenues. On-going consultation would include, but not be limited to, inquiries resolved through use of the CITY's database.

3.0 OPTIONAL SERVICES

The following services are available on a time and materials basis:

3.1 Specified Data

Generation of specialized data-based reports or the development of special geo-based designations from CITY maps or geographic areas which would require additional programming, the purchase of additional data, costs for county staff research, additional historical parcel tracking by CONTRACTOR or similar matters not necessary to carry out services outlined in Section 2.0.

3.2 County Research

Any research with County agencies for which CONTRACTOR does not have a current database.

3.3 Specialized Services

Other services for which the CONTRACTOR has expertise as requested by the CITY.

3.4 Additional Meetings Requested

Meetings in excess of the annual meeting to review the analysis of property tax data, trending information, and other findings with CITY shall be considered an Optional Service.

4.0 ADDITIONAL SERVICES

CITY shall have the right at any time during the performance of the services, without invalidating this Agreement, to order extra work beyond that specified in the Scope of Services or make changes by altering, adding to or deducting from said work. No such extra work may be undertaken unless a written order is first given by the Contract Officer to the Contractor, incorporating therein any material adjustment in the contract and/or the time to perform this Agreement, which said adjustments are subject to the written approval of the Contractor. Any increase in compensation of up to \$25,000, or in the time to perform of up to one hundred eighty (180) days may be approved by the Contract Officer. Any greater increases, taken either separately or cumulatively must be approved by the City Council. It is expressly understood by Contractor that the provisions of this Section shall not apply to services specifically set forth in the Scope of Services or reasonably contemplated therein.

5.0 OBLIGATIONS OF THE PARTIES WITH RESPECT TO SERVICES

5.1 City Materials and Support

CITY agrees to provide the following information:

1. Current CITY maps;
2. A copy of reports received by the CITY annually from the Auditor-Controller's office detailing assessed values (secured, unsecured and utilities), as well as unitary values for reconciliation analysis;
3. Parcel listing and maps of CITY parcel annexations since the lien date roll;
4. A listing of the CITY levies assessment districts and direct assessments.
5. SUCCESSOR AGENCY formation documents, debt service schedules, plan caps, DDA/OPA agreements.
6. Remittance Advices

5.2 Compliance with Law

All services rendered hereunder shall be provided in accordance with all ordinances, resolutions, statutes, rules, and regulations of the CITY and any Federal, State or local governmental agency having jurisdiction in effect at the time service is rendered.

5.3 License, Permits, Fees and Assessments

CONTRACTOR shall obtain such licenses, permits and approvals (collectively the "Permits") as may be required by law for the performance of the services required by this Agreement. CITY shall assist CONTRACTOR in obtaining such Permits, and CITY shall absorb all fees, assessments and taxes which are necessary for any Permits required to be issued by CITY.

5.4 Further Responsibilities of Parties

Both parties agree to use reasonable care and diligence to perform their respective obligations under this Agreement. Both parties agree to act in good faith to execute all instruments, prepare all documents and take all actions as may be reasonably necessary to carry out the purposes of this Agreement. Unless hereafter specified, neither party shall be responsible for the service of the other.

6.0 CONSIDERATION

6.1 Base Fixed Fee Services

CONTRACTOR shall provide the Base Services described in Section 2.0 above, for a fixed annual fee of \$21,450.00 (invoiced quarterly).

The fee for the first 3 years of this Contract shall be the annual fixed fee as noted. In the fourth (4th) year of the contract the Base Fixed Services Fee shall be adjusted by the California Consumer Price Index (CCPI) for all urban consumers as determined by the California Department of Industrial Relations as measured February of the first year to February of third year of this Contract. The revised Base Fixed Services Fee including the CCPI adjustment shall apply to the 4th and 5th years of the Contract. If this Contract is extended month to month as provided for in Section 7.4, the Base Fixed Fee shall be adjusted annually by the California Consumer Price Index (CCPI) for all items as determined by the California Department of Industrial Relations as measured February to February by the California All Urban Consumers index.

Base Contingent Fee Services

For Base Services pursuant to Section 2.1 which are payable on a contingent basis, CONTRACTOR shall receive 25 percent of general fund or tax increment property tax revenue or other revenues attributable to SUCCESSOR AGENCY, CITY, districts, or funds recovered or reallocated which are directly or indirectly the result of an audit, analysis or consultation performed by CONTRACTOR (including but not limited to base year value audits; administration of tax sharing agreements; tax increment allocation reviews; county allocation reviews). CONTRACTOR shall separate and support said reallocation and provide CITY with an itemized invoice showing all amounts due as a result of revenue recovery or reallocation. CITY shall pay audit fees after Contractor's submittal of evidence that corrections have been made by the appropriate agency. Payment to CONTRACTOR shall be made within thirty (30) days after CITY receives its first remittance advice during the fiscal year for which the correction applies.

6.2 Optional Services

Fees for Optional Services as outlined in Services in Section 3.0 above (except Section 3.4) shall be billed at the following hourly rates:

| | |
|----------------|----------------|
| Partner | \$225 per hour |
| Principal | \$195 per hour |
| Programmer | \$150 per hour |
| Associate | \$150 per hour |
| Senior Analyst | \$100 per hour |
| Analyst | \$ 65 per hour |
| Administrative | \$ 45 per hour |

Hourly rates are exclusive of expenses and are subject to adjustment by CONTRACTOR annually. On July 1st of each year CONTRACTOR shall provide CITY with an updated schedule of hourly rates. The rates will not be increased by more than five percent (5%) per year. In addition, expenses for Optional Services shall be billed at 1.15 times actual incurred costs.

Attachment: Draft Contract - HdL Coren & Cone [Revision 1] (2121 : AUTHORIZE CITY MANAGER TO SIGN CONTRACT WITH HDL COREN &

6.3 Indirect Expenses

Except as specified above, no other charges shall be made for direct or indirect expenses incurred by CONTRACTOR in performing the services in the Scope of Services including for administrative overhead, salaries of CONTRACTOR'S employees, travel expenses or similar matters.

6.4 Due Date

All fees are due 30 days immediately following billing. All amounts that are not paid when due shall accrue interest from the due date at the rate of one percent per month (12% per annum).

7.0 TERM PERFORMANCE SCHEDULE

7.1 Time of Essence

Time is of the essence in the performance of this Agreement.

7.2 Schedule of Performance

CONTRACTOR shall commence the services pursuant to this Agreement upon receipt of a written notice to proceed and shall perform all services within the time period(s) established in the "Schedule of Performance" attached hereto as Exhibit "A", and incorporated herein by this reference. When requested by the CONTRACTOR, extensions to the time period(s) specified in the Schedule of Performance may be approved in writing by the Contract Officer but not exceeding one hundred eighty (180) days cumulatively.

7.3 Force Majeure

The time period(s) specified in the Schedule of Performance for performance of the services rendered pursuant to this Agreement shall be extended because of any delays due to unforeseeable causes beyond the control and without the fault or negligence of the CONTRACTOR, including, but not restricted to, acts of God or of the public enemy, unusually severe weather, fires, earthquakes, floods, epidemics, quarantine restrictions, riots, strikes, freight embargoes, wars, litigation, and/or acts of any governmental agency, including the CITY, if the CONTRACTOR shall within ten (10) days of the commencement of such delay notify the Contract Officer in writing of the causes of the delay. The Contract Officer shall ascertain the facts and the extent of delay, and extend the time for performing the services for the period of the enforced delay when and if in the judgment of the Contract Officer such delay is justified.

7.4 Term

Unless earlier terminated in accordance with Section 9.11 of this Agreement, this Agreement shall continue in full force and effect for five (5) years, and, unless a notice of

termination is given on the fourth anniversary date, shall be automatically extended from year to year until and such notice shall be given.

8.0 COORDINATION OF WORK

8.1 Representative of Contractor

The following principals of CONTRACTOR are hereby designated as being the principals and representatives of CONTRACTOR authorized to act in its behalf with respect to the work specified herein and make all decisions in connection therewith:

Paula Cone
 HdL COREN & CONE
 1340 Valley Vista Drive, Suite 200
 Diamond Bar, CA 91765

It is expressly understood that the experience, knowledge, capability and reputation of the foregoing principals were a substantial inducement for CITY to enter into this Agreement. Therefore, the foregoing principals shall be responsible during the term of this Agreement for directing all activities of CONTRACTOR and devoting sufficient time to personally supervise the services hereunder. For purposes of this Agreement, the foregoing principals may not be replaced nor may their responsibilities be substantially reduced by CONTRACTOR without the express written approval of CITY.

8.2 Contract Officer

The Contract Officer shall be such person as may be designated by the City Manager of CITY. It shall be the CONTRACTOR'S responsibility to assure that the Contract Officer is kept informed of the progress of the performance of the services and the CONTRACTOR shall refer any decisions which must be made by CITY to the Contract Officer. Unless otherwise specified herein, any approval of CITY required hereunder shall mean the approval of the Contract Officer. The Contract Officer shall have authority to sign all documents on behalf of the CITY required hereunder to carry out the terms of this Agreement.

8.3 Prohibition Against Subcontracting or Assignment

The experience, knowledge, capability and reputation of CONTRACTOR, its principals and employees were a substantial inducement for the CITY to enter into this Agreement. Therefore, CONTRACTOR shall not contract with any other entity to perform in whole or in part the services required hereunder without the express written approval of the CITY. In addition, neither this Agreement nor any interest herein may be transferred, assigned, conveyed, hypothecated or encumbered voluntarily or by operation of law, whether for the benefit of creditors or otherwise, without the prior written approval of CITY. Transfers restricted hereunder shall include the transfer to any person or group of persons acting in concert of more than fifty percent (50%) of the present ownership and/or control of CONTRACTOR, taking all transfers into account on a cumulative basis. In the event of any such unapproved transfer, including any bankruptcy proceeding, this Agreement shall be void. No approved transfer shall

release the CONTRACTOR or any surety of CONTRACTOR of any liability hereunder without the express consent of CITY.

8.4 Independent Contractor

Neither the CITY nor any of its employees shall have any control over the manner, mode or means by which CONTRACTOR, its agents or employees, perform the services required herein, except as otherwise set forth herein. CITY shall have no voice in the selection, discharge, supervision or control of CONTRACTOR'S employees, servants, representatives or agents, or in fixing their number, compensation or hours of service. CONTRACTOR shall perform all services required herein as an independent CONTRACTOR of CITY and shall remain at all times as to CITY a wholly independent CONTRACTOR with only such obligations as are consistent with that role. CONTRACTOR shall not at any time or in any manner represent that it or any of its agents or employees are agents or employees of CITY. CITY shall not in any way or for any purpose become or be deemed to be a partner of CONTRACTOR in its business or otherwise or a joint venturer or a member of any joint enterprise with CONTRACTOR.

INSURANCE AND INDEMNIFICATION

8.5 Insurance

The CONTRACTOR shall procure and maintain, at its sole cost and expense, in a form and content satisfactory to CITY, during the entire term of this Agreement including any extension thereof, the following policies of insurance:

(a) Comprehensive General Liability Insurance. The policy of insurance shall be in an amount not less than either (i) a combined single limit of \$1,000,000 for bodily injury, death and property damage or (ii) bodily injury limits of \$500,000 per person, \$1,000,000 per occurrence and \$1,000,000 products and completed operations and property damage limits of \$500,000 per occurrence and \$500,000 in the aggregate.

(b) Worker's Compensation Insurance. A policy of worker's compensation insurance in such amount as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for both the CONTRACTOR and the CITY against any loss, claim or damage arising from any injuries or occupational diseases occurring to any worker employed by or any persons retained by the CONTRACTOR in the course of carrying out the work or services contemplated in this Agreement.

(c) Automotive Insurance. A policy of comprehensive automobile liability insurance written on a per occurrence basis in an amount not less than either (i) bodily injury liability limits of \$250,000 per person and \$500,000 per occurrence and property damage liability limits of \$100,000 per occurrence and \$250,000 in the aggregate or (ii) combined single limit liability of \$500,000. Said policy shall include coverage for owned, non-owned, leased and hired cars.

(d) Errors and Omissions (Professional Liability). A policy of professional liability issuance written on a claims made basis in an amount not less than One Million Dollars (\$1,000,000).

8.6 General Requirements. All of the above policies of insurance shall be primary insurance and shall name the CITY, its officers, employees and agents as additional insureds. The insurer shall waive all rights of subrogation and contribution it may have against the CITY, its officers, employees and agents and their respective insurers. All of said policies of insurance shall provide that said insurance may not be amended or cancelled without providing thirty (30) days prior written notice by registered mail to the CITY. In the event any of said policies of insurance are cancelled, the CONTRACTOR shall, prior to the cancellation date, submit new evidence of insurance in conformance with this Section 9.0 to the Contract Officer. No work or services under this Agreement shall commence until the CONTRACTOR has provided the CITY with Certificates of Insurance or appropriate insurance binders evidencing the above insurance coverages and said Certificates of Insurance or binders are approved by the CITY.

8.7 Indemnification

CONTRACTOR agrees to indemnify the CITY, its officers, agents and employees against, and will hold and save them and each of them harmless from, any and all actions, suits, claims, damages to persons or property, losses, costs, penalties, obligations, errors, omissions or liabilities, (herein "claims or liabilities") that may be asserted or claimed by any person, firm or entity arising out of or in connection with the negligent performance of the work, operations or activities of CONTRACTOR, its agents, employees, subcontractors, or invitees, provided for herein, or arising from the negligent acts or omissions of CONTRACTOR hereunder, or arising from CONTRACTOR'S negligent performance of or failure to perform any term, provision, covenant or condition of this Agreement, whether or not there is concurrent passive or active negligence on the part of the CITY, its officers, agents or employees but excluding such claims or liabilities arising from the sole negligence or willful misconduct of the CITY, its officers, agents or employees, who are directly responsible to the CITY.

8.8 Sufficiency of Insurer or Surety

Insurance or bonds required by this Agreement shall be satisfactory only if issued by companies qualified to do business in California, rated "A" or better in the most recent edition of Best Rating Guide, The Key Rating Guide or in the Federal Register, and only if they are of a financial category Class VII or better, unless such requirements are waived by the Risk Manager of the CITY due to unique circumstances. In the event the Risk Manager of CITY ("Risk Manager") determines that the work or services to be performed under this Agreement creates an increased or decreased risk of loss to the CITY, the CONTRACTOR agrees that the minimum limits of the insurance policies and the performance bond required by this Section 9.0 may be changed accordingly upon receipt of written notice from the Risk Manager; provided that the CONTRACTOR shall have the right to appeal a determination of increased coverage by the Risk Manager to the CITY Council of CITY within 10 days of receipt of notice from the Risk Manager.

9.0 RECORDS AND REPORTS

9.1 Reports

CONTRACTOR shall periodically prepare and submit to the Contract Officer such reports concerning the performance of the services required by this Agreement as the Contract Officer shall require.

9.2 Records

CONTRACTOR shall keep, and require subcontractors to keep, such books and records as shall be necessary to perform the services required by this Agreement and enable the Contract Officer to evaluate the performance of such services. The Contract Officer shall have full and free access to such books and records at all times during normal business hours of CITY, including the right to inspect, copy, audit and make records and transcripts from such records. Such records shall be maintained for a period of three (3) years following completion of the services hereunder, and the CITY shall have access to such records in the event any audit is required.

9.3 Non-Disclosure of Proprietary Information

In performing its duties under this Agreement, CONTRACTOR will produce reports, technical information and other compilations of data to CITY. These reports, technical information and compilations of data are derived by CONTRACTOR using methodologies, formulae, programs, techniques and other processes designed and developed by CONTRACTOR at a substantial expense. CONTRACTOR'S reports, technical information, compilations of data, methodologies, formulae, software, programs, techniques and other processes designed and developed by CONTRACTOR shall be referred to as Proprietary Information. CONTRACTOR'S Proprietary Information is not generally known by the entities with which CONTRACTOR competes.

CONTRACTOR desires to protect its Proprietary Information. Accordingly, CITY agrees that neither it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will at any time during or after the term of this Agreement, directly or indirectly use any of CONTRACTOR'S Proprietary Information for any purpose not associated with CONTRACTOR'S activities. Further, CITY agrees that it nor any of its employees, agents, independent contractors or other persons or organizations over which it has control, will disseminate or disclose any of CONTRACTOR'S Proprietary Information to any person or organization not connected with CONTRACTOR, without the express written consent of CONTRACTOR. The CITY also agrees that consistent with its obligations under the California Public Records Act and related disclosure laws, it will undertake all necessary and appropriate steps to maintain the proprietary nature of CONTRACTOR'S Proprietary Information.

Any use of the Proprietary Information or any other reports, records, documents or other materials prepared by CONTRACTOR hereunder for other projects and/or use of uncompleted documents without specific written authorization by the CONTRACTOR will be at the CITY'S sole risk and without liability to CONTRACTOR, and the CITY shall indemnify the CONTRACTOR for all damages resulting therefrom.

9.4 Release of Documents Pursuant to Public Records Act

Notwithstanding any other provision in this Agreement, all obligations relating to disclosure of Proprietary Information remain subject to the Freedom of Information Act or California Public Records Act, Cal. Gov't Code §§ 6250 et seq. (collectively, the "PRA"). The Parties intend that if CITY is served with a request for disclosure under the PRA, or any similar statute, the CITY in good faith will make the determination as to whether the material is discloseable or exempt under the statute, and shall resist the disclosure of Proprietary Information which is exempt from disclosure to the extent allowable under the law. CITY shall advise CONTRACTOR in writing five (5) days prior to the intended disclosure of any decision to disclose Proprietary Information, and the reasons therefore, and if CONTRACTOR then timely advises CITY in writing that it objects to the disclosure, CITY shall not disclose the information. In such case, CONTRACTOR shall then be solely liable for defending the non-disclosure and shall indemnify and hold CITY harmless for such nondisclosure.

ENFORCEMENT OF AGREEMENT

9.5 California Law

This Agreement shall be construed and interpreted both as to validity and to performance of the parties in accordance with the laws of the State of California. Legal actions concerning any dispute, claim or matter arising out of or in relation to this Agreement shall be instituted in the Superior Court of the County of Los Angeles, State of California, or any other appropriate court in such county, and CONTRACTOR covenants and agrees to submit to the personal jurisdiction of such court in the event of such action.

9.6 Disputes

In the event of any dispute arising under this Agreement, the injured party shall notify the injuring party in writing of its contentions by submitting a claim therefor. The injured party shall continue performing its obligations hereunder so long as the injuring party commences to cure such default within ten (10) days of service of such notice and completes the cure of such default within forty-five (45) days after service of the notice, or such longer period as may be permitted by the injured party; provided that if the default is an immediate danger to the health, safety and general welfare, such immediate action may be necessary. Compliance with the provisions of this Section shall be a condition precedent to termination of this Agreement for cause and to any legal action, and such compliance shall not be a waiver of any party's right to take legal action in the event that the dispute is not cured, provided that nothing herein shall limit CITY's or the CONTRACTOR'S right to terminate this Agreement without cause pursuant to Section 11.6.

9.7 Waiver

No delay or omission in the exercise of any right or remedy by a nondefaulting party on any default shall impair such right or remedy or be construed as a waiver. A party's consent to or approval of any act by the other party requiring the party's consent or approval shall not be deemed to waive or render unnecessary the other party's consent to or approval of any subsequent act. Any waiver by either party of any default must be in writing and shall not be a waiver of any other default concerning the same or any other provision of this Agreement.

9.8 Rights and Remedies are Cumulative

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

9.9 Legal Action

9.10 In addition to any other rights or remedies, either party may take legal action, in law or in equity, to cure, correct or remedy any default, to recover damages for any default, to compel specific performance of this Agreement, to obtain declaratory or injunctive relief, or to obtain any other remedy consistent with the purposes of this Agreement.

9.11 Termination Prior to Expiration of Term

This Section shall govern any termination of this Agreement. The Parties reserve the right to terminate this Agreement at any time, with or without cause, upon forty-five (45) days' written notice to the non-terminating party, except that where termination is for cause, the Parties will comply with the dispute resolution process in Section 11.2. Upon issuance of any notice of termination, CONTRACTOR shall immediately cease all services hereunder except such as may be specifically approved by the Contract Officer. The CONTRACTOR shall be entitled to compensation for all services rendered prior to the effective date of the notice of termination and for any services authorized by the Contract Officer thereafter. In the event of termination without cause pursuant to this Section, the terminating party need not provide the non-terminating party with the opportunity to cure pursuant to Section 11.2.

9.12 Attorneys' Fees

If either party to this Agreement is required to initiate or defend or made a party to any action or proceeding in any way connected with this Agreement, the prevailing party in such action or proceeding, in addition to any other relief which may be granted, whether legal or equitable, shall be entitled to reasonable attorney's fees. Attorney's fees shall include attorney's fees on any appeal, and in addition a party entitled to attorney's fees shall be entitled to all other reasonable costs for investigating such action, taking depositions and discovery and all other necessary costs the court allows which are incurred in such litigation. All such fees shall be deemed to have accrued on commencement of such action and shall be enforceable whether or not such action is prosecuted to judgment.

10.0 CITY OFFICERS AND EMPLOYEES: NON-DISCRIMINATION

10.1 Non-liability of CITY Officers and Employees

No officer or employee of the CITY shall be personally liable to the CONTRACTOR, or any successor in interest, in the event of any default or breach by the CITY or for any amount which may become due to the CONTRACTOR or to its successor, or for breach of any obligation of the terms of this Agreement.

10.2 Conflict of Interest

No officer or employee of the CITY shall have any financial interest, direct or indirect, in this Agreement nor shall any such officer or employee participate in any decision relating to the Agreement which effects his financial interest or the financial interest of any corporation, partnership or association in which he is, directly or indirectly, interested, in violation of any State statute or regulation. The CONTRACTOR warrants that it has not paid or given and will not pay or give any third party any money or other consideration for obtaining this Agreement.

10.3 Covenant Against Discrimination

CONTRACTOR covenants that, by and for itself, its heirs, executors, assigns, and all persons claiming under or through them, that there shall be no discrimination against or segregation of, any person or group of persons on account of race, color, creed, religion, sex, marital status, national origin, or ancestry in the performance of this Agreement. CONTRACTOR shall take affirmative action to insure that applicants are employed and that employees are treated during employment without regard to their race, color, creed, religion, sex, marital status, national origin, or ancestry.

11.0 MISCELLANEOUS PROVISIONS

11.1 Notice

Any notice, demand, request, document, consent, approval, or communication either party desires or is required to give to the other party or any other person shall be in writing and either served personally or sent by prepaid, first-class mail addressed as follows:

CITY

CONTRACTOR: HdL COREN & CONE
1340 Valley Vista Drive, Suite 200
Diamond Bar, California 91765

Either party may change its address by notifying the other party of the change of address in writing. Notice shall be deemed communicated at the time personally delivered or in seventy-two (72) hours from the time of mailing if mailed as provided in this Section.

11.2 Interpretation

The terms of this Agreement shall be construed in accordance with the meaning of the language used and shall not be construed for or against either party by reason of the authorship of this Agreement or any other rule of construction which might otherwise apply.

11.3 Integration; Amendment

It is understood that there are no oral agreements between the parties hereto affecting this Agreement and this Agreement supersedes and cancels any and all previous negotiations, arrangements, agreements and understandings, if any, between the parties, and none shall be

used to interpret this Agreement. This Agreement may be amended at any time by the mutual consent of the parties by an instrument in writing.

11.4 Severability

In the event that any one or more of the phrases, sentences, clauses, paragraphs, or sections contained in this Agreement shall be declared invalid or unenforceable by a valid judgment or decree of a court of competent jurisdiction, such invalidity or unenforceability shall not affect any of the remaining phrases, sentences, clauses, paragraphs, or sections of this Agreement which are hereby declared as severable and shall be interpreted to carry out the intent of the parties hereunder unless the invalid provision is so material that its invalidity deprives either party of the basic benefit of their bargain or renders this Agreement meaningless.

11.5 Corporate Authority

The persons executing this Agreement on behalf of the parties hereto warrant that (i) such party is duly organized and existing, (ii) they are duly authorized to execute and deliver this Agreement on behalf of said party, (iii) by so executing this Agreement, such party is formally bound to the provisions of this Agreement, and (iv) the entering into this Agreement does not violate any provision of any other Agreement to which said party is bound.

IN WITNESS WHEREOF, the parties have executed and entered into this Agreement as of the date first written above.

CITY OF

City Manager

CONTRACTOR:

HdL COREN & CONE
A California Corporation

APPROVED AS TO FORM:

Attachment: Draft Contract - HdL Coren & Cone [Revision 1] (2121 : AUTHORIZE CITY MANAGER TO SIGN CONTRACT WITH HDL COREN &

EXHIBIT "A"
SCHEDULE OF PERFORMANCE

TIMELINE FOR DELIVERABLES

| | |
|-------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| July/August | Data available for purchase from counties |
| September 30 | Data available on HdLCC's web based property tax application |
| September-October | Unsecured audits performed and forwarded to county assessor |
| October-February | Delivery of preliminary property tax reports |
| December-June | Monthly sales updates available in web application Appeals quarterly updates emailed in counties where the data is available |
| March | Appeals quarterly updates emailed in counties where the data is available |
| March/April | General Fund Budget Projections |
| April/May | Final Books – Addendums emailed to clients |
| June | Appeals quarterly updates emailed in counties where the data is available |
| Ongoing | Secured Audits – City Revenue audits of City, and District receipts for correctness Property sales reports City and Successor Agency mid-year budget reviews and budget projections Analytical work at the request of clients |



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: FIRST AMENDMENT TO UTILITY AGREEMENT WITH SOUTHERN CALIFORNIA EDISON FOR SR-60/MORENO BEACH INTERCHANGE

RECOMMENDED ACTION

Recommendations:

1. Authorize the City Manager to execute Amendment No. 1 to the Utility Agreement with Southern California Edison (SCE) to relocate its facilities associated with the SR-60/Moreno Beach Interchange Improvements project.
2. Authorize an increase to the Purchase Order with SCE in the amount of \$92,447.93 in Account No. 3008-70-77-80001.

SUMMARY

This report recommends authorizing Amendment No. 1 to the Utility Agreement with SCE which governs the relocation of existing SCE overhead facilities associated with the SR-60/Moreno Beach Interchange Improvements Project. SCE's final costs are reasonable; therefore Caltrans and City procedures require amending the Utility Agreement.

DISCUSSION

On January 13, 2009, the City Council approved the SR-60/Moreno Beach Interchange (Phase 1) project as an RDA Tax Allocation Bond-funded project to reconstruct the two eastbound ramps (on-and off-ramps) to SR-60, add an eastbound auxiliary lane, connect the west leg of Eucalyptus Avenue to Moreno Beach Drive, in addition to utility relocations and related improvements. As a prerequisite to advertising the SR-60/Moreno Beach Interchange Phase 1 project, the City was required to follow Caltrans guidelines and procedures to certify the right of way. During the right-of way certification

phase, SCE demonstrated they had prior rights; therefore, the City was required to pay for relocation costs.

On December 13, 2011 the City Council authorized the City Manager to execute a "Caltrans-format" Utility Agreement with SCE and authorized a Purchase Order in the amount of \$240,472 (\$200,393 plus a 20% contingency of \$40,079) for the relocation of existing overhead poles that carry transmission, distribution, and communication lines over SR-60 at Pettit Street east of Moreno Beach Drive. "Utility Agreement No. 08-UT-22557" set forth the City's responsibilities and the Utility Owner's (SCE) responsibilities, both in terms of scope and financial responsibility. The Agreement was based upon an SCE-prepared cost estimate.

The pole relocation work was completed in conjunction with the Moreno Beach Phase I construction which was completed in 2013. After completion of the work, SCE typically takes 1-2 years to finalize costs and notify the agency. In 2015, SCE provided a final accounting of the total cost of relocation and determined the final cost amounted to \$332,919.28, resulting in an increase of \$92,447.93 over their approved Purchase Order. The actual costs for SCE utility relocation often vary substantially from the initial estimate, resulting in a refund or additional owed monies. The City and Caltrans requested, reviewed, and approved the final SCE accounting records in January 2016, and determined that the costs were reasonable. The primary reasons for the increase were extensive use of contract labor and weekend work to eliminate freeway closures.

It should be noted that the poles were relocated at an ultimate distance from the freeway so that the SR-60/Moreno Beach Phase 2 project can be completed without further relocation from SCE.

ALTERNATIVES

1. Authorize the City Manager to execute Amendment No. 1 to the Utility Agreement with Southern California Edison in the form attached hereto, and authorize the increase of the Purchase Order to SCE. *Staff recommends this alternative, which allows the City to close out the SR-60/Moreno Beach Interchange Improvements Project.*
2. Do not authorize the City Manager to execute Amendment No. 1 to the Utility Agreement with Southern California Edison in the form attached hereto, and do not authorize the increase of the Purchase Order to SCE. *Staff does not recommend this alternative, as it will delay the closeout of the SR-60/Moreno Beach Interchange Improvements Project.*

FISCAL IMPACT

The SR-60/Moreno Beach Interchange Improvements Project has sufficient funds to accommodate the additional costs. **There is no impact to the General Fund.**

AVAILABLE BUDGETED FUNDS – FISCAL YEAR 2015/2016

| | |
|--------------------------------------------------------------------|-------------------------|
| Capital Projects Reimbursement Fund | |
| (Account 3008-70-77-80001) (Project No. 801 0038 70 77-3008) | <u>\$400,000</u> |
| Measure A Fund | |
| (Account 2001-70-77-80001) (Project No. 801 0038 70 77-2001) | <u>\$50,000</u> |
| Total Project Budget | <u>\$450,000</u> |

ESTIMATED PROJECT COSTS - FISCAL YEAR 2015/2016:

| | |
|-------------------------------------------------------|-------------------------|
| Design, Utility Relocation and Right of Way | \$140,000 |
| Utility Relocation - SCE Additional Cost | <u>\$92,500</u> |
| Project Administration | <u>\$30,000</u> |
| Total Estimated Costs..... | <u>\$262,500</u> |

NOTIFICATION

N/A

PREPARATION OF STAFF REPORT

Prepared By:
Margery A. Lazarus
Senior Engineer, P.E.

Department Head Approval:
Ahmad R. Ansari
Public Works Director/City Engineer

Concurred By:
Quang Nguyen
Senior Engineer, P.E.

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. First Amendment to Utility Agreement No 08-UT-22557

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/01/16 9:07 AM |
| City Attorney Approval | <u>✓ Approved</u> | 6/03/16 10:32 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:34 PM |

STATE OF CALIFORNIA • DEPARTMENT OF TRANSPORTATION
AMENDMENT TO UTILITY AGREEMENT

EXHIBIT
13-EX-24 (REV 1/2014)
Page 1 of 2

| | | | | | |
|------------------------|---------------|--------------|---------------------|------------------------------|----------------------------------------|
| <u>District</u> | <u>County</u> | <u>Route</u> | <u>Post Mile</u> | <u>Project ID No.</u> | <u>EA</u> |
| 8 | RIV | SR-60 | 18.8/19.6 | | 323011 |
| Federal Aid No.: | | | <u>N/A</u> | | |
| Owner's File: | | | <u>CAL200314412</u> | | |
| FEDERAL PARTICIPATION: | | | On the Project | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |
| | | | On the Utilities | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No |

FIRSTAMENDMENT TO UTILITY AGREEMENT NO. 08-UT-22557

WHEREAS, the City of Moreno Valley, hereinafter called CITY, and Southern CA Edison, hereinafter called OWNER, have entered into that certain Utility Agreement No. 08-UT-22557, dated October 10, 2011, which Agreement sets forth the terms and conditions pursuant to which OWNER has removed/relocated existing overhead power lines and power pole facilities in the vicinity of the project area to accommodate City's construction on Route 60, project no. 323011; and,

WHEREAS, in the performance of said work, increased costs over and above those estimated at the time of the execution of said Agreement were incurred due to the fact that the cost for labor and traffic control were higher than originally estimated due to overtime and contract work not anticipated; and,

WHEREAS, it has been determined that, since final costs have overrun the amount shown in said Agreement by 66%, and when the increased cost exceeds by 25% the estimated amount set forth in said Agreement, said Agreement shall be amended to show the increased cost of the work to the CITY; and,

WHEREAS, the estimated cost to the CITY of the work to be performed under said Agreement was \$200,392.35, and by reason of the increased costs referred to above, the amended estimated cost to the CITY is \$332,919.28

NOW, THEREFORE, it is agreed between the parties as follows:

1. The estimated cost to the CITY of \$200,392.35 as set forth in said Agreement is hereby amended to read \$332,919.28.
2. All other terms and conditions of said Agreement remain unchanged.

Attachment: First Amendment to Utility Agreement No 08-UT-22557 (2096 : FIRST AMENDMENT TO UTILITY AGREEMENT WITH SOUTHERN

AMENDMENT TO UTILITY AGREEMENT (Cont.)

EXHIBIT
13-EX-24 (REV 1/2014)
Page 2 of 2

IN WITNESS WHEREOF, the parties hereto have executed this First Amendment to Utility Agreement No. 08-UT-22557 this ____ day of _____, ____.

CITY

OWNER

By _____
City of Moreno Valley, City Manager Date

By *Dino J Labanca* 5.26.16
Dino J Labanca, Principal Manager Date
Land & Forest Management

APPROVAL RECOMMENDED:

By *Margery Agui* 5-27-16
Utility Coordinator Date

By _____
Utility Coordinator Date

DO NOT WRITE BELOW - FOR ACCOUNTING PURPOSES ONLY

| PLANNING AND MANAGEMENT TO COMPLETE UNSHADED FIELDS | | | | | | | | | | UTILITY COMPLETES: | | |
|-----------------------------------------------------|-----------------|---------|------|------|----------|------------|---------|---------------------|-----|--------------------|----------|---------------|
| T CODE | DOCUMENT NUMBER | SUF FLX | DIST | UNIT | CHG DIST | PROJ ID/EA | SUB JOB | SPECIAL DESIGNATION | FFY | FA | OBJ CODE | DOLLAR AMOUNT |
| | UA | | | | | | | | | | | |
| | UA | | | | | | | | | | | |

PROJECT ID/EA FUNDING VERIFIED:

Sign> _____

Print> _____
R/W Planning and Management Date

REVIEW/REQUEST FUNDING:

Sign> _____

Print> _____
Utility Coordinator Date

Distribution: 2 originals to R/W Accounting
1 original to Utility Owner
1 original to File

Attachment: First Amendment to Utility Agreement No 08-UT-22557 (2096 : FIRST AMENDMENT TO UTILITY AGREEMENT WITH SOUTHERN



Report to City Council

TO: Mayor and City Council

FROM: Terrie Stevens, Administrative Services Director

AGENDA DATE: June 21, 2016

TITLE: LIST OF PERSONNEL CHANGES

RECOMMENDED ACTION

Recommendation:

1. Ratify the list of personnel changes as described.

DISCUSSION

The attached list of personnel changes scheduled since the last City Council meeting are presented for City Council ratification.

FISCAL IMPACT

All position changes are consistent with appropriations previously approved by the City Council.

PREPARATION OF STAFF REPORT

Prepared By:
Terrie Stevens
Administrative Services Director

Department Head Approval:
Terrie Stevens
Administrative Services Director

CITY COUNCIL GOALS

None

ATTACHMENTS

1. List of Personnel Changes

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/09/16 9:05 AM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 9:00 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 11:12 AM |

**City of Moreno Valley
Personnel Changes
June 21, 2016**

New Hires

Megan Palau
Animal Care Technician, Administrative Services

Promotions

None

Transfers

Liliana Alvarado
From: Executive Assistant I, Administrative Services
To: Executive Assistant I, Financial & Management Services

Denise Hansen
From: Executive Assistant I, Financial & Management Services
To: Executive Assistant I, Administrative Services

Separations

Dale Brose
Building Inspector II, Community Development

Valin Gray
Landscape Services Inspector, Public Works



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE MAINTENANCE SERVICES FOR CERTAIN LANDSCAPE DISTRICTS

RECOMMENDED ACTION

Recommendations:

1. Approve the Agreement for Landscape Districts – South, Maintenance of Landscaping and Irrigation (“Agreement”) with Merchants Landscape Services, Inc., 1510 S. Lyon St., Santa Ana, CA, 92705, to provide landscape and irrigation maintenance services in CSD Zone E-8 and Zones 04, 05, 06, and 07 of Landscape Maintenance District No. 2014-02 totaling \$390,594.88 for fiscal year 2016/17 (If Zone 04 Ballot is Approved).
2. Approve the Agreement for Landscape Districts – South, Maintenance of Landscaping and Irrigation (“Agreement”) with Merchants Landscape Services, Inc., 1510 S. Lyon St., Santa Ana, CA, 92705, to provide landscape and irrigation maintenance services in CSD Zone E-8 and Zones 04, 05, 06, and 07 of Landscape Maintenance District No. 2014-02 totaling \$345,595.60 for fiscal year 2016/17 (If Zone 04 Ballot is Not Approved).
3. Authorize the City Manager to execute the Agreement with Merchants Landscape Services, Inc.
4. Authorize the issuance of purchase orders for service beginning July 1, 2016 to Merchants Landscape Services, Inc. in the not-to-exceed (NTE) amount consistent with the approved agreement.
5. Authorize the City Manager to execute subsequent extensions or amendments to the Agreement, including the authority to authorize purchase orders in accordance with the terms of the Agreement, provided sufficient funding

appropriations and program approvals have been granted by the City Council, which may include potential contingencies for unanticipated work.

SUMMARY

After having conducted a competitive Request for Proposal (RFP) process, staff is recommending the City Council and Community Services District (CSD) Board approve the Independent Contractor Agreement for Landscape Districts – South, Maintenance of Parkway, Channel Open Space, and Median Landscaping and Irrigation with Merchants Landscape Services, Inc. (the “Agreement”). The Agreement for CSD Zone E-8 and Zones 04, 05, 06, and 07 is for a one-year term, with the potential to extend it for four additional one-year terms, as further defined in the Fiscal Impact section. The agreement is for landscape and irrigation maintenance services within the City and CSD’s (collectively “City”) landscape maintenance districts.

Funding for these services is provided through a property owner approved parcel charge or real property assessment (“parcel charge”) collected as part of the property tax bill to provide landscape maintenance of public parkway, medians and open space. Only those properties receiving benefit from the public landscaping pay the parcel charge.

DISCUSSION

The City established special districts to provide the financial resources to maintain public landscaping in parkways, medians, and open space to designated developments throughout the community. Property owners within a special district pay a parcel charge as part of their annual property tax bill. Revenue received from the parcel charge funds the cost to provide the landscape maintenance services. Revenue collected from the parcel charge is restricted and can only be used for landscape maintenance services in the area for which they are collected.

The frequency of service provided is based on each zone’s financial resources. At the time the City accepts an area’s public landscaping for maintenance, the parcel charge is set at a rate sufficient to fund the City’s standard frequency of service, Level 1 (4-week rotation). For those zones where costs to maintain the landscaping have increased and the property owners have elected to oppose an increase in the parcel charge, the frequency of service has been reduced to a level consistent with available funding.

Maintenance of the public landscape is performed by licensed and insured landscape contractors. The contractors are selected through a competitive RFP process. Agreements for these services typically have a one-year term, with the possibility of up to four one-year extensions that could result in a five-year total term. The scope of work is categorized as either “base work” or “additional work”:

“Base work” is the regular, routine landscape maintenance service provided to medians, parkways, and open space (where applicable) and includes: mowing,

edging and trimming of turf grass areas (if applicable), pruning and trimming of shrubs, bushes and ground coverings in planter areas, litter pick-up and removal within the parkway and/or median landscaped areas, fertilization of turf grass, shrubs/bushes and groundcovers and pesticide applications. The cost for this service is a set monthly cost.

“Additional work” includes: additional labor and material costs for irrigation repairs, plant material replacement, supplemental fertilizer applications, and if applicable, assuming additional areas or square footage for maintenance. The cost of these services varies based upon the needs of the area during the term of the agreement and the additional work unit prices as listed in the agreement.

RFP PROCESS

On March 1, 2016, an RFP was issued for landscape and irrigation maintenance services for Landscape Districts – South. The areas included are outlined in the table on Page 5. The term for landscape maintenance agreements for these areas will begin July 1, 2016 and expire June 30, 2016. Maps of the areas are included as Attachment 3.

The RFP requested information on the proposer’s: 1) overall understanding of the project and services to be performed; 2) qualified staffing and equipment to perform services; 3) references; and 4) costs for various levels and frequencies of service (see Attachment 4), and additional work. Having pricing information on varying service levels allows for adjustments (an increase or decrease) to a landscape area based on the area’s financial resources, without time delays and additional costs of issuing another RFP.

Using its propriety algorithm, PlanetBids (the City’s online procurement system) notified 72 potential contractors of the RFP. The City also invited thirteen additional contractors to submit a proposal. Twenty-one contractors downloaded the RFP from the PlanetBids portal. Representatives from nine landscape maintenance companies attended the optional pre-submittal meeting on March 8, 2016. Two responses were received before the RFP due date of 10:00 a.m. on March 21, 2016.

Evaluations of the responses were independently completed by the City’s Management Analyst (Facilities Division), Parks Maintenance Supervisor, and Senior Engineer (Land Development Division) all of whom have experience with landscape maintenance and/or contract management. The total scores from the reviewers were averaged and are represented in the table below. Staff recommends awarding the Agreement for Landscape Districts – South to the top ranked proposer, Merchants Landscape Services, Inc., (the “Contractor”).

| Project Evaluation Summary Report for Landscape Districts - South Maintenance of Parkway, Open Space and Median Landscaping and Irrigation (2016-009) | | | | |
|----------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------------|------------------------------------|
| Criteria | Total Possible | | Average | |
| | Weight | Weighted Score | Excel Landscape Inc. | Merchants Landscape Services, Inc. |
| Demonstration of ability to provide the described services. | 30 | 300 | 255 | 290 |
| Pricing | 20 | 200 | 103.33 | 166.67 |
| Qualifications and certifications in accordance with accepted | 35 | 350 | 239.17 | 239.17 |
| References | 15 | 150 | 135 | 145 |
| | Total | 1000 | 732.5 | 840.84 |

Based on the pricing provided in the Contractor’s proposal and each landscape area’s projected parcel charge revenue, there is sufficient revenue to support the cost of providing the same level of service for the upcoming fiscal year as it is receiving in FY 2015/16, with the exception of Zone 04.

Revenue from the current Zone 04 (Moreno Valley Ranch – East) parcel charge is insufficient to continue providing maintenance at the current Level 3 (12-week rotation) service level. A mail ballot proceeding to increase the parcel charge is currently underway with results scheduled to be announced during tonight’s meeting.

If the proposed annual parcel charge increase is approved by the property owners in Zone 04, service levels can be restored to a Level 1 (4-week rotation). If it is opposed, services will be reduced to Level 5 (20-week rotation). Additional service modifications will be necessary to balance the budget, but further discussions will be held with the Zone 04 property owners to identify what those modifications will be prior to implementation.

The City anticipates assuming landscape maintenance responsibility for the Oliver Street Channel, Line F East Channel, and Line F East planter in E-8, as well as the Line F West Channel in Zone 07 during the initial term of the Agreement. Although the exact date has not yet been determined, the Agreement includes those line items. The City will not, however, incur any costs related to those items until the contractor begins performing the services.

| AREAS AND SERVICE LEVELS | | | | |
|-----------------------------------------|-------------------------------------|--------------------------------|---------------------------------------|----------------------------|
| Landscape Maintenance Districts - South | | | | |
| District | Name | Areas Maintained | Service Level | 2016/17 Proposed Frequency |
| Zone E-8 | Promontory Park | Parkways | 1 | 4 week rotation |
| | -Oliver Street Channel ¹ | Channel Open Space | | |
| | -Line F East Channel ¹ | Channel Open Space | varies based on environmental permits | |
| | -Line F East Planter ¹ | Parkway planter | | |
| Zone 04 ² | Moreno Valley Ranch-East | Parkways, Medians & Open Space | 1 | 4 week rotation |
| | | | 5 | 20 week rotation |
| Zone 05 | Stoneridge Ranch | Parkways & Medians | 1 | week rotation |
| Zone 06 | Mahogany Fields | Parkways & Medians | 1 | week rotation |
| Zone 07 | Celebration | Parkways | 1 | week rotation |
| | -Line F West Channel ¹ | Channel Open Space | varies based on environmental permits | |

¹ City anticipates assuming maintenance responsibility during FY 2016/17

² Service level contingent upon results of mail ballot proceeding, available funding and successful RFP candidate. If the ballot passes and the contract is awarded to Merchants, service can be provided at Level 1. If the ballot does not pass, service will be provided at Level 5.

The Agreement is subject to an annual Consumer Price Index (CPI) inflation adjustment, at the discretion of the City. The following table is the estimated five-year value of the Agreement (excluding any potential CPI adjustment), assuming the Zone 04 property owners support the parcel charge increase.

Zone 04 Ballot Approved Table

| Landscape Maintenance Districts - South ¹ | | | | | | |
|------------------------------------------------------|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------|
| | FY 2016/17 Agreement | Potential Extensions | | | | Total |
| | | FY 2017/18 1st Extension ² | FY 2018/19 2nd Extension ² | FY 2019/20 3rd Extension ² | FY 2020/21 4th Extension ² | |
| Base Work | \$ 253,634.88 | \$ 253,634.88 | \$ 253,634.88 | \$ 253,634.88 | \$ 253,634.88 | \$ 1,268,174.40 |
| Additional Work | \$ 136,960.00 | \$ 136,960.00 | \$ 136,960.00 | \$ 136,960.00 | \$ 136,960.00 | \$ 684,800.00 |
| Total | \$ 390,594.88 | \$ 390,594.88 | \$ 390,594.88 | \$ 390,594.88 | \$ 390,594.88 | \$ 1,952,974.40 |

¹ Includes Parkways and/or Medians in CSD Zone E-8 (Oliver Street and Line F East Channel and Channel Parkway Planter areas) and Zones 04, 05, 06 and 07 (Line F West Channel) of LMD No. 2014-02

² Potential Extensions beyond the FY 2016/17 Agreement are anticipated, based upon presently known information and may change in the future for reasons which may include: adjusting service levels, adding or removing square footage or areas to be maintained, and emergency work.

If the Zone 04 property owners do not support the annual parcel charge increase, the estimated five-year value of the Agreement (excluding any potential CPI adjustment) is summarized in the table below:

Zone 04 Ballot Not Approved Table

| Landscape Maintenance Districts - South ¹ | | | | | | |
|------------------------------------------------------|----------------------|---------------------------------------|---------------------------------------|---------------------------------------|---------------------------------------|------------------------|
| | FY 2016/17 Agreement | Potential Extensions | | | | Total |
| | | FY 2017/18 1st Extension ² | FY 2018/19 2nd Extension ² | FY 2019/20 3rd Extension ² | FY 2020/21 4th Extension ² | |
| Base Work | \$ 223,635.60 | \$ 223,635.60 | \$ 223,635.60 | \$ 223,635.60 | \$ 223,635.60 | \$ 1,118,178.00 |
| Additional Work | \$ 121,960.00 | \$ 121,960.00 | \$ 121,960.00 | \$ 121,960.00 | \$ 121,960.00 | \$ 609,800.00 |
| Total | \$ 345,595.60 | \$ 345,595.60 | \$ 345,595.60 | \$ 345,595.60 | \$ 345,595.60 | \$ 1,727,978.00 |

¹ Includes Parkways and/or Medians in CSD Zone E-8 (Oliver Street and Line F East Channel and Channel Parkway Planter areas) and Zones 04, 05, 06 and 07 (Line F West Channel) of LMD No. 2014-02

² Potential Extensions beyond the FY 2016/17 Agreement are anticipated, based upon presently known information and may change in the future for reasons which may include: adjusting service levels, adding or removing square footage or areas to be maintained, and emergency work.

Staff recommends the City Council authorize the City Manager to approve the Agreement and any future extensions or amendments, as well as associated purchase orders for the Agreement and all future amendments/extensions available, in accordance with the terms of the Agreement and subject to the approval of the City Attorney. Such extensions and amendments shall only be entered into provided sufficient funding appropriations and program approvals have been granted by the City Council, the Contractor has provided satisfactory performance of the services, and both parties agree to extend the Agreement. Allowing the City Manager to extend or amend the Agreement, subject to City Council approvals identified herein, allows for adjustments in service levels (an increase or decrease), additional work services and addition of landscape areas to be maintained, based on available funding within each landscape district, without a delay in service.

The Agreement in Attachment 1 is recommended for approval if the Zone 04 property owner mail ballot proceeding passes. This will allow frequency of public landscaping in Zone 04 to increase to Level 1 (4-week rotation). The Agreement in Attachment 2 is recommended for approval if the Zone 04 property owner mail ballot proceeding does not pass. This will allow for maintenance of public landscaping in Zone 04 to be maintained at a Level 5 (20-week rotation), once the Zone 04 property owners have been notified. Notification to the Zone 04 property owners will include seeking the establishment of a Zone 04 property owner committee to identify additional alternatives to reduce expenses. Approval of either Agreement will allow continued maintenance of public landscaping in all other zones at the FY 2015/16 levels, as identified above.

ALTERNATIVES

1. If the Zone 04 property owner mail ballot passes, approve Attachment 1 - the Agreement for Landscape and Irrigation Districts – South with Merchants Landscape Services, Inc. and related recommended actions as presented in this staff report. *Staff recommends this alternative to provide uninterrupted maintenance of the referenced parkways, medians, and open space landscaped areas if the Zone 04 ballot is approved by the property owners.*
2. If the Zone 04 property owner mail ballot does not pass, approve Attachment 2 - the Agreement for Landscape and Irrigation Districts – South with Merchants Landscape Services, Inc. and related recommended actions as presented in this staff report. *Staff recommends this alternative to provide uninterrupted maintenance of the referenced parkways, medians, and open space landscaped areas if the Zone 04 ballot is not approved by the property owners.*
3. Do not approve the Agreement with Merchants Landscape Services, Inc. *Staff does not recommend this alternative as it may cause an interruption in the maintenance of the referenced public landscaping. Additional costs may be incurred to obtain another landscape maintenance contractor with no guarantee that a more qualified contractor can be found at a better cost.*

FISCAL IMPACT

Administration and maintenance costs to provide public landscape maintenance services is funded through a property owner approved parcel charge, which is levied and collected on the property tax bills. Revenue from the parcel charge can only be used for landscape maintenance services associated with the public landscaping in the respective landscape maintenance districts. Costs for these services are included in the City's FY 2016/17 Adopted Budget and are allocated in the amounts as shown in the following table.

Breakdown of Costs for Contract if Zone 04 Property Owner Mail Ballot Approved

| CSD or LMD area | GL Account | Base Work | Additional Work³ | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------|------------------------------------|----------------------|
| Zone E-8 | 5013-70-79-25714-620910 | \$ 14,550.00 | \$ 14,100.00 | \$ 28,650.00 |
| -Oliver Street Channel ¹ | 5013-70-79-25714-620910 | \$ 16,239.84 | \$ 30,000.00 | \$ 46,239.84 |
| -Line F East Channel ¹ | 5013-70-79-25714-620910 | \$ 27,342.00 | | \$ 27,342.00 |
| -Line F East Planter ¹ | 5013-70-79-25714-620910 | \$ 602.16 | \$ - | \$ 602.16 |
| Zone 04 ² | 5014-70-79-25721-620910 SD LMD ZN 04 | \$ 114,512.28 | \$ 43,620.00 | \$ 158,132.28 |
| Zone 05 | 5014-70-79-25721-620910 SD LMD ZN 05 | \$ 16,765.92 | \$ 17,540.00 | \$ 34,305.92 |
| Zone 06 | 5014-70-79-25721-620910 SD LMD ZN 06 | \$ 37,244.64 | \$ 13,000.00 | \$ 50,244.64 |
| Zone 07 | 5014-70-79-25721-620910 SD LMD ZN 07 | \$ 13,377.24 | \$ 6,800.00 | \$ 20,177.24 |
| -Line F West Channel ¹ | 5014-70-79-25721-620910 SD LMD ZN 07 | \$ 13,000.80 | \$ 11,900.00 | \$ 24,900.80 |
| | | \$ 253,634.88 | \$ 136,960.00 | \$ 390,594.88 |
| ¹ Actual amount will be based on date City assumes maintenance ² Contingent upon mail ballot proceeding ³ Annual amounts rounded to create 12 equal monthly installments | | | | |

Breakdown of Costs for Contract if Zone 04 Property Owner Mail Ballot Not Approved

| CSD or LMD area | GL Account | Base Work | Additional Work³ | Total |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------|----------------------|------------------------------------|----------------------|
| Zone E-8 | 5013-70-79-25714-620910 | \$ 14,550.00 | \$ 14,100.00 | \$ 28,650.00 |
| -Oliver Street Channel ¹ | 5013-70-79-25714-620910 | \$ 16,239.84 | \$ 30,000.00 | \$ 46,239.84 |
| -Line F East Channel ¹ | 5013-70-79-25714-620910 | \$ 27,342.00 | | \$ 27,342.00 |
| -Line F East Planter ¹ | 5013-70-79-25714-620910 | \$ 602.16 | \$ - | \$ 602.16 |
| Zone 04 ² | 5014-70-79-25721-620910 SD LMD ZN 04 | \$ 84,513.00 | \$ 28,620.00 | \$ 113,133.00 |
| Zone 05 | 5014-70-79-25721-620910 SD LMD ZN 05 | \$ 16,765.92 | \$ 17,540.00 | \$ 34,305.92 |
| Zone 06 | 5014-70-79-25721-620910 SD LMD ZN 06 | \$ 37,244.64 | \$ 13,000.00 | \$ 50,244.64 |
| Zone 07 | 5014-70-79-25721-620910 SD LMD ZN 07 | \$ 13,377.24 | \$ 6,800.00 | \$ 20,177.24 |
| -Line F West Channel ¹ | 5014-70-79-25721-620910 SD LMD ZN 07 | \$ 13,000.80 | \$ 11,900.00 | \$ 24,900.80 |
| | | \$ 223,635.60 | \$ 121,960.00 | \$ 345,595.60 |
| ¹ Actual amount will be based on date City assumes maintenance ² Contingent upon mail ballot proceeding ³ Annual amounts rounded to create 12 equal monthly installments | | | | |

NOTIFICATION

The RFP was posted to the City's website, posted on the City's bid portal (PlanetBids), and advertised in *The Press-Enterprise* on March 5 and 7, 2016. PlanetBids identified and notified 72 potential contractors based on its propriety algorithm. The City also

invited thirteen additional contractors to submit a proposal.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad Ansari, P. E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Agreement for LD-SOUTH (Zone 04 Passes)
2. Agreement for LD-SOUTH (Zone 04 Does Not Pass)
3. Maps of Maintenance Areas
4. Frequency of Services Table

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/03/16 12:18 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 8:33 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:05 PM |

INDEPENDENT CONTRACTOR AGREEMENT
RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH

**MAINTENANCE OF PARKWAY AND MEDIAN
 LANDSCAPING AND IRRIGATION**

This Agreement, herein referred to as "Agreement" or "Contract" is made by and between the City of Moreno Valley, a California municipal corporation and/or the Moreno Valley Community Services District, a Community Services District established pursuant to Section 61000 and following of the California Government Code, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552 hereinafter referred to as "City" and Merchants Landscape Services, Inc., a corporation, with its principal place of business at 1510 South Lyon Street, Santa Ana, California, 92705, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and
- B. Contractor desires to perform and assume responsibility for the provision of professional landscape and irrigation maintenance contracting services required by the City based upon on the term and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional landscape and irrigation maintenance contracting services and is licensed in the State of California; if applicable;
- C. The City desires to engage Contractor to render such services for landscape and irrigation maintenance as set forth in this agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

| | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Contractor's Name | <u>Merchants Landscape Services, Inc.</u> |
| Street Address | <u>1510 South Lyon Street</u> |
| Street Address | <u></u> |
| City, State, Zip | <u>Santa Ana, CA 92705</u> |
| Mailing Address | <u>Same as above</u> |
| (If same as Street Address, write same or same as above) | <u></u> |
| Business Phone (with area code) | <u>800-645-4881</u> |
| Cell or Mobile Phone (with area code) | <u></u> |
| Other Contact Number (with area code) | <u></u> |
| Fax Number | <u></u> |
| Email Address | <u>patrick@merchantslandscape.com</u> |
| Social Security Number | <u></u> |
| Business License Number | <u></u> |
| Federal Tax ID Number | <u>95-4725606</u> |
| Contractor's License Number & Classification | <u>765658 C27</u> |

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The City's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be from July 1, 2016 to June 30, 2017 unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.
- E. Contractor's Proposal, including but not limited to the Proposal Schedule, Additional Work Price List, Contract Proposal, Proposed Project Work Schedules, Proposed Annual Material Schedule, Contractor Information, Certification of Non-Discrimination, and List of Subcontractors, are described in Exhibit "E" attached hereto and incorporated by this reference.

3. STANDARD TERMS AND CONDITIONS:

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: Patrick Healy.
- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates Patrick Healy, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the

services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.

- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by

the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City’s choosing and at Contractor’s own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section “J” that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City’s attorney’s fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best’s Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers’ Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form “Exception to Worker’s Compensation Coverage” is signed, notarized and attached to this Agreement

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

- Bodily Injury \$1,000,000 per occurrence/ \$2,000,000 aggregate

- Property Damage \$500,000 per occurrence/ \$500,000 aggregate

Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.

- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose

Contractor: Merchants Landscape Services, Inc.
 [Contractor Name]
1510 South Lyon Street
 [Mailing Address]
Santa Ana, CA 92705
 [Mailing Address]
Patrick Healy
 [Attn: [Insert Name]]
800-645-4881
 [Telephone number]
Patrick@merchantslandscape.com
 [Email address]

City: CITY OF MORENO VALLEY
14331 Frederick Street, Suite 2
P. O. Box 88005
Moreno Valley, CA 92552-0805
Attn: Special Districts Division

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW:

SIGNATURE PAGE

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement

City of Moreno Valley/City of Moreno Valley
Community Services District

Contractor

By: _____
Title: Mayor and Mayor, acting in the
capacity of President of the Board of
Directors of the Moreno Valley
Community Services District

By: _____
Title: (President or Vice President)

Date: _____

Date: _____

| <u>INTERNAL USE ONLY</u> | |
|---------------------------------|--|
| ATTEST: | |
| _____ | |
| City Clerk | |
| APPROVED AS TO LEGAL FORM: | |
| _____ | |
| City Attorney | |
| _____ | |
| Date | |
| RECOMMENDED FOR APPROVAL: | |
| _____ | |
| Department Head | |
| _____ | |
| Date | |

By: _____
Title: Corporate Secretary or Assistant
Secretary
(If applicable)

Date: _____

Affix Corporate Seal Below
(If applicable)

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

EXHIBIT A – GENERAL PROVISIONS**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. GENERAL PROVISIONS - SCOPE OF WORK**

- A. The work to be performed under this Contract shall include the furnishing of all labor, material, and equipment necessary for the provision of landscape, irrigation and appurtenant maintenance services within the boundaries of the various City LMDs and/or zones of the City as determined in the resolutions of the City Council and/or Community Services District Board establishing said LMDs and/or zones, and as said boundaries may have been heretofore or may be hereafter altered, and as more particularly shown on the Location Map or Maps attached at the end of this exhibit, Section 21 (Project Location Maps).
- B. The Contractor shall have the duty to: mow, edge, trim, and fertilize turf, (if applicable), groundcover, and shrub areas designated hereunder; regularly maintain and prune those portions of trees up to eighteen feet (18') in height; remove litter and debris from all sites as required under this Agreement; provide general pest control services as requested, including but not limited to weeds, insects, and diseases; maintain irrigation systems; hand water and bleed valves as necessary during emergencies when automatic systems are not functioning.
- C. All work shall be performed in accordance with usual and customary horticultural practices to achieve, and maintain healthy, viable landscapes. The Public Works Director of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director" will periodically inspect all the operations and approve or reject the work performed, and methods or materials used, and make changes in the work scheduling.
- D. The Contractor shall be responsible for carefully reviewing the site(s), and verifying the square footage noted for each location of proposed work included in the Proposal. The Contractor shall not be relieved of his/her/its liability under this Agreement, nor shall the City be held liable for any loss sustained by the Contractor as a result of any variance between conditions as referred to in the Technical Provisions, and the actual conditions revealed during the examination of the locations of the proposed work.
- E. All work shall be performed in accordance with the General and Technical Provisions of this Contract and in accordance with an approved service schedule, as approved by the Director. Service schedules may be modified with 30 days advance written notice by the City.

2. GENERAL PROVISIONS - SCHEDULING OF WORK

- A. The Contractor will adhere to the facilities, equipment and monthly and annual work schedules submitted as a part of the Contractor's RFP, and incorporated herein by this reference. These schedules, and any approved revisions thereto, will be used by the City as a basis for determining Contractor's satisfactory performance.
- B. Revisions to facilities, equipment, or monthly and annual work schedules may not be implemented without the prior written approval of the Director. The Contractor is required to submit proposed revisions regarding facilities, equipment or monthly and annual work schedules in writing to the City at the address as set forth in Section 3, paragraph S of the Independent Contractor Agreement at least ten (10) working days prior to commencing work per the proposed revisions.
- C. Failure to submit proposed revisions concerning facilities, equipment, or work schedules by the time limits established hereinabove may result in the Contractor becoming liable to the City for non-performance penalties per Exhibit C, Section 4.
- D. The above provisions shall not be construed to eliminate the Contractor's responsibility for complying with the requirement to notify the Director for Specialty type maintenance as set forth immediately hereinafter.
- E. The Contractor shall notify the Director in writing at least five (5) working days prior to the date and time of all "Specialty" type maintenance operations. Specialty type maintenance operations includes, but is not limited to:
1. Fertilization;
 2. Turf Aeration;
 3. Application of pesticides by any method;
 4. Other operations so designated by the Director.

Notification of "Specialty" maintenance operations shall include a brief description of intended method(s) of execution, materials to be used, and the dates for commencement and completion of said operations. Failure to complete "Specialty" operations by the indicated date may result in the assessment of non-performance penalties per Exhibit C, Section 4.

- F. When inclement weather renders performance per the approved schedule unsafe, impractical, or liable to damage landscaping, the Contractor is required to adjust his work force in order to accomplish those work items not affected by weather, and will contact the City field staff to inform them of said alternate work assignments. Failure to advise the City field staff may be cause for assessment of non-performance penalties per Exhibit C, Section 4.

- G. For the purposes of this Contract, "Working Days" are Mondays through Thursdays, excluding holidays as provided herein. The hours of on-site maintenance service will be from 7:00 a.m. to 4:30 p.m., not including mobilization to or from work site, on those days maintenance is to be provided pursuant to the work schedule as approved by the Director. Any work the Contractor proposes to perform outside of the days and hours set forth hereinabove, as well as on legal City holidays, shall not be undertaken without the prior written approval of the Director.

The following days have been designated as holidays by the City:

| | |
|----------------------------|--------------------------|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | 3rd Monday in January |
| President's Day | 3rd Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | 1st Monday in September |
| Veteran's Day | November 11 |
| Thanksgiving Day | 4th Thursday in November |
| Day after Thanksgiving | 4th Friday in November |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

If a holiday falls upon a Sunday, the following Monday shall be the day the holiday is observed. If a holiday falls upon a Saturday, the preceding Friday shall be the day the holiday is observed. If a scheduled maintenance service day falls on a designated holiday, the Contractor shall submit a proposed make-up day for the Director's approval.

3. GENERAL PROVISIONS - FUNCTIONS AND RESPONSIBILITIES

- A. For award of the Contract to a Contractor who has not performed landscape and irrigation maintenance services for the site(s) as identified within this Contract for the prior year's contacting term, the Director and Contractor shall conduct an inspection of all sites covered under this Contract as soon as practicable after its execution, and prior to commencement of Contractor's operations. Following said inspection, the Contractor shall submit to the Director a written affidavit certifying the actual condition of the site(s) relative to the City Specifications, including but not limited to the nature and extent of any deficiencies noted by the Contractor, and acknowledged by the Director. The Contractor is hereby advised that this affidavit shall serve as the benchmark for the Director's evaluation of Contractor's performance under this Agreement. Failure to maintain site(s) up to this established standard may result in the City deducting payment of all or part of the Contractor's compensation, as described in Exhibit C, Section 3.

- B. The Contractor shall on an ongoing basis maintain a monthly log that records all work performed by the Contractor. Said log shall be in a form and content acceptable to the Director (see Exhibit G, Monthly Landscape Services Report Form), and shall be submitted to the Director by the tenth day of each month, one (1) month in arrears.
- C. The monthly payment for the work so reported will not be authorized until such report (Monthly Report) is received, and approved by the Director.
- D. The Director may require the Contractor to attend meetings with the City field staff at some fixed interval to review the Contractor's operations, and schedule future work as may be ordered by the Director. Failure to attend regularly scheduled meetings may result in the assessment of non-performance penalties per Exhibit C, Section 4.
- E. The Contractor shall maintain an office at some fixed place, and be listed in the telephone directory in Contractor's own name or in the Contractor's company name.

Contractor shall at all times employ some responsible person(s) to receive phone calls and take the necessary action regarding all inquiries, complaints, and/or emergency calls that may be received from the Director or other authorized individuals or agencies as listed in Exhibit A, Section 3., paragraph F. below. This person(s) shall be reachable twenty-four (24) hours per day, seven (7) days a week.

During normal working hours, the Contractor's Supervisor or designated employee responsible for providing maintenance services to the City shall be directly available for immediate notification through some type of reliable electronic means, including but not limited to, mobile or cellular phone. The Contractor or Contractor's designated employee shall confirm said notification within one (1) hour of receipt. An answering service will be considered an acceptable substitute for coverage only during periods outside of normal working hours, provided Contractor is advised of emergency calls within one (1) hour of receipt of the call by the answering service and within twenty-four (24) hours after receipt of non-emergency calls by the answering service. The above provision for Contractor's communication with the City is the minimum acceptable standard under this Contract. Failure to capably provide regular communication may result in the Contractor being assessed non-performance penalties, per Exhibit C, Section 4.

- F. The Contractor shall respond to an emergency call from any of the parties listed herein this section no later than two (2) hours following first notification by telephone, written email, written mailed correspondence or facsimile transmission. In situations involving emergency repair work after normal working hours, the Contractor shall dispatch qualified personnel, and equipment to reach the site within two (2) hours of first notification. An emergency may be called by the following individuals or agencies at any time:

- | | |
|---------------------------------------|------------------------------------|
| 1. City Manager | 6. Street Maintenance Supervisor |
| 2. Public Works Director | 7. Landscape Services Supervisor |
| 3. Police Department | 8. Landscape Services Inspector |
| 4. Fire Department | 9. Landscape Irrigation Technician |
| 5. Special Districts Division Manager | |

Contractor's emergency response and any necessary corrective work shall be considered Additional Work as defined in Exhibit C, Section 2, unless said emergency is determined to have been caused by an act or omission attributable to the Contractor.

4. GENERAL PROVISIONS - CONTRACTOR'S STAFF

- A. The Contractor shall provide sufficient personnel to perform all work in accordance with the Specifications set forth herein. All of the Contractor's maintenance personnel shall be supervised at the work site(s) by a qualified Supervisor in the employ of the Contractor. Work Site Supervisors must be able to demonstrate to the satisfaction of the Director that they possess adequate technical background, and communication skills to perform the intended services. Adequate and competent supervision shall be provided for all work done by the Contractor's employees to ensure accomplishment of high quality work, which will be acceptable to the Director. Any order or communication given to the Work Site Supervisor shall be deemed to have been delivered to the Contractor.
- B. The Contractor and his employees and subcontractors, if any, shall conduct themselves in a proper, professional, and efficient manner at all times, and shall cause the least possible inconvenience to the public.
- C. The Director may require the Contractor to remove from the work site any employee(s) deemed careless, incompetent, or otherwise objectionable, whose continued employment on the job is considered to be contrary to the best interests of the City.
- D. The Contractor shall require each employee performing work under the Contract to adhere to basic public works standards of working attire, including but not limited to wearing of proper clothing, proper shoes, and other gear required by applicable Safety Regulations and/or fertilizer/pesticide label requirements.

Shirts shall be worn at all times, and shall be buttoned. Approved safety vests shall be worn by Contractor's employees when working on parkway medians, monuments, parkways, and other high traffic-hazard areas as determined by the Director. Failure to comply with the above requirements may make the Contractor liable for assessment of non-performance penalties, per Exhibit C, Section 4.

- E. The Contractor shall establish an identification system for Contractor's personnel which clearly indicates to the public the name of the Contractor. The identification system shall be furnished at the Contractor's expense and may include appropriate attire, and/or name badges as specified by the Director.

5. GENERAL PROVISIONS - EMPLOYMENT OF APPRENTICES

The provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code regarding the employment of properly registered apprentices may apply to this Contract if the Contractor, or any subcontractors thereunder, employs workers in any apprenticeable craft or trade. It is the Contractor's sole responsibility to comply with the Labor Code sections cited above. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the California Department of Industrial Relations.

6. GENERAL PROVISIONS - COMPLAINTS

- A. All complaints shall be responded to as soon as possible after notification, but in all cases within twenty-four (24) hours, to the satisfaction of the Director. If any complaint is not satisfactorily responded to within twenty-four (24) hours, the Director shall be notified immediately of the reason for not remedying the complaint followed by a written report to the Director within five (5) working days. If the complaints are not remedied within the time specified, and to the satisfaction of the Director, the Director may correct the specific complaint by using an alternative source. The total cost incurred by the District to effect necessary remedies will be deducted from the payments owing to the Contractor from the City, per Exhibit C, Section 3.
- B. The Contractor shall maintain a written log of all complaints, the date and time thereof, and the action taken pursuant thereto, or the reason for non-action. Said log shall be submitted to the Director monthly as set forth in Exhibit A, Section 3, paragraph B.
- C. In addition to the provisions of Exhibit A, Section 6, paragraph A, in the event of a failure by the Contractor to satisfactorily remedy a complaint in a timely manner or for any other breach of this Agreement by Contractor, the City may immediately upon written notice to the Contractor terminate this Agreement.

7. GENERAL PROVISIONS - SAFETY

- A. The Contractor agrees to perform all work as outlined in the Provisions listed herein in such a manner as to meet all accepted standards for safe practices and to safely maintain equipment, machines, and materials, and prescribe and employ all precautions and safety procedures related to other hazards consequential to the work; and accepts additionally the sole responsibility for complying with all local, State, Federal and other legal requirements including but not limited to, full compliance with the terms of any and all applicable OSHA and Cal/OSHA Safety Orders at all times so as to protect all persons, including Contractor's employees

and subcontractors, agents of the City, District, materialmen, vendors, members of the public and others from foreseeable injury, or damage to their property.

- B. The Contractor's operations shall be conducted in such a manner as to cause the least possible obstruction, and inconvenience to public traffic. The Contractor shall furnish, erect and maintain such fences, barriers, lights and warning signs as may be deemed necessary by the Director, or any duly constituted public safety official.

Contractor's work area traffic control, including but not limited to type and placement of signs, barricades, and delineators, shall be in accordance with the "Manual of Uniform Traffic Control Devices, 2012 (or most current revised version) California Supplement" Part 6 Temporary Traffic Control.

Contractor's work should not encroach into open lanes of traffic between the hours of 7:00 a.m. and 8:30 a.m., or between the hours of 3:30 p.m. and 6:00 p.m.

- C. The Contractor shall maintain all work sites free of hazards to persons or property resulting from Contractor's operations. The Contractor shall inspect for all potential hazards at said areas under maintenance, and keep a log indicating date inspected, and action taken. Said log shall be submitted to the Director monthly as set forth in Section 3, paragraph B above. Any hazardous condition noted by the Contractor, which is not a result of Contractor's operations, shall be immediately reported to the Director.
- D. The Contractor shall be responsible for making minor corrections, including but not limited to, filling holes in turf areas, replacing valve box covers, and repairing irrigation systems, so as to protect members of the public or others from injury.

The Contractor shall cooperate fully with the City in the investigation of any accidental injury or death occurring on the site, including a complete written report thereof to the Director within five (5) working days following the occurrence.

- E. Failure to comply with the provisions of this section of Exhibit A may result in payment deduction per Exhibit C, Section 3, or assessment of non-performance penalties per Exhibit C, Section 4. Repeated failure to comply with the provisions of this section may result in termination of the Agreement, per the terms of the independent Contractor Agreement, Section 3, paragraph O.

8. USE OF CHEMICALS

- A. Before the beginning of the Contract period, the Contractor is required to submit a list, which shall include the exact Brand Name, Label, and Material Safety and Data Sheet (MSDS) of all chemicals proposed for use under this Agreement, including but not limited to fertilizers and pesticides, for approval by the Director. Where applicable, materials included on this list shall be chemicals as approved by the State of California Department of Food and Agriculture.

- B. Director shall be notified in writing of any changes or deviations from the above list. Use or application of said materials shall not be made prior to approval by the Director. Failure to comply with this requirement may result in the assessment of non-performance penalties, per Exhibit C, Section 4.
- C. Chemical applications, including but not limited to fertilizers and pesticides, shall be made in strict compliance with the label directions, restrictions, and precautions as well as with any other requirements deemed necessary by any county, state, or federal regulatory agency, or the Public Works Department of the City of Moreno Valley.
- D. Contractor shall report all fertilizers and pesticides used in the performance of the work as an element of Contractor's Monthly Report, as set forth in Exhibit A, Section 3, paragraph B. This report shall include the date, time of day, location, type of material, method of application, and environmental data.

9. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT - REQUIRED URBAN RUNOFF MANAGEMENT TRAINING

The Contractor shall provide National Pollutant Discharge Elimination System (NPDES) Permit training for Urban Runoff Management to Contractor's employees and subcontractors if any. Failure to provide Urban Runoff Management training is a violation of Order No. R8-2002-0011, NPDES No. CAS 618033 (Municipal Separate Storm Sewer System NPDES Permit), Section XI.I, for each day of which such failure occurs, and shall in addition, be a breach of the Contract with the City of Moreno Valley and/or the City of Moreno Valley Community Services District ("City"). Contractor understands and agrees that NPDES Permit violations are grounds for enforcement action by the Environmental Protection Agency, the State/Regional Water Resources Control Board, and the City and may result in permit termination (stop work order), civil and criminal fines, and termination of Contract. By submitting a proposal, the Contractor certifies to the City that Contractor's employees and subcontractors, if any, have been trained for Urban Runoff Management, and sufficient sums are included in the proposal's amount to cover costs of such said training.

10. LICENSES AND PERMITS

The Contractor shall, without additional expense to the City, possess all licenses and permits, including but not limited to a valid City Business License, required for the performance of the work under this Contract.

11. PREVAILING WAGE

- A. Pursuant to provision of Section 1773 of the Labor Code of the State of California, the City of Moreno Valley has obtained the general prevailing rate of per diem wages applicable for the work to be done, including but not limited to: straight time, overtime and holiday work; travel and subsistence payments; employee payments of health and welfare, vacation, pension, and similar purposes. Said rate and scale

are on file with the Public Works Department of the City of Moreno Valley, and copies will be made available to any interested party on request. These rates shall be the minimum wage rates for this project. Throughout the term of this Contract, the Contractor will be required to post a copy of said rate, and scale as required by the Labor Code.

- B. Pursuant to provisions of Section 1775 of the Labor Code, the Contractor shall forfeit as penalty to the City of Moreno Valley, not more than fifty dollars (\$50.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinabove stipulated for any work done under the attached Agreement, by the Contractor or by any subcontractor under Contractor's direction and control, in violation of the provisions of said Labor Code.

12. PAYROLL RECORDS

- A. The Contractor, and any subcontractor thereunder, shall keep complete accurate payroll records for each workman employed by Contractor/subcontractor in connection with this Contract, as required by California Labor Code Section 1776.
- B. The Contractor, and any subcontractor thereunder, shall make available to the City upon its request certified payroll records for each workman employed in connection with this Contract as required by California Labor Code Section 1776.
- C. The City may withhold from Contractor's progress payments the penal sum of twenty-five dollars (\$25.00) per calendar day (or portion thereof) for each worker employed in connection with this Contract should Contractor, or any subcontractors thereunder, fail to strictly comply with California Labor Code 1776 after receiving written notice of non-compliance.

13. BONDS

Pursuant to Section 3247 of the Civil Code, the Contractor hereby agrees to provide and maintain in full force and effect for the duration of this Contract, two (2) good, and sufficient surety bonds, to wit:

- A. A "Faithful Performance Bond" in the amount of one hundred percent (100%) of the Contract price, which shall guarantee the faithful performance of all work, and;
- B. A "Materials and Labor Bond" in the amount of one hundred percent (100%) of the Contract price, which shall secure the payment of the claims of labor, mechanics or materialmen for all work performed hereunder.

14. SUBSTITUTION OF SECURITIES

Pursuant to California Public Contract Code Section 22300, the Contractor will be permitted the substitution of securities for any monies withheld by the City of Moreno Valley to ensure performance under the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City of Moreno Valley, or with a state or federally chartered bank as the escrow agent, who shall pay such monies to the Contractor. Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, and standby letters of credit. The Contractor shall be the beneficial owner of any securities substituted for monies withheld, and shall receive any dividends or interest thereon. The Contractor shall give the City written notice within thirty (30) days after the Contract is awarded that it desires to substitute securities for money that would ordinarily be withheld. If the substituted securities are deposited into an escrow, the escrow shall be governed by a written escrow agreement in a form which is substantially similar to the agreement set forth in Section 22300 of the Public Contract Code.

15. CONTRACTOR'S LIABILITY

The Contractor shall be responsible for all damages to people and/or property that occur as a result of the fault or negligence attributable to the Contractor in connection with the performance under this Agreement. Any and all restitution or repairs deemed necessary by the Director to remedy such damages shall be furnished and performed at the Contractor's sole expense, and shall be completed within the time limits established by the Director.

16. CONTRACTORS LICENSE

Contractors are required by law to be licensed, and regulated by the Contractors' State License Board. Contractor will comply with all applicable licensing laws, and regulations. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, 9821 Business Park Driver, Sacramento, CA 95827. Mailing address: P.O. Box 26000, Sacramento, CA 95826.

17. TECHNICAL PROVISIONS – TURF AND PLANTER

A. TURF CARE (IF APPLICABLE)

1. All turf areas shall be mowed, edged, and trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A. Should weather and/or site conditions preclude the normally scheduled frequency of this service during any month, or portion thereof, the maintenance schedule shall be modified at the discretion and approval of the Director.
2. At the discretion of the Director, turf areas may be mowed with mulching-type mowers of a type acceptable to the City.

3. All mowing and edging equipment shall: be in proper working order; have blades properly sharpened, balanced, and aligned; be thoroughly cleaned of all excess clippings, soil, and debris prior to move-in at each site.
4. All clippings, soil, and debris generated by mowing and edging operations shall be immediately collected, removed from the site, and disposed of in a legal manner. For the purposes of this Specification the term "site" shall include, but is not limited to, appurtenant hardscaping, sidewalks, curbs and gutters.
5. Machines operating on turf known to have a disease, fungus, or insect infestation shall be sterilized with a ten percent (10%) chlorine bleach, and water solution prior to move-in to any other site.
6. Mowing height for cool season grasses shall not exceed three inches (3") maximum, or two inches (2") minimum, and shall be adjusted within these parameters on a seasonal basis.
7. Mowing height for warm season grasses shall not exceed one and one-half inches (1½") maximum, or three-quarters of an inch (¾") minimum, and shall be adjusted within these parameters on a seasonal basis.
8. All turf borders shall be cut with a vertical blade edger. Use of string trimmers to perform this task is not acceptable.
9. Trimming around turf appurtenances (i.e., valve and meter boxes, backflow devices and controller enclosures, sprinklers) may be accomplished through the use of string trimmers.
10. Whenever trees occur in turf areas, a six inch (6") ring of grass shall be removed from around the trunks in order to protect the crowns from mechanical damage. These rings shall be maintained in a clean, weed free condition.
11. Thin areas in turf shall be resodded or reseeded as necessary to prevent invasion of weeds.
12. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
13. Pest control: See Technical Provisions - Pesticide Use, Exhibit A, Section 20.
14. Aeration:
 - (a) All turf areas shall be aerated per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A unless otherwise directed by the Director;

- (b) Aeration equipment shall be of the hollow tine type. The tines shall have a minimum diameter of one-half inch ($\frac{1}{2}$ "), and a penetration depth of at least two inches (2"). There shall be no more than six inches (6") between tines;
 - (c) Areas to be treated shall be adequately irrigated prior to treatment to allow maximum tine penetration;
 - (d) Any soil cores remaining on the turf surface two (2) weeks after treatment must be removed;
 - (e) Humus base fertilizer is to be applied directly following spring and fall aeration operations. See Technical Provisions – Fertilization, Exhibit A, Section 19.
15. Renovation/thatching and additional aeration operations are to be considered Additional Work, per Exhibit C, Section 2.
16. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

B. TREE CARE

1. All trees are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Specifications, trimming, pruning, and pest control operations for those portions of trees in excess of eighteen feet (18') in height is to be considered Additional Work, per Exhibit C, Section 2.
3. Whenever site conditions permit, trees are to be allowed to grow to assume their full, natural shape, with the minimum constraints necessary to assure public safety and tree survival. All tree pruning shall be done in conformance with ANSI 300-2001, (or most current revision); safety requirements shall be per ANSI Z133-1994 (or most current revision) standards.
4. Trees shall be pruned at any time in order to:
 - (a) Remove dead, diseased, or damaged branches;
 - (b) Remove unwanted encroachments into public and/or utility rights-of-way;
 - (c) Correct any condition which the Director has deemed to be hazardous.

5. Portions of trees up to eighteen feet (18') in height shall:
 - (a) Be pruned to enable successful adaptation to their particular site situation;
 - (b) Have no more than one-third (1/3) of living branches removed annually;
 - (c) Be fertilized only as directed by the City field staff.
6. Portions of trees over eighteen feet (18') in height shall:
 - (a) Be inspected annually;
 - (b) Pruned and/or trimmed as necessary to maintain proper site orientation;
 - (c) Pruned and/or trimmed as necessary to remove unwanted encroachments into public, and/or utility rights-of-way;
 - (d) Pruned and/or trimmed as necessary to correct any condition which the Director has deemed to be hazardous.
7. Pruning tools shall:
 - (a) Be kept properly sharpened, and in proper working order;
 - (b) Be sterilized with five percent (5%) chlorine bleach and water solution before commencing work, and between cuts on any tree known to be diseased.
8. The following practices shall not be allowed:
 - (a) internodal cuts of any kind (a.k.a. "stubbing", "shearing", "tipping", "topping");
 - (b) Cuts made flush with trunk or branch. The integrity of branch collars is to be maintained at all times;
 - (c) Use of pruning paint/pruning compound/wound dressing;
 - (d) Use of climbing spurs or gaffs.
9. All prunings/trimmings and debris generated by pruning operations shall be immediately removed from the site, and disposed of in a legal manner.
10. Trees shall be staked/guyed in a manner, and with materials that are acceptable to the Director. Double staking with two (2) lodge pole-type stakes is the minimum City standard.

11. Tree stakes, tree ties, and guy wires shall be inspected regularly to ensure against girdling and abrasion, and removed as soon as possible after tree establishment, and site conditions allow.
12. Pest control: See Technical Provisions – Pesticide Use, Exhibit A, Section 19.
13. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

C. SHRUB CARE

1. All shrubs are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Specifications, shrubs are defined as any multi-stemmed/low branching woody plants whose height at maturity is not less than one foot (1'), or greater than ten feet (10').
3. Whenever site conditions permit, shrubs are to be allowed to grow to assume their full, natural shape, with the minimum constraints necessary to assure public safety and plant survival.
4. Shrubs shall be pruned and/or trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A, unless otherwise directed by the Director, in order to:
 - (a) Remove dead, diseased, or damaged branches;
 - (b) Remove unwanted encroachments into public and/or utility rights-of-way;
 - (c) Correct any condition which the Director has deemed to be hazardous.
5. Shrubs shall be pruned in a manner that will:
 - (a) Enable successful adaptation to their particular site situation;
 - (b) Follow the maturation of the leaves/needles of the first seasonal growth flush, unless accepted practices for a particular species (i.e. roses) dictate otherwise;
6. Pruning tools must:
 - (a) Be kept properly sharpened, and in proper working order;
 - (b) Be sterilized with a five percent (5%) chlorine bleach and water solution before commencing work, and between cuts on any shrub known to be diseased.

7. The following practices are not allowed:
 - (a) Internodal cuts (a.k.a. "stubbing", "tipping", "topping"). Shearing (a.k.a. "boxing", "hedging", "balling", "poodling") will be done only when authorized by the Director on a site-specific basis.
 - (b) Cuts made flush with trunk or branch. The integrity of branch collars is to be maintained at all times.
 - (c) Use of pruning paint/pruning compound/wound dressing.
8. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
9. Pest control: See Technical Provisions –Pesticide Use, Exhibit A, Section 20.
10. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

D. GROUND COVER CARE

1. All ground covers are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Technical Provisions, ground covers are defined as mass plantings of same-species, multi-stemmed plants with a trailing growth habit, whose height at maturity does not exceed \pm one foot (1').
3. Ground covers shall be pruned/trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A, unless otherwise directed by the Director in order to:
 - (a) Remove dead, diseased, or damaged branches/crowns;
 - (b) Remove unwanted encroachments into or upon public and/or utility rights-of-way, as well as other landscape components (i.e., shrubs, trees, turf areas, irrigation equipment, walls, and monuments);
 - (c) Correct any condition which the Director has deemed to be hazardous.
4. Ground covers shall be pruned/trimmed/renovated:
 - (a) To enable successful adaptation to their particular site situation;
 - (b) In accordance with accepted practices for the particular species in question;
5. Pruning tools shall:
 - (a) Be kept properly sharpened, and in proper working order;

- (b) Be sterilized with a five percent (5%) chlorine bleach, and water solution before commencing operations at any site.
- 6. String trimmers shall not be used for any of the above described operations unless authorized by the Director on a site-specific, task-specific basis.
- 7. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
- 8. Pest control: See Technical Provisions –Pesticide Use, Exhibit A, Section 20.
- 9. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

E. WEED CONTROL

- 1. For the purposes of these Specifications, weeds are defined as any plant species whose presence on a site is detrimental to: the appearance of the site, as determined by the Director, and; the normal, healthy growth of the plant materials intended for that site. Any plants which, in the opinion of the Director, constitute a public health or safety hazard shall also be defined as weeds.
- 2. Weed control shall be addressed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A unless otherwise directed by the Director.
- 3. Chemical weed control: See Technical Provisions – Pesticide Use, Exhibit A, Section 19.
- 4. Site areas subject to weed control per these Specifications include, but are not limited to: turf areas, tree wells, shrub, planter, and ground cover beds; hardscape areas, including, but not limited to curbs, gutters, and sidewalks; and non-landscaped portions of sites, as determined by the Director.
- 5. Debris generated by manual and/or mechanical weed control operations shall be immediately removed from the site, and disposed of in a legal manner.
- 6. Failure to adhere to the specifications of this section of the Technical Provisions may result in the assessment of non-performance penalties per Exhibit C, Section 4.

F. IRRIGATION

1. Water shall be delivered by means of automatic or manually operated sprinkler systems, quick couplers, hose bibbs, or water tank, as specific site and/or weather conditions require.
2. It shall be the Contractor's duty to maintain all City irrigation systems in a manner that assures their full working capability at all times. Said maintenance shall include, but not be limited to: visual and operational inspections; cleaning/adjusting sprinkler nozzles; flushing of lines; trimming around sprinklers to assure proper coverage; routine repairs; and other tasks as assigned by City field staff.
3. For the purposes of this section, routine irrigation repairs are defined as repair and/or replacement of existing sprinklers or sprinkler components and/or non-pressurized pipe and/or fittings ("lateral lines") that have been rendered inoperable due to: 1) normal operation ("wear and tear"), and; 2) vandalism, theft, and acts or omissions by third parties.
4. All repairs to, and/or replacement of, irrigation system control components (i.e., backflow prevention assemblies, controllers and control wires, manual and remote control valves) and pressurized pipe and fittings ("mainlines") rendered inoperable due to circumstances other than Contractor's operations, shall be considered Additional Work, per Exhibit C, Section 2.
5. The Contractor shall furnish, at no cost to the City, a remote valve actuating device that is compatible with the make, and model installed at the site(s). This device shall be used by Contractor's personnel while conducting operational irrigation system inspections, and/or repairs.
6. Automatic irrigation systems shall:
 - (a) Be inspected for, and repaired as necessary to, ensure proper operation and coverage;
 - (b) Be turned off during periods of rainfall, or as directed by City field staff;
 - (c) Have controller and backflow preventer enclosures, utility vaults and/or pedestals, and valve boxes properly secured at all times.
7. Manually operated irrigation systems shall:
 - (a) Be operated only when Contractor's personnel are present on site;
 - (b) Be inspected for, and repaired as necessary to ensure proper operation and coverage not less than at each time of operation;
 - (c) Have any and/or all enclosures, vaults, and valve boxes properly secured at all times.

8. Parts/components used to effect irrigation system repairs shall be of the same manufacture as those originally installed unless otherwise approved by the Director prior to repair operations.
9. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

G. DEBRIS/LITTER

1. Debris/litter control shall be provided per the Frequency of Service Table, as set forth in Exhibit E, Section V., Schedule I A unless otherwise stated herein this Section and/or as directed by the Director.
2. The Contractor shall remove immediately after pruning, trimming, weeding, edging or other work required under this Contract, all debris generated by his or her performance of the work.
3. Contractor shall remove from both planted areas and adjacent hardscapes/walkways the following items, which include but are not limited to: bottles, cans, paper/plastic, cardboard, dog litter, tumbleweeds/windblown plant litter, automobile tires, or metallic items. Sites that are, in the opinion of the Director, exceptionally littered shall be cleared by the Contractor before the close of business the working day following notification of this condition.
4. All hardscape areas that include, but are not limited to sidewalks, curbs, and gutters shall be maintained in a hazard-free condition.
5. The Contractor shall dispose of all debris and litter, as described in paragraphs 1 and 2 above, off-site and in a legal manner.
6. The Contractor shall notify the Director immediately whenever suspicious and/or hazardous waste materials are discovered within service area sites. Such materials may include, but are not limited to: discarded motor oil, or other petroleum-based liquids; paint; chemical compounds, pesticides, both liquid and dry; any unknown liquid or dry material in an unmarked container; household appliances; household electronic devices such as, televisions, computers and computer monitors; firearms, ammunition or other appliances. Any such articles shall not be touched, handled, or in any way disturbed or moved from the location where they were discovered. Contractor's staff shall secure the area against entry by any third party until City staff arrives at the site
7. Failure to adhere to the specifications of this section of the Technical Provisions may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

H. GREENWASTE RECYCLING

1. The Public Resources Code (PRC), Division 30, Sections 41000 through 41780 requires that the City of Moreno Valley divert from landfills fifty percent (50%) of the solid waste, including greenwaste, generated within its jurisdiction.
2. For the purposes of this Contract, materials defined as “greenwaste” shall include all plant parts (i.e., trimmings, prunings, grass clippings, etc.) removed from Contract sites by the Contractor, or any subcontractors thereunder, in the performance of contract’s Scope of Work.
3. Contractor, or any subcontractor thereunder, shall deposit all greenwaste generated in the course of the performing the contract’s Scope of Work services at a landscape material recycling center, or reuse said greenwaste in some manner. Contractor, or any subcontractor thereunder, shall be solely responsible for all costs incurred in complying with this requirement.
4. The Contractor shall submit a Monthly Greenwaste Report, (see Exhibit I), per The Frequency of Service, Table, Exhibit E, Section V, Schedule I, A, as an element of Contractor's Monthly Reporting requirements, as set forth herein Exhibit A, Section 3. – Functions and Responsibilities. The Contractor shall provide responses to all information requested therein and shall include, on a separate Monthly Greenwaste Report form, any greenwaste generated through the operations of any subcontractors performing under Contractor’s Scope of Work.
5. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

18. TECHNICAL PROVISIONS – CHANNELS

The channel thinning zones will be subject to long-term management practices for flood control work. The channel-thinning zones are comprised of the two 40-foot-wide thinning zones. Beyond the 40-foot channel-thinning zones, removal of native vegetation shall be allowed only to assure proper operation of slope buffer area irrigation systems, to perform permitted fire protection activities, and to eliminate any hazardous condition for public safety.

The following management tasks pertain to the channel thinning zones:

A. VEGETATIVE THINNING

1. When vegetation and removal is deemed necessary by the City, and regulatory permits are in place to provide for adequate flood protection, the City shall determine if the work shall be accomplished by hand crews, mechanical equipment, or a combination of available resources. In reaching this determination, careful consideration shall be given to the mutual goal of minimizing negative impacts throughout the mitigation site and continuing to

allow the drainage to function as a flood control channel designed to support 100-year flood flows.

2. The channel thinning zones will be maintained annually by mowing or removing vegetation above the existing soil level not to exceed two feet (24-inches) in height so that all channels will support 100-year flood flows.
3. For maintenance of channel the Contractor may use:
 - Four-wheel-drive all-terrain vehicle (ATV) type maintenance vehicles to haul personnel, equipment, trash, trimmings, weeds, and debris.
 - A 30-40 horsepower utility tractor with bucket and mower for mowing channel bottoms
 - A skip-loader and/or backhoe as required to effect irrigation mainline repairs in areas accessible to this type of equipment

B. TIMING OF VEGETATIVE THINNING

1. The Contractor will perform maintenance services within the 40-foot wide thinning zones pursuant to existing City policies, guidelines, and regulations, and required regulatory permits, including but not limited to National Pollutant Discharge Elimination System (NPDES) permits, and community obligations to maintain flood carrying capacity within all channels, as required under FEMA's LOMR, dated September 27, 2004, and required regulatory permits. The contractor shall conduct the annual vegetative thinning program within the 40-foot wide thinning zones between September 16th and March 14th, outside the bird nesting season. If annual vegetative thinning must occur during the nesting season (March 15th to September 15th), this activity will be authorized if the vegetation to be thinned represents a threat to public safety and/or biological surveys confirming the absence of nesting birds occurs at this time as well.

C. PESTICIDE USE AND WEEDING

1. Use of herbicides, pesticides, rodenticides, biocides, fertilizers, or other agricultural chemicals or weed abatement activities shall be limited pursuant to existing City policies and guidelines, and/or as described herein.
2. The Contractor will conduct weed abatement on a quarterly basis including, but not limited to, the exotic plant species listed herein. Weeds shall be removed by hand, including the root, or controlled with an appropriate herbicide as determined by a licensed Pest Control Advisor (PCA). The use of herbicides for weed control within the channel shall be used for species such as Bermuda grass (*Cynodon dactylon*), giant reed (*Arundo donax*), bindweed (*Convolvulus arvensis*), and salt cedar (*Tamarix sp.*). Only pesticides approved for use within streamcourses shall be authorized for use within all channel areas.

3. All weeds shall be removed from the mitigation site and/or controlled at all times.
4. Weeds are defined as “any plant species whose presence on a site is detrimental to the appearance of the site and the normal, healthy growth of plant materials intended for the site.” All plants that constitute a public health or safety hazard shall also be considered weeds. Examples of weeds to be controlled include, but are not limited to:
 - Arundo/giant reed (*Arundo donax*);
 - Artichoke thistle/cardoon (*Cynara cardunculus*);
 - Australian saltbush (*Atriplex semibaccata*);
 - Bermuda grass (*Cynodon dactylon*);
 - Biennial mustard (*Hirschfeldia incana*);
 - Black mustard (*Brassica nigra*);
 - Broom species (*Cytisus spp.*);
 - Bull thistle (*Cirsium vulgare*);
 - Canary Island date palm (*Phoenix canariensis*);
 - Castor bean (*Ricinis communis*);
 - Cootamundra wattle (*Acacia baileyana*);
 - Fennel (*Foeniculum vulgare*);
 - Filaree/Storksbill (*Erodium spp.*);
 - Foxtail chess (*Bromus madritensis*);
 - Hottentot fig (*Carpobrotus edulis*);
 - Italian ryegrass (*Lolium multiflorum*);
 - Italian thistle (*Carduus pycnocephalus*);
 - Ivy (*Hedera spp.*);
 - Japanese honeysuckle (*Lonicera japonica*);
 - Kikuyu grass (*Pennisetum clandestinum*);
 - Pampas grass (*Cortaderia jubata*; *C. selloana*);
 - Periwinkle (*Vinca major*);
 - Peruvian pepper tree (*Schinus molle*);
 - Rabbitsfoot grass (*Polypogon monspeliensis*);
 - Red valerian (*Centranthus ruber*);
 - Ripgut brome (*Bromus diandrus*);
 - Russian thistle (*Salsola tragus*);
 - Slender oats (*Avena barbata*);
 - Soft chess (*Bromus hordeaceus*);
 - Tamarisk (*Tamarix ramosissima*, *T. parviflora*);
 - Tree tobacco (*Nicotiana glauca*);
 - Umbrella sedge (*Cyperus involucratus*);
 - Water bent grass (*Agrostis viridis*); and
 - Wild oat (*Avena fatua*).

D. IRRIGATION

1. Irrigation for all channel areas shall be maintained in accordance with Section 17 F 2. Irrigation areas specific to channel areas are identified at the end of this exhibit, in section 21 (Project Maps).

E. TRASH AND DEBRIS REMOVAL

1. The mitigation site shall be kept free of trash and debris in perpetuity. Trash and debris removal shall occur in accordance with the Frequency of Services schedule. If trash and debris removal is required during the bird-nesting season, this will be allowed pursuant to required regulatory permits, and/or in order to protect public safety. Care will be taken so that trash removal activities minimize or avoid impacts to existing native plants.

F. ACCESS TO CHANNEL

1. Channel access may be attained via the access road adjacent to the Pedestrian Bridge at the western end of the channel or through the three gates located along Hastings Drive on the northern side of the channel. Pedestrian access shall be authorized for all maintenance or authorized personnel. Care shall be taken to avoid impacts to existing vegetation outside the channel-thinning zones.

G. MULEFATE SCRUB AREA

1. Existing Mulefat Scrub areas, as identified at the end of this exhibit, Section 21 (Project Location Maps), must be left undisturbed.

19. TECHNICAL PROVISIONS – FERTILIZER**A. TURF FERTILIZATION (IF APPLICABLE)**

1. Per the Technical Provisions, Exhibit A, Section 17, No. 14, e, a humus base fertilizer shall be applied to turf areas in accordance with Table I, below and the Frequency of Service Table, Exhibit E, Section V, Schedule I, A. At the discretion and request of the Director additional applications at the pricing terms as listed in the additional work section of Scheduled II may be provided. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4. All turf areas are to be fertilized as per Table I. All fertilizers are to be of indicated analysis or better.

TABLE I

| Month | Number of Apps | Type of Fertilizer | Rates per 1,000 sq. ft. | |
|-------|----------------|--------------------|-------------------------|--------------------|
| | | | Lbs. of Actual N | Lbs. of Fertilizer |
| FEB | 1 | 22-0-6** | 1 | 4.5 lbs |
| JUN | 1 | 22-5-5* | 1.25 | 5.7 lbs |
| OCT | 1 | 22-5-5* | 1.25 | 5.7 lbs |

*22-5-5/BEST® TURF GOLD or approved equal Controlled-Release fertilizer. These fertilizers to contain micronutrients including iron. See the following section on fertilizers.

**22-0-6/SCOTT'S® PROTURF® + Pre-emergent Weed Control or approved equivalent. These fertilizers to contain micronutrients including iron. See the following sections, below, regarding fertilizers.

2. Humus base fertilizers to be applied by drop spreader only.
3. Humus base fertilizers to be composted, screened, and have a minimum nitrogen level of one-half of one percent (0.5%) (Growpower, EZ Green or equal).
4. Any fertilizers containing iron will be completely removed from concrete sidewalks before irrigation to prevent staining.
5. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of this specification, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.
6. Written notification to Director must be provided five (5) working days prior to fertilizer application.

B. SHRUB & GROUND COVER FERTILIZATION

1. All shrubs and ground covers shall be fertilized per the Frequency of Service Table, as set forth in Exhibit E, Section V, Schedule I, A. Table II, below provides the standard fertilization guidelines, however the frequency of the application shall comply with the application frequency rates as identified in the Frequency of Service Table, as set forth in Exhibit E, Section V, Schedule I, A. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

TABLE II

| Month | Number of Apps | Type of Fertilizer | Rates per 1,000 sq. ft. | |
|-------|----------------|--------------------|-------------------------|--------------------|
| | | | Lbs. of Actual N | Lbs. of Fertilizer |
| April | 1 | 23-5-10 * | 1.5 | 6.5 lbs |
| Sept | 1 | 23-5-10 * | 1.5 | 6.5 lbs |

* 23-5-10/BEST@POLY SUPREME or approved equal

2. Any fertilizers containing iron will be removed from concrete sidewalks before irrigation to prevent staining.
3. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of said Contract, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.
4. Written notification to Director must be provided five (5) working days prior to fertilizer application.
5. For fertilizer application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals.

C. TREE FERTILIZATION

1. The intent of tree fertilization is to maintain normal and healthy growth of trees, not to produce excessive, rapid, or unnatural growth. Tree fertilization shall be considered Additional Work, per Exhibit C, Section 2.
2. All trees shall be fertilized as directed by City field staff. Fertilizer type and rates will be specified on a per job basis.
 - (a) Fertilizer will be placed per manufacturer's recommendations, or as directed by City and/or District field staff.
 - (b) No injecting or drilling into tree trunk will be allowed.
 - (c) Applications shall be made when the first growth flush of the year is at 80% leaf expansion, but not before April 30.
 - (d) Any fertilizers containing iron will be removed from concrete surfaces before irrigation to prevent staining.
3. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of said Agreement, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.

4. Written notification to Director must be provided a minimum of five (5) working days prior to fertilizer application.
5. For fertilizer application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals

20. TECHNICAL PROVISIONS – PESTICIDE USE

A. GENERAL

1. The City of Moreno Valley and the Moreno Valley Community Services District encourages the use of effective alternative pest control measures.
2. All pesticide applications shall be made by or under the supervision of a person holding a valid license, permit or certificate issued pursuant to Sections 11701 and following, and Sections 14151 and following, of the California Food and Agricultural Code. Said person or company is to be registered to conduct a pest control business in the State of California, and the County of Riverside during the entire term of this Agreement.
3. All pesticide applications shall be applied as directed by the Director.
4. All pesticide use recommendations shall be in writing, and shall be made by a person holding a valid State of California pest control adviser license pursuant to Sections 12001, and following of the California Food and Agricultural Code. Said person is to be registered with the office of the Agricultural Commissioner of the County of Riverside during the entire term of this Agreement.
5. Before the beginning of the Contract period, Contractor shall supply to the Director a list of all proposed pesticides to be used, along with a use recommendation for each pesticide, in the fulfillment of said Agreement, per Exhibit A, Section 8 – Use of Chemicals. No pesticide application shall be made prior to Contractor's submittal and Director's approval of said list, and recommendations. Per Exhibit A, Section 8 – Use of Chemicals, any changes, additions, deletions or substitutions to the recommended pesticides listed shall be submitted in writing to the Director for approval prior to any use of newly recommended material. Failure to adhere to any part of this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.
6. Disposal of empty pesticide containers, if made in the County of Riverside, shall be in strict compliance with label direction, restrictions and precautions, and all applicable federal, state, county, and local regulations, including but not limited to California Code of Regulations, Sections 6684, 3142, and 3143. The Director may require proof of such compliance in the form of a

copy of a Contractor's annual Letter of Compliance, as issued by the County Agricultural Commissioner, and submitted by Contractor to the County Waste Management Department.

B. REPORTING SPECIFICATIONS

1. Contractor shall be responsible for the filing of all required records and reports, including but not limited to Notice of Intent to Apply, and Pesticide Use Reports, as specified by all county, state and federal agencies. Said reports shall contain accurate and valid information. The Director may require copies of all such records and reports be made available for inspection by City staff after giving twenty-four (24) hour notice to Contractor.
2. For pesticide application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals.
3. A written notice shall be provided to the Director five (5) working days prior to any pesticide application. Notice shall include name of chemical, area, rate and method of application, and time of day. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

C. GROUND COVERS, SHRUBS, & TREES - PESTICIDE USAGE CRITERIA

1. Weed Control
 - (a) All shrub bed areas shall be treated with an appropriate pre-emergent herbicide at the maximum allowable rate according to the label, and state regulations. This treatment shall be performed twice a year, as determined by the Director.
 - (b) Appropriate chemical control must be used on the following weeds.
 - Bermuda Grass
 - Kikuyu Grass
 - Nutsedge
 - Field Bindweed
 - Spurge

The aforementioned list is inclusive; other species may be added by the Director as necessary
 - (c) Failure to adhere to the above specifications for weed control may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

2. Snail Control

- (a) Snails shall be controlled on a regular basis on the following plant species:

Agapanthus africanus
Aptenia sp.
Gazania sp.
Hemerocallis sp.

- (b) Snails shall be controlled on an as needed basis on all other plant material.
- (c) Failure to adhere to the above specifications for snail control may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

3. Insect and Disease Control

- (a) The Director may require certain tree species, which are subjected to excessively dusty conditions be rinsed off with water, as directed by City field staff. Rinsing operations that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (b) The Director may require all Platanus species be sprayed annually with two applications of a copper based dormant spray should an infestation be detected. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (c) The Director may require all Pyrus and Pyracantha species found to be infected with fireblight be treated with annual applications of a copper based dormant spray. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (d) The Director may require all Juniperus, Pinus, Cupressus and Pyracantha species found to be infested with mites be treated with an appropriate acaricide. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (e) All other insect, disease, and fungus problems will be treated on a site-and need-specific basis as determined by the Director. Any preventative or curative treatment that requires the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.

4. Vertebrate Pest Control

All vertebrate pests, including but not limited to gophers, ground squirrels, moles, voles, and mice, shall be controlled on a regular basis wherever and whenever found on the site(s). Control methods shall be as approved by the Director and shall include, but not be limited to, chemical, and mechanical methods. Failure to treat site(s) for vertebrate pests within seven (7) calendar days of notification from the Director may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

D. TURF - PESTICIDE USAGE CRITERIA (IF APPLICABLE)

1. Weed Control

- (a) When the Director determines that the turf weed population at any site(s) exceeds acceptable levels, an appropriate herbicide shall be applied in accordance with all label specifications. Treatments that require the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (b) All turf areas that the Director has determined to be prone to annual weed grass intrusion shall require annual applications of pre-emergent herbicides labeled for such use. Any preventative treatment that requires the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (c) Failure to apply turf weed control materials within the time frames established by the Director may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

2. Insect and Disease Control

- (a) All turf areas that the Director has determined to have a history of fungus infection shall be treated annually with an appropriate fungicide, as directed. Treatments that require the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (b) All other insect, disease, and fungus problems will be treated on a site and need-specific basis as determined by the Director. Any preventative or curative treatment that requires the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.

3. Vertebrate Pest Control

All vertebrate pests, including but not limited to gophers, ground squirrels, moles, voles, and mice, shall be controlled on a regular basis wherever, and whenever found on the site(s). Control methods shall be as approved by the Director and shall include, but are not limited to, chemical, and mechanical methods. Failure to treat site(s) for vertebrate pests, within forty-eight (48) hours of being noticed by the Director, may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

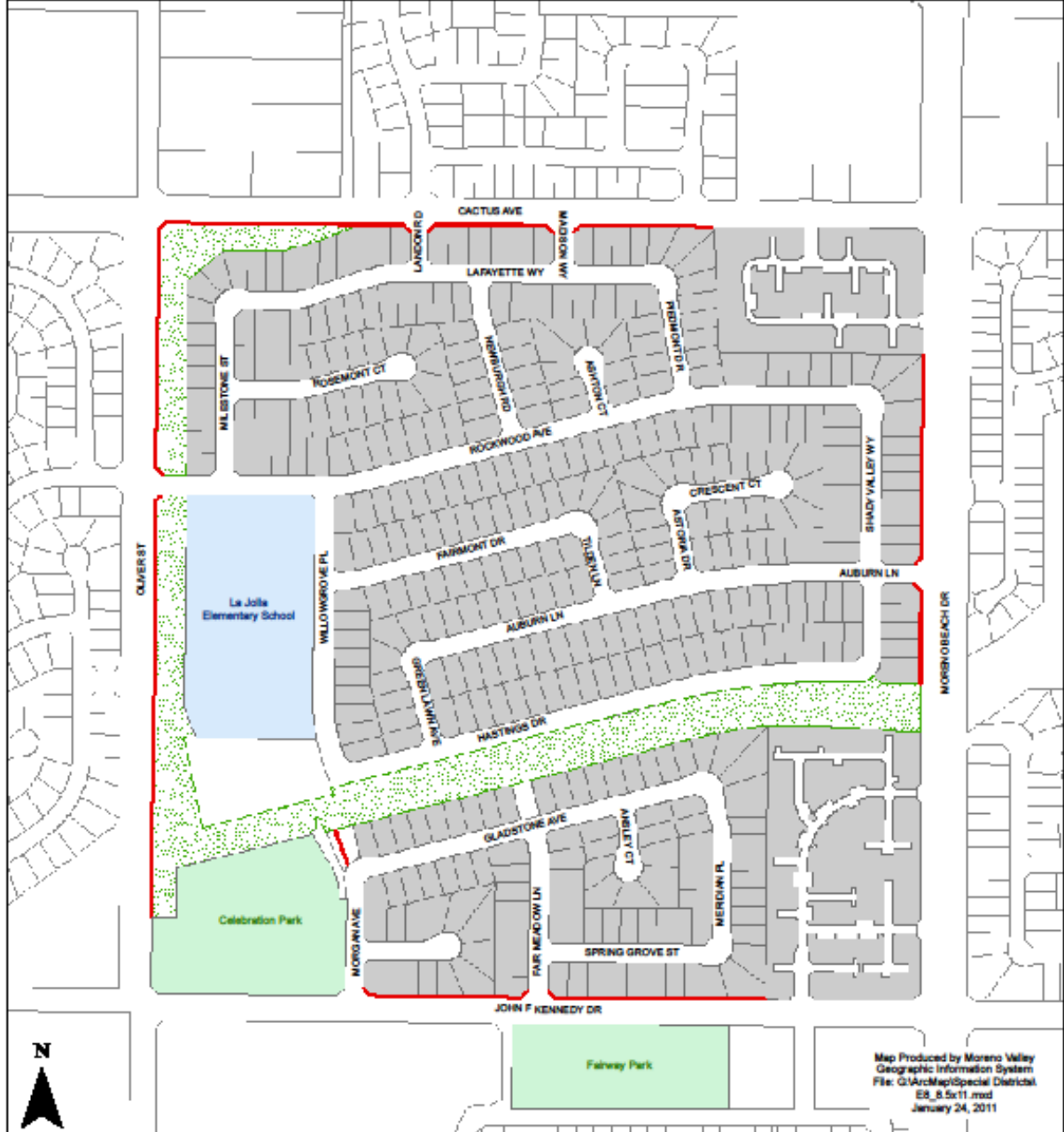
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21. PROJECT LOCATIONS MAPS




| DISTRICT | MAINTENANCE AREA | ESTIMATED SQ. FT. |
|----------|------------------------------------|-------------------|
| E-8 | Existing Planter | 48,500 |
| E-8 | Oliver Street Channel ¹ | 225,553 |
| E-8 | Line F East Channel ¹ | 379,744 |
| E-8 | Line F East Planter ² | 1,568 |
| Zone 04 | Planter | 555,541 |
| Zone 04 | Turf | 424,863 |
| Zone 05 | Planter | 98,392 |
| Zone 06 | Planter | 164,937 |
| Zone 06 | Turf | 13,627 |
| Zone 07 | Planter | 44,591 |
| Zone 07 | Line F West Channel ¹ | 180,563 |

Moreno Valley Community Services District Extensive Landscaping & Irrigation

Zone E-8 • Promontory Park



The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Date and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or reused.

-  Landscaped Parkway
-  Landscaped Open Space
-  Zone E-8 Parcels

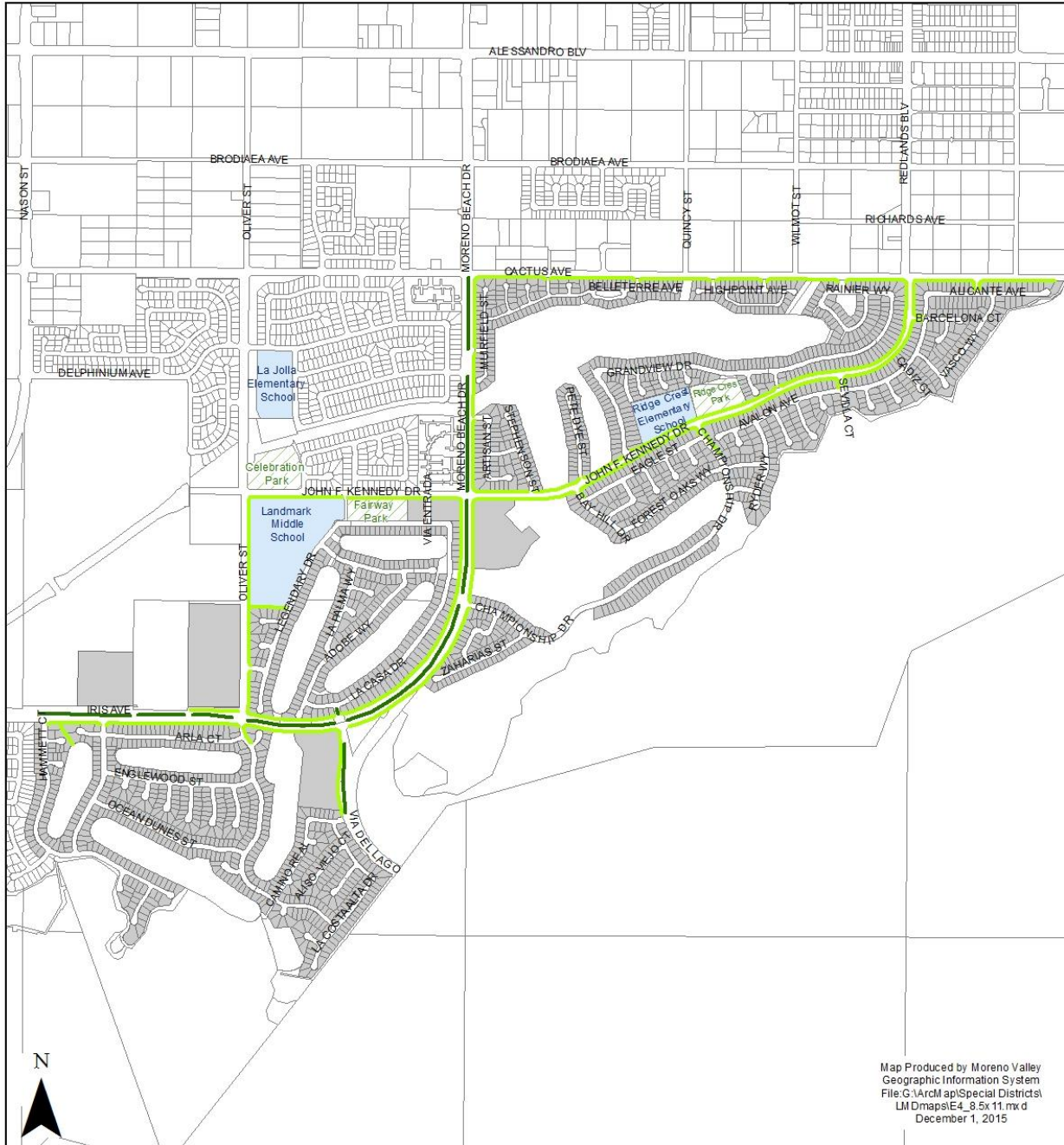


Map Produced by Moreno Valley
Geographic Information System
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January 24, 2011




Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 04 (Moreno Valley Ranch - East)



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-  Landscaped Parkway
-  Landscaped Median
-  Zone 04 Parcels

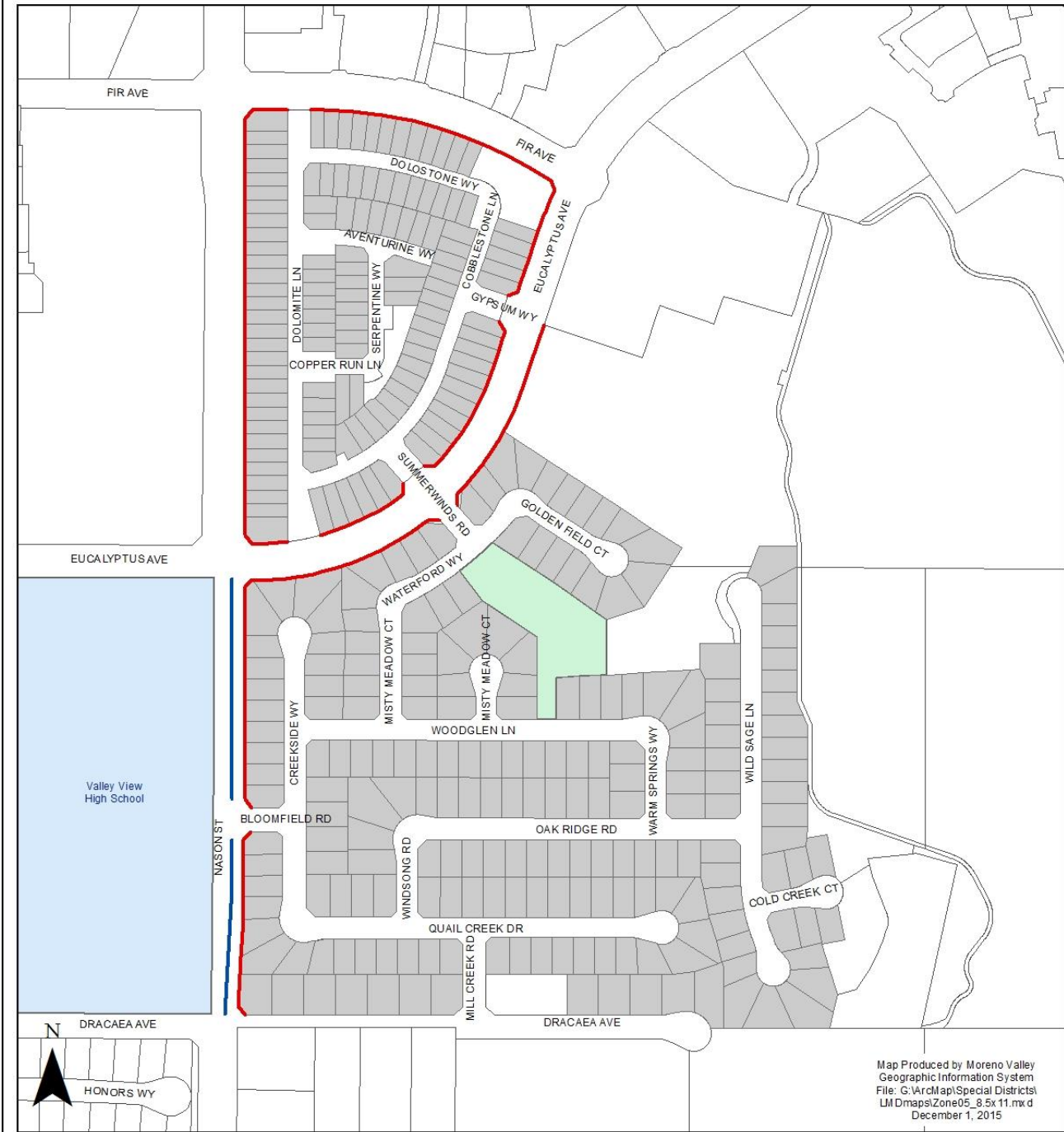


Map Produced by Moreno Valley Geographic Information System
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December 1, 2015

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 05 (Stoneridge Ranch)



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- Landscaped Parkway
- Landscaped Median
- Zone 05 Parcels

Map Produced by Moreno Valley
Geographic Information System
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December 1, 2015

MORENO VALLEY
WHERE DREAMS SOAR

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 06 (Mahogany Fields)



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- Landscaped Parkway
- Landscaped Median
- Not part of Zone 06 landscaping
- Turf Area
- Zone 06 Parcels

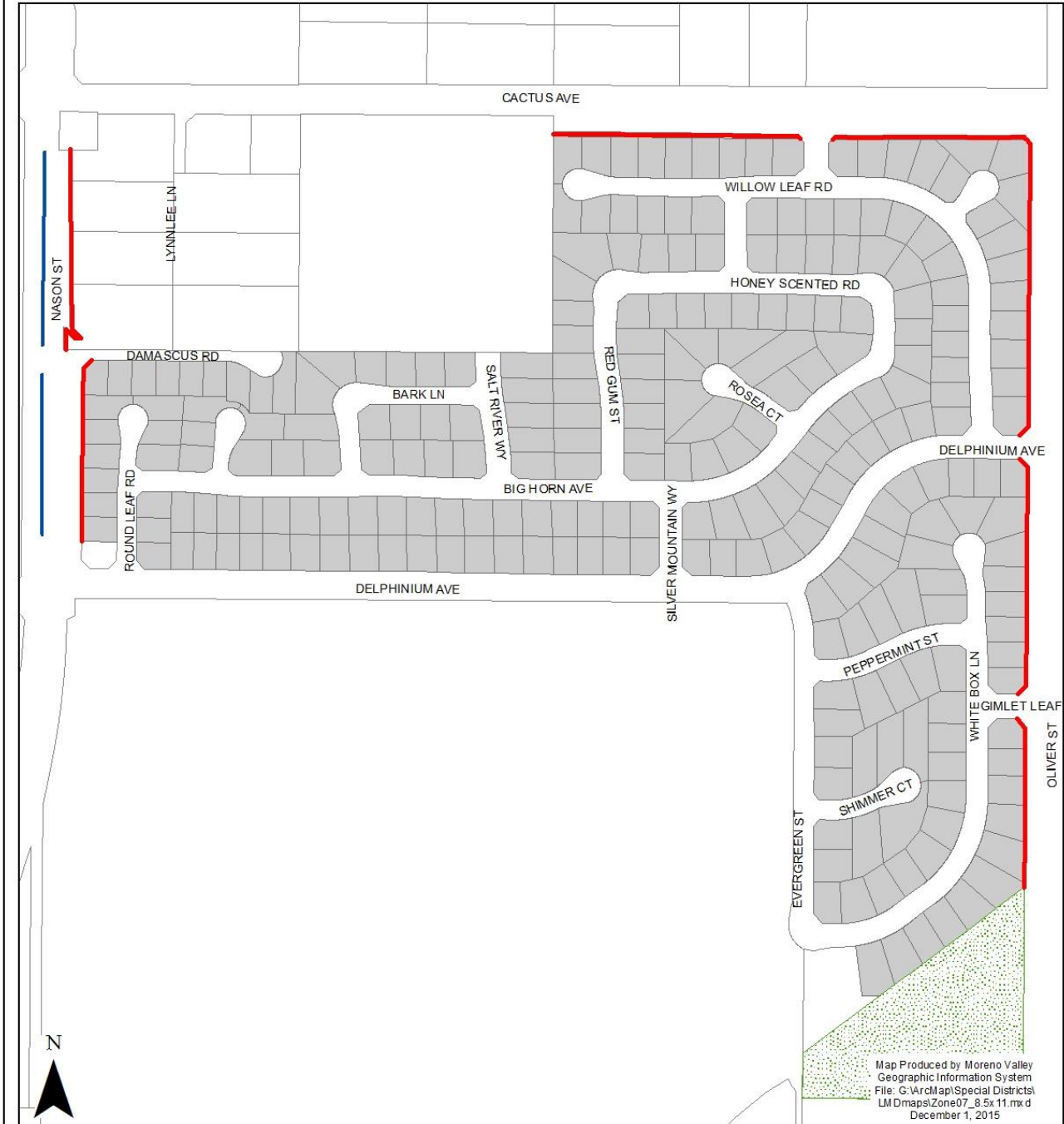


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December 1, 2015

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 07 (Celebration)



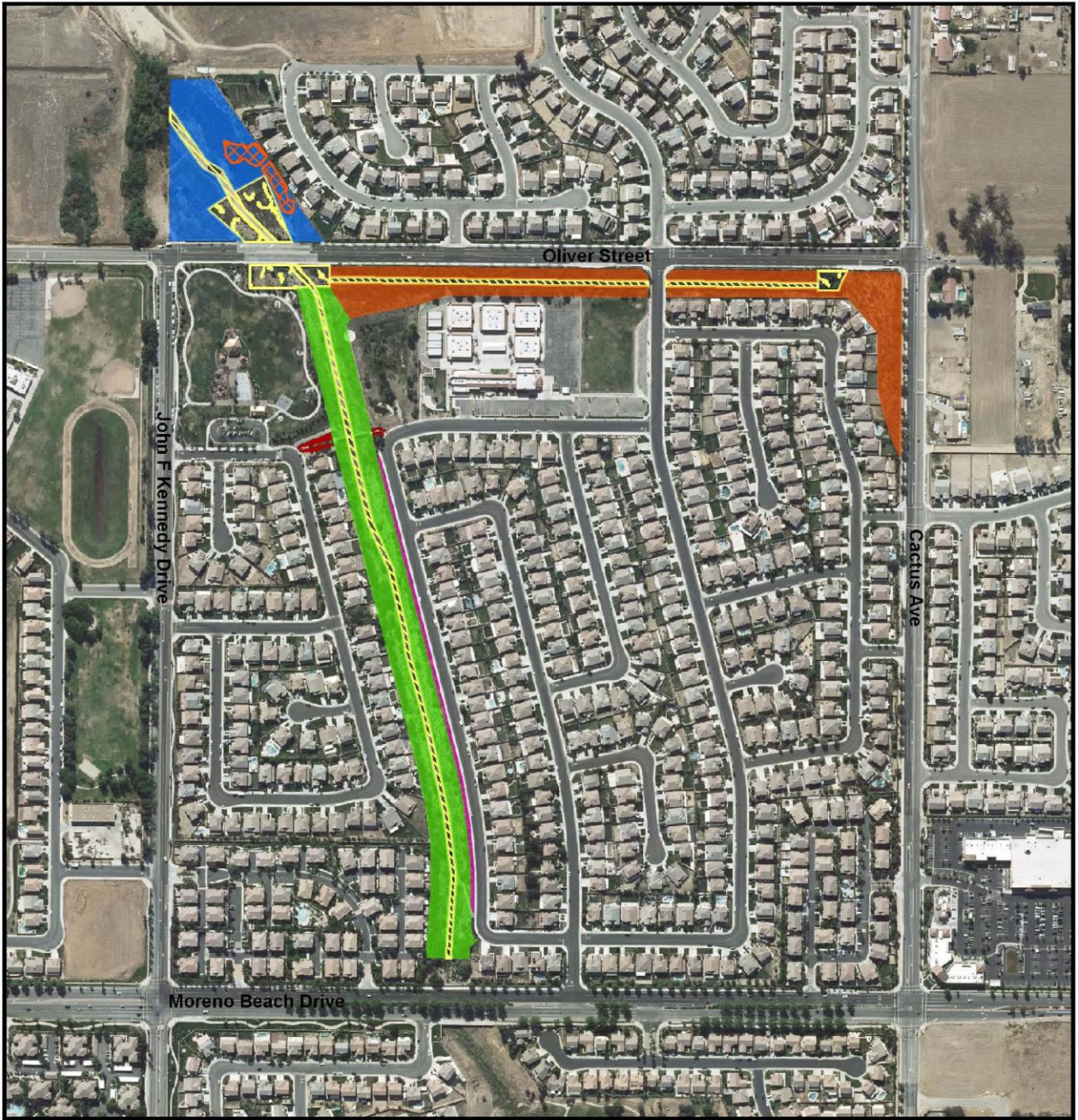
The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.

-  Landscaped Parkway
-  Landscaped Median
-  Landscaped Open Space
-  Zone 07 Parcels



Map Produced by Moreno Valley
Geographic Information System
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December 1, 2015

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE



**CITY OF
 MORENO VALLEY
 LINE F/OLIVER CHANNEL**

- Culvert/Gabion
- 20ft Wide Low Flow Channel
- Parkway Planter - 1,568 sq ft
- Line F West - 379,744 sq ft
- Oliver Street Channel - 225,553 sq ft
- Line F East - 180,563 sq ft
- Channel Irrigation to be maintained
- Existing Mulefat Scrub Habitat - 8,710 sq ft (leave undisturbed)

N

0 250 500
 Feet
 0 0.1
 Miles

Map Produced by Moreno Valley Geographic Information System
 Geographic Information System
 State Plane NAD 83 California Zone 6 Feet
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 February 17, 2016

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The hardware and facility information on this map is for informational purposes only and is not intended to be used for any legal or financial purposes. The City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.

MORENO VALLEY
 WHERE DREAMS SOAR

EXHIBIT B: CITY RESPONSIBILITIES**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. CONTRACT SUPERVISION**

- A. The Contract shall be administered on behalf of the Public Works Director of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director."
- B. The Director will decide all questions which may arise as to the manner of performance and completion per schedule, acceptable fulfillment of the Contract by the Contractor, interpretation of the Specifications, and compensation to include completion of work by alternate sources.

2. IRRIGATION SYSTEMS

The City shall manage the operation of all automatically controlled irrigation systems, including but not limited to irrigation controller programming and scheduling. The Contractor shall monitor the operation of, and maintain said irrigation systems as required by the Director. The Contractor shall operate manually controlled irrigation systems as directed by City field staff.

3. UTILITIES

It shall be the City's duty to provide the utilities necessary for irrigation (i.e., water, electricity and communications) and to maintain their appurtenances (i.e., water and electrical meters and backflow devices). The City will pay the water, electricity, and communications costs used in the sites covered by this Contract. The Contractor shall report any interruption of these services for whatever reason immediately upon Contractor's observation of same to the Director.

4. RESTRICTED PESTICIDE MATERIALS PERMIT / USE CONSENT

- A. The City shall maintain in full force and effect throughout the entire term of the Contract a valid Restricted Materials Permit issued by the Agricultural Commissioner of the County of Riverside on behalf of the California Department of Pesticide Regulation. The Contractor shall comply with all permit conditions that pertain to any of the pest control materials listed on said permit that may be used in the course of Contractor's operations under this Contract.
- B. Director must give consent in writing prior to application of any Category I pesticide

EXHIBIT C: PAYMENT TERMS

RFP NO. 2016-009 LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH MAINTENANCE OF PARKWAY AND MEDIAN LANDSCAPING AND IRRIGATION

1. CONTRACTOR'S COMPENSATION

- A. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
- B. The Contractor will electronically submit an invoice to be paid monthly per site based upon successful performance of the maintenance services provided in accordance with an approved service schedule for each area/site and in compliance with the terms and provisions of this Contract. By the tenth of each month the Contractor shall submit to the Director detailed reports of the following: 1) maintenance performed, which must include the location, area or site of such maintenance, 2) greenwaste, 3) complaints received, 3) hazards noted, 4) chemicals used in the prior month and 5) an invoice for service, which list in detail the site, service performed and cost in accordance with the Contract price, which shall become the basis for payment. No payment(s) shall be made until the reports, listed herein, have been submitted and approved. At no time will the City pay for more service than have been satisfactorily completed and the City's determination of the amount due shall be final.

The Contractor will submit all invoices electronically to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to 951.413.3073.

The Contractor will electronically submit copies of invoices and reports to the Special Districts Division at specialdistricts@moval.org. Calls may also be directed to the Special Districts Division at 951.413.3480.

- C. Except where additional compensation is specifically provided for in this Contract, the City will pay the Contractor for all work (labor, material, supplies, equipment, etc.) performed under this Contract the total amount of **TWENTY-ONE THOUSAND, ONE HUNDRED THIRTY-SIX AND 24/100 DOLLARS (\$21,136.24)** per month, one (1) month in arrears, on the last day of the month. The total contract amount for twelve (12) months shall not exceed **TWO HUNDRED FIFTY-THREE THOUSAND, SIX HUNDRED THIRTY-FOUR AND 88/100 DOLLARS (253,634.88)**, as outlined in the following table, except as provided for herein Exhibit C, Section 2 below.

| DISTRICT | MAINTENANCE AREA | SERVICE LEVEL | ESTIMATED SQ. FT. | FY 16/17 BASE COST PER SQ. FT. | FY 16/17 ANNUAL BASE COST ⁽⁴⁾ | FY16/17 TOTAL BASE COST |
|----------|------------------------------------|----------------------|-------------------|--------------------------------|------------------------------------------|-------------------------|
| E-8 | Existing Planter | Level1 (4 Weeks) | 48,500 | \$ 0.0250 | \$ 14,550.00 | \$ 58,734.00 |
| E-8 | Oliver Street Channel ¹ | Channel ² | 225,553 | \$ 0.0060 | \$ 16,239.84 | |
| E-8 | Line F East Channel ¹ | Channel ² | 379,744 | \$ 0.0060 | \$ 27,342.00 | |
| E-8 | Line F East Planter ³ | Level1 (4 Weeks) | 1,568 | \$ 0.0320 | \$ 602.16 | |
| Zone 04 | Planter | Level1 (4 Weeks) | 555,541 | \$ 0.0080 | \$ 53,331.96 | \$ 114,512.28 |
| Zone 04 | Turf | 1 Time Every 2 Weeks | 424,863 | \$ 0.0120 | \$ 61,180.32 | |
| Zone 05 | Planter | Level1 (4 Weeks) | 98,392 | \$ 0.0142 | \$ 16,765.92 | \$ 16,765.92 |
| Zone 06 | Planter | Level1 (4 Weeks) | 164,937 | \$ 0.0170 | \$ 33,647.16 | \$ 37,244.64 |
| Zone 06 | Turf | 1 Time per Week | 13,627 | \$ 0.0220 | \$ 3,597.48 | |
| Zone 07 | Planter | Level1 (4 Weeks) | 44,591 | \$ 0.0250 | \$ 13,377.24 | \$ 26,378.04 |
| Zone 07 | Line F West Channel ¹ | Channel ² | 180,563 | \$ 0.0060 | \$ 13,000.80 | |
| | | | | | | \$ 253,634.88 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.
² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table of the RFP for detailed information.
³ Parkway Planter located adjacent to Line F East.
⁴ Annual amounts rounded to create 12 equal monthly installments.

- D. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall_forms.shtml#bf.
- E. The minimum information required on all invoices includes:
 1. Vendor Name, Mailing Address and Phone Number
 2. Invoice Date
 3. Vendor Invoice Number
 4. City – provided Reference Number (Project Title)
 5. Detailed work hours by class title (e.g. manager, technician or specialist), services performed, and rates, explicit portion of a contract amount or detailed billing information is sufficient to justify the invoice amount: single or lump sum amounts without detail are not acceptable.
- F. The City shall pay the Contractor for all invoiced and authorized maintenance services within thirty (30) days of receipt of invoice for the same.
- G. Should this Contract commence or terminate on other than the first day of a calendar month, the Contractor's compensation for that partial calendar month shall be prorated at the rate of 1/30 of the full month rate per day for the number of days during which the Contract is effective.

- H. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the City
- I. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

2. ADDITIONAL WORK

- A. During the term of this Contract the City may, at its discretion, authorize the Contractor to perform certain Additional Work as included in Exhibit C, Section 2, paragraph C, herein, in addition to the work set forth in Exhibit A, Section 1, General Provisions - Scope of Work.

If the City determines it to be in the City's best interest, said Additional work may include: Acts of God (i.e., earthquake damage, storm damage), or vandalism, theft, and acts or omissions by third parties.

Compensation for all such Additional Work shall be calculated either: at the prices set forth by the Contractor in Exhibit E, Schedule II, Sections C & D or at a price based on the Contractor's written estimate (lump sum, time and materials, or cost plus basis), as determined by the Director. Except as set forth herein Exhibit C, Section 2, paragraph B, below, the Contractor shall not perform any such Additional Work without first obtaining express written authorization from the City.

- B. Notwithstanding the above requirement for prior written authorization, when a condition exists wherein there is imminent danger of injury to the public or damage to property, the City may verbally authorize the work to be performed upon receiving a verbal estimate from the Contractor. Within twenty-four (24) hours after receiving a verbal authorization, the Contractor must submit a written estimate to the City for written approval. Whenever immediate action is required to prevent impending injury, death, or property damage to the facilities being maintained, the City may, after reasonable attempt to notify the Contractor, cause such action to be taken by the City's work force.
- C. The Contractor shall maintain as Additional Work, at a unit price comparable to landscape areas described herein, additional landscape areas that the City may add to this Contract. In the event that notification is made, at other than the beginning of a monthly period, the unit cost as set forth by Contractor in Exhibit E, Schedule II, Section D shall be prorated from the day the Contractor commences work on the additional areas.
- D. Routine repairs to project irrigation system(s) shall be considered Additional Work to the extent that the Contractor shall charge only for materials used to perform said repairs at Contractor's cost plus a percentage of that cost, as set

forth in Exhibit E, Schedule II, Section D. For the purposes of this Contract, routine irrigation repairs are defined as replacement of existing sprinklers or sprinkler components, and/or non-pressurized pipe, and/or fittings (“lateral lines”) that have been rendered inoperable due to: 1) normal “wear and tear”, and 2) vandalism or theft (which includes acts or omissions by third parties).

- E. Except as specifically approved by subsequent action of the City Council and/or District Board of Directors, the Director may not authorize Additional Work pursuant to paragraphs A, B, and C above in excess of the cumulative total of **ONE HUNDRED THIRTY-SIX THOUSAND, NINE HUNDRED SIXTY AND 00/100 DOLLARS (\$136,960.00)** for each contract year during the term of this Contract, as outlined in the following table.

| DISTRICT | MAINTENANCE AREA | ESTIMATED SQ. FT. | FY 16/17 ADDITIONAL WORK COST |
|----------|------------------------------------|-------------------|-------------------------------|
| E-8 | Existing Planter | 48,500 | \$ 14,100.00 |
| E-8 | Oliver Street Channel ¹ | 225,553 | \$ 30,000.00 |
| E-8 | Line F East Channel ¹ | 379,744 | |
| E-8 | Line F East Planter ³ | 1,568 | \$ - |
| Zone 04 | Planter | 555,541 | \$ 43,620.00 |
| Zone 04 | Turf | 424,863 | |
| Zone 05 | Planter | 98,392 | \$ 17,540.00 |
| Zone 06 | Planter | 164,937 | \$ 13,000.00 |
| Zone 06 | Turf | 13,627 | |
| Zone 07 | Planter | 44,591 | \$ 6,800.00 |
| Zone 07 | Line F West Channel ¹ | 180,563 | \$ 11,900.00 |
| | | | \$ 136,960.00 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.

² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table of the RFP for detailed information.

³ Parkway Planter located adjacent to Line F East.

3. PAYMENT DEDUCTIONS

The City may deduct payment to such extent as may be necessary to protect the City from loss due to:

- A. Work required in the General or Technical Provisions which is: not performed, not performed to the standards set forth therein, not performed at or within the time(s) specified therein, or is incomplete;
- B. Claims filed or reasonable evidence indicating probable filing of claims by laborers, materialmen, subcontractors, or third parties.

4. NON-PERFORMANCE PENALTIES

The Contractor may become liable for payment of non-performance penalties for failure to: provide adequate communications; provide adequate work area safety; complete "Specialty" operations in a timely manner as set forth in the General Provisions; submit notifications or reports required by the Contract, or General Provisions at the intervals and/or frequencies set forth therein, or; perform work as required by the General Provisions at the intervals and/or frequencies as set forth therein, or as set forth in Contractor's approved work schedule, or as directed by the City. For each of the categories set forth hereinabove, the penal sum of \$100.00 (one hundred dollars) per working day will be assessed for each working day the deficiencies remain uncorrected.

If non-performance penalties are to be assessed, the Contractor will be notified immediately by written email, facsimile transmission, letter, or by telephone.

The Contractor will not be assessed non-performance penalties for delays caused by the City or by the owner of a utility to provide for the removal or relocation of utility facilities.

5. EXCESSIVE UTILITY USAGE

Contractor shall pay for all excessive utility usage due to Contractor's failure to monitor irrigation system malfunctions or unauthorized increases in the frequency of irrigation. The excess cost will be determined by comparing the current usage with the historical usage for the same time period. The excess cost factor, to be deducted from the payments to the Contractor, will be presented by the Director to the Contractor prior to actual deduction by the City to allow for explanations.

EXHIBIT D: TERM OF CONTRACT**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. TERM OF CONTRACT**

- A. Following approval by all parties, the Contract will commence on July 1, 2016, and shall terminate June 30, 2017 (12) months thereafter.
- B. At the expiration of its term, the Contract may be extended for up to four (4) additional twelve (12) month periods with the concurrence of all parties. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least thirty (30) days prior to the expiration of the initial term of the Contract or any extension thereof.
- C. In considering the option to extend the Contract, as set forth in paragraph B above, the City shall determine the following:

That the Contractor's performance during the preceding twelve months has been satisfactory, and;

That any request for increase of Contractor's compensation is based on an annual inflation adjustment based on the percentage increase calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

- D. At the expiration of its term, and with the concurrence of all parties, the Contract may be extended for up to three (3) additional periods of thirty (30) days each, subject to all terms and conditions in effect during the current term of the Contract. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least fifteen (15) days prior to the expiration of the initial term of this Contract, or any extensions thereof.
- E. It should be noted that multiyear contracts may be continued each fiscal year only after funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley and the City Council acting in the capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District. In the event that the City Council and/or the City Council acting in the capacity as President and Members of the Board of Directors for the Moreno Valley Community Services District does not grant necessary funding appropriations and/or program approval, the affected multiyear contract becomes null and void effective July 1st of the fiscal year for which such approvals have been denied.

EXHIBIT E: PROPOSAL SUBMITTAL DOCUMENTS

RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION

PROMONTORY PARK (E-8)
MORENO VALLEY RANCH EAST (Zone 04 of LMD No. 2014-02)
STONERIDGE RANCH (Zone 05 of LMD No. 2014-02)
MAHOGANY FIELDS (Zone 06 of LMD No. 2014-02)
CELEBRATION (Zone 07 of LMD No. 2014-02)
CHANNELS AND CHANNEL PARKWAY PLANTERS

*Proposal for
City of Moreno Valley
Landscape Districts – South
Maintenance of Parkway and
Median Landscape and Irrigation
RFP No. 2016-009*

*Due Date: March 21, 2016
Time: 10:00 am*

Submitted By:



*8847 W. 9th St.
Rancho Cucamonga, CA. 91730
800-645-4881
Fax 909-981-1029*

*Contact
Patrick Healy
patrick@merchantslandscape.com*



COMPANY PROFILE

Merchants Landscape Services is a full service landscape maintenance contractor, which currently operates Four Regional offices in Southern California.

Merchants Landscape Services corporate headquarters is located in Santa Ana. Merchants Landscape is the largest provider of municipal landscape maintenance in Southern California. This growth was accomplished without a marketing department or acquisitions. MLS's corporate philosophy is based on service and client retention. Our Sun Valley branch service's LA and Ventura counties, the Santa Ana and Irvine branch's Orange County, the Rancho Cucamonga branch service's Riverside and San Bernardino counties. Merchants Landscape Services has over 400 employees and maintains a fleet of more than 200 trucks and trailers. Company annual sales will exceed \$20,000,000.00 this year.

We have hundreds of accounts encompassing a wide range of maintenance clients. Included are large regional Hospitals, school districts, and County contracts. However, nearly 95% of the company's revenue is generated from municipality landscape maintenance contracts. Merchants Landscape Services is currently servicing the cities of:

| | | |
|---------------|------------------|-----------------|
| Mission Viejo | Moreno Valley | Ontario |
| Irvine | Huntington Beach | Corona |
| Orange | Pasadena | Manhattan Beach |
| Yorba Linda | Chino | Agoura Hills |
| Sierra Madre | County of Orange | Hermosa Beach |
| Buena Park | Long Beach | Fountain Valley |
| Santa Ana | | |

Merchants welcomes any interested future clients to contact any of our current clients regarding Merchants services.

Merchants Landscape Services is 1 of only 2 landscape maintenance companies in California that are self-insured for workers compensation insurance. Allowing Merchants to maintain a lower cost of operation and provide our clients with very competitive pricing.

The contact lead person for the City of Moreno Valley will be Patrick Healy, patrick@merchantslandscape.com. The office is located at 8847 W. 9th Street, Rancho Cucamonga, CA. 91730; Office # (800) 645-4881, Fax # (909) 981-1029

RFP NO. 2016-009

LANDSCAPE DISTRICTS - SOUTH

NOTICE REQUESTING PROPOSALS - Page 3 of 3

RFP SUBMITTAL 'CHECK-OFF' LIST**RFP NO. 2016-009****LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION**

The following check list (together with the necessary, and where required, notarized original documentations) must be completed, signed and included for the RFP to be considered responsive:

INCLUDE THIS COMPLETED SIGNED 'CHECK-OFF' LIST WITH SCHEDULE I:

Merchants Landscape Services, Inc.

1510 S. Lyon St., Santa Ana, CA. 92705

Company Name (Please print)

Company Address (Please print)


Authorized Signature

1.800.645.4881

Company Phone Number

mark@merchantslandscape.com

Email Address of Submitter

SCHEDULE I - VENDOR INFORMATION (Completed) along with the following:

- MINIMUM OF THREE REFERENCES
- PROPOSED FACILITIES AND EQUIPMENT SCHEDULE
- PROPOSED PROJECT WORK SCHEDULES
 - MONTHLY SCHEDULE SHEETS for each Area
 - ANNUAL SCHEDULE SHEETS for each Area
- FREQUENCY OF SERVICE TABLE (signed acknowledging min. frequencies per service level)
- PROPOSED ANNUAL MATERIAL SCHEDULE
- COMMUNICATIONS, TRAFFIC SAFETY, AND GREENWASTE RECYCLING SHEETS
- LIST OF DESIGNATED SUBCONTRACTORS
- CERTIFICATION OF NON-DISCRIMINATION
- PROPOSAL AFFIRMATION

SCHEDULE II - BID SCHEDULE (Completed, signed and dated) along with the following:

- ADDITIONAL WORK PRICE LIST (signed and dated)
- CONTRACT PROPOSAL SHEET (completed, signed, & corporate seal, if incorporated)
- AFFIRMATION OF PROPOSAL GUARANTEE
- PROPOSAL SURETY BOND, CASHIER'S CHECK OR CERTIFIED CHECK
**A PROPOSAL SURETY BOND MUST INCLUDE NOTARY
CERTIFICATES AND NOTARIZED SIGNATURES FOR BOTH
ATTORNEY-IN-FACT AND PRINCIPAL(S).**
- NON-COLLUSION AFFIDAVIT (signed and notarized)

RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION

ATTACH ADDITIONAL SHEETS AS NECESSARY FOR COMPLETE RESPONSES

I: SCHEDULE I – VENDOR INFORMATION

A. Company Name: Merchants Landscape Services, Inc.

TYPE

- Sole proprietor _____
- Partnership _____
- Corporation X

B. Company Address (Street) 1510 S. Lyon St.
(City, State, Zip) Santa Ana, CA. 92705

C. Company Address (Mailing) Same as above
(City, State, Zip) _____

D. Business Phone Number(with area code) 800.645.4881

E. Satellite Office Address (if applicable):
8847 W. 9th St., Rancho Cucamonga, CA. 91730

F. Satellite Office Phone Number 800.645.4881

G. Contractor's Licensing Information:

1. License number/Classification/Name Style: 765658 C27

2. Number of Years Operating Under the Above License Name Style: 17 years

3. License Expiration Date: 7-31-17

4. Current License Status: Active

5. Prior actions against this License? Yes / No

6. If Yes, list the citation type and how it was resolved: _____

H. Company's Federal Identification No.: 95-4725606

I. Name and Title(s) of Company Officers: _____
 Mark Brower, President _____
 Theodore Haas, Chairman _____

J. Number of years the company has performed landscape maintenances services:
17 years

K. Number of years the company has performed landscape maintenances services for public agencies: 12 Years

L. Current Landscape Maintenance Operations

The City recognizes that the information provided in answer to this question is proprietary in nature and therefore the City will keep this information confidential to the extent permitted by law.

Total number of landscape maintenance contracts: 27
 Percentage of total contracts with public agencies: 100%
 Total dollar value of landscape maintenance contracts: \$21 Million/yr.

| | |
|----------------------------------------------------------------------|--------------------------------------------|
| 1. Number of employees committed to landscape maintenance operations | ns |
| Supervisors: <u>22</u> | Average wage scale: \$ <u>65,000</u> /yr * |
| Technicians: <u>35</u> | Average wage scale: \$ <u>35.00</u> /Hr. * |
| Foremen: <u>100</u> | Average wage scale: \$ <u>28.00</u> /Hr. * |
| Laborers: <u>220</u> | Average wage scale: \$ <u>21.00</u> /Hr. * |

*Use the fully burdened rate (i.e., taxes, insurance, benefits, OH &P) - This is a prevailing wage project.

2. Type & number of vehicles & power equipment committed to landscape maintenance operations:

- SEE ATTACHED INVENTORY
- A. Motor vehicles:
- Type: _____ Number: _____
 - Type: _____ Number: _____
 - Type: _____ Number: _____
 - Type: _____ Number: _____
- B. Power equipment
- Type: _____ Number: _____
 - Type: _____ Number: _____
 - Type: _____ Number: _____
 - Type: _____ Number: _____



MERCHANTS LANDSCAPE SERVICES, INC.

References

CITY OF IRVINE

P.O. Box 19575
Irvine, CA. 92623
Contact: Ariel De La Paz
E-Mail: adelapaz@ci.irvine.ca.us
Phone: (949) 724-7619
Project Completion: On going to 2018
Project size in \$: \$10,000,000/year
Medians, Parkways, City Parks, Sport
Parks, Villages of Westpark,
Woodbridge, Turtle Rock, Great Park,
Northwoods & Woodbury
800 Acres

CITY OF BUENA PARK

6688 Beach Blvd.
Buena Park, CA. 90621
Contact: Margaret Riley
E-Mail: mriley@buenapark.com
Phone: (714) 562-3850
Project Completion: On going to 2018
Project Size in \$600,000.00
Parks and Medians
50 Acres

CITY OF HUNTINGTON BEACH

17581 Gothard St.
Huntington Beach, CA. 92647
Contact: David De La Torre
Phone: (714) 375-5124
Project Completion: On going to 2016
Project Size in \$: \$800,000/yr.
90 Acres

CITY OF MORENO VALLEY

14325 Frederick St., Ste: 9
Moreno Valley, CA. 92552
Contact: Dan Monto
E-Mail: danielm@moval.org
Phone: (951) 413-3492
Project Completion: On going to 2016
Project size in \$260,000.00/year
Maintenance of Parkway & Medians

CITY OF SANTA ANA

20 Civic Center Plaza
Santa Ana, CA. 92702
Phone: (714) 836-0880
Contact: Mike Lopez
Project Completion: On going to 2018
Project Size in \$: 720,000.00/year
Parks – 60 Acres

CITY OF CHINO

13220 Central Avenue
Chino, CA. 91710
Contact: Bob Bodis
E-Mail: BBodis@cityofchino.org
Phone: (909) 573-8762
Project Completion: On going to 2018
Project size in \$:450,000/yr.
Landscape Maintenance
45 Acres

**III: SCHEDULE I – PROPOSED FACILITIES AND EQUIPMENT
SCHEDULE**

- A. **Facilities** – List the facility(ies) location(s) and/or address(es) where work crews and equipment will be dispatched. Use additional sheets as necessary to provide a full and comprehensive response.

8847 W. 9th St.
Rancho Cucamonga, CA. 91730

15507 Sunview Circle
Riverside, CA. 92504

- B. List the equipment, motor vehicles, and tools, in the areas below that will be furnished to execute work tasks specified in the Agreement and General Provisions. Indicate with an (S) any listed equipment to be shared with another contract/project. Use additional sheets as necessary to provide a full and comprehensive response.

1. **Equipment:**

See Below

2. **Motor Vehicles:**

1 - F150 with trailer
1 - Ranger Irrigation truck
1 - F350

3. **Turf Maintenance Power Equipment/Tools:**

2 - 72" Lazer

4. **Tree, Shrub, Ground Cover Trimming/Pruning Equipment/Tools:**
(List both powered and hand equipment/tools)

- 5 - Hedge Trimmers
- 5 - Blowers
- 5 - String Trimmers
- 2 - Lopper
- 10 - Hand Tool

5. **Irrigation System Maintenance Equipment:**
(List both powered and hand equipment/tools)

- Universal Remote
- Wire Tracker
- All necessary hand tools

6. **Fertilizer Application Equipment:**
(List both powered and hand equipment/tools)

- Earthway rotary spreaders
- Scotts Accu Pro 2000
- Lesco commercial plus 2 speed power spreader
- Lesco walk behind spreader

7. **Pesticide Application Equipment:**
(List both powered and hand equipment/tools)

- 4 gal. Lesco backpack sprayer
- Lesco commercial plus 2 speed power sprayer
- Lesco commercial plus power sprayers 50 gal. each

IV: SCHEDULE I –PROPOSED PROJECT WORK SCHEDULES

Following this page are blank Monthly and Annual Schedule Sheets. There is one monthly and one annual schedule sheet for each area identified in this Contract.

Proposers are to complete these schedule sheets by writing in their proposed schedule for performing the services as described in Exhibit A. For services listed in Exhibit A - Technical Provisions, Sections 17, A, C, D, E; G; 18 B, C, D, E; 19 A and B; and 20 C. 1 (a), refer to the FREQUENCY OF SERVICES TABLE located in Exhibit E, Schedule I, Section V.

When referencing the Frequency of Services Table to prepare the Monthly and Annual Schedule Sheets reference should only be made to the current service level for each area, as follows:

1. E-8, Zone 05, Zone 06, and Zone 07 Service Schedule Level 1 (4 week) column.
2. Zone 04 Service Schedule Level 3 (12 Week) column.

Within 30 days after contract execution, the awarded Contractor will provide the City mapped work schedules for areas: E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters.

A. Monthly Schedule Sheet

1. List all tasks specified to be performed on a weekly or monthly basis for areas E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters in the box corresponding to the day of the week/month the work is proposed to be performed.
2. Be sure to include administrative tasks such as report submittals, meetings, etc.
3. Fill in the schedule sheet for the entire month. Schedule sheets that are not completed for the entire month will be considered to be non-responsive.

B. Annual Schedule Sheet

1. List all tasks specified to be performed for areas E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters at intervals greater than one (1) month in the box corresponding to the month(s) of the year in which they are either so specified, or if not specified, the month(s) in which the work is proposed to be performed.
2. Be sure to include any administrative tasks such as report submittals, meetings, etc.
3. Fill in the schedule sheet for the entire year. Schedule sheets that are not completed for the entire year will be considered to be non-responsive.



merchants LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE

E- 8 Level 1

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

A.10.a

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Mow & edge turf weekly Fertilize | Mow & edge turf weekly Fertilize | Mow & edge turf weekly Aerate | Mow & edge turf weekly Aerate | Mow & edge turf weekly Fertilize | Mow & edge turf weekly Fertilize | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly Aerate Fertilize | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly |
| Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly |
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| Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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| Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report |
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Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT



merchants LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
Zone 5 Level 1

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
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merchants
landscape services, inc.
MERCHANTS LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
Zone 6 Level 1

Merchants Landscape Services
8647 W. 9th Street
Rancho Cucamonga, CA 91730
California Contractor's License
#765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
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merchants LANDSCAPE SERVICES, INC.
landscapeservices, inc.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE

Zone 7 Level 1

Merchants Landscape Services
 8847 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|-------------------------------------------------|
| Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly |
| Fertilize | Fertilize | Aerate | Aerate | Fertilize | Fertilize | Fertilize | Fertilize | Aerate | Fertilize | Fertilize | Aerate |
| Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly | Trim shrubs ground cover, Vines & trees Monthly |
| Weed Control | Weed Control | pre-emergence Weed Control | Fertilize Weed Control | Weed Control | Weed Control | Weed Control | Weed Control | Fertilize Weed Control | pre-emergent Weed Control | Weed Control | Weed Control |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
| Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly |
| Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report |
| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants LANDSCAPE SERVICES, INC.
 C CITY OF MORENO VALLEY
 ANNUAL MAINTENANCE SCHEDULE
 Zone 4 LEVEL 3

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly Aerate | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly |
| Fertilize | Fertilize | | | | Fertilize | | | | Fertilize | | |
| Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer |
| Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Pre-emergent Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Pre-emergent Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer |
| Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation | Irrigation |
| System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly | System check Weekly |
| Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
| Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly |
| Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report |
| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants **landscapeservices, inc.**
MERCHANTS LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F EAST CHANNEL

Merchants Landscape Services
 8847 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

A.10.a

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | | | | Weed Control & Pesticide Quarterly |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
| Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly |
| Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report |
| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants
landscape services, inc.

MERCHANTS LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F WEST CHANNEL

Merchants Landscape Services
8947 W. 9th Street
Rancho Cucamonga, CA 91730
California Contractor's License
#765658

A.10.a

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants LANDSCAPE SERVICES, INC.
landscape services, inc.
MERCHANTS LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F EAST PARKWAY PLANTER

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #766658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|--------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|--------------------------------------------|--------------------------------------------|----------------------------------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| Irrigation System check Weekly | Irrigation System check Weekly | Weed Control & Pesticide Quarterly Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Weed Control & Pesticide Quarterly Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Weed Control & Pesticide Quarterly Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Weed Control & Pesticide Quarterly Irrigation System check Weekly |
| Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |

*City of Moreno Valley
Landscape Maintenance Crew*

E-8

| Monday | Tuesdays | Wednesdays | Thursday | Fridays | Legend |
|--------|----------|------------|-----------------|---------|--------|
| | | | E-8 Detail Crew | | Week 1 |
| | | | Area 1 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 2 |
| | | | Area 2 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 3 |
| | | | Area 3 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 4 |
| | | | Area 3 | | |
| | | | | | |
| | | | | | |

*City of Moreno Valley
Landscape Maintenance Crew
Zone 4 LMD*

| Monday | Tuesdays | Wednesdays | Thursday | Fridays | Legend |
|-------------------------|-------------------------|-------------------------|------------------------|---------|--------|
| Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | | Week 1 |
| Area 1 | Area 1 | Area 2 | Area 2 | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Detail Crew | | Week 2 |
| Iris Avenue | Moreno Beach Blvd | Moreno Beach Blvd | Extra Day | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | | Week 3 |
| Area 3 | Area 3 | Area 4 | Area 4 | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Detail Crew | | Week 4 |
| Iris Avenue | Moreno Beach Blvd | Moreno Beach Blvd | Extra Day | | |
| | | | | | |
| | | | | | |

*City of Moreno Valley
Landscape Maintenance Crew
Oliver Street Cham*

| <i>Monday</i> | <i>Tuesdays</i> | <i>Wednesdays</i> | <i>Thursday</i> | <i>Fridays</i> | <i>Legend</i> |
|-----------------------|-----------------|-------------------|-----------------|----------------|---------------|
| Debris/Litter removal | | | | | Week 1 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 2 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 3 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 4 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | |

RFP NO. 2016-009
 LANDSCAPE DISTRICTS - SOUTH
 EXHIBIT E SCHEDULE I - Page 27 of 44

V: SCHEDULE I – FREQUENCY OF SERVICES TABLE

A. PARKWAYS, MEDIANS, AND CHANNELS

| Service Type | All Landscape and Irrigation Zones | | | LMD 2014-02 Zone 04 Only | | |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------------|
| | Service Schedule Level 1 (4 Week) | Service Schedule Level 2 (8 Week) | Service Schedule Level 3 (12 Week) | Service Schedule Level 4 (16 Week) | Service Schedule Level 5 (20 Week) | Service Schedule Level 6 (24 Week) |
| 17.A. Turf Care Mow/edge/trim Aeration | Weekly Bi-annually (Spring & Fall) | Every other week Bi-annually (Spring & Fall) | Every other week Annually (Spring) | Every other week N/A | Every other week N/A | Every other week N/A |
| 17.C. Shrub Care Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.D. Ground Cover Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.E. Weed Control Weed control | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.F. 2. Irrigation | Weekly | Weekly | Weekly | Monthly | Monthly | Monthly |
| 17.G. Debris/Litter Debris/Litter removal | Weekly | Weekly | Every other week | Monthly | Every Other Month | Quarterly |
| 19.A. Turf Fertilization | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 2x's per year (Feb. & Oct.) | 1x per year (Feb.) | N/A |
| 19.B. Shrub/Ground Cover Fertilization | 2x's per year (April & Sept.) | 2x's per year (April & Sept.) | 1x per year (April) | 1x per year (April) | 1x per year (April) | N/A |
| 20. C. 1. (a) Pre-Emergent Ground covers, shrubs & trees - Pesticide usage criteria ¹ | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 1x per year (Spring) | 1x per year (Spring) | N/A |
| Exhibits G & I Reports | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly |
| Exhibit H Report | Weekly | Weekly | Weekly | Weekly | Weekly | Weekly |

| Service Type | Channels |
|---------------------------------------------|------------------|
| | Service Schedule |
| 18.B. Vegetative Thinning ¹ | Annual |
| 18.C. Weed Abatement/Pesticide ¹ | Quarterly |
| 18.D. Irrigation | Weekly |
| 18.E. Debris/Litter Removal | Monthly |
| Exhibits G & I Reports | Monthly |
| Exhibit H Report | Monthly |


 (Sign here)

By signing, I hereby acknowledge review of the aforementioned Frequency of Services and have incorporated reference of the frequencies in the Proposal Schedule, including the Optional Proposal Schedule, and the proposed monthly and annual schedule sheets for the services to be provided consistent with the terms of this Contract.

VI: SCHEDULE I – PROPOSED ANNUAL MATERIAL SCHEDULE**A. Fertilizers:**

List the fertilizers to be furnished to execute work tasks specified in Exhibit A, Section 18, Technical Provisions – Fertilizer. Specify the type (analysis/brand name), estimated amount of each type to be supplied annually, and estimated annual cost for each type (include applicable sales tax, overhead, and mark-up). Use additional sheets as necessary to provide a full and comprehensive response.

| Type | Estimated Annual Amount | Estimated Annual Cost |
|---------|-------------------------|-----------------------|
| 23-5-10 | 260 Bags-50 lb. | \$5,500.00 |

B. Pesticides:

List pesticides to be furnished to execute work tasks specified in Exhibit A, Section 19, Technical Provisions – Pesticide Use. Specify the type (i.e., pre-emergent herbicide, rodent/snail bait, insecticide, etc.), the brand name, estimated amount of each type/brand to be supplied annually, and the estimated annual cost for each type/brand (include applicable sales tax, overhead, and mark-up). Use additional sheets as necessary to provide a full and comprehensive response.

| Type | Estimated Annual Amount | Estimated Annual Cost |
|--------------------------|-------------------------|-----------------------|
| Snap shot-pre-emergent | 250 lbs. | \$500.00 |
| Fusilade - Herbicide | 10 pint | \$650.00 |
| Fumitoxin-Gopher Control | 5 flask | \$130.00 |
| M-pede-insecticide | 12 gal. | \$ 36.00 |

VII: SCHEDULE I – COMMUNICATIONS, TRAFFIC SAFETY, & GREENWASTE RECYCLING

A. Communications:

Exhibit A, Section 3 General Provisions – Functions and Responsibilities requires the selected Contractor possess and maintain an effective company-wide communications system. The Contractor must also designate responsible staff to be available on a twenty-four (24) hour basis to receive, and respond to emergency calls.

Describe your company's internal communications system, both in the office and in the field, and how it will enable your company to provide the communication capability as required in Scope of Services specifications. Also, describe how your company will provide the required twenty-four (24) hour communication capability. Use additional sheets as necessary to provide a full, and comprehensive response.

Merchants has a 24 hour/7 days a week dispatch manned by Merchants employees. Also, all Area Managers have Sprint phone/radios with Blackberry capability for field e-mail access. All crew foreman also have Sprint phone/radios. All of the above allows Merchants to have a 24 hours, 7 days a week rapid communication capabilities.

B. Traffic Safety:

Exhibit A, Section 7 General Provisions – Safety requires the selected Contractor provide safe and effective work area traffic control, per Caltrans' "Manual On Uniform Traffic Control Devices 2012 (or most current revised version) California Supplement, Part 6, Temporary Traffic Control". Please describe your company's general traffic control practices and training, and how your company intends, if selected, to conduct work area traffic control operations to provide service for this project. Use additional sheets as necessary to provide a full and comprehensive response.

Merchants possesses all it's own traffic control devices, including arrow boards, delinators signage etc. It is very versed and experienced in caltrans requirements. It practices traffic control daily in Cities through out Southern California.

C. Greenwaste Recycling:

AB 939 mandates that the City of Moreno Valley divert from landfills fifty percent (50%) of the solid waste, including greenwaste, generated within its jurisdiction. Please describe your company's program to insure that the City receives credit for the greenwaste that will be generated from executing the project's Scope of Work (Exhibit A). Be sure to include the name(s), address(es) and phone number(s) of the recycling facility(ies) that will be accepting the greenwaste generated from your operations on the project. If planning to use any recycled greenwaste products (mulch, compost, soil amendments, etc.) on the project, please give name/address/phone information of the producer if different from those listed above. Use additional sheets as necessary to provide a full and comprehensive response.

Burrtec Waste Industries, Inc.
9820 Cherry Ave.
Fontana, CA. 92335
Contact: Vicente - 800.998.8774

Burrtec Waste Industries, Inc.
1850 Aqua Mansa Rd.
Riverside, CA. 92509
Contact: Judy Davis - 951.786.0639

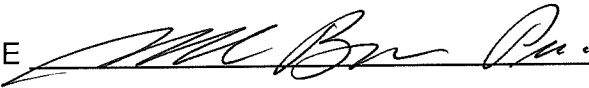
Aqua Mansa Waste Site
1830 Aqua Mansa Rd.
Riverside, CA. 92509
Phone: 951.786.0544

IX: SCHEDULE I – CERTIFICATION OF NON-DISCRIMINATION

Pursuant to California Labor Code Section 1735, as added by Chapter 643 statutes of 2039, and as amended,

No discrimination shall be made in the employment of persons upon Public Works because of race, religion creed, color, national origin, ancestry, physical handicaps, mental condition, marital status or sex of such persons, except as provided in Section 12940, of the California Labor Code and every Contractor of Public Works violating this section is subject to all penalties imposed for a violation of the Chapter.

I certify that I have read, and understand the foregoing:

SIGNATURE 

PRINTED NAME Mark Brower

TITLE President

COMPANY NAME Merchants Landscape Services, Inc.


DATE March 21, 2016

X: SCHEDULE I – PROPOSAL AFFIRMATION

With regard to the information provided hereinabove (Exhibit E: Proposal Submittal Documents), I affirm that:

- All information provided is true and correct to the best of my knowledge, and;
- I understand that a materially false statement willfully or fraudulently made in connection with this proposal may result in the termination of any Contract between the City of Moreno Valley, the Moreno Valley Community Services District and Merchants Landscape Services, Inc., and further, the aforesaid company may be barred from participation in future City contracts and be subject to possible criminal prosecution, and;
- I have legal authority to bind Merchants Landscape Services, Inc. to the terms of this affirmation (See "INSTRUCTIONS TO PROPOSER", Section D – Signature of Contract Proposal).

For the proposal to be valid, this sheet must be returned with the proposal submission and fully completed with a legible signature and date

SIGNATURE 

NAME Mark Brower

TITLE President

COMPANY NAME Merchants Landscape Services, Inc.

DATE March 21, 2016

A.10.a

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 34 of 44

Packet Pg. 211

I. SCHEDULE II – BID SCHEDULEPROPOSER: Merchants Landscape Services, Inc.
(Company Name)**A. SERVICE SCHEDULES:****1. Promontory (E-8) Landscaped Parkways and Medians**

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|-----------------------|------------------|--------------------|----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 48,500 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0250 | \$ 1,212.50 | 1 | \$ 14,550.00 |
| Level 2 (8 Weeks) | Optional | \$ 0.0230 | \$ 1,115.50 | 2 | \$ 13,386.00 |
| Level 3 (12 Weeks) | Optional | \$ 0.0210 | \$ 1,018.50 | 3 | \$ 12,222.00 |

2. Moreno Valley Ranch East (Zone 04 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|------------------------------------------------------------------------|------------------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 642,083 sq. ft. | | | | |
| Level1 (4 Weeks) | Optional | \$ 0.0080 | \$ 5,136.66 | 4 | \$ 61,639.97 |
| Level 2 (8 Weeks) | Optional | \$ 0.0070 | \$ 4,494.58 | 5 | \$ 53,934.97 |
| LEVEL 3 (12 WEEKS) | CURRENT | \$ 0.0045 | \$ 2,889.37 | 6 | \$ 34,672.48 |
| Level 4 (16 Weeks) | Optional | \$ 0.0030 | \$ 1,926.25 | 7 | \$ 23,114.99 |
| Level 5 (20 Weeks) | Optional | \$ 0.0025 | \$ 1,605.21 | 8 | \$ 19,262.49 |
| Level 6 (24 Weeks) | Optional | \$ 0.0020 | \$ 1,284.17 | 9 | \$ 15,409.99 |
| TURF | 338,321 sq. ft. | | | | |
| 1 Time per Week | Optional | \$ 0.0240 | \$ 8,119.70 | 10 | \$ 97,436.45 |
| 1 Time Every 2 Weeks | CURRENT | \$ 0.0120 | \$ 4,059.85 | 11 | \$ 48,718.22 |
| Annual Amount Proposed for Zone (Total of Row IDs 6 and 12) | | | | 16 | \$ 83,390.71 |

3. Stoneridge Ranch (Zone 05 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|----------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 98,392 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0142 | \$ 1,397.16 | 17 | \$ 16,765.92 |
| Level 2 (8 Weeks) | Optional | \$ 0.0122 | \$ 1,200.38 | 18 | \$ 14,404.56 |
| Level 3 (12 Weeks) | Optional | \$ 0.0100 | \$ 983.92 | 19 | \$ 11,807.04 |

4. Mahogany Fields (Zone 06 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-----------------------------------------------------------------|-----------------------|--------------------|--------------------|-----------|----------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 164,937 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0170 | \$ 2,803.93 | 20 | \$ 33,647.15 |
| Level 2 (8 Weeks) | Optional | \$ 0.0150 | \$ 2,474.05 | 21 | \$ 29,688.60 |
| Level 3 (12 Weeks) | Optional | \$ 0.0130 | \$ 2,144.18 | 22 | \$ 25,730.16 |
| TURF | 13,627 sq. ft. | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| 1 Time per Week | CURRENT | \$ 0.0220 | \$ 299.79 | 23 | \$ 3,597.48 |
| 1 Time Every 2 Weeks | Optional | \$ 0.0150 | \$ 204.40 | 24 | \$ 2,452.80 |
| Annual Amount Proposed for Zone (Total of Row IDs 20 and 23) | | | | 26 | \$ 37,244.63 |

5. Celebration (Zone 07 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|----------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 44,591 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0250 | \$ 1,114.77 | 27 | \$ 13,377.24 |
| Level 2 (8 Weeks) | Optional | \$ 0.0230 | \$ 1,025.59 | 28 | \$ 12,307.08 |
| Level 3 (12 Weeks) | Optional | \$ 0.0210 | \$ 936.41 | 29 | \$ 11,236.92 |

6. Channels and Parkway Planters¹

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|---------------------------------------------------------------------------------|----------------------|--------------------|------------------|-----------|----------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| CHANNEL² | | | | | |
| Oliver Street | 225,553 sq. ft. | \$ 0.006 | \$ 1,353.32 | 30 | \$ 16,239.84 |
| Line F East | 379,744 sq. ft. | \$ 0.006 | \$ 2,278.46 | 31 | \$ 27,342.00 |
| Line F West | 180,563 sq. ft. | \$ 0.006 | \$ 1,083.38 | 32 | \$ 13,000.80 |
| PLANTER³ | 1,568 sq. ft. | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0320 | \$ 50.18 | 33 | \$ 602.16 |
| Level 2 (8 Weeks) | Optional | \$ 0.0310 | \$ 48.60 | 34 | \$ 583.20 |
| Level 3 (12 Weeks) | Optional | \$ 0.0300 | \$ 47.04 | 35 | \$ 564.48 |
| Annual Amount Proposed for Zone (Total of Row IDs 30, 31, 32, and 33) | | | | 36 | \$ 57,184.80 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.

² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table for detailed information.

³ Parkway Planter located adjacent to Line F East.

Annual Amount Proposed for All Zones
 (Total of Row IDs 1, 16, 17, 26, 27, and 36) **\$ 222,513.29**

The Total Amount of the Service shall be the combined Total 12 Month Cost for each of the Zone at the current service level as identified in the table above.

Figures: \$222,513 and 29/100's Dollars

Words: Two hundred twenty-two, five hundred thirteen and 29/100's Dollars

All work shall be performed in accordance with the terms and conditions of this Independent Contractor Agreement, which includes all General and Technical Provisions as outlined herein for the Full or Reduced Services. Any modification to the number of occurrences for any service shall be made per written direction by the City. Service occurrences may be modified with 30 days advance written notice by the City.

The Contractor shall furnish all labor, equipment, and materials necessary to provide maintenance of median and parkway, irrigation, and landscaping as set forth in Exhibit A of this Contract, and; any and all addenda issued prior to the opening of Proposals; any Change Orders issued after the execution of the Independent Contractor Agreement and its attached exhibits.

Addendum No(s). 1,2 has/have been received and is/are made a part of this proposal.

 (Authorized Signature and Title) 4/18/16 (Date)

B. ADDITIONAL WORK PRICE LIST


THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT

Prices for Additional Work and Routine Irrigation Repair shall include, but are not limited to, those situations where Additional Work may be required, as referenced in Exhibits A and C.

UNIT PRICES (Includes all labor and materials)

| | | | |
|-----------------------------------------------|---|-------------|-----------|
| 1. 1 gal. shrub/vine/ground cover in place | @ | \$ 9.00 | ea |
| 2. 5 gal. shrub/vine/ground cover in place | @ | \$ 20.00 | ea |
| 3. 5 gal. tree in place (stakes included) | @ | \$ 35.00 | ea |
| 4. 15 gal. tree in place (stakes included) | @ | \$ 95.00 | ea |
| 5. 24" box tree in place (stakes included) | @ | \$ 250.00 | ea |
| 6. 36" box tree in place (guy wires included) | @ | \$ 795.00 | ea |
| 7. Flat of ground cover in place | @ | \$ 20.00 | ea |
| 8. Fertilizer application | @ | \$ 5,500.00 | ea |
| 9. Planter bed mulch in place | @ | \$ 30.00 | /cu. yd |
| 10. Additional labor | @ | \$ 21.00 | /man hour |
| 11. Additional Irrigation Technician | @ | \$ 35.00 | /man hour |

PROPOSER: Merchants Landscape Services, Inc.
(Company Name)

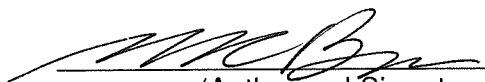
| | | |
|-------------------------------------------------------------------------------------|-----------|----------------|
|  | President | March 21, 2016 |
| (Authorized Signature and Title) | | (Date) |

C. ROUTINE IRRIGATION REPAIR PRICES AND ADDITIONAL LANDSCAPE AREA

THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT

- 1. Irrigation repair parts for routine repairs @ cost plus 15 %
- 2. Unit prices for Additional Work (additional landscape areas) per Exhibit C, Section 2
 - A. Additional parkway areas, **PLANTERS** (trees to 18-ft. height, shrubs, ground cover included, as applicable): Planter areas added during the term of this contract shall be incorporated at the Per Square Foot rate and Service Level of the Zone at the time of its incorporation. (Refer to Exhibit E, Schedule 2 A)
 - B. Additional parkway areas, **TURF** (trees to 18-ft. height, shrubs, ground cover included, as applicable): Turf areas added during the term of this contract shall be incorporated at the Per Square Foot rate and Service Level of the Zone at the time of its incorporation.(Refer to Exhibit E, Schedule 2 A)
- 3. Any other Additional Work shall be quoted per Exhibit C, Section 2.

PROPOSER: Merchants Landscape Services, Inc
(Company Name)

| | | |
|-------------------------------------------------------------------------------------|-----------|----------------|
|  | President | March 21, 2016 |
| (Authorized Signature and Title) | | (Date) |

II. SCHEDULE II - CONTRACT PROPOSAL

The undersigned declares that he/she has carefully examined the location(s) of the proposed work, that he/she has examined the Specifications and has read the accompanying Instructions to Proposers, and hereby proposes and agrees, if this proposal is accepted, to enter into a Contract with the City for the good and faithful performance thereof, to furnish all material and do all work required to complete the said work in accordance with the Specifications, in the time and manner therein prescribed, for the unit cost and lump sum amounts set forth in the proposal and as listed as follows. The undersigned further declares that the representations made herein are made under penalty of perjury.

TOTAL BASE COMPENSATION AMOUNT (FROM Exhibit E, Schedule II A. "Proposal Schedule"):

One hundred seventy nine thousand three hundred seventy seven dollars and sixty eight cents
(Dollar Amount in Words)

\$ 179,377.68
(Dollar Amount in Figures)

Date: March 21, 2016

Proposer: Merchants Landscape Services, Inc
(Company Name)

By: 
(Signature)

Title: President

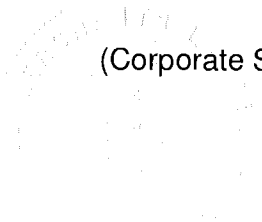
State License Number and Classification: 765658 C27

If a corporation, complete the following:

INCORPORATED UNDER LAWS OF THE STATE OF California

(Corporate Seal) PRESIDENT Mark Brower

SECRETARY Donna Brower



III. SCHEDULE II - AFFIRMATION OF PROPOSAL GUARANTEE

The undersigned also affirms that:

Accompanying this proposal is a cashier's check, a certified check, or a Proposal Surety Bond _____, payable to the City of Moreno Valley, which is deemed to constitute liquidated damages, if, in the event this proposal is accepted, the undersigned shall fail to execute the Contract and furnish satisfactory bonds under the conditions and within the time specified in this proposal, otherwise said cash, cashier's check, certified check or Proposal Surety Bond is to be returned to the undersigned.

Dated March 21, 2016

Signature of Proposer 

By Mark Brower

Address of Proposer 1510 S. Lyon St., Santa Ana, CA. 92705


Telephone Number of Proposer (800) 645.4881

Names and Addresses of Members of the Company:

Mark Brower, President-1510 S. Lyon St., Santa Ana, CA. 92705

Theodore Haas, Chairman-1510 S. Lyon St., Santa Ana, CA. 92705

(If a Corporation)

Signature of Proposer 

By Mark Brower

Title President

Business Address 1510 S. Lyon St., Santa Ana, CA. 92705

Affirmation of Proposal Guarantee (cont.)

| | |
|-----------------------------------------|---------------|
| Incorporated Under Laws of the State of | California |
| State License Number and Classification | 765658 C27 |
| PRESIDENT | Mark Brower |
| SECRETARY | Donna Brower |
| TREASURER | Theodore Haas |
| (Corporate Seal) | |

** TEN PERCENT THE AMOUNT BID IN DOLLARS**

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LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 42 of 44

IV. SCHEDULE II - PROPOSAL SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, that we Merchants Landscape Services, Inc.

_____, as

principals, and Hartford Fire Insurance Company, a duly

authorized corporate surety: Business Address One Pointe Drive, 6th Floor, Brea, CA 92821

_____.

Phone (714) 374-1321, are held and firmly bound unto the City of Moreno Valley and the City of Moreno Valley Community Services District, as Surety, in the sum of ** _____ Dollars, (\$ 10% _____), for payment of which sum well and truly to be made, we bind ourselves, and each of our heirs, successors, executors, administrators and assignees, jointly, and severally, firmly by these presents.

The condition of the foregoing obligation is such that whereas said principal(s) (is) (are) about to hand in and submit to the City Council and the City Council in its capacity as the Board of Directors of the Moreno Valley Community Services District, a proposal for **LANDSCAPE DISTRICTS - SOUTH**, for the performance of the work therein mentioned, in compliance with the specifications therefore, under an invitation of said City Council and the City Council in its capacity as the Board of Directors contained in the Notice Requesting Proposals attached to said proposal.

NOW, THEREFORE, if the said bond or proposal of the said principal shall be accepted, and said work be awarded to said principal thereupon by said City Council and/or City Council in Its Capacity as the Board of Directors, and if the said principal shall fail or neglect to enter into a Contract therefore within the required time, then in that case the undersigned obligors will pay to the City of Moreno Valley and/or the Moreno Valley Community Services District the full sum of TEN PERCENT THE AMOUNT BID IN _____ Dollars, (\$ 10% _____), as liquidated damages for such failure and neglect.

WITNESS our hands this 15th day of March, 2016.

(SIGNATURE PAGE FOLLOWS)

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LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 43 of 44

Proposal Surety Bond (cont.)

PRINCIPAL

CORPORATE SURETY

Name: Merchants Landscape Services, Inc.

Name: Hartford Fire Insurance Company

Address: 1190 Monterey Pass Road

Address: One Pointe Drive, 6th Floor

Monterey Park, CA 91754

Brea, CA 92821

Tel. No.: (323)881-6701

Tel. No.: (714)674-1321

By: *Cherodan Hoar*

By: *Mary Smith*
Attorney-in-Fact MARY SMITH

SIGNING INSTRUCTIONS

- The Bond shall be executed by an admitted Surety insurer (CCP 995.311) and the Surety must be registered as an admitted insurer in at least one county in the State of California.
- The Bond shall include attached Notary Certificates for the Attorney-in-Fact and the Principal.
- The Bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety (CCP 1305).
- The Bond shall include the address at which the Principal and Surety may be served with notices, papers and other documents (CCP 995.320 (a)(2)).

If any of the above items are omitted, the proposal will be considered non-responsive and will be rejected.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

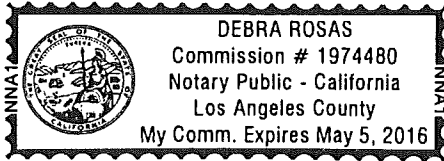
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)
On 3/15/16 before me, Debra Rosas, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared MARY SMITH
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Debra Rosas
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:
Corporate Officer - Title(s): Corporate Officer - Title(s):
Partner - Limited General Partner - Limited General
Individual Attorney in Fact Individual Attorney in Fact
Trustee Guardian or Conservator Trustee Guardian or Conservator
Other: Other:
Signer Is Representing: Signer Is Representing:

POWER OF ATTORNEY

Direct Inquiries/Claims to:

THE HARTFORD

Bond T-4

One Hartford Plaza

Hartford, Connecticut 06155

call: 888-266-3488 or fax: 860-757-5835)

Agency Code: 72-183250

KNOW ALL PERSONS BY THESE PRESENTS THAT:

- Hartford Fire Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of Unlimited** :

Steven L. Brockmeyer, Keith Dinwiddie, Barbara Doering, Donna M. Green, Mary Smith, Ronald C. Wanglin of PASADENA, California

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on August 1, 2009, the Companies have caused these presents to be signed by its Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



Wesley W. Cowling

Wesley W. Cowling, Assistant Secretary

M. Ross Fisher

M. Ross Fisher, Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 12th day of July, 2012, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

Kathleen T. Maynard

Kathleen T. Maynard
Notary Public

My Commission Expires July 31, 2016

I, the undersigned, Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of March 15, 2016
Signed and sealed at the City of Hartford.



Gary W. Stumper

Gary W. Stumper, Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

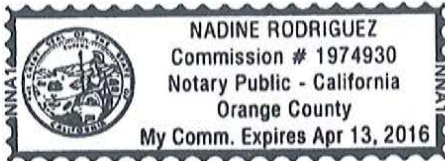
CIVIL CODE § 1189

State of California }
County of Orange }

On March 21, 2016 before me, Nadine Rodriguez, Notary Public
Date Here Insert Name and Title of the Officer

personally appeared Theodore Haas
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Nadine Rodriguez
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:

Corporate Officer - Title(s): Corporate Officer - Title(s):

Individual Individual

Partner - Limited General Partner - Limited General

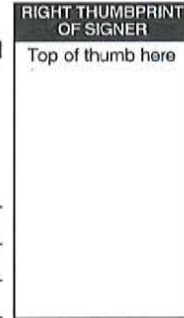
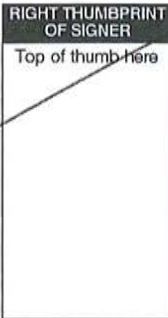
Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: Other:

Signer Is Representing: Signer Is Representing:



RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 44 of 44

V. SCHEDULE II - NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA)
COUNTY OF Orange)§

(NAME) Mark Brower, affiant
being first duly sworn, deposes and says:

That he or she is President of
(sole owner, partner or other proper title)

Merchants Landscape Services, Inc

(Contractor)

the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Bidder's Name: Merchants Landscape Services, Inc

Bidder's Address: 1510 S. Lyon St., Santa Ana, CA. 92705

Telephone No.: (800) 645.4881


(Signature of Bidder)

President
(Title)

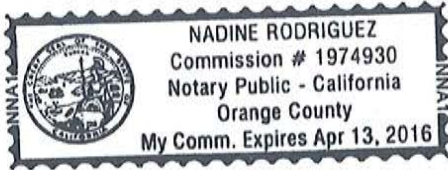
ALL SIGNATURES MUST BE NOTARIZED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California }
County of Orange }
On March 21, 2016 before me, Nadine Rodriguez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Mark Brower
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Nadine Rodriguez
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

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Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:

Corporate Officer - Title(s): Corporate Officer - Title(s):

Individual Individual

Partner - Limited General Partner - Limited General

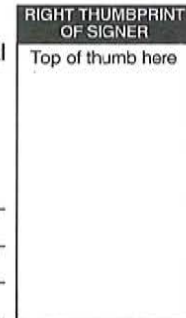
Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: Other:

Signer Is Representing: Signer Is Representing:





merchants
Iandscap services, inc.

VEHICLE LIST

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|-------------------------|--------------------|
| 101 | 6UXX395 | 2014 | Mercedes Benz | |
| 102 | 6U04567 | 2014 | Lincoln Navigator | |
| 103 | 7D22716 | 2001 | Iner Tree Trim | 1HTSCAAM41H382577 |
| 104 | 8129915 | 2003 | Chevy Silverado | 2GCEC19V931328785 |
| 105 | 7L74667 | 2007 | Silverado 3500 Chassis | 1GB1C39U67E173992 |
| 107 | 7D22717 | 2004 | Ford F-150 | 1FTRX12W44NBA3407 |
| 110 | 5R29572 | 2003 | Chevrolet pickup | 2GCE19V131327033 |
| 112 | 5R29572 | 1997 | Ford F-150 KC pickup | 1FTDX1763WNA12281 |
| 115 | 6E91433 | 1995 | Isuzu NPR | 1ALC4B1K5S7000324 |
| 116 | 6V31775 | 2002 | Ford F-150 pickup | 1FTRX17W42NA69265 |
| 117 | 7B16229 | 2003 | Chevy S-10 | 1GCCS14XX38115778 |
| 118 | 7W83338 | 2005 | Ford F-350 | 1FDW/F36515EC89280 |
| 119 | 7X56108 | 2005 | Ford F-350 | 1FDSF345X5EB18027 |
| 120 | 8D61369 | 1995 | Chevy 1 ton truck | 1GB1C34K25E160450 |
| 122 | 8C42496 | 1995 | Chevy 3/4ton | 1GGC/C29K05E250057 |
| 123 | 6J1EE40 | 2009 | Lincoln Navigator | SLMU27509E01141 |
| 125 | 7G10650 | 2004 | Chevy Silverado 1500 | 2GCEC19VX41124479 |
| 126 | 8R87479 | 2005 | Ford Ranger pickup | 1FTYR14UJ5PA2484 |
| 128 | 7V29675 | 2005 | Ford F-350 Stake Bed | 1FDSF34515EB18028 |
| 129 | 7E27786 | 2003 | Chevy Silverado Extra C | 2GCEC19V231325856 |
| 130 | 6G42812 | 2000 | Ford F-150 | 1FTZX1728YKB15395 |
| 132 | 6I05871 | 2000 | Ford F-150 | 1FTZF1725YNC19831 |
| 133 | 6B33559 | 1999 | Ford Ranger pickup | 1FTYR14V6XPB36672 |
| 134 | 7B13735 | 2003 | Chevy Silverado | 1GCEC14V93E148518 |
| 135 | 7B13736 | 2003 | Chevy Silverado | 1GCEC14V43Z131019 |
| 136 | 849512 | 2005 | Ford F-150 | 1FTRF12215NB52812 |
| 137 | 8G97528 | 2005 | Ford F-350 Stake Bed | 1FDW/F36555EA09093 |
| 139 | 7D80048 | 2003 | Ford Comm Cutaway Van | 1GB1G31U531141331 |
| 141 | 6265654 | 2003 | Ford Ranger pickup | 1FTYR10U63PA06057 |
| 142 | 8C77592 | 2006 | F-150 | 1FTRF12W56NBB07294 |
| 143 | 7G10649 | 2003 | Chevy Silverado 1500 | 2GCEC19V841120298 |
| 144 | 7B16230 | 2003 | Chevy S-10 | 1GCCS14XX38161840 |

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|-------------------------|--------------------|
| 146 | 7P94549 | 2004 | Ford Ranger pickup | 1FTYR10U84PB61601 |
| 148 | 8249580 | 2000 | Ford Ranger pickup | 1FTYR14V2YPB19854 |
| 150 | 6N20581 | 2001 | Ford F-150 pickup | 1FTZK17261K41897 |
| 151 | 7H04122 | 2001 | Ford F-150 pickup | 1FTRX17W11MA31006 |
| 152 | 6G42813 | 2000 | Ford F-150 pickup | 1FTZX1728YKB15428 |
| 153 | 7W34816 | 2005 | Ford F-350 | 1FDW/F36Y55EB82556 |
| 157 | 7M68778 | 2004 | Ford F150 | 2FTRX17W44CA30253 |
| 158 | 7V83928 | 2005 | Ford F-350 | 1FDW/F36Y15EB99475 |
| 163 | 7146556 | 1999 | GMC Topkick/Chipper | 1GDJ7H1D7X1851924 |
| 166 | 6R34719 | 2001 | Ford F-150 pickup | 1FTRF17W01NB56193 |
| 167 | 8H06127 | 2008 | Ford F250 | 1FTSX20578EA62845 |
| 169 | 8H06123 | 2007 | Ford F-150 | 1FTRX12W07KC62609 |
| 170 | 8H06124 | 2008 | Ford F250 | 1FTSX20548EA37420 |
| 171 | 8M00027 | 2007 | Chevy Silverado Dump | 1GB1C39K97E580433 |
| 172 | 8K76942 | 2006 | GMC Sierra - Dump truck | 1GD1C39U26E235445 |
| 173 | 8K89824 | 2008 | Ford Ranger pickup | 1FTYR14U28PA24167 |
| 174 | 8K89815 | 2008 | Ford F-150 Supercrew | 1FTRW12W88FA49226 |
| 175 | 8P13371 | 2007 | GMC Sierra 3500 Chassis | 1GD1C39K17E597007 |
| 176 | 8K48974 | 1999 | Ford F800 (Water truck) | 3FENF8010XMA08142 |
| 177 | 7E24179 | 2003 | Chevy Silverado | 2GCEC19V231324285 |
| 179 | 8160482 | 2002 | Ford F-150 | 1FTRX17W52NB04671 |
| 181 | 31767N1 | 2013 | Tacoma | 5TFN4C3NE3X032648 |
| 183 | 23722E1 | 1999 | Ford F-150 pickup | 1FTZF1724XKA29146 |
| 186 | 6B45138 | 1999 | Ford Ranger pickup | 1FTYR10V0XPB69401 |
| 187 | 5Z67772 | 2008 | Expedition | 1FMFU19548LA02102 |
| 188 | 7B16231 | 2003 | Chevy S-10 | 1GCCS14X538158558 |
| 189 | 8D20422 | 1999 | Chevrolet 3500 | 1GBH34R9YF032025 |
| 190 | 7W50752 | 2005 | Ford | 1FDW/F36555EB83540 |
| 191 | 7W34817 | 2005 | Ford F-350 | 1FDW/F36555EB15096 |
| 192 | 8W12873 | 2005 | Ford F-350 | 1FDW/F36555EB85444 |
| 193 | 7W50751 | 2005 | Ford F-350 | 1FDW/F36545EB88968 |
| 194 | 7W43810 | 2002 | Ford F-350 | 1FDSW34FF12EA82877 |



landscape services, inc.

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|---------------------------|--------------------|
| 195 | 7W56849 | 2005 | Ford F-350 | 1FDW/F36535EC89278 |
| 196 | 6M12313 | 2000 | GMC 3500 1-ton pick up | 1GDHC3319YF421896 |
| 197 | 7M71324 | 2003 | Chevy Silverado 1500 | 2GCEC19V831328843 |
| 198 | 7B15152 | 2003 | Chevy Silverado | 1GCEC14V83Z1922941 |
| 199 | 30458N1 | 2013 | Toyota Tacoma | 5TFNK4CN7DX031047 |
| 200 | 8D50109 | 2006 | Ford F-150 | 1FTVX12566NA53572 |
| 201 | 8D50108 | 2006 | Ford F-150 | 1FTVX12536NA53688 |
| 202 | 8C80429 | 2006 | Ford F-150 Super Cab | 1FTVX12586NA64007 |
| 205 | 8C80427 | 2006 | Ford F-150 Reg Cab | 1FTRF12W16NB33603 |
| 206 | 8P11010 | 2006 | Chevy S3500 w/10' dump | 1GBLC39U26E176714 |
| 207 | 8D76098 | 2006 | Ford Ranger | 1FTYR10U16PA83973 |
| 208 | 8E32375 | 2006 | Ford Ranger | 1FTYR10U16PA65828 |
| 209 | 8D11397 | 2006 | Ford F-150 Super Cab | 1FTVX12586NA67568 |
| 210 | 8D11398 | 2006 | Ford F-150 Super Cab | 1FTVX12566NA69738 |
| 211 | 8D11395 | 2006 | Ford Ranger | 1FTYR10U36PA64048 |
| 212 | 8D11399 | 2006 | Ford F-150 XLT | 1FTPW12596KD72039 |
| 213 | 8K89886 | 2008 | Ford F-150 Supercrew | 1FTRW12W28FA31238 |
| 214 | 8D11641 | 2006 | Ford F-350 Chassis | 1FDWW36P36EB42946 |
| 215 | 8D48234 | 2006 | Chevy Silverado 3500 | 1GBHC34U96E197632 |
| 216 | 7S99151 | 2006 | Ford F-150 XL | 1FTVX125X6NB17726 |
| 217 | 8V44901 | 2006 | Chevy Colorado Classis | 1GBDS146968258211 |
| 218 | 8H06119 | 2007 | Ford F-150 | 1FTRX12W77FA88496 |
| 219 | 8H06126 | 2008 | Ford F-250 | 1FTSX20598EA56495 |
| 220 | 8H06122 | 2007 | Ford F-150 | 1FTRX12WXCFA88458 |
| 221 | 8138955 | 2007 | Ford Ranger | 1FTYR14D47PA95353 |
| 222 | 8125904 | 2007 | Ford Ranger X12W | 1FTYR14U77PA93029 |
| 223 | 8H06166 | 2007 | Ford F-150 | 1FTPW12547FB59848 |
| 224 | 8F29332 | 2007 | Chevy Pick up | 1GCEC19X17Z166164 |
| 225 | 8M89937 | 2008 | Ford F-150 XL 4x2 Spr cab | 1FTRX12W88FB29932 |
| 226 | 7R13278 | 2005 | Ford F150 | 1FTRF12205NB94436 |
| 227 | 8W97675 | 2010 | Ford Ranger | 1FKK1ad5apa18041 |

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|---------------------------|--------------------|
| 230 | 8P81301 | 2008 | Ford F-150 | 1FTRX12W18FC11369 |
| 231 | 8P81302 | 2008 | Ford F-150 | 1FTRX12W68FB60600 |
| 232 | 8P81304 | 2008 | Ford F-350 Stakebed | 1FDWF36548EE58132 |
| 233 | 8P81305 | 2008 | Ford F-350 Stakebed | 1FDWX36R48EB78209 |
| 235 | 8P81303 | 2008 | Ford Ranger | 1FTYR10U28PA93253 |
| 236 | 8P81298 | 2008 | Ford Ranger | 1FTYR10U78PA22033 |
| 237 | 8P81300 | 2008 | Ford F-150 | 1FTRX12W58FB55243 |
| 238 | 8T87781 | 2008 | Ford F350 Classis | 1FDWF36558EA03046 |
| 239 | 8U48440 | 2008 | Ford Ranger | 1FTYR10D48PB15687 |
| 240 | 8U22271 | 2008 | Ford F-150 XL 4x2 Spr cab | 1FTRX12W78FB60539 |
| 241 | 8T87778 | 2008 | Ford Ranger | 1FTYR10DX8PB17220 |
| 242 | 8U52679 | 2008 | Ford F-150 | 1FTRX12W38FB76222 |
| 243 | 8W12872 | 2008 | Ford F-250 | 1FD5X20548EA56478 |
| 244 | 8P74270 | 2009 | Ford F150 Super crew | 1FTRW12899KB95421 |
| 245 | 8P74271 | 2009 | Ford Ranger | 1FTYR10D99PA22178 |
| 246 | 8V66223 | 2009 | Ford Ranger | 1FTYR10D99PA2144 |
| 248 | 8V84305 | 2009 | Ford F350 Chassis | 1FDWW36V59FA42911 |
| 250 | 8Z63682 | 2010 | Ford F-150 | 1FTEX1CW0AFB5573 |
| 251 | 8Z63680 | 2010 | Ford Ranger | 1FKR1EDDAP38475 |
| 252 | 8Y89431 | 2010 | Ford F-250 | 1FD5X2A58AEA28882 |
| 253 | 8027281 | 2011 | Ford Ranger | 1FKR1AD58PA31521 |
| 254 | 6SE1852 | 1991 | Schwarze Sweeper-lsu | JALB4B1H7M7003051 |
| 255 | 97111C1 | 2011 | Ford F-150 XL | 1FTEX1CMXBFB04176 |
| 256 | 32114D1 | 2011 | Ford F150 | 1FTEX1CMZBFC07625 |
| 257 | 32115D1 | 2011 | Ford F150 | 1FTEX1CM08FC07624 |
| 258 | 32116D1 | 2011 | Ford F150 | 1FTEX1CM08FC1684 |
| 259 | 32112D1 | 2011 | Ford Ranger | 1FKR1ED08PA72357 |
| 260 | 32113D1 | 2011 | Ford Ranger | 1FKR1ED28PA72358 |
| 261 | 32107D1 | 2011 | Ford Ranger | 1FKR1ED68PA49875 |
| 261 | 1JT7835 | 2000 | Big Tex Utility | 16VVX0813Y1A30220 |
| 262 | 32120D1 | 2011 | Ford F-150 | 1FTEW1CM6BRKD38034 |



| Vehicle | License # | Year | Make/Model | Vin # |
|----------|-----------|------|----------------------|-------------------|
| 228 | 8Y81888 | 2006 | Ford F-350 Diesel | 1FDWV36P3E8B62520 |
| 229 | 8Z63681 | 2010 | Ford Ranger | 1FTKR1ED7AP38480 |
| 255 | 32122D1 | 2011 | Ford F-150 | 1FTEX1CM4BFC30582 |
| 266 | 32110D1 | 2011 | Ford Ranger | 1FTKR1ED5BPA72354 |
| 267 | 32111D1 | 2011 | Ford Ranger | 1FTKR1ED9BPA72356 |
| 268 | 32108D1 | 2011 | Ford Ranger | 1FTKR1ED7BPA72355 |
| 269 | 24977E1 | 2011 | Ford F-150 | 1FTEX1CM98PA95972 |
| 270 | 32119D1 | 2011 | Ford F-150 | 1FTEX1CM2BFC21685 |
| 271 | 32123D1 | 2011 | Ford Ranger | 1FTKR1ED1BPA82010 |
| 272 | 47675F1 | 2011 | Ford F-150 XL | 1FTEX1CM2BFC95835 |
| 273 | 04986G1 | 2011 | Ford Ranger | 1FTKR1EDXBPAA5385 |
| 274 | 47671F1 | 2011 | Ford F-150 XL | 1FTEX1CM3BFC95844 |
| 275 | 47674F1 | 2011 | Ford F150 | 1FTEX1CMXBFC95842 |
| 276 | 46161F1 | 2012 | Ford F-250 XL | 1FT7W2A63CEA07012 |
| 277 | 38452H1 | 2012 | Ford F-150 | 1FTEX1CMOC8B57745 |
| 278 | 38453H1 | 2012 | Ford F-250 | 1F17W2A6XCEC34116 |
| 279 | 7888811 | 2013 | Toyota Tacoma | 5TFNX4CN8DX030733 |
| 280 | 63781L1 | 2013 | Ford F-150 | 1FTFX1CF9DKF60721 |
| 281 | 63768L1 | 2013 | Ford F-150 | 1FTFX1CF6DKF60711 |
| 282 | 09482M1 | 2013 | Ford F150 Super crew | 1FTFW1CF3DFD70344 |
| 283 | 26322J1 | 2013 | Ford F150 | 1FTFX1CF8DKF99445 |
| 284 | 26321J1 | 2013 | Ford F150 | 1FTFX1CF1DKF99447 |
| 285 | 31561P1 | 2014 | Toyota Tacoma | 5TFNX4CN2EK037520 |
| 286 | 31560P1 | 2014 | Toyota Tacoma | 5TFNX4CN2EK037677 |
| 287 | 31559P1 | 2014 | Toyota Tacoma | 5TFNX4CN4EK038644 |
| Trailers | License # | Year | Make/Model | Vin # |
| T400 | SE499113 | 2001 | chipper | 1VRU111A711000827 |
| T401 | SE529849 | 2003 | chipper | 1VRU111A541004217 |
| T402 | 4LP6087 | 2000 | Big Tex Utility | 16VVX0813Y1A21081 |
| T403 | 4HE3486 | | Big Tex Utility | 16VAX0E1541A16263 |
| T404 | 4JMS130 | 2004 | Big Tex Utility | 16VVX101941A21257 |
| T405 | 1JK4535 | 2000 | Big Tex Utility | 16VVX081XY1A23796 |

| Trailers | License # | Year | Make/Model | Vin # |
|----------|-----------|------|-------------------------------------|--------------------|
| 263 | 32109D1 | 2011 | Ford Ranger | 1FTKR1EDXBPAA72351 |
| 264 | 32121D1 | 2011 | Ford F-150 | 1FTEX1CM2BFC30581 |
| T409 | 4JK4679 | 2005 | Big Tex Utility | 16VNX162451E84182 |
| T410 | 4JK4680 | 2006 | Carso | 4HXDC16206C109783 |
| T411 | 4MP3311 | 2006 | Big Tex Utility | 16VUX162661E99747 |
| T412 | 4HE8313 | 2006 | Big Tex Utility 16' | 16VNX162361E2273 |
| T413 | 4EM7980 | 2001 | Big Tex Utility | 16VVX101311A36977 |
| T414 | 4KW3760 | 2000 | Artec Utility | 4ZBUF0121YF000111 |
| T415 | 4JK5131 | 2004 | Big Tex Utility 12' | 16VVX101841A16731 |
| T416 | 4HE8310 | 2006 | Big Tex Utility 12' | 16VAX121252A68007 |
| T417 | 4LG8320 | 2011 | Big Tex Utility | 16VAX1210B2A74688 |
| T419 | 4KM3761 | 2007 | Big Tex Utility 12' | 16VAX121X72A66380 |
| T420 | 1JP2204 | 2000 | Big Tex Utility | 16VVX1019Y1A26416 |
| T422 | 1KM7084 | 2001 | Big Tex Utility | 16VVX101X11A43327 |
| T423 | 4H6661 | 2207 | Big Tex Utility | 16VAX101171A66521 |
| T424 | 4MX4631 | 2000 | Big Tex Utility | 16VVX0816Y1A30986 |
| T425 | 4DJ7406 | 2003 | Big Tex Utility | 16VVX101431A60756 |
| T426 | 4E51233 | 2003 | Big Tex Utility | 16VVX081331A78731 |
| T427 | 4CH6366 | 2000 | Big Tex Utility | 16VVX1416VLA31048 |
| T428 | 4DV5274 | 2003 | Big Tex Utility | 16VVX0818Y1A23794 |
| T430 | 4KR8518 | 2009 | Utility DV mfts DV10ET-20split ramp | 1D9EU202895591930 |
| T431 | 1IG6545 | 2000 | Big Tex Utility | 16VVX0818Y1A23794 |
| T433 | 1KE2738 | 2001 | Big Tex Utility | 16VAX121611A6968 |
| T435 | 4FV8383 | 2003 | Big Tex Utility | 16VAX101241A14634 |
| T436 | 4KF4420 | 2003 | Big Tex Utility | 4K8AX101551A12493 |
| T437 | 4AK6903 | 2002 | Big Tex Utility | 16VUX162121E51941 |
| T438 | 4KF4422 | 2004 | Big Tex Utility | 16VNX14271E45331 |
| T440 | 4KM3781 | 2005 | Big Tex Utility | 16VNX162052E51416 |
| T441 | 4HE9157 | 2006 | Big Tex Utility 16' | 16VNX162991E22276 |
| T443 | 4HE2465 | 2007 | Big Tex Utility | 16VNX162851E84749 |
| T445 | 4KL2459 | 2005 | Big Tex Utility 12' | 16VAX121552A70107 |
| T446 | 4LL7626 | 2007 | Big Tex Utility | 16VVX121271A52349 |



Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| Trailers | License # | Year | Make/Model | Vin # |
|----------|-----------|------|------------------------------|-------------------|
| T406 | 4GV3629 | 1999 | Big TX Utility | 16VVX0811X1A15309 |
| T407 | 1JC3389 | 2000 | Big TE Utility | 4K8VX0817Y1A48404 |
| T408 | 4MX3873 | 2013 | Big TX Utility | 16VAX1217D2A97162 |
| T456 | 4KK1244 | 2008 | Big Tex Trailer | 16VAX121X81A06008 |
| T457 | 4KK1245 | 2008 | Big Tex Trailer | 16VEX202X82H12649 |
| T458 | 4KK1323 | 2008 | Big Tex Trailer | 16VAX101481A06010 |
| T459 | 4KM3529 | 2008 | Big Tex Utility | 16VCX162582H88476 |
| T460 | 4KK3427 | 2008 | Big Tex Trailer | 16VEX202882H2651 |
| T461 | 4KK7351 | 2009 | Big Tex Utility | 16VCX182891E33827 |
| T462 | 4JH6668 | 2007 | Big TX Utility | 16VVX162471E59376 |
| T463 | 4KK3984 | 2009 | Big TX Utility | 16VVX081X91A29423 |
| T464 | 4KR6684 | 2009 | Utility DV mfts split ramp | 1D9EU202095591923 |
| T465 | 088052U | 2007 | Honda Bull Dog/water Trailer | DHWT5008207 |
| T466 | 4LB5419 | 2010 | Big Tex Utility | 16VAX1016A2A45004 |
| T467 | 4LB9408 | 2010 | Big TX Utility | 16VVX0811A2A57741 |
| T468 | 4LF4391 | 2010 | Big Tex Utility | 1D9JU1011A5591060 |
| T469 | 4LG9516 | 2011 | Big Tex Utility | 16VCX1623A2E65246 |
| T470 | 4LU3108 | 2011 | Big Tex Utility | 1D9EU202585591177 |
| T471 | 4HE3486 | 2007 | Carson trailer | 4HXSU16247C116791 |
| T472 | 4LN6735 | 2011 | Big Tex Utility | 16VAX1215B2A87677 |
| T473 | 4LU5514 | 2011 | Big TX Utility | 16VCX1627B2D75003 |
| T474 | 4LU7031 | 2011 | Big Tex Utility | 16VCX2020B2E97183 |
| T475 | 4LU2868 | 2011 | Big Tex Utility | 16VUX1622B2E97983 |
| T476 | 4LX2245 | 2011 | Big Tex Utility | 16VEX2020B2H75220 |
| T477 | 4LZ7119 | 2000 | Big TE Utility | 16VVX0816V1A20376 |
| T478 | 4LZ7447 | 2012 | Big Tex Utility | 16VUX1628CE07513 |
| T479 | 4MC2349 | 2011 | Big Tex Utility | 16VVX1213B2A98193 |
| T481 | 4MY7125 | 2013 | Big Tex Utility | 16VUX1627D2E99253 |
| T482 | 4NE1988 | 2013 | Big Tex Utility | 1D9LU1629D5591792 |
| T483 | 4NE1980 | 2014 | Big Tex Utility | 16VEX2029E2H20835 |
| T484 | 4NE1981 | 2013 | Big Tex Utility | 16VAX1011D2A80778 |

| Gators | License # | Year | Make/Model | Vin # |
|--------|-----------|------|---------------------------|-------------------------|
| T447 | 4IH8745 | 2007 | Big TX Utility | 16VVX121X71A71988 |
| T449 | New | 2007 | Big TX Utility | 16VVX121371A59360 |
| T455 | 4KK1243 | 2008 | Big Tex Trailer | 16VAX121571A66518 |
| C506 | | | Taylor Dunn | |
| C507 | 8Z99345 | 2002 | Chrysler GEM | 5ASAK27499F030371 |
| C508 | | | John Deere | Serial # W00urf003575 |
| C509 | | | Chrysler GEM | 5ASAK27482F021337 |
| C510 | | | EZ-GO | Serial # J0234-188068 |
| C511 | | | John Deere Gator | W0TURFD002841 |
| C512 | | | John Deere Gator | W004X2X036574 |
| C513 | | | John Deere Gator | W0TURFD002862 |
| C514 | | | John Deere Gator | W04X2XD0142236 |
| C515 | | | John Deere Gator | W04X2XD014241 |
| C516 | | | John Deere Gator | W0TURFD003334 |
| C517 | | | John Deere Gator | W04X2XD014093 |
| C518 | | | John Deere Gator | W0TURFD003335 |
| C519 | | | John Deere Gator | W0TURFD0035691 |
| C520 | 7D35838 | 2002 | Golf Cart | 5ASAK27412F020997 |
| C521 | Irvine | 1987 | Utility Trailer for Gator | TC022BX010203 |
| C522 | Irvine | | Used John Deere Gator | W004X2X090777 |
| C523 | Irvine | 1987 | Utility Gator | 19342 |
| C524 | Irvine | | John Deere Gator | W0TURFD003002 |
| C525 | Irvine | 2006 | John Deere Gator | W0urfD004070 |
| C526 | Irvine | 1987 | Utility Gator | 19336 |
| C527 | | 2012 | John Deere Gator | W04X2XD014234 |
| C528 | | 2012 | John Deere Gator | W0TURFD003572 |
| C529 | Irvine | | John Deere Gator | W006K4X028929 |
| C502 | | 2003 | Carry All 6 Club Car | 262720 |
| C503 | | 2003 | Yamaha | JU2-003902 |
| C504 | 7E24484 | 2002 | Chrysler | 5ASAK27402F031103 |
| C505 | | | Taylor Dunn | Serial # 13610M.o.B2-48 |



| Gators | Licence # | Year | Make/Model | Vin # |
|--------|-----------|------|-------------------------------|-------------------|
| 1 | 558040 | 1997 | Arrow board trailer | 1W91S1014V1249094 |
| 2 | Irvine | 2008 | Arrow board trailer | 4GM1A091681522791 |
| 3 | Irvine | | John Deere Gator | W00TURF003571 |
| 4 | Irvine | 2014 | John Deere Gator | 1M04X2SJHEM090243 |
| 5 | Irvine | 2014 | John Deere Gator | 1M04X2SJHEM090047 |
| 6 | Irvine | | John Deere Gator | W04X2XXD014235 |
| 7 | Irvine | | John Deere Gator | W00TURF001916 |
| 8 | Irvine | | John Deere Gator | W00TURFD004273 |
| 9 | Irvine | | John Deere Gator | W004X2X034938 |
| 10 | Irvine | | TORO 3200 Cart | 7361270000590.00 |
| 11 | Irvine | | Cushman Turf Truckstyer | 99000804 |
| 12 | Irvine | | Cushman Turf Truckstyer | 98008908 |
| | | | John Deere Gator | W004X2X034945 |
| | | | John Deere Gator | W00TURF019344 |
| | | | Utility Gator | W00TURF018472 |
| | | | Utility Gator | 00-1916 |
| | | | John Deere Gator | 1M04X2SJPEM090071 |
| | | 1987 | Utility Gator/not in the yard | W00TURF019344 |
| | | | Utility Gator | W00TURFD003335 |
| | | | Cushman Cart | #LM21570 |
| | | | 214 | #136465 |
| | | | Club car | #J0035-926304 |



EQUIPMENT INVENTORY

| Description | Serial # |
|--------------------------------------------|-----------------|
| 22" Double Sided | 8040608 |
| 22" Double Sided | 9111852 |
| 4.0HP Honda | C11118 |
| 4.0HP Honda | C11471 |
| Aerator - John Deere 1500 A20857 | M01500X025435 |
| Aerator - Lescro / push behind | 72260835 |
| Aerator Classen 42" 3 pt hitch | 720263984 |
| Aerator Drum 70" | 20637 |
| Aerator Geanmore w/ tank | 614002 / A20977 |
| Aerator Hasqvarna walk behind | 53058177 |
| Aerator Honda 25.5 - Blu H742 | 83970569 |
| Aerator Landpride PTO CA2560 | 574628 |
| Aerator Model 968982105 Husqvarna | 8400476 |
| Aerator Tow - Lescro | 72260739 |
| Aerator Tow behind | 645 |
| Aerator Walk behind | 74238666 |
| Aireator - Orange | 53058177 |
| Arborist's Saw 35cc | 167677832 |
| Arborist's Saw 35cc | 169484303 |
| Auger Honda Engine | A20849 |
| Auger post hole digger w/ 2" - Echo A20447 | E02103003542 |
| Avger Honda/ Ground hog-Mod. C71-5 | 1741792 |
| Backpack Blower | 271288400 |
| Backpack blower | 272069304 |
| Backpack blower | 272069313 |
| Backpack blower | 272069325 |
| Backpack blower | T14211001105 |
| Backpack blower | 272069301 |

| Description | Serial # |
|------------------------------------------------|--------------|
| Backpack blower 36"-Walk behind Model THP17 | 824945 |
| Backpack blower Echo 44cc carb II | P08111002945 |
| Backpack blower Echo-PB-413 | P0811003315 |
| Backpack blower Husqvarna - 145BF | 3003305 |
| Backpack blower Husqvarna - 145BF | 965102305 |
| Backpack blower STIHL-BR-550 | 271665390 |
| Backpack blower STIHL-BR-550 | 271665392 |
| Backpack blower STIHL-BR-550 | 271665400 |
| Backpack blower STIHL-EB8520 | 8100766 |
| Backpack blower STIHL-EB8520 | 8100911 |
| Backpack blower STIHL-EB8520 | 9051522 |
| Backpack blower STIHL-EB8520 | 9071730 |
| Backpack blower STIHL-EB8520 | 9071742 |
| Backpack blower STIHL-EB854 | T14211001168 |
| Backpack blower STIHL-EB854 | T14211001170 |
| Bagging System - Exmark LHPUV4650 | 718814 |
| Battery Charger (for 6 & 12 volts) Model #7200 | |
| Bit- 5 gallon | |
| Blower | 4000-736 |
| Blower | 4001270-04 |
| Blower | P02311002461 |
| Blower | 4001276-04 |
| Blower | P02311002514 |
| Blower | P02311025542 |
| Blower | P02311025546 |
| Blower | P02311025631 |
| Blower | P08211002836 |



| Description | Serial # |
|-----------------------|---------------|
| Blower | 30002315 |
| Blower | P02311025233 |
| Blower | P02311025283 |
| Blower | P02311025284 |
| Blower | P02311025301 |
| Blower | P02311025321 |
| Blower | P02311025331 |
| Blower | P02311025342 |
| Blower | P02311025536 |
| Blower | P02311026296 |
| Blower | P33011002057 |
| Blower - Echo | #09005538 |
| Blower - Echo | D081111003544 |
| Blower - Echo | O90005598 |
| Blower - Echo | P02011001417 |
| Blower - Echo | P08011015596 |
| Blower - Echo | P08111002393 |
| Blower - Echo | P08111002736 |
| Blower - Echo | P08111002768 |
| Blower - Echo | P08111002852 |
| Blower - Echo | P08111003367 |
| Blower - Echo | P08211002735 |
| Blower - Echo | P08211003677 |
| Blower - Echo | 7611021673 |
| Blower - Echo (blue) | 2004117 |
| Blower - Echo PB500HT | P02311006658 |
| Blower - Echo PB500HT | P02311008859 |
| Blower - Echo PB500HT | P02311023203 |

| Description | Serial # |
|---------------------------------------------|------------------|
| Blower - Echo PB500HT | P02311023292 |
| Blower - Echo PB500HT | P02311023295 |
| Blower - Echo PB500HT | P33011001514 |
| Blower - Husqvarna (green/black) | 3004020 |
| Blower - Husqvarna (white) | 3003318 |
| Blower - Husqvarna | 3000793 |
| Blower - Husqvarna | 3003317 |
| Blower - Husqvarna | 3003850 |
| Blower - Husqvarna | 3003867 |
| Blower - Husqvarna (black) | 2005701 |
| Blower - Husqvarna (black) | 3002024 |
| Blower - Husqvarna (black) | 3002032 - 551139 |
| Blower - Husqvarna (orange) | 3003215 |
| Blower - Husvarna | 60084 |
| Blower - Husvarna | 2001840 |
| Blower - Husvarna | 2003287 |
| Blower - Husvarna | 2011846.00 |
| Blower - Husvarna | 3000791 |
| Blower - Husvarna | 5000437 |
| Blower - Husvarna | 13000710 |
| Blower - Kawasaki (yellow) | 56002021 |
| Blower - PB500HT | P02311003668 |
| Blower - PB500HT | P02311003698 |
| Blower - PB500HT | P02311003707 |
| Blower - PB500HT | P02311003795 |
| Blower - PB500HT | P02311020201 |
| Blower - Shindawa | 4107423 |
| Blower (Back Pack) 1 Echo 50CC Model PB500T | 569311005757 |



| Description | Serial # |
|--------------------------------------|--------------|
| Blower (Backpack) | 904091 |
| Blower (Backpack) | 904093 |
| Blower (Backpack) | 904095 |
| Blower (Backpack) | 904097 |
| Blower (Backpack) | 285717301 |
| Blower (Backpack) | T14211001051 |
| Blower (black & white) | 1002106 |
| Blower (Miss) Model MD155DX-Maryuama | 267622333 |
| Blower (Miss) Model SR420Z-STILL | 267622355 |
| Blower back pak | 9535115-76 |
| Blower Backpack | 904107 |
| Blower Backpack | 80704100 |
| Blower Echo | P08211003528 |
| Blower Echo | P08211003546 |
| Blower Echo | PO8111001519 |
| Blower Echo 4600 | 21171 |
| Blower Echo 4600 | 9003418 |
| Blower Echo 4600 | 42023570602 |
| Blower Echo 4600 | 570411001510 |
| Blower Echo Model PB413-H | 2002773 |
| Blower Echo Model PB413-H | 2004160 |
| Blower Husquvarna | 2003214 |
| Blower Husquvarna | 3000795 |
| Blower Husquvarna | 3003206 |
| Blower Husquvarna | 5000061 |
| Blower Husquvarna | 5000435 |
| Blower Husquvarna | 7003839 |
| Blower Husquvarna | 10004766 |

| Description | Serial # |
|---------------------------------|-----------------|
| Blower Echo Model PB413-H | 9002264 |
| Blower Echo Model PB415T | P08111001232 |
| Blower Husquvarna 145BF | 2003219/2003223 |
| Blower Husquvarna | 1569 |
| Blower Husquvarna | 20001849 |
| Blower Husquvarna | 30002728 |
| Blower Husquvarna | 50000441 |
| Blower Husquvarna | 70924381 |
| Blower Low Noise - Echo PB460LN | P08211002855 |
| Blower Low Noise - Echo PB460LN | P08211003319 |
| Blower Low Noise - Echo PB460LN | P08211003392 |
| Blower Low Noise - Echo PB460LN | P0821100344 |
| Blower Low Noise - Echo PB460LN | P08211003529 |
| Blower Low Noise - Echo PB460LN | P08211003538 |
| Blower Low Noise - Echo PB460LN | P08211003541 |
| Blower Low Noise - Echo PB460LN | P08211003715 |
| Blower Low Noise - Echo PB460LN | P08211006691 |
| Blower Low Noise - Echo PB460LN | P08211006767 |
| Blower Red Max Model EB2500 | 216836 |
| Blower Red Max Model EB2500 | 71003044 |
| Blower Red Max Model EB2500 | E1325000 |
| Blower Redmax | 80206383 |
| Blower Redmax Model EBZ5000 | 50403101 |
| Blower Redmax Model EBZ5000 | 56300609 |
| Blower Solo backpack | |
| Blower Stihl | 271665391 |
| Blower Stihl | No serial# |
| Blower, Frame, Throthl | 4001266 |



| Description | Serial # |
|-------------------------------------------------|---------------|
| Blower, Frame, Throthl | 620001275 |
| Blower, Frame, Throthl | 620001276 |
| Blower, Frame, Throthl | 620001279 |
| Blower, Frame, Throthl | 4000726 |
| Blower, Frame, Throthl | 4000728 |
| Blower, Frame, Throthl | 4000736 |
| Blower, Frame, Throthl | 40000739 |
| Blower, Frame, Throthl | 4001279 |
| Blower/Hip Throttle - Echo PB413HC | P08011020164 |
| Blower/Hip Throttle - Echo PB413HC | P08011020184 |
| Blower/Hip Throttle - Echo PB413HC | P08011020191 |
| Blower/Hip Throttle - Echo PB413HC | P08011020193 |
| Blower/Hip Throttle - Echo PB413HC | P08011020197 |
| Blower-low noise | 1002836 |
| Blower-Redmax | EBZ9100-CA |
| Blower-Shindawa | 90717 |
| Bluebird 22" Flail Power rake | 072330206 |
| Bottle jack 10 tons | |
| Bulldog 500 Gallon Water trailer | |
| Cart Cushman | 99000804 |
| Chain Saw - Homelite | ATL1942287 |
| Chain Saw - Husqvarna | SM080300474 |
| Chain saw - STIHL (Big) | 30030006821 |
| Chain saw (small) - Echo | 2037266 |
| Chain Saw 1 Echo 32.6cc Chain Saw 14" bar top h | C078111002340 |
| Chain Saw 1 Echo 32.6cc Chain Saw 14" bar top h | C077111009382 |
| Chain Saw 14" | 285232710 |
| Chain Saw 14" | 285232715 |

| Description | Serial # |
|---------------------------------------|--------------|
| Chain Saw 14" | C07611009915 |
| Chain Saw 16" - Echo | C07611003642 |
| Chain Saw 16" - Echo | C07611007001 |
| Chain Saw Echo | 341 |
| Chain Saw Echo | 2027080 |
| Chain Saw Echo | 2054689 |
| Chain Saw Echo - 16" | C14709004338 |
| Chain Saw Echo - 16" | CS378-16 |
| Chain Saw Echo Model CS341 | 2027183 |
| Chain Saw Husqvarna 36cc | 74439484 |
| Chain Saw Stihl | 269159862 |
| Chainsaw - Echo | C08011005435 |
| Chainsaw - Echo small | 2029100 |
| Chainsaw - Stihl | 3005000409 |
| Chainsaw - Stihl | 11226610503 |
| Chainsaw - Stihl | 30050007409 |
| Chainsaw - Stihl | ms250 |
| Chainsaw 14" Echo-C-S 341 | C07611003730 |
| chainsaw 18" | 279612776 |
| Chainsaw 18" 3/8 62DL | C08111239931 |
| chainsaw 18" - STI MS250-18 | 278327202 |
| chainsaw 18" MS250-18 | 279612761 |
| Chainsaw 20" Echo-C-S 520 | 5019852 |
| Chainsaw 20" Echo-C-S 520 | 5033518 |
| Completing Kit - Exmark LHPUV | 109-1014 |
| Completion Kit - Exmark 109-1169 | |
| Cushman w/hi/low hydraulics & PTO kit | |
| Dethatcher - 22" Flail 5.5hp Hon | 81762524 |



| Description | Serial # |
|-------------------------------------------------|-------------------------|
| Dethatcher - 22" Flail 5.5hp Hon | 85075089 |
| Dethatcher PTO Vrismo (purchased from Eberhard) | |
| Dethatcher walk behind - BlueBird | 54262662 |
| Dethatcher walk behind - BlueBird | 72330206 |
| Drive kit 60" - Exmark 109-1167 | 109-1167 |
| Drive kit 60" - Exmark 109-1167 | |
| Edge Trimmer - Model 300-1C | B795989 |
| Edge Trimmer - Model 308-H | B66969 |
| Edge trimmer long | 569311004793 |
| Edger - Echo | ACN006662862 |
| Edger - Power trim | 5685110011570 |
| Edger - Power trim | B84597 |
| Edger - Power trim | 568511001565 |
| Edger - Power trim | 568511001644 |
| Edger 3.5 hp | C11444 |
| Edger 3.5 hp - POW200-4 | C07182 |
| Edger 3.5 hp - POW200-4 | C07223 |
| Edger 3.5 hp - POW200-4 | C07414 |
| Edger 3.5hp | C06522 |
| Edger 3.5hp | C11443 |
| Edger 3.5HP - POW 200-4 | C05761 / 0802213YA85180 |
| Edger 3.5HP - POW 200-4 | C05802 / 080213YA85196 |
| Edger 3.5HP - POW 200-4 | C06093 |
| Edger C05761 | 0802213YA25180 |
| Edger C05802 | 080213YA85196 |
| Edger Echo | 568511001524 |
| Edger Echo pe200 | 682111001143 |
| Edger Pole - Echo | 568511001483 |

| Description | Serial # |
|------------------------------|--------------|
| Edger Power Trim | B57935 |
| Edger Power Trim | B78716 |
| Edger Power Trim | B78717 |
| Edger Power Trim | B83926 |
| Edger Power Trim | B87644 |
| Edger Power Trim | B87852 |
| Edger Power Trim | BA7906 |
| Edger Power Trim 208 | 66777 |
| Edger Power Trim 308 | 72710 |
| Edger Power Trim 308 | 9001229 |
| Edger Power Trim - PE265C | 568511001508 |
| Edger Power Trim 308 | 6caat1119102 |
| Edger Power Trim Model 208-H | B79589 |
| Edger Stick | 9111088 |
| Edger Stick | 9111115 |
| Edger Stick | 9111978 |
| Edger Stick | 1001340 |
| Edger Stick | 6002219 |
| Edger Stick - Echo | 9092498 |
| Edger Stick - Echo | 60001916 |
| Edger Stick - Echo | E29111002326 |
| Edger Stick STIHL-FC-100 | 267090447 |
| Edger Stick STIHL-FC-100 | 269791095 |
| Edger Stick STIHL-FC-100 | 367090578 |
| Edger Stick Echo-LE242 | 9111087 |
| Edger Stick Echo-PE-261 | 6002515 |
| Edger Trimmer - Model 308-H | B43973 |
| Gator turf - John Deere | 19342 |



landscape services, inc.

| Description | Serial # |
|----------------------------|-----------------|
| Gator turf - John Deere | 19356 |
| Gator turf - John Deere | W004X2X090777 |
| Gator-john Deere | W04X2XD014093 |
| Gator-john Deere | W04X2XD0142236 |
| Gator-john Deere | W04X2XD014241 |
| Gator-john Deere | W0TURFPD002862 |
| Gator-john Deere | W0TURFPD003334 |
| Gator-john Deere | W0TURFPD0035691 |
| Gator-john Deere | W0TURF019344 |
| Gator-john Deere | W0TURFPD003335 |
| Gator-john Deere (Used) | W0TURPD002841 |
| Grinder Belly | |
| Grinder Dewal 41/2" | |
| Hedge Shear Echo | 564811010220 |
| Hedge Shear Echo | 6006058 |
| Hedge Shear Echo | 6006770 |
| Hedge Shear Echo | 6006798 |
| Hedge Shear Echo | 6008575 |
| Hedge Shear Echo | 6008816 |
| Hedge Shear Echo | 6009894 |
| Hedge Shear Echo | 6009981 |
| Hedge Shear Echo | 6010099 |
| Hedge Shear Echo | 569311005741 |
| Hedge Shear Echo Extension | 6004692 |
| Hedge Shear Echo Extension | 6008217 |
| Hedge Shear Echo Extension | 6014049 |
| Hedge Shear Echo Extension | 69311003529 |
| Hedge Shear Echo Extension | 569311004400 |

| Description | Serial # |
|----------------------------|--------------|
| Hedge Shear Echo Extension | 569311001274 |
| Hedge Shear TMC | 533404 |
| Hedge Shear TMC | 552890 |
| Hedge Shear TMC | 553495 |
| Hedge Shears - ECHO HC233 | 6004549 |
| Hedge trimmer | 588853 |
| Hedge trimmer | 588854 |
| Hedge trimmer | 588867 |
| Hedge trimmer | 588901 |
| Hedge Trimmer | 1004793 |
| Hedge Trimmer | 1005229 |
| Hedge Trimmer | 1005236 |
| Hedge Trimmer | 1005485 |
| Hedge trimmer | 1005488 |
| Hedge trimmer | 1005490 |
| Hedge Trimmer | 11003249 |
| Hedge Trimmer | 564811011231 |
| Hedge trimmer | 569311008840 |
| Hedge Trimmer | 11001362 |
| Hedge trimmer | 588853 |
| Hedge trimmer | 5009808 |
| Hedge Trimmer - 22.6cc | 390924 |
| Hedge Trimmer - Echo | 5001832 |
| Hedge Trimmer - Echo | 6004017 |
| Hedge Trimmer - Echo | 564811012945 |
| Hedge Trimmer - Echo | 569311008777 |
| Hedge Trimmer - Echo | 6006213 |
| Hedge Trimmer - Echo | 18080090 |



| Description | Serial # |
|----------------------------------------|--------------|
| Hedge Trimmer - Echo | 002923 |
| Hedge Trimmer - Echo | 5001087 |
| Hedge Trimmer - Echo | S64811010440 |
| Hedge Trimmer - Echo | S6481110509 |
| Hedge Trimmer - Echo (black) | 6002168 |
| Hedge Trimmer - Echo (orange) | 6001352 |
| Hedge Trimmer - Echo (white) | 6008220 |
| Hedge Trimmer - Echo (yellow) | 6006220 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001293 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001304 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001345 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001351 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001358 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001379 |
| Hedge Trimmer - Echo stick | 6006785 |
| Hedge Trimmer - Extension | 5009936 |
| Hedge Trimmer - Extension | S69311005497 |
| Hedge Trimmer - HC235 | S64811010752 |
| Hedge Trimmer - HC235 | S64811010803 |
| Hedge Trimmer - HCA265 | S64811010603 |
| Hedge Trimmer - HCA265 | S64811010791 |
| Hedge Trimmer - HCA265 | S64811013249 |
| Hedge Trimmer - HCA265 | S69311005493 |
| Hedge Trimmer - HCA265 | S69311005498 |
| Hedge Trimmer - HCA265 | S69311008876 |
| Hedge trimmer - HCA265 | S69311009043 |
| Hedge Trimmer - Large | 274102356 |
| Hedge Trimmer - Long Stihl | 272879981 |

| Description | Serial # |
|----------------------------------------------|---------------|
| Hedge Trimmer - Long Stihl | 274102350 |
| Hedge Trimmer - Redmax | 41206912 |
| Hedge Trimmer - Redmax | 41207528 |
| Hedge Trimmer - Shindawa | 5280 |
| Hedge Trimmer (black & white) | 06008-7 |
| Hedge Trimmer 22.6cc - PHT355OZ | 595293 |
| Hedge Trimmer 22.6cc - PHT355OZ | 595314 |
| Hedge Trimmer 30" | T08511002735 |
| Hedge Trimmer 30" FWRAP | 584337 |
| Hedge Trimmer 30" FWRAP | 584340 |
| Hedge Trimmer Echo | T43011001952 |
| Hedge Trimmer Echo | 6003820 |
| Hedge Trimmer Echo | 6006771 |
| Hedge Trimmer Echo | 6008602 |
| Hedge Trimmer Echo 30" | S64811011602 |
| Hedge Trimmer Echo 30" | T08511001886 |
| Hedge Trimmer Echo 30" | T08511001894 |
| Hedge Trimmer Echo 30" | T08511003279 |
| Hedge trimmer Echo Model HCA 261 | 6008321 |
| Hedge Trimmer Extension - Echo | S69111001057 |
| Hedge Trimmer Extension - Echo | E291110022075 |
| Hedge Trimmer Extension - Echo | E29111002258 |
| Hedge Trimmer Extension - Echo | E29111002284 |
| Hedge Trimmer Extension - Echo | S691110011019 |
| Hedge Trimmer Extension - Echo | S85411001015 |
| Hedge trimmer Redmax Model HT2-2400 | 41207698 |
| Hedge Trimmer Stick - Kawasaki | 39970 |
| Hedge Trimmer1 Echo 25.4CC Articulated Shaft | 80301400 |



| Description | Serial # |
|------------------------------------------------|----------------|
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 3693110024 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569211003769 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569311005041 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569311005757 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 699311006612 |
| Honda 4.1HP | C11597 |
| Honda 4.1HP | C11599 |
| Honda Engine HRC216K2HX4 | 1048355 |
| Interseeder walk behind Ryan | 92517128 |
| John Deere 1200A Bunker and Field Rake | T01200A165419 |
| Kaw W /Tarhead | 286340 |
| Kawasaki fe120 Pump 4.0 | |
| Keyboard Terminal - Motorola | added 11/16/09 |
| Laser - Shindaiwa | 697975 |
| Laser 48" - Exmark | 473852 |
| Laser 52" - Exmark | 480140 |
| Laser 52" - Exmark | no serial # |
| Lazer 50" 23HP Kaw - Exmark LHP23KA505 | 726393 |
| Lazer 56" Exmark - Model# LHP23KA565 | 617327 |
| Lazer 60" - Exmark 30HP w/ dump system | 641456/624012 |
| Lazer 60" 29HP Kaw - Exmark LXS29LKA605 | 745059 |
| Lazer 72" | 654124 |
| Lazer 72" | 634022 |
| Lazer 72" Exmark Ultravac | UV6672 |
| Lazer 942230 Z1726 kohler BHI 61" deck | 94223000222 |
| Lazer Exmark 52" - 27hp | 872875 |
| Lazer Exmark 52" - 27hp | LZZ27KC526 |
| Lazer Exmark 52" Rider | 290108 |

| Description | Serial # |
|-----------------------------------------|--------------|
| Laser 52" - Seag | FH680VB98531 |
| Laser 56" - Exmark | 657938 |
| Laser 56" - Exmark | 676013 |
| Laser 72" - Exmark | 69797 |
| Laser 72" - Exmark | 613906 |
| Laser 72" - Exmark | N358061 |
| Laser 72" mower | 411300951 |
| Laser XS 72" - Exmark | 677887 |
| Laser XS 72" - Exmark | 697977 |
| Laser 23hp 56" LHP Kaw | 699690 |
| Lazer 29HP KAW 60" - Exmark LXS29LKA605 | 745070 |
| Lazer 36" Exmark - Model# M15KA362 | 651011 |
| Lazer Exmark 72" - 29hp | 852748 |
| Lazer Exmark 72" - 34hp | LZZ34KA726 |
| Lazer Mower Bagging System | 981286 |
| Lazer mower ultravac | 925180 |
| Lazer-Z 29HP 72" - Exmark LXS29LKA725 | 728159 |
| Lazer-Z 72" 34 hp Kawasaki | 883156 |
| Lazer-Z 72" 29 hp | 613921 |
| Lazer-Z 72" 29 hp | 728129 |
| Lazer-Z 72" Exmark | 954373 |
| Lazer-Z 72" Exmark | 954374 |
| Lazer-Z 72" Exmark | 954375 |
| Lazer-Z 72" Exmark | 954386 |
| Lazer 72" exmark lazer-z w/ 29HP | 954371 |
| Lazer 72" exmark lazer-z w/ 29HP | 954372 |
| Lazer 72" exmark lazer-z w/ 29HP | 954380 |
| Lazer 72" exmark lazer-z w/ 29HP | 954381 |



| Description | Serial # |
|------------------------------------------------|---------------------------|
| 72" exmark lazer-z w/29HP | 954382 |
| 72" much kit | |
| Lazor 52" | 222842 |
| Levy Broadcaster new | 4800669 |
| Lily spreader | 23202000/9360692 |
| Lily spreader tow behind | |
| Metro 36" W/Pist Grip | 708499 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799797 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799798 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799799 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799800 |
| Mower - Bobcat 218 Estatet18HP Briggs 52" deck | 94221101093 |
| Mower - Bobcat 218 Estatet18HP Briggs 52" deck | 94221101370 |
| Mower - Exmark "Lazer HP 50" | 292002 |
| Mower - Exmark "Lazer HP 50" | 604495 |
| Mower - Exmark "metro 21" | 445996 |
| Mower - Exmark "Navigator | 35204014 |
| Mower - Exmark 21" with new engine | 446008 |
| Mower - Exmark 36" | 392595 |
| Mower - Exmark 36" Model M15KA362 | 655254 |
| Mower - Honda | 569039 |
| Mower - Honda "Fail" reel | GC02-7030978 |
| Mower - John Deere 3235C | CC3235C020879-Tag49M/0029 |
| Mower - Maka-Honda 21' | 102157 |
| Mower - Maka-Honda 21' | 1014168 |
| Mower - tru cut P-20 reel | 828805 |
| Mower (Walk behind) Ex-Mark Model M3615KA | 485930 |
| Mower (Walk behind) Ex-Mark Model M3615KA | 485955 |

| Description | Serial # |
|--------------------------------------------|-----------------------|
| Mower 12" Comm.S/P Hyd | MAKA1053206 |
| Mower (Walk behind) Ex-Mark Model TT3615KA | 497003 |
| Mower 21" | 647115 |
| Mower 21" - Exmark | EJ180VF0437 |
| Mower 21" - Ex-mark | 267622291 |
| Mower 21" - Honda | 1052109 |
| Mower 21" - Honda | M2AN620580 |
| Mower 21" - John Deere | 6xjs25c170834 |
| Mower 21" - Metro | 559923 |
| Mower 21" - Toro | #260003887 |
| Mower 21" Exmark 6PH kaw | 745677 |
| Mower 21" Honda | MZAN - 6203925 |
| Mower 21" Kawasaki | 6206583 /FT180VF76265 |
| Mower 21" Metro SP-Exmark | 662972 |
| Mower 21" Push - Exmark-N6KA21B | 647095 |
| Mower 21" Push - Exmark-NFKA21 | 662969 |
| Mower 26" - Metro | 738046 |
| Mower 36" - Exmark | 485956 |
| Mower 36" - Exmark | 646087 |
| Mower 36" Exmark | 376648 |
| Mower 36" Walk behinds - Exmark | 229293 |
| Mower 36" Walk behinds - Exmark | 266229 |
| Mower 36" Walk behinds - Exmark | 297908 |
| Mower 36" Walk behinds - Exmark | 370429 |
| Mower 36" Walk behinds - Exmark | 561791 |
| Mower 48" Rider - Exmark Model LHP4823 | 269543 |
| Mower 50" ride on - Exmark | FH680vb71282 |
| Mower 56" ride on - Exmark | 617329 |



| Description | Serial # |
|-------------------------------------------|-------------|
| Mower 60" ride on - Exmark | 570013 |
| Mower 60" Vericut PTO | V108179-60 |
| Mower 72" - Exmark Lazer mower" | 53-191067 |
| Mower 72" - Exmark Lazer mower" | N45794B |
| Mower Back behind 36" Metro 17HP KAW-M17K | 824994 |
| Mower Bobcat 218 52" Rider | 94221101368 |
| Mower BobCat 60" mulching | 94223000215 |
| Mower Bobcat Rider 52" | 94001101366 |
| Mower Bobcat Rider 60" | 94000400146 |
| Mower Bobcat Rider 60" | 94222400144 |
| Mower Ex-Mark - Rider Model LHP4820KC | 567432 |
| Mower Exmark 36" Walk behind | 245407 |
| Mower Exmark 36" Walk behind | 262382 |
| Mower Exmark 36" Walk behind | 411449 |
| Mower Exmark 36" Walk behind | 658966 |
| Mower Exmark 52" Lazer Rider | 632938 |
| Mower Exmark 52" Lazer Rider | 676012 |
| Mower Honda 21" HRC 216 | 1020425 |
| Mower Honda 21" HRC 216 | 1026378 |
| Mower Honda 21" HRC 216 | 1029172 |
| Mower Honda 21" HRC 216 | 1052132 |
| Mower Honda 21" HRC 216 | 1052469 |
| Mower Honda 21" HRC 216 | 1053974 |
| Mower Honda 21" HRC 216 | 1093834 |
| Mower Honda 21" HRC 216 | 6139675 |
| Mower Honda 21" HRC 216 | 6165055 |
| Mower Honda 21" HRC 216 | 6175763 |
| Mower Honda 21" HRC 216 | 6193150 |

Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

A.10.a

| Description | Serial # |
|--------------------------------------------------|--------------------------|
| Mower Honda 21" HRC 216 | 6193869 |
| Mower Honda 21" HRC 216 | 6198154 |
| Mower Honda 21" HRC 216 | 10083780 |
| Mower Honda 21" HRC 216 | HRC2163HX |
| mower -jacobson LF-4677-7 gang reel - Kubota Tr | Model-ser67916-00001702 |
| mower -jacobson Tri King 1900D 84" triplex -6704 | D6623C0280 |
| mower jacobson 5-gang reel - LF3400 | 67868-1831 |
| mower jacobson 5-gang reel - LF3800 | 67867-2098 |
| Mower jacobson Tri-king - #00003801 | 67043 |
| Mower John Deere 220 walk behind | #4950094 / M0220B2010302 |
| Mower John Deere 2653A | 53D140077 / Tag#49M0033 |
| Mower John Deere 3235C | #49M0389 / TC3235C030423 |
| Mower Kawasaki 21" 6.5hp | 443300 |
| Mower Kawasaki 21" 6.5hp | 443301 |
| Mower Kawasaki 21" 6.5hp | 523206 |
| Mower Kawasaki 21" 6.5hp | 670627 |
| Mower Model MMDEL TT3615 | 266144 |
| Mower Ride Along 48" LHP 483 KA | 514648 |
| Mower Ride Along 52" LHP 483 KA | 516897 |
| mower transferred from Santa Ana 21" - Honda | MAKA1020157 |
| mower walk behind 21" snapper - 7800372 | 2012866971 |
| Mower Walk behind 21"-Model HRC216KSXA | MZAU-6162377 |
| Mower Walk Behind 36" Model MMDEL TT3615 | 497062 |
| mower walk behind reel-Tru cut reel mower | 825330 |
| Mower Walk behind-Model HRC216KSXA | MZAU-6141423 |
| Mower Walk behind-Model HRC216KSXA | MZAU-6190475 |
| Mower -2010 Real Master 5510 | 310000101 |
| Overseeder - Model #O51848 A19985 | 461801 |



| Description | Serial # |
|-------------------------------------------------|-------------------|
| Pole pounder | |
| Power Wash DE-walt | 67DX39G11 |
| Power Washer - Steam X | 1280002750 |
| Pressure Washer - Husky | 6548190 |
| Pressure Washer Dual 2007 | 1100049564 |
| Pressure Washer ML-T-M Model SP2703-OM/HB | 10220432 |
| Pump - Home lite | 10540726 |
| Rake Used John Deere 1200H Hydro 3wd w/ plow | |
| RakeUsed Smithco Super Star Hydro | |
| Reciprecator Red Max Model 6Z25N | 6006294 |
| Remote controllers rain master \$1,100.00/ each | |
| Rotor Tiller | FRC800 |
| Rotor tiller - Honda 5 HP | 1009422 |
| Rototiller | T15266 |
| Rototiller Barreto - 13H8 | GCAKL-1026721 |
| SCAG "Tiger Cub" | 7690232 |
| Shred Vac - Echo | 6003971 |
| Sod cutter 18" /Blue Bird - Honda | 83669572 |
| Sod cutter ryan | 54494506735 |
| Soil reliever | |
| Spray Can | 476-1704 |
| Spray Can | 476-2003 |
| Spray Can | 476-2104 |
| Sprayer - Hicks Model GX120 | None |
| Sprayer - Lesco Commercial plus | 1661201 |
| Sprayer - Lesco Model 1520-17-18-RT | 7045940C085Z20006 |
| Sprayer - Solar Model 3-5 | None |
| Sprayer Hicks farms supply (5330c-x) | 00200-10004 |

| Description | Serial # |
|-----------------------------------------------|-----------------------------|
| Sprayer Lesco kawasaky | 1607962 |
| Sprayer Schlaben | 456902 |
| Sprayer Solo back pack | |
| Sprayer Toro Boom | 90454 |
| Spreader #80 SS Commercial | 45256 |
| Spreader & Sprayer Lesco "Ride on | 1008900 |
| Spreader commercial | 091186A250X100233 |
| Spreader commercial | 091186E050X100097 |
| Spreader commercial | 091186E050X100140 |
| Spreader commercial | 091186H208X100358 |
| Spreader Larger fert. (red) | |
| Spreader Mannual Walk Behind - Lesco | |
| Spreader Mannual Walk Behind - Priselawn CRB | |
| Spreader Mannual Walk Behind - SPYKER 288-SUR | |
| Spreader Small fert. (red) | |
| Stump Grinder | 1J9MA1218A1167152 |
| stump pump | |
| Thatch attacher "old yellow" deth | 94100507 |
| Top dresser turf tger | A20702 |
| Top Dresser Turfco Walkbehind | 85417/692121 |
| Toro vacuum | 07073-0008 |
| Tractor - John Deere | front loader W000520X014043 |
| Tractor - John Deere 5210 | LV52105123603 |
| Tractor - John Deere A20816 | LV52105123602 |
| Tractor Kubota - A0782 | LB702 |
| Tractor Kubota - L3131DT | 50783 |
| Trailer - John Deere | TC022BX010203 |



| Description | Serial # |
|--------------------------------------|-------------------|
| Trencher - Lesco | IVRX05IE351001456 |
| Trin Diesel Triplx 3WD | TC25530110625 |
| Trimmer - Lesco | 569311001162 |
| Trimmer 25.4cc String - SRM2655C | 565911003952 |
| Trimmer 25.4cc String - SRM2655C | 565911003968 |
| Trimmer 25.4cc String-SRM2655C | 565911003949 |
| Trimmer 25.4cc String-SRM2655C | 565911003965 |
| Trimmer 25.4cc String-SRM2655C | 565911006174 |
| Trimmer 25.4cc String-SRM2655C | 565911006230 |
| Trimmer 25.4cc String-SRM2655C | 565911006275 |
| Trimmer 25.4cc String-SRM2805C | 566611006304 |
| Trimmer 25.4cc String-SRM2805C | 566611006398 |
| Trimmer 26cc CA APRV | 1001718 |
| Trimmer 26cc CA APRV | 11001736 |
| Trimmer 27cc hd S. TFC | 446060 |
| Trimmer 34.4cc String-KPW3600VL | 36100685 |
| Trimmer 34.4cc String-KPW3600VL | 36100686 |
| Trimmer Articulating | 9122580 |
| Trimmer Articulating | 9122819 |
| Trimmer commercial string | T42211001112 |
| Trimmer commercial string | T42211001144 |
| Trimmer commercial string | T42211001169 |
| Trimmer commercial string -SRM-266sc | T42211001006 |
| Trimmer Commercial string -SRM-266sc | T42211001012 |
| Trimmer Commercial string -SRM-266sc | T42211001024 |
| Trimmer Commercial string -SRM-266sc | T42211001034 |
| Trimmer Commercial string -SRM-266sc | T42211001047 |
| Trimmer Commercial string -SRM-266sc | T42211001054 |

| Description | Serial # |
|--------------------------------|--------------|
| Trimmer Echo | 2001481 |
| Trimmer Echo | 6002118 |
| Trimmer Echo | 6013084 |
| Trimmer Echo | 6015047 |
| Trimmer Echo | 6015191 |
| Trimmer Echo | 6015267 |
| Trimmer Echo | 6016424 |
| Trimmer Echo | 6022453 |
| Trimmer Echo | 6047779 |
| Trimmer Echo | 6047779 |
| Trimmer Echo | 56631279 |
| Trimmer Echo | 64811005685 |
| Trimmer Echo | 565911004181 |
| Trimmer Echo String - SRM2805C | 566611005150 |
| Trimmer Hedge - Echo HC235 | 564811010395 |
| Trimmer Hedge - Echo HC235 | 564811010408 |
| Trimmer Hedge - Echo HC235 | 564811010577 |
| Trimmer Hedge - Echo HC235 | 564811010650 |
| Trimmer Hedge - Echo HCA265 | 569311001258 |
| Trimmer Hedge - Echo HCA265 | 569311003610 |
| Trimmer Hedge - Echo HCA265 | 569311004779 |
| Trimmer Hedge - Echo HCA265 | 569311004935 |
| Trimmer Hedge - Echo HCA265 | 569311004942 |
| Trimmer Hedge - Echo HCA265 | 569311005058 |
| Trimmer Hedge - Echo HCA265 | 569311005091 |
| Trimmer Hedge - Echo HCA265 | 569311005115 |
| Trimmer Hedge - Echo HCA265 | 569311005122 |
| Trimmer Hedge - Echo HCA265 | 569311005177 |
| Trimmer Hedge - Echo HCA265 | 569311005232 |



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| Description | Serial # |
|------------------------------------------|--------------|
| Trimmer Hedge - Echo HCA265 | 569311005254 |
| Trimmer Hedge - Echo HCA265 | 569311005282 |
| Trimmer Hedge - Echo HCA265 | 569311005492 |
| Trimmer Hedge - Echo HCA265 | 569311008883 |
| Trimmer Hedge - Echo HCA265 | 569311008903 |
| Trimmer Hedge - Echo HCA265C | 569311004990 |
| Trimmer Hedge - Echo HCA265C | 569311005233 |
| Trimmer Line - Model 62087 Shindaiwa | 6103803 |
| Trimmer Line - Echo Model SRM 216T | 0606537 |
| Trimmer Line - Model 62117 Shindaiwa | 8024481 |
| Trimmer Line - Model 62119 Shindaiwa | 7110427 |
| Trimmer Line - Model T261 Shindaiwa | 6093807 |
| Trimmer Line - Model T261 Shindaiwa | 7110428 |
| Trimmer Line 1 Echo 25.4cc | C0801003674 |
| Trimmer Line 1 Echo 25.4cc Model SRM2651 | P02011001595 |
| Trimmer Line 1 Echo 25.4cc Model SRM2651 | 866011005118 |
| Trimmer Pole - Echo | 5008537 |
| Trimmer Pole - Echo | 56911001130 |
| Trimmer Pole - Echo | 564811005347 |
| Trimmer Pole - Echo | 569111001127 |
| Trimmer Pole - Echo | 4011573 |
| Trimmer Shindawa | 5030469 |
| Trimmer Shindawa | 6045452 |
| Trimmer Shindawa | 6052647 |
| Trimmer Shindawa | 6052648 |
| Trimmer Shindawa | 6114245 |
| Trimmer Shindawa | 6114257 |
| Trimmer Shindawa | 7110475 |

| Description | Serial # |
|------------------------------------------------|----------------|
| Trimmer String | 9100603 |
| Trimmer String | 9116170 |
| Trimmer String | 9116173 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003451 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003458 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003513 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003518 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911006270 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911006297 |
| Trimmer String 25.1cc - Echo SRM265SC (broken) | 565911003461 |
| Trimmer String 25.4 cc - Echo SRM265SC | 565911003158 |
| Trimmer String 25.4 cc - Echo SRM265SC | 565911003784 |
| Trimmer String 33.3 - KPW3420ZL | 80528 / 320565 |
| Trimmer Shindawa | 7110712 |
| Trimmer Shindawa | 8031139 |
| Trimmer Shindawa | 8031287 |
| Trimmer Shindawa | 8031288 |
| Trimmer Shindawa | 9022989 |
| Trimmer Solid Shaft | 9022990 |
| Trimmer Solid Shaft | 7110711 |
| Trimmer Solid Shaft | 1001395 |
| Trimmer Solid Shaft - Echo | no serial # |
| Trimmer String 33.3 - KPW3420ZL | 80541 / 320564 |
| Trimmer String Echo-SRM261S | 6015183 |
| Trimmer String Echo-SRM261S | 6015214 |
| Trimmer String Echo-SRM261S | 6016156 |
| Trimmer String Echo-SRM261S | 6016637 |



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Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| Description | Serial # |
|-------------------------------------------------|-----------------------------|
| Trimmer String Echo-SRM261S | 6016786 |
| Trimmer String Echo-T282X/C | 9022981 |
| Trimmer String Echo-T282X/C | 9022982 |
| Trimmer Tension - Echo | 6006992 |
| Trimmer Tension - Echo | 6006808 |
| Turf Gator - Gas Ut Cart | 1916 |
| Turf Gator - Gas Ut Cart | W00TURF018472 |
| Ultravac 60" - Exmark UV60 | 737517 |
| Ultravac 60" - Exmark UV60 | 774221 |
| Ultravac 66"/72" - Exmark UV6672 | 659068 |
| Vacuum - Model BG845P | 091698061 |
| Vacuum Billy Goat | 1290841 |
| Vacuum Billy Goat | 62606261 |
| Verticore - John Deere 1500 | |
| Verticore #1700 (sold to Eberhard for STM 1500) | a1395 |
| Verticore Jacobsen Walk behind | 825592361 |
| Verticutter -Graden Swing Wing | |
| VIBE Plate, Honda GX160 with water tank | U-5380 |
| Vacuum Honda | 80805436 |
| Water Pump - Honda | 1100403 |
| Water Pump - Honda | 1102531 |
| Water Tank Small | |
| Weed eater | 25 / New #496060 (repaired) |
| Weed eater - Echo | 1001534 |
| Weed eater - Echo | 6009591 |
| Weed Eater - Echo | 6016614 |
| Weed eater - Echo | 6016775 |
| Weed eater - Echo | 269413797 |

| Description | Serial # |
|----------------------------------|-----------------------------|
| Weed Eater - Echo SRM 261S | 6009976 |
| Weed Eater - Shindaiwa | T268 |
| Weed eater - Shindowa | 5058847 |
| Weed eater (black & white) | 6028448 |
| Weed eater 33.3cc Kaw w/ taphead | 286578 |
| Weed eater 33.3cc Kaw w/ taphead | 286579 |
| Weed eater 33.3cc Kaw w/ taphead | 286581 |
| Weed Wacker - Echo | 566311001657 |
| Weed Wacker - Echo | 566711005600 |
| Weed Wacker - Echo | 566911005573 |
| Weed Wacker - Echo | 5667111001405 |
| Weed Wacker - Echo | no serial # |
| Weedeater - Echo | 6008312 |
| Weedeater - Echo (blue & gray) | No number |
| Weedeater - Echo (blue) | 6009454 |
| Weedeater - Echo (Blue) | 6028575 |
| Weedeater - Echo (Orange) | 6008348 |
| Weedeater - Shindowa (Red) | 5058848 |
| Weedeater - Shindowa (Red) | 5058850 |
| Weed eater - Echo | 269413804 |
| Weed Eater - Echo | E29111001978 |
| Weed Eater - Echo | E29111002085 |
| Weed Eater - Echo | E29111002091 |
| Weed Eater - Echo | E29111002271 |
| Weed Eater - Echo | E29211020671 |
| Weed Eater - Echo | O6014135 |
| Weed eater - Echo | 5 (old)/56931100509 (new #) |
| Weed eater - Echo | 566311001287 |



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Attachment: Agreement for LD-SOUTH (Zone 04 Passes) (1981 : AWARD OF AN INDEPENDENT

| Description | Serial # |
|-------------------------------|--------------|
| Weed Eater - Echo | S66311001668 |
| Weed eater - Echo | S66311001718 |
| Weed Eater - Echo | S66611003118 |
| Weed Eater - Echo | S66711005455 |
| Weed Eater - Echo | S66711005762 |
| Weed Eater - Echo | S66711005782 |
| Weed eater - Echo | 6015382 |
| Weed eater - Echo (black) | 6011323 |
| Weed eater - Echo (green) | 6014956 |
| Weed eater - Echo (yellow) | 6009427 |
| Weed Eater - Echo SRM 2615 | 6006275 |
| Weed Eater - Echo SRM 2615 | 6009440 |
| Weed Eater - Echo SRM 2615 | 6009446 |
| Weight Kit - Exmark 103-5633 | 103-5633 |
| Weight Kit - Exmark 103-5633 | |
| Weight Kit - Exmark 103-5633 | |
| Weight Kit Front - Exmark | 103-5629 |
| Wheel 3.5 B&S 8" | 2039 |
| Wheel 3.5 B&S 8" | 2035 |
| Wheel Barrel - Jackson (blue) | |
| Wheel Barrow - True Temper | |
| Wire locator - 521P | |
| Wire Locator 521 | |

INDEPENDENT CONTRACTOR AGREEMENT
RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH

MAINTENANCE OF PARKWAY AND MEDIAN
 LANDSCAPING AND IRRIGATION

This Agreement, herein referred to as "Agreement" or "Contract" is made by and between the City of Moreno Valley, a California municipal corporation and/or the Moreno Valley Community Services District, a Community Services District established pursuant to Section 61000 and following of the California Government Code, with its principal place of business at 14177 Frederick Street, Moreno Valley, CA 92552 hereinafter referred to as "City" and Merchants Landscape Services, Inc., a corporation, with its principal place of business at 1510 South Lyon Street, Santa Ana, California, 92705, hereinafter referred to as the "Contractor," based upon City policies and the following legal citations:

RECITALS

- A. Government Code Section 53060 authorizes the engagement of persons to perform special services as independent contractors; and
- B. Contractor desires to perform and assume responsibility for the provision of professional landscape and irrigation maintenance contracting services required by the City based upon on the term and conditions set forth in this Agreement. Contractor represents that it is experienced in providing professional landscape and irrigation maintenance contracting services and is licensed in the State of California; if applicable;
- C. The City desires to engage Contractor to render such services for landscape and irrigation maintenance as set forth in this agreement;
- D. The public interest, convenience, necessity and general welfare will be served by this Agreement; and
- E. This Agreement is made and entered into effective the date the City signs this Agreement.

1. CONTRACTOR INFORMATION:

| | |
|-------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Contractor's Name | <u>Merchants Landscape Services, Inc.</u> |
| Street Address | <u>1510 South Lyon Street</u> |
| Street Address | <u></u> |
| City, State, Zip | <u>Santa Ana, CA 92705</u> |
| Mailing Address | <u>Same as above</u> |
| (If same as Street Address, write same or same as above) | <u></u> |
| Business Phone (with area code) | <u>800-645-4881</u> |
| Cell or Mobile Phone (with area code) | <u></u> |
| Other Contact Number (with area code) | <u></u> |
| Fax Number | <u></u> |
| Email Address | <u>patrick@merchantslandscape.com</u> |
| Social Security Number | <u></u> |
| Business License Number | <u></u> |
| Federal Tax ID Number | <u>95-4725606</u> |
| Contractor's License Number & Classification | <u>765658 C27</u> |

2. CONTRACTOR SERVICES, FEES, AND RELEVANT DATES:

- A. The Contractor's scope of service is described in Exhibit "A" attached hereto and incorporated herein by this reference.
- B. The City's responsibilities, other than payment, are described in Exhibit "B" attached hereto and incorporated herein by this reference.
- C. Payment terms are provided in Exhibit "C" attached hereto and incorporated herein by this reference.
- D. The term of this Agreement shall be from July 1, 2016 to June 30, 2017 unless terminated earlier as provided herein. The City acknowledges that it will not unreasonably withhold approval of the Contractor's requests for extensions of time in which to complete the work required. The Contractor shall not be responsible for performance delays caused by others or delays beyond the Contractor's reasonable control (excluding delays caused by non-performance or unjustified delay by Contractor, his/her/its employees, or subcontractors), and such delays shall extend the time for performance of the work by the Contractor.
- E. Contractor's Proposal, including but not limited to the Proposal Schedule, Additional Work Price List, Contract Proposal, Proposed Project Work Schedules, Proposed Annual Material Schedule, Contractor Information, Certification of Non-Discrimination, and List of Subcontractors, are described in Exhibit "E" attached hereto and incorporated by this reference.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

3. STANDARD TERMS AND CONDITIONS:

- A. Control of Work. Contractor is solely responsible for the content and sequence of the work, and will not be subject to control and direction as to the details and means for accomplishing the anticipated results of services. The City will not provide any training to Contractor or his/her/its employees.
- B. Intent of Parties. Contractor is, and at all times shall be, an independent contractor and nothing contained herein shall be construed as making the Contractor or any individual whose compensation for services is paid by the Contractor, an agent or employee of the City, or authorizing the Contractor to create or assume any obligation or liability for or on behalf of the City, or entitling the Contractor to any right, benefit, or privilege applicable to any officer or employee of the City.
- C. Subcontracting. Contractor may retain or subcontract for the services of other necessary contractors with the prior written approval of the City. Payment for such services shall be the responsibility of the Contractor. Any and all subcontractors shall be subject to the terms and conditions of this Agreement, with the exception that the City shall have no obligation to pay for any subcontractor services rendered. Contractor shall be responsible for paying prevailing wages where required by law [See California Labor Code Sections 1770 through 1777.7].
- D. Conformance to Applicable Requirements. All work prepared by Contractor shall be subject to the approval of City.
- E. Substitution of Key Personnel. Contractor has represented to City that certain key personnel will perform and coordinate the services under this Agreement. Should one or more of such personnel become unavailable, Contractor may substitute other personnel of at least equal competence upon written approval of City. In the event that City and Contractor cannot agree as to the substitution of key personnel, City shall be entitled to terminate this Agreement for cause. As discussed below, any personnel who fail or refuse to perform the services in a manner acceptable to the City, or who are determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project or a threat to the safety of persons or property, shall be promptly removed from the project by the Contractor at the request of the City. The key personnel for performance of this Agreement are as follows: Patrick Healy.
- F. City's Representative. The City hereby designates the City Manager, or his or her designee, to act as its representative for the performance of this Agreement ("City's Representative"). Contractor shall not accept direction or orders from any person other than the City's Representative or his or her designee.
- G. Contractor's Representative. Contractor hereby designates Patrick Healy, or his or her designee, to act as its representative for the performance of this Agreement ("Contractor's Representative"). Contractor's Representative shall have full authority to represent and act on behalf of the Contractor for all purposes under this Agreement. The Contractor's Representative shall supervise and direct the

services, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences and procedures and for the satisfactory coordination of all portions of the services under this Agreement.

- H. Legal Considerations. The Contractor shall comply with applicable federal, state, and local laws in the performance of this Agreement. Contractor shall be liable for all violations of such laws and regulations in connection with services. If the Contractor performs any work knowing it to be contrary to such laws, rules and regulations and without giving written notice to the City, Contractor shall be solely responsible for all costs arising therefrom. Contractor shall defend, indemnify and hold City, its officials, directors, officers, employees and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or alleged failure to comply with such laws, rules or regulations.
- I. Standard of Care; Performance of Employees. Contractor shall perform all services under this Agreement in a skillful and competent manner, consistent with the standards generally recognized as being employed by professionals in the same discipline in the State of California. Contractor represents and maintains that it is skilled in the profession necessary to perform the services. Contractor warrants that all employees and subcontractor shall have sufficient skill and experience to perform the services assigned to them. Finally, Contractor represents that it, its employees and subcontractors have all licenses, permits, qualifications and approvals of whatever nature that are legally required to perform the services and that such licenses and approvals shall be maintained throughout the term of this Agreement. Any employee of the Contractor or its subcontractors who is determined by the City to be uncooperative, incompetent, a threat to the adequate or timely completion of the project, a threat to the safety of persons or property, or any employee who fails or refuses to perform the services in a manner acceptable to the City, shall be promptly removed from the project by the Contractor and shall not be re-employed to perform any of the services or to work on the project.
- J. Contractor Indemnification. Contractor shall indemnify, defend and hold the City, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District (CSD), their officers, agents and employees harmless from any and all claims, damages, losses, causes of action and demands, including, without limitation, the payment of all consequential damages, expert witness fees, reasonable attorney's fees and other related costs and expenses, incurred in connection with or in any manner arising out of Contractor's performance of the work contemplated by this Agreement and this Agreement. Acceptance of this Agreement signifies that the Contractor is not covered under the City's general liability insurance, employee benefits, or worker's compensation. It further establishes that the Contractor shall be fully responsible for such coverage. Contractor's obligation to indemnify shall survive expiration or termination of this Agreement, and shall not be restricted to insurance proceeds, if any, received by

the City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees.

- K. Additional Indemnity Obligations. Contractor shall defend, with counsel of City’s choosing and at Contractor’s own cost, expense and risk, any and all claims, suits, actions or other proceedings of every kind covered by Section “J” that may be brought or instituted against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees. Contractor shall pay and satisfy any judgment, award or decree that may be rendered against City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Contractor shall also reimburse City for the cost of any settlement paid by City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees as part of any such claim, suit, action or other proceeding. Such reimbursement shall include payment for City’s attorney’s fees and costs, including expert witness fees. Contractor shall reimburse City, the Moreno Valley Housing Authority, and the CSD, and their officers, agents and employees for any and all legal expenses and costs incurred by each of them in connection therewith or in enforcing the indemnity herein provided.

- L. Insurance Requirements. The Contractor will comply with the following insurance requirements at its sole expense. Insurance companies shall be rated (A Minus: VII—Admitted) or better in Best’s Insurance Rating Guide and shall be legally licensed and qualified to conduct business in the State of California:

The Contractor shall procure and maintain, at its sole expense, Workers’ Compensation Insurance in such amounts as will fully comply with the laws of the State of California and which shall indemnify, insure and provide legal defense for the Contractor and the City, the Housing Authority and CSD against any loss, claim, or damage arising from any injuries or occupational diseases happening to any worker employed by the Contractor in the course of carrying out the Agreement. This coverage may be waived if the Contractor is determined to be functioning as a sole proprietor and the city provided form “Exception to Worker’s Compensation Coverage” is signed, notarized and attached to this Agreement

General Liability Insurance—to protect against loss from liability imposed by law for damages on account of bodily injury, including death, and/or property damage suffered or alleged to be suffered by any person or persons whomever, resulting directly or indirectly from any act or activities of the Contractor, sub-Contractor, or any person acting for the Contractor or under its control or direction. Such insurance shall be maintained in full force and effect throughout the terms of the Agreement and any extension thereof in the minimum amounts provided below:

- Bodily Injury \$1,000,000 per occurrence/ \$2,000,000 aggregate

- Property Damage \$500,000 per occurrence/ \$500,000 aggregate

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Professional Errors and Omission Insurance—such coverage shall not be less than \$1,000,000 per claim and aggregate.

Liability and Property Damage Insurance coverage for owned and non-owned automotive equipment operated on City/CSD/Housing Authority premises. Such coverage limits shall not be less than \$1,000,000 combined single limit.

A Certificate of Insurance and appropriate additional insured endorsement evidencing the above applicable insurance coverage shall be submitted to the City prior to the execution of this Agreement. The Certificate of Insurance or an appropriate binder shall bear an endorsement containing the following provisions:

Solely as respect to services done by or on behalf of the named insured for the City of Moreno Valley, it is agreed that the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, their officers, employees and agents are included as additional insured under this policy and the coverage(s) provided shall be primary insurance and not contributing with any other insurance available to the City of Moreno Valley, the Moreno Valley Housing Authority, and the Moreno Valley Community Services District, its officers, employees and agents, under any third party liability policy

The terms of the insurance policy or policies issued to provide the above coverage shall neither be amended to reduce the required insurance limits and coverages nor shall such policies be canceled by the carrier without thirty (30) days prior written notice by certified or registered mail of amendment or cancellation to the City, except that cancellation for non-payment of premium shall require ten (10) days prior written notice by certified or registered mail. In the event the insurance is canceled, the Contractor shall, prior to the cancellation date, submit new evidence of insurance in the amounts established.

- M. Intellectual Property. Any system or documents developed, produced or provided under this Agreement, including any intellectual property discovered or developed by Contractor in the course of performing or otherwise as a result of its work, shall become the sole property of the City unless explicitly stated otherwise in this Agreement. The Contractor may retain copies of any and all material, including drawings, documents, and specifications, produced by the Contractor in performance of this Agreement. The City and the Contractor agree that to the extent permitted by law, until final approval by the City, all data shall be treated as confidential and will not be released to third parties without the prior written consent of both parties.

- N. Entire Agreement. This Agreement constitutes the entire agreement between the parties. There are no understandings, agreements, or representations of warranties, expressed or implied, not specified in this Agreement. This Agreement applies only to the current proposal as attached. This Agreement may be modified or amended only by a subsequent written Agreement signed by both parties. Assignment of this Agreement is prohibited without prior written consent.
- O. (a) The City may terminate the whole or any part of this Agreement at any time without cause by giving at least ten (10) days written notice to the Contractor. The written notice shall specify the date of termination. Upon receipt of such notice, the Contractor may continue work through the date of termination, provided that no work or service(s) shall be commenced or continued after receipt of the notice which is not intended to protect the interest of the City. The City shall pay the Contractor within thirty (30) days after receiving any invoice after the date of termination for all non-objected to services performed by the Contractor in accordance herewith through the date of termination.
- (b) Either party may terminate this Agreement for cause. In the event the City terminates this Agreement for cause, the Contractor shall perform no further work or service(s) under the Agreement unless the notice of termination authorizes such further work.
- (c) If this Agreement is terminated as provided herein, City may require Contractor to provide all finished or unfinished documents and data and other information of any kind prepared by Contractor in connection with the performance of services under this Agreement. Contractor shall be required to provide such documents and other information within fifteen (15) days of the request.
- (d) In the event this Agreement is terminated in whole or in part as provided herein, City may procure, upon such terms and in such manner as it may determine appropriate, similar to those terminated.
- P. Payment. Payments to the Contractor pursuant to this Agreement will be reported to Federal and State taxing authorities as required. The City will not withhold any sums from compensation payable to Contractor. Contractor is independently responsible for the payment of all applicable taxes. Where the payment terms provide for compensation on a time and materials basis, the Contractor shall maintain adequate records to permit inspection and audit of the Contractor's time and materials charges under the Agreement. Such records shall be retained by the Contractor for three (3) years following completion of the services under the Agreement.
- Q. Restrictions on City Employees. The Contractor shall not employ any City employee or official in the work performed pursuant to this Agreement. No officer or employee of the City shall have any financial interest in this Agreement in violation of federal, state, or local law.

- R. Choice of Law and Venue. The laws of the State of California shall govern the rights, obligations, duties, and liabilities of the parties to this Agreement, and shall govern the interpretation of this Agreement. Any legal proceeding arising from this Agreement shall be brought in the appropriate court located in Riverside County, State of California.
- S. Delivery of Notices. All notices permitted or required under this Agreement shall be given to the respective parties at the following address, or at such other address as the respective parties may provide in writing for this purpose

Contractor: Merchants Landscape Services, Inc.
 [Contractor Name]
1510 South Lyon Street
 [Mailing Address]
Santa Ana, CA 92705
 [Mailing Address]
Patrick Healy
 [Attn: [Insert Name]]
800-645-4881
 [Telephone number]
Patrick@merchantslandscape.com
 [Email address]

City: CITY OF MORENO VALLEY
 14331 Frederick Street, Suite 2
 P. O. Box 88005
 Moreno Valley, CA 92552-0805
 Attn: Special Districts Division

Such notice shall be deemed made when personally delivered or when mailed, forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice occurred, regardless of the method of service.

- T. Time of Essence. Time is of the essence for each and every provision of this Agreement.
- U. City's Right to Employ Other Contractors. City reserves right to employ other contractors in connection with this project.
- V. Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both parties.

- W. Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a party shall give the other party any contractual rights by custom, estoppel, or otherwise.
- X. No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the parties.
- Y. Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original.
- Z. Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.
- AA. Assignment or Transfer. Contractor shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

SIGNATURE PAGE TO FOLLOW:

SIGNATURE PAGE

IN WITNESS HEREOF, the parties have each caused their authorized representative to execute this Agreement

City of Moreno Valley/City of Moreno Valley
Community Services District

Contractor

By: _____
Title: Mayor and Mayor, acting in the
capacity of President of the Board of
Directors of the Moreno Valley
Community Services District

By: _____
Title: (President or Vice President)

Date: _____

Date: _____

| <u>INTERNAL USE ONLY</u> | |
|---------------------------------|--|
| ATTEST: | |
| _____ | |
| City Clerk | |
| APPROVED AS TO LEGAL FORM: | |
| _____ | |
| City Attorney | |
| _____ | |
| Date | |
| RECOMMENDED FOR APPROVAL: | |
| _____ | |
| Department Head | |
| _____ | |
| Date | |

By: _____
Title: Corporate Secretary or Assistant
Secretary
(If applicable)

Date: _____

Affix Corporate Seal Below
(If applicable)

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EXHIBIT A – GENERAL PROVISIONS**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. GENERAL PROVISIONS - SCOPE OF WORK**

- A. The work to be performed under this Contract shall include the furnishing of all labor, material, and equipment necessary for the provision of landscape, irrigation and appurtenant maintenance services within the boundaries of the various City LMDs and/or zones of the City as determined in the resolutions of the City Council and/or Community Services District Board establishing said LMDs and/or zones, and as said boundaries may have been heretofore or may be hereafter altered, and as more particularly shown on the Location Map or Maps attached at the end of this exhibit, Section 21 (Project Location Maps).
- B. The Contractor shall have the duty to: mow, edge, trim, and fertilize turf, (if applicable), groundcover, and shrub areas designated hereunder; regularly maintain and prune those portions of trees up to eighteen feet (18') in height; remove litter and debris from all sites as required under this Agreement; provide general pest control services as requested, including but not limited to weeds, insects, and diseases; maintain irrigation systems; hand water and bleed valves as necessary during emergencies when automatic systems are not functioning.
- C. All work shall be performed in accordance with usual and customary horticultural practices to achieve, and maintain healthy, viable landscapes. The Public Works Director of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director" will periodically inspect all the operations and approve or reject the work performed, and methods or materials used, and make changes in the work scheduling.
- D. The Contractor shall be responsible for carefully reviewing the site(s), and verifying the square footage noted for each location of proposed work included in the Proposal. The Contractor shall not be relieved of his/her/its liability under this Agreement, nor shall the City be held liable for any loss sustained by the Contractor as a result of any variance between conditions as referred to in the Technical Provisions, and the actual conditions revealed during the examination of the locations of the proposed work.
- E. All work shall be performed in accordance with the General and Technical Provisions of this Contract and in accordance with an approved service schedule, as approved by the Director. Service schedules may be modified with 30 days advance written notice by the City.

2. GENERAL PROVISIONS - SCHEDULING OF WORK

- A. The Contractor will adhere to the facilities, equipment and monthly and annual work schedules submitted as a part of the Contractor's RFP, and incorporated herein by this reference. These schedules, and any approved revisions thereto, will be used by the City as a basis for determining Contractor's satisfactory performance.
- B. Revisions to facilities, equipment, or monthly and annual work schedules may not be implemented without the prior written approval of the Director. The Contractor is required to submit proposed revisions regarding facilities, equipment or monthly and annual work schedules in writing to the City at the address as set forth in Section 3, paragraph S of the Independent Contractor Agreement at least ten (10) working days prior to commencing work per the proposed revisions.
- C. Failure to submit proposed revisions concerning facilities, equipment, or work schedules by the time limits established hereinabove may result in the Contractor becoming liable to the City for non-performance penalties per Exhibit C, Section 4.
- D. The above provisions shall not be construed to eliminate the Contractor's responsibility for complying with the requirement to notify the Director for Specialty type maintenance as set forth immediately hereinafter.
- E. The Contractor shall notify the Director in writing at least five (5) working days prior to the date and time of all "Specialty" type maintenance operations. Specialty type maintenance operations includes, but is not limited to:
1. Fertilization;
 2. Turf Aeration;
 3. Application of pesticides by any method;
 4. Other operations so designated by the Director.

Notification of "Specialty" maintenance operations shall include a brief description of intended method(s) of execution, materials to be used, and the dates for commencement and completion of said operations. Failure to complete "Specialty" operations by the indicated date may result in the assessment of non-performance penalties per Exhibit C, Section 4.

- F. When inclement weather renders performance per the approved schedule unsafe, impractical, or liable to damage landscaping, the Contractor is required to adjust his work force in order to accomplish those work items not affected by weather, and will contact the City field staff to inform them of said alternate work assignments. Failure to advise the City field staff may be cause for assessment of non-performance penalties per Exhibit C, Section 4.

G. For the purposes of this Contract, "Working Days" are Mondays through Thursdays, excluding holidays as provided herein. The hours of on-site maintenance service will be from 7:00 a.m. to 4:30 p.m., not including mobilization to or from work site, on those days maintenance is to be provided pursuant to the work schedule as approved by the Director. Any work the Contractor proposes to perform outside of the days and hours set forth hereinabove, as well as on legal City holidays, shall not be undertaken without the prior written approval of the Director.

The following days have been designated as holidays by the City:

| | |
|----------------------------|--------------------------|
| New Year's Day | January 1 |
| Martin Luther King Jr. Day | 3rd Monday in January |
| President's Day | 3rd Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day | July 4 |
| Labor Day | 1st Monday in September |
| Veteran's Day | November 11 |
| Thanksgiving Day | 4th Thursday in November |
| Day after Thanksgiving | 4th Friday in November |
| Christmas Eve | December 24 |
| Christmas Day | December 25 |

If a holiday falls upon a Sunday, the following Monday shall be the day the holiday is observed. If a holiday falls upon a Saturday, the preceding Friday shall be the day the holiday is observed. If a scheduled maintenance service day falls on a designated holiday, the Contractor shall submit a proposed make-up day for the Director's approval.

3. GENERAL PROVISIONS - FUNCTIONS AND RESPONSIBILITIES

A. For award of the Contract to a Contractor who has not performed landscape and irrigation maintenance services for the site(s) as identified within this Contract for the prior year's contacting term, the Director and Contractor shall conduct an inspection of all sites covered under this Contract as soon as practicable after its execution, and prior to commencement of Contractor's operations. Following said inspection, the Contractor shall submit to the Director a written affidavit certifying the actual condition of the site(s) relative to the City Specifications, including but not limited to the nature and extent of any deficiencies noted by the Contractor, and acknowledged by the Director. The Contractor is hereby advised that this affidavit shall serve as the benchmark for the Director's evaluation of Contractor's performance under this Agreement. Failure to maintain site(s) up to this established standard may result in the City deducting payment of all or part of the Contractor's compensation, as described in Exhibit C, Section 3.

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- B. The Contractor shall on an ongoing basis maintain a monthly log that records all work performed by the Contractor. Said log shall be in a form and content acceptable to the Director (see Exhibit G, Monthly Landscape Services Report Form), and shall be submitted to the Director by the tenth day of each month, one (1) month in arrears.
- C. The monthly payment for the work so reported will not be authorized until such report (Monthly Report) is received, and approved by the Director.
- D. The Director may require the Contractor to attend meetings with the City field staff at some fixed interval to review the Contractor's operations, and schedule future work as may be ordered by the Director. Failure to attend regularly scheduled meetings may result in the assessment of non-performance penalties per Exhibit C, Section 4.
- E. The Contractor shall maintain an office at some fixed place, and be listed in the telephone directory in Contractor's own name or in the Contractor's company name.

Contractor shall at all times employ some responsible person(s) to receive phone calls and take the necessary action regarding all inquiries, complaints, and/or emergency calls that may be received from the Director or other authorized individuals or agencies as listed in Exhibit A, Section 3., paragraph F. below. This person(s) shall be reachable twenty-four (24) hours per day, seven (7) days a week.

During normal working hours, the Contractor's Supervisor or designated employee responsible for providing maintenance services to the City shall be directly available for immediate notification through some type of reliable electronic means, including but not limited to, mobile or cellular phone. The Contractor or Contractor's designated employee shall confirm said notification within one (1) hour of receipt. An answering service will be considered an acceptable substitute for coverage only during periods outside of normal working hours, provided Contractor is advised of emergency calls within one (1) hour of receipt of the call by the answering service and within twenty-four (24) hours after receipt of non-emergency calls by the answering service. The above provision for Contractor's communication with the City is the minimum acceptable standard under this Contract. Failure to capably provide regular communication may result in the Contractor being assessed non-performance penalties, per Exhibit C, Section 4.

- F. The Contractor shall respond to an emergency call from any of the parties listed herein this section no later than two (2) hours following first notification by telephone, written email, written mailed correspondence or facsimile transmission. In situations involving emergency repair work after normal working hours, the Contractor shall dispatch qualified personnel, and equipment to reach the site within two (2) hours of first notification. An emergency may be called by the following individuals or agencies at any time:

- | | |
|---------------------------------------|------------------------------------|
| 1. City Manager | 6. Street Maintenance Supervisor |
| 2. Public Works Director | 7. Landscape Services Supervisor |
| 3. Police Department | 8. Landscape Services Inspector |
| 4. Fire Department | 9. Landscape Irrigation Technician |
| 5. Special Districts Division Manager | |

Contractor's emergency response and any necessary corrective work shall be considered Additional Work as defined in Exhibit C, Section 2, unless said emergency is determined to have been caused by an act or omission attributable to the Contractor.

4. GENERAL PROVISIONS - CONTRACTOR'S STAFF

- A. The Contractor shall provide sufficient personnel to perform all work in accordance with the Specifications set forth herein. All of the Contractor's maintenance personnel shall be supervised at the work site(s) by a qualified Supervisor in the employ of the Contractor. Work Site Supervisors must be able to demonstrate to the satisfaction of the Director that they possess adequate technical background, and communication skills to perform the intended services. Adequate and competent supervision shall be provided for all work done by the Contractor's employees to ensure accomplishment of high quality work, which will be acceptable to the Director. Any order or communication given to the Work Site Supervisor shall be deemed to have been delivered to the Contractor.
- B. The Contractor and his employees and subcontractors, if any, shall conduct themselves in a proper, professional, and efficient manner at all times, and shall cause the least possible inconvenience to the public.
- C. The Director may require the Contractor to remove from the work site any employee(s) deemed careless, incompetent, or otherwise objectionable, whose continued employment on the job is considered to be contrary to the best interests of the City.
- D. The Contractor shall require each employee performing work under the Contract to adhere to basic public works standards of working attire, including but not limited to wearing of proper clothing, proper shoes, and other gear required by applicable Safety Regulations and/or fertilizer/pesticide label requirements.

Shirts shall be worn at all times, and shall be buttoned. Approved safety vests shall be worn by Contractor's employees when working on parkway medians, monuments, parkways, and other high traffic-hazard areas as determined by the Director. Failure to comply with the above requirements may make the Contractor liable for assessment of non-performance penalties, per Exhibit C, Section 4.

- E. The Contractor shall establish an identification system for Contractor's personnel which clearly indicates to the public the name of the Contractor. The identification system shall be furnished at the Contractor's expense and may include appropriate attire, and/or name badges as specified by the Director.

5. GENERAL PROVISIONS - EMPLOYMENT OF APPRENTICES

The provisions of Sections 1777.5, 1777.6, and 1777.7 of the California Labor Code regarding the employment of properly registered apprentices may apply to this Contract if the Contractor, or any subcontractors thereunder, employs workers in any apprenticeable craft or trade. It is the Contractor's sole responsibility to comply with the Labor Code sections cited above. Information relative to apprenticeship standards, wage schedules, and other requirements may be obtained from the California Department of Industrial Relations.

6. GENERAL PROVISIONS - COMPLAINTS

- A. All complaints shall be responded to as soon as possible after notification, but in all cases within twenty-four (24) hours, to the satisfaction of the Director. If any complaint is not satisfactorily responded to within twenty-four (24) hours, the Director shall be notified immediately of the reason for not remedying the complaint followed by a written report to the Director within five (5) working days. If the complaints are not remedied within the time specified, and to the satisfaction of the Director, the Director may correct the specific complaint by using an alternative source. The total cost incurred by the District to effect necessary remedies will be deducted from the payments owing to the Contractor from the City, per Exhibit C, Section 3.
- B. The Contractor shall maintain a written log of all complaints, the date and time thereof, and the action taken pursuant thereto, or the reason for non-action. Said log shall be submitted to the Director monthly as set forth in Exhibit A, Section 3, paragraph B.
- C. In addition to the provisions of Exhibit A, Section 6, paragraph A, in the event of a failure by the Contractor to satisfactorily remedy a complaint in a timely manner or for any other breach of this Agreement by Contractor, the City may immediately upon written notice to the Contractor terminate this Agreement.

7. GENERAL PROVISIONS - SAFETY

- A. The Contractor agrees to perform all work as outlined in the Provisions listed herein in such a manner as to meet all accepted standards for safe practices and to safely maintain equipment, machines, and materials, and prescribe and employ all precautions and safety procedures related to other hazards consequential to the work; and accepts additionally the sole responsibility for complying with all local, State, Federal and other legal requirements including but not limited to, full compliance with the terms of any and all applicable OSHA and Cal/OSHA Safety Orders at all times so as to protect all persons, including Contractor's employees

and subcontractors, agents of the City, District, materialmen, vendors, members of the public and others from foreseeable injury, or damage to their property.

- B. The Contractor's operations shall be conducted in such a manner as to cause the least possible obstruction, and inconvenience to public traffic. The Contractor shall furnish, erect and maintain such fences, barriers, lights and warning signs as may be deemed necessary by the Director, or any duly constituted public safety official.

Contractor's work area traffic control, including but not limited to type and placement of signs, barricades, and delineators, shall be in accordance with the "Manual of Uniform Traffic Control Devices, 2012 (or most current revised version) California Supplement" Part 6 Temporary Traffic Control.

Contractor's work should not encroach into open lanes of traffic between the hours of 7:00 a.m. and 8:30 a.m., or between the hours of 3:30 p.m. and 6:00 p.m.

- C. The Contractor shall maintain all work sites free of hazards to persons or property resulting from Contractor's operations. The Contractor shall inspect for all potential hazards at said areas under maintenance, and keep a log indicating date inspected, and action taken. Said log shall be submitted to the Director monthly as set forth in Section 3, paragraph B above. Any hazardous condition noted by the Contractor, which is not a result of Contractor's operations, shall be immediately reported to the Director.
- D. The Contractor shall be responsible for making minor corrections, including but not limited to, filling holes in turf areas, replacing valve box covers, and repairing irrigation systems, so as to protect members of the public or others from injury.

The Contractor shall cooperate fully with the City in the investigation of any accidental injury or death occurring on the site, including a complete written report thereof to the Director within five (5) working days following the occurrence.

- E. Failure to comply with the provisions of this section of Exhibit A may result in payment deduction per Exhibit C, Section 3, or assessment of non-performance penalties per Exhibit C, Section 4. Repeated failure to comply with the provisions of this section may result in termination of the Agreement, per the terms of the independent Contractor Agreement, Section 3, paragraph O.

8. USE OF CHEMICALS

- A. Before the beginning of the Contract period, the Contractor is required to submit a list, which shall include the exact Brand Name, Label, and Material Safety and Data Sheet (MSDS) of all chemicals proposed for use under this Agreement, including but not limited to fertilizers and pesticides, for approval by the Director. Where applicable, materials included on this list shall be chemicals as approved by the State of California Department of Food and Agriculture.

- B. Director shall be notified in writing of any changes or deviations from the above list. Use or application of said materials shall not be made prior to approval by the Director. Failure to comply with this requirement may result in the assessment of non-performance penalties, per Exhibit C, Section 4.
- C. Chemical applications, including but not limited to fertilizers and pesticides, shall be made in strict compliance with the label directions, restrictions, and precautions as well as with any other requirements deemed necessary by any county, state, or federal regulatory agency, or the Public Works Department of the City of Moreno Valley.
- D. Contractor shall report all fertilizers and pesticides used in the performance of the work as an element of Contractor's Monthly Report, as set forth in Exhibit A, Section 3, paragraph B. This report shall include the date, time of day, location, type of material, method of application, and environmental data.

9. NATIONAL POLLUTANT DISCHARGE ELIMINATION SYSTEM (NPDES) PERMIT - REQUIRED URBAN RUNOFF MANAGEMENT TRAINING

The Contractor shall provide National Pollutant Discharge Elimination System (NPDES) Permit training for Urban Runoff Management to Contractor's employees and subcontractors if any. Failure to provide Urban Runoff Management training is a violation of Order No. R8-2002-0011, NPDES No. CAS 618033 (Municipal Separate Storm Sewer System NPDES Permit), Section XI.I, for each day of which such failure occurs, and shall in addition, be a breach of the Contract with the City of Moreno Valley and/or the City of Moreno Valley Community Services District ("City"). Contractor understands and agrees that NPDES Permit violations are grounds for enforcement action by the Environmental Protection Agency, the State/Regional Water Resources Control Board, and the City and may result in permit termination (stop work order), civil and criminal fines, and termination of Contract. By submitting a proposal, the Contractor certifies to the City that Contractor's employees and subcontractors, if any, have been trained for Urban Runoff Management, and sufficient sums are included in the proposal's amount to cover costs of such said training.

10. LICENSES AND PERMITS

The Contractor shall, without additional expense to the City, possess all licenses and permits, including but not limited to a valid City Business License, required for the performance of the work under this Contract.

11. PREVAILING WAGE

- A. Pursuant to provision of Section 1773 of the Labor Code of the State of California, the City of Moreno Valley has obtained the general prevailing rate of per diem wages applicable for the work to be done, including but not limited to: straight time, overtime and holiday work; travel and subsistence payments; employee payments of health and welfare, vacation, pension, and similar purposes. Said rate and scale

are on file with the Public Works Department of the City of Moreno Valley, and copies will be made available to any interested party on request. These rates shall be the minimum wage rates for this project. Throughout the term of this Contract, the Contractor will be required to post a copy of said rate, and scale as required by the Labor Code.

- B. Pursuant to provisions of Section 1775 of the Labor Code, the Contractor shall forfeit as penalty to the City of Moreno Valley, not more than fifty dollars (\$50.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinabove stipulated for any work done under the attached Agreement, by the Contractor or by any subcontractor under Contractor's direction and control, in violation of the provisions of said Labor Code.

12. PAYROLL RECORDS

- A. The Contractor, and any subcontractor thereunder, shall keep complete accurate payroll records for each workman employed by Contractor/subcontractor in connection with this Contract, as required by California Labor Code Section 1776.
- B. The Contractor, and any subcontractor thereunder, shall make available to the City upon its request certified payroll records for each workman employed in connection with this Contract as required by California Labor Code Section 1776.
- C. The City may withhold from Contractor's progress payments the penal sum of twenty-five dollars (\$25.00) per calendar day (or portion thereof) for each worker employed in connection with this Contract should Contractor, or any subcontractors thereunder, fail to strictly comply with California Labor Code 1776 after receiving written notice of non-compliance.

13. BONDS

Pursuant to Section 3247 of the Civil Code, the Contractor hereby agrees to provide and maintain in full force and effect for the duration of this Contract, two (2) good, and sufficient surety bonds, to wit:

- A. A "Faithful Performance Bond" in the amount of one hundred percent (100%) of the Contract price, which shall guarantee the faithful performance of all work, and;
- B. A "Materials and Labor Bond" in the amount of one hundred percent (100%) of the Contract price, which shall secure the payment of the claims of labor, mechanics or materialmen for all work performed hereunder.

14. SUBSTITUTION OF SECURITIES

Pursuant to California Public Contract Code Section 22300, the Contractor will be permitted the substitution of securities for any monies withheld by the City of Moreno Valley to ensure performance under the Contract. At the request and expense of the Contractor, securities equivalent to the amount withheld shall be deposited with the City of Moreno Valley, or with a state or federally chartered bank as the escrow agent, who shall pay such monies to the Contractor. Securities eligible for substitution under this section shall include those listed in Section 16430 of the Government Code, bank or savings and loan certificates of deposit, interest-bearing demand deposit accounts, and standby letters of credit. The Contractor shall be the beneficial owner of any securities substituted for monies withheld, and shall receive any dividends or interest thereon. The Contractor shall give the City written notice within thirty (30) days after the Contract is awarded that it desires to substitute securities for money that would ordinarily be withheld. If the substituted securities are deposited into an escrow, the escrow shall be governed by a written escrow agreement in a form which is substantially similar to the agreement set forth in Section 22300 of the Public Contract Code.

15. CONTRACTOR'S LIABILITY

The Contractor shall be responsible for all damages to people and/or property that occur as a result of the fault or negligence attributable to the Contractor in connection with the performance under this Agreement. Any and all restitution or repairs deemed necessary by the Director to remedy such damages shall be furnished and performed at the Contractor's sole expense, and shall be completed within the time limits established by the Director.

16. CONTRACTORS LICENSE

Contractors are required by law to be licensed, and regulated by the Contractors' State License Board. Contractor will comply with all applicable licensing laws, and regulations. Any questions concerning a Contractor may be referred to the Registrar, Contractors' State License Board, 9821 Business Park Driver, Sacramento, CA 95827. Mailing address: P.O. Box 26000, Sacramento, CA 95826.

17. TECHNICAL PROVISIONS – TURF AND PLANTER

A. TURF CARE (IF APPLICABLE)

1. All turf areas shall be mowed, edged, and trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A. Should weather and/or site conditions preclude the normally scheduled frequency of this service during any month, or portion thereof, the maintenance schedule shall be modified at the discretion and approval of the Director.
2. At the discretion of the Director, turf areas may be mowed with mulching-type mowers of a type acceptable to the City.

3. All mowing and edging equipment shall: be in proper working order; have blades properly sharpened, balanced, and aligned; be thoroughly cleaned of all excess clippings, soil, and debris prior to move-in at each site.
4. All clippings, soil, and debris generated by mowing and edging operations shall be immediately collected, removed from the site, and disposed of in a legal manner. For the purposes of this Specification the term "site" shall include, but is not limited to, appurtenant hardscaping, sidewalks, curbs and gutters.
5. Machines operating on turf known to have a disease, fungus, or insect infestation shall be sterilized with a ten percent (10%) chlorine bleach, and water solution prior to move-in to any other site.
6. Mowing height for cool season grasses shall not exceed three inches (3") maximum, or two inches (2") minimum, and shall be adjusted within these parameters on a seasonal basis.
7. Mowing height for warm season grasses shall not exceed one and one-half inches (1½") maximum, or three-quarters of an inch (¾") minimum, and shall be adjusted within these parameters on a seasonal basis.
8. All turf borders shall be cut with a vertical blade edger. Use of string trimmers to perform this task is not acceptable.
9. Trimming around turf appurtenances (i.e., valve and meter boxes, backflow devices and controller enclosures, sprinklers) may be accomplished through the use of string trimmers.
10. Whenever trees occur in turf areas, a six inch (6") ring of grass shall be removed from around the trunks in order to protect the crowns from mechanical damage. These rings shall be maintained in a clean, weed free condition.
11. Thin areas in turf shall be resodded or reseeded as necessary to prevent invasion of weeds.
12. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
13. Pest control: See Technical Provisions - Pesticide Use, Exhibit A, Section 20.
14. Aeration:
 - (a) All turf areas shall be aerated per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A unless otherwise directed by the Director;

- (b) Aeration equipment shall be of the hollow tine type. The tines shall have a minimum diameter of one-half inch ($\frac{1}{2}$ "), and a penetration depth of at least two inches (2"). There shall be no more than six inches (6") between tines;
 - (c) Areas to be treated shall be adequately irrigated prior to treatment to allow maximum tine penetration;
 - (d) Any soil cores remaining on the turf surface two (2) weeks after treatment must be removed;
 - (e) Humus base fertilizer is to be applied directly following spring and fall aeration operations. See Technical Provisions – Fertilization, Exhibit A, Section 19.
15. Renovation/thatching and additional aeration operations are to be considered Additional Work, per Exhibit C, Section 2.
16. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

B. TREE CARE

1. All trees are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Specifications, trimming, pruning, and pest control operations for those portions of trees in excess of eighteen feet (18') in height is to be considered Additional Work, per Exhibit C, Section 2.
3. Whenever site conditions permit, trees are to be allowed to grow to assume their full, natural shape, with the minimum constraints necessary to assure public safety and tree survival. All tree pruning shall be done in conformance with ANSI 300-2001, (or most current revision); safety requirements shall be per ANSI Z133-1994 (or most current revision) standards.
4. Trees shall be pruned at any time in order to:
 - (a) Remove dead, diseased, or damaged branches;
 - (b) Remove unwanted encroachments into public and/or utility rights-of-way;
 - (c) Correct any condition which the Director has deemed to be hazardous.

5. Portions of trees up to eighteen feet (18') in height shall:
 - (a) Be pruned to enable successful adaptation to their particular site situation;
 - (b) Have no more than one-third (1/3) of living branches removed annually;
 - (c) Be fertilized only as directed by the City field staff.
6. Portions of trees over eighteen feet (18') in height shall:
 - (a) Be inspected annually;
 - (b) Pruned and/or trimmed as necessary to maintain proper site orientation;
 - (c) Pruned and/or trimmed as necessary to remove unwanted encroachments into public, and/or utility rights-of-way;
 - (d) Pruned and/or trimmed as necessary to correct any condition which the Director has deemed to be hazardous.
7. Pruning tools shall:
 - (a) Be kept properly sharpened, and in proper working order;
 - (b) Be sterilized with five percent (5%) chlorine bleach and water solution before commencing work, and between cuts on any tree known to be diseased.
8. The following practices shall not be allowed:
 - (a) internodal cuts of any kind (a.k.a. "stubbing", "shearing", "tipping", "topping");
 - (b) Cuts made flush with trunk or branch. The integrity of branch collars is to be maintained at all times;
 - (c) Use of pruning paint/pruning compound/wound dressing;
 - (d) Use of climbing spurs or gaffs.
9. All prunings/trimmings and debris generated by pruning operations shall be immediately removed from the site, and disposed of in a legal manner.
10. Trees shall be staked/guyed in a manner, and with materials that are acceptable to the Director. Double staking with two (2) lodge pole-type stakes is the minimum City standard.

11. Tree stakes, tree ties, and guy wires shall be inspected regularly to ensure against girdling and abrasion, and removed as soon as possible after tree establishment, and site conditions allow.
12. Pest control: See Technical Provisions – Pesticide Use, Exhibit A, Section 19.
13. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

C. SHRUB CARE

1. All shrubs are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Specifications, shrubs are defined as any multi-stemmed/low branching woody plants whose height at maturity is not less than one foot (1'), or greater than ten feet (10').
3. Whenever site conditions permit, shrubs are to be allowed to grow to assume their full, natural shape, with the minimum constraints necessary to assure public safety and plant survival.
4. Shrubs shall be pruned and/or trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A, unless otherwise directed by the Director, in order to:
 - (a) Remove dead, diseased, or damaged branches;
 - (b) Remove unwanted encroachments into public and/or utility rights-of-way;
 - (c) Correct any condition which the Director has deemed to be hazardous.
5. Shrubs shall be pruned in a manner that will:
 - (a) Enable successful adaptation to their particular site situation;
 - (b) Follow the maturation of the leaves/needles of the first seasonal growth flush, unless accepted practices for a particular species (i.e. roses) dictate otherwise;
6. Pruning tools must:
 - (a) Be kept properly sharpened, and in proper working order;
 - (b) Be sterilized with a five percent (5%) chlorine bleach and water solution before commencing work, and between cuts on any shrub known to be diseased.

7. The following practices are not allowed:
 - (a) Internodal cuts (a.k.a. "stubbing", "tipping", "topping"). Shearing (a.k.a. "boxing", "hedging", "balling", "poodling") will be done only when authorized by the Director on a site-specific basis.
 - (b) Cuts made flush with trunk or branch. The integrity of branch collars is to be maintained at all times.
 - (c) Use of pruning paint/pruning compound/wound dressing.
8. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
9. Pest control: See Technical Provisions –Pesticide Use, Exhibit A, Section 20.
10. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

D. GROUND COVER CARE

1. All ground covers are to be maintained in a manner that will promote normal, healthy growth.
2. For the purposes of these Technical Provisions, ground covers are defined as mass plantings of same-species, multi-stemmed plants with a trailing growth habit, whose height at maturity does not exceed \pm one foot (1').
3. Ground covers shall be pruned/trimmed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A, unless otherwise directed by the Director in order to:
 - (a) Remove dead, diseased, or damaged branches/crowns;
 - (b) Remove unwanted encroachments into or upon public and/or utility rights-of-way, as well as other landscape components (i.e., shrubs, trees, turf areas, irrigation equipment, walls, and monuments);
 - (c) Correct any condition which the Director has deemed to be hazardous.
4. Ground covers shall be pruned/trimmed/renovated:
 - (a) To enable successful adaptation to their particular site situation;
 - (b) In accordance with accepted practices for the particular species in question;
5. Pruning tools shall:
 - (a) Be kept properly sharpened, and in proper working order;

- (b) Be sterilized with a five percent (5%) chlorine bleach, and water solution before commencing operations at any site.
6. String trimmers shall not be used for any of the above described operations unless authorized by the Director on a site-specific, task-specific basis.
 7. Fertilization: See Technical Provisions - Fertilization, Exhibit A, Section 19.
 8. Pest control: See Technical Provisions –Pesticide Use, Exhibit A, Section 20.
 9. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties per Exhibit C, Section 4.

E. WEED CONTROL

1. For the purposes of these Specifications, weeds are defined as any plant species whose presence on a site is detrimental to: the appearance of the site, as determined by the Director, and; the normal, healthy growth of the plant materials intended for that site. Any plants which, in the opinion of the Director, constitute a public health or safety hazard shall also be defined as weeds.
2. Weed control shall be addressed per the Frequency of Service Table, as set forth in Exhibit E, Section V. Schedule I A unless otherwise directed by the Director.
3. Chemical weed control: See Technical Provisions – Pesticide Use, Exhibit A, Section 19.
4. Site areas subject to weed control per these Specifications include, but are not limited to: turf areas, tree wells, shrub, planter, and ground cover beds; hardscape areas, including, but not limited to curbs, gutters, and sidewalks; and non-landscaped portions of sites, as determined by the Director.
5. Debris generated by manual and/or mechanical weed control operations shall be immediately removed from the site, and disposed of in a legal manner.
6. Failure to adhere to the specifications of this section of the Technical Provisions may result in the assessment of non-performance penalties per Exhibit C, Section 4.

F. IRRIGATION

1. Water shall be delivered by means of automatic or manually operated sprinkler systems, quick couplers, hose bibbs, or water tank, as specific site and/or weather conditions require.
2. It shall be the Contractor's duty to maintain all City irrigation systems in a manner that assures their full working capability at all times. Said maintenance shall include, but not be limited to: visual and operational inspections; cleaning/adjusting sprinkler nozzles; flushing of lines; trimming around sprinklers to assure proper coverage; routine repairs; and other tasks as assigned by City field staff.
3. For the purposes of this section, routine irrigation repairs are defined as repair and/or replacement of existing sprinklers or sprinkler components and/or non-pressurized pipe and/or fittings ("lateral lines") that have been rendered inoperable due to: 1) normal operation ("wear and tear"), and; 2) vandalism, theft, and acts or omissions by third parties.
4. All repairs to, and/or replacement of, irrigation system control components (i.e., backflow prevention assemblies, controllers and control wires, manual and remote control valves) and pressurized pipe and fittings ("mainlines") rendered inoperable due to circumstances other than Contractor's operations, shall be considered Additional Work, per Exhibit C, Section 2.
5. The Contractor shall furnish, at no cost to the City, a remote valve actuating device that is compatible with the make, and model installed at the site(s). This device shall be used by Contractor's personnel while conducting operational irrigation system inspections, and/or repairs.
6. Automatic irrigation systems shall:
 - (a) Be inspected for, and repaired as necessary to, ensure proper operation and coverage;
 - (b) Be turned off during periods of rainfall, or as directed by City field staff;
 - (c) Have controller and backflow preventer enclosures, utility vaults and/or pedestals, and valve boxes properly secured at all times.
7. Manually operated irrigation systems shall:
 - (a) Be operated only when Contractor's personnel are present on site;
 - (b) Be inspected for, and repaired as necessary to ensure proper operation and coverage not less than at each time of operation;
 - (c) Have any and/or all enclosures, vaults, and valve boxes properly secured at all times.

8. Parts/components used to effect irrigation system repairs shall be of the same manufacture as those originally installed unless otherwise approved by the Director prior to repair operations.
9. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

G. DEBRIS/LITTER

1. Debris/litter control shall be provided per the Frequency of Service Table, as set forth in Exhibit E, Section V., Schedule I A unless otherwise stated herein this Section and/or as directed by the Director.
2. The Contractor shall remove immediately after pruning, trimming, weeding, edging or other work required under this Contract, all debris generated by his or her performance of the work.
3. Contractor shall remove from both planted areas and adjacent hardscapes/walkways the following items, which include but are not limited to: bottles, cans, paper/plastic, cardboard, dog litter, tumbleweeds/windblown plant litter, automobile tires, or metallic items. Sites that are, in the opinion of the Director, exceptionally littered shall be cleared by the Contractor before the close of business the working day following notification of this condition.
4. All hardscape areas that include, but are not limited to sidewalks, curbs, and gutters shall be maintained in a hazard-free condition.
5. The Contractor shall dispose of all debris and litter, as described in paragraphs 1 and 2 above, off-site and in a legal manner.
6. The Contractor shall notify the Director immediately whenever suspicious and/or hazardous waste materials are discovered within service area sites. Such materials may include, but are not limited to: discarded motor oil, or other petroleum-based liquids; paint; chemical compounds, pesticides, both liquid and dry; any unknown liquid or dry material in an unmarked container; household appliances; household electronic devices such as, televisions, computers and computer monitors; firearms, ammunition or other appliances. Any such articles shall not be touched, handled, or in any way disturbed or moved from the location where they were discovered. Contractor's staff shall secure the area against entry by any third party until City staff arrives at the site
7. Failure to adhere to the specifications of this section of the Technical Provisions may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

H. GREENWASTE RECYCLING

1. The Public Resources Code (PRC), Division 30, Sections 41000 through 41780 requires that the City of Moreno Valley divert from landfills fifty percent (50%) of the solid waste, including greenwaste, generated within its jurisdiction.
2. For the purposes of this Contract, materials defined as “greenwaste” shall include all plant parts (i.e., trimmings, prunings, grass clippings, etc.) removed from Contract sites by the Contractor, or any subcontractors thereunder, in the performance of contract’s Scope of Work.
3. Contractor, or any subcontractor thereunder, shall deposit all greenwaste generated in the course of the performing the contract’s Scope of Work services at a landscape material recycling center, or reuse said greenwaste in some manner. Contractor, or any subcontractor thereunder, shall be solely responsible for all costs incurred in complying with this requirement.
4. The Contractor shall submit a Monthly Greenwaste Report, (see Exhibit I), per The Frequency of Service, Table, Exhibit E, Section V, Schedule I, A, as an element of Contractor's Monthly Reporting requirements, as set forth herein Exhibit A, Section 3. – Functions and Responsibilities. The Contractor shall provide responses to all information requested therein and shall include, on a separate Monthly Greenwaste Report form, any greenwaste generated through the operations of any subcontractors performing under Contractor’s Scope of Work.
5. Failure to adhere to the Technical Provisions of this section may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

18. TECHNICAL PROVISIONS – CHANNELS

The channel thinning zones will be subject to long-term management practices for flood control work. The channel-thinning zones are comprised of the two 40-foot-wide thinning zones. Beyond the 40-foot channel-thinning zones, removal of native vegetation shall be allowed only to assure proper operation of slope buffer area irrigation systems, to perform permitted fire protection activities, and to eliminate any hazardous condition for public safety.

The following management tasks pertain to the channel thinning zones:

A. VEGETATIVE THINNING

1. When vegetation and removal is deemed necessary by the City, and regulatory permits are in place to provide for adequate flood protection, the City shall determine if the work shall be accomplished by hand crews, mechanical equipment, or a combination of available resources. In reaching this determination, careful consideration shall be given to the mutual goal of minimizing negative impacts throughout the mitigation site and continuing to

allow the drainage to function as a flood control channel designed to support 100-year flood flows.

2. The channel thinning zones will be maintained annually by mowing or removing vegetation above the existing soil level not to exceed two feet (24-inches) in height so that all channels will support 100-year flood flows.
3. For maintenance of channel the Contractor may use:
 - Four-wheel-drive all-terrain vehicle (ATV) type maintenance vehicles to haul personnel, equipment, trash, trimmings, weeds, and debris.
 - A 30-40 horsepower utility tractor with bucket and mower for mowing channel bottoms
 - A skip-loader and/or backhoe as required to effect irrigation mainline repairs in areas accessible to this type of equipment

B. TIMING OF VEGETATIVE THINNING

1. The Contractor will perform maintenance services within the 40-foot wide thinning zones pursuant to existing City policies, guidelines, and regulations, and required regulatory permits, including but not limited to National Pollutant Discharge Elimination System (NPDES) permits, and community obligations to maintain flood carrying capacity within all channels, as required under FEMA's LOMR, dated September 27, 2004, and required regulatory permits. The contractor shall conduct the annual vegetative thinning program within the 40-foot wide thinning zones between September 16th and March 14th, outside the bird nesting season. If annual vegetative thinning must occur during the nesting season (March 15th to September 15th), this activity will be authorized if the vegetation to be thinned represents a threat to public safety and/or biological surveys confirming the absence of nesting birds occurs at this time as well.

C. PESTICIDE USE AND WEEDING

1. Use of herbicides, pesticides, rodenticides, biocides, fertilizers, or other agricultural chemicals or weed abatement activities shall be limited pursuant to existing City policies and guidelines, and/or as described herein.
2. The Contractor will conduct weed abatement on a quarterly basis including, but not limited to, the exotic plant species listed herein. Weeds shall be removed by hand, including the root, or controlled with an appropriate herbicide as determined by a licensed Pest Control Advisor (PCA). The use of herbicides for weed control within the channel shall be used for species such as Bermuda grass (*Cynodon dactylon*), giant reed (*Arundo donax*), bindweed (*Convolvulus arvensis*), and salt cedar (*Tamarix sp.*). Only pesticides approved for use within streamcourses shall be authorized for use within all channel areas.

3. All weeds shall be removed from the mitigation site and/or controlled at all times.
4. Weeds are defined as “any plant species whose presence on a site is detrimental to the appearance of the site and the normal, healthy growth of plant materials intended for the site.” All plants that constitute a public health or safety hazard shall also be considered weeds. Examples of weeds to be controlled include, but are not limited to:
 - Arundo/giant reed (*Arundo donax*);
 - Artichoke thistle/cardoon (*Cynara cardunculus*);
 - Australian saltbush (*Atriplex semibaccata*);
 - Bermuda grass (*Cynodon dactylon*);
 - Biennial mustard (*Hirschfeldia incana*);
 - Black mustard (*Brassica nigra*);
 - Broom species (*Cytisus spp.*);
 - Bull thistle (*Cirsium vulgare*);
 - Canary Island date palm (*Phoenix canariensis*);
 - Castor bean (*Ricinis communis*);
 - Cootamundra wattle (*Acacia baileyana*);
 - Fennel (*Foeniculum vulgare*);
 - Filaree/Storksbill (*Erodium spp.*);
 - Foxtail chess (*Bromus madritensis*);
 - Hottentot fig (*Carpobrotus edulis*);
 - Italian ryegrass (*Lolium multiflorum*);
 - Italian thistle (*Carduus pycnocephalus*);
 - Ivy (*Hedera spp.*);
 - Japanese honeysuckle (*Lonicera japonica*);
 - Kikuyu grass (*Pennisetum clandestinum*);
 - Pampas grass (*Cortaderia jubata*; *C. selloana*);
 - Periwinkle (*Vinca major*);
 - Peruvian pepper tree (*Schinus molle*);
 - Rabbitsfoot grass (*Polypogon monspeliensis*);
 - Red valerian (*Centranthus ruber*);
 - Ripgut brome (*Bromus diandrus*);
 - Russian thistle (*Salsola tragus*);
 - Slender oats (*Avena barbata*);
 - Soft chess (*Bromus hordeaceus*);
 - Tamarisk (*Tamarix ramosissima*, *T. parviflora*);
 - Tree tobacco (*Nicotiana glauca*);
 - Umbrella sedge (*Cyperus involucratus*);
 - Water bent grass (*Agrostis viridis*); and
 - Wild oat (*Avena fatua*).

D. IRRIGATION

1. Irrigation for all channel areas shall be maintained in accordance with Section 17 F 2. Irrigation areas specific to channel areas are identified at the end of this exhibit, in section 21 (Project Maps).

E. TRASH AND DEBRIS REMOVAL

1. The mitigation site shall be kept free of trash and debris in perpetuity. Trash and debris removal shall occur in accordance with the Frequency of Services schedule. If trash and debris removal is required during the bird-nesting season, this will be allowed pursuant to required regulatory permits, and/or in order to protect public safety. Care will be taken so that trash removal activities minimize or avoid impacts to existing native plants.

F. ACCESS TO CHANNEL

1. Channel access may be attained via the access road adjacent to the Pedestrian Bridge at the western end of the channel or through the three gates located along Hastings Drive on the northern side of the channel. Pedestrian access shall be authorized for all maintenance or authorized personnel. Care shall be taken to avoid impacts to existing vegetation outside the channel-thinning zones.

G. MULEFATE SCRUB AREA

1. Existing Mulefat Scrub areas, as identified at the end of this exhibit, Section 21 (Project Location Maps), must be left undisturbed.

19. TECHNICAL PROVISIONS – FERTILIZER**A. TURF FERTILIZATION (IF APPLICABLE)**

1. Per the Technical Provisions, Exhibit A, Section 17, No. 14, e, a humus base fertilizer shall be applied to turf areas in accordance with Table I, below and the Frequency of Service Table, Exhibit E, Section V, Schedule I, A. At the discretion and request of the Director additional applications at the pricing terms as listed in the additional work section of Scheduled II may be provided. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4. All turf areas are to be fertilized as per Table I. All fertilizers are to be of indicated analysis or better.

TABLE I

| Month | Number of Apps | Type of Fertilizer | Rates per 1,000 sq. ft. | |
|-------|----------------|--------------------|-------------------------|--------------------|
| | | | Lbs. of Actual N | Lbs. of Fertilizer |
| FEB | 1 | 22-0-6** | 1 | 4.5 lbs |
| JUN | 1 | 22-5-5* | 1.25 | 5.7 lbs |
| OCT | 1 | 22-5-5* | 1.25 | 5.7 lbs |

*22-5-5/BEST® TURF GOLD or approved equal Controlled-Release fertilizer. These fertilizers to contain micronutrients including iron. See the following section on fertilizers.

**22-0-6/SCOTT'S® PROTURF® + Pre-emergent Weed Control or approved equivalent. These fertilizers to contain micronutrients including iron. See the following sections, below, regarding fertilizers.

2. Humus base fertilizers to be applied by drop spreader only.
3. Humus base fertilizers to be composted, screened, and have a minimum nitrogen level of one-half of one percent (0.5%) (Growpower, EZ Green or equal).
4. Any fertilizers containing iron will be completely removed from concrete sidewalks before irrigation to prevent staining.
5. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of this specification, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.
6. Written notification to Director must be provided five (5) working days prior to fertilizer application.

B. SHRUB & GROUND COVER FERTILIZATION

1. All shrubs and ground covers shall be fertilized per the Frequency of Service Table, as set forth in Exhibit E, Section V, Schedule I, A. Table II, below provides the standard fertilization guidelines, however the frequency of the application shall comply with the application frequency rates as identified in the Frequency of Service Table, as set forth in Exhibit E, Section V, Schedule I, A. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

TABLE II

| Month | Number of Apps | Type of Fertilizer | Rates per 1,000 sq. ft. | |
|-------|----------------|--------------------|-------------------------|--------------------|
| | | | Lbs. of Actual N | Lbs. of Fertilizer |
| April | 1 | 23-5-10 * | 1.5 | 6.5 lbs |
| Sept | 1 | 23-5-10 * | 1.5 | 6.5 lbs |

* 23-5-10/BEST@POLY SUPREME or approved equal

2. Any fertilizers containing iron will be removed from concrete sidewalks before irrigation to prevent staining.
3. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of said Contract, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.
4. Written notification to Director must be provided five (5) working days prior to fertilizer application.
5. For fertilizer application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals.

C. TREE FERTILIZATION

1. The intent of tree fertilization is to maintain normal and healthy growth of trees, not to produce excessive, rapid, or unnatural growth. Tree fertilization shall be considered Additional Work, per Exhibit C, Section 2.
2. All trees shall be fertilized as directed by City field staff. Fertilizer type and rates will be specified on a per job basis.
 - (a) Fertilizer will be placed per manufacturer's recommendations, or as directed by City and/or District field staff.
 - (b) No injecting or drilling into tree trunk will be allowed.
 - (c) Applications shall be made when the first growth flush of the year is at 80% leaf expansion, but not before April 30.
 - (d) Any fertilizers containing iron will be removed from concrete surfaces before irrigation to prevent staining.
3. Contractor shall supply to the Director a list of all proposed fertilizers to be used in the fulfillment of said Agreement, per Exhibit A, Section 8 – Use of Chemicals. Any changes to said list shall be reported per Exhibit A, Section 8 – Use of Chemicals.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

4. Written notification to Director must be provided a minimum of five (5) working days prior to fertilizer application.
5. For fertilizer application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals

20. TECHNICAL PROVISIONS – PESTICIDE USE

A. GENERAL

1. The City of Moreno Valley and the Moreno Valley Community Services District encourages the use of effective alternative pest control measures.
2. All pesticide applications shall be made by or under the supervision of a person holding a valid license, permit or certificate issued pursuant to Sections 11701 and following, and Sections 14151 and following, of the California Food and Agricultural Code. Said person or company is to be registered to conduct a pest control business in the State of California, and the County of Riverside during the entire term of this Agreement.
3. All pesticide applications shall be applied as directed by the Director.
4. All pesticide use recommendations shall be in writing, and shall be made by a person holding a valid State of California pest control adviser license pursuant to Sections 12001, and following of the California Food and Agricultural Code. Said person is to be registered with the office of the Agricultural Commissioner of the County of Riverside during the entire term of this Agreement.
5. Before the beginning of the Contract period, Contractor shall supply to the Director a list of all proposed pesticides to be used, along with a use recommendation for each pesticide, in the fulfillment of said Agreement, per Exhibit A, Section 8 – Use of Chemicals. No pesticide application shall be made prior to Contractor's submittal and Director's approval of said list, and recommendations. Per Exhibit A, Section 8 – Use of Chemicals, any changes, additions, deletions or substitutions to the recommended pesticides listed shall be submitted in writing to the Director for approval prior to any use of newly recommended material. Failure to adhere to any part of this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.
6. Disposal of empty pesticide containers, if made in the County of Riverside, shall be in strict compliance with label direction, restrictions and precautions, and all applicable federal, state, county, and local regulations, including but not limited to California Code of Regulations, Sections 6684, 3142, and 3143. The Director may require proof of such compliance in the form of a

copy of a Contractor's annual Letter of Compliance, as issued by the County Agricultural Commissioner, and submitted by Contractor to the County Waste Management Department.

B. REPORTING SPECIFICATIONS

1. Contractor shall be responsible for the filing of all required records and reports, including but not limited to Notice of Intent to Apply, and Pesticide Use Reports, as specified by all county, state and federal agencies. Said reports shall contain accurate and valid information. The Director may require copies of all such records and reports be made available for inspection by City staff after giving twenty-four (24) hour notice to Contractor.
2. For pesticide application reporting specifications, see Exhibit A, Section 3 – Functions and Responsibilities and Exhibit A, Section 8 – Use of Chemicals.
3. A written notice shall be provided to the Director five (5) working days prior to any pesticide application. Notice shall include name of chemical, area, rate and method of application, and time of day. Failure to adhere to this specification may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

C. GROUND COVERS, SHRUBS, & TREES - PESTICIDE USAGE CRITERIA

1. Weed Control
 - (a) All shrub bed areas shall be treated with an appropriate pre-emergent herbicide at the maximum allowable rate according to the label, and state regulations. This treatment shall be performed twice a year, as determined by the Director.
 - (b) Appropriate chemical control must be used on the following weeds.
 - Bermuda Grass
 - Kikuyu Grass
 - Nutsedge
 - Field Bindweed
 - Spurge

The aforementioned list is inclusive; other species may be added by the Director as necessary
 - (c) Failure to adhere to the above specifications for weed control may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

2. Snail Control

- (a) Snails shall be controlled on a regular basis on the following plant species:

Agapanthus africanus
Aptenia sp.
Gazania sp.
Hemerocallis sp.

- (b) Snails shall be controlled on an as needed basis on all other plant material.
- (c) Failure to adhere to the above specifications for snail control may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

3. Insect and Disease Control

- (a) The Director may require certain tree species, which are subjected to excessively dusty conditions be rinsed off with water, as directed by City field staff. Rinsing operations that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (b) The Director may require all Platanus species be sprayed annually with two applications of a copper based dormant spray should an infestation be detected. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (c) The Director may require all Pyrus and Pyracantha species found to be infected with fireblight be treated with annual applications of a copper based dormant spray. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (d) The Director may require all Juniperus, Pinus, Cupressus and Pyracantha species found to be infested with mites be treated with an appropriate acaricide. Applications that require the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.
- (e) All other insect, disease, and fungus problems will be treated on a site- and need-specific basis as determined by the Director. Any preventative or curative treatment that requires the use of powered delivery systems shall be considered Additional Work, per Exhibit C, Section 2.

4. Vertebrate Pest Control

All vertebrate pests, including but not limited to gophers, ground squirrels, moles, voles, and mice, shall be controlled on a regular basis wherever and whenever found on the site(s). Control methods shall be as approved by the Director and shall include, but not be limited to, chemical, and mechanical methods. Failure to treat site(s) for vertebrate pests within seven (7) calendar days of notification from the Director may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

D. TURF - PESTICIDE USAGE CRITERIA (IF APPLICABLE)

1. Weed Control

- (a) When the Director determines that the turf weed population at any site(s) exceeds acceptable levels, an appropriate herbicide shall be applied in accordance with all label specifications. Treatments that require the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (b) All turf areas that the Director has determined to be prone to annual weed grass intrusion shall require annual applications of pre-emergent herbicides labeled for such use. Any preventative treatment that requires the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (c) Failure to apply turf weed control materials within the time frames established by the Director may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

2. Insect and Disease Control

- (a) All turf areas that the Director has determined to have a history of fungus infection shall be treated annually with an appropriate fungicide, as directed. Treatments that require the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.
- (b) All other insect, disease, and fungus problems will be treated on a site and need-specific basis as determined by the Director. Any preventative or curative treatment that requires the use of powered delivery systems may be considered Additional Work, per Exhibit C, Section 2.

3. Vertebrate Pest Control

All vertebrate pests, including but not limited to gophers, ground squirrels, moles, voles, and mice, shall be controlled on a regular basis wherever, and whenever found on the site(s). Control methods shall be as approved by the Director and shall include, but are not limited to, chemical, and mechanical methods. Failure to treat site(s) for vertebrate pests, within forty-eight (48) hours of being noticed by the Director, may result in the assessment of non-performance penalties, per Exhibit C, Section 4.

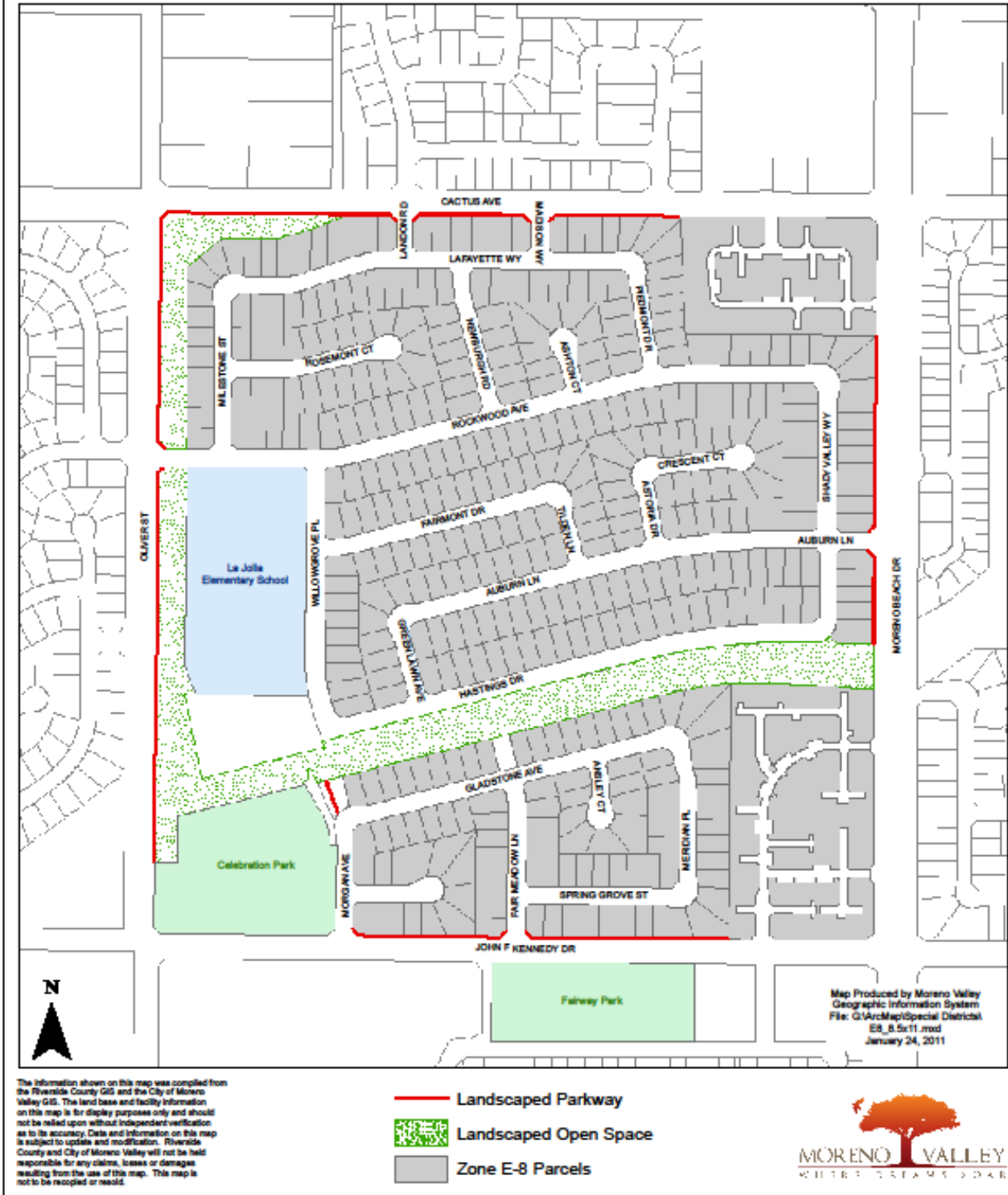
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21. PROJECT LOCATIONS MAPS

| DISTRICT | MAINTENANCE AREA | ESTIMATED SQ. FT. |
|----------|------------------------------------|-------------------|
| E-8 | Existing Planter | 48,500 |
| E-8 | Oliver Street Channel ¹ | 225,553 |
| E-8 | Line F East Channel ¹ | 379,744 |
| E-8 | Line F East Planter ² | 1,568 |
| Zone 04 | Planter | 555,541 |
| Zone 04 | Turf | 424,863 |
| Zone 05 | Planter | 98,392 |
| Zone 06 | Planter | 164,937 |
| Zone 06 | Turf | 13,627 |
| Zone 07 | Planter | 44,591 |
| Zone 07 | Line F West Channel ¹ | 180,563 |

Moreno Valley Community Services District Extensive Landscaping & Irrigation

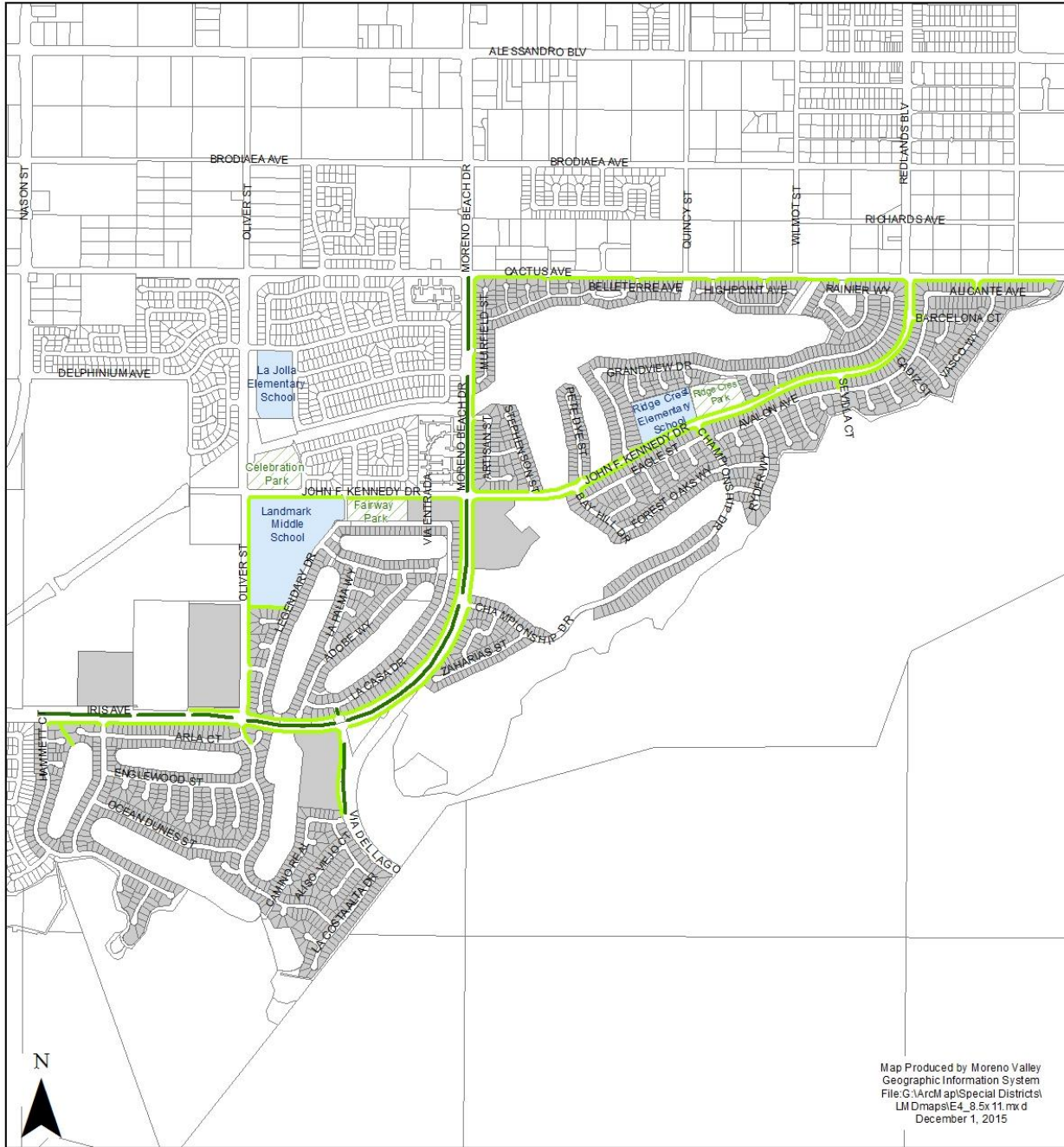
Zone E-8 • Promontory Park



Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 04 (Moreno Valley Ranch - East)



The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.

- Landscaped Parkway
- Landscaped Median
- Zone 04 Parcels

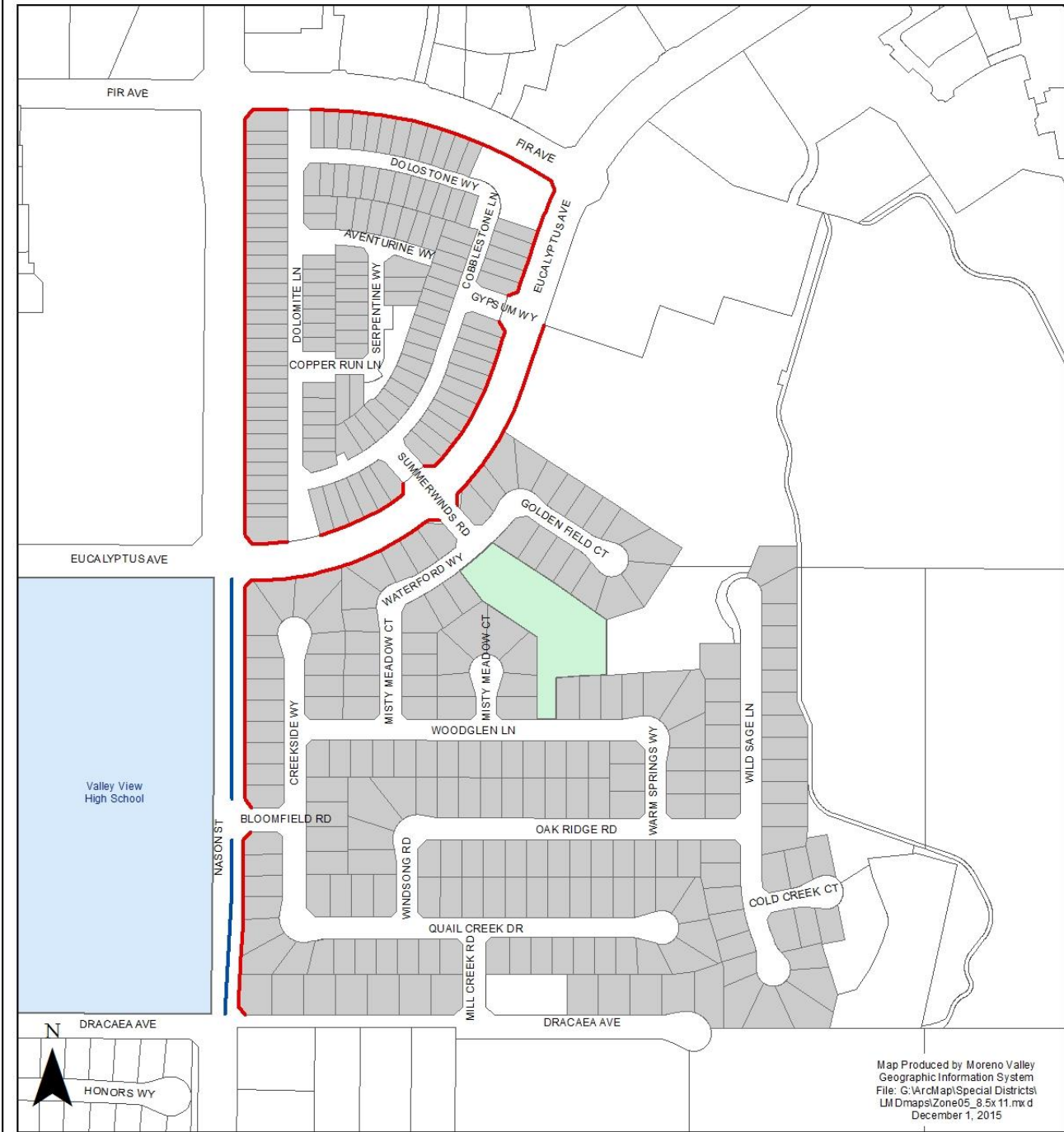


Map Produced by Moreno Valley
Geographic Information System
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December 1, 2015

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 05 (Stoneridge Ranch)



Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR



Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 06 (Mahogany Fields)



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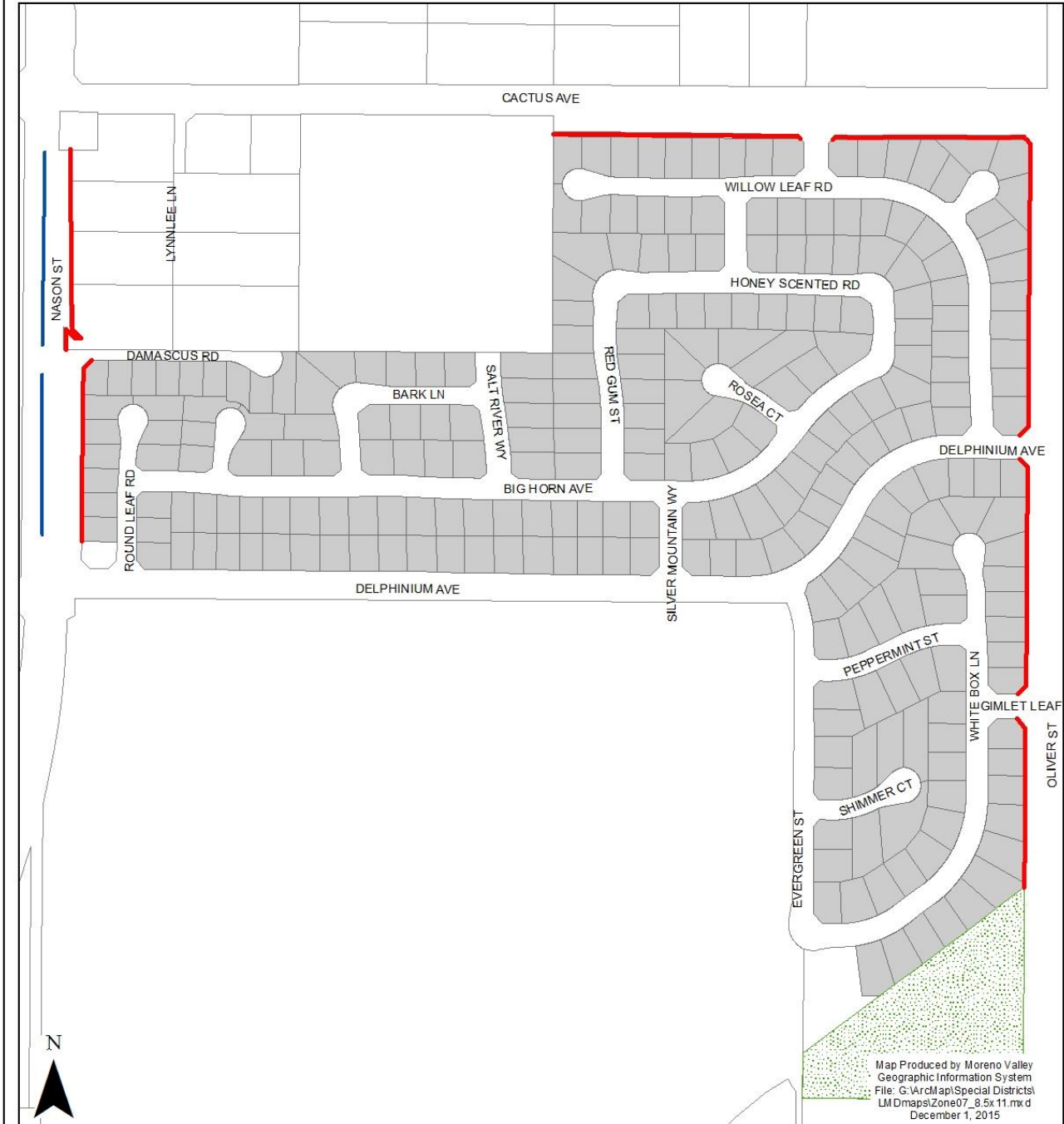
- Landscaped Parkway
- Landscaped Median
- Not part of Zone 06 landscaping
- Turf Area
- Zone 06 Parcels

Map Produced by Moreno Valley Geographic Information System
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 December 1, 2015

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 07 (Celebration)



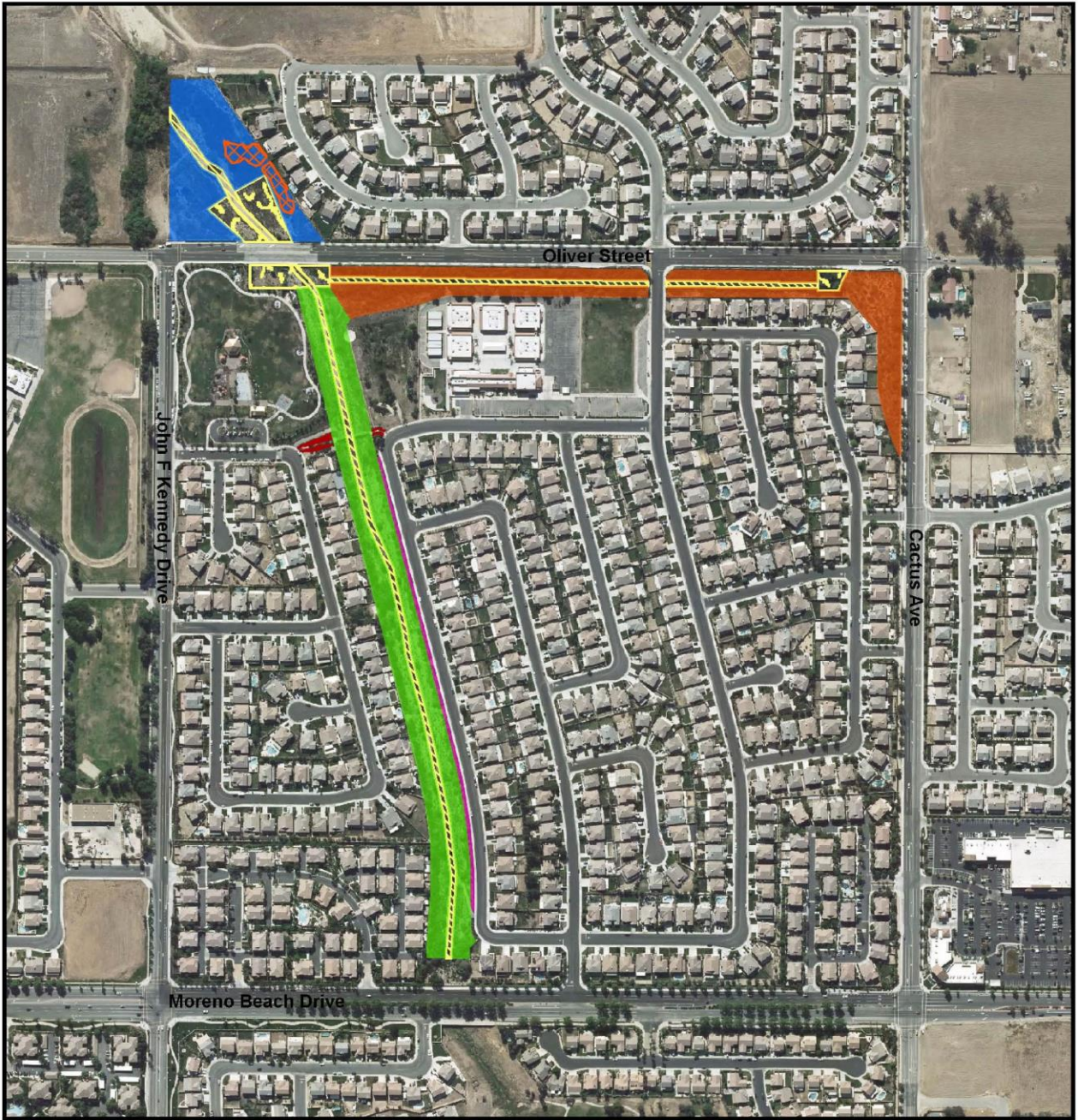
The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.

-  Landscaped Parkway
-  Landscaped Median
-  Landscaped Open Space
-  Zone 07 Parcels

Map Produced by Moreno Valley
Geographic Information System
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December 1, 2015



Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR



**CITY OF
 MORENO VALLEY
 LINE F/OLIVER CHANNEL**

- Culvert/Gabion
- 20ft Wide Low Flow Channel
- Parkway Planter - 1,568 sq ft
- Line F West - 379,744 sq ft
- Oliver Street Channel - 225,553 sq ft
- Line F East - 180,563 sq ft
- Channel Irrigation to be maintained
- Existing Mulefat Scrub Habitat - 8,710 sq ft (leave undisturbed)

N

0 250 500
 Feet

0 0.1
 Miles

Map Produced by Moreno Valley Geographic Information System
 Geographic Information System
 State Plane NAD 83 California Zone 6 Feet
 G:\ArcMap\SpecialDistricts\Linef.mxd
 February 17, 2016

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The hardware and facility information on this map is for informational purposes only and is not intended to be used for any legal or financial purposes. The City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map.

**CITY OF
 MORENO VALLEY
 LINE F/OLIVER CHANNEL**

EXHIBIT B: CITY RESPONSIBILITIES**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. CONTRACT SUPERVISION**

- A. The Contract shall be administered on behalf of the Public Works Director of the City of Moreno Valley, or his/her delegated representative(s), hereinafter designated as "Director."
- B. The Director will decide all questions which may arise as to the manner of performance and completion per schedule, acceptable fulfillment of the Contract by the Contractor, interpretation of the Specifications, and compensation to include completion of work by alternate sources.

2. IRRIGATION SYSTEMS

The City shall manage the operation of all automatically controlled irrigation systems, including but not limited to irrigation controller programming and scheduling. The Contractor shall monitor the operation of, and maintain said irrigation systems as required by the Director. The Contractor shall operate manually controlled irrigation systems as directed by City field staff.

3. UTILITIES

It shall be the City's duty to provide the utilities necessary for irrigation (i.e., water, electricity and communications) and to maintain their appurtenances (i.e., water and electrical meters and backflow devices). The City will pay the water, electricity, and communications costs used in the sites covered by this Contract. The Contractor shall report any interruption of these services for whatever reason immediately upon Contractor's observation of same to the Director.

4. RESTRICTED PESTICIDE MATERIALS PERMIT / USE CONSENT

- A. The City shall maintain in full force and effect throughout the entire term of the Contract a valid Restricted Materials Permit issued by the Agricultural Commissioner of the County of Riverside on behalf of the California Department of Pesticide Regulation. The Contractor shall comply with all permit conditions that pertain to any of the pest control materials listed on said permit that may be used in the course of Contractor's operations under this Contract.
- B. Director must give consent in writing prior to application of any Category I pesticide

EXHIBIT C: PAYMENT TERMS

RFP NO. 2016-009 LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH MAINTENANCE OF PARKWAY AND MEDIAN LANDSCAPING AND IRRIGATION

1. CONTRACTOR'S COMPENSATION

- A. The Contractor will obtain, and keep current during the term of this Agreement, the required City of Moreno Valley business license. Proof of a current City of Moreno Valley business license will be required prior to any payments by the City. Any invoice not paid because the proof of a current City of Moreno Valley business license has not been provided will not incur any fees, late charges, or other penalties. Complete instructions for obtaining a City of Moreno Valley business license are located at: http://www.moval.org/do_biz/biz-license.shtml
- B. The Contractor will electronically submit an invoice to be paid monthly per site based upon successful performance of the maintenance services provided in accordance with an approved service schedule for each area/site and in compliance with the terms and provisions of this Contract. By the tenth of each month the Contractor shall submit to the Director detailed reports of the following: 1) maintenance performed, which must include the location, area or site of such maintenance, 2) greenwaste, 3) complaints received, 3) hazards noted, 4) chemicals used in the prior month and 5) an invoice for service, which list in detail the site, service performed and cost in accordance with the Contract price, which shall become the basis for payment. No payment(s) shall be made until the reports, listed herein, have been submitted and approved. At no time will the City pay for more service than have been satisfactorily completed and the City's determination of the amount due shall be final.

The Contractor will submit all invoices electronically to Accounts Payable staff at AccountsPayable@moval.org. Accounts Payable questions can be directed to 951.413.3073.

The Contractor will electronically submit copies of invoices and reports to the Special Districts Division at specialdistricts@moval.org. Calls may also be directed to the Special Districts Division at 951.413.3480..

- C. Except where additional compensation is specifically provided for in this Contract, the City will pay the Contractor for all work (labor, material, supplies, equipment, etc.) performed under this Contract the total amount of **NINETEEN THOUSAND, ONE HUNDRED NINETY-ONE AND 84/100 DOLLARS (\$19,191.84)** per month for the months of July 2016 through December 2016, and in the total amount of **EIGHTEEN THOUSAND, EIGHTY AND 76/100 DOLLARS (\$18,080.76)** per month, for the months of January 2017 through June 2017, one (1) month in arrears, on the last day of the month. The total contract amount for twelve (12) months shall not exceed **TWO HUNDRED TWENTY-THREE THOUSAND, SIX HUNDRED THIRTY-FIVE AND 60/100**

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

DOLLARS (223,635.60), as outlined in the follow table, except as provided for herein Exhibit C, Section 2 below.

| DISTRICT | MAINTENANCE AREA | SERVICE LEVEL | ESTIMATED SQ. FT. | FY 16/17 BASE COST PER SQ. FT. | FY 16/17 ANNUAL BASE COST ⁽⁶⁾ | FY16/17 TOTAL BASE COST |
|----------|------------------------------------|----------------------|-------------------|--------------------------------|------------------------------------------|-------------------------|
| E-8 | Existing Planter | Level1 (4 Weeks) | 48,500 | \$ 0.0250 | \$ 14,550.00 | \$ 58,734.00 |
| E-8 | Oliver Street Channel ¹ | Channel ² | 225,553 | \$ 0.0060 | \$ 16,239.84 | |
| E-8 | Line F East Channel ¹ | Channel ² | 379,744 | \$ 0.0060 | \$ 27,342.00 | |
| E-8 | Line F East Planter ³ | Level1 (4 Weeks) | 1,568 | \$ 0.0320 | \$ 602.16 | |
| Zone 04 | Planter ⁴ | Level 3 (12 Weeks) | 555,541 | \$ 0.0045 | \$ 14,999.58 | \$ 84,513.00 |
| Zone 04 | Planter ⁵ | Level 5 (20 Weeks) | 555,541 | \$ 0.0025 | \$ 8,333.10 | |
| Zone 04 | Turf | 1 Time Every 2 Weeks | 424,863 | \$ 0.0120 | \$ 61,180.32 | |
| Zone 05 | Planter | Level1 (4 Weeks) | 98,392 | \$ 0.0142 | \$ 16,765.92 | \$ 16,765.92 |
| Zone 06 | Planter | Level1 (4 Weeks) | 164,937 | \$ 0.0170 | \$ 33,647.16 | \$ 37,244.64 |
| Zone 06 | Turf | 1 Time per Week | 13,627 | \$ 0.0220 | \$ 3,597.48 | |
| Zone 07 | Planter | Level1 (4 Weeks) | 44,591 | \$ 0.0250 | \$ 13,377.24 | \$ 26,378.04 |
| Zone 07 | Line F West Channel ¹ | Channel ² | 180,563 | \$ 0.0060 | \$ 13,000.80 | |
| | | | | | | \$ 223,635.60 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.

² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table of the RFP for detailed information.

³ Parkway Planter located adjacent to Line F East.

⁴ Service provided for the months of July 2016 through December 2016

⁵ Service provided for the months of January 2017 through June 2017

⁶ Annual amounts rounded to create equal monthly installments.

- D. The Contractor agrees that City payments will be received via Automated Clearing House (ACH) Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization Form is located at: http://www.moval.org/city_hall_forms.shtml#bf.
- E. The minimum information required on all invoices includes:
 1. Vendor Name, Mailing Address and Phone Number
 2. Invoice Date
 3. Vendor Invoice Number
 4. City – provided Reference Number (Project Title)
 5. Detailed work hours by class title (e.g. manager, technician or specialist), services performed, and rates, explicit portion of a contract amount or detailed billing information is sufficient to justify the invoice amount: single or lump sum amounts without detail are not acceptable.
- F. The City shall pay the Contractor for all invoiced and authorized maintenance services within thirty (30) days of receipt of invoice for the same.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

- G. Should this Contract commence or terminate on other than the first day of a calendar month, the Contractor's compensation for that partial calendar month shall be prorated at the rate of 1/30 of the full month rate per day for the number of days during which the Contract is effective.
- H. Reimbursement for Expenses. Contractor shall not be reimbursed for any expenses unless authorized in writing by the City
- I. Maintenance and Inspection. Contractor shall maintain complete and accurate records with respect to all costs and expenses incurred under this Agreement. All such records shall be clearly identifiable. Contractor shall allow a representative of City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement. Contractor shall allow inspection of all work, data, documents, proceedings, and activities related to the Agreement for a period of three (3) years from the date of final payment under this Agreement.

2. ADDITIONAL WORK

- A. During the term of this Contract the City may, at its discretion, authorize the Contractor to perform certain Additional Work as included in Exhibit C, Section 2, paragraph C, herein, in addition to the work set forth in Exhibit A, Section 1, General Provisions - Scope of Work.

If the City determines it to be in the City's best interest, said Additional work may include: Acts of God (i.e., earthquake damage, storm damage), or vandalism, theft, and acts or omissions by third parties.

Compensation for all such Additional Work shall be calculated either: at the prices set forth by the Contractor in Exhibit E, Schedule II, Sections C & D or at a price based on the Contractor's written estimate (lump sum, time and materials, or cost plus basis), as determined by the Director. Except as set forth herein Exhibit C, Section 2, paragraph B, below, the Contractor shall not perform any such Additional Work without first obtaining express written authorization from the City.

- B. Notwithstanding the above requirement for prior written authorization, when a condition exists wherein there is imminent danger of injury to the public or damage to property, the City may verbally authorize the work to be performed upon receiving a verbal estimate from the Contractor. Within twenty-four (24) hours after receiving a verbal authorization, the Contractor must submit a written estimate to the City for written approval. Whenever immediate action is required to prevent impending injury, death, or property damage to the facilities being maintained, the City may, after reasonable attempt to notify the Contractor, cause such action to be taken by the City's work force.
- C. The Contractor shall maintain as Additional Work, at a unit price comparable to landscape areas described herein, additional landscape areas that the City may add to this Contract. In the event that notification is made, at other than the beginning of a monthly period, the unit cost as set forth by Contractor in Exhibit

- E, Schedule II, Section D shall be prorated from the day the Contractor commences work on the additional areas.
- D. Routine repairs to project irrigation system(s) shall be considered Additional Work to the extent that the Contractor shall charge only for materials used to perform said repairs at Contractor’s cost plus a percentage of that cost, as set forth in Exhibit E, Schedule II, Section D. For the purposes of this Contract, routine irrigation repairs are defined as replacement of existing sprinklers or sprinkler components, and/or non-pressurized pipe, and/or fittings (“lateral lines”) that have been rendered inoperable due to: 1) normal “wear and tear”, and 2) vandalism or theft (which includes acts or omissions by third parties).
- E. Except as specifically approved by subsequent action of the City Council and/or District Board of Directors, the Director may not authorize Additional Work pursuant to paragraphs A, B, and C above in excess of the cumulative total of **ONE HUNDRED TWENTY-ONE THOUSAND, NINE HUNDRED SIXTY AND 00/100 DOLLARS (\$121,960.00)** for each contract year during the term of this Contract.

| DISTRICT | MAINTENANCE AREA | ESTIMATED SQ. FT. | FY 16/17 ADDITIONAL WORK COST |
|----------|------------------------------------|-------------------|-------------------------------|
| E-8 | Existing Planter | 48,500 | \$ 14,100.00 |
| E-8 | Oliver Street Channel ¹ | 225,553 | \$ 30,000.00 |
| E-8 | Line F East Channel ¹ | 379,744 | |
| E-8 | Line F East Planter ³ | 1,568 | \$ - |
| Zone 04 | Planter | 555,541 | \$ 28,620.00 |
| Zone 04 | Turf | 424,863 | |
| Zone 05 | Planter | 98,392 | \$ 17,540.00 |
| Zone 06 | Planter | 164,937 | \$ 13,000.00 |
| Zone 06 | Turf | 13,627 | |
| Zone 07 | Planter | 44,591 | \$ 6,800.00 |
| Zone 07 | Line F West Channel ¹ | 180,563 | \$ 11,900.00 |
| | | | \$ 121,960.00 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.

² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table of the RFP for detailed information.

³ Parkway Planter located adjacent to Line F East.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

3. PAYMENT DEDUCTIONS

The City may deduct payment to such extent as may be necessary to protect the City from loss due to:

- A. Work required in the General or Technical Provisions which is: not performed, not performed to the standards set forth therein, not performed at or within the time(s) specified therein, or is incomplete;
- B. Claims filed or reasonable evidence indicating probable filing of claims by laborers, materialmen, subcontractors, or third parties.

4. NON-PERFORMANCE PENALTIES

The Contractor may become liable for payment of non-performance penalties for failure to: provide adequate communications; provide adequate work area safety; complete "Specialty" operations in a timely manner as set forth in the General Provisions; submit notifications or reports required by the Contract, or General Provisions at the intervals and/or frequencies set forth therein, or; perform work as required by the General Provisions at the intervals and/or frequencies as set forth therein, or as set forth in Contractor's approved work schedule, or as directed by the City. For each of the categories set forth hereinabove, the penal sum of \$100.00 (one hundred dollars) per working day will be assessed for each working day the deficiencies remain uncorrected.

If non-performance penalties are to be assessed, the Contractor will be notified immediately by written email, facsimile transmission, letter, or by telephone.

The Contractor will not be assessed non-performance penalties for delays caused by the City or by the owner of a utility to provide for the removal or relocation of utility facilities.

5. EXCESSIVE UTILITY USAGE

Contractor shall pay for all excessive utility usage due to Contractor's failure to monitor irrigation system malfunctions or unauthorized increases in the frequency of irrigation. The excess cost will be determined by comparing the current usage with the historical usage for the same time period. The excess cost factor, to be deducted from the payments to the Contractor, will be presented by the Director to the Contractor prior to actual deduction by the City to allow for explanations.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR

EXHIBIT D: TERM OF CONTRACT**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION****1. TERM OF CONTRACT**

- A. Following approval by all parties, the Contract will commence on July 1, 2016, and shall terminate June 30, 2017 (12) months thereafter.
- B. At the expiration of its term, the Contract may be extended for up to four (4) additional twelve (12) month periods with the concurrence of all parties. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least thirty (30) days prior to the expiration of the initial term of the Contract or any extension thereof.
- C. In considering the option to extend the Contract, as set forth in paragraph B above, the City shall determine the following:

That the Contractor's performance during the preceding twelve months has been satisfactory, and;

That any request for increase of Contractor's compensation is based on an annual inflation adjustment based on the percentage increase calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index for All Urban Consumers, as published by the Department of Labor's Bureau of Labor Statistics.

- D. At the expiration of its term, and with the concurrence of all parties, the Contract may be extended for up to three (3) additional periods of thirty (30) days each, subject to all terms and conditions in effect during the current term of the Contract. Written notice of the City's intent to invoke this subsection of the Contract shall be given to the Contractor at least fifteen (15) days prior to the expiration of the initial term of this Contract, or any extensions thereof.
- E. It should be noted that multiyear contracts may be continued each fiscal year only after funding appropriations and program approvals have been granted by the City Council of the City of Moreno Valley and the City Council acting in the capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District. In the event that the City Council and/or the City Council acting in the capacity as President and Members of the Board of Directors for the Moreno Valley Community Services District does not grant necessary funding appropriations and/or program approval, the affected multiyear contract becomes null and void effective July 1st of the fiscal year for which such approvals have been denied.

EXHIBIT E: PROPOSAL SUBMITTAL DOCUMENTS

RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION

PROMONTORY PARK (E-8)
MORENO VALLEY RANCH EAST (Zone 04 of LMD No. 2014-02)
STONERIDGE RANCH (Zone 05 of LMD No. 2014-02)
MAHOGANY FIELDS (Zone 06 of LMD No. 2014-02)
CELEBRATION (Zone 07 of LMD No. 2014-02)
CHANNELS AND CHANNEL PARKWAY PLANTERS

*Proposal for
City of Moreno Valley
Landscape Districts – South
Maintenance of Parkway and
Median Landscape and Irrigation
RFP No. 2016-009*

*Due Date: March 21, 2016
Time: 10:00 am*

Submitted By:



*8847 W. 9th St.
Rancho Cucamonga, CA. 91730*

800-645-4881

Fax 909-981-1029

Contact

Patrick Healy

patrick@merchantslandscape.com



COMPANY PROFILE

Merchants Landscape Services is a full service landscape maintenance contractor, which currently operates Four Regional offices in Southern California.

Merchants Landscape Services corporate headquarters is located in Santa Ana. Merchants Landscape is the largest provider of municipal landscape maintenance in Southern California. This growth was accomplished without a marketing department or acquisitions. MLS's corporate philosophy is based on service and client retention. Our Sun Valley branch service's LA and Ventura counties, the Santa Ana and Irvine branch's Orange County, the Rancho Cucamonga branch service's Riverside and San Bernardino counties. Merchants Landscape Services has over 400 employees and maintains a fleet of more than 200 trucks and trailers. Company annual sales will exceed \$20,000,000.00 this year.

We have hundreds of accounts encompassing a wide range of maintenance clients. Included are large regional Hospitals, school districts, and County contracts. However, nearly 95% of the company's revenue is generated from municipality landscape maintenance contracts. Merchants Landscape Services is currently servicing the cities of:

| | | |
|---------------|------------------|-----------------|
| Mission Viejo | Moreno Valley | Ontario |
| Irvine | Huntington Beach | Corona |
| Orange | Pasadena | Manhattan Beach |
| Yorba Linda | Chino | Agoura Hills |
| Sierra Madre | County of Orange | Hermosa Beach |
| Buena Park | Long Beach | Fountain Valley |
| Santa Ana | | |

Merchants welcomes any interested future clients to contact any of our current clients regarding Merchants services.

Merchants Landscape Services is 1 of only 2 landscape maintenance companies in California that are self-insured for workers compensation insurance. Allowing Merchants to maintain a lower cost of operation and provide our clients with very competitive pricing.

The contact lead person for the City of Moreno Valley will be Patrick Healy, patrick@merchantslandscape.com. The office is located at 8847 W. 9th Street, Rancho Cucamonga, CA. 91730; Office # (800) 645-4881, Fax # (909) 981-1029


RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
NOTICE REQUESTING PROPOSALS - Page 3 of 3

RFP SUBMITTAL 'CHECK-OFF' LIST

**RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION**

The following check list (together with the necessary, and where required, notarized original documentations) must be completed, signed and included for the RFP to be considered responsive:

INCLUDE THIS COMPLETED SIGNED 'CHECK-OFF' LIST WITH SCHEDULE I:

| | |
|-----------------------------------------------------------------------------------|-----------------------------------------------|
| <u>Merchants Landscape Services, Inc.</u> | <u>1510 S. Lyon St., Santa Ana, CA. 92705</u> |
| Company Name (Please print) | Company Address (Please print) |
|  | <u>1.800.645.4881</u> |
| Authorized Signature | Company Phone Number |

mark@merchantslandscape.com
Email Address of Submitter

SCHEDULE I - VENDOR INFORMATION (Completed) along with the following:

- MINIMUM OF THREE REFERENCES
- PROPOSED FACILITIES AND EQUIPMENT SCHEDULE
- PROPOSED PROJECT WORK SCHEDULES
 - MONTHLY SCHEDULE SHEETS for each Area
 - ANNUAL SCHEDULE SHEETS for each Area
- FREQUENCY OF SERVICE TABLE (signed acknowledging min. frequencies per service level)
- PROPOSED ANNUAL MATERIAL SCHEDULE
- COMMUNICATIONS, TRAFFIC SAFETY, AND GREENWASTE RECYCLING SHEETS
- LIST OF DESIGNATED SUBCONTRACTORS
- CERTIFICATION OF NON-DISCRIMINATION
- PROPOSAL AFFIRMATION

SCHEDULE II - BID SCHEDULE (Completed, signed and dated) along with the following:

- ADDITIONAL WORK PRICE LIST (signed and dated)
- CONTRACT PROPOSAL SHEET (completed, signed, & corporate seal, if incorporated)
- AFFIRMATION OF PROPOSAL GUARANTEE
- PROPOSAL SURETY BOND, CASHIER'S CHECK OR CERTIFIED CHECK
A PROPOSAL SURETY BOND MUST INCLUDE NOTARY CERTIFICATES AND NOTARIZED SIGNATURES FOR BOTH ATTORNEY-IN-FACT AND PRINCIPAL(S).
- NON-COLLUSION AFFIDAVIT (signed and notarized)

RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
EXHIBIT E SCHEDULE I - Page 2 of 44

RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
MAINTENANCE OF PARKWAY AND MEDIAN
LANDSCAPING AND IRRIGATION

ATTACH ADDITIONAL SHEETS AS NECESSARY FOR COMPLETE RESPONSES

I: SCHEDULE I – VENDOR INFORMATION

A. Company Name: Merchants Landscape Services, Inc.

TYPE

- Sole proprietor _____
- Partnership _____
- Corporation X

B. Company Address (Street) 1510 S. Lyon St.

(City, State, Zip) Santa Ana, CA. 92705

C. Company Address (Mailing) Same as above

(City, State, Zip) _____

D. Business Phone Number(with area code) 800.645.4881

E. Satellite Office Address (if applicable):
8847 W. 9th St., Rancho Cucamonga, CA. 91730

F. Satellite Office Phone Number 800.645.4881

G. Contractor's Licensing Information:

1. License number/Classification/Name Style: 765658 C27

2. Number of Years Operating Under the Above License Name Style: 17 years

3. License Expiration Date: 7-31-17

4. Current License Status: Active

5. Prior actions against this License? Yes / No

6. If Yes, list the citation type and how it was resolved: _____

H. .Company's Federal Identification No.: 95-4725606

I. Name and Title(s) of Company Officers: _____

Mark Brower, President _____
Theodore Haas, Chairman _____

J. Number of years the company has performed landscape maintenances services:
17 years

K. Number of years the company has performed landscape maintenances services for public agencies: 12 Years

L. Current Landscape Maintenance Operations

The City recognizes that the information provided in answer to this question is proprietary in nature and therefore the City will keep this information confidential to the extent permitted by law.

Total number of landscape maintenance contracts: 27

Percentage of total contracts with public agencies: 100%

Total dollar value of landscape maintenance contracts: \$21 Million/yr.

1. Number of employees committed to landscape maintenance operations

| | |
|------------------------|--------------------------------------------|
| Supervisors: <u>22</u> | Average wage scale: \$ <u>65,000</u> /yr * |
| Technicians: <u>35</u> | Average wage scale: \$ <u>35.00</u> /Hr. * |
| Foremen: <u>100</u> | Average wage scale: \$ <u>28.00</u> /Hr. * |
| Laborers: <u>220</u> | Average wage scale: \$ <u>21.00</u> /Hr. * |

*Use the fully burdened rate (i.e., taxes, insurance, benefits, OH &P) - This is a prevailing wage project.

2. Type & number of vehicles & power equipment committed to landscape maintenance operations:

SEE ATTACHED INVENTORY

A. Motor vehicles:

- Type: _____ Number: _____
- Type: _____ Number: _____
- Type: _____ Number: _____
- Type: _____ Number: _____

B. Power equipment

- Type: _____ Number: _____
- Type: _____ Number: _____
- Type: _____ Number: _____
- Type: _____ Number: _____



MERCHANTS LANDSCAPE SERVICES, INC.

References

CITY OF IRVINE

P.O. Box 19575
Irvine, CA. 92623
Contact: Ariel De La Paz
E-Mail: adelapaz@ci.irvine.ca.us
Phone: (949) 724-7619
Project Completion: On going to 2018
Project size in \$: \$10,000,000/year
Medians, Parkways, City Parks, Sport
Parks, Villages of Westpark,
Woodbridge, Turtle Rock, Great Park,
Northwoods & Woodbury
800 Acres

CITY OF BUENA PARK

6688 Beach Blvd.
Buena Park, CA. 90621
Contact: Margaret Riley
E-Mail: mriley@buenapark.com
Phone: (714) 562-3850
Project Completion: On going to 2018
Project Size in \$600,000.00
Parks and Medians
50 Acres

CITY OF HUNTINGTON BEACH

17581 Gothard St.
Huntington Beach, CA. 92647
Contact: David De La Torre
Phone: (714) 375-5124
Project Completion: On going to 2016
Project Size in \$: \$800,000/yr.
90 Acres

CITY OF MORENO VALLEY

14325 Frederick St., Ste: 9
Moreno Valley, CA. 92552
Contact: Dan Monto
E-Mail: danielm@moval.org
Phone: (951) 413-3492
Project Completion: On going to 2016
Project size in \$260,000.00/year
Maintenance of Parkway & Medians

CITY OF SANTA ANA

20 Civic Center Plaza
Santa Ana, CA. 92702
Phone: (714) 836-0880
Contact: Mike Lopez
Project Completion: On going to 2018
Project Size in \$: 720,000.00/year
Parks – 60 Acres

CITY OF CHINO

13220 Central Avenue
Chino, CA. 91710
Contact: Bob Bodis
E-Mail: BBodis@cityofchino.org
Phone: (909) 573-8762
Project Completion: On going to 2018
Project size in \$:450,000/yr.
Landscape Maintenance
45 Acres

**III: SCHEDULE I – PROPOSED FACILITIES AND EQUIPMENT
SCHEDULE**

- A. **Facilities** – List the facility(ies) location(s) and/or address(es) where work crews and equipment will be dispatched. Use additional sheets as necessary to provide a full and comprehensive response.

8847 W. 9th St.
Rancho Cucamonga, CA. 91730

15507 Sunview Circle
Riverside, CA. 92504

- B. List the equipment, motor vehicles, and tools, in the areas below that will be furnished to execute work tasks specified in the Agreement and General Provisions. Indicate with an (S) any listed equipment to be shared with another contract/project. Use additional sheets as necessary to provide a full and comprehensive response.

1. **Equipment:**

See Below

2. **Motor Vehicles:**

1 - F150 with trailer
1 - Ranger Irrigation truck
1 - F350

3. **Turf Maintenance Power Equipment/Tools:**

2 - 72" Lazer

4. **Tree, Shrub, Ground Cover Trimming/Pruning Equipment/Tools:**
(List both powered and hand equipment/tools)

- 5 - Hedge Trimmers
- 5 - Blowers
- 5 - String Trimmers
- 2 - Lopper
- 10 - Hand Tool

5. **Irrigation System Maintenance Equipment:**
(List both powered and hand equipment/tools)

- Universal Remote
- Wire Tracker
- All necessary hand tools

6. **Fertilizer Application Equipment:**
(List both powered and hand equipment/tools)

- Earthway rotary spreaders
- Scotts Accu Pro 2000
- Lesco commercial plus 2 speed power spreader
- Lesco walk behind spreader

7. **Pesticide Application Equipment:**
(List both powered and hand equipment/tools)

- 4 gal. Lesco backpack sprayer
- Lesco commercial plus 2 speed power sprayer
- Lesco commercial plus power sprayers 50 gal. each

IV: SCHEDULE I –PROPOSED PROJECT WORK SCHEDULES

Following this page are blank Monthly and Annual Schedule Sheets. There is one monthly and one annual schedule sheet for each area identified in this Contract.

Proposers are to complete these schedule sheets by writing in their proposed schedule for performing the services as described in Exhibit A. For services listed in Exhibit A - Technical Provisions, Sections 17, A, C, D, E; G; 18 B, C, D, E; 19 A and B; and 20 C. 1 (a), refer to the FREQUENCY OF SERVICES TABLE located in Exhibit E, Schedule I, Section V.

When referencing the Frequency of Services Table to prepare the Monthly and Annual Schedule Sheets reference should only be made to the current service level for each area, as follows:

1. E-8, Zone 05, Zone 06, and Zone 07 Service Schedule Level 1 (4 week) column.
2. Zone 04 Service Schedule Level 3 (12 Week) column.

Within 30 days after contract execution, the awarded Contractor will provide the City mapped work schedules for areas: E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters.

A. Monthly Schedule Sheet

1. List all tasks specified to be performed on a weekly or monthly basis for areas E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters in the box corresponding to the day of the week/month the work is proposed to be performed.
2. Be sure to include administrative tasks such as report submittals, meetings, etc.
3. Fill in the schedule sheet for the entire month. Schedule sheets that are not completed for the entire month will be considered to be non-responsive.

B. Annual Schedule Sheet

1. List all tasks specified to be performed for areas E-8; Zone 04, Zone 05, Zone 06 and Zone 07 of LMD No. 2014-02; and, the Oliver Street, Line F East, and Line F West Channels and channel parkway planters at intervals greater than one (1) month in the box corresponding to the month(s) of the year in which they are either so specified, or if not specified, the month(s) in which the work is proposed to be performed.
2. Be sure to include any administrative tasks such as report submittals, meetings, etc.
3. Fill in the schedule sheet for the entire year. Schedule sheets that are not completed for the entire year will be considered to be non-responsive.



merchants LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
E- 8 Level 1

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
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| Mow & edge turf weekly Fertilize | Mow & edge turf weekly Fertilize | Mow & edge turf weekly Aerate | Mow & edge turf weekly Aerate | Mow & edge turf weekly Fertilize | Mow & edge turf weekly Fertilize | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly Aerate Fertilize | Mow & edge turf weekly | Mow & edge turf weekly | Mow & edge turf weekly |
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| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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merchants LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
Zone 5 Level 1

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
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merchants
landscape services, inc.
MERCHANTS LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
Zone 6 Level 1

Merchants Landscape Services
8647 W. 9th Street
Rancho Cucamonga, CA 91730
California Contractor's License
#765658

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merchants LANDSCAPE SERVICES, INC.
landscapeservices, inc.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE

Zone 7 Level 1

Merchants Landscape Services
 8847 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
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| Weed Control | Weed Control | pre-emergence Weed Control | Fertilize Weed Control | Weed Control | Weed Control | Weed Control | Weed Control | Fertilize Weed Control | pre-emergent Weed Control | Weed Control | Weed Control |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly | Debris & Litter Removal weekly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
| Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly |
| Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report | Supply district with greenwaste report |
| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants LANDSCAPE SERVICES, INC.
 C CITY OF MORENO VALLEY
 ANNUAL MAINTENANCE SCHEDULE
 Zone 4 LEVEL 3

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|----------------------------------------------------|
| Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly Aerate | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly | Mow & edge turf bi-weekly |
| Fertilize | Fertilize | | | | Fertilize | | | | Fertilize | | |
| Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer | Trim shrubs ground cover, Vines & trees 4x per yer |
| Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Pre-emergent Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer | Pre-emergent Weed Control 4x per yer | Weed Control 4x per yer | Weed Control 4x per yer |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month | Litter removal 2 days per month |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
| Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly | Area Supervisor to inspect job site weekly |
| Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste | Supply district report with greenwaste |
| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants **landscapeservices, inc.**
MERCHANTS LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F EAST CHANNEL

Merchants Landscape Services
 8847 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #765658

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants
landscape services, inc.

MERCHANTS LANDSCAPE SERVICES, INC.
CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F WEST CHANNEL

Merchants Landscape Services
8947 W. 9th Street
Rancho Cucamonga, CA 91730
California Contractor's License
#765658

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly | | | Weed Control & Pesticide Quarterly |
| Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly | Irrigation System check Weekly |
| Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly | Debris & Litter Removal monthly |
| Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month | Monthly report form due 10th of each month |
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| OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week | OSHA Safety meetings everyother week |



merchants LANDSCAPE SERVICES, INC.
landscape services, inc.
MERCHANTS LANDSCAPE SERVICES, INC.
C CITY OF MORENO VALLEY
ANNUAL MAINTENANCE SCHEDULE
LINE F EAST PARKWAY PLANTER

Merchants Landscape Services
 8647 W. 9th Street
 Rancho Cucamonga, CA 91730
 California Contractor's License
 #766658

| JAN. | FEB | MAR | APRIL | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| | | | | | | | | | Vegetative thinning Annually | | |
| Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Weed Control & Pesticide Quarterly Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Weed Control & Pesticide Quarterly Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Weed Control & Pesticide Quarterly Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Irrigation System check Weekly Debris & Litter Removal monthly | Weed Control & Pesticide Quarterly Irrigation System check Weekly Debris & Litter Removal monthly |
| Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week | Monthly report form due 10th of each month Area Supervisor to inspect job site weekly Supply district with greenwaste report OSHA Safety meetings everyother week |

City of Moreno Valley
Landscape Maintenance Crew

E-8

| Monday | Tuesdays | Wednesdays | Thursday | Fridays | Legend |
|--------|----------|------------|-----------------|---------|--------|
| | | | E-8 Detail Crew | | Week 1 |
| | | | Area 1 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 2 |
| | | | Area 2 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 3 |
| | | | Area 3 | | |
| | | | | | |
| | | | | | |
| | | | E-8 Detail Crew | | Week 4 |
| | | | Area 3 | | |
| | | | | | |
| | | | | | |

*City of Moreno Valley
Landscape Maintenance Crew
Zone 4 LMD*

| Monday | Tuesdays | Wednesdays | Thursday | Fridays | Legend |
|-------------------------|-------------------------|-------------------------|------------------------|---------|--------|
| Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | | Week 1 |
| Area 1 | Area 1 | Area 2 | Area 2 | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Detail Crew | | Week 2 |
| Iris Avenue | Moreno Beach Blvd | Moreno Beach Blvd | Extra Day | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | Zone 4 LMD Detail Crew | | Week 3 |
| Area 3 | Area 3 | Area 4 | Area 4 | | |
| | | | | | |
| | | | | | |
| Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Mow and Edge | Zone 4 LMD Detail Crew | | Week 4 |
| Iris Avenue | Moreno Beach Blvd | Moreno Beach Blvd | Extra Day | | |
| | | | | | |
| | | | | | |

*City of Moreno Valley
Landscape Maintenance Crew
Oliver Street Cham*

| <i>Monday</i> | <i>Tuesdays</i> | <i>Wednesdays</i> | <i>Thursday</i> | <i>Fridays</i> | <i>Legend</i> |
|-----------------------|-----------------|-------------------|-----------------|----------------|---------------|
| Debris/Litter removal | | | | | Week 1 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 2 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 3 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | Week 4 |
| Irrigation check | | | | | |
| | | | | | |
| | | | | | |

RFP NO. 2016-009
 LANDSCAPE DISTRICTS - SOUTH
 EXHIBIT E SCHEDULE I - Page 27 of 44

V: SCHEDULE I – FREQUENCY OF SERVICES TABLE

A. PARKWAYS, MEDIANS, AND CHANNELS

| Service Type | All Landscape and Irrigation Zones | | | LMD 2014-02 Zone 04 Only | | |
|--------------------------------------------------------------------------------------------------------|---------------------------------------|-------------------------------------------------|---------------------------------------|------------------------------------|------------------------------------|------------------------------------------|
| | Service Schedule Level 1 (4 Week) | Service Schedule Level 2 (8 Week) | Service Schedule Level 3 (12 Week) | Service Schedule Level 4 (16 Week) | Service Schedule Level 5 (20 Week) | Service Schedule Level 6 (24 Week) |
| 17.A. Turf Care Mow/edge/trim Aeration | Weekly Bi-annually (Spring & Fall) | Every other week Bi-annually (Spring & Fall) | Every other week Annually (Spring) | Every other week N/A | Every other week N/A | Every other week N/A |
| 17.C. Shrub Care Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.D. Ground Cover Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.E. Weed Control Weed control | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.F. 2. Irrigation | Weekly | Weekly | Weekly | Monthly | Monthly | Monthly |
| 17.G. Debris/Litter Debris/Litter removal | Weekly | Weekly | Every other week | Monthly | Every Other Month | Quarterly |
| 19.A. Turf Fertilization | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 2x's per year (Feb. & Oct.) | 1x per year (Feb.) | N/A |
| 19.B. Shrub/Ground Cover Fertilization | 2x's per year (April & Sept.) | 2x's per year (April & Sept.) | 1x per year (April) | 1x per year (April) | 1x per year (April) | N/A |
| 20. C. 1. (a) Pre-Emergent Ground covers, shrubs & trees - Pesticide usage criteria ¹ | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 1x per year (Spring) | 1x per year (Spring) | N/A |
| Exhibits G & I Reports | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly |
| Exhibit H Report | Weekly | Weekly | Weekly | Weekly | Weekly | Weekly |

| Service Type | Channels |
|---------------------------------------------|------------------|
| | Service Schedule |
| 18.B. Vegetative Thinning ¹ | Annual |
| 18.C. Weed Abatement/Pesticide ¹ | Quarterly |
| 18.D. Irrigation | Weekly |
| 18.E. Debris/Litter Removal | Monthly |
| Exhibits G & I Reports | Monthly |
| Exhibit H Report | Monthly |


 (Sign here)

By signing, I hereby acknowledge review of the aforementioned Frequency of Services and have incorporated reference of the frequencies in the Proposal Schedule, including the Optional Proposal Schedule, and the proposed monthly and annual schedule sheets for the services to be provided consistent with the terms of this Contract.

VI: SCHEDULE I – PROPOSED ANNUAL MATERIAL SCHEDULE

A. Fertilizers:

List the fertilizers to be furnished to execute work tasks specified in Exhibit A, Section 18, Technical Provisions – Fertilizer. Specify the type (analysis/brand name), estimated amount of each type to be supplied annually, and estimated annual cost for each type (include applicable sales tax, overhead, and mark-up). Use additional sheets as necessary to provide a full and comprehensive response.

| Type | Estimated Annual Amount | Estimated Annual Cost |
|---------|-------------------------|-----------------------|
| 23-5-10 | 260 Bags-50 lb. | \$5,500.00 |

B. Pesticides:

List pesticides to be furnished to execute work tasks specified in Exhibit A, Section 19, Technical Provisions – Pesticide Use. Specify the type (i.e., pre-emergent herbicide, rodent/snail bait, insecticide, etc.), the brand name, estimated amount of each type/brand to be supplied annually, and the estimated annual cost for each type/brand (include applicable sales tax, overhead, and mark-up). Use additional sheets as necessary to provide a full and comprehensive response.

| Type | Estimated Annual Amount | Estimated Annual Cost |
|--------------------------|-------------------------|-----------------------|
| Snap shot-pre-emergent | 250 lbs. | \$500.00 |
| Fusilade - Herbicide | 10 pint | \$650.00 |
| Fumitoxin-Gopher Control | 5 flask | \$130.00 |
| M-pede-insecticide | 12 gal. | \$ 36.00 |

VII: SCHEDULE I – COMMUNICATIONS, TRAFFIC SAFETY, & GREENWASTE RECYCLING

A. Communications:

Exhibit A, Section 3 General Provisions – Functions and Responsibilities requires the selected Contractor possess and maintain an effective company-wide communications system. The Contractor must also designate responsible staff to be available on a twenty-four (24) hour basis to receive, and respond to emergency calls.

Describe your company's internal communications system, both in the office and in the field, and how it will enable your company to provide the communication capability as required in Scope of Services specifications. Also, describe how your company will provide the required twenty-four (24) hour communication capability. Use additional sheets as necessary to provide a full, and comprehensive response.

Merchants has a 24 hour/7 days a week dispatch manned by Merchants employees. Also, all Area Managers have Sprint phone/radios with Blackberry capability for field e-mail access. All crew foreman also have Sprint phone/radios. All of the above allows Merchants to have a 24 hours, 7 days a week rapid communication capabilities.

B. Traffic Safety:

Exhibit A, Section 7 General Provisions – Safety requires the selected Contractor provide safe and effective work area traffic control, per Caltrans' "Manual On Uniform Traffic Control Devices 2012 (or most current revised version) California Supplement, Part 6, Temporary Traffic Control". Please describe your company's general traffic control practices and training, and how your company intends, if selected, to conduct work area traffic control operations to provide service for this project. Use additional sheets as necessary to provide a full and comprehensive response.

Merchants possesses all it's own traffic control devices, including arrow boards, delinators signage etc. It is very versed and experienced in caltrans requirements. It practices traffic control daily in Cities through out Southern California.

C. Greenwaste Recycling:

AB 939 mandates that the City of Moreno Valley divert from landfills fifty percent (50%) of the solid waste, including greenwaste, generated within its jurisdiction. Please describe your company's program to insure that the City receives credit for the greenwaste that will be generated from executing the project's Scope of Work (Exhibit A). Be sure to include the name(s), address(es) and phone number(s) of the recycling facility(ies) that will be accepting the greenwaste generated from your operations on the project. If planning to use any recycled greenwaste products (mulch, compost, soil amendments, etc.) on the project, please give name/address/phone information of the producer if different from those listed above. Use additional sheets as necessary to provide a full and comprehensive response.

Burrtec Waste Industries, Inc.
9820 Cherry Ave.
Fontana, CA. 92335
Contact: Vicente - 800.998.8774

Burrtec Waste Industries, Inc.
1850 Aqua Mansa Rd.
Riverside, CA. 92509
Contact: Judy Davis - 951.786.0639

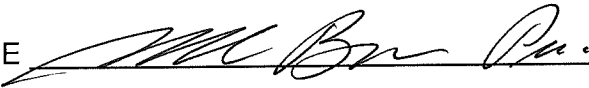
Aqua Mansa Waste Site
1830 Aqua Mansa Rd.
Riverside, CA. 92509
Phone: 951.786.0544

IX: SCHEDULE I – CERTIFICATION OF NON-DISCRIMINATION

Pursuant to California Labor Code Section 1735, as added by Chapter 643 statutes of 2039, and as amended,

No discrimination shall be made in the employment of persons upon Public Works because of race, religion creed, color, national origin, ancestry, physical handicaps, mental condition, marital status or sex of such persons, except as provided in Section 12940, of the California Labor Code and every Contractor of Public Works violating this section is subject to all penalties imposed for a violation of the Chapter.

I certify that I have read, and understand the foregoing:

SIGNATURE 

PRINTED NAME Mark Brower

TITLE President

COMPANY NAME Merchants Landscape Services, Inc.

DATE March 21, 2016


RFP NO. 2016-009
LANDSCAPE DISTRICTS - SOUTH
EXHIBIT E SCHEDULE I - Page 33 of 44

X: SCHEDULE I – PROPOSAL AFFIRMATION

With regard to the information provided hereinabove (Exhibit E: Proposal Submittal Documents), I affirm that:

- All information provided is true and correct to the best of my knowledge, and;
- I understand that a materially false statement willfully or fraudulently made in connection with this proposal may result in the termination of any Contract between the City of Moreno Valley, the Moreno Valley Community Services District and Merchants Landscape Services, Inc., and further, the aforesaid company may be barred from participation in future City contracts and be subject to possible criminal prosecution, and;
- I have legal authority to bind Merchants Landscape Services, Inc. to the terms of this affirmation (See "INSTRUCTIONS TO PROPOSER", Section D – Signature of Contract Proposal).

For the proposal to be valid, this sheet must be returned with the proposal submission and fully completed with a legible signature and date

SIGNATURE 

NAME Mark Brower

TITLE President

COMPANY NAME Merchants Landscape Services, Inc.

DATE March 21, 2016

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 34 of 44

Packet Pg. 328

I. SCHEDULE II – BID SCHEDULE

PROPOSER: Merchants Landscape Services, Inc.
(Company Name)

A. SERVICE SCHEDULES:

1. Promontory (E-8) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|-----------------------|------------------|--------------------|----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 48,500 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0250 | \$ 1,212.50 | 1 | \$ 14,550.00 |
| Level 2 (8 Weeks) | Optional | \$ 0.0230 | \$ 1,115.50 | 2 | \$ 13,386.00 |
| Level 3 (12 Weeks) | Optional | \$ 0.0210 | \$ 1,018.50 | 3 | \$ 12,222.00 |

2. Moreno Valley Ranch East (Zone 04 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|----------------------------------------------------------------|------------------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 642,083 sq. ft. | | | | |
| Level1 (4 Weeks) | Optional | \$ 0.0080 | \$ 5,136.66 | 4 | \$ 61,639.97 |
| Level 2 (8 Weeks) | Optional | \$ 0.0070 | \$ 4,494.58 | 5 | \$ 53,934.97 |
| LEVEL 3 (12 WEEKS) | CURRENT | \$ 0.0045 | \$ 2,889.37 | 6 | \$ 34,672.48 |
| Level 4 (16 Weeks) | Optional | \$ 0.0030 | \$ 1,926.25 | 7 | \$ 23,114.99 |
| Level 5 (20 Weeks) | Optional | \$ 0.0025 | \$ 1,605.21 | 8 | \$ 19,262.49 |
| Level 6 (24 Weeks) | Optional | \$ 0.0020 | \$ 1,284.17 | 9 | \$ 15,409.99 |
| TURF | 338,321 sq. ft. | | | | |
| 1 Time per Week | Optional | \$ 0.0240 | \$ 8,119.70 | 10 | \$ 97,436.45 |
| 1 Time Every 2 Weeks | CURRENT | \$ 0.0120 | \$ 4,059.85 | 11 | \$ 48,718.22 |
| Annual Amount Proposed for Zone (Total of Row IDs 6 and 12) | | | | 16 | \$ 83,390.71 |

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

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LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 35 of 44

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3. Stoneridge Ranch (Zone 05 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|----------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 98,392 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0142 | \$ 1,397.16 | 17 | \$ 16,765.92 |
| Level 2 (8 Weeks) | Optional | \$ 0.0122 | \$ 1,200.38 | 18 | \$ 14,404.56 |
| Level 3 (12 Weeks) | Optional | \$ 0.0100 | \$ 983.92 | 19 | \$ 11,807.04 |

4. Mahogany Fields (Zone 06 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-----------------------------------------------------------------|-----------------------|--------------------|--------------------|-----------|----------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 164,937 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0170 | \$ 2,803.93 | 20 | \$ 33,647.15 |
| Level 2 (8 Weeks) | Optional | \$ 0.0150 | \$ 2,474.05 | 21 | \$ 29,688.60 |
| Level 3 (12 Weeks) | Optional | \$ 0.0130 | \$ 2,144.18 | 22 | \$ 25,730.16 |
| TURF | 13,627 sq. ft. | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| 1 Time per Week | CURRENT | \$ 0.0220 | \$ 299.79 | 23 | \$ 3,597.48 |
| 1 Time Every 2 Weeks | Optional | \$ 0.0150 | \$ 204.40 | 24 | \$ 2,452.80 |
| Annual Amount Proposed for Zone (Total of Row IDs 20 and 23) | | | | 26 | \$ 37,244.63 |

5. Celebration (Zone 07 of LMD No. 2014-02) Landscaped Parkways and Medians

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|-------------------------|----------------|------------------|--------------------|-----------|---------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| PLANTER | 44,591 sq. ft. | | | | |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0250 | \$ 1,114.77 | 27 | \$ 13,377.24 |
| Level 2 (8 Weeks) | Optional | \$ 0.0230 | \$ 1,025.59 | 28 | \$ 12,307.08 |
| Level 3 (12 Weeks) | Optional | \$ 0.0210 | \$ 936.41 | 29 | \$ 11,236.92 |

A.10.b

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
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6. Channels and Parkway Planters¹

| TYPE / SERVICE LEVEL | ESTIMATED AREA | COST | | | |
|---------------------------------------------------------------------------------|----------------------|--------------------|------------------|-----------|----------------------|
| | | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| CHANNEL² | | | | | |
| Oliver Street | 225,553 sq. ft. | \$ 0.006 | \$ 1,353.32 | 30 | \$ 16,239.84 |
| Line F East | 379,744 sq. ft. | \$ 0.006 | \$ 2,278.46 | 31 | \$ 27,342.00 |
| Line F West | 180,563 sq. ft. | \$ 0.006 | \$ 1,083.38 | 32 | \$ 13,000.80 |
| PLANTER³ | 1,568 sq. ft. | PER SQ. FT. | PER MONTH | ID | PER 12 MONTHS |
| LEVEL1 (4 WEEKS) | CURRENT | \$ 0.0320 | \$ 50.18 | 33 | \$ 602.16 |
| Level 2 (8 Weeks) | Optional | \$ 0.0310 | \$ 48.60 | 34 | \$ 583.20 |
| Level 3 (12 Weeks) | Optional | \$ 0.0300 | \$ 47.04 | 35 | \$ 564.48 |
| Annual Amount Proposed for Zone (Total of Row IDs 30, 31, 32, and 33) | | | | 36 | \$ 57,184.80 |

¹ Service will begin when Channels and Parkway Planters in this table are accepted by the City. Amount proposed for this Zone will be adjusted based on date of actual acceptance.² Service Levels do not apply to Channel Maintenance due to required timing of services. Refer to Exhibit A, Section 17 - Technical Provisions for Channel Maintenance and Exhibit E, Section V - Frequency of Services Table for detailed information.³ Parkway Planter located adjacent to Line F East.

| | |
|---------------------------------------------------------------------------------------------|----------------------|
| Annual Amount Proposed for All Zones (Total of Row IDs 1, 16, 17, 26, 27, and 36) | \$ 222,513.29 |
|---------------------------------------------------------------------------------------------|----------------------|

The Total Amount of the Service shall be the combined Total 12 Month Cost for each of the Zone at the current service level as identified in the table above.

Figures: \$222,513 and 29/100's DollarsWords: Two hundred twenty-two, five hundred thirteen and 29/100's Dollars

All work shall be performed in accordance with the terms and conditions of this Independent Contractor Agreement, which includes all General and Technical Provisions as outlined herein for the Full or Reduced Services. Any modification to the number of occurrences for any service shall be made per written direction by the City. Service occurrences may be modified with 30 days advance written notice by the City.

The Contractor shall furnish all labor, equipment, and materials necessary to provide maintenance of median and parkway, irrigation, and landscaping as set forth in Exhibit A of this Contract, and; any and all addenda issued prior to the opening of Proposals; any Change Orders issued after the execution of the Independent Contractor Agreement and its attached exhibits.

Addendum No(s). 1,2 has/have been received and is/are made a part of this proposal.


(Authorized Signature and Title)

4/18/16
(Date)

B. ADDITIONAL WORK PRICE LIST

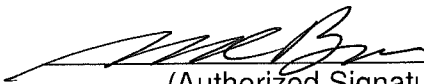
THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT

Prices for Additional Work and Routine Irrigation Repair shall include, but are not limited to, those situations where Additional Work may be required, as referenced in Exhibits A and C.

UNIT PRICES (Includes all labor and materials)

| | | | |
|-----------------------------------------------|---|--------------------|-----------|
| 1. 1 gal. shrub/vine/ground cover in place | @ | \$ <u>9.00</u> | ea |
| 2. 5 gal. shrub/vine/ground cover in place | @ | \$ <u>20.00</u> | ea |
| 3. 5 gal. tree in place (stakes included) | @ | \$ <u>35.00</u> | ea |
| 4. 15 gal. tree in place (stakes included) | @ | \$ <u>95.00</u> | ea |
| 5. 24" box tree in place (stakes included) | @ | \$ <u>250.00</u> | ea |
| 6. 36" box tree in place (guy wires included) | @ | \$ <u>795.00</u> | ea |
| 7. Flat of ground cover in place | @ | \$ <u>20.00</u> | ea |
| 8. Fertilizer application | @ | \$ <u>5,500.00</u> | ea |
| 9. Planter bed mulch in place | @ | \$ <u>30.00</u> | /cu. yd |
| 10. Additional labor | @ | \$ <u>21.00</u> | /man hour |
| 11. Additional Irrigation Technician | @ | \$ <u>35.00</u> | /man hour |

PROPOSER: Merchants Landscape Services, Inc.
(Company Name)

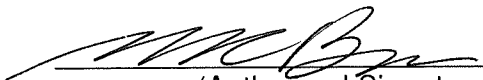
 President March 21, 2016
(Authorized Signature and Title) (Date)

C. ROUTINE IRRIGATION REPAIR PRICES AND ADDITIONAL LANDSCAPE AREA

THE FOLLOWING PRICES ARE HEREBY MADE A PART OF THIS AGREEMENT

- 1. Irrigation repair parts for routine repairs @ cost plus 15 %
- 2. Unit prices for Additional Work (additional landscape areas) per Exhibit C, Section 2
 - A. Additional parkway areas, **PLANTERS** (trees to 18-ft. height, shrubs, ground cover included, as applicable): Planter areas added during the term of this contract shall be incorporated at the Per Square Foot rate and Service Level of the Zone at the time of its incorporation. (Refer to Exhibit E, Schedule 2 A)
 - B. Additional parkway areas, **TURF** (trees to 18-ft. height, shrubs, ground cover included, as applicable): Turf areas added during the term of this contract shall be incorporated at the Per Square Foot rate and Service Level of the Zone at the time of its incorporation.(Refer to Exhibit E, Schedule 2 A)
- 3. Any other Additional Work shall be quoted per Exhibit C, Section 2.

PROPOSER: Merchants Landscape Services, Inc
(Company Name)

| | | |
|-------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|
|  (Authorized Signature and Title) | President | March 21, 2016 (Date) |
|-------------------------------------------------------------------------------------------------------------------------|-----------|--------------------------|

II. SCHEDULE II - CONTRACT PROPOSAL

The undersigned declares that he/she has carefully examined the location(s) of the proposed work, that he/she has examined the Specifications and has read the accompanying Instructions to Proposers, and hereby proposes and agrees, if this proposal is accepted, to enter into a Contract with the City for the good and faithful performance thereof, to furnish all material and do all work required to complete the said work in accordance with the Specifications, in the time and manner therein prescribed, for the unit cost and lump sum amounts set forth in the proposal and as listed as follows. The undersigned further declares that the representations made herein are made under penalty of perjury.

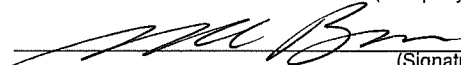
TOTAL BASE COMPENSATION AMOUNT (FROM Exhibit E, Schedule II A. "Proposal Schedule"):

One hundred seventy nine thousand three hundred seventy seven dollars and sixty eight cents
(Dollar Amount in Words)

\$ 179,377.68
(Dollar Amount in Figures)

Date: March 21, 2016

Proposer: Merchants Landscape Services, Inc
(Company Name)

By: 
(Signature)

Title: President

State License Number and Classification: 765658 C27

If a corporation, complete the following:

INCORPORATED UNDER LAWS OF THE STATE OF California

(Corporate Seal) PRESIDENT Mark Brower

SECRETARY Donna Brower

III. SCHEDULE II - AFFIRMATION OF PROPOSAL GUARANTEE

The undersigned also affirms that:

Accompanying this proposal is a cashier's check, a certified check, or a Proposal Surety Bond _____, payable to the City of Moreno Valley, which is deemed to constitute liquidated damages, if, in the event this proposal is accepted, the undersigned shall fail to execute the Contract and furnish satisfactory bonds under the conditions and within the time specified in this proposal, otherwise said cash, cashier's check, certified check or Proposal Surety Bond is to be returned to the undersigned.

Dated March 21, 2016

Signature of Proposer 

By Mark Brower

Address of Proposer 1510 S. Lyon St., Santa Ana, CA. 92705

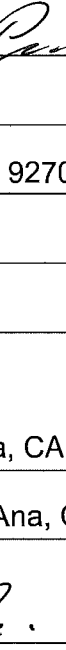
Telephone Number of Proposer (800) 645.4881

Names and Addresses of Members of the Company:

Mark Brower, President-1510 S. Lyon St., Santa Ana, CA. 92705

Theodore Haas, Chairman-1510 S. Lyon St., Santa Ana, CA. 92705

(If a Corporation)

Signature of Proposer 

By Mark Brower

Title President

Business Address 1510 S. Lyon St., Santa Ana, CA. 92705

Affirmation of Proposal Guarantee (cont.)

| | |
|-----------------------------------------|---------------|
| Incorporated Under Laws of the State of | California |
| State License Number and Classification | 765658 C27 |
| PRESIDENT | Mark Brower |
| SECRETARY | Donna Brower |
| TREASURER | Theodore Haas |
| (Corporate Seal) | |

** TEN PERCENT THE AMOUNT BID IN DOLLARS**

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 42 of 44

IV. SCHEDULE II - PROPOSAL SURETY BOND

KNOW ALL MEN BY THESE PRESENTS, that we Merchants Landscape Services, Inc.

_____, as

principals, and Hartford Fire Insurance Company, a duly

authorized corporate surety: Business Address One Pointe Drive, 6th Floor, Brea, CA 92821

_____.

Phone (714) 374-1321, are held and firmly bound unto the City of Moreno Valley and the City of Moreno Valley Community Services District, as Surety, in the sum of ** _____ Dollars, (\$ 10% *****), for payment of which sum well and truly to be made, we bind ourselves, and each of our heirs, successors, executors, administrators and assignees, jointly, and severally, firmly by these presents.

The condition of the foregoing obligation is such that whereas said principal(s) (is) (are) about to hand in and submit to the City Council and the City Council in its capacity as the Board of Directors of the Moreno Valley Community Services District, a proposal for **LANDSCAPE DISTRICTS - SOUTH**, for the performance of the work therein mentioned, in compliance with the specifications therefore, under an invitation of said City Council and the City Council in its capacity as the Board of Directors contained in the Notice Requesting Proposals attached to said proposal.

NOW, THEREFORE, if the said bond or proposal of the said principal shall be accepted, and said work be awarded to said principal thereupon by said City Council and/or City Council in Its Capacity as the Board of Directors, and if the said principal shall fail or neglect to enter into a Contract therefore within the required time, then in that case the undersigned obligors will pay to the City of Moreno Valley and/or the Moreno Valley Community Services District the full sum of TEN PERCENT THE AMOUNT BID IN ***** Dollars, (\$ 10% *****), as liquidated damages for such failure and neglect.

WITNESS our hands this 15th day of March, 2016.

(SIGNATURE PAGE FOLLOWS)

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 43 of 44

Proposal Surety Bond (cont.)

PRINCIPAL

CORPORATE SURETY

Name: Merchants Landscape Services, Inc.

Name: Hartford Fire Insurance Company

Address: 1190 Monterey Pass Road

Address: One Pointe Drive, 6th Floor

Monterey Park, CA 91754

Brea, CA 92821

Tel. No.: (323)881-6701

Tel. No.: (714)674-1321

By: *Cherodan Hoar*

By: *Mary Smith*
Attorney-in-Fact MARY SMITH

SIGNING INSTRUCTIONS

- The Bond shall be executed by an admitted Surety insurer (CCP 995.311) and the Surety must be registered as an admitted insurer in at least one county in the State of California.
- The Bond shall include attached Notary Certificates for the Attorney-in-Fact and the Principal.
- The Bond shall include an attached original Power of Attorney only authorizing the Attorney-in-Fact to act for the Surety (CCP 1305).
- The Bond shall include the address at which the Principal and Surety may be served with notices, papers and other documents (CCP 995.320 (a)(2)).

If any of the above items are omitted, the proposal will be considered non-responsive and will be rejected.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

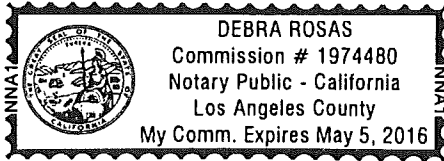
A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of Los Angeles)
On 3/15/16 before me, Debra Rosas, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared MARY SMITH
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.



Signature Debra Rosas
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though this section is optional, completing this information can deter alteration of the document or fraudulent reattachment of this form to an unintended document.

Description of Attached Document

Title or Type of Document: Document Date:
Number of Pages: Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:
[] Corporate Officer - Title(s): [] Corporate Officer - Title(s):
[] Partner - [] Limited [] General [] Partner - [] Limited [] General
[] Individual [] Attorney in Fact [] Individual [] Attorney in Fact
[] Trustee [] Guardian or Conservator [] Trustee [] Guardian or Conservator
[] Other: [] Other:
Signer Is Representing: Signer Is Representing:

Direct Inquiries/Claims to:

THE HARTFORD

Bond T-4

One Hartford Plaza

Hartford, Connecticut 06155

call: 888-266-3488 or fax: 860-757-5835)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS THAT:

Agency Code: 72-183250

- Hartford Fire Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Casualty Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Accident and Indemnity Company, a corporation duly organized under the laws of the State of Connecticut
- Hartford Underwriters Insurance Company, a corporation duly organized under the laws of the State of Connecticut
- Twin City Fire Insurance Company, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of Illinois, a corporation duly organized under the laws of the State of Illinois
- Hartford Insurance Company of the Midwest, a corporation duly organized under the laws of the State of Indiana
- Hartford Insurance Company of the Southeast, a corporation duly organized under the laws of the State of Florida

having their home office in Hartford, Connecticut (hereinafter collectively referred to as the "Companies") do hereby make, constitute and appoint, **up to the amount of Unlimited** :

Steven L. Brockmeyer, Keith Dinwiddie, Barbara Doering, Donna M. Green, Mary Smith, Ronald C. Wanglin of PASADENA, California

their true and lawful Attorney(s)-in-Fact, each in their separate capacity if more than one is named above, to sign its name as surety(ies) only as delineated above by , and to execute, seal and acknowledge any and all bonds, undertakings, contracts and other written instruments in the nature thereof, on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

In Witness Whereof, and as authorized by a Resolution of the Board of Directors of the Companies on August 1, 2009, the Companies have caused these presents to be signed by its Vice President and its corporate seals to be hereto affixed, duly attested by its Assistant Secretary. Further, pursuant to Resolution of the Board of Directors of the Companies, the Companies hereby unambiguously affirm that they are and will be bound by any mechanically applied signatures applied to this Power of Attorney.



Wesley W. Cowling

Wesley W. Cowling, Assistant Secretary

M. Ross Fisher

M. Ross Fisher, Vice President

STATE OF CONNECTICUT }
COUNTY OF HARTFORD } ss. Hartford

On this 12th day of July, 2012, before me personally came M. Ross Fisher, to me known, who being by me duly sworn, did depose and say: that he resides in the County of Hartford, State of Connecticut; that he is the Vice President of the Companies, the corporations described in and which executed the above instrument; that he knows the seals of the said corporations; that the seals affixed to the said instrument are such corporate seals; that they were so affixed by authority of the Boards of Directors of said corporations and that he signed his name thereto by like authority.



CERTIFICATE

Kathleen T. Maynard

Kathleen T. Maynard
Notary Public
My Commission Expires July 31, 2016

I, the undersigned, Vice President of the Companies, DO HEREBY CERTIFY that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which is still in full force effective as of March 15, 2016
Signed and sealed at the City of Hartford.



Gary W. Stumper

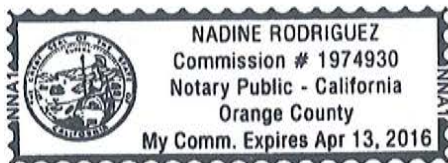
Gary W. Stumper, Vice President

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California }
County of Orange }
On March 21, 2016 before me, Nadine Rodriguez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Theodore Haas
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Nadine Rodriguez
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:

Corporate Officer - Title(s): Corporate Officer - Title(s):

Individual Individual

Partner - Limited General Partner - Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: Other:

Signer Is Representing: Signer Is Representing:

RFP NO. 2016-009
LANDSCAPE AND IRRIGATION DISTRICTS - SOUTH
EXHIBIT E SCHEDULE II - Page 44 of 44

V. SCHEDULE II - NON-COLLUSION AFFIDAVIT

STATE OF CALIFORNIA)
COUNTY OF Orange)§

(NAME) Mark Brower, affiant
being first duly sworn, deposes and says:

That he or she is President of
(sole owner, partner or other proper title)

Merchants Landscape Services, Inc

(Contractor)

the party making the foregoing bid, that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the contract of anyone interested in the proposed contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company association, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Bidder's Name: Merchants Landscape Services, Inc

Bidder's Address: 1510 S. Lyon St., Santa Ana, CA. 92705

Telephone No.: (800) 645.4881


(Signature of Bidder)

President
(Title)

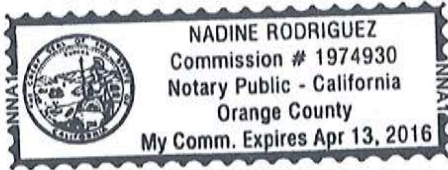
ALL SIGNATURES MUST BE NOTARIZED

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

CIVIL CODE § 1189

State of California }
County of Orange }
On March 21, 2016 before me, Nadine Rodriguez, Notary Public
Date Here Insert Name and Title of the Officer
personally appeared Mark Brower
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies); and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature: Nadine Rodriguez
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document:

Document Date: Number of Pages:

Signer(s) Other Than Named Above:

Capacity(ies) Claimed by Signer(s)

Signer's Name: Signer's Name:

Corporate Officer - Title(s): Corporate Officer - Title(s):

Individual Individual

Partner - Limited General Partner - Limited General

Attorney in Fact Attorney in Fact

Trustee Trustee

Guardian or Conservator Guardian or Conservator

Other: Other:

Signer Is Representing: Signer Is Representing:



merchants
Iandscap services, inc.

VEHICLE LIST

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|-------------------------|--------------------|
| 101 | 6UXX395 | 2014 | Mercedes Benz | |
| 102 | 6U04567 | 2014 | Lincoln Navigator | |
| 103 | 7D22716 | 2001 | Iner Tree Trim | 1HTSCAM41H382577 |
| 104 | 8129915 | 2003 | Chevy Silverado | 2GCEC19V931328785 |
| 105 | 7L74667 | 2007 | Silverado 3500 Chassis | 1GB1C39U67E173992 |
| 107 | 7D22717 | 2004 | Ford F-150 | 1FTRX12W44NBA3407 |
| 110 | 5R29572 | 2003 | Chevrolet pickup | 2GCE19V131327033 |
| 112 | 5R29572 | 1997 | Ford F-150 KC pickup | 1FTDX1763WNA12281 |
| 115 | 6E91433 | 1995 | Isuzu NPR | 1ALC4B1K5S7000324 |
| 116 | 6V31775 | 2002 | Ford F-150 pickup | 1FTRX17W42NA69265 |
| 117 | 7B16229 | 2003 | Chevy S-10 | 1GCCS14XX38115778 |
| 118 | 7W83338 | 2005 | Ford F-350 | 1FDWF36515EC89280 |
| 119 | 7X56108 | 2005 | Ford F-350 | 1FDSF345X5EB18027 |
| 120 | 8D61369 | 1995 | Chevy 1 ton truck | 1GB1C34K25E160450 |
| 122 | 8C42496 | 1995 | Chevy 3/4ton | 1GGC29K05E250057 |
| 123 | 6J1EE40 | 2009 | Lincoln Navigator | SLMEU27509E01141 |
| 125 | 7G10650 | 2004 | Chevy Silverado 1500 | 2GCEC19VX41124479 |
| 126 | 8R87479 | 2005 | Ford Ranger pickup | 1FTYR14UJ5PA62484 |
| 128 | 7V29675 | 2005 | Ford F-350 Stake Bed | 1FDSF34515EB18028 |
| 129 | 7E27786 | 2003 | Chevy Silverado Extra C | 2GCEC19V231325856 |
| 130 | 6G42812 | 2000 | Ford F-150 | 1FTZX1728YKB15395 |
| 132 | 6I05871 | 2000 | Ford F-150 | 1FTZF1725YNC19831 |
| 133 | 6B33559 | 1999 | Ford Ranger pickup | 1FTYR14V6XPB86672 |
| 134 | 7B13735 | 2003 | Chevy Silverado | 1GCEC14V93E148518 |
| 135 | 7B13736 | 2003 | Chevy Silverado | 1GCEC14V43Z131019 |
| 136 | 849512 | 2005 | Ford F-150 | 1FTRF12215NB52812 |
| 137 | 8G97528 | 2005 | Ford F-350 Stake Bed | 1FDWF36565EA09093 |
| 139 | 7D80048 | 2003 | Ford Comm Cutaway Van | 1GB1G31U531141331 |
| 141 | 6265654 | 2003 | Ford Ranger pickup | 1FTYR10U63PA06057 |
| 142 | 8C77592 | 2006 | F-150 | 1FTRF12W56NBB07294 |
| 144 | 7G10649 | 2003 | Chevy Silverado 1500 | 2GCEC19V841120298 |
| 145 | 7B16230 | 2003 | Chevy S-10 | 1GCCS14XX38161840 |

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|-------------------------|--------------------|
| 146 | 7P94549 | 2004 | Ford Ranger pickup | 1FTYR10U84PB61601 |
| 148 | 8249580 | 2000 | Ford Ranger pickup | 1FTYR14V2YPB19854 |
| 150 | 6N20581 | 2001 | Ford F-150 pickup | 1FTZK17261K41897 |
| 151 | 7H04122 | 2001 | Ford F-150 pickup | 1FTRX17W11MA31006 |
| 152 | 6G42813 | 2000 | Ford F-150 pickup | 1FTZX1728YKB15428 |
| 153 | 7W34816 | 2005 | Ford F-350 | 1FDWF36Y55EB82566 |
| 157 | 7M68778 | 2004 | Ford F150 | 2FTRX17W44CA30253 |
| 158 | 7V83928 | 2005 | Ford F-350 | 1FDWF36Y15EB99475 |
| 163 | 7146556 | 1999 | GMC Topkick/Chipper | 1GDJ7H1D7X1851924 |
| 166 | 6R34719 | 2001 | Ford F-150 pickup | 1FTRF17W01NB56193 |
| 167 | 8H06127 | 2008 | Ford F250 | 1FTSX20578EA62845 |
| 169 | 8H06123 | 2007 | Ford F-150 | 1FTRX12W07KC62609 |
| 170 | 8H06124 | 2008 | Ford F250 | 1FTSX20548EA37420 |
| 171 | 8M00027 | 2007 | Chevy Silverado Dump | 1GB1C39K97E580433 |
| 172 | 8K76942 | 2006 | GMC Sierra - Dump truck | 1GD1C39U26E235445 |
| 173 | 8K89824 | 2008 | Ford Ranger pickup | 1FTYR14U28PA24167 |
| 174 | 8K89815 | 2008 | Ford F-150 Supercrew | 1FTWR12W88FA49226 |
| 175 | 8P13371 | 2007 | GMC Sierra 3500 Chassis | 1GD1C39K17E597007 |
| 176 | 8K48974 | 1999 | Ford F800 (Water truck) | 3FENE8010XMA08142 |
| 177 | 7E24179 | 2003 | Chevy Silverado | 2GCEC19V231324285 |
| 179 | 8160482 | 2002 | Ford F-150 | 1FTRX17W52NB04671 |
| 181 | 31767N1 | 2013 | Tacoma | 5TFN4C3NE3X032648 |
| 183 | 23722E1 | 1999 | Ford F-150 pickup | 1FTZF1724XKA29146 |
| 186 | 6B45138 | 1999 | Ford Ranger pickup | 1FTYR10V0XPB69401 |
| 187 | 5Z67772 | 2008 | Expedition | 1FMFU19548LA02102 |
| 188 | 7B16231 | 2003 | Chevy S-10 | 1GCCS14X538158558 |
| 189 | 8D20422 | 1999 | Chevrolet 3500 | 1GBH34R9YF032025 |
| 190 | 7W50752 | 2005 | Ford | 1FDWF36565EB83540 |
| 191 | 7W34817 | 2005 | Ford F-350 | 1FDWF36555EB15096 |
| 192 | 8W12873 | 2005 | Ford F-350 | 1FDWF365XEB65444 |
| 193 | 7W50751 | 2005 | Ford F-350 | 1FDWF36545EB88968 |
| 194 | 7W43810 | 2002 | Ford F-350 | 1FDSW34FF12EA82877 |



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landscape services, inc.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|---------------------------|--------------------|
| 195 | 7W56849 | 2005 | Ford F-350 | 1FDW/F36535EC89278 |
| 196 | 6M12313 | 2000 | GMC 3500 1-ton pick up | 1GDHC3319YF421896 |
| 197 | 7M71324 | 2003 | Chevy Silverado 1500 | 2GCEC19V831328843 |
| 198 | 7B15152 | 2003 | Chevy Silverado | 1GCEC14V83Z1922941 |
| 199 | 30458N1 | 2013 | Toyota Tacoma | 5TFNK4CN7DX031047 |
| 200 | 8D50109 | 2006 | Ford F-150 | 1FTVX12566NA53572 |
| 201 | 8D50108 | 2006 | Ford F-150 | 1FTVX12536NA53688 |
| 202 | 8C80429 | 2006 | Ford F-150 Super Cab | 1FTVX12586NA64007 |
| 205 | 8C80427 | 2006 | Ford F-150 Reg Cab | 1FTRF12W16NB33603 |
| 206 | 8P11010 | 2006 | Chevy S3500 w/10' dump | 1GBLC39U26E176714 |
| 207 | 8D76098 | 2006 | Ford Ranger | 1FTYR10U16PA83973 |
| 208 | 8E32375 | 2006 | Ford Ranger | 1FTYR10U16PA65828 |
| 209 | 8D11397 | 2006 | Ford F-150 Super Cab | 1FTVX12586NA67568 |
| 210 | 8D11398 | 2006 | Ford F-150 Super Cab | 1FTVX12566NA69738 |
| 211 | 8D11395 | 2006 | Ford Ranger | 1FTYR10U36PA64048 |
| 212 | 8D11399 | 2006 | Ford F-150 XLT | 1FTRW12596KD72039 |
| 213 | 8K89886 | 2008 | Ford F-150 Supercrew | 1FTRW12W28FA31238 |
| 214 | 8D11641 | 2006 | Ford F-350 Chassis | 1FDWW36P36EB42946 |
| 215 | 8D48234 | 2006 | Chevy Silverado 3500 | 1GBHC34U96E197632 |
| 216 | 7S99151 | 2006 | Ford F-150 XL | 1FTVX125X6NB17726 |
| 217 | 8V44901 | 2006 | Chevy Colorado Classis | 1GBDS146968258211 |
| 218 | 8H06119 | 2007 | Ford F-150 | 1FTRX12W77FA88496 |
| 219 | 8H06126 | 2008 | Ford F-250 | 1FTSX20598EA56495 |
| 220 | 8H06122 | 2007 | Ford F-150 | 1FTRX12WXCFA88458 |
| 221 | 8138955 | 2007 | Ford Ranger | 1FTYR14D47PA95353 |
| 222 | 8L25904 | 2007 | Ford Ranger XL2W | 1FTYR14U77PA93029 |
| 223 | 8H06166 | 2007 | Ford F-150 | 1FTPW12547FB59848 |
| 224 | 8F29332 | 2007 | Chevy Pick up | 1GCEC19X17Z166164 |
| 225 | 8M89937 | 2008 | Ford F-150 XL 4x2 Spr cab | 1FTRX12W88FB29932 |
| 226 | 7R13278 | 2005 | Ford F150 | 1FTRF12205NB94436 |
| 227 | 8W97675 | 2010 | Ford Ranger | 1FKK1ad5apa18041 |

| Vehicle | License # | Year | Make/Model | Vin # |
|---------|-----------|------|---------------------------|-------------------|
| 230 | 8P81301 | 2008 | Ford F-150 | 1FTRX12W18FC11369 |
| 231 | 8P81302 | 2008 | Ford F-150 | 1FTRX12W68FB60600 |
| 232 | 8P81304 | 2008 | Ford F-350 Stakebed | 1FDWF36548EE58132 |
| 233 | 8P81305 | 2008 | Ford F-350 Stakebed | 1FDWX36R48EB78209 |
| 235 | 8P81303 | 2008 | Ford Ranger | 1FTYR10U28PA93253 |
| 236 | 8P81298 | 2008 | Ford Ranger | 1FTYR10U78PA22033 |
| 237 | 8P81300 | 2008 | Ford F-150 | 1FTRX12W58FB55243 |
| 238 | 8T87781 | 2008 | Ford F350 Classis | 1FDWF36558EA03046 |
| 239 | 8U48440 | 2008 | Ford Ranger | 1FTYR10D48PB15687 |
| 240 | 8U22271 | 2008 | Ford F-150 XL 4x2 Spr cab | 1FTRX12W78FB60539 |
| 241 | 8T87778 | 2008 | Ford Ranger | 1FTYR10DX8PB17220 |
| 242 | 8U52679 | 2008 | Ford F-150 | 1FTRX12W38FB76222 |
| 243 | 8W12872 | 2008 | Ford F-250 | 1FD5X20548EA56478 |
| 244 | 8P74270 | 2009 | Ford F150 Super crew | 1FTRW12899KB95421 |
| 245 | 8P74271 | 2009 | Ford Ranger | 1FTYR10D99PA22178 |
| 246 | 8V66223 | 2009 | Ford Ranger | 1FTYR10D99PA2144 |
| 248 | 8V84305 | 2009 | Ford F350 Chassis | 1FDWW36V59FA42911 |
| 250 | 8Z63682 | 2010 | Ford F-150 | 1FTEX1CW0AFB5573 |
| 251 | 8Z63680 | 2010 | Ford Ranger | 1FKR1EDDAP38475 |
| 252 | 8Y89431 | 2010 | Ford F-250 | 1FD5X2A58AEA28882 |
| 253 | 8027281 | 2011 | Ford Ranger | 1FKR1AD58PA31521 |
| 254 | 6SE1852 | 1991 | Schwarze Sweeper-lsu | JALB4B1H7M7003051 |
| 255 | 97111C1 | 2011 | Ford F-150 XL | 1FTEX1CMXBFB04176 |
| 256 | 32114D1 | 2011 | Ford F150 | 1FTEX1CMZBFC07625 |
| 257 | 32115D1 | 2011 | Ford F150 | 1FTEX1CM08FC07624 |
| 258 | 32116D1 | 2011 | Ford F150 | 1FTEX1CM08FC1684 |
| 259 | 32112D1 | 2011 | Ford Ranger | 1FKR1ED08PA72357 |
| 260 | 32113D1 | 2011 | Ford Ranger | 1FKR1ED28PA72358 |
| 261 | 32107D1 | 2011 | Ford Ranger | 1FKR1ED68PA49875 |
| 261 | 1JT7835 | 2000 | Big Tex Utility | 16VVX0813Y1A30220 |
| 262 | 32120D1 | 2011 | Ford F-150 | 1FTEW1CM68KD38034 |



| Vehicle | License # | Year | Make/Model | Vin # |
|----------|-----------|------|----------------------|--------------------|
| 228 | 8Y81888 | 2006 | Ford F-350 Diesel | 1FDWF36P3SEB62520 |
| 229 | 8Z63681 | 2010 | Ford Ranger | 1FTKR1ED7AP38480 |
| 255 | 32122D1 | 2011 | Ford F-150 | 1FTEX1CM4BFC30582 |
| 266 | 32110D1 | 2011 | Ford Ranger | 1FTKR1ED5BPA72354 |
| 267 | 32111D1 | 2011 | Ford Ranger | 1FTKR1ED9BPA72356 |
| 268 | 32108D1 | 2011 | Ford Ranger | 1FTKR1ED7BPA72355 |
| 269 | 24977E1 | 2011 | Ford F-150 | 1FTEX1CM98PA95972 |
| 270 | 32119D1 | 2011 | Ford F-150 | 1FTEX1CM2BFC21685 |
| 271 | 32123D1 | 2011 | Ford Ranger | 1FTKR1ED1BPA82010 |
| 272 | 47675F1 | 2011 | Ford F-150 XL | 1FTEX1CM2BFC95835 |
| 273 | 04986G1 | 2011 | Ford Ranger | 1FTKR1EDXBPA95385 |
| 274 | 47671F1 | 2011 | Ford F-150 XL | 1FTEX1CM3BFC95844 |
| 275 | 47674F1 | 2011 | Ford F150 | 1FTEX1CMXBFC95842 |
| 276 | 46161F1 | 2012 | Ford F-250 XL | 1FT7W2A63CEA07012 |
| 277 | 38452H1 | 2012 | Ford F-150 | 1FTEX1CMOCB857745 |
| 278 | 38453H1 | 2012 | Ford F-250 | 1F17W2A6XCEC34116 |
| 279 | 7888811 | 2013 | Toyota Tacoma | 5TFNX4CN8DX030733 |
| 280 | 63781L1 | 2013 | Ford F-150 | 1FTFX1CF9DKF60721 |
| 281 | 63768L1 | 2013 | Ford F-150 | 1FTFX1CF6DKF60711 |
| 282 | 09482M1 | 2013 | Ford F150 Super crew | 1FTFW1CF3DFD70344 |
| 283 | 26322J1 | 2013 | Ford F150 | 1FTFX1CF8DKF99445 |
| 284 | 26321J1 | 2013 | Ford F150 | 1FTFX1CF1DKF99447 |
| 285 | 31561P1 | 2014 | Toyota Tacoma | 5TFNX4CN2EK037520 |
| 286 | 31560P1 | 2014 | Toyota Tacoma | 5TFNX4CN2EK037677 |
| 287 | 31559P1 | 2014 | Toyota Tacoma | 5TFNX4CN4EK038644 |
| Trailers | License # | Year | Make/Model | Vin # |
| T400 | SE499113 | 2001 | chipper | 1VRU111A711000827 |
| T401 | SE529849 | 2003 | chipper | 1VRU111A541004217 |
| T402 | 4LP6087 | 2000 | Big Tex Utility | 16VVX0813Y1A21081 |
| T403 | 4HE3486 | | Big Tex Utility | 16VAXX0E1541A16263 |
| T404 | 4JMS130 | 2004 | Big Tex Utility | 16VVX101941A21257 |
| T405 | 1JK4535 | 2000 | Big Tex Utility | 16VVX081XY1A23796 |

| Trailers | License # | Year | Make/Model | Vin # |
|----------|-----------|------|-------------------------------------|-------------------|
| 263 | 32109D1 | 2011 | Ford Ranger | 1FTKR1EDXBPA72351 |
| 264 | 32121D1 | 2011 | Ford F-150 | 1FTEX1CM2BFC30581 |
| T409 | 4JK4679 | 2005 | Big Tex Utility | 16VNX162451E84182 |
| T410 | 4JK4680 | 2006 | Carso | 4HXDC16206C109783 |
| T411 | 4MP3311 | 2006 | Big Tex Utility | 16VUX162661E99747 |
| T412 | 4HE8313 | 2006 | Big Tex Utility 16' | 16VNX162361E2273 |
| T413 | 4EM7980 | 2001 | Big Tex Utility | 16VVX101311A36977 |
| T414 | 4KW3760 | 2000 | Artec Utility | 4ZBU0121YF000111 |
| T415 | 4JK5131 | 2004 | Big Tex Utility 12' | 16VVX101841A16731 |
| T416 | 4HE8310 | 2006 | Big Tex Utility 12' | 16VAX121252A68007 |
| T417 | 4LG8320 | 2011 | Big Tex Utility | 16VAX1210B2A74688 |
| T419 | 4KM3761 | 2007 | Big Tex Utility 12' | 16VAX121X72A66380 |
| T420 | 1JP2204 | 2000 | Big Tex Utility | 16VVX1019Y1A26416 |
| T422 | 1KM7084 | 2001 | Big Tex Utility | 16VVX101X11A43327 |
| T423 | 4H6661 | 2207 | Big Tex Utility | 16VAX101171A66521 |
| T424 | 4MX4631 | 2000 | Big Tex Utility | 16VVX0816Y1A30986 |
| T425 | 4DJ7406 | 2003 | Big Tex Utility | 16VVX101431A60756 |
| T426 | 4E51233 | 2003 | Big Tex Utility | 16VVX081331A78731 |
| T427 | 4CH6366 | 2000 | Big Tex Utility | 16VVX1416VLA31048 |
| T428 | 4DV5274 | 2003 | Big Tex Utility | 16VVX0818Y1A23794 |
| T430 | 4KR8518 | 2009 | Utility DV mfts DV10ET-20split ramp | 1D9EU202895591930 |
| T431 | 1IG6545 | 2000 | Big Tex Utility | 16VVX0818Y1A23794 |
| T433 | 1KE2738 | 2001 | Big Tex Utility | 16VAX121611A6968 |
| T435 | 4FV8383 | 2003 | Big Tex Utility | 16VAX101241A14634 |
| T436 | 4KF4420 | 2003 | Big Tex Utility | 4K8AX101551A12493 |
| T437 | 4AK6903 | 2002 | Big Tex Utility | 16VUX162121E51941 |
| T438 | 4KF4422 | 2004 | Big Tex Utility | 16VNX14271E45331 |
| T440 | 4KM3781 | 2005 | Big Tex Utility | 16VNX162052E51416 |
| T441 | 4HE9157 | 2006 | Big Tex Utility 16' | 16VNX162991E22276 |
| T443 | 4HE2465 | 2007 | Big Tex Utility | 16VNX162851E84749 |
| T445 | 4KL2459 | 2005 | Big Tex Utility 12' | 16VAX121552A70107 |
| T446 | 4LL7626 | 2007 | Big Tex Utility | 16VVX121271A52349 |



| Trailers | License # | Year | Make/Model | Vin # |
|----------|-----------|------|------------------------------|-------------------|
| T406 | 4G3629 | 1999 | Big TX Utility | 16VVX0811X1A15309 |
| T407 | 1JC3389 | 2000 | Big TE Utility | 4K8VX0817Y1A48404 |
| T408 | 4MX3873 | 2013 | Big TX Utility | 16VAX1217D2A97162 |
| T456 | 4K1244 | 2008 | Big Tex Trailer | 16VAX121X81A06008 |
| T457 | 4K1245 | 2008 | Big Tex Trailer | 16VEX202X82H12649 |
| T458 | 4K1323 | 2008 | Big Tex Trailer | 16VAX101481A06010 |
| T459 | 4KM3529 | 2008 | Big Tex Utility | 16VCX162582H88476 |
| T460 | 4K3427 | 2008 | Big Tex Trailer | 16VEX202882H2651 |
| T461 | 4K7351 | 2009 | Big Tex Utility | 16VCX182891E33827 |
| T462 | 4JH6668 | 2007 | Big TX Utility | 16VVX162471E59376 |
| T463 | 4K33984 | 2009 | Big TX Utility | 16VVX081X91A29423 |
| T464 | 4KR6684 | 2009 | Utility DV mfts split ramp | 1D9EU202095591923 |
| T465 | 088052U | 2007 | Honda Bull Dog/water Trailer | DHWT5008207 |
| T466 | 4LB5419 | 2010 | Big Tex Utility | 16VAX1016A2A45004 |
| T467 | 4LB9408 | 2010 | Big TX Utility | 16VVX0811A2A57741 |
| T468 | 4LF4391 | 2010 | Big Tex Utility | 1D9JU1011A5591060 |
| T469 | 4LG9516 | 2011 | Big Tex Utility | 16VCX1623A2E65246 |
| T470 | 4LU3108 | 2011 | Big Tex Utility | 1D9EU202585591177 |
| T471 | 4HE3486 | 2007 | Carson trailer | 4HXSU16247C116791 |
| T472 | 4LN6735 | 2011 | Big Tex Utility | 16VAX1215B2A87677 |
| T473 | 4LU5514 | 2011 | Big TX Utility | 16VCX1627B2D75003 |
| T474 | 4LU7031 | 2011 | Big Tex Utility | 16VCX2020B2E97183 |
| T475 | 4LU2868 | 2011 | Big Tex Utility | 16VUX1622B2E97983 |
| T476 | 4LX2245 | 2011 | Big Tex Utility | 16VEX2020B2H75220 |
| T477 | 4LZ7119 | 2000 | Big TE Utility | 16VVX0816V1A20376 |
| T478 | 4LZ7447 | 2012 | Big Tex Utility | 16VUX1628CE07513 |
| T479 | 4MC2349 | 2011 | Big Tex Utility | 16VXX1213B2A98193 |
| T481 | 4MY7125 | 2013 | Big Tex Utility | 16VUX1627D2E99253 |
| T482 | 4NE1988 | 2013 | Big Tex Utility | 1D9LU1629D5591792 |
| T483 | 4NE1980 | 2014 | Big Tex Utility | 16VEX2029E2H20835 |
| T484 | 4NE1981 | 2013 | Big Tex Utility | 16VAX1011D2A80778 |

| Gators | License # | Year | Make/Model | Vin # |
|--------|-----------|------|---------------------------|-------------------------|
| T447 | 4IH8745 | 2007 | Big TX Utility | 16VVX121X71A71988 |
| T449 | New | 2007 | Big TX Utility | 16VVX121371A59360 |
| T455 | 4K1243 | 2008 | Big Tex Trailer | 16VAX121571A66518 |
| C506 | | | Taylor Dunn | |
| C507 | 8Z99345 | 2002 | Chrysler GEM | 5ASAK27499F030371 |
| C508 | | | John Deere | Serial # W00urf003575 |
| C509 | | | Chrysler GEM | 5ASAK27482F021337 |
| C510 | | | EZ-GO | Serial # J0234-188068 |
| C511 | | | John Deere Gator | W0TURFD002841 |
| C512 | | | John Deere Gator | W004X2X036574 |
| C513 | | | John Deere Gator | W0TURFD002862 |
| C514 | | | John Deere Gator | W04X2XD0142236 |
| C515 | | | John Deere Gator | W04X2XD014241 |
| C516 | | | John Deere Gator | W0TURFD003334 |
| C517 | | | John Deere Gator | W04X2XD014093 |
| C518 | | | John Deere Gator | W0TURFD00335 |
| C519 | | | John Deere Gator | W0TURFD0035691 |
| C520 | 7D35838 | 2002 | Golf Cart | 5ASAK27412F020997 |
| C521 | Irvine | 1987 | Utility Trailer for Gator | TC022BX010203 |
| C522 | Irvine | | Used John Deere Gator | W004X2X090777 |
| C523 | Irvine | 1987 | Utility Gator | 19342 |
| C524 | Irvine | | John Deere Gator | W0TURFD003002 |
| C525 | Irvine | 2006 | John Deere Gator | W0urfD004070 |
| C526 | Irvine | 1987 | Utility Gator | 19336 |
| C527 | | 2012 | John Deere Gator | W04X2XD014234 |
| C528 | | 2012 | John Deere Gator | W0TURFD003572 |
| C529 | Irvine | | John Deere Gator | W006K4X028929 |
| C502 | | 2003 | Carry All 6 Club Car | 262720 |
| C503 | | 2003 | Yamaha | JU2-003902 |
| C504 | 7E24484 | 2002 | Chrysler | 5ASAK27402F031103 |
| C505 | | | Taylor Dunn | Serial # 13610M.o.B2-48 |



| Gators | Licence # | Year | Make/Model | Vin # |
|--------|-----------|------|-------------------------------|-------------------|
| 1 | 558040 | 1997 | Arrow board trailer | 1W91S1014V1249094 |
| 2 | Irvine | 2008 | Arrow board trailer | 4GM1A091681522791 |
| 3 | Irvine | | John Deere Gator | W0TJURF003571 |
| 4 | Irvine | 2014 | John Deere Gator | 1M04X2SJHEM090243 |
| 5 | Irvine | 2014 | John Deere Gator | 1M04X2SJHEM090047 |
| 6 | Irvine | | John Deere Gator | W04X2XXD014235 |
| 7 | Irvine | | John Deere Gator | W00TURF001916 |
| 8 | Irvine | | John Deere Gator | W00TURFD004273 |
| 9 | Irvine | | John Deere Gator | W004X2X034938 |
| 10 | Irvine | | TORO 3200 Cart | 7361270000590.00 |
| 11 | Irvine | | Cushman Turf Truckstyer | 99000804 |
| 12 | Irvine | | Cushman Turf Truckstyer | 98008908 |
| | | | John Deere Gator | W004X2X034945 |
| | | | John Deere Gator | W00TURF019344 |
| | | | Utility Gator | W00TURF018472 |
| | | | Utility Gator | 00-1916 |
| | | | John Deere Gator | 1M04X2SJPEM090071 |
| | | 1987 | Utility Gator/not in the yard | W00TURF019344 |
| | | | Utility Gator | W00TURFD003335 |
| | | | Cushman Cart | #LM21570 |
| | | | 214 | #136465 |
| | | | Club car | #J0035-926304 |



EQUIPMENT INVENTORY

| Description | Serial # |
|--------------------------------------------|-----------------|
| 22" Double Sided | 8040608 |
| 22" Double Sided | 9111852 |
| 4.0HP Honda | C11118 |
| 4.0HP Honda | C11471 |
| Aerator - John Deere 1500 A20857 | M01500X025435 |
| Aerator - Lescro / push behind | 72260835 |
| Aerator Classen 42" 3 pt hitch | 720263984 |
| Aerator Drum 70" | 20637 |
| Aerator Geanmore w/ tank | 614002 / A20977 |
| Aerator Hasqvarna walk behind | 53058177 |
| Aerator Honda 25.5 - Blu H742 | 83970569 |
| Aerator Landpride PTO CA2560 | 574628 |
| Aerator Model 968982105 Husqvarna | 8400476 |
| Aerator Tow - Lescro | 72260739 |
| Aerator Tow behind | 645 |
| Aerator Walk behind | 74238666 |
| Aireator - Orange | 53058177 |
| Arborist's Saw 35cc | 167677832 |
| Arborist's Saw 35cc | 169484303 |
| Auger Honda Engine | A20849 |
| Auger post hole digger w/ 2" - Echo A20447 | E02103003542 |
| Avger Honda/ Ground hog-Mod. C71-5 | 1741792 |
| Backpack Blower | 271288400 |
| Backpack blower | 272069304 |
| Backpack blower | 272069313 |
| Backpack blower | 272069325 |
| Backpack blower | T14211001105 |
| Backpack blower | 272069301 |

| Description | Serial # |
|------------------------------------------------|--------------|
| Backpack blower 36"-Walk behind Model THP17 | 824945 |
| Backpack blower Echo 44cc carb II | P08111002945 |
| Backpack blower Echo-PB-413 | P0811003315 |
| Backpack blower Husqvarna - 145BF | 3003305 |
| Backpack blower Husqvarna - 145BF | 965102305 |
| Backpack blower STIHL-BR-550 | 271665390 |
| Backpack blower STIHL-BR-550 | 271665392 |
| Backpack blower STIHL-BR-550 | 271665400 |
| Backpack blower STIHL-EB8520 | 8100766 |
| Backpack blower STIHL-EB8520 | 8100911 |
| Backpack blower STIHL-EB8520 | 9051522 |
| Backpack blower STIHL-EB8520 | 9071730 |
| Backpack blower STIHL-EB8520 | 9071742 |
| Backpack blower STIHL-EB854 | T14211001168 |
| Backpack blower STIHL-EB854 | T14211001170 |
| Bagging System - Exmark LHPUV4650 | 718814 |
| Battery Charger (for 6 & 12 volts) Model #7200 | |
| Bit- 5 gallon | |
| Bit- 5 gallon | |
| Blower | 4000-736 |
| Blower | 4001270-04 |
| Blower | P02311002461 |
| Blower | 4001276-04 |
| Blower | P02311002514 |
| Blower | P02311025542 |
| Blower | P02311025546 |
| Blower | P02311025631 |
| Blower | P08211002836 |



| Description | Serial # |
|-----------------------|--------------|
| Blower | 30002315 |
| Blower | P02311025233 |
| Blower | P02311025283 |
| Blower | P02311025284 |
| Blower | P02311025301 |
| Blower | P02311025321 |
| Blower | P02311025331 |
| Blower | P02311025342 |
| Blower | P02311025536 |
| Blower | P02311026296 |
| Blower | P33011002057 |
| Blower - Echo | #09005538 |
| Blower - Echo | D08111003544 |
| Blower - Echo | O90005598 |
| Blower - Echo | P02011001417 |
| Blower - Echo | P08011015596 |
| Blower - Echo | P08111002393 |
| Blower - Echo | P08111002736 |
| Blower - Echo | P08111002768 |
| Blower - Echo | P08111002852 |
| Blower - Echo | P08111003367 |
| Blower - Echo | P08211002735 |
| Blower - Echo | P08211003677 |
| Blower - Echo | 7611021673 |
| Blower - Echo (blue) | 2004117 |
| Blower - Echo PB500HT | P02311006658 |
| Blower - Echo PB500HT | P02311008859 |
| Blower - Echo PB500HT | P02311023203 |

| Description | Serial # |
|---------------------------------------------|-----------------|
| Blower - Echo PB500HT | P02311023292 |
| Blower - Echo PB500HT | P02311023295 |
| Blower - Echo PB500HT | P33011001514 |
| Blower - Husqvarna (green/black) | 3004020 |
| Blower - Husqvarna (white) | 3003318 |
| Blower - Husqvarna | 3000793 |
| Blower - Husqvarna | 3003317 |
| Blower - Husqvarna | 3003850 |
| Blower - Husqvarna | 3003867 |
| Blower - Husqvarna (black) | 2005701 |
| Blower - Husqvarna (black) | 3002024 |
| Blower - Husqvarna (black) | 3002032 - 51139 |
| Blower - Husqvarna (orange) | 3003215 |
| Blower - Husvarna | 60084 |
| Blower - Husvarna | 2001840 |
| Blower - Husvarna | 2003287 |
| Blower - Husvarna | 2011846.00 |
| Blower - Husvarna | 3000791 |
| Blower - Husvarna | 5000437 |
| Blower - Husvarna | 13000710 |
| Blower - Kawasaki (yellow) | 56002021 |
| Blower - PB500HT | P02311003668 |
| Blower - PB500HT | P02311003698 |
| Blower - PB500HT | P02311003707 |
| Blower - PB500HT | P02311003795 |
| Blower - PB500HT | P02311020201 |
| Blower - Shindawa | 4107423 |
| Blower (Back Pack) 1 Echo 50CC Model PB500T | 569311005757 |



| Description | Serial # |
|-------------------------------------|--------------|
| Blower (Backpack) | 904091 |
| Blower (Backpack) | 904093 |
| Blower (Backpack) | 904095 |
| Blower (Backpack) | 904097 |
| Blower (Backpack) | 285717301 |
| Blower (Backpack) | T14211001051 |
| Blower (black & white) | 1002106 |
| Blower (Miss) Model MD155DX-Maryama | 267622333 |
| Blower (Miss) Model SR420Z-STILL | 267622355 |
| Blower back pak | 9535115-76 |
| Blower Backpack | 904107 |
| Blower Backpack | 80704100 |
| Blower Echo | P08211003528 |
| Blower Echo | P08211003546 |
| Blower Echo | PO8111001519 |
| Blower Echo 4600 | 21171 |
| Blower Echo 4600 | 9003418 |
| Blower Echo 4600 | 42023570602 |
| Blower Echo 4600 | 570411001510 |
| Blower Echo Model PB413-H | 2002773 |
| Blower Echo Model PB413-H | 2004160 |
| Blower Husquvarna | 2003214 |
| Blower Husquvarna | 3000795 |
| Blower Husquvarna | 3003206 |
| Blower Husquvarna | 5000061 |
| Blower Husquvarna | 5000435 |
| Blower Husquvarna | 7003839 |
| Blower Husquvarna | 10004766 |

| Description | Serial # |
|---------------------------------|-----------------|
| Blower Echo Model PB413-H | 9002264 |
| Blower Echo Model PB415T | P08111001232 |
| Blower Husquvarna 145BF | 2003219/2003223 |
| Blower Husquvarna | 1569 |
| Blower Husquvarna | 20001849 |
| Blower Husquvarna | 30002728 |
| Blower Husquvarna | 50000441 |
| Blower Husquvarna | 70924381 |
| Blower Low Noise - Echo PB460LN | P08211002855 |
| Blower Low Noise - Echo PB460LN | P08211003319 |
| Blower Low Noise - Echo PB460LN | P08211003392 |
| Blower Low Noise - Echo PB460LN | P0821100344 |
| Blower Low Noise - Echo PB460LN | P08211003529 |
| Blower Low Noise - Echo PB460LN | P08211003538 |
| Blower Low Noise - Echo PB460LN | P08211003541 |
| Blower Low Noise - Echo PB460LN | P08211003715 |
| Blower Low Noise - Echo PB460LN | P08211006691 |
| Blower Low Noise - Echo PB460LN | P08211006767 |
| Blower Red Max Model EB2500 | 216836 |
| Blower Red Max Model EB2500 | 71003044 |
| Blower Red Max Model EB2500 | E1325000 |
| Blower Redmax | 80206383 |
| Blower Redmax Model EBZ5000 | 50403101 |
| Blower Redmax Model EBZ5000 | 56300609 |
| Blower Solo backpack | |
| Blower Stihl | 271665391 |
| Blower Stihl | No serial# |
| Blower, Frame, Throthl | 4001266 |



| Description | Serial # |
|-------------------------------------------------|---------------|
| Blower, Frame, Throthl | 620001275 |
| Blower, Frame, Throthl | 620001276 |
| Blower, Frame, Throthl | 620001279 |
| Blower, Frame, Throthl | 4000726 |
| Blower, Frame, Throthl | 4000728 |
| Blower, Frame, Throthl | 4000736 |
| Blower, Frame, Throthl | 40000739 |
| Blower, Frame, Throthl | 4001279 |
| Blower/Hip Throttle - Echo PB413HC | P08011020164 |
| Blower/Hip Throttle - Echo PB413HC | P08011020184 |
| Blower/Hip Throttle - Echo PB413HC | P08011020191 |
| Blower/Hip Throttle - Echo PB413HC | P08011020193 |
| Blower/Hip Throttle - Echo PB413HC | P08011020197 |
| Blower-low noise | 1002836 |
| Blower-Redmax | EBZ9100-CA |
| Blower-Shindawa | 90717 |
| Bluebird 22" Flail Power rake | 072330206 |
| Bottle jack 10 tons | |
| Bulldog 500 Gallon Water trailer | |
| Cart Cushman | 99000804 |
| Chain Saw - Homelite | ATL1942287 |
| Chain Saw - Husqvarna | SM080300474 |
| Chain saw - STIHL (Big) | 30030006821 |
| Chain saw (small) - Echo | 2037266 |
| Chain Saw 1 Echo 32.6cc Chain Saw 14" bar top h | C078111002340 |
| Chain Saw 1 Echo 32.6cc Chain Saw 14" bar top h | C077111009382 |
| Chain Saw 14" | 285232710 |
| Chain Saw 14" | 285232715 |

| Description | Serial # |
|---------------------------------------|--------------|
| Chain Saw 14" | C07611009915 |
| Chain Saw 16" - Echo | C07611003642 |
| Chain Saw 16" - Echo | C07611007001 |
| Chain Saw Echo | 341 |
| Chain Saw Echo | 2027080 |
| Chain Saw Echo | 2054689 |
| Chain Saw Echo - 16" | C14709004338 |
| Chain Saw Echo - 16" | CS378-16 |
| Chain Saw Echo Model CS341 | 2027183 |
| Chain Saw Husqvarna 36cc | 74439484 |
| Chain Saw Stihl | 269159862 |
| Chainsaw - Echo | C08011005435 |
| Chainsaw - Echo small | 2029100 |
| Chainsaw - Stihl | 3005000409 |
| Chainsaw - Stihl | 11226610503 |
| Chainsaw - Stihl | 30050007409 |
| Chainsaw - Stihl | ms250 |
| Chainsaw 14" Echo-C-S 341 | C07611003730 |
| chainsaw 18" | 279612776 |
| Chainsaw 18" 3/8 62DL | C08111239931 |
| chainsaw 18" - STI MS250-18 | 278327202 |
| chainsaw 18" MS250-18 | 279612761 |
| Chainsaw 20" Echo-C-S 520 | 5019852 |
| Chainsaw 20" Echo-C-S 520 | 5033518 |
| Completing Kit - Exmark LHPUV | 109-1014 |
| Completion Kit - Exmark 109-1169 | |
| Cushman w/hi/low hydraulics & PTO kit | |
| Dethatcher - 22" Flail 5.5hp Hon | 81762524 |



| Description | Serial # |
|-------------------------------------------------|-------------------------|
| Dethatcher - 22" Flail 5.5hp Hon | 85075089 |
| Dethatcher PTO Vrismo (purchased from Eberhard) | |
| Dethatcher walk behind - BlueBird | 54262662 |
| Dethatcher walk behind - BlueBird | 72330206 |
| Drive kit 60" - Exmark 109-1167 | 109-1167 |
| Drive kit 60" - Exmark 109-1167 | |
| Edge Trimmer - Model 300-1C | B795989 |
| Edge Trimmer - Model 308-H | B66969 |
| Edge trimmer long | 569311004793 |
| Edger - Echo | ACN006662862 |
| Edger - Power trim | 5685110011570 |
| Edger - Power trim | B84597 |
| Edger - Power trim | 568511001565 |
| Edger - Power trim | 568511001644 |
| Edger 3.5 hp | C11444 |
| Edger 3.5 hp - POW200-4 | C07182 |
| Edger 3.5 hp - POW200-4 | C07223 |
| Edger 3.5 hp - POW200-4 | C07414 |
| Edger 3.5hp | C06522 |
| Edger 3.5hp | C11443 |
| Edger 3.5HP - POW 200-4 | C05761 / 0802213YA85180 |
| Edger 3.5HP - POW 200-4 | C05802 / 080213YA85196 |
| Edger 3.5HP - POW 200-4 | C06093 |
| Edger C05761 | 0802213YA25180 |
| Edger C05802 | 080213YA85196 |
| Edger Echo | 568511001524 |
| Edger Echo pe200 | 682111001143 |
| Edger Pole - Echo | 568511001483 |

| Description | Serial # |
|------------------------------|--------------|
| Edger Power Trim | B57935 |
| Edger Power Trim | B78716 |
| Edger Power Trim | B78717 |
| Edger Power Trim | B83926 |
| Edger Power Trim | B87644 |
| Edger Power Trim | B87852 |
| Edger Power Trim | BA7906 |
| Edger Power Trim 208 | 66777 |
| Edger Power Trim 308 | 72710 |
| Edger Power Trim 308 | 9001229 |
| Edger Power Trim - PE265C | 568511001508 |
| Edger Power Trim 308 | 6caat1119102 |
| Edger Power Trim Model 208-H | B79589 |
| Edger Stick | 9111088 |
| Edger Stick | 9111115 |
| Edger Stick | 9111978 |
| Edger Stick | 1001340 |
| Edger Stick | 6002219 |
| Edger Stick - Echo | 9092498 |
| Edger Stick - Echo | 60001916 |
| Edger Stick - Echo | E29111002326 |
| Edger Stick STIHL-FC-100 | 267090447 |
| Edger Stick STIHL-FC-100 | 269791095 |
| Edger Stick STIHL-FC-100 | 367090578 |
| Edger Stick Echo-LE242 | 9111087 |
| Edger Stick Echo-PE-261 | 6002515 |
| Edger Trimmer - Model 308-H | B43973 |
| Gator turf - John Deere | 19342 |



landscape services, inc.

| Description | Serial # |
|----------------------------|-----------------|
| Gator turf - John Deere | 19356 |
| Gator turf - John Deere | W004X2X090777 |
| Gator-john Deere | W04X2XD014093 |
| Gator-john Deere | W04X2XD0142236 |
| Gator-john Deere | W04X2XD014241 |
| Gator-john Deere | W0TURFPD002862 |
| Gator-john Deere | W0TURFPD003334 |
| Gator-john Deere | W0TURFPD0035691 |
| Gator-john Deere | W0TURF019344 |
| Gator-john Deere | W0TURFPD003335 |
| Gator-john Deere (Used) | W0TURPD002841 |
| Grinder Belly | |
| Grinder Dewal 41/2" | |
| Hedge Shear Echo | 564811010220 |
| Hedge Shear Echo | 6006058 |
| Hedge Shear Echo | 6006770 |
| Hedge Shear Echo | 6006798 |
| Hedge Shear Echo | 6008575 |
| Hedge Shear Echo | 6008816 |
| Hedge Shear Echo | 6009894 |
| Hedge Shear Echo | 6009981 |
| Hedge Shear Echo | 6010099 |
| Hedge Shear Echo | 569311005741 |
| Hedge Shear Echo Extension | 6004692 |
| Hedge Shear Echo Extension | 6008217 |
| Hedge Shear Echo Extension | 6014049 |
| Hedge Shear Echo Extension | 69311003529 |
| Hedge Shear Echo Extension | 569311004400 |

| Description | Serial # |
|----------------------------|--------------|
| Hedge Shear Echo Extension | 569311001274 |
| Hedge Shear TMC | 533404 |
| Hedge Shear TMC | 552890 |
| Hedge Shear TMC | 553495 |
| Hedge Shears - ECHO HC233 | 6004549 |
| Hedge trimmer | 588853 |
| Hedge trimmer | 588854 |
| Hedge trimmer | 588867 |
| Hedge trimmer | 588901 |
| Hedge Trimmer | 1004793 |
| Hedge Trimmer | 1005229 |
| Hedge Trimmer | 1005236 |
| Hedge Trimmer | 1005485 |
| Hedge trimmer | 1005488 |
| Hedge trimmer | 1005490 |
| Hedge Trimmer | 11003249 |
| Hedge Trimmer | 564811011231 |
| Hedge trimmer | 569311008840 |
| Hedge Trimmer | 11001362 |
| Hedge trimmer | 588853 |
| Hedge trimmer | 5009808 |
| Hedge Trimmer - 22.6cc | 390924 |
| Hedge Trimmer - Echo | 5001832 |
| Hedge Trimmer - Echo | 6004017 |
| Hedge Trimmer - Echo | 564811012945 |
| Hedge Trimmer - Echo | 569311008777 |
| Hedge Trimmer - Echo | 6006213 |
| Hedge Trimmer - Echo | 18080090 |



| Description | Serial # |
|----------------------------------------|--------------|
| Hedge Trimmer - Echo | 002923 |
| Hedge Trimmer - Echo | 5001087 |
| Hedge Trimmer - Echo | S64811010440 |
| Hedge Trimmer - Echo | S6481110509 |
| Hedge Trimmer - Echo (black) | 6002168 |
| Hedge Trimmer - Echo (orange) | 6001352 |
| Hedge Trimmer - Echo (white) | 6008220 |
| Hedge Trimmer - Echo (yellow) | 6006220 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001293 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001304 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001345 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001351 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001358 |
| Hedge Trimmer - Echo Articulated Shaft | T43011001379 |
| Hedge Trimmer - Echo stick | 6006785 |
| Hedge Trimmer - Extension | 5009936 |
| Hedge Trimmer - Extension | S69311005497 |
| Hedge Trimmer - HC235 | S64811010752 |
| Hedge Trimmer - HC235 | S64811010803 |
| Hedge Trimmer - HCA265 | S64811010603 |
| Hedge Trimmer - HCA265 | S64811010791 |
| Hedge Trimmer - HCA265 | S64811013249 |
| Hedge Trimmer - HCA265 | S69311005493 |
| Hedge Trimmer - HCA265 | S69311005498 |
| Hedge Trimmer - HCA265 | S69311008876 |
| Hedge trimmer - HCA265 | S69311009043 |
| Hedge Trimmer - Large | 274102356 |
| Hedge Trimmer - Long Stihl | 272879981 |

| Description | Serial # |
|----------------------------------------------|---------------|
| Hedge Trimmer - Long Stihl | 274102350 |
| Hedge Trimmer - Redmax | 41206912 |
| Hedge Trimmer - Redmax | 41207528 |
| Hedge Trimmer - Shindawa | 5280 |
| Hedge Trimmer (black & white) | 06008-7 |
| Hedge Trimmer 22.6cc - PHT355OZ | 595293 |
| Hedge Trimmer 22.6cc - PHT355OZ | 595314 |
| Hedge Trimmer 30" | T08511002735 |
| Hedge Trimmer 30" FWRAP | 584337 |
| Hedge Trimmer 30" FWRAP | 584340 |
| Hedge Trimmer Echo | T43011001952 |
| Hedge Trimmer Echo | 6003820 |
| Hedge Trimmer Echo | 6006771 |
| Hedge Trimmer Echo | 6008602 |
| Hedge Trimmer Echo 30" | S64811011602 |
| Hedge Trimmer Echo 30" | T08511001886 |
| Hedge Trimmer Echo 30" | T08511001894 |
| Hedge Trimmer Echo 30" | T08511003279 |
| Hedge trimmer Echo Model HCA 261 | 6008321 |
| Hedge Trimmer Extension - Echo | S69111001057 |
| Hedge Trimmer Extension - Echo | E291110022075 |
| Hedge Trimmer Extension - Echo | E29111002258 |
| Hedge Trimmer Extension - Echo | E29111002284 |
| Hedge Trimmer Extension - Echo | S691110011019 |
| Hedge Trimmer Extension - Echo | S85411001015 |
| Hedge trimmer Redmax Model HT2-2400 | 41207698 |
| Hedge Trimmer Stick - Kawasaki | 39970 |
| Hedge Trimmer1 Echo 25.4CC Articulated Shaft | 80301400 |



| Description | Serial # |
|------------------------------------------------|----------------|
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 3693110024 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569211003769 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569311005041 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 569311005757 |
| Hedge trimmer1 Echo 25.4CC Articulated Shaft-N | 699311006612 |
| Honda 4.1HP | C11597 |
| Honda 4.1HP | C11599 |
| Honda Engine HRC216K2HXA | 1048355 |
| Interseeder walk behind Ryan | 92517128 |
| John Deere 1200A Bunker and Field Rake | T01200A165419 |
| Kaw W /Tarhead | 286340 |
| Kawasaki fe120 Pump 4.0 | |
| Keyboard Terminal - Motorola | added 11/16/09 |
| Laser - Shindaiwa | 697975 |
| Laser 48" - Exmark | 473852 |
| Laser 52" - Exmark | 480140 |
| Laser 52" - Exmark | no serial # |
| Lazer 50" 23HP Kaw - Exmark LHP23KA505 | 726393 |
| Lazer 56" Exmark - Model# LHP23KA565 | 617327 |
| Lazer 60" - Exmark 30HP w/ dump system | 641456/624012 |
| Lazer 60" 29HP Kaw - Exmark LXS29LKA605 | 745059 |
| Lazer 72" | 654124 |
| Lazer 72" | 634022 |
| Lazer 72" Exmark Ultravac | UV6672 |
| Lazer 942230 Z1726 kohler BHI 61" deck | 94223000222 |
| Lazer Exmark 52" - 27hp | 872875 |
| Lazer Exmark 52" - 27hp | LZZ27KC526 |
| Lazer Exmark 52" Rider | 290108 |

| Description | Serial # |
|-----------------------------------------|--------------|
| Laser 52" - Seag | FH680VB98531 |
| Laser 56" - Exmark | 657938 |
| Laser 56" - Exmark | 676013 |
| Laser 72" - Exmark | 69797 |
| Laser 72" - Exmark | 613906 |
| Laser 72" - Exmark | N358061 |
| Laser 72" mower | 411300951 |
| Laser XS 72" - Exmark | 677887 |
| Laser XS 72" - Exmark | 697977 |
| Laser 23hp 56" LHP Kaw | 699690 |
| Lazer 29HP KAW 60" - Exmark LXS29LKA605 | 745070 |
| Lazer 36" Exmark - Model# M15KA362 | 651011 |
| Lazer Exmark 72" - 29hp | 852748 |
| Lazer Exmark 72" - 34hp | LZZ34KA726 |
| Lazer Mower Bagging System | 981286 |
| Lazer mower ultravac | 925180 |
| Lazer-Z 29HP 72" - Exmark LXS29LKA725 | 728159 |
| Lazer-Z 72" 34 hp Kawasaki | 883156 |
| Lazer-Z 72" 29 hp | 613921 |
| Lazer-Z 72" 29 hp | 728129 |
| Lazer-Z 72" Exmark | 954373 |
| Lazer-Z 72" Exmark | 954374 |
| Lazer-Z 72" Exmark | 954375 |
| Lazer-Z 72" Exmark | 954386 |
| Lazer 72" exmark lazer-z w/ 29HP | 954371 |
| Lazer 72" exmark lazer-z w/ 29HP | 954372 |
| Lazer 72" exmark lazer-z w/ 29HP | 954380 |
| Lazer 72" exmark lazer-z w/ 29HP | 954381 |



| Description | Serial # |
|------------------------------------------------|---------------------------|
| 72" exmark lazer-z w/29HP | 954382 |
| 72" much kit | |
| Lazor 52" | 222842 |
| Levy Broadcaster new | 4800669 |
| Lily spreader | 23202000/9360692 |
| Lily spreader tow behind | |
| Metro 36" W/ Pist Grip | 708499 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799797 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799798 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799799 |
| Mower - 21" 6HP Kawasaki Sp-Exmark MSKA21 | 799800 |
| Mower - Bobcat 218 Estatet18HP Briggs 52" deck | 94221101093 |
| Mower - Bobcat 218 Estatet18HP Briggs 52" deck | 94221101370 |
| Mower - Exmark "Lazer HP 50" | 292002 |
| Mower - Exmark "Lazer HP 50" | 604495 |
| Mower - Exmark "metro 21" | 445996 |
| Mower - Exmark "Navigator | 35204014 |
| Mower - Exmark 21" with new engine | 446008 |
| Mower - Exmark 36" | 392595 |
| Mower - Exmark 36" Model M15KA362 | 655254 |
| Mower - Honda | 569039 |
| Mower - Honda "Flail reel | GC02-7030978 |
| Mower - John Deere 3235C | CC3235C020879-Tag49M/0029 |
| Mower - Maka-Honda 21' | 102157 |
| Mower - Maka-Honda 21' | 1014168 |
| Mower - tru cut P-20 reel | 828805 |
| Mower (Walk behind) Ex-Mark Model M3615KA | 485930 |
| Mower (Walk behind) Ex-Mark Model M3615KA | 485955 |

| Description | Serial # |
|--------------------------------------------|-----------------------|
| Mower 12" Comm.S/P Hyd | MAKA1053206 |
| Mower (Walk behind) Ex-Mark Model TT3615KA | 497003 |
| Mower 21" | 647115 |
| Mower 21" - Exmark | EJ180VF0437 |
| Mower 21" - Ex-mark | 267622291 |
| Mower 21" - Honda | 1052109 |
| Mower 21" - Honda | M2AN620580 |
| Mower 21" - John Deere | 6xjs25c170834 |
| Mower 21" - Metro | 559923 |
| Mower 21" - Toro | #260003887 |
| Mower 21" Exmark 6PH kaw | 745677 |
| Mower 21" Honda | MZAN - 6203925 |
| Mower 21" Kawasaki | 6206583 /FT180VF76265 |
| Mower 21" Metro SP-Exmark | 662972 |
| Mower 21" Push - Exmark-N6KA21B | 647095 |
| Mower 21" Push - Exmark-NFKA21 | 662969 |
| Mower 26" - Metro | 738046 |
| Mower 36" - Exmark | 485956 |
| Mower 36" - Exmark | 646087 |
| Mower 36" Exmark | 376648 |
| Mower 36" Walk behinds - Exmark | 229293 |
| Mower 36" Walk behinds - Exmark | 266229 |
| Mower 36" Walk behinds - Exmark | 297908 |
| Mower 36" Walk behinds - Exmark | 370429 |
| Mower 36" Walk behinds - Exmark | 561791 |
| Mower 48" Rider - Exmark Model LHP4823 | 269543 |
| Mower 50" ride on - Exmark | FH680vb71282 |
| Mower 56" ride on - Exmark | 617329 |



| Description | Serial # |
|------------------------------------------|-------------|
| Mower 60" ride on - Exmark | 570013 |
| Mower 60" Vericut PTO | V108179-60 |
| Mower 72" - Exmark Lazer mower" | 53-191067 |
| Mower 72" - Exmark Lazer mower" | N45794B |
| Mower Back behind 36" Mtro 17HP KAW-M17K | 824994 |
| Mower Bobcat 218 52" Rider | 94221101368 |
| Mower BobCat 60" mulching | 94223000215 |
| Mower Bobcat Rider 52" | 94001101366 |
| Mower Bobcat Rider 60" | 94000400146 |
| Mower Bobcat Rider 60" | 94222400144 |
| Mower Ex-Mark - Rider Model LHP4820KC | 567432 |
| Mower Exmark 36" Walk behind | 245407 |
| Mower Exmark 36" Walk behind | 262382 |
| Mower Exmark 36" Walk behind | 411449 |
| Mower Exmark 36" Walk behind | 658966 |
| Mower Exmark 52" Lazer Rider | 632938 |
| Mower Exmark 52" Lazer Rider | 676012 |
| Mower Honda 21" HRC 216 | 1020425 |
| Mower Honda 21" HRC 216 | 1026378 |
| Mower Honda 21" HRC 216 | 1029172 |
| Mower Honda 21" HRC 216 | 1052132 |
| Mower Honda 21" HRC 216 | 1052469 |
| Mower Honda 21" HRC 216 | 1053974 |
| Mower Honda 21" HRC 216 | 1093834 |
| Mower Honda 21" HRC 216 | 6139675 |
| Mower Honda 21" HRC 216 | 6165055 |
| Mower Honda 21" HRC 216 | 6175763 |
| Mower Honda 21" HRC 216 | 6193150 |

| Description | Serial # |
|--------------------------------------------------|--------------------------|
| Mower Honda 21" HRC 216 | 6193869 |
| Mower Honda 21" HRC 216 | 6198154 |
| Mower Honda 21" HRC 216 | 10083780 |
| Mower Honda 21" HRC 216 | HRC2163HX |
| mower -jacobsen LF-4677-7 gang reel - Kubota Tr | Model-ser67916-00001702 |
| mower -jacobsen Tri King 1900D 84" triplex -6704 | D6623C0280 |
| mower jacobson 5-gang reel - LF3400 | 67868-1831 |
| mower jacobson 5-gang reel - LF3800 | 67867-2098 |
| Mower jacobson Tri-king - #00003801 | 67043 |
| Mower John Deere 220 walk behind | #4950094 / M0220B2010302 |
| Mower John Deere 2653A | 53D140077 / Tag#49M0033 |
| Mower John Deere 3235C | #49M0389 / TC3235C030423 |
| Mower Kawasaki 21" 6.5hp | 443300 |
| Mower Kawasaki 21" 6.5hp | 443301 |
| Mower Kawasaki 21" 6.5hp | 523206 |
| Mower Kawasaki 21" 6.5hp | 670627 |
| Mower Model MMDEL TT3615 | 266144 |
| Mower Ride Along 48" LHP 483 KA | 514648 |
| Mower Ride Along 52" LHP 483 KA | 516897 |
| mower transferred from Santa Ana 21" - Honda | MAKA1020157 |
| mower walk behind 21" snapper - 7800372 | 2012866971 |
| Mower Walk behind 21"-Model HRC216KSXA | MZAU-6162377 |
| Mower Walk Behind 36" Model MMDEL TT3615 | 497062 |
| mower walk behind reel-Tru cut reel mower | 825330 |
| Mower Walk behind-Model HRC216KSXA | MZAU-6141423 |
| Mower Walk behind-Model HRC216KSXA | MZAU-6190475 |
| Mower -2010 Real Master 5510 | 310000101 |
| Overseeder - Model #O51848 A19985 | 461801 |



| Description | Serial # |
|-------------------------------------------------|-------------------|
| Pole pounder | |
| Power Wash DE-walt | 67DX39G11 |
| Power Washer - Steam X | 1280002750 |
| Pressure Washer - Husky | 6548190 |
| Pressure Washer Dual 2007 | 1100049564 |
| Pressure Washer ML-T-M Model SP2703-OMHB | 10220432 |
| Pump - Home lite | 10540726 |
| Rake Used John Deere 1200H Hydro 3wd w/ plow | |
| RakeUsed Smithco Super Star Hydro | |
| Reciprecator Red Max Model 6Z25N | 6006294 |
| Remote controllers rain master \$1,100.00/ each | |
| Rotor Tiller | FRC800 |
| Rotor tiller - Honda 5 HP | 1009422 |
| Rototiller | T15266 |
| Rototiller Barreto - 13H8 | GCAKL-1026721 |
| SCAG "Tiger Cub" | 7690232 |
| Shred Vac - Echo | 6003971 |
| Sod cutter 18" /Blue Bird - Honda | 83669572 |
| Sod cutter ryan | 54494506735 |
| Soil reliever | |
| Spray Can | 476-1704 |
| Spray Can | 476-2003 |
| Spray Can | 476-2104 |
| Sprayer - Hicks Model GX120 | None |
| Sprayer - Lesco Commercial plus | 1661201 |
| Sprayer - Lesco Model 1520-17-18-RT | 7045940C085Z20006 |
| Sprayer - Solar Model 3-5 | None |
| Sprayer Hicks farms supply (5330c-x) | 00200-10004 |

| Description | Serial # |
|-----------------------------------------------|----------------------------|
| Sprayer Lesco kawasaky | 1607962 |
| Sprayer Schlaben | 456902 |
| Sprayer Solo back pack | |
| Sprayer Toro Boom | 90454 |
| Spreader #80 SS Commercial | 45256 |
| Spreader & Sprayer Lesco "Ride on | 1008900 |
| Spreader commercial | 091186A250X100233 |
| Spreader commercial | 091186E050X100097 |
| Spreader commercial | 091186E050X100140 |
| Spreader commercial | 091186H208X100358 |
| Spreader Larger fert. (red) | |
| Spreader Mannual Walk Behind - Lesco | |
| Spreader Mannual Walk Behind - Priselawn CRB | |
| Spreader Mannual Walk Behind - SPYKER 288-SUR | |
| Spreader Small fert. (red) | |
| Stump Grinder | 1J9MA1218A1167152 |
| stump pump | |
| Thatch attacher "old yellow" deth | 94100507 |
| Top dresser turf tger | A20702 |
| Top Dresser Turfco Walkbehind | 85417/692121 |
| Toro vacuum | 07073-0008 |
| Tractor - John Deere | front loader W00520X014043 |
| Tractor - John Deere 5210 | LV52105123603 |
| Tractor - John Deere A20816 | LV52105123602 |
| Tractor Kubota - A0782 | LB702 |
| Tractor Kubota - L3131DT | 50783 |
| Trailer - John Deere | TC022BX010203 |



| Description | Serial # |
|--------------------------------------|-------------------|
| Trencher - Lesco | IVRX05IE351001456 |
| Trin Diesel Triplx 3WD | TC25530110625 |
| Trimmer - Lesco | 569311001162 |
| Trimmer 25.4cc String - SRM2655C | 565911003952 |
| Trimmer 25.4cc String - SRM2655C | 565911003968 |
| Trimmer 25.4cc String-SRM2655C | 565911003949 |
| Trimmer 25.4cc String-SRM2655C | 565911003965 |
| Trimmer 25.4cc String-SRM2655C | 565911006174 |
| Trimmer 25.4cc String-SRM2655C | 565911006230 |
| Trimmer 25.4cc String-SRM2655C | 565911006275 |
| Trimmer 25.4cc String-SRM2805C | 566611006304 |
| Trimmer 25.4cc String-SRM2805C | 566611006398 |
| Trimmer 26cc CA APRV | 1001718 |
| Trimmer 26cc CA APRV | 11001736 |
| Trimmer 27cc hd S. FFC | 446060 |
| Trimmer 34.4cc String-KPW3600VL | 36100685 |
| Trimmer 34.4cc String-KPW3600VL | 36100686 |
| Trimmer Articulating | 9122580 |
| Trimmer Articulating | 9122819 |
| Trimmer commercial string | T42211001112 |
| Trimmer commercial string | T42211001144 |
| Trimmer commercial string | T42211001169 |
| Trimmer commercial string -SRM-266sc | T42211001006 |
| Trimmer Commercial string -SRM-266sc | T42211001012 |
| Trimmer Commercial string -SRM-266sc | T42211001024 |
| Trimmer Commercial string -SRM-266sc | T42211001034 |
| Trimmer Commercial string -SRM-266sc | T42211001047 |
| Trimmer Commercial string -SRM-266sc | T42211001054 |

| Description | Serial # |
|--------------------------------|--------------|
| Trimmer Echo | 2001481 |
| Trimmer Echo | 6002118 |
| Trimmer Echo | 6013084 |
| Trimmer Echo | 6015047 |
| Trimmer Echo | 6015191 |
| Trimmer Echo | 6015267 |
| Trimmer Echo | 6016424 |
| Trimmer Echo | 6022453 |
| Trimmer Echo | 6047779 |
| Trimmer Echo | 6047779 |
| Trimmer Echo | 56631279 |
| Trimmer Echo | 64811005685 |
| Trimmer Echo | 565911004181 |
| Trimmer Echo String - SRM2805C | 566611005150 |
| Trimmer Hedge - Echo HC235 | 564811010395 |
| Trimmer Hedge - Echo HC235 | 564811010408 |
| Trimmer Hedge - Echo HC235 | 564811010577 |
| Trimmer Hedge - Echo HC235 | 564811010650 |
| Trimmer Hedge - Echo HCA265 | 569311001258 |
| Trimmer Hedge - Echo HCA265 | 569311003610 |
| Trimmer Hedge - Echo HCA265 | 569311004779 |
| Trimmer Hedge - Echo HCA265 | 569311004935 |
| Trimmer Hedge - Echo HCA265 | 569311004942 |
| Trimmer Hedge - Echo HCA265 | 569311005058 |
| Trimmer Hedge - Echo HCA265 | 569311005091 |
| Trimmer Hedge - Echo HCA265 | 569311005115 |
| Trimmer Hedge - Echo HCA265 | 569311005122 |
| Trimmer Hedge - Echo HCA265 | 569311005177 |
| Trimmer Hedge - Echo HCA265 | 569311005232 |



| Description | Serial # |
|------------------------------------------|--------------|
| Trimmer Hedge - Echo HCA265 | 569311005254 |
| Trimmer Hedge - Echo HCA265 | 569311005282 |
| Trimmer Hedge - Echo HCA265 | 569311005492 |
| Trimmer Hedge - Echo HCA265 | 569311008883 |
| Trimmer Hedge - Echo HCA265 | 569311008903 |
| Trimmer Hedge - Echo HCA265C | 569311004990 |
| Trimmer Hedge - Echo HCA265C | 569311005233 |
| Trimmer Line - Model 62087 Shindaiwa | 6103803 |
| Trimmer Line - Echo Model SRM 216T | 0606537 |
| Trimmer Line - Model 62117 Shindaiwa | 8024481 |
| Trimmer Line - Model 62119 Shindaiwa | 7110427 |
| Trimmer Line - Model T261 Shindaiwa | 6093807 |
| Trimmer Line - Model T261 Shindaiwa | 7110428 |
| Trimmer Line 1 Echo 25.4cc | C0801003674 |
| Trimmer Line 1 Echo 25.4cc Model SRM2651 | P02011001595 |
| Trimmer Line 1 Echo 25.4cc Model SRM2651 | 866011005118 |
| Trimmer Pole - Echo | 5008537 |
| Trimmer Pole - Echo | 56911001130 |
| Trimmer Pole - Echo | 564811005347 |
| Trimmer Pole - Echo | 569111001127 |
| Trimmer Pole - Echo | 4011573 |
| Trimmer Shindawa | 5030469 |
| Trimmer Shindawa | 6045452 |
| Trimmer Shindawa | 6052647 |
| Trimmer Shindawa | 6052648 |
| Trimmer Shindawa | 6114245 |
| Trimmer Shindawa | 6114257 |
| Trimmer Shindawa | 7110475 |

| Description | Serial # |
|------------------------------------------------|----------------|
| Trimmer String | 9100603 |
| Trimmer String | 9116170 |
| Trimmer String | 9116173 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003451 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003458 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003513 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911003518 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911006270 |
| Trimmer String 25.1cc - Echo SRM265SC | 565911006297 |
| Trimmer String 25.1cc - Echo SRM265SC (broken) | 565911003461 |
| Trimmer String 25.4 cc - Echo SRM265SC | 565911003158 |
| Trimmer String 25.4 cc - Echo SRM265SC | 565911003784 |
| Trimmer String 33.3 - KPW3420ZL | 80528 / 320565 |
| Trimmer Shindawa | 7110712 |
| Trimmer Shindawa | 8031139 |
| Trimmer Shindawa | 8031287 |
| Trimmer Shindawa | 8031288 |
| Trimmer Shindawa | 9022989 |
| Trimmer Shindawa | 9022990 |
| Trimmer Shindawa | 7110711 |
| Trimmer Solid Shaft | 1001395 |
| Trimmer Solid Shaft | 1001411 |
| Trimmer Solid Shaft - Echo | no serial # |
| Trimmer String 33.3 - KPW3420ZL | 80541 / 320564 |
| Trimmer String Echo-SRM261S | 6015183 |
| Trimmer String Echo-SRM261S | 6015214 |
| Trimmer String Echo-SRM261S | 6016156 |
| Trimmer String Echo-SRM261S | 6016637 |



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| Description | Serial # |
|-------------------------------------------------|-----------------------------|
| Trimmer String Echo-SRM261S | 6016786 |
| Trimmer String Echo-T282X/C | 90222981 |
| Trimmer String Echo-T282X/C | 90222982 |
| Trimmer Tension - Echo | 6006392 |
| Trimmer Tension - Echo | 6006808 |
| Turf Gator - Gas Ut Cart | 1916 |
| Turf Gator - Gas Ut Cart | W00TURF018472 |
| Ultravac 60" - Exmark UV60 | 737517 |
| Ultravac 60" - Exmark UV60 | 774221 |
| Ultravac 66"/72" - Exmark UV6672 | 659068 |
| Vacuum - Model BG845P | 091698061 |
| Vacuum Billy Goat | 1290841 |
| Vacuum Billy Goat | 62606261 |
| Verticore - John Deere 1500 | |
| Verticore #1700 (sold to Eberhard for STM 1500) | a1395 |
| Verticore Jacobsen Walk behind | 825592361 |
| Verticutter -Graden Swing Wing | |
| VIBE Plate, Honda GX160 with water tank | U-5380 |
| Vacuum Honda | 80805436 |
| Water Pump - Honda | 1100403 |
| Water Pump - Honda | 1102531 |
| Water Tank Small | |
| Weed eater | 25 / New #496060 (repaired) |
| Weed eater - Echo | 1001534 |
| Weed eater - Echo | 6009591 |
| Weed Eater - Echo | 6016614 |
| Weed eater - Echo | 6016775 |
| Weed eater - Echo | 269413797 |

| Description | Serial # |
|----------------------------------|-----------------------------|
| Weed Eater - Echo SRM 261S | 6009976 |
| Weed Eater - Shindaiwa | T268 |
| Weed eater - Shindowa | 5058847 |
| Weed eater (black & white) | 6028448 |
| Weed eater 33.3cc Kaw w/ taphead | 286578 |
| Weed eater 33.3cc Kaw w/ taphead | 286579 |
| Weed eater 33.3cc Kaw w/ taphead | 286581 |
| Weed Wacker - Echo | 566311001657 |
| Weed Wacker - Echo | 566711005600 |
| Weed Wacker - Echo | 566911005573 |
| Weed Wacker - Echo | 5667111001405 |
| Weed Wacker - Echo | no serial # |
| Weedeater - Echo | 6008312 |
| Weedeater - Echo (blue & gray) | No number |
| Weedeater - Echo (blue) | 6009454 |
| Weedeater - Echo (blue) | 6028575 |
| Weedeater - Echo (Orange) | 6008348 |
| Weedeater - Shindowa (Red) | 5058848 |
| Weedeater - Shindowa (Red) | 5058850 |
| Weed eater - Echo | 269413804 |
| Weed Eater - Echo | E29111001978 |
| Weed Eater - Echo | E29111002085 |
| Weed Eater - Echo | E29111002091 |
| Weed Eater - Echo | E29111002271 |
| Weed Eater - Echo | E29211020671 |
| Weed Eater - Echo | O6014135 |
| Weed eater - Echo | 5 (old)/56931100509 (new #) |
| Weed eater - Echo | 566311001287 |



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landscapes services, inc.

Attachment: Agreement for LD-SOUTH (Zone 04 Does Not Pass) (1981 : AWARD OF AN INDEPENDENT




| Description | Serial # |
|-------------------------------|--------------|
| Weed Eater - Echo | S66311001668 |
| Weed eater - Echo | S66311001718 |
| Weed Eater - Echo | S66611003118 |
| Weed Eater - Echo | S66711005455 |
| Weed Eater - Echo | S66711005762 |
| Weed Eater - Echo | S66711005782 |
| Weed eater - Echo | 6015382 |
| Weed eater - Echo (black) | 6011323 |
| Weed eater - Echo (green) | 6014956 |
| Weed eater - Echo (yellow) | 6009427 |
| Weed Eater - Echo SRM 2615 | 6006275 |
| Weed Eater - Echo SRM 2615 | 6009440 |
| Weed Eater - Echo SRM 2615 | 6009446 |
| Weight Kit - Exmark 103-5633 | 103-5633 |
| Weight Kit - Exmark 103-5633 | |
| Weight Kit - Exmark 103-5633 | |
| Weight Kit Front - Exmark | 103-5629 |
| Wheel 3.5 B&S 8" | 2039 |
| Wheel 3.5 B&S 8" | 2035 |
| Wheel Barrel - Jackson (blue) | |
| Wheel Barrow - True Temper | |
| Wire locator - 521P | |
| Wire Locator 521 | |

Moreno Valley Community Services District Extensive Landscaping & Irrigation

Zone E-8 • Promontory Park



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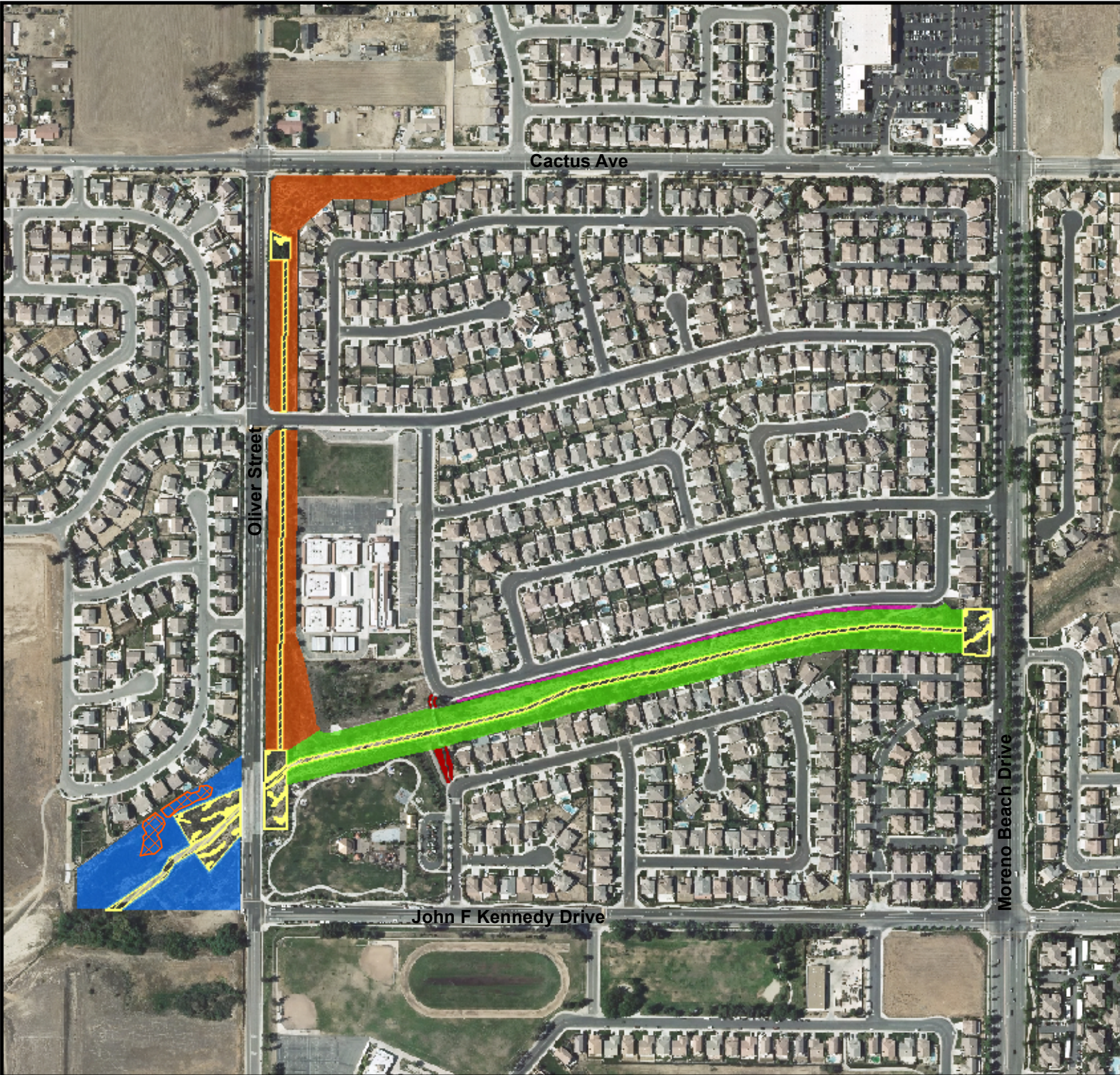
-  Landscaped Parkway
-  Landscaped Open Space
-  Zone E-8 Parcels









Map Produced by Moreno Valley
Geographic Information System
File: G:\ArcMap\Special Districts\
E8_8.5x11.mxd
January 24, 2011

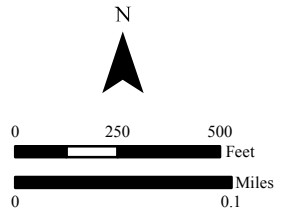
Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

CITY OF MORENO VALLEY

LINE F/OLIVER CHANN



-  Culvert/Gabion
-  20ft Wide Low Flow Chanr
-  Parkway Planter - 1,568 sq ft
-  Line F West - 379,744 sq ft
-  Oliver Street Channel - 225,553 sq ft
-  Line F East - 180,563 sq ft
-  Channel irrigation to be maintained
-  Existing Mulefat Scrub Habitat - 8,710 sq ft (leave undisturbed)



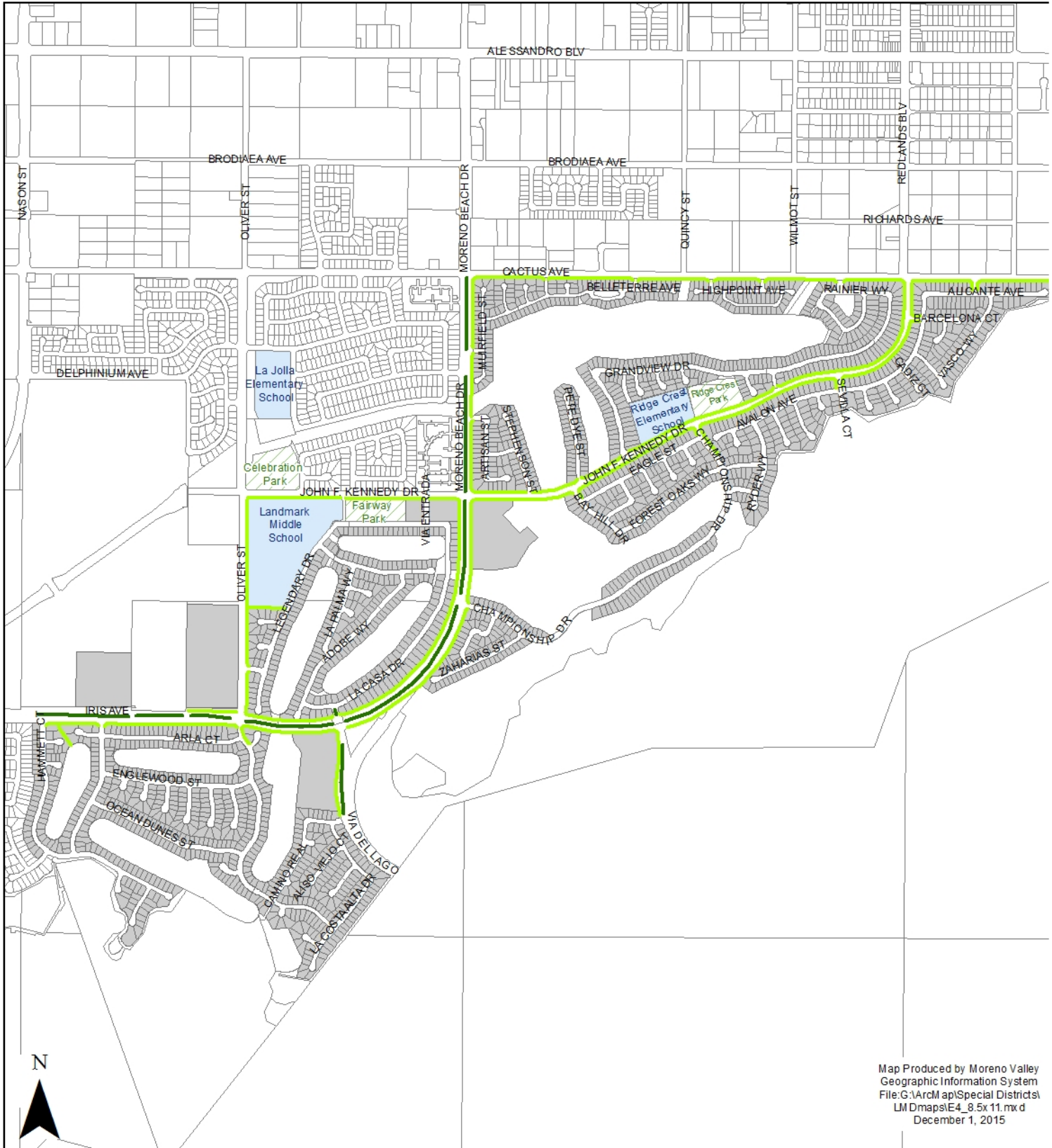
Map Produced by Moreno Valley Geographic Information System
 Geographic Information in:
 State Plane NAD 83 California Zone 6 Feet
 G:\ArcMap\SpecialDistricts\LineF.mxd
 February 24, 2016

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Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 04 (Moreno Valley Ranch - East)



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- Landscaped Parkway
- Landscaped Median
- Zone 04 Parcels

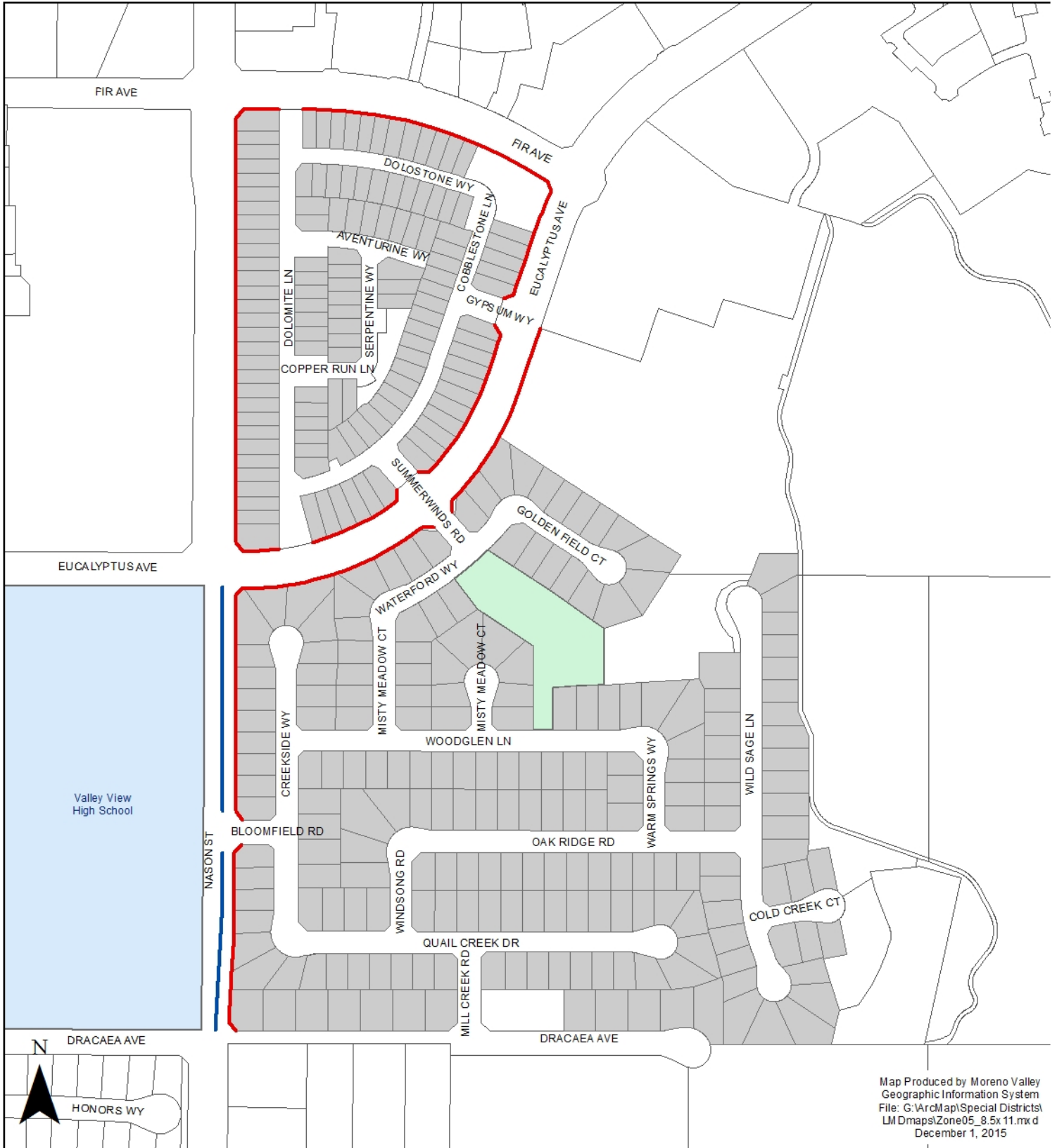
Map Produced by Moreno Valley
Geographic Information System
File:G:\ArcMap\Special Districts\LM Dmaps\E4_8.5x11.mxd
December 1, 2015

Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

A.10.c

Zone 05 (Stoneridge Ranch)



Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

Map Produced by Moreno Valley
Geographic Information System
File: G:\ArcMap\Special Districts\LM\Map\Zone05_8.5x11.mxd
December 1, 2015

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- Landscaped Parkway
- Landscaped Median
- Zone 05 Parcels

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

Zone 06 (Mahogany Fields)



Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be reprinted or resold.

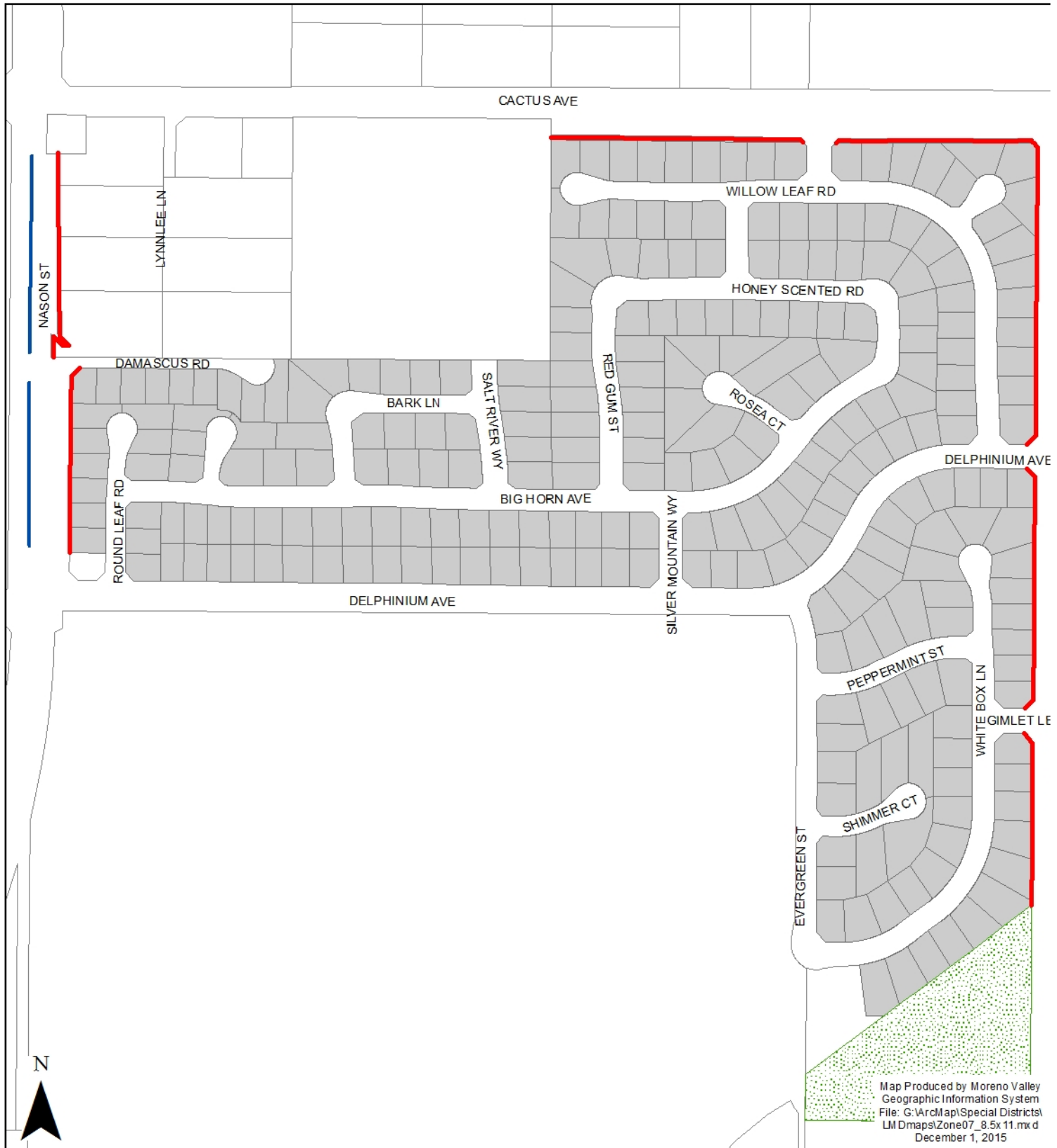
-  Landscaped Parkway
-  Landscaped Median
-  Not part of Zone 06 landscaping
-  Turf Area
-  Zone 06 Parcels

Map Produced by Moreno Valley
Geographic Information System
File: G:\ArcMap\Special Districts\LM Dmaps\Zone06_8.5x11.mxd
December 1, 2015

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

A.10.c

Zone 07 (Celebration)



Attachment: Maps of Maintenance Areas (1981) : AWARD OF AN INDEPENDENT CONTRACTOR AGREEMENT FOR LANDSCAPE

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- Landscaped Parkway
- Landscaped Median
- Landscaped Open Space
- Zone 07 Parcels

Map Produced by Moreno Valley
Geographic Information System
File: G:\ArcMap\Special Districts\LM Dmaps\Zone07_8.5x11.mxd
December 1, 2015

V: SCHEDULE I – FREQUENCY OF SERVICES TABLE

A. PARKWAYS, MEDIANS, AND CHANNELS

| Service Type | All Landscape and Irrigation Zones | | | LMD 2014-02 Zone 04 Only | | |
|--------------------------------------------------------------------------------------------------------|-----------------------------------------|-------------------------------------------------|------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------------|
| | Service Schedule Level 1 (4 Week) | Service Schedule Level 2 (8 Week) | Service Schedule Level 3 (12 Week) | Service Schedule Level 4 (16 Week) | Service Schedule Level 5 (20 Week) | Service Schedule Level 6 (24 Week) |
| 17.A. Turf Care Mow/edge/trim Aeration | Weekly Bi-annually (Spring & Fall) | Every other week Bi-annually (Spring & Fall) | Every other week Annually (Spring) | Every other week N/A | Every other week N/A | Every other week N/A |
| 17.C. Shrub Care Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.D. Ground Cover Prune/trim | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.E. Weed Control Weed control | Monthly | 6x's per year | 4x's per year | 2x's per year | 1x's per year | As necessary to remove ROW encroachments |
| 17.F. 2. Irrigation | Weekly | Weekly | Weekly | Monthly | Monthly | Monthly |
| 17.G. Debris/Litter Debris/Litter removal | Weekly | Weekly | Every other week | Monthly | Every Other Month | Quarterly |
| 19.A. Turf Fertilization | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 3x's per year (Feb., June & Oct.) | 2x's per year (Feb. & Oct.) | 1x per year (Feb.) | N/A |
| 19.B. Shrub/Ground Cover Fertilization | 2x's per year (April & Sept.) | 2x's per year (April & Sept.) | 1x per year (April) | 1x per year (April) | 1x per year (April) | N/A |
| 20. C. 1. (a) Pre-Emergent Ground covers, shrubs & trees - Pesticide usage criteria ¹ | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 2x's per year (Spring & Fall) | 1x per year (Spring) | 1x per year (Spring) | N/A |
| Exhibits G & I Reports | Monthly | Monthly | Monthly | Monthly | Monthly | Monthly |
| Exhibit H Report | Weekly | Weekly | Weekly | Weekly | Weekly | Weekly |

| Channels | |
|---------------------------------------------|------------------|
| Service Type | Service Schedule |
| 18.B. Vegetative Thinning ¹ | Annual |
| 18.C. Weed Abatement/Pesticide ¹ | Quarterly |
| 18.D. Irrigation | Weekly |
| 18.E. Debris/Litter Removal | Monthly |
| Exhibits G & I Reports | Monthly |
| Exhibit H Report | Monthly |

 (Sign here)

By signing, I hereby acknowledge review of the aforementioned Frequency of Services and have incorporated reference of the frequencies in the Proposal Schedule, including the Optional Proposal Schedule, and the proposed monthly and annual schedule sheets for the services to be provided consistent with the terms of this Contract.



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed levy of real property assessments for Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.
2. Direct the City Clerk to count the returned property owner ballots for Zone 04.
3. Verify and accept the results of the mail ballot proceeding as provided by the City Clerk on the Official Tally Sheet.
4. Receive and file the Official Tally Sheet with the City Clerk's office.
5. If the assessment increase for Zone 04 is supported by the Zone 04 property owners, Adopt Resolution No. CSD 2016-15. A Resolution Of The Moreno Valley Community Services District Of The City Of Moreno Valley, California, Confirming A Diagram And Assessment For Fiscal Year 2016/17 In Connection With Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 And Approving A Rate Increase And Automatic Inflation Adjustment Formula For Zone 04 Of That District.
6. If the assessment increase for Zone 04 is rejected by the Zone 04 property owners, Adopt Resolution No. CSD 2016-16. A Resolution Of The Moreno Valley

Community Services District Of The City Of Moreno Valley, California, Confirming A Diagram And Assessment For Fiscal Year 2016/17 In Connection With Moreno Valley Community Services District Landscape Maintenance District No. 2014-02.

7. Authorize the Chief Financial Officer to adjust the assessment levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied assessment does not exceed the maximum assessment, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

SUMMARY

This report recommends the Moreno Valley Community Services District (the "CSD") conduct a Public Hearing to 1) receive public input on the proposal to continue the annual levy of property assessments currently levied against real property in Landscape Maintenance District No. 2014-02 ("LMD No. 2014-02" or "District") and 2) receive public input on the proposed property owner mail ballot proceeding for an assessment increase and an automatic inflation adjustment for Zone 04 of the District. Other than in Zone 04, there are no increases proposed for fiscal year (FY) 2016/17, except for the implementation of inflation adjustments previously approved following a mail ballot proceeding.

Revenue received from the assessments fund the maintenance of public landscape improvements within the District. Funds collected for each zone are restricted and can only be used within the zone for the purposes for which they were collected.

The proposed maximum and applied assessments for FY 2016/17 were reviewed by the Finance Subcommittee during its April 13, 2016 meeting.

DISCUSSION

On May 27, 2014, the CSD adopted its Resolution 2014-09, establishing LMD No. 2014-02. The boundaries of the District are comprised of 11 benefit zones. Attachment 5 are maps of the zones that form LMD No. 2014-02.

The purpose of the District is to fund, in part, the maintenance of public landscaping within the District. Each zone funds a set of landscape maintenance services within a defined portion of the City. A benefit assessment is levied on the property tax bills of properties located in the District. Funds collected in each zone are restricted and can only be used within the zone for the purposes for which they were collected.

The frequency of landscape maintenance service provided is based on each zone's financial resources. At the time the City accepts a zone's public landscaping for maintenance, the assessment is set at a rate sufficient to fund the City's standard frequency of service, Level 1 (4-week rotation). For those zones where costs to maintain the landscaping have increased and the property owners have elected not to

support an increase in the assessment rate, the frequency of service has been reduced to either a Level 2 (8-week rotation) or Level 3 (12-week rotation). Routine landscape maintenance service provided to medians, parkways and open space (where applicable) includes: mowing, edging and trimming of turf grass areas (if applicable), pruning and trimming of shrubs, bushes and ground coverings in planter areas, litter pick-up and removal within the parkway and/or median landscaped areas, fertilization of turf grass, shrubs/bushes and groundcovers and pesticide applications.

Below are the zones in the District and their service level during FY 2015/16. For FY 2016/17, only Zone 04's service level will change, depending upon the outcome of the property owner mail ballot proceeding (see below for further discussion).

| FY 2015/16 Service Levels | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------|----------------------|--------------------|
| Zones | Name | Service Level | Frequency |
| Zone 01 | TownGate | Level 2 | 8 Week |
| Zone 01A | Renaissance Park | Level 3 | 12 Week |
| Zone 02 | Hidden Springs | Level 1 | 4 Week (parkway) |
| | | | Bi-Annual (paseos) |
| Zone 03 | Moreno Valley Ranch West | Level 1 | 4 Week |
| Zone 03A | Lasselle Powerline Pkwy | Level 2 | 8 Week |
| Zone 04 ¹ | Moreno Valley Ranch East | Level 3 | 12 Week |
| Zone 05 | Stoneridge Ranch | Level 1 | 4 Week |
| Zone 06 | Mahogany Fields | Level 1 | 4 Week |
| Zone 07 | Celebration | Level 1 | 4 Week |
| Zone 08 | Shadow Mountain | Level 1 | 4 Week |
| Zone 09 ² | Savannah | Level 1 | 4 Week |
| ¹ FY 2016/17 service level will increase if property owner ballot is approved or will decrease if it is not approved. ² Tract 27251 (Morrison St and Fir Ave) is under development. Landscaping has not yet been assumed by City. | | | |

ANNUAL PROCEEDINGS

The City engages Willdan Financial Services to prepare an Engineer's Report (the "Report") each year that describes the proposed assessments for the upcoming year. The Landscaping and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) requires the CSD Board conduct proceedings to approve each year's levy, as described in the Report. The Board must conduct a public hearing to receive public input on the proposed levy. Additionally, the Board must conduct an assessment ballot proceeding with respect to any new proposed rate increase.

On May 3, 2016, the CSD Board adopted resolutions to initiate the annual proceedings for the FY 2016/17 levy. For FY 2016/17, it is proposed the annual assessment rate be increased and an automatic inflation adjustment be approved for Zone 04 (see below for

further discussion). In the other benefit zones, aside from the implementation of previously adopted annual inflation adjustments, the assessment rates are not proposed to increase from the rates levied in FY 2015/16.

The Report includes a detailed description of the improvements within the District, the estimated maintenance costs, the method of assessment apportionment for each lot or parcel within the District boundaries, a diagram showing the parcels within the zones that make up the District, and a benefit analysis. This analysis describes the special benefit of the landscape maintenance services to the assessed parcels and identifies the parcels that are subject to the annual assessment. In addition, the Report identifies the general benefit the public receives from the improvements and apportions those costs to the City (see fiscal impact below). Listed below are three categories to be funded by the General Fund and the amount for each category:

General Benefit Cost. The minimum amount the community would fund for safety purposes had the improvement not been installed by the development.

General Fund Maintenance Area Costs. The ongoing maintenance of improvements that do not specially benefit the parcels in the zone and cannot be funded by assessments (e.g. drainage area in Zone 04).

Contribution for Non-Assessed Parcels. Funds the annual contribution for parcels that benefit from the improvements but have not been (or cannot be) assessed; these are primarily government-owned parcels (e.g. Fire Station).

| | General Benefit | GF Maintained Areas | GF Contributions for Non-Assessed Parcels¹ | Total GF Contribution |
|--------------------------|------------------------|----------------------------|--------------------------------------------------------------|------------------------------|
| With Zone 04 Approval | \$ 161,988.00 | \$ 14,192.00 | \$ 17,056.67 | \$ 193,236.67 |
| Without Zone 04 Approval | 161,988.00 | 14,192.00 | 25,715.87 | 201,895.87 |

¹The difference in GF Contribution is the result of the special benefit assessment being levied against parcel 486310033 rather than funded by the General Fund if the ballot is approved. This parcel was tax-exempt prior to Proposition 218 implementation, the parcel is now taxable.

The Report also outlines the calculation to determine the proposed maximum and applied assessment rates by defining equivalent benefit units (EBU) and the assessment per EBU for each zone. The maximum assessment rates were determined by using the terms approved by the property owners and are the maximum amount the CSD can levy on the property tax roll. They were calculated by applying an inflationary adjustment to the FY 2015/16 maximum assessment rates, if previously approved by the property owners.

The proposed applied assessment is the amount that is actually levied on the property tax roll. It is the amount necessary to fund the purpose of the zone, including administration and reserves, for the upcoming fiscal year. An individual analysis of each zone, its current service level, projected expenses, fund balance, assigned reserve levels, and whether or not the property owners have authorized an inflationary

adjustment was completed to determine the proposed applied assessment rate. The applied assessment can be lower than the maximum assessment, but it cannot be higher. The proposed assessment roll for the District is available from the City Clerk's office and is also accessible from the Special Districts Division's webpage (www.moval.org/sf). Below is a summary of the FY 2016/17 proposed assessment rates:

| Proposed FY 2016/17 Assessment Rates | | | | | | | |
|--------------------------------------|-----------------------|---------------------|-------------------------|---------------------|--------------------------------------|---------------------------|-------------------------------------|
| Zones | Charge Category | 2015/16 Max Rate | 2015/16 Applied Rate | 2016/17 Max Rate | 2016/17 Applied Rate ² | Change in Applied Rate | Annual Adjustment to Max Rate |
| Zone 01 ¹ | per EBU | \$135.82 | \$135.82 | \$138.57 | \$138.56 | \$2.74 | 2.03% |
| | per condo Tr 34299 | \$61.29 | \$61.28 | \$62.53 | \$62.52 | \$1.24 | |
| Zone 01A ¹ | per EBU | \$83.17 | \$83.16 | \$84.85 | \$84.84 | \$1.68 | 2.03% |
| Zone 02 ^{1,4} | per EBU | \$428.39 | \$428.38 | \$437.08 | \$428.38 | \$0.00 | 2.03% |
| Zone 03 ⁴ | per EBU | \$135.82 | \$135.82 | \$138.57 | \$135.82 | \$0.00 | 2.03% |
| | per condo Tr 32142 | \$60.18 | \$60.18 | \$61.40 | \$60.18 | \$0.00 | |
| | per condo Trs 32143/4 | \$57.99 | \$57.98 | \$59.16 | \$57.98 | \$0.00 | |
| | per condo Tr 32145 | \$33.92 | \$33.92 | \$34.60 | \$33.92 | \$0.00 | |
| | per condo Tr 32146 | \$32.82 | \$32.82 | \$33.48 | \$32.82 | \$0.00 | |
| Zone 03A ^{1,4} | per EBU | \$72.23 | \$72.22 | \$73.69 | \$72.22 | \$0.00 | 2.03% |
| Zone 04 - Current | per EBU | \$110.00 | \$110.00 | \$110.00 | \$110.00 | \$0.00 | 0.00% |
| Zone 04 - Proposed ³ | per EBU | N/A | N/A | \$184.04 | \$184.04 | N/A | 3.00% |
| Zone 05 ^{1,4} | per EBU | \$426.81 | \$150.00 | \$435.47 | \$150.00 | \$0.00 | 2.03% |
| Zone 06 ¹ | per EBU | \$298.86 | \$294.42 | \$304.92 | \$304.92 | \$10.50 | 2.03% |
| Zone 07 ^{1,4} | per EBU | \$358.02 | \$170.10 | \$365.28 | \$170.10 | \$0.00 | 2.03% |
| Zone 08 ^{1,4} | per EBU | \$315.27 | \$312.98 | \$321.66 | \$312.98 | \$0.00 | 2.03% |
| Zone 09 ^{3,5} | per EBU | \$634.07 | \$116.64 | \$653.09 | \$161.72 | \$45.08 | 3.00% |

¹ Annual adjustment approved by qualified electors. Based on percentage change calculated for the prior year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index (CPI), as published by the Department of Labor's Bureau of Labor Statistics. 2.03% CPI applied to FY 2015/16 maximum rate to determine FY 2016/17 maximum rate

²Riverside County requirement: even numbers applied to property tax roll

³ Annual inflation adjustment is the greater of 3.0% or CPI.

⁴ Applied a lower rate to use surplus fund balance.

⁵ Landscaping under construction; applied rate is for a partial year of maintenance provided by the District.

EBU = Equivalent Benefit Unit
Total Proposed Revenue and Budget by Zone can be found beginning on page 16 of the FY 2016/17 Assessment Engineer's Report

ZONE 04

Revenue from the current Zone 04 assessment is insufficient to continue providing maintenance at the Level 3 (12-week rotation) service level. A mail ballot proceeding for the property owners in Zone 04 is also being conducted. A Notice of the Hearing was mailed to the record owner of each parcel located in Zone 04 and subject to the assessment. Each Notice included an assessment ballot for the property owner to indicate his or her support for or opposition to the proposed assessment rate increase and institution of an automatic annual inflation adjustment (greater of 3% or change in Consumer Price Index). The proposed annual increase for single-family residential parcels is \$74.04, increasing the annual assessment from \$110.00 to \$184.04 for FY 2016/17. Ballots are weighted by the proportionate financial obligation of the parcel. Ballots must be received by the CSD prior to the close of the Public Hearing to be counted.

The special benefit assessment for Zone 04 (Moreno Valley Ranch – East) has not increased since 1996 and does not have a property owner approved inflationary

adjustment. Costs to maintain the landscaping have continued to increase while funds available to support them have not. Surplus reserve funds have been used to bridge the shortfall between revenue and expenditures, and likely will be depleted within the next couple of years. In June 2011, property owners did not support a mail ballot proceeding to increase the assessment. The frequency of service was reduced from the City's standard frequency of service, Level 1 (4-week rotation) to Level 3 (12-week rotation) and maintenance of the façade of the perimeter wall was eliminated to reduce the draw upon fund balances. Even providing maintenance at Level 3, the Zone 04 expenses exceed the annual assessment collected resulting in the continued use of surplus reserves.

The landscape maintenance contract for Zone 04 expires June 30, 2016. A Request for Proposal (RFP) was issued and requested optional pricing for service frequencies less than the current Level 3 (12-week rotation) in the event the ballot is not approved by the property owners and service needs to be reduced further to balance the budget.

Since service was reduced in 2011, many property owners have expressed an interest in restoring the frequency of service back to Level 1. While waiting for the results of the RFP, the Zone 04 property owners were surveyed to determine the level of service they prefer and are willing to fund. Information included in the survey was based on pricing from a prior RFP process for a different landscape area. Results from the survey indicated property owners were more likely to support an annual assessment increase of \$74.04/year (\$6.17/month) for single-family residential (SFR) parcels than the alternatives (i.e. a higher assessment increase or further reduction in the frequency of service).

It was originally projected the \$74.04 annual increase would cover the costs of maintenance at a Level 3 (12-week rotation) frequency, the FY 2015/16 service level. However, the responses to the RFP provided lower pricing than expected. If the annual increase is approved, service levels can be restored to Level 1 (4-week rotation). If it is opposed, the current annual assessment (\$110/SFR) can support Level 5 (20-week rotation). Additional service modifications will be necessary to balance the budget, but further discussions will be held with the Zone 04 property owners to identify what those modifications will be prior to implementation. Notification to the Zone 04 property owners will include seeking the establishment of a Zone 04 property owner committee.

At the conclusion of tonight's Public Hearing, ballots can be tabulated. A simple majority of the returned ballots is necessary for the ballot to pass. After the results of the Zone 04 ballot have been announced, the Council will be asked to award the landscape maintenance contract based on projected assessment revenue.

The Finance Subcommittee reviewed the proposed maximum and applied assessments during its April 13, 2016 meeting and directed staff to calendar the item for the Public Hearing and CSD Board consideration.

Two separate resolutions are attached to this report. One levies the assessments through the District for FY 2016/17 and approves the increase for Zone 04. The other

levies the assessments throughout the District but does not increase the rate for Zone 04. Approval of either resolution authorizes the levy of the other benefit zones based on the previously approved rates.

ALTERNATIVES

1. Conduct the Public Hearing. If the Zone 04 ballot is approved, adopt the resolution (Attachment 1) confirming the assessment for FY 2016/17, and approving a rate increase and automatic inflation adjustment formula for Zone 04. *Staff recommends this alternative as it will allow for collection of revenue to support programs established by the District.*
2. Conduct the Public Hearing. If the Zone 04 ballot is not approved, adopt resolution (Attachment 2) confirming the assessment for FY 2016/17. *Staff recommends this alternative if the ballot is not approved, as it will allow for collection of revenue to support programs established by the District. Staff does not recommend this alternative if the ballot is approved, as this alternative would continue the levy of the assessment in Zone 04 at the FY 2015/16 rate, which is not consistent with the results of the ballot.*
3. Conduct the Public Hearing and do not approve either resolution confirming the assessment for FY 2016/17. *Staff does not recommend this alternative as it will leave the District with insufficient funding to provide the services the District was created to provide.*
4. Conduct the Public Hearing but continue consideration of the assessment to a future City Council meeting. *Staff does not recommend this alternative as it may prevent the City from meeting the County of Riverside's submission deadline for inclusion on the 2016/17 property tax bills without incurring additional costs.*

FISCAL IMPACT

For FY 2016/17, the total projected expenses and anticipated property assessments for the District are listed in the table below. The difference between the expense and revenue is proposed to be funded from fund balance (to draw down on surplus reserves in certain zones) and the General Fund as referenced above. These amounts are included within the City's FY 2016/17 Adopted Budget.

| | Projected Expenses | Property Assessments |
|-------------------------------------------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|
| With Zone 04 Approval | \$ 2,593,541.00 | \$ 2,250,765.00 |
| Without Zone 04 Approval | 2,432,921.00 | 2,069,111.00 |
| * Difference between expenses and property assessments is funded by surplus reserves and the total general fund contribution. | | |

Third party costs associated with the preparation of the Report and annual levy approval process for LMD No. 2014-02 are projected not to exceed \$8,700. Third party costs

associated with the ballot and notice for Zone 04 are projected not to exceed \$14,500. Third party services include an assessment engineer consultant, special legal counsel, publication of a legal notice, and printing and postage costs. These costs have been budgeted within the LMD No. 2014-02 fund (5014.70.79.25721).

NOTIFICATION

The Public Hearing notice was published in The Press-Enterprise on Thursday, June 2nd in compliance with Streets & Highways Code Section 22626. Property owners in Zone 04 were mailed Notice of the Public Hearing (and assessment ballot) on May 5, 2016 and mailed notification of four outreach meetings, two each on Saturday, May 21st and June 11th.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad R. Ansari
Public Works Director/City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Resolution Approving FY 2016/17 Assessment for LMD No. 2014-02 (Ballot Approved Version)
2. FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version)
3. Resolution Approving FY 2016/17 Assessment for LMD No. 2014-02 (Ballot Not Approved Version)
4. FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version)
5. LMD No. 2014-02 Maps

APPROVALS

| | | |
|-------------------------|-------------------------------|-----------------|
| Budget Officer Approval | <u> ✓ Approved </u> | 6/03/16 2:26 PM |
| City Attorney Approval | <u> ✓ Approved </u> | 6/08/16 2:30 PM |

City Manager Approval

✓ Approved

6/08/16 5:05 PM

LMD 2014-02
68-4285, 68-4281, and 68-4284

RESOLUTION NO. CSD 2016-15

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016/17 IN CONNECTION WITH MORENO VALLEY COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02 AND APPROVING A RATE INCREASE AND AUTOMATIC INFLATION ADJUSTMENT FORMULA FOR ZONE 04 OF THAT DISTRICT

WHEREAS, pursuant to Government Code Section 61122(e), the Moreno Valley Community Services District (the "CSD") is authorized to levy benefit assessments for operations and maintenance pursuant to the Landscaping and Lighting Assessment Act of 1972 (Streets & Highways Code Section 22500 et seq.) (the "Act"); and

WHEREAS, by its Resolution No. CSD 2014-09, adopted on May 27, 2014, the Board of Directors, pursuant to the Act, established the Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 (the "Assessment District") to fund landscape maintenance services through the levy of an annual assessment against real property; and

WHEREAS, by its Resolution No. 2016-07, adopted on May 3, 2016, the Board of Directors initiated proceedings to levy the Fiscal Year 2016/17 assessment against real property in the Assessment District and directed Willdan Financial, as assessment engineer, (the "Assessment Engineer") to prepare and file a report pursuant to Section 22565 et seq. of the Act with respect to said levy; and

WHEREAS, the Assessment Engineer has prepared and filed with the Secretary of the CSD a report entitled "Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 2016/17 Engineer's Report" (the "Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City of Moreno Valley), is available for public inspection, and is incorporated herein by reference; and

WHEREAS, the Report proposes an increase to the assessment rate for Zone 04 of the Assessment District and proposes that an automatic inflation adjustment formula be applied in Zone 04, which is currently the only Zone that is not subject to an automatic inflation adjustment; and

WHEREAS, by its Resolution No. 2016-08, adopted on May 3, 2016, the Board of Directors approved the Report as filed; and

WHEREAS, by its Resolution No. 2016-09, adopted on May 3, 2016, the Board of Directors declared its intention to levy an assessment against real property in the

1
Resolution No. CSD 2016-15
Date Adopted: June 21, 2016

Assessment District for Fiscal Year 2016/17 and scheduled a public hearing (the “Public Hearing”) regarding that levy for June 21, 2016 at 6:00 PM or as soon thereafter as practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553; and

WHEREAS, notice of the Public Hearing was published in the manner set forth in Section 22626(a) of the Act; and

WHEREAS, notice of the Public Hearing, was mailed to the record owner of each parcel of real property in Zone 04 of the Assessment District in the manner set forth in Section 22626(b) of the Act; and

WHEREAS, each mailed notice for Zone 04 contained all information required by Article XIII D, Section 4 of the California Constitution and Government Code Section 53753, and was accompanied by a mail ballot on which the property owner could indicate his or her support for, or opposition to, the proposed rate increase and automatic inflation adjustment formula for Zone 04; and

WHEREAS, at the appointed time and place, the Board of Directors held the Public Hearing; and

WHEREAS, at the Public Hearing, all interested persons were afforded the opportunity to hear and be heard; and

WHEREAS, following the close of the public input period of the Public Hearing, assessment mail ballots received from the owners of parcels of real property in Zone 04 were tabulated; and

WHEREAS, it was determined that the ballots returned (and not withdrawn) indicating opposition to the proposal did not outweigh the ballots returned and not withdrawn in support of the proposal; and

WHEREAS, when tabulating the ballots, each ballot was weighted by the proportionate financial obligation of the parcel for which it was submitted; and

WHEREAS, having considered all oral statements and all written protests made or filed at the Public Hearing, the Board of Directors desires to levy the proposed assessment for Fiscal Year 2016/17.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Assessment. The diagram and assessment incorporated into the Report is hereby confirmed. This action constitutes the levy of the assessment for Fiscal Year

2
Resolution No. CSD 2016-15
Date Adopted: June 21, 2016

2016/17. Staff is directed to transmit the assessment to the Riverside County Auditor and to cause the assessment to be collected at the same time and in the same manner as county taxes are collected.

3. Rate Increase. The Board of Directors orders that, as reflected in the Report and the diagram and assessment, assessment rates be increased in Zone 04 and an automatic inflation adjustment be operative in Zone 04 in future years.

4. Effective Date. This Resolution shall be effective immediately upon adoption.

5. Certification. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-15
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016/17 Assessment for LMD No. 2014-02 (Ballot Approved Version) [Revision 1] (1881 : PUBLIC

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-15 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

4
Resolution No. CSD 2016-15
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016/17 Assessment for LMD No. 2014-02 (Ballot Approved Version) [Revision 1] (1881 : PUBLIC



Moreno Valley Community Services District

Landscape Maintenance District No. 2014-02

2016/17 ENGINEER'S REPORT

Intent Meeting: May 3, 2016

Public Hearing: June 21, 2016

MORENO VALLEY COMMUNITY SERVICES DISTRICT
14177 FREDERICK STREET
MORENO VALLEY, CA 92553

951.413.3480

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510



ANNUAL ENGINEER'S REPORT STATEMENT

Fiscal Year 2016/17

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Landscape Maintenance District 2014-02 for fiscal year 2016/17, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this _____ day of _____, 2016

Willdan Financial Services
Assessment Engineer
On Behalf of the Moreno Valley Community Services District

By: _____

Jim McGuire, Principal Consultant

By: _____

Richard Kopecky

R. C. E. # 16742

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INTRODUCTION

The Moreno Valley Community Services District (CSD) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas (CSAs) to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone E of the CSD was established in 1987 to fund landscape maintenance services in certain geographical and development areas of the City. Zone E was comprised of a number of subzones (i.e. Zone E-1, Zone E-3A, etc), each of which funded specific landscape improvements associated with the subdivision (or parts of subdivisions) that comprised the zones.

In November, 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as “charges”, the charges imposed by Zone E of the CSD were categorized under Proposition 218 as real-property assessments.

Subsequent to the adoption of Proposition 218, the CSD conducted mail ballot protest proceedings pursuant to Article XIII D, Section 4(e) of the Constitution with respect to the CSD charges. These proceedings included base rates and an automatic annual inflation adjustment. Proceedings were successfully completed, without majority protest, for each of the Zones with the exception of former CSD Zone E-4 (now designated as Benefit Zone 04). The assessments identified in this Report reflect the charges and the automatic annual inflation adjustments approved in connection with those mail ballot protest proceedings.

The assessment established for Zone 04 exclusively funds street landscaping and predates Proposition 218. Therefore, pursuant to Article XIII D, Section 5 of the Constitution the existing Zone 04 assessment is not required to be approved at a mail ballot proceeding so long as the rate of the assessment/charge is not increased.¹

¹ CSD Zone E-4 was annexed to the CSD in fiscal year 1988/1989 prior to Proposition 218 and the charge per single family residential property was originally established at \$182.00, with non-residential properties being charged four times that amount per acre. Subsequently, that \$182.00 rate was reduced over the next several years to \$110.00. The \$110.00 rate was in effect at the time Proposition 218 was enacted. Pursuant to the exemption provisions of Proposition 218, the \$110.00 rate, was grandfathered as the Zone charge in fiscal year 1997/98. In June 2011, the CSD proposed a rate increase for the Zone. The increase was protested by property owners and did not become effective.

In May 2014, the Moreno Valley Community Services District, formed Landscape Maintenance District No. 2014-02 ("District"), pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 *et seq.*) (the "1972 Act"), replacing the previous CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16. Parcels that had been charged an annual CSD Zone E charge for landscape maintenance services are now instead assessed an annual real property assessment for those services as part of Landscape Maintenance District No. 2014-02. This transition did not increase the amount paid annually by any property owner and did not change the nature or extent of the landscape maintenance services provided. The assessments levied in connection with this assessment district in every way serve as a continuation of the charges levied in connection with CSD Zone E for the ongoing maintenance, servicing, and operation of local landscaping improvements previously established and maintained in CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16. Landscape Maintenance District No. 2014-02 was initially comprised of ten Benefit Zones, corresponding to eleven subzones of Zone E of the CSD, but with CSD Zones E-4 and E-4A merged into a single Benefit Zone 04.

On May 12, 2015 a new Benefit Zone 09 was annexed to Landscape Maintenance District No. 2014-02, bringing the total number of benefit zones to eleven.

For Fiscal Year 2016/17, the CSD is proposing to increase the rate of the assessment for Benefit Zone 04, and to add an automatic annual inflation adjustment for the Benefit Zone. The CSD will conduct a property owner mail ballot protest proceeding in order to implement this proposal. If there is a majority protest against the proposed increase and inflation adjustment, the increase and inflation adjustment will not be approved, and the Benefit Zone 04 assessment will continue to be levied at the existing rate.

Each fiscal year, an Engineer's Report ("Report") is prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board shall hold a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year and such public hearing shall be noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If in any year, the proposed annual assessments for the District exceed the maximum assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report shall serve as the detailed engineer's report for fiscal year 2016/17 regarding Landscape Maintenance District No. 2014-02 and the proposed assessments to be levied on the properties therein to provide ongoing funding for the costs and expenses required to service and maintain the landscaping improvements associated with and resulting from the development of properties within the District, in accordance with the proportional special benefits the properties will receive from the improvements.

The improvements, the method of apportionment, and special benefit assessments described in this Report are based on the improvements and development of properties within the District and represent an estimate of the direct expenditures and incidental expenses that will be necessary to maintain, service, and operate such improvements for fiscal year 2016/17. The improvements installed in connection with the development of properties within the District and to be maintained

as described herein, are based on the development plans and specifications for the properties and developments within the District and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the Riverside County Assessor’s Office. The Riverside County Auditor/Controller uses Assessor’s Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District has eleven zones of benefit (hereafter referred to as “Zones”), which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagrams). The specific plans for the landscape improvements are on file in the Public Works Department, Special Districts Division.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall local landscaping improvements provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property’s proportional special benefit and annual assessment utilizing a weighted benefit of apportionment known as an Equivalent Benefit Unit.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the annual maintenance, servicing, and operation of landscape improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated annual expenses to service, maintain, and operate existing landscape improvements within the District for fiscal year 2016/17 including, but not limited to, servicing of those improvements and related facilities, utility costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust) as applicable.

Part IV

District Diagrams: Diagrams showing the boundaries of the Zones, which collectively represent the boundaries of the District, are provided in this Report and these diagrams identify all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Riverside County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2016/17.

PART I - PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within this District consists of all lots and parcels of land that receive special benefits from the landscaping improvements maintained and funded by the District assessments. The boundaries of the District consist of benefit zones ("Zones"), each of which is associated with a set of landscape improvements. Each parcel within the District is assigned to each zone that funds landscape maintenance services that specially benefit the parcel. Two zones (Zone 01A and 03A) are comprised solely of a subset of the parcels in a larger zone (Zones 01 and 03 respectively). Thus all parcels in Zone 01A are also a part of Zone 01 and all parcels in Zone 03A are also a part of Zone 03. These overlapping zones exist because, for example, the landscaping improvements associated with Zone 01 provides special benefit to each parcel in Zone 01 (including Zone 01A parcels) but the landscaping improvements associated with Zone 01A provides special benefit to only the Zone 01A parcels.

These 11 Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition, the District Diagrams found in Part IV of this Report provide visual representations of the District showing the boundaries of the Zones and the improvement areas being maintained.

DISTRICT FACILITIES AND IMPROVEMENTS

The landscape improvements maintained for each Zone are local landscaping improvements that were installed in connection with the development of the parcels comprising each respective Zone. These landscaping improvements are an integral part of the subdivisions and development for which they were installed, creating a green amenity and aesthetically pleasing enhancement to the parcels served by the landscaping. In most cases, the landscaping improvements were a condition of development of the parcels in the Zone, and the properties within the Zone could not have been developed if the landscaping were not included. Improvements for each Zone are either located within the subdivision or along the entry path to the residential subdivisions or non-residential developments.

Collectively within the eleven Zones, there is approximately 3,552,535 square feet of landscaped area, 3,489,455 square feet of open space, and 9,582 trees to be maintained and funded in part by the District assessments. The District Diagrams found in Part IV of this Report provide visual representations of the District, showing the boundaries of the Zones and the improvement areas being maintained. Detailed plans identifying the location and extent of the District's landscape improvements and maps of those Zones and improvement areas are on file in the Office of Financial and Management Services Department, Special Districts Division, and by reference these plans and maps are made part of this Report.

The maintenance, operation, and servicing of the District landscape improvements include the furnishing of labor, materials, equipment, and utilities for the ordinary and usual maintenance, operation, and servicing of the landscaped areas within the public right-of-ways, easements, and open space areas dedicated to the City as part of the development of properties within each Zone of the District.

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

The various landscape improvements associated with each Zone include combinations of landscape amenities such as turf ground cover, plants, shrubs, trees, and associated appurtenant facilities including, but not limited to irrigation and drainage systems, various types of groundcover, stamped concrete, and entry monuments that may be maintained in whole or in part as part of the landscape improvements depending on available funding.

The following is a brief description and summary of the landscaped areas associate with each local landscaping Zone to be included in the District. A visual depiction of the location and extent of the landscape improvement areas and Zone boundaries are provided on the District Diagrams provided in Part IV of this Report.

ZONES

Local Landscaping Zone 01 (TownGate)

The properties within Zone 01 receive special benefits from landscaped parkways and medians within the TownGate area, which is bordered by Day Street on the west, Cottonwood Avenue, Dracaea Avenue, and Eucalyptus Avenue on the south, Elsworth Street and Frederick Street on the east, and State Highway 60 on the north. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) due to funding. The overall improvements include approximately 454,582 square feet of landscaped area and 1,045 trees.

Local Landscaping Zone 01A (Renaissance Park)

The properties within Zone 01A receive special benefits from landscaped parkways and medians within the TownGate area along with other parcels in Zone 01, but in addition, receive special benefits from parkway landscaping and entry statement medians on the internal neighborhood streets (Dracaea Avenue and Arbor Park Lane) that connect the various residential developments in this area. The Renaissance Park area is bordered by Day Street on the west, Cottonwood Avenue on the south, Elsworth Street on the east, and Eucalyptus Avenue on the north. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) due to funding. The overall improvements include approximately 72,655 square feet of landscaped area and 201 trees.

Local Landscaping Zone 02 (Hidden Springs)

The properties within Zone 02 receive special benefits from parkway landscaping along Hidden Springs Drive, and the west side of Pigeon Pass Road bordering the Hidden Springs community, as well as maintenance of open space areas throughout the community. The Zone parkway improvements are currently maintained at a standard level of service (4-week rotation) and the open space improvements at a limited level of service due to funding. The overall improvements include approximately 265,280 square feet of landscaped area, 3,308,892 square feet of Open Space area, and 3,179 trees.

Local Landscaping Zone 03 (Moreno Valley Ranch - West)

The properties within Zone 03 receive special benefits from parkway and median landscaping generally surrounding the Moreno Valley Ranch area, bordered by Kitching Street on the west,

Gentian Avenue and Casa Encantador Road on the north, and generally the City boundary to the east and south. The Zone improvements are currently maintained at a modified reduced level of service (8-week rotation) due to funding. The overall improvements include approximately 1,203,019 square feet of landscaped area and 2,382 trees.

Local Landscaping Zone 03A (Lasselle Powerline Parkway)

The properties within Zone 03A receive special benefits from landscaped parkways and medians within the Moreno Valley Ranch - West area along with other parcels in Zone 03, but in addition, receive special benefits from parkway landscaping on the internal neighborhood streets along portions of Withers Way, Via Xavier, Cremello Way, Cavalcade Drive, and Kentucky Derby Drive. The Zone improvements are currently maintained at a modified reduced level of service (8-week rotation) due to funding. The overall improvements include approximately 71,022 square feet of landscaped area and 89 trees.

Local Landscaping Zone 04 (Moreno Valley Ranch - East)

The properties within Zone 04 receive special benefits from parkway and median landscaping generally surrounding the developments bordered by Hammett Court, Oliver Street, and Moreno Beach Drive to the west, Iris Avenue, John F. Kennedy Drive, and Cactus Avenue to the north, and generally the City boundary to the southeast. The overall improvements include approximately 980,404 square feet of landscaped area and 1,710 trees.

Because assessments in the Zone have been capped at the 1996/97 level, the CSD has not been able to provide the level of service in this Zone that is provided in other Zones. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) rather than the standard level of service (4-week rotation).

For 2016/17, the CSD is proposing to increase the assessment rate for Zone 04 and to add an automatic inflation adjustment. This increase will permit the CSD to provide the standard level of service in the Zone. In order to approve the proposed increase, the CSD will conduct a property owner mail ballot protest proceeding pursuant to Proposition 218. If there is a majority protest against the proposed increase and inflation adjustment, the assessment will be levied at the current rate and services will continue to be provided at the reduced level of service.

Local Landscaping Zone 05 (Stoneridge Ranch)

The properties within Zone 05 receive special benefits from parkway and median landscaping generally surrounding the Stoneridge Ranch residential neighborhood, bordered by Nason Street on the west, Dracaea Avenue on the south, Eucalyptus Avenue on the east and Fir Avenue on the north. The Zone improvements are currently maintained at a standard level of service (4-week rotation). The overall improvements include approximately 98,392 square feet of landscaped area and 202 trees.

Local Landscaping Zone 06 (Mahogany Fields)

The properties within Zone 06 receive special benefits from parkway and median landscaping generally located within the Mahogany Fields community along Alessandro Boulevard, Morrison

Street, and Cottonwood Avenue. The Zone improvements are currently maintained at a standard level of service (4-week rotation). The overall improvements include approximately 178,564 square feet of landscaped area and 345 trees.

Local Landscaping Zone 07 (Celebration)

The properties within Zone 07 receive special benefits from parkway and median landscaping generally located within the Celebration community along Nason Street, Cactus Avenue, and Oliver Street. The Zone improvements are currently maintained at a standard level of service (4-week rotation). For FY 2016/17 the CSD will begin incurring expenses to maintain landscaping on open space located on the slope of a flood control at the South side of Zone 07. These open space improvements were included in the budget for Zone 07 at the time it last went to property owner assessment balloting, but until FY 2016/17 the open space improvements had not required maintenance by the CSD. All properties within Zone 07 receive special benefits from this improvement. The overall improvements include approximately 44,591 square feet of landscaped area, 180,563 square feet of open space area (flood control channel slope), and 119 trees.

Local Landscaping Zone 08 (Shadow Mountain)

The properties within Zone 08 receive special benefits from parkway and median landscaping generally surrounding the Shadow Mountain residential neighborhood, bordered by Pigeon Pass Road on the west, Sunnymead Ranch Parkway on the south, Espada Creek Road on the east, and Lawless Road on the north. The Zone improvements are currently maintained at a standard level of service (4-week rotation). The overall improvements include approximately 118,002 square feet of landscaped area and 172 trees.

Local Landscaping Zone 09 (Savannah)

The properties within Zone 09 will receive special benefits from parkway landscaping generally surrounding the Savannah residential neighborhood, bordered by Morrison Street on the west, Eucalyptus Avenue on the south, and Fir Avenue on the north. Zone 09 is currently under development and the City anticipates that construction will be complete sometime late in Fiscal Year 2016/17. At that time, the CSD will begin providing services. The budget for this Zone for Fiscal Year 2016/17 anticipates that landscape maintenance expenses will only be incurred for a portion of the Fiscal Year. The overall improvements include approximately 64,456 square feet of landscaped area and 138 trees.

PART II - METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

Section 22574 provides for zones as follows:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

The formulas used for calculating assessments and the designation of zones herein reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2016/17 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are local public landscape improvements and related amenities that were installed in connection with the development of the properties or would otherwise be required for the development of properties within each respective Zone of the District. The assessments and method of apportionment is based on the premise that these improvements would otherwise not have been required without the development of those parcels within the District.

Article XIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2(i) defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The ongoing maintenance of local public landscaped areas within the District provides aesthetic benefits to the properties within each respective Zone and provides a more pleasant environment to walk, drive, live, and work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding developments for which the improvements were constructed and installed. These improvements are an integral part of the physical environment of parcels in associated Zones, and if the improvements were not properly maintained, it is these parcels that would be aesthetically burdened. In addition, the street landscaping in these Zones serve as both a physical buffer as well as a sound reduction or buffer between the roadways and the properties in the District and the open spaces, where applicable, provide a physical buffer and openness between properties. Furthermore, open spaces serve as an extension of the recreational features of parcels, such as their front or rear yards, and entry landscaping serves as a pleasant aesthetic amenity that enhances the approach to the parcels. As a result, the maintenance of these landscaped improvements is a particular and distinct benefit to the properties and developments within each Zone.

General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements are local improvements that were installed in connection with the development of properties in each respective Zone or are improvements that would otherwise be shared by and required for the future development of properties in those Zones. It is also evident that the aesthetic maintenance of these improvements and the enhanced level of maintenance provided only has a direct and particular impact on those properties (special benefit) and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no identifiable benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Zone, the City would typically provide only weed abatement and erosion control services for landscaped areas. These services would typically be provided twice annually. This level of service provides for public safety and avoids negative impacts on adjacent roadways and vehicles traveling on those roadways, but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the District. The cost to provide the baseline level of service is approximately \$0.02055 per square foot per servicing for streetscape areas and \$0.0102775 per square foot per servicing for open space areas that require maintenance. Utilizing these per square foot costs, the square footages of the improvement areas, and the number of servicing in each Zone, the following table summarizes the current estimated general benefit costs calculated for each District Zone:

Fiscal Year 2016/17 Estimated General Benefit Costs

| Zone | General Benefit Cost ⁽¹⁾ |
|---------------|-------------------------------------|
| Zone 01 | \$ 18,687.83 |
| Zone 01A | 2,986.84 |
| Zone 02 | 27,909.15 |
| Zone 03 | 49,456.02 |
| Zone 03A | 2,919.71 |
| Zone 04 | 40,304.34 |
| Zone 05 | 4,044.89 |
| Zone 06 | 7,340.75 |
| Zone 07 | 2,825.46 |
| Zone 08 | 4,851.05 |
| Zone 09 | 662.45 |
| Total: | \$ 161,988.49 |

⁽¹⁾ The General Benefit Costs presented in the table above are reflected in the budgets for each Zone. As with most landscape maintenance costs, these General Benefit Costs are impacted by inflation and as such the General Benefit Cost contributions are adjusted annually for inflation.

General Fund Maintained Areas

The following improvements are excluded from assessment funding and instead funded from other sources. These particular improvement areas are identified on the District Diagrams provided in Part IV of this Report as “General Fund Maintained” improvements and include the improvements in the following Zones:

The 31,000 square feet of planter area and 8 trees in the greenbelt drainage area south of Iris Avenue and west of Turnberry Street previously included in CSD Zone E-4A (Daybreak) will be maintained and funded by other general fund revenues and not included in the assessments for Zone 04. These improvements constitute all the landscaped areas previously in CSD E-4A.

The 2,230 square feet of parkway planter area on the east side of Nason Street north of Damascus Road that was previously included in CSD Zone E-15 (Celebration), will be maintained and funded by other general fund revenues and not included in the assessments for Zone 07.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property’s proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of Equivalent Benefit Units (EBUs) based on its land use as of March 1st, preceding the fiscal year addressed herein. One EBU is defined as the special benefit allocable to a single family home (basic EBU). In each case, a parcel is only allocated EBUs if the landscaping serving the Zone has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. As previously noted, the single family residential parcel has been selected as the basic EBU for calculation of assessments and each single-family residential home site is assigned 1.0 Equivalent Benefit Unit (1.0 EBU per lot or parcel).

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor’s Parcel Number by the County. EBUs are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Park — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit. The proportional special benefit and EBU for these parcels is based on acreage, at 4.0 EBUs per acre.

Developed Non-Residential — This classification includes developed properties including parking lots that are identified or zoned for commercial, industrial, or other non-residential use

including offices, hotels, recreational facilities (excluding parks), and institutional facilities including, hospitals, churches or facilities utilized by other non-profit organizations, whether those facilities are publicly owned (non-taxable) or privately owned. Like Multi-Family Residential and Mobile Home Park properties the proportional special benefit and EBU for these parcels is based on acreage, at 4.0 EBUs per acre.

Planned Residential Development — This land use is defined as a property that is currently consider vacant or undeveloped land, but for which the number of residential lots to be developed on the property is known or has been approved. These properties benefit from the existing Zone improvements, but may as part of their development install additional landscape improvements to be maintained either solely by the development or as part of the District improvements depending on the location and extent of those improvements. The proportional special benefit and EBU for these parcels is based on the planned residential units for the parcel, at 0.50 EBU per planned unit (50% of the basic EBU unit for a single family residential parcel).

Undeveloped/Vacant Property — This land use is defined as a parcel that is currently consider vacant or undeveloped land that can be developed, but for which the use and/or development of the property has not been fully determined. These parcels are assigned a proportional EBU that is based on 50% of the proportional benefit established for a developed property in the District. The proportional special benefit and EBU for these parcels is based on acreage, at 2.0 EBUs per acre.

Special Case Property — In some Zones there may be one or more properties that the standard land use classifications identified above do not accurately identify the use and special benefit received from the improvements and/or it has been determined that the property receives special benefit, but has not been previously assessed for various reasons. Properties that are typically classified as Special Case properties usually involve some type of development or land restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefit. Examples of such restrictions may include situations where only a small percentage of the parcel's total acreage can actually be developed. In such a case, the net usable acreage of the parcel rather than the gross acreage of the parcel may be applied to calculate the parcel's proportional special benefit. In addition, in certain Zones there are a few parcels that have been identified as properties that receive special benefit from the Zone improvements, but likely because of their ownership or tax status (government or non-profit owned properties) these parcels were not previously levied the annual assessment. The proportional special benefit and proposed assessment for each of these parcels is calculated along with all other properties in the Zone, but rather than ballot these properties for a new or increased assessment at this time, the agency will make an off-setting contribution to the Zone that is equal to the assessment amount these Non-Assessed parcels would otherwise have been assessed.

Exempt — means a lot, parcel of land, or Assessor's Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets, and other roadways; and public easements or right-of-ways including landscaped parkways or easements; and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins, and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor's Parcel Number by the County).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel. Based on the improvements maintained in this District it has been determined that public schools, public parks, golf courses, and open space areas provide landscape amenities that are available to the public or are similar in nature to the improvements of a Zone and any benefit these properties may derive from the Zone improvements are more than off-set by the public benefit they provide to properties in the Zone.

PART III - ESTIMATE OF COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU in each Zone is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the “Total General Benefit Contribution”, to establish the “Special Benefit Costs”;

Total Amount Budgeted – Total General Benefit Contribution = Special Benefit Costs

To the resulting “Special Benefit Costs”, various “Benefit Cost Adjustments” are applied that may include:

- “Fund Balance Transfer/Reduction”, represents the amount of available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.
- “Additional Agency Contribution”, which is a contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.

These adjustments to the Special Benefit Costs result in the “Net Special Benefit Assessment”;

Special Benefit Costs +/- Benefit Cost Adjustments = Net Special Benefit Assessment

The amount identified as the “Net Special Benefit Assessment” is divided by the total number of EBUs of parcels that benefit to establish the “Assessment Rate” or “Assessment per EBU” for the fiscal year. This Rate is then applied back to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment for the improvements.

Net Special Benefit Assessment / Total EBU = Assessment per EBU

Assessment per EBU x Parcel EBU = Parcel Assessment Amount

DISTRICT BUDGETS

The following budgets outline the estimated costs to maintain the improvements and the anticipated expenditures for each District Zone for fiscal year 2016/17.

| Description | Total District Budget (Existing) | Total District Budget (Proposed) | Zone 01 TownGate | Zone 01A Renaissance Park | Zone 02 Hidden Springs |
|------------------------------------------------------------|----------------------------------|----------------------------------|--------------------|---------------------------|------------------------|
| Operation & Maintenance (O&M) | | | | | |
| Total Maintenance Costs | \$ 1,729,989 | \$ 1,879,079 | \$ 194,866 | \$ 36,326 | \$ 331,089 |
| Utilities | 535,549 | 547,079 | 89,280 | 19,250 | 146,080 |
| Total O&M Expenses | \$ 2,265,538 | \$ 2,426,158 | \$ 284,146 | \$ 55,576 | \$ 477,169 |
| Incidental/Administrative Expenses | | | | | |
| District Administration | \$ 149,260 | \$ 149,260 | \$ 15,065 | \$ 3,850 | \$ 29,524 |
| County Fees | 7,203 | 7,203 | 727 | 186 | 1,425 |
| Miscellaneous Administration Expenses | 10,920 | 10,920 | 1,101 | 281 | 2,157 |
| Total Incidental/Administrative Expenses | \$ 167,383 | \$ 167,383 | \$ 16,893 | \$ 4,317 | \$ 33,106 |
| TOTAL ANNUAL EXPENSES | | | | | |
| | \$ 2,432,921 | \$ 2,593,541 | \$ 301,039 | \$ 59,892 | \$ 510,275 |
| General Benefit Costs | \$ (161,988) | \$ (161,988) | \$ (18,688) | \$ (2,987) | \$ (27,909) |
| General Fund Maintenance Area Costs | (14,192) | (14,192) | 0 | 0 | 0 |
| Total General Benefit Contribution | \$ (176,181) | \$ (176,181) | \$ (18,688) | \$ (2,987) | \$ (27,909) |
| SPECIAL BENEFIT COSTS | | | | | |
| | \$ 2,232,482 | \$ 2,417,360 | \$ 282,351 | \$ 56,906 | \$ 482,366 |
| Other Available Funding | | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ (150,676) | \$ (138,301) | \$ 21,950 | \$ (9,385) | \$ 24,185 |
| Interest Income | (43,910) | (43,910) | (4,708) | (1,080) | (7,842) |
| Unrealized Gains/Losses | 33,173 | 33,173 | 3,556 | 816 | 5,925 |
| Reimbursement Agreements | (500) | (500) | (500) | 0 | 0 |
| Total Contributions/Adjustments | \$ (161,913) | \$ (149,538) | \$ 20,298 | \$ (9,649) | \$ 22,268 |
| NET SPECIAL BENEFIT ASSESSMENT | | | | | |
| | \$ 2,094,827 | \$ 2,267,822 | \$ 302,649 | \$ 47,257 | \$ 504,634 |
| District Statistics | | | | | |
| Total Parcels | 11,429 | 11,429 | 1,186 | 557 | 1,151 |
| Total Assessed Parcels | 11,411 | 11,411 | 1,185 | 557 | 1,151 |
| Total EBU | 12,676.82072 | 12,676.82072 | 2,184.24781 | 557.00000 | 1,178.00000 |
| Proposed Assessment per EBU (FY 2016/17) | | | \$138.56 | \$84.84 | \$428.38 |
| Maximum Assessment per EBU | | | \$138.57 | \$84.85 | \$437.08 |
| EBU of Non-Assessed Parcels | | | 5.00000 | - | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ (25,715.87) | \$ (17,056.67) | \$ (692.80) | \$ - | \$ - |
| NET BALANCE TO LEVY | | | | | |
| | \$ 2,069,111 | \$ 2,250,765 | \$ 301,956 | \$ 47,257 | \$ 504,634 |
| Reserve Fund/Fund Balance | | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 3,856,189 | \$ 3,856,189 | \$ 290,759 | \$ 100,597 | \$ 628,078 |
| Assessment Revenues | 2,094,828 | 2,267,823 | 302,649 | 47,257 | 504,634 |
| Expenditures | (2,432,920) | (2,593,540) | (301,039) | (59,892) | (510,275) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 3,518,096 | \$ 3,530,471 | \$ 292,369 | \$ 87,962 | \$ 622,437 |

(1) Additional funds applied to or required from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

| Description | Zone 03 Moreno Valley Ranch West | Zone 03A Lasselle Powerline Parkway | Zone 04 Moreno Valley Ranch East (Existing) | Zone 04 Moreno Valley Ranch East (Proposed) | Zone 05 Stoneridge Ranch |
|------------------------------------------------------------|-------------------------------------------|----------------------------------------------|---------------------------------------------------------|---------------------------------------------------------|--------------------------------|
| Operation & Maintenance (O&M) | | | | | |
| Total Maintenance Costs | \$ 501,124 | \$ 28,684 | \$ 232,766 | \$ 381,856 | \$ 82,072 |
| Utilities | 97,910 | 6,080 | 55,450 | 66,980 | 31,380 |
| Total O&M Expenses | \$ 599,034 | \$ 34,764 | \$ 288,216 | \$ 448,836 | \$ 113,452 |
| Incidental/Administrative Expenses | | | | | |
| District Administration | \$ 45,245 | \$ 3,459 | \$ 30,571 | \$ 30,571 | \$ 3,563 |
| County Fees | 2,183 | 167 | 1,475 | 1,475 | 172 |
| Miscellaneous Administration Expenses | 3,307 | 253 | 2,245 | 2,245 | 263 |
| Total Incidental/Administrative Expenses | \$ 50,735 | \$ 3,879 | \$ 34,291 | \$ 34,291 | \$ 3,998 |
| TOTAL ANNUAL EXPENSES | \$ 649,769 | \$ 38,642 | \$ 322,507 | \$ 483,127 | \$ 117,451 |
| General Benefit Costs | \$ (49,456.02) | \$ (2,919.71) | \$ (40,304.34) | \$ (40,304.34) | \$ (4,044.89) |
| General Fund Maintenance Area Costs | \$ - | \$ - | \$ (13,682.22) | \$ (13,682.22) | \$ - |
| Total General Benefit Contribution | \$ (49,456.02) | \$ (2,919.71) | \$ (53,986.56) | \$ (53,986.56) | \$ (4,044.89) |
| SPECIAL BENEFIT COSTS | \$ 600,313 | \$ 35,723 | \$ 268,521 | \$ 429,141 | \$ 113,406 |
| Other Available Funding | | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ 12,465 | \$ (1,810) | \$ (10,415) | \$ 1,960 | \$ (62,315) |
| Interest Income | (10,311) | (768) | (4,444) | (4,444) | (4,049) |
| Unrealized Gains/Losses | 7,789 | 581 | 3,357 | 3,357 | 3,059 |
| Reimbursement Agreements | 0 | 0 | 0 | 0 | 0 |
| Total Contributions/Adjustments | \$ 9,943 | \$ (1,997) | \$ (11,502) | \$ 873 | \$ (63,305) |
| NET SPECIAL BENEFIT ASSESSMENT | \$ 610,256 | \$ 33,725 | \$ 257,019 | \$ 430,014 | \$ 50,100 |
| District Statistics | | | | | |
| Total Parcels | 4,511 | 467 | 2,096 | 2,096 | 334 |
| Total Assessed Parcels | 4,507 | 467 | 2,083 | 2,083 | 334 |
| Total EBU | 4,493.01291 | 467.00000 | 2,336.56000 | 2,336.56000 | 334.00000 |
| Proposed Assessment per EBU (FY 2016/17) | \$135.82 | \$72.22 | \$110.00 | \$184.04 | \$150.00 |
| Maximum Assessment per EBU | \$138.57 | \$73.69 | \$110.00 | \$184.04 | \$435.47 |
| EBU of Non-Assessed Parcels | 120.48200 | - | 78.72000 | - | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ (16,363.87) | \$ - | \$ (8,659.20) | \$ - | \$ - |
| NET BALANCE TO LEVY | \$ 593,892 | \$ 33,725 | \$ 248,359 | \$ 430,014 | \$ 50,100 |
| Reserve Fund/Fund Balance | | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 793,748 | \$ 68,460 | \$ 536,630 | \$ 536,630 | \$ 381,688 |
| Assessment Revenues | 610,256 | 33,725 | 257,019 | 430,014 | 50,100 |
| Expenditures | (649,769) | (38,642) | (322,507) | (483,127) | (117,451) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 754,235 | \$ 63,543 | \$ 471,142 | \$ 483,517 | \$ 314,337 |

- (1) Additional funds required or applied from available fund balance to cover Special Benefit Costs for the fiscal year.
- (2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).
- (3) The CSD will conduct a mail ballot protest proceeding with respect to the proposed budget shown above for Zone 04. If there is a majority protest against the proposal, the budget labeled "Existing" will be used.

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

| Description | Zone 06 Mahogany Fields | Zone 07 Celebration | Zone 08 Shadow Mountain | Zone 09 Savannah |
|------------------------------------------------------------|-------------------------------|------------------------|-------------------------------|---------------------|
| Operation & Maintenance (O&M) | | | | |
| Total Maintenance Costs | \$ 115,421 | \$ 113,547 | \$ 78,988 | \$ 15,107 |
| Utilities | 49,780 | 15,380 | 17,580 | 7,379 |
| Total O&M Expenses | \$ 165,201 | \$ 128,927 | \$ 96,568 | \$ 22,485 |
| Incidental/Administrative Expenses | | | | |
| District Administration | \$ 5,756 | \$ 6,218 | \$ 3,843 | \$ 2,166 |
| County Fees | 278 | 300 | 185 | 105 |
| Miscellaneous Administration Expenses | 420 | 447 | 281 | 164 |
| Total Incidental/Administrative Expenses | \$ 6,454 | \$ 6,965 | \$ 4,310 | \$ 2,435 |
| TOTAL ANNUAL EXPENSES | \$ 171,654 | \$ 135,893 | \$ 100,878 | \$ 24,920 |
| General Benefit Costs | \$ (7,340.75) | \$ (2,825.46) | \$ (4,851.05) | \$ (662.45) |
| General Fund Maintenance Area Costs | \$ - | \$ (510.15) | \$ - | \$ - |
| Total General Benefit Contribution | \$ (7,340.75) | \$ (3,335.61) | \$ (4,851.05) | \$ (662.45) |
| SPECIAL BENEFIT COSTS | \$ 164,314 | \$ 132,557 | \$ 96,027 | \$ 24,258 |
| Other Available Funding | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ (34,363) | \$ (86,663) | \$ (4,325) | \$ - |
| Interest Income | (2,718) | (5,434) | (2,555) | 0 |
| Unrealized Gains/Losses | 2,053 | 4,107 | 1,931 | 0 |
| Reimbursement Agreements | 0 | 0 | 0 | 0 |
| Total Contributions/Adjustments | \$ (35,028) | \$ (87,991) | \$ (4,949) | \$ - |
| NET SPECIAL BENEFIT ASSESSMENT | \$ 129,286 | \$ 44,566 | \$ 91,078 | \$ 24,258 |
| District Statistics | | | | |
| Total Parcels | 424 | 262 | 291 | 150 |
| Total Assessed Parcels | 424 | 262 | 291 | 150 |
| Total EBU | 424.00000 | 262.00000 | 291.00000 | 150.00000 |
| Proposed Assessment per EBU (FY 2016/17) | \$304.92 | \$170.10 | \$312.98 | \$161.72 |
| Maximum Assessment per EBU | \$304.92 | \$365.28 | \$321.66 | \$653.09 |
| EBU of Non-Assessed Parcels | - | - | - | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ - | \$ - | \$ - | \$ - |
| NET BALANCE TO LEVY | \$ 129,286 | \$ 44,566 | \$ 91,078 | \$ 24,258 |
| Reserve Fund/Fund Balance | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 246,989 | \$ 535,476 | \$ 223,771 | \$ 49,992 |
| Assessment Revenues | 129,286 | 44,566 | 91,078 | 24,258 |
| Expenditures | (171,654) | (135,893) | (100,878) | (24,920) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 204,621 | \$ 444,149 | \$ 213,971 | \$ 49,330 |

(1) Additional funds required or applied from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2016/17 based on the budget and the method of apportionment presented above.

Fiscal Year 2016/17 Assessment Rates

| Zone | Maximum ⁽¹⁾ Rate | Proposed Rates for FY 2016/17 |
|--------------------|--------------------------------|----------------------------------|
| Zone 01 | \$ 138.57 | \$ 138.56 per EBU |
| Zone 01A | \$ 84.85 | \$ 84.84 per EBU |
| Zone 02 | \$ 437.08 | \$ 428.38 per EBU |
| Zone 03 | \$ 138.57 | \$ 135.82 per EBU |
| Zone 03A | \$ 73.69 | \$ 72.22 per EBU |
| Zone 04 (Existing) | \$ 110.00 | \$ 110.00 per EBU |
| Zone 04 (Proposed) | \$ 184.04 | \$ 184.04 per EBU |
| Zone 05 | \$ 435.47 | \$ 150.00 per EBU |
| Zone 06 | \$ 304.92 | \$ 304.92 per EBU |
| Zone 07 | \$ 365.28 | \$ 170.10 per EBU |
| Zone 08 | \$ 321.66 | \$ 312.98 per EBU |
| Zone 09 | \$ 653.09 | \$ 161.72 per EBU |

⁽¹⁾ The Maximum Assessment Rate for all Zones (except Zone 04) includes an inflationary adjustment that was approved by the property owners as part of the balloted assessment proceeding. As part of its proposal to increase the assessment rate in Zone 04, the CSD is proposing to add an automatic inflation adjustment for future years for Zone 04. Subject to the results of the mail ballot protest proceeding conducted in connection with the Zone 04 increase, that automatic inflation adjustment will be applied in Fiscal Year 2017/18.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

All Zones except Zone 04 and Zone 09: Each fiscal year, the Maximum Assessment per EBU (Assessment Rate) established for the improvements in the previous fiscal year will be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index (“CPI”), as published by the Department of Labor’s Bureau of Labor Statistics.

Zone 09: Each fiscal year the Maximum Assessment Rate will be automatically adjusted by the percentage change in the CPI for All Urban Consumers for the Los Angeles-Riverside- Orange County Region as published by the Department of Labor’s Bureau of Labor Statistics or three percent (3%), whichever is greater.

Zone 04: There is currently no annual inflation adjustment. However, it is proposed that such an adjustment be implemented beginning in Fiscal Year 2017-18 using the formula set forth above for Zone 09. The CSD will conduct a mail ballot assessment protest proceeding pursuant to Proposition 218 with respect to the proposed annual adjustment (a proposed rate increase). If that proceeding results in a majority protest, the annual inflation adjustment will not go into effect.

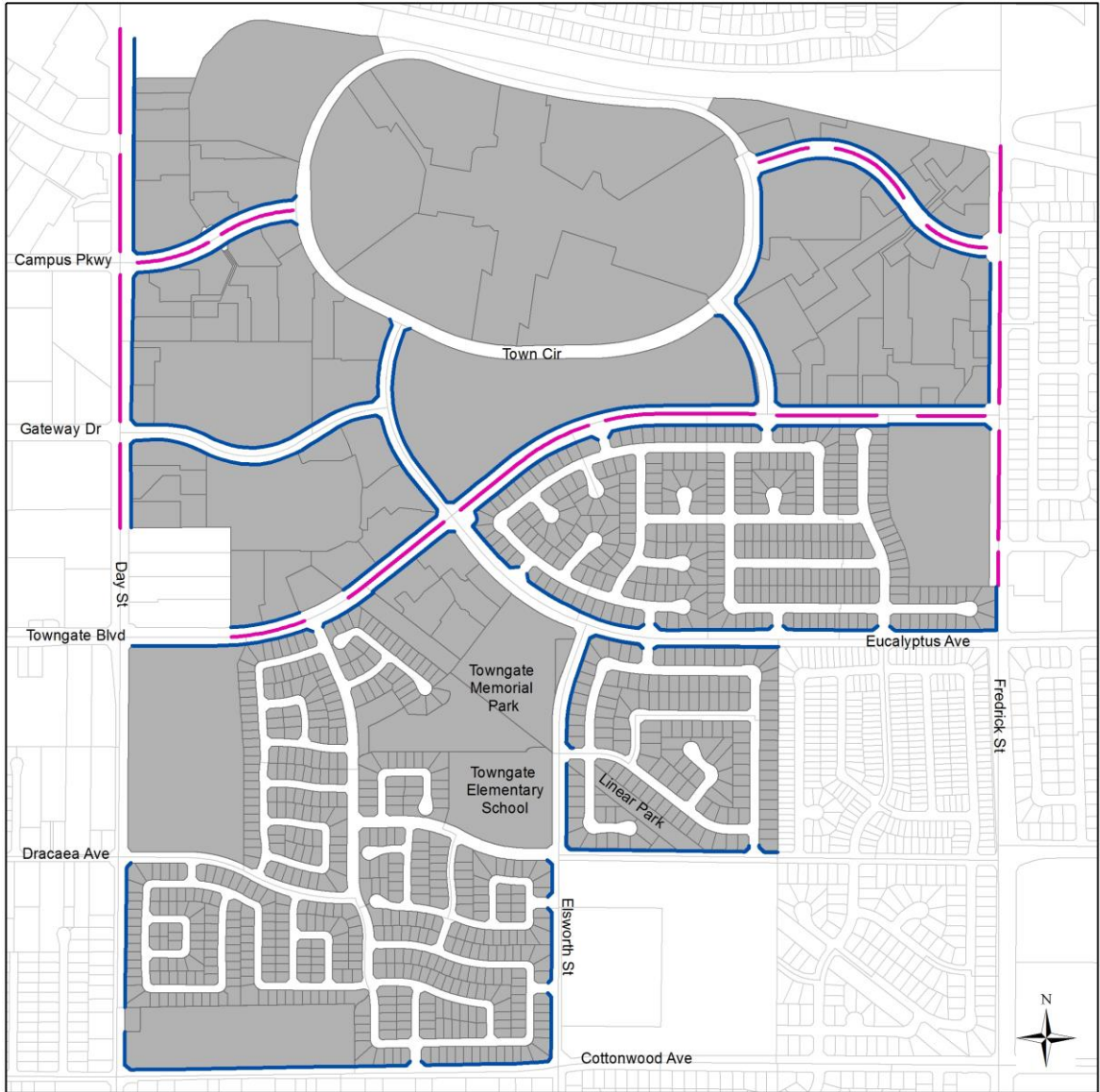
Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

PART IV - DISTRICT DIAGRAMS

The following pages provide boundary diagrams for each Zone within the District, as well as a general depiction of the location of the improvements as identified at the time this Report was prepared. Detailed maps of the full extent and location of the improvement areas are on file in the Office of Financial and Management Services Department, Special Districts Division. The combination of these map and the Assessment Roll referenced by this Report constitute the Assessment Diagrams for the District.

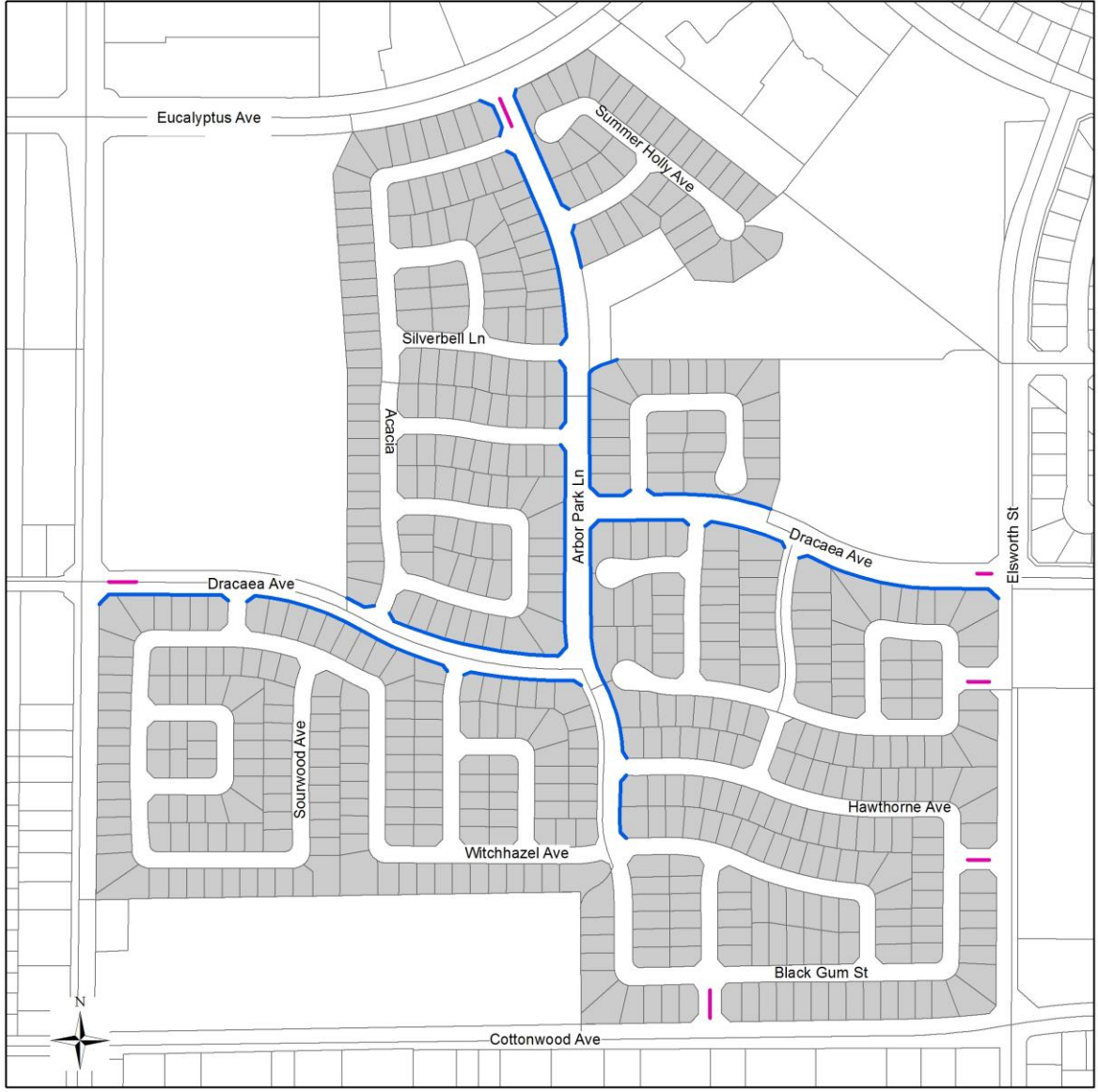
Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01 (TownGate)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01

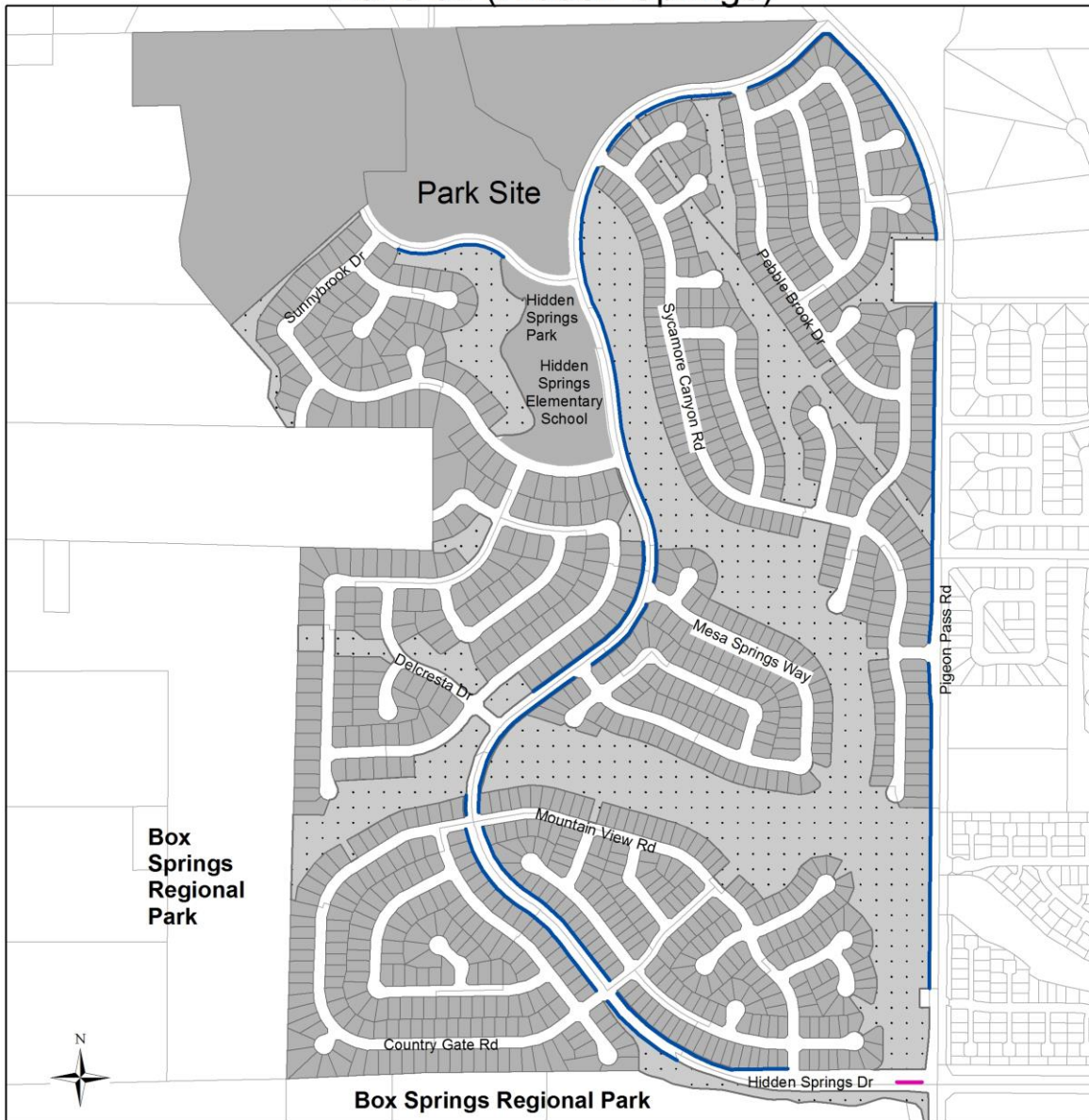
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01A (Renaissance Park)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01A

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

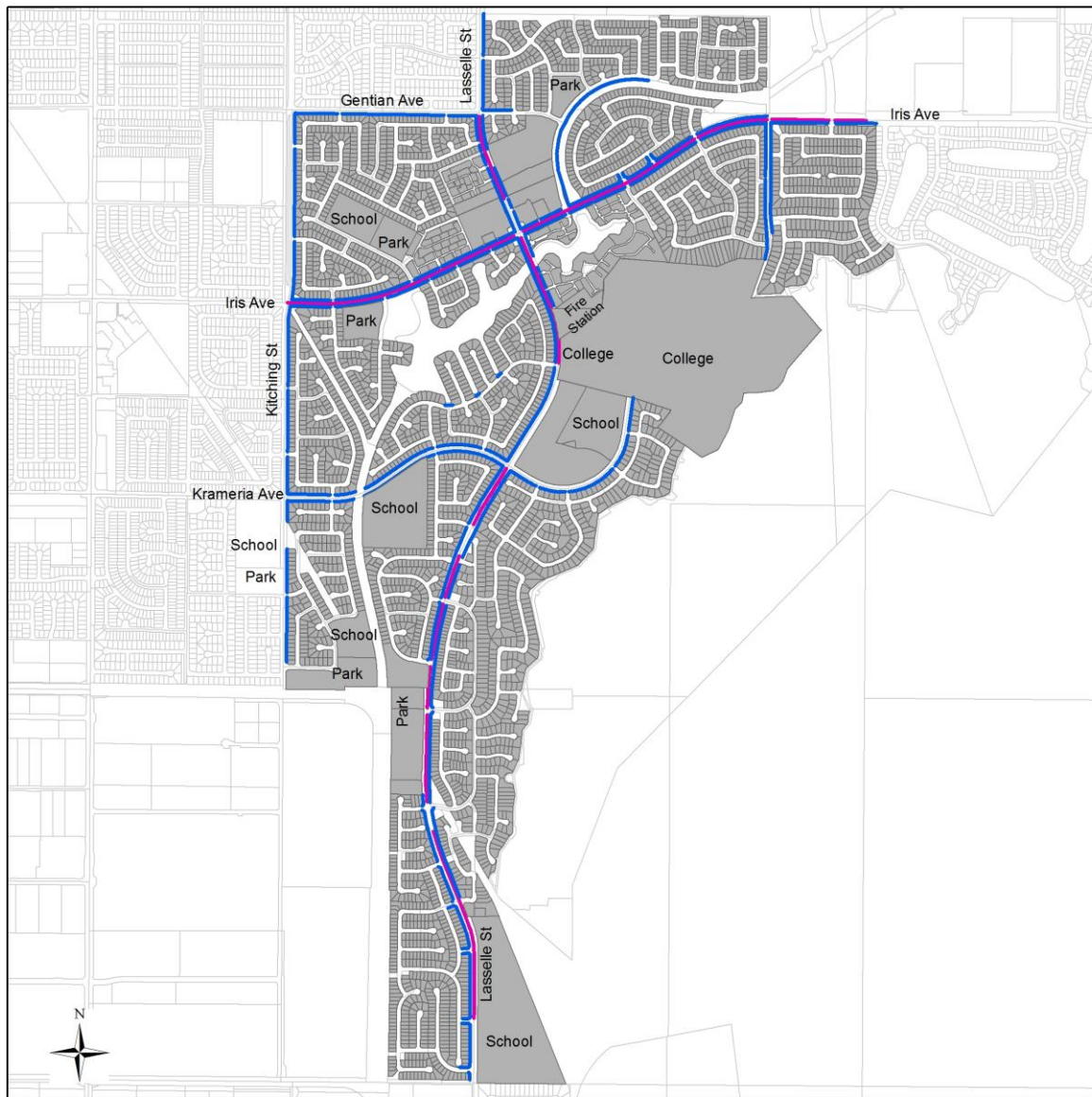
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 02 (Hidden Springs)



- Landscaped Median
- Landscaped Parkway
- Landscaped Open Space
- Parcels within the Boundaries of Zone 02

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03 (Moreno Valley Ranch - West)



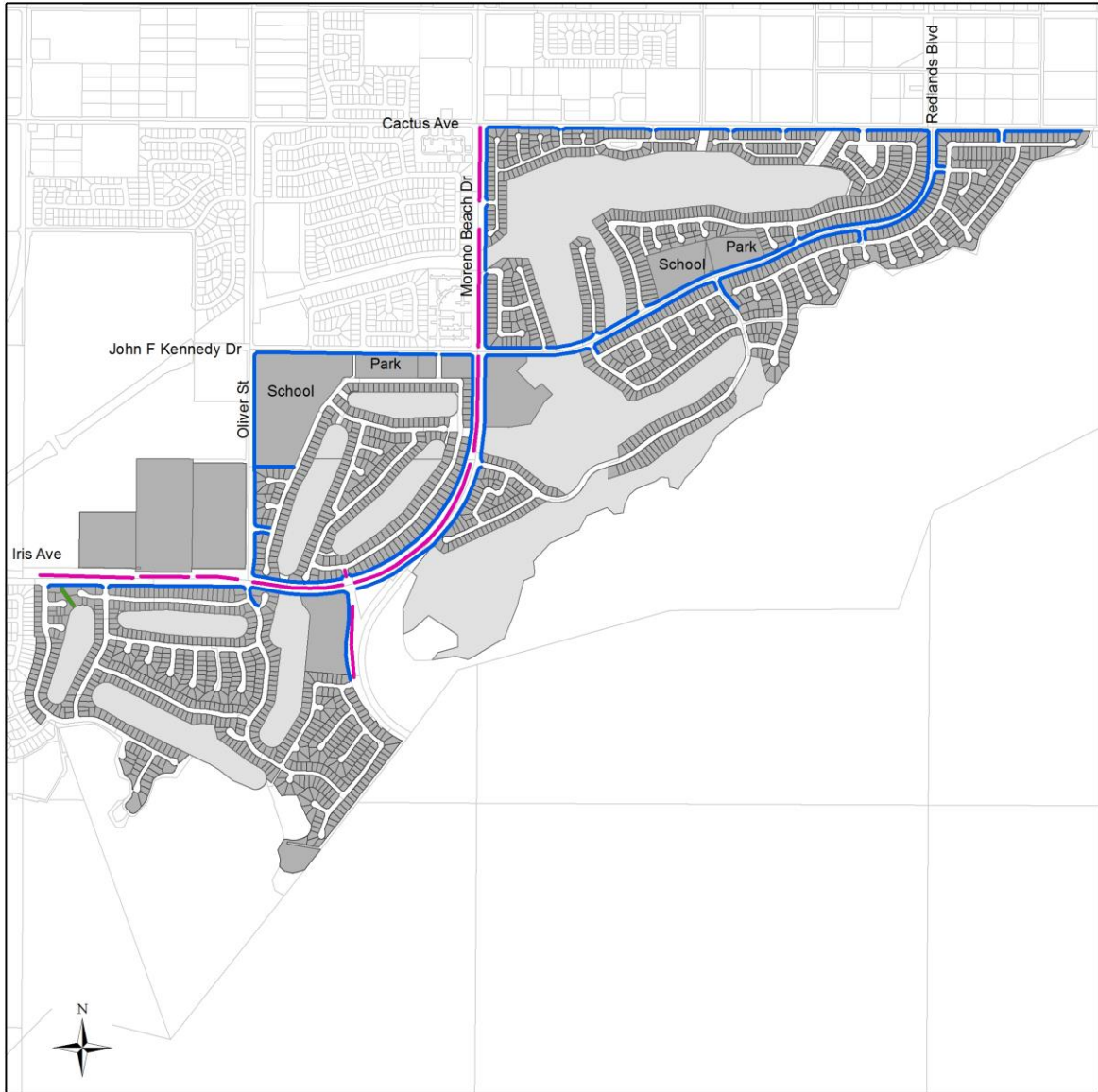
- Landscaped Parkway
- Landscaped Medians
- Parcels within the Boundaries of Zone 03

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03A (Lasselle Powerline Parkway)



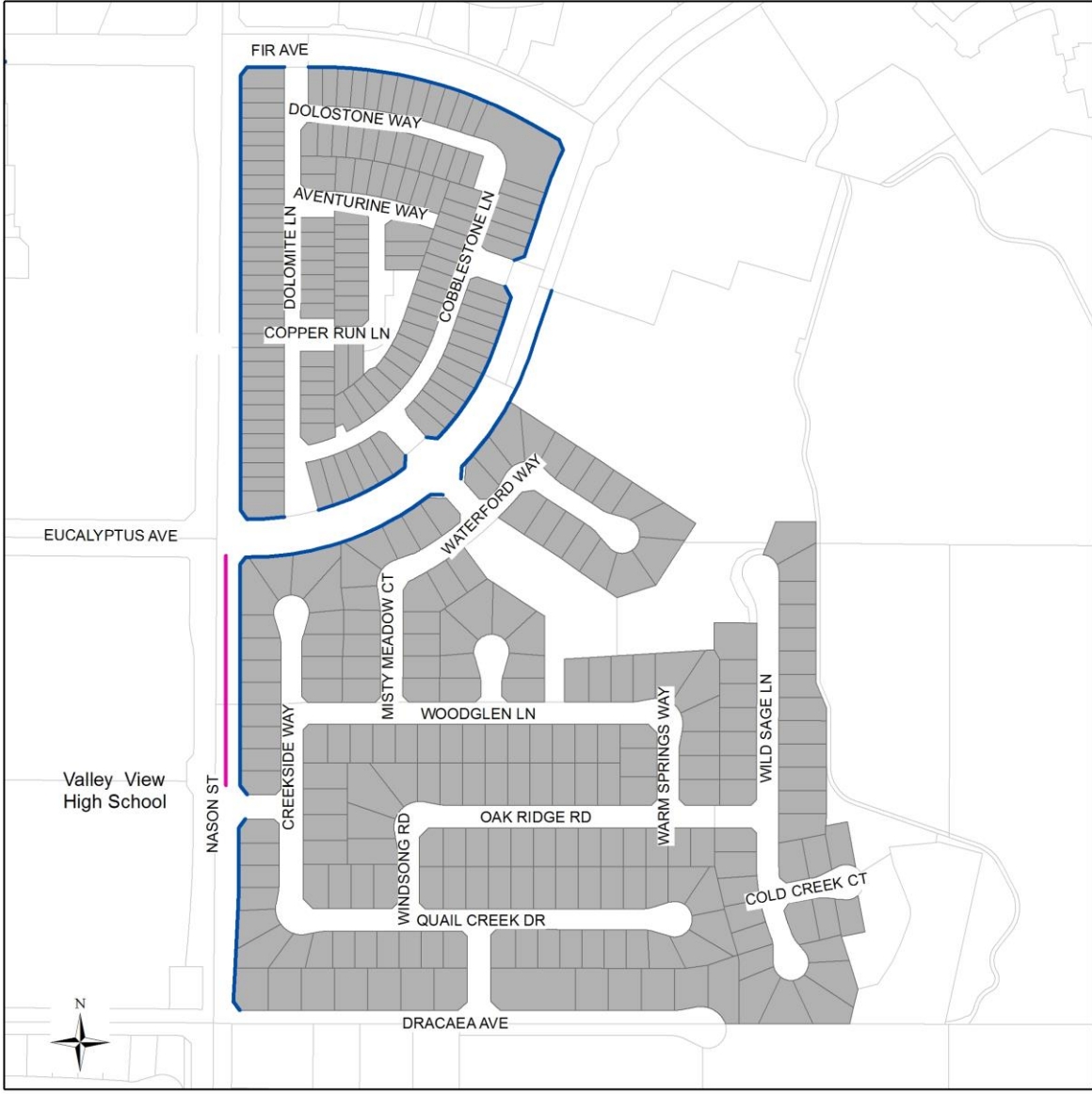
- Landscaped Parkway
- █ Parcels within the Boundaries of Zone 03A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 04 (Moreno Valley Ranch - East)



- Landscaped Parkway
- Landscaped Medians
- General Fund Maintained Drainage Area
- Parcels within the Boundaries of Zone 04

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 05 (Stoneridge Ranch)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 05

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 06 (Mahogany Fields)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 06

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

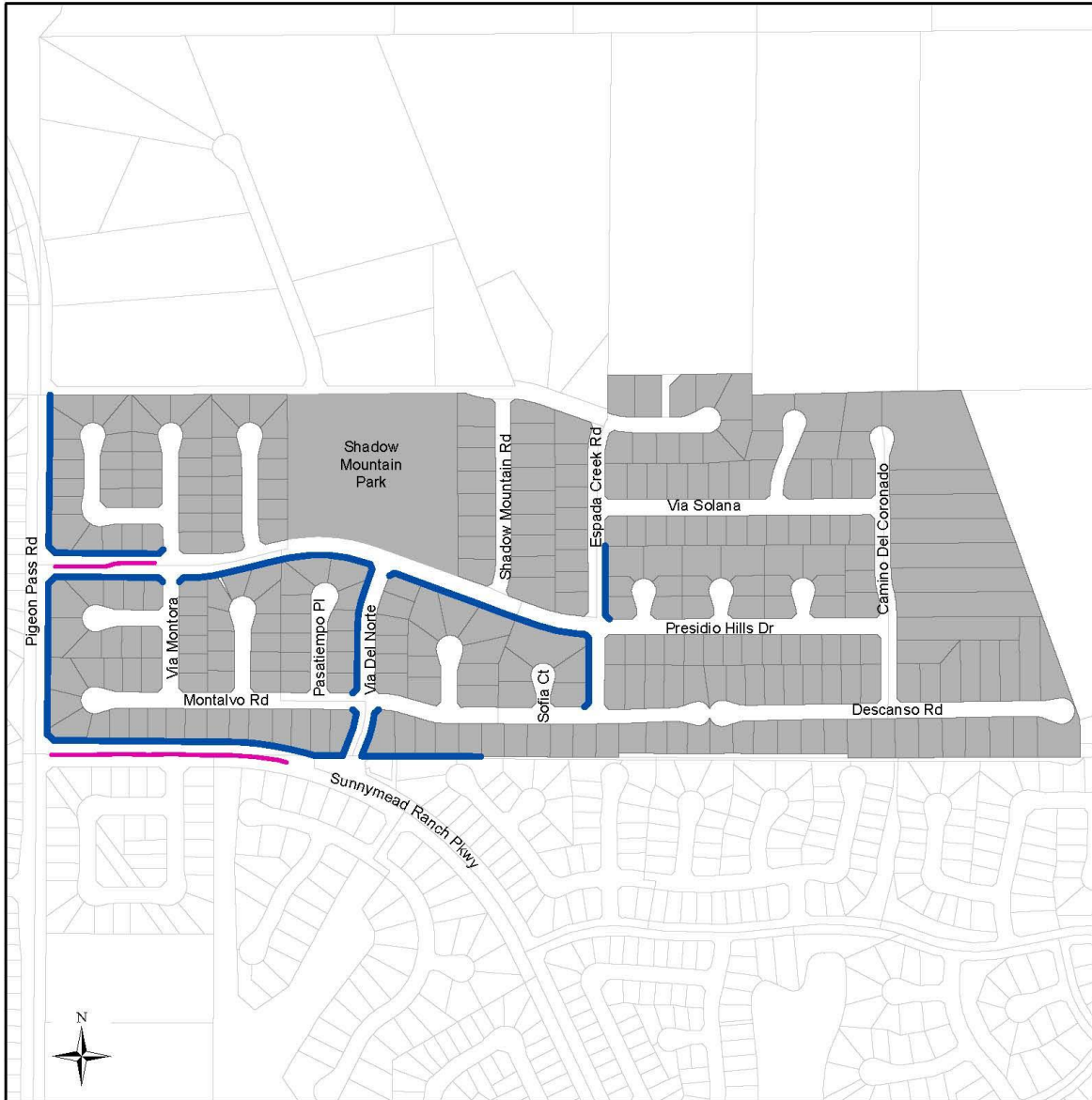
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 07 (Celebration)



- General Fund Maintained Parkway
- Landscaped Parkway
- Landscaped Median
- Future Flood Control Channel
- Parcels within the Boundaries of Zone 07

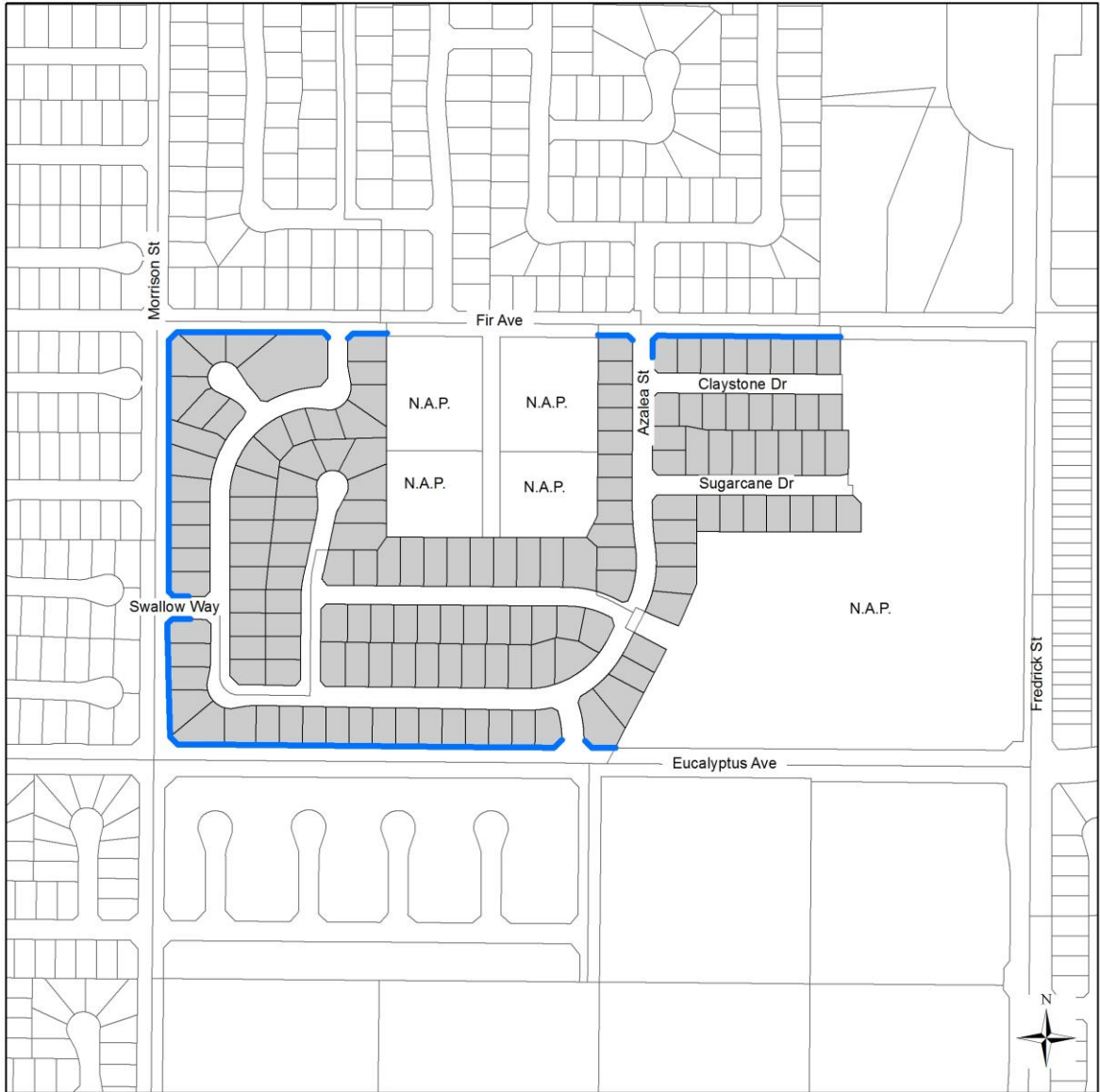
Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 08 (Shadow Mountain)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 08

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 09 (Savannah)



- Proposed Landscaped Parkway
- Parcels within the Boundaries of Zone 09

PART V - ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor’s Office. A listing of the Assessor’s Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2016/17 has been provided electronically to the Secretary of the CSD Board (City Clerk) due to the number of parcels within the District and by reference this listing of the APNs and corresponding Assessment Amounts to be levied for fiscal year 2016/17 is made part of this Report. The Report can also be found online at the City’s website at www.moval.org/sf. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board. Please note, totals may not match budget due to rounding.

Attachment: FY 2016/17 LMD No. 2014-02 Engineer's Report (Ballot Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM

LMD 2014-02
68-4285, 68-4281, and 68-4284

RESOLUTION NO. CSD 2016-16

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016/17 IN CONNECTION WITH MORENO VALLEY COMMUNITY SERVICES DISTRICT LANDSCAPE MAINTENANCE DISTRICT NO. 2014-02

WHEREAS, pursuant to Government Code Section 61122(e), the Moreno Valley Community Services District (the "CSD") is authorized to levy benefit assessments for operations and maintenance pursuant to the Landscaping and Lighting Assessment Act of 1972 (Streets & Highways Code Section 22500 et seq.) (the "Act"); and

WHEREAS, by its Resolution No. CSD 2014-09, adopted on May 27, 2014, the Board of Directors, pursuant to the Act, established the Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 (the "Assessment District") to fund landscape maintenance services through the levy of an annual assessment against real property; and

WHEREAS, by its Resolution No. 2016-07, adopted on May 3, 2016, the Board of Directors initiated proceedings to levy the Fiscal Year 2016/17 assessment against real property in the Assessment District and directed Willdan Financial, as assessment engineer, (the "Assessment Engineer") to prepare and file a report pursuant to Section 22565 et seq. of the Act with respect to said levy; and

WHEREAS, the Assessment Engineer has prepared and filed with the Secretary of the CSD a report entitled "Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 2016/17 Engineer's Report" (the "Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City of Moreno Valley), is available for public inspection, and is incorporated herein by reference; and

WHEREAS, the Report proposes an increase to the assessment rate for Zone 04 of the Assessment District and proposes that an automatic inflation adjustment formula be applied in Zone 04, which is currently the only Zone that is not subject to an automatic inflation adjustment; and

WHEREAS, by its Resolution No. 2016-08, adopted on May 3, 2016, the Board of Directors approved the Report as filed; and

WHEREAS, by its Resolution No. 2016-09, adopted on May 3, 2016, the Board of Directors declared its intention to levy an assessment against real property in the Assessment District for Fiscal Year 2016/17 and scheduled a public hearing (the "Public Hearing") regarding that levy for June 21, 2016 at 6:00 PM or as soon thereafter as

1
Resolution No. CSD 2016-16
Date Adopted: June 21, 2016

practical, in the City Council Chambers located at 14177 Frederick Street, Moreno Valley, California 92553; and

WHEREAS, notice of the Public Hearing was published in the manner set forth in Section 22626(a) of the Act; and

WHEREAS, notice of the Public Hearing, was mailed to the record owner of each parcel of real property in Zone 04 of the Assessment District in the manner set forth in Section 22626(b) of the Act; and

WHEREAS, each mailed notice for Zone 04 contained all information required by Article XIII D, Section 4 of the California Constitution and Government Code Section 53753, and was accompanied by a mail ballot on which the property owner could indicate his or her support for, or opposition to, the proposed rate increase and automatic inflation adjustment formula for Zone 04; and

WHEREAS, at the appointed time and place, the Board of Directors held the Public Hearing; and

WHEREAS, at the Public Hearing, all interested persons were afforded the opportunity to hear and be heard; and

WHEREAS, following the close of the public input period of the Public Hearing, assessment mail ballots received from the owners of parcels of real property in Zone 04 were tabulated; and

WHEREAS, it was determined that the ballots returned (and not withdrawn) indicating opposition to the proposal did outweigh the ballots returned and not withdrawn in support of the proposal; and

WHEREAS, when tabulating the ballots, each ballot was weighted by the proportionate financial obligation of the parcel for which it was submitted; and

WHEREAS, having considered all oral statements and all written protests made or filed at the Public Hearing, the Board of Directors desires to levy the proposed assessment for Fiscal Year 2016/17.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Modified Report. The Board of Directors hereby adopts the modified report entitled "Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 2016/17 Modified Engineer's Report" (the "Modified Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City

2
Resolution No. CSD 2016-16
Date Adopted: June 21, 2016

of Moreno Valley), is available for public inspection, and is incorporated herein by reference. The Modified Report eliminates the proposed rate increase (and automatic inflation adjustment formula) for Zone 04 so that the assessment in Zone 04 will be levied at the same rate as was effective in Fiscal Year 2015/16.

3. Assessment. The diagram and assessment incorporated into the Modified Report is hereby confirmed. This action constitutes the levy of the assessment for Fiscal Year 2016/17. Staff is directed to transmit the assessment to the Riverside County Auditor and to cause the assessment to be collected at the same time and in the same manner as county taxes are collected.

4. Effective Date. This Resolution shall be effective immediately upon adoption.

5. Certification. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

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Resolution No. CSD 2016-16
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-16 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

4
Resolution No. CSD 2016-16
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016/17 Assessment for LMD No. 2014-02 (Ballot Not Approved Version) [Revision 1] (1881 : PUBLIC



Moreno Valley Community Services District

Landscape Maintenance District No. 2014-02

MODIFIED

2016/17 ENGINEER'S REPORT

Intent Meeting: May 3, 2016

Public Hearing: June 21, 2016

MORENO VALLEY COMMUNITY SERVICES DISTRICT
14177 FREDERICK STREET
MORENO VALLEY, CA 92553

951.413.3480

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510

www.willdan.com/financial



ANNUAL ENGINEER'S REPORT STATEMENT

Fiscal Year 2016/17

Moreno Valley Community Services District

Landscape Maintenance District No. 2014-02

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Landscape Maintenance District 2014-02 for fiscal year 2016/17, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this _____ day of _____, 2016

Willdan Financial Services

Assessment Engineer

On Behalf of the Moreno Valley Community Services District

By: _____

Jim McGuire, Principal Consultant

By: _____

Richard Kopecky

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Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

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INTRODUCTION

The Moreno Valley Community Services District (CSD) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas (CSAs) to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone E of the CSD was established in 1987 to fund landscape maintenance services in certain geographical and development areas of the City. Zone E was comprised of a number of subzones (i.e. Zone E-1, Zone E-3A, etc), each of which funded specific landscape improvements associated with the subdivision (or parts of subdivisions) that comprised the zones.

In November, 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as “charges”, the charges imposed by Zone E of the CSD were categorized under Proposition 218 as real-property assessments.

Subsequent to the adoption of Proposition 218, the CSD conducted mail ballot protest proceedings pursuant to Article XIII D, Section 4(e) of the Constitution with respect to the CSD charges. These proceedings included base rates and an automatic annual inflation adjustment. Proceedings were successfully completed, without majority protest, for each of the Zones with the exception of former CSD Zone E-4 (now designated as Benefit Zone 04). The assessments identified in this Report reflect the charges and the automatic annual inflation adjustments approved in connection with those mail ballot protest proceedings.

The assessment established for Zone 04 exclusively funds street landscaping and predates Proposition 218. Therefore, pursuant to Article XIII D, Section 5 of the Constitution the existing Zone 04 assessment is not required to be approved at a mail ballot proceeding so long as the rate of the assessment/charge is not increased.¹

¹ CSD Zone E-4 was annexed to the CSD in fiscal year 1988/1989 prior to Proposition 218 and the charge per single family residential property was originally established at \$182.00, with non-residential properties being charged four times that amount per acre. Subsequently, that \$182.00 rate was reduced over the next several years to \$110.00. The \$110.00 rate was in effect at the time Proposition 218 was enacted. Pursuant to the exemption provisions of Proposition 218, the \$110.00 rate, was grandfathered as the Zone charge in fiscal year 1997/98. In June 2011, the CSD proposed a rate increase for the Zone. The increase was protested by property owners and did not become effective.

In May 2014, the Moreno Valley Community Services District, formed Landscape Maintenance District No. 2014-02 ("District"), pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 *et seq.*) (the "1972 Act"), replacing the previous CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16. Parcels that had been charged an annual CSD Zone E charge for landscape maintenance services are now instead assessed an annual real property assessment for those services as part of Landscape Maintenance District No. 2014-02. This transition did not increase the amount paid annually by any property owner and did not change the nature or extent of the landscape maintenance services provided. The assessments levied in connection with this assessment district in every way serve as a continuation of the charges levied in connection with CSD Zone E for the ongoing maintenance, servicing, and operation of local landscaping improvements previously established and maintained in CSD Zones E-1, E-1A, E-2, E-3, E-3A, E-4, E-4A, E-12, E-14, E-15, and E-16. Landscape Maintenance District No. 2014-02 was initially comprised of ten Benefit Zones, corresponding to eleven subzones of Zone E of the CSD, but with CSD Zones E-4 and E-4A merged into a single Benefit Zone 04.

On May 12, 2015 a new Benefit Zone 09 was annexed to Landscape Maintenance District No. 2014-02, bringing the total number of benefit zones to eleven.

For Fiscal Year 2016/17, the CSD is proposing to increase the rate of the assessment for Benefit Zone 04, and to add an automatic annual inflation adjustment for the Benefit Zone. The CSD will conduct a property owner mail ballot protest proceeding in order to implement this proposal. If there is a majority protest against the proposed increase and inflation adjustment, the increase and inflation adjustment will not be approved, and the Benefit Zone 04 assessment will continue to be levied at the existing rate.

Each fiscal year, an Engineer's Report ("Report") is prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board shall hold a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year and such public hearing shall be noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If in any year, the proposed annual assessments for the District exceed the maximum assessments described herein, such an assessment would be considered a new or increased assessment and must be confirmed through mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report shall serve as the detailed engineer's report for fiscal year 2016/17 regarding Landscape Maintenance District No. 2014-02 and the proposed assessments to be levied on the properties therein to provide ongoing funding for the costs and expenses required to service and maintain the landscaping improvements associated with and resulting from the development of properties within the District, in accordance with the proportional special benefits the properties will receive from the improvements.

The improvements, the method of apportionment, and special benefit assessments described in this Report are based on the improvements and development of properties within the District and represent an estimate of the direct expenditures and incidental expenses that will be necessary to maintain, service, and operate such improvements for fiscal year 2016/17. The improvements installed in connection with the development of properties within the District and to be maintained

as described herein, are based on the development plans and specifications for the properties and developments within the District and by reference these plans and specifications are made part of this Report.

The word “parcel,” for the purposes of this Report, refers to an individual property assigned its own Assessor’s Parcel Number (APN) by the Riverside County Assessor’s Office. The Riverside County Auditor/Controller uses Assessor’s Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the proposed improvements associated with the District. The District has eleven zones of benefit (hereafter referred to as “Zones”), which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagrams). The specific plans for the landscape improvements are on file in the Public Works Department, Special Districts Division.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall local landscaping improvements provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property’s proportional special benefit and annual assessment utilizing a weighted benefit of apportionment known as an Equivalent Benefit Unit.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the annual maintenance, servicing, and operation of landscape improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated annual expenses to service, maintain, and operate existing landscape improvements within the District for fiscal year 2016/17 including, but not limited to, servicing of those improvements and related facilities, utility costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust) as applicable.

Part IV

District Diagrams: Diagrams showing the boundaries of the Zones, which collectively represent the boundaries of the District, are provided in this Report and these diagrams identify all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Riverside County Assessor's Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments, or parcel changes therein. Reference is hereby made to the Riverside County Assessor's maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2016/17.

PART I - PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within this District consists of all lots and parcels of land that receive special benefits from the landscaping improvements maintained and funded by the District assessments. The boundaries of the District consist of benefit zones ("Zones"), each of which is associated with a set of landscape improvements. Each parcel within the District is assigned to each zone that funds landscape maintenance services that specially benefit the parcel. Two zones (Zone 01A and 03A) are comprised solely of a subset of the parcels in a larger zone (Zones 01 and 03 respectively). Thus all parcels in Zone 01A are also a part of Zone 01 and all parcels in Zone 03A are also a part of Zone 03. These overlapping zones exist because, for example, the landscaping improvements associated with Zone 01 provides special benefit to each parcel in Zone 01 (including Zone 01A parcels) but the landscaping improvements associated with Zone 01A provides special benefit to only the Zone 01A parcels.

These 11 Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition, the District Diagrams found in Part IV of this Report provide visual representations of the District showing the boundaries of the Zones and the improvement areas being maintained.

DISTRICT FACILITIES AND IMPROVEMENTS

The landscape improvements maintained for each Zone are local landscaping improvements that were installed in connection with the development of the parcels comprising each respective Zone. These landscaping improvements are an integral part of the subdivisions and development for which they were installed, creating a green amenity and aesthetically pleasing enhancement to the parcels served by the landscaping. In most cases, the landscaping improvements were a condition of development of the parcels in the Zone, and the properties within the Zone could not have been developed if the landscaping were not included. Improvements for each Zone are either located within the subdivision or along the entry path to the residential subdivisions or non-residential developments.

Collectively within the eleven Zones, there is approximately 3,552,535 square feet of landscaped area, 3,489,455 square feet of open space, and 9,582 trees to be maintained and funded in part by the District assessments. The District Diagrams found in Part IV of this Report provide visual representations of the District, showing the boundaries of the Zones and the improvement areas being maintained. Detailed plans identifying the location and extent of the District's landscape improvements and maps of those Zones and improvement areas are on file in the Office of Financial and Management Services Department, Special Districts Division, and by reference these plans and maps are made part of this Report.

The maintenance, operation, and servicing of the District landscape improvements include the furnishing of labor, materials, equipment, and utilities for the ordinary and usual maintenance, operation, and servicing of the landscaped areas within the public right-of-ways, easements, and open space areas dedicated to the City as part of the development of properties within each Zone of the District.

The various landscape improvements associated with each Zone include combinations of landscape amenities such as turf ground cover, plants, shrubs, trees, and associated appurtenant facilities including, but not limited to irrigation and drainage systems, various types of groundcover, stamped concrete, and entry monuments that may be maintained in whole or in part as part of the landscape improvements depending on available funding.

The following is a brief description and summary of the landscaped areas associate with each local landscaping Zone to be included in the District. A visual depiction of the location and extent of the landscape improvement areas and Zone boundaries are provided on the District Diagrams provided in Part IV of this Report.

ZONES

Local Landscaping Zone 01 (TownGate)

The properties within Zone 01 receive special benefits from landscaped parkways and medians within the TownGate area, which is bordered by Day Street on the west, Cottonwood Avenue, Dracaea Avenue, and Eucalyptus Avenue on the south, Elsworth Street and Frederick Street on the east, and State Highway 60 on the north. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) due to funding. The overall improvements include approximately 454,582 square feet of landscaped area and 1,045 trees.

Local Landscaping Zone 01A (Renaissance Park)

The properties within Zone 01A receive special benefits from landscaped parkways and medians within the TownGate area along with other parcels in Zone 01, but in addition, receive special benefits from parkway landscaping and entry statement medians on the internal neighborhood streets (Dracaea Avenue and Arbor Park Lane) that connect the various residential developments in this area. The Renaissance Park area is bordered by Day Street on the west, Cottonwood Avenue on the south, Elsworth Street on the east, and Eucalyptus Avenue on the north. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) due to funding. The overall improvements include approximately 72,655 square feet of landscaped area and 201 trees.

Local Landscaping Zone 02 (Hidden Springs)

The properties within Zone 02 receive special benefits from parkway landscaping along Hidden Springs Drive, and the west side of Pigeon Pass Road bordering the Hidden Springs community, as well as maintenance of open space areas throughout the community. The Zone parkway improvements are currently maintained at a standard level of service (4-week rotation) and the open space improvements at a limited level of service due to funding. The overall improvements include approximately 265,280 square feet of landscaped area, 3,308,892 square feet of Open Space area, and 3,179 trees.

Local Landscaping Zone 03 (Moreno Valley Ranch - West)

The properties within Zone 03 receive special benefits from parkway and median landscaping generally surrounding the Moreno Valley Ranch area, bordered by Kitching Street on the west,

Gentian Avenue and Casa Encantador Road on the north, and generally the City boundary to the east and south. The Zone improvements are currently maintained at a modified reduced level of service (8-week rotation) due to funding. The overall improvements include approximately 1,203,019 square feet of landscaped area and 2,382 trees.

Local Landscaping Zone 03A (Lasselle Powerline Parkway)

The properties within Zone 03A receive special benefits from landscaped parkways and medians within the Moreno Valley Ranch - West area along with other parcels in Zone 03, but in addition, receive special benefits from parkway landscaping on the internal neighborhood streets along portions of Withers Way, Via Xavier, Cremello Way, Cavalcade Drive, and Kentucky Derby Drive. The Zone improvements are currently maintained at a modified reduced level of service (8-week rotation) due to funding. The overall improvements include approximately 71,022 square feet of landscaped area and 89 trees.

Local Landscaping Zone 04 (Moreno Valley Ranch - East)

The properties within Zone 04 receive special benefits from parkway and median landscaping generally surrounding the developments bordered by Hammett Court, Oliver Street, and Moreno Beach Drive to the west, Iris Avenue, John F. Kennedy Drive, and Cactus Avenue to the north, and generally the City boundary to the southeast. The overall improvements include approximately 980,404 square feet of landscaped area and 1,710 trees.

Because assessments in the Zone have been capped at the 1996/97 level, the CSD has not been able to provide the level of service in this Zone that is provided in other Zones. The Zone improvements are currently maintained at a reduced level of service (12-week rotation) rather than the standard level of service (4-week rotation).

For 2016/17, the CSD proposed increasing the assessment rate for Zone 04 and adding an automatic inflation adjustment. The CSD held a noticed public hearing, and following a tabulation of protests, the proposed increase was not approved. Consequently, the assessment will remain at the 2015/16 rate.

Local Landscaping Zone 05 (Stoneridge Ranch)

The properties within Zone 05 receive special benefits from parkway and median landscaping generally surrounding the Stoneridge Ranch residential neighborhood, bordered by Nason Street on the west, Dracaea Avenue on the south, Eucalyptus Avenue on the east and Fir Avenue on the north. The Zone improvements are currently maintained at a standard level of service (4-week rotation). The overall improvements include approximately 98,392 square feet of landscaped area and 202 trees.

Local Landscaping Zone 06 (Mahogany Fields)

The properties within Zone 06 receive special benefits from parkway and median landscaping generally located within the Mahogany Fields community along Alessandro Boulevard, Morrison Street, and Cottonwood Avenue. The Zone improvements are currently maintained at a standard

level of service (4-week rotation). The overall improvements include approximately 178,564 square feet of landscaped area and 345 trees.

Local Landscaping Zone 07 (Celebration)

The properties within Zone 07 receive special benefits from parkway and median landscaping generally located within the Celebration community along Nason Street, Cactus Avenue, and Oliver Street. The Zone improvements are currently maintained at a standard level of service (4-week rotation). For FY 2016/17 the CSD will begin incurring expenses to maintain landscaping on open space located on the slope of a flood control at the South side of Zone 07. These open space improvements were included in the budget for Zone 07 at the time it last went to property owner assessment balloting, but until FY 2016/17 the open space improvements had not required maintenance by the CSD. All properties within Zone 07 receive special benefits from this improvement. The overall improvements include approximately 44,591 square feet of landscaped area, 180,563 square feet of open space area (flood control channel slope), and 119 trees.

Local Landscaping Zone 08 (Shadow Mountain)

The properties within Zone 08 receive special benefits from parkway and median landscaping generally surrounding the Shadow Mountain residential neighborhood, bordered by Pigeon Pass Road on the west, Sunnymead Ranch Parkway on the south, Espada Creek Road on the east, and Lawless Road on the north. The Zone improvements are currently maintained at a standard level of service (4-week rotation). The overall improvements include approximately 118,002 square feet of landscaped area and 172 trees.

Local Landscaping Zone 09 (Savannah)

The properties within Zone 09 will receive special benefits from parkway landscaping generally surrounding the Savannah residential neighborhood, bordered by Morrison Street on the west, Eucalyptus Avenue on the south, and Fir Avenue on the north. Zone 09 is currently under development and the City anticipates that construction will be complete sometime late in Fiscal Year 2016/17. At that time, the CSD will begin providing services. The budget for this Zone for Fiscal Year 2016/17 anticipates that landscape maintenance expenses will only be incurred for a portion of the Fiscal Year. The overall improvements include approximately 64,456 square feet of landscaped area and 138 trees.

PART II - METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation and servicing of landscape improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

Section 22573 defines the net amount to be assessed as follows:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

Section 22574 provides for zones as follows:

“The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

The formulas used for calculating assessments and the designation of zones herein reflect the composition of parcels within the District and the improvements and activities to be provided, and have been designed to fairly apportion the cost of providing those improvements based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2016/17 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are local public landscape improvements and related amenities that were installed in connection with the development of the properties or would otherwise be required for the development of properties within each respective Zone of the District. The assessments and method of apportionment is based on the premise that these improvements would otherwise not have been required without the development of those parcels within the District.

Article XIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2(i) defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The ongoing maintenance of local public landscaped areas within the District provides aesthetic benefits to the properties within each respective Zone and provides a more pleasant environment to walk, drive, live, and work. The primary function of these landscape improvements and related amenities is to serve as an aesthetically pleasing enhancement and green space for the benefit of the immediately surrounding developments for which the improvements were constructed and installed. These improvements are an integral part of the physical environment of parcels in associated Zones, and if the improvements were not properly maintained, it is these parcels that would be aesthetically burdened. In addition, the street landscaping in these Zones serve as both a physical buffer as well as a sound reduction or buffer between the roadways and the properties in the District and the open spaces, where applicable, provide a physical buffer and openness between properties. Furthermore, open spaces serve as an extension of the recreational features of parcels, such as their front or rear yards, and entry landscaping serves as a pleasant aesthetic amenity that enhances the approach to the parcels. As a result, the maintenance of these landscaped improvements is a particular and distinct benefit to the properties and developments within each Zone.

General Benefit

In reviewing the location and extent of the specific landscaped areas and improvements to be funded by District assessments and the proximity and relationship to properties to be assessed, it is evident these improvements are local improvements that were installed in connection with the development of properties in each respective Zone or are improvements that would otherwise be shared by and required for the future development of properties in those Zones. It is also evident that the aesthetic maintenance of these improvements and the enhanced level of maintenance provided only has a direct and particular impact on those properties (special benefit) and such maintenance beyond that which is required to ensure the safety and protection of the general public and property in general, has no identifiable benefit to the public at large or properties outside each respective Zone.

In the absence of a special funding Zone, the City would typically provide only weed abatement and erosion control services for landscaped areas. These services would typically be provided twice annually. This level of service provides for public safety and avoids negative impacts on adjacent roadways and vehicles traveling on those roadways, but results in a far less visually pleasing environment than is created with the enhanced levels of services associated with the District. The cost to provide the baseline level of service is approximately \$0.02055 per square foot per servicing for streetscape areas and \$0.0102775 per square foot per servicing for open space areas that require maintenance. Utilizing these per square foot costs, the square footages of the improvement areas, and the number of servicing in each Zone, the following table summarizes the current estimated general benefit costs calculated for each District Zone:

Fiscal Year 2016/17 Estimated General Benefit Costs

| Zone | General Benefit Cost ⁽¹⁾ |
|---------------|-------------------------------------|
| Zone 01 | \$ 18,687.83 |
| Zone 01A | 2,986.84 |
| Zone 02 | 27,909.15 |
| Zone 03 | 49,456.02 |
| Zone 03A | 2,919.71 |
| Zone 04 | 40,304.34 |
| Zone 05 | 4,044.89 |
| Zone 06 | 7,340.75 |
| Zone 07 | 2,825.46 |
| Zone 08 | 4,851.05 |
| Zone 09 | 662.45 |
| Total: | \$ 161,988.49 |

⁽¹⁾ The General Benefit Costs presented in the table above are reflected in the budgets for each Zone. As with most landscape maintenance costs, these General Benefit Costs are impacted by inflation and as such the General Benefit Cost contributions are adjusted annually for inflation.

General Fund Maintained Areas

The following improvements are excluded from assessment funding and instead funded from other sources. These particular improvement areas are identified on the District Diagrams provided in Part IV of this Report as “General Fund Maintained” improvements and include the improvements in the following Zones:

The 31,000 square feet of planter area and 8 trees in the greenbelt drainage area south of Iris Avenue and west of Turnberry Street previously included in CSD Zone E-4A (Daybreak) will be maintained and funded by other general fund revenues and not included in the assessments for Zone 04. These improvements constitute all the landscaped areas previously in CSD E-4A.

The 2,230 square feet of parkway planter area on the east side of Nason Street north of Damascus Road that was previously included in CSD Zone E-15 (Celebration), will be maintained and funded by other general fund revenues and not included in the assessments for Zone 07.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property’s proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of Equivalent Benefit Units (EBUs) based on its land use as of March 1st, preceding the fiscal year addressed herein. One EBU is defined as the special benefit allocable to a single family home (basic EBU). In each case, a parcel is only allocated EBUs if the landscaping serving the Zone has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. As previously noted, the single family residential parcel has been selected as the basic EBU for calculation of assessments and each single-family residential home site is assigned 1.0 Equivalent Benefit Unit (1.0 EBU per lot or parcel).

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor’s Parcel Number by the County. EBUs are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Park — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit. The proportional special benefit and EBU for these parcels is based on acreage, at 4.0 EBUs per acre.

Developed Non-Residential — This classification includes developed properties including parking lots that are identified or zoned for commercial, industrial, or other non-residential use

including offices, hotels, recreational facilities (excluding parks), and institutional facilities including, hospitals, churches or facilities utilized by other non-profit organizations, whether those facilities are publicly owned (non-taxable) or privately owned. Like Multi-Family Residential and Mobile Home Park properties the proportional special benefit and EBU for these parcels is based on acreage, at 4.0 EBUs per acre.

Planned Residential Development — This land use is defined as a property that is currently consider vacant or undeveloped land, but for which the number of residential lots to be developed on the property is known or has been approved. These properties benefit from the existing Zone improvements, but may as part of their development install additional landscape improvements to be maintained either solely by the development or as part of the District improvements depending on the location and extent of those improvements. The proportional special benefit and EBU for these parcels is based on the planned residential units for the parcel, at 0.50 EBU per planned unit (50% of the basic EBU unit for a single family residential parcel).

Undeveloped/Vacant Property — This land use is defined as a parcel that is currently consider vacant or undeveloped land that can be developed, but for which the use and/or development of the property has not been fully determined. These parcels are assigned a proportional EBU that is based on 50% of the proportional benefit established for a developed property in the District. The proportional special benefit and EBU for these parcels is based on acreage, at 2.0 EBUs per acre.

Special Case Property — In some Zones there may be one or more properties that the standard land use classifications identified above do not accurately identify the use and special benefit received from the improvements and/or it has been determined that the property receives special benefit, but has not been previously assessed for various reasons. Properties that are typically classified as Special Case properties usually involve some type of development or land restrictions whether those restrictions are temporary or permanent and affect the properties proportional special benefit. Examples of such restrictions may include situations where only a small percentage of the parcel’s total acreage can actually be developed. In such a case, the net usable acreage of the parcel rather than the gross acreage of the parcel may be applied to calculate the parcel’s proportional special benefit. In addition, in certain Zones there are a few parcels that have been identified as properties that receive special benefit from the Zone improvements, but likely because of their ownership or tax status (government or non-profit owned properties) these parcels were not previously levied the annual assessment. The proportional special benefit and proposed assessment for each of these parcels is calculated along with all other properties in the Zone, but rather than ballot these properties for a new or increased assessment at this time, the agency will make an off-setting contribution to the Zone that is equal to the assessment amount these Non-Assessed parcels would otherwise have been assessed.

Exempt — means a lot, parcel of land, or Assessor's Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets, and other roadways; and public easements or right-of-ways including landscaped parkways or easements; and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins, and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor's Parcel Number by the County).

Also exempt from assessment are Assessor's Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel. Based on the improvements maintained in this District it has been determined that public schools, public parks, golf courses, and open space areas provide landscape amenities that are available to the public or are similar in nature to the improvements of a Zone and any benefit these properties may derive from the Zone improvements are more than off-set by the public benefit they provide to properties in the Zone.

PART III - ESTIMATE OF COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU in each Zone is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the “Total General Benefit Contribution”, to establish the “Special Benefit Costs”;

Total Amount Budgeted – Total General Benefit Contribution = Special Benefit Costs

To the resulting “Special Benefit Costs”, various “Benefit Cost Adjustments” are applied that may include:

- “Fund Balance Transfer/Reduction”, represents the amount of available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.
- “Additional Agency Contribution”, which is a contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.

These adjustments to the Special Benefit Costs result in the “Net Special Benefit Assessment”;

Special Benefit Costs +/- Benefit Cost Adjustments = Net Special Benefit Assessment

The amount identified as the “Net Special Benefit Assessment” is divided by the total number of EBUs of parcels that benefit to establish the “Assessment Rate” or “Assessment per EBU” for the fiscal year. This Rate is then applied back to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment for the improvements.

Net Special Benefit Assessment / Total EBU = Assessment per EBU

Assessment per EBU x Parcel EBU = Parcel Assessment Amount

DISTRICT BUDGETS

The following budgets outline the estimated costs to maintain the improvements and the anticipated expenditures for each District Zone for fiscal year 2016/17.

| Description | Total District Budget | Zone 01 TownGate | Zone 01A Renaissance Park | Zone 02 Hidden Springs |
|------------------------------------------------------------|-----------------------|--------------------|---------------------------|------------------------|
| Operation & Maintenance (O&M) | | | | |
| Total Maintenance Costs | \$ 1,729,989 | \$ 194,866 | \$ 36,326 | \$ 331,089 |
| Utilities | 535,549 | 89,280 | 19,250 | 146,080 |
| Total O&M Expenses | \$ 2,265,538 | \$ 284,146 | \$ 55,576 | \$ 477,169 |
| Incidental/Administrative Expenses | | | | |
| District Administration | \$ 149,260 | \$ 15,065 | \$ 3,850 | \$ 29,524 |
| County Fees | 7,203 | 727 | 186 | 1,425 |
| Miscellaneous Administration Expenses | 10,920 | 1,101 | 281 | 2,157 |
| Total Incidental/Administrative Expenses | \$ 167,383 | \$ 16,893 | \$ 4,317 | \$ 33,106 |
| TOTAL ANNUAL EXPENSES | \$ 2,432,921 | \$ 301,039 | \$ 59,892 | \$ 510,275 |
| General Benefit Costs | \$ (161,988) | \$ (18,688) | \$ (2,987) | \$ (27,909) |
| General Fund Maintenance Area Costs | (14,192) | 0 | 0 | 0 |
| Total General Benefit Contribution | \$ (176,181) | \$ (18,688) | \$ (2,987) | \$ (27,909) |
| SPECIAL BENEFIT COSTS | \$ 2,232,482 | \$ 282,351 | \$ 56,906 | \$ 482,366 |
| Other Available Funding | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ (150,676) | \$ 21,950 | \$ (9,385) | \$ 24,185 |
| Interest Income | (43,910) | (4,708) | (1,080) | (7,842) |
| Unrealized Gains/Losses | 33,173 | 3,556 | 816 | 5,925 |
| Reimbursement Agreements | (500) | (500) | 0 | 0 |
| Total Contributions/Adjustments | \$ (161,913) | \$ 20,298 | \$ (9,649) | \$ 22,268 |
| NET SPECIAL BENEFIT ASSESSMENT | \$ 2,094,827 | \$ 302,649 | \$ 47,257 | \$ 504,634 |
| District Statistics | | | | |
| Total Parcels | 11,429 | 1,186 | 557 | 1,151 |
| Total Assessed Parcels | 11,411 | 1,185 | 557 | 1,151 |
| Total EBU | 12,676.82072 | 2,184.24781 | 557.00000 | 1,178.00000 |
| Proposed Assessment per EBU (FY 2016/17) | | \$138.56 | \$84.84 | \$428.38 |
| Maximum Assessment per EBU | | \$138.57 | \$84.85 | \$437.08 |
| EBU of Non-Assessed Parcels | | 5.00000 | - | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ (25,715.87) | \$ (692.80) | \$ - | \$ - |
| NET BALANCE TO LEVY | \$ 2,069,111 | \$ 301,956 | \$ 47,257 | \$ 504,634 |
| Reserve Fund/Fund Balance | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 3,856,189 | \$ 290,759 | \$ 100,597 | \$ 628,078 |
| Assessment Revenues | 2,094,828 | 302,649 | 47,257 | 504,634 |
| Expenditures | (2,432,920) | (301,039) | (59,892) | (510,275) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 3,518,096 | \$ 292,369 | \$ 87,962 | \$ 622,437 |

(1) Additional funds applied to or required from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

| Description | Zone 03 Moreno Valley Ranch West | Zone 03A Lasselle Powerline Parkway | Zone 04 Moreno Valley Ranch East | Zone 05 Stoneridge Ranch |
|------------------------------------------------------------|-------------------------------------------|----------------------------------------------|-------------------------------------------|--------------------------------|
| Operation & Maintenance (O&M) | | | | |
| Total Maintenance Costs | \$ 501,124 | \$ 28,684 | \$ 232,766 | \$ 82,072 |
| Utilities | 97,910 | 6,080 | 55,450 | 31,380 |
| Total O&M Expenses | \$ 599,034 | \$ 34,764 | \$ 288,216 | \$ 113,452 |
| Incidental/Administrative Expenses | | | | |
| District Administration | \$ 45,245 | \$ 3,459 | \$ 30,571 | \$ 3,563 |
| County Fees | 2,183 | 167 | 1,475 | 172 |
| Miscellaneous Administration Expenses | 3,307 | 253 | 2,245 | 263 |
| Total Incidental/Administrative Expenses | \$ 50,735 | \$ 3,879 | \$ 34,291 | \$ 3,998 |
| TOTAL ANNUAL EXPENSES | \$ 649,769 | \$ 38,642 | \$ 322,507 | \$ 117,451 |
| General Benefit Costs | \$ (49,456.02) | \$ (2,919.71) | \$ (40,304.34) | \$ (4,044.89) |
| General Fund Maintenance Area Costs | \$ - | \$ - | \$ (13,682.22) | \$ - |
| Total General Benefit Contribution | \$ (49,456.02) | \$ (2,919.71) | \$ (53,986.56) | \$ (4,044.89) |
| SPECIAL BENEFIT COSTS | \$ 600,313 | \$ 35,723 | \$ 268,521 | \$ 113,406 |
| Other Available Funding | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ 12,465 | \$ (1,810) | \$ (10,415) | \$ (62,315) |
| Interest Income | (10,311) | (768) | (4,444) | (4,049) |
| Unrealized Gains/Losses | 7,789 | 581 | 3,357 | 3,059 |
| Reimbursement Agreements | 0 | 0 | 0 | 0 |
| Total Contributions/Adjustments | \$ 9,943 | \$ (1,997) | \$ (11,502) | \$ (63,305) |
| NET SPECIAL BENEFIT ASSESSMENT | \$ 610,256 | \$ 33,725 | \$ 257,019 | \$ 50,100 |
| District Statistics | | | | |
| Total Parcels | 4,511 | 467 | 2,096 | 334 |
| Total Assessed Parcels | 4,507 | 467 | 2,083 | 334 |
| Total EBU | 4,493.01291 | 467.00000 | 2,336.56000 | 334.00000 |
| Proposed Assessment per EBU (FY 2016/17) | \$135.82 | \$72.22 | \$110.00 | \$150.00 |
| Maximum Assessment per EBU | \$138.57 | \$73.69 | \$110.00 | \$435.47 |
| EBU of Non-Assessed Parcels | 120.48200 | - | 78.72000 | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ (16,363.87) | \$ - | \$ (8,659.20) | \$ - |
| NET BALANCE TO LEVY | \$ 593,892 | \$ 33,725 | \$ 248,359 | \$ 50,100 |
| Reserve Fund/Fund Balance | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 793,748 | \$ 68,460 | \$ 536,630 | \$ 381,688 |
| Assessment Revenues | 610,256 | 33,725 | 257,019 | 50,100 |
| Expenditures | (649,769) | (38,642) | (322,507) | (117,451) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 754,235 | \$ 63,543 | \$ 471,142 | \$ 314,337 |

(1) Additional funds required or applied from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

| Description | Zone 06 Mahogany Fields | Zone 07 Celebration | Zone 08 Shadow Mountain | Zone 09 Savannah |
|------------------------------------------------------------|-------------------------------|------------------------|-------------------------------|---------------------|
| Operation & Maintenance (O&M) | | | | |
| Total Maintenance Costs | \$ 115,421 | \$ 113,547 | \$ 78,988 | \$ 15,107 |
| Utilities | 49,780 | 15,380 | 17,580 | 7,379 |
| Total O&M Expenses | \$ 165,201 | \$ 128,927 | \$ 96,568 | \$ 22,485 |
| Incidental/Administrative Expenses | | | | |
| District Administration | \$ 5,756 | \$ 6,218 | \$ 3,843 | \$ 2,166 |
| County Fees | 278 | 300 | 185 | 105 |
| Miscellaneous Administration Expenses | 420 | 447 | 281 | 164 |
| Total Incidental/Administrative Expenses | \$ 6,454 | \$ 6,965 | \$ 4,310 | \$ 2,435 |
| TOTAL ANNUAL EXPENSES | \$ 171,654 | \$ 135,893 | \$ 100,878 | \$ 24,920 |
| General Benefit Costs | \$ (7,340.75) | \$ (2,825.46) | \$ (4,851.05) | \$ (662.45) |
| General Fund Maintenance Area Costs | \$ - | \$ (510.15) | \$ - | \$ - |
| Total General Benefit Contribution | \$ (7,340.75) | \$ (3,335.61) | \$ (4,851.05) | \$ (662.45) |
| SPECIAL BENEFIT COSTS | \$ 164,314 | \$ 132,557 | \$ 96,027 | \$ 24,258 |
| Other Available Funding | | | | |
| Reserve Fund Collection/(Contribution) ⁽¹⁾ | \$ (34,363) | \$ (86,663) | \$ (4,325) | \$ - |
| Interest Income | (2,718) | (5,434) | (2,555) | 0 |
| Unrealized Gains/Losses | 2,053 | 4,107 | 1,931 | 0 |
| Reimbursement Agreements | 0 | 0 | 0 | 0 |
| Total Contributions/Adjustments | \$ (35,028) | \$ (87,991) | \$ (4,949) | \$ - |
| NET SPECIAL BENEFIT ASSESSMENT | \$ 129,286 | \$ 44,566 | \$ 91,078 | \$ 24,258 |
| District Statistics | | | | |
| Total Parcels | 424 | 262 | 291 | 150 |
| Total Assessed Parcels | 424 | 262 | 291 | 150 |
| Total EBU | 424.00000 | 262.00000 | 291.00000 | 150.00000 |
| Proposed Assessment per EBU (FY 2016/17) | \$304.92 | \$170.10 | \$312.98 | \$161.72 |
| Maximum Assessment per EBU | \$304.92 | \$365.28 | \$321.66 | \$653.09 |
| EBU of Non-Assessed Parcels | - | - | - | - |
| Contribution for Non-Assessed Parcels ⁽²⁾ | \$ - | \$ - | \$ - | \$ - |
| NET BALANCE TO LEVY | \$ 129,286 | \$ 44,566 | \$ 91,078 | \$ 24,258 |
| Reserve Fund/Fund Balance | | | | |
| Estimated Beginning Fund Balance as of July 1, 2016 | \$ 246,989 | \$ 535,476 | \$ 223,771 | \$ 49,992 |
| Assessment Revenues | 129,286 | 44,566 | 91,078 | 24,258 |
| Expenditures | (171,654) | (135,893) | (100,878) | (24,920) |
| Estimated Ending Fund Balance as of June 30, 2017 | \$ 204,621 | \$ 444,149 | \$ 213,971 | \$ 49,330 |

(1) Additional funds required or applied from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Agency Contribution for parcels that benefit, but have not historically been assessed (typically government owned properties).

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2016/17 based on the budget and the method of apportionment presented above.

Fiscal Year 2016/17 Assessment Rates

| Zone | Maximum ⁽¹⁾ Rate | Proposed Rates for FY 2016/17 |
|----------|--------------------------------|----------------------------------|
| Zone 01 | \$ 138.57 | \$ 138.56 per EBU |
| Zone 01A | \$ 84.85 | \$ 84.84 per EBU |
| Zone 02 | \$ 437.08 | \$ 428.38 per EBU |
| Zone 03 | \$ 138.57 | \$ 135.82 per EBU |
| Zone 03A | \$ 73.69 | \$ 72.22 per EBU |
| Zone 04 | \$ 110.00 | \$ 110.00 per EBU |
| Zone 05 | \$ 435.47 | \$ 150.00 per EBU |
| Zone 06 | \$ 304.92 | \$ 304.92 per EBU |
| Zone 07 | \$ 365.28 | \$ 170.10 per EBU |
| Zone 08 | \$ 321.66 | \$ 312.98 per EBU |
| Zone 09 | \$ 653.09 | \$ 161.72 per EBU |

⁽¹⁾ The Maximum Assessment Rate for all Zones (except Zone 04) includes an inflationary adjustment that was approved by the property owners as part of the balloted assessment proceeding.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

All Zones except Zone 04 and Zone 09: Each fiscal year, the Maximum Assessment per EBU (Assessment Rate) established for the improvements in the previous fiscal year will be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index (“CPI”), as published by the Department of Labor’s Bureau of Labor Statistics.

Zone 09: Each fiscal year the Maximum Assessment Rate will be automatically adjusted by the percentage change in the CPI for All Urban Consumers for the Los Angeles-Riverside- Orange County Region as published by the Department of Labor’s Bureau of Labor Statistics or three percent (3%), whichever is greater.

Zone 04: There is no annual inflation adjustment.

PART IV - DISTRICT DIAGRAMS

The following pages provide boundary diagrams for each Zone within the District, as well as a general depiction of the location of the improvements as identified at the time this Report was prepared. Detailed maps of the full extent and location of the improvement areas are on file in the Office of Financial and Management Services Department, Special Districts Division. The combination of these map and the Assessment Roll referenced by this Report constitute the Assessment Diagrams for the District.

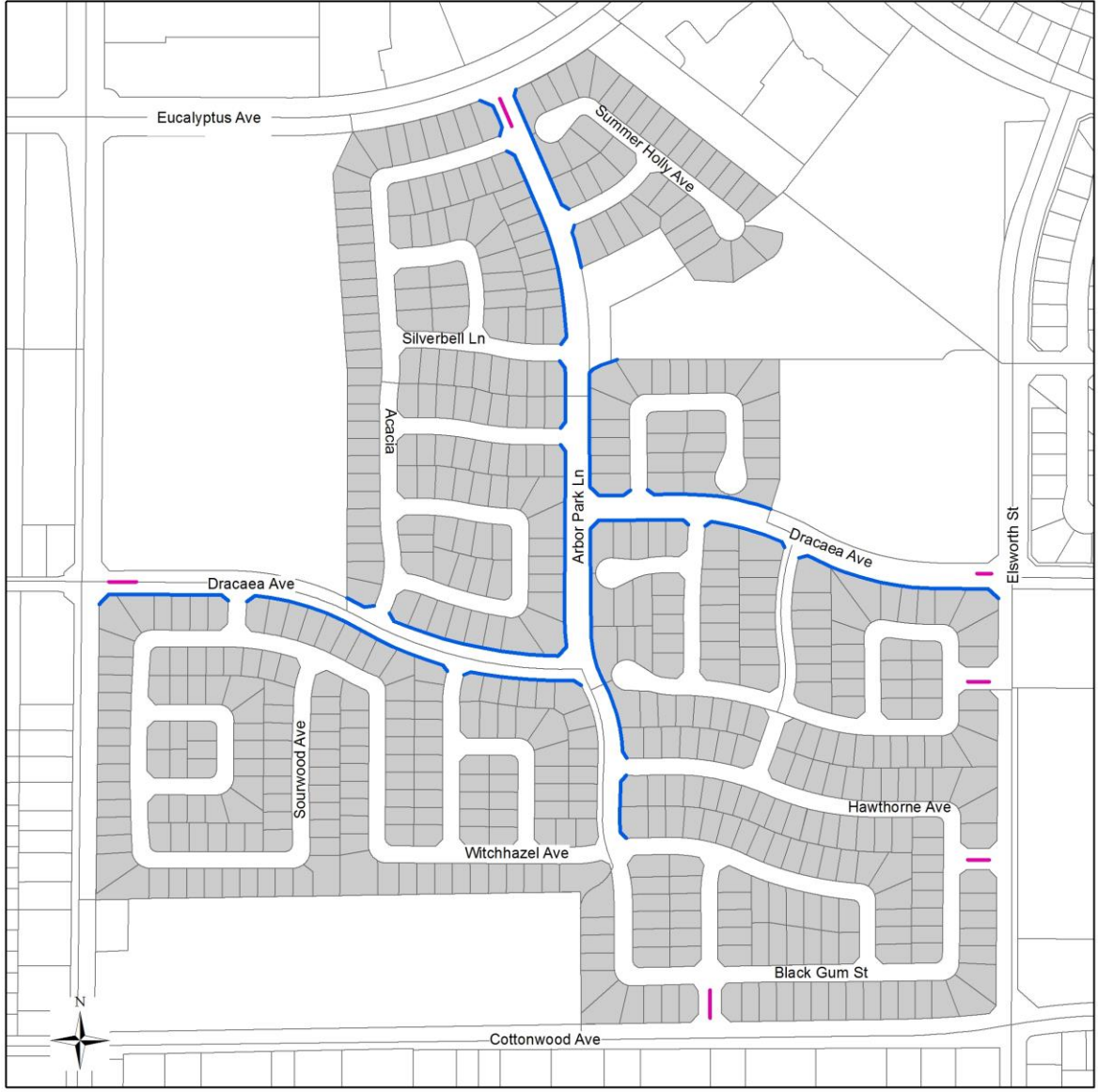
Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01 (TownGate)



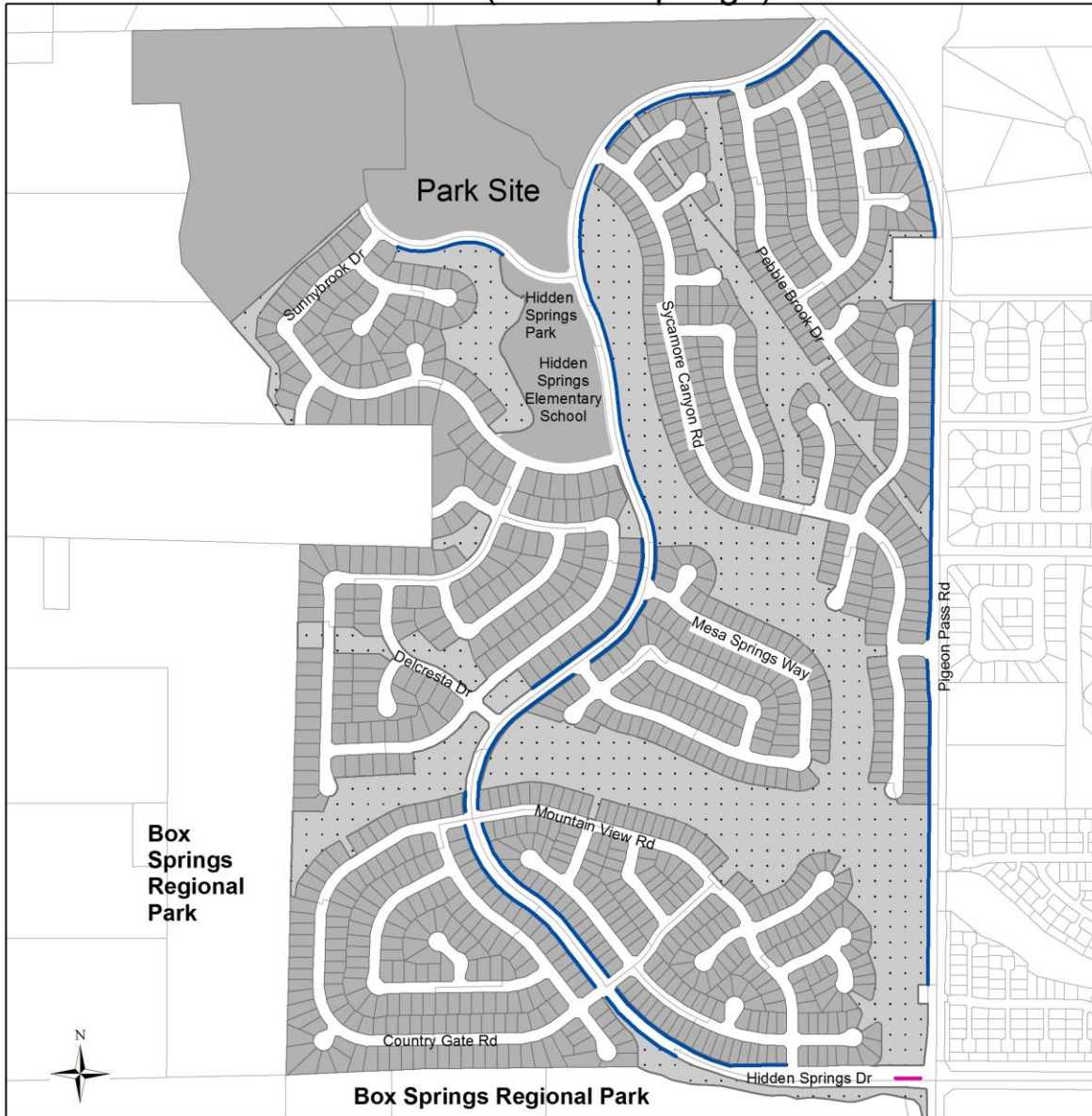
- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01A (Renaissance Park)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01A

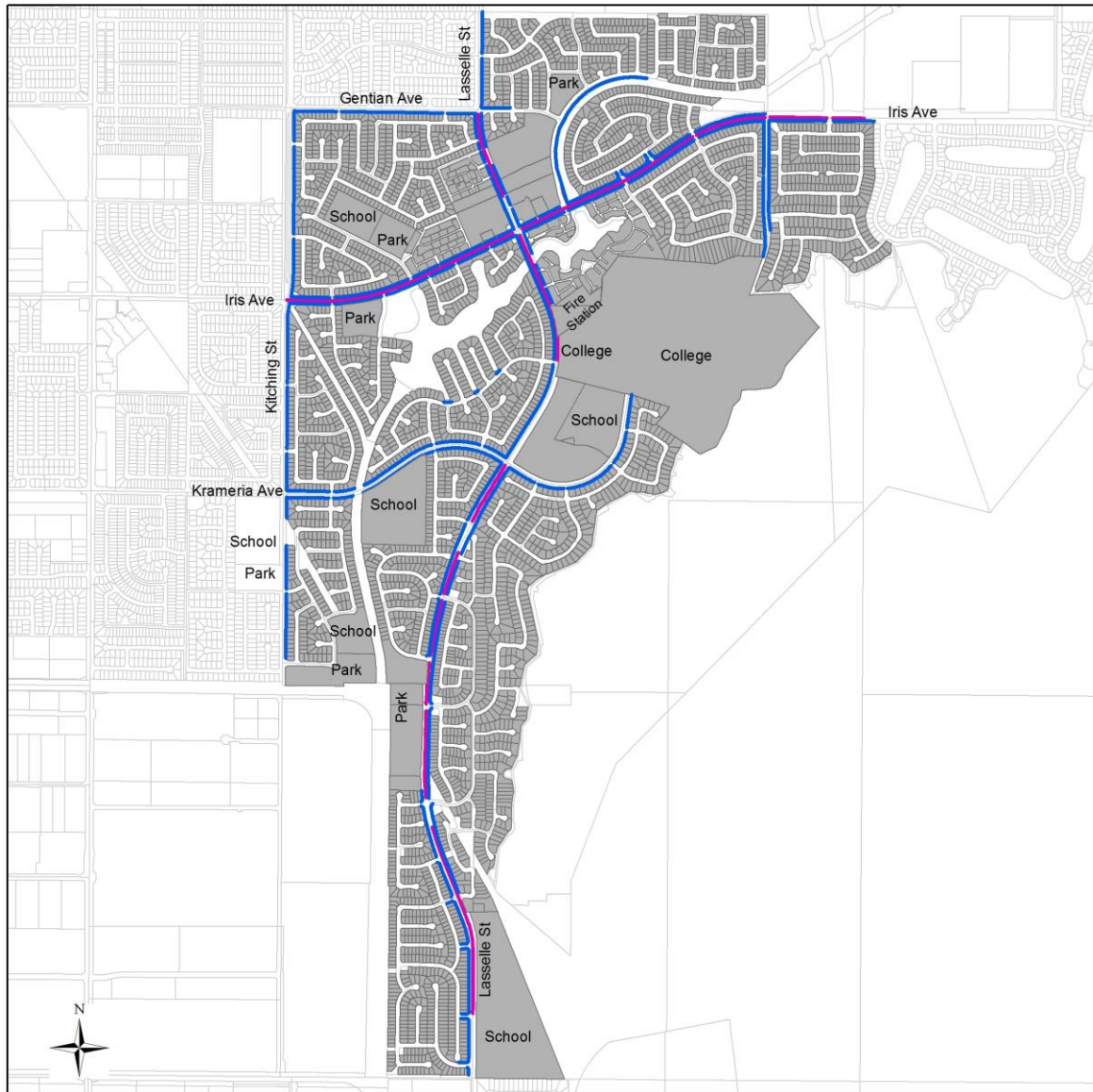
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 02 (Hidden Springs)



- Landscaped Median
- Landscaped Parkway
- Landscaped Open Space
- Parcels within the Boundaries of Zone 02

Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03 (Moreno Valley Ranch - West)



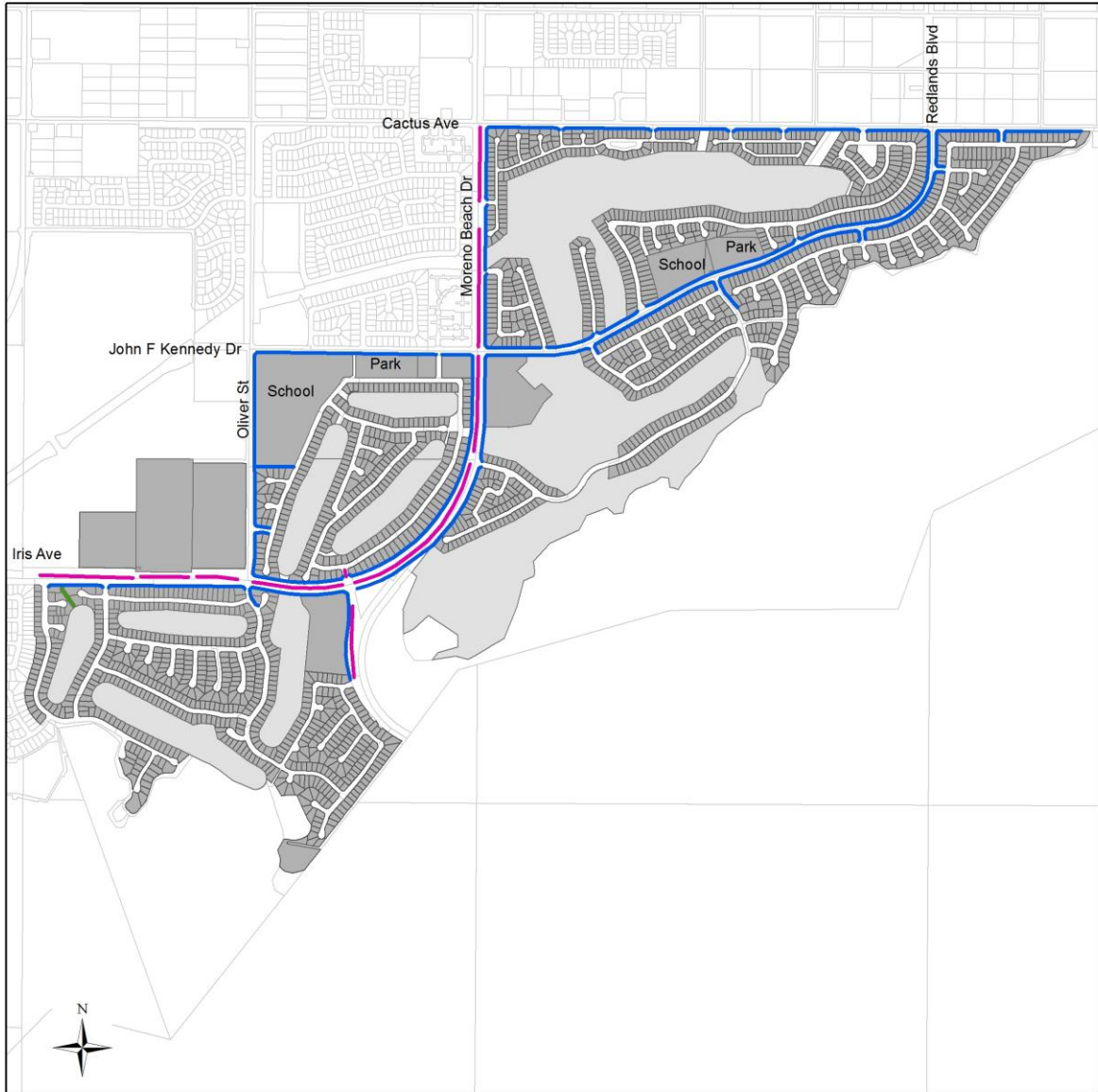
- Landscaped Parkway
- Landscaped Medians
- Parcels within the Boundaries of Zone 03

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03A (Lasselle Powerline Parkway)



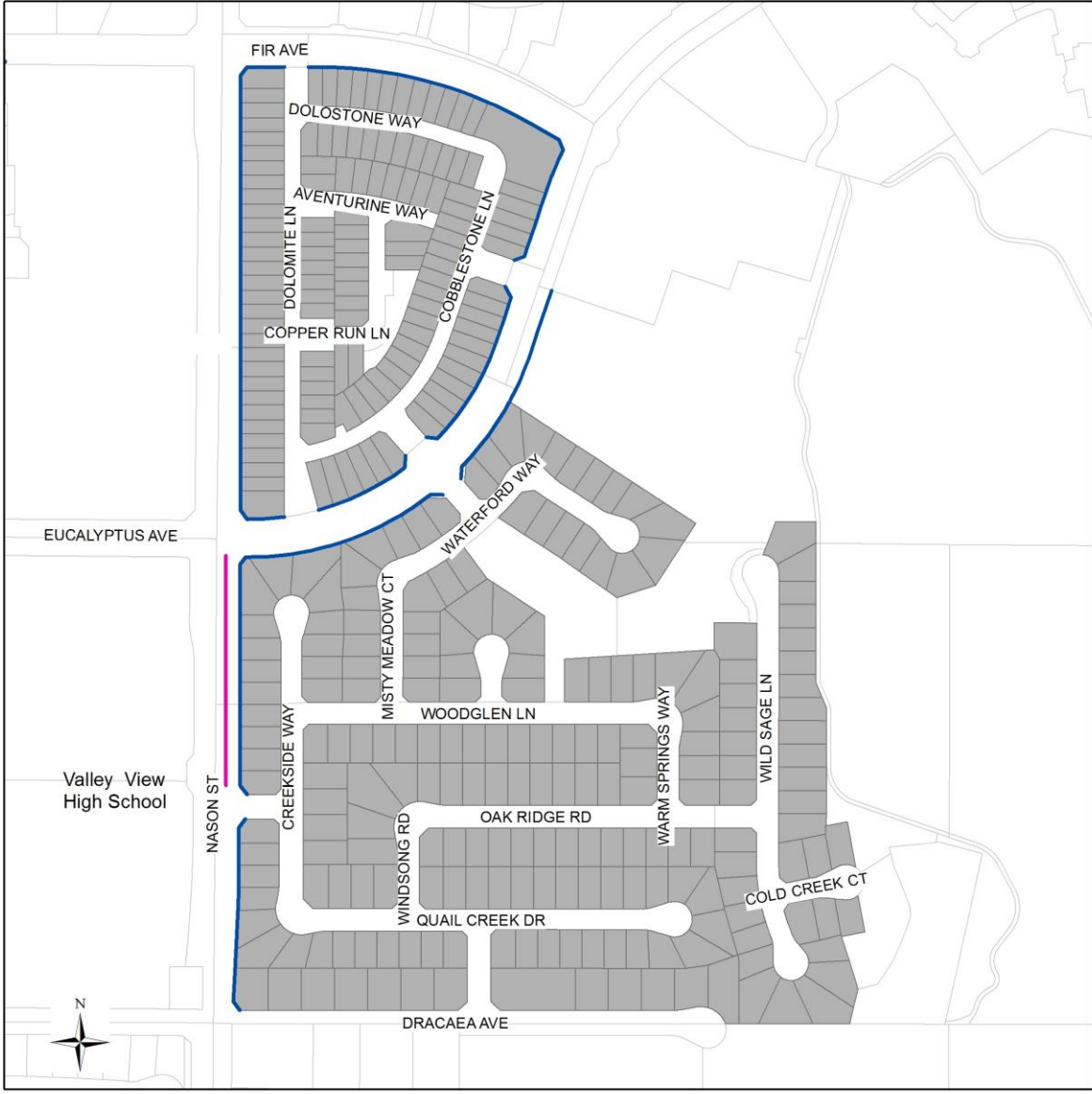
- Landscaped Parkway
- Parcels within the Boundaries of Zone 03A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 04 (Moreno Valley Ranch - East)



- Landscaped Parkway
- Landscaped Medians
- General Fund Maintained Drainage Area
- Parcels within the Boundaries of Zone 04

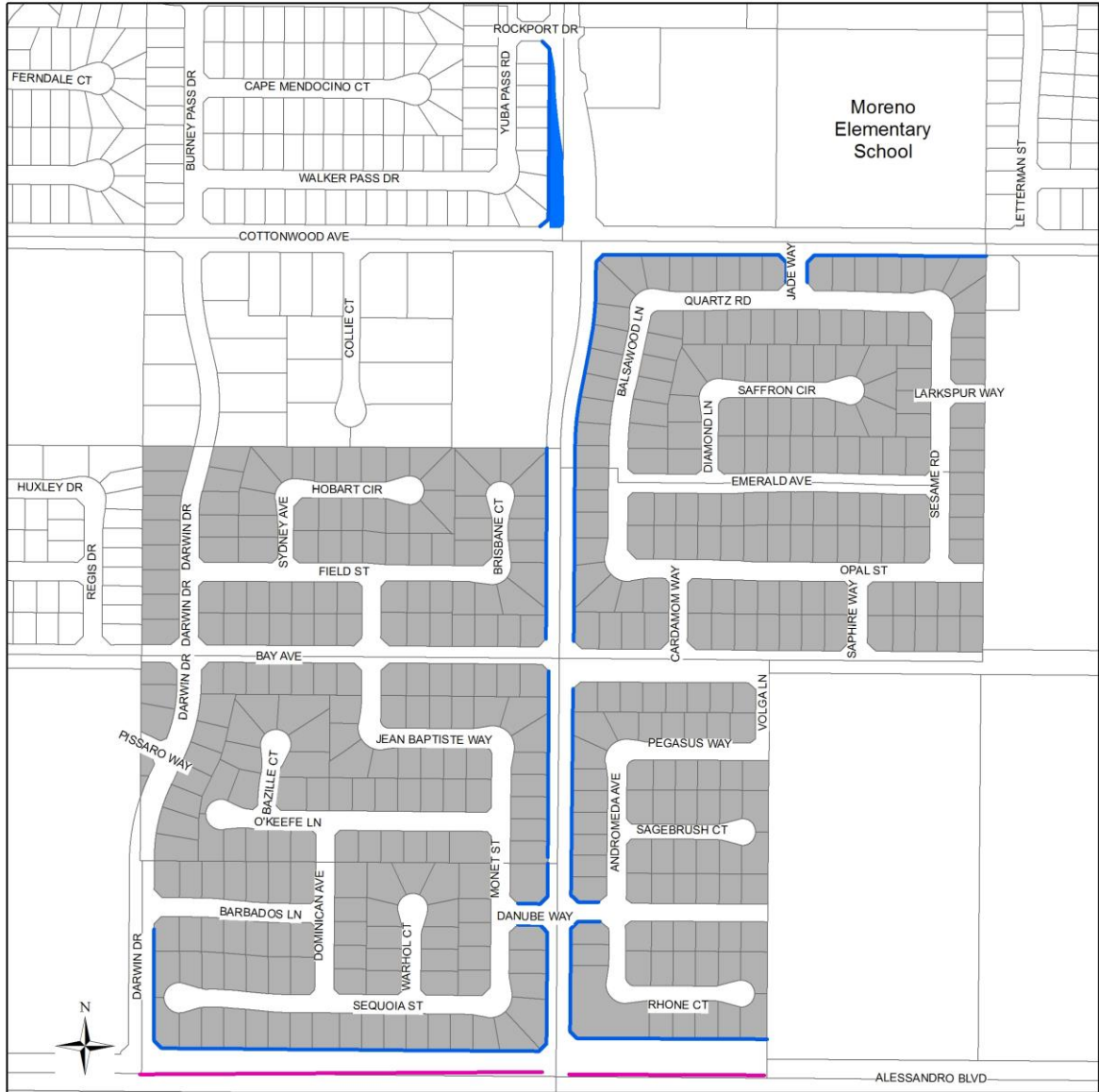
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 05 (Stoneridge Ranch)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 05

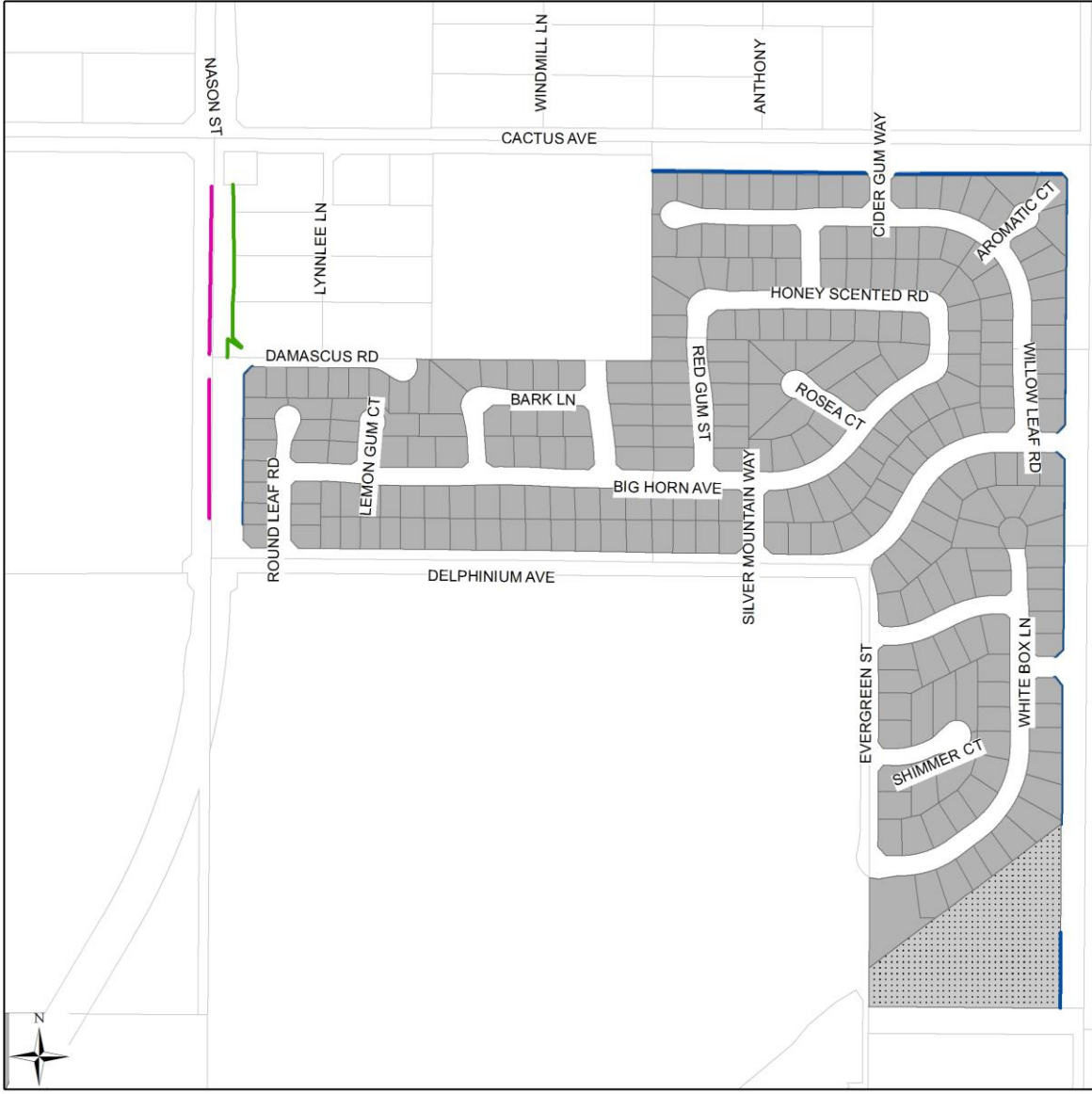
Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 06 (Mahogany Fields)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 06

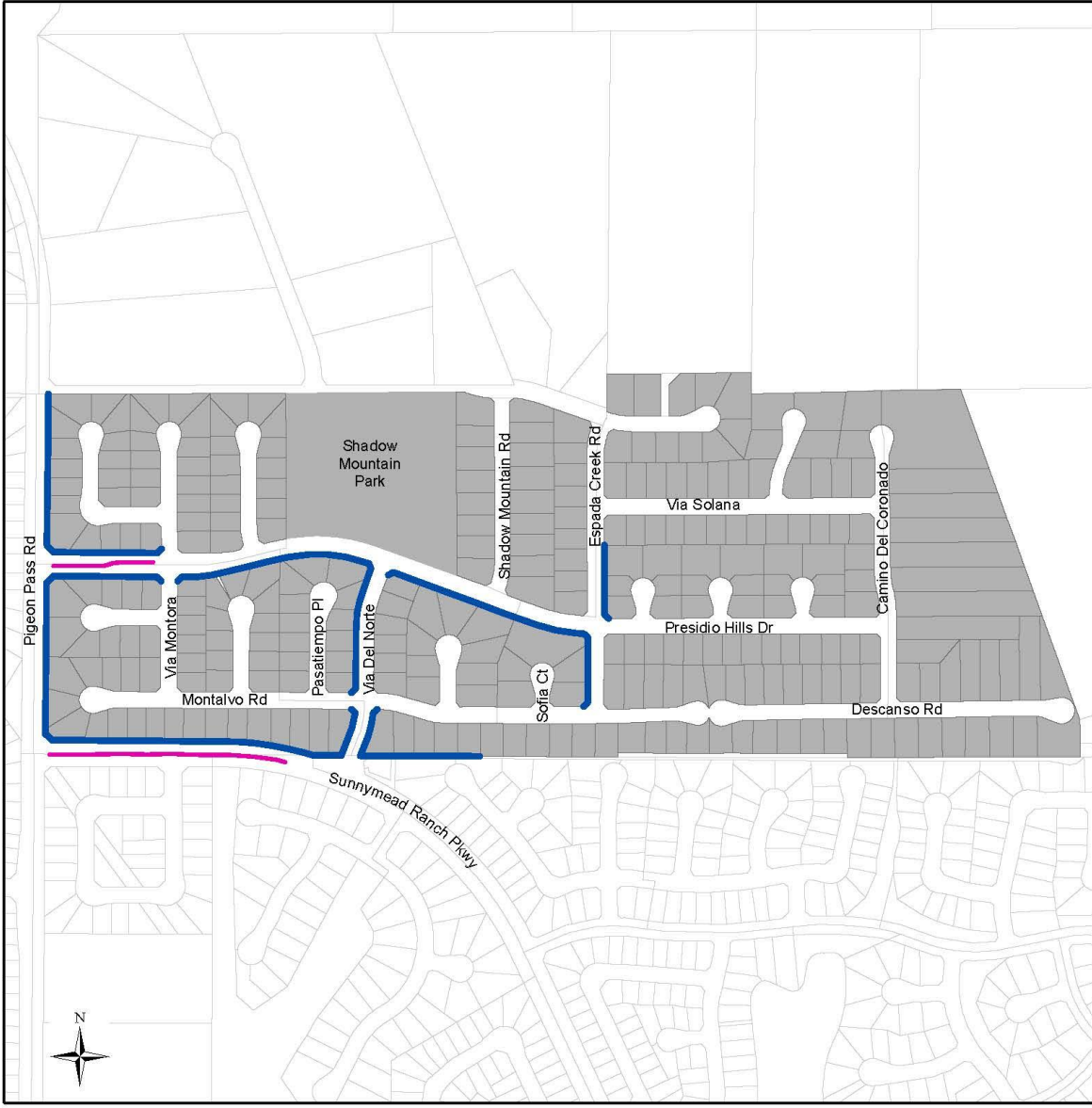
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 07 (Celebration)



- General Fund Maintained Parkway
- Landscaped Parkway
- Landscaped Median
- Future Flood Control Channel
- Parcels within the Boundaries of Zone 07

Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

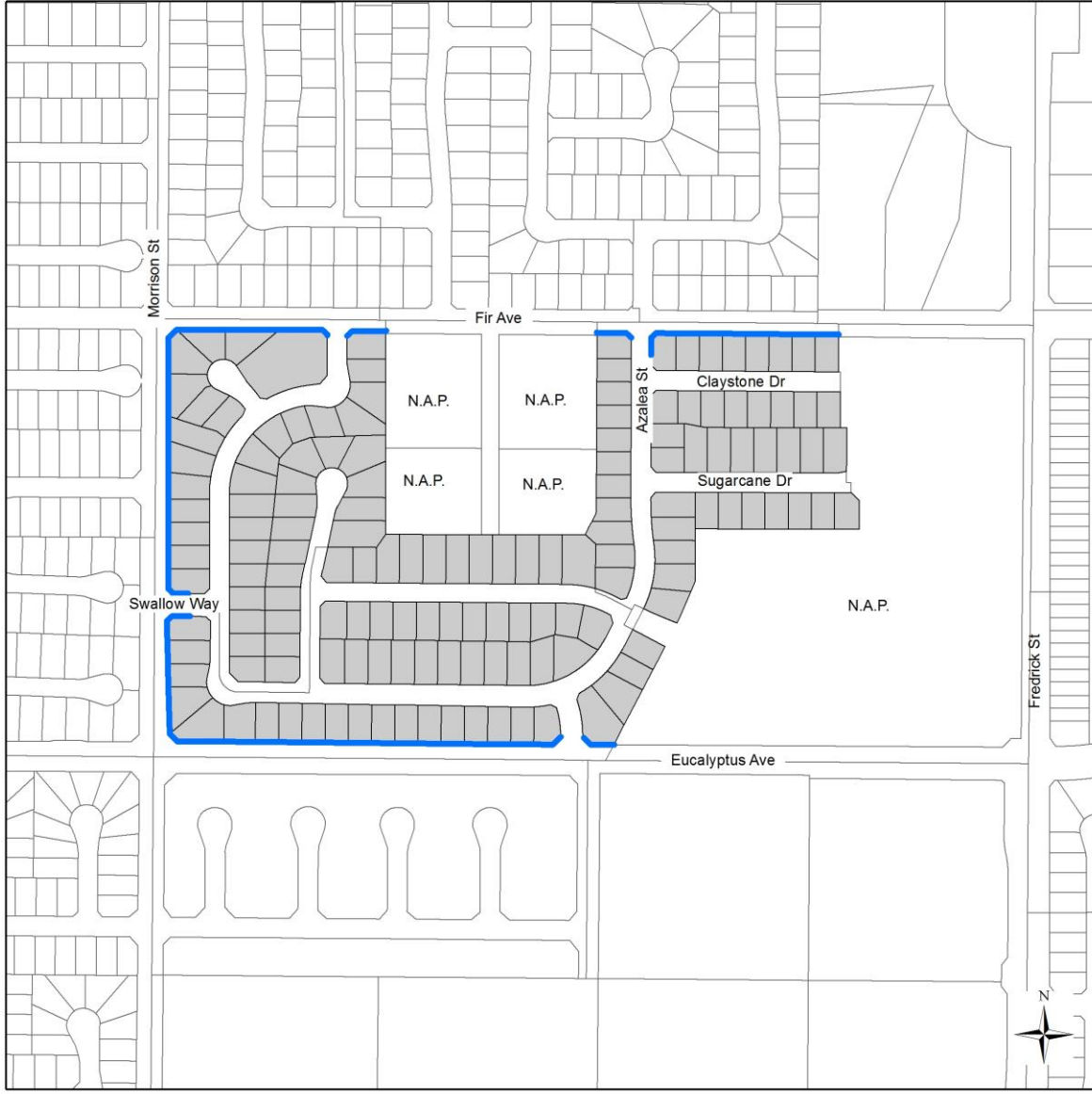
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 08 (Shadow Mountain)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 08

Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 09 (Savannah)



- Proposed Landscaped Parkway
- Parcels within the Boundaries of Zone 09

Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

ART V - ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor’s Office. A listing of the Assessor’s Parcel Numbers (APNs) to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2016/17 has been provided electronically to the Secretary of the CSD Board (City Clerk) due to the number of parcels within the District and by reference this listing of the APNs and corresponding Assessment Amounts to be levied for fiscal year 2016/17 is made part of this Report. The Report can also be found online at the City’s website at www.moval.org/sf. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board. Please note, totals may not match budget due to rounding.

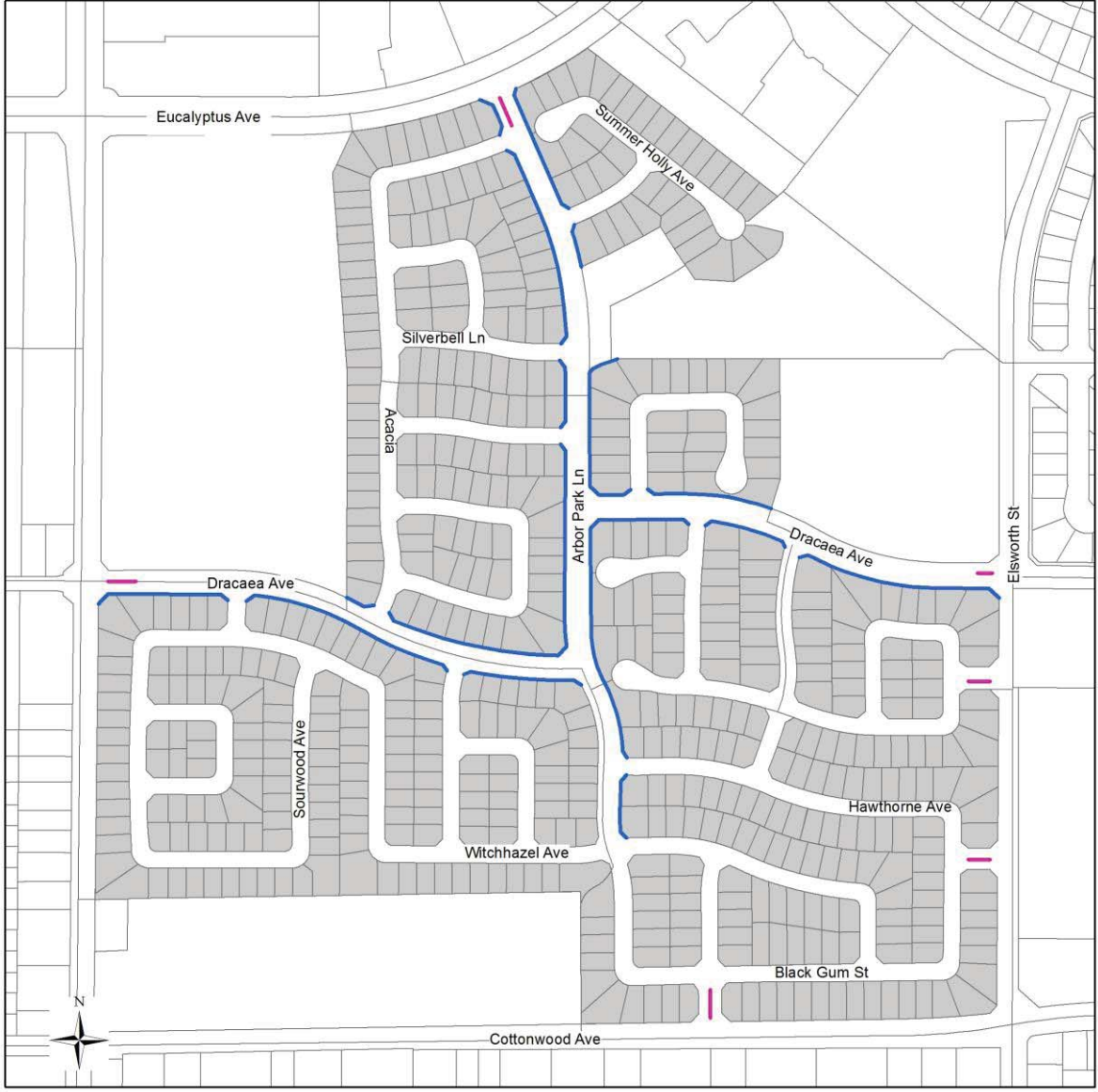
Attachment: FY 2016/17 LMD No. 2014-02 Modified Engineer's Report (Ballot Not Approved Version) (1881 : PUBLIC HEARING TO CONFIRM A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01 (TownGate)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01

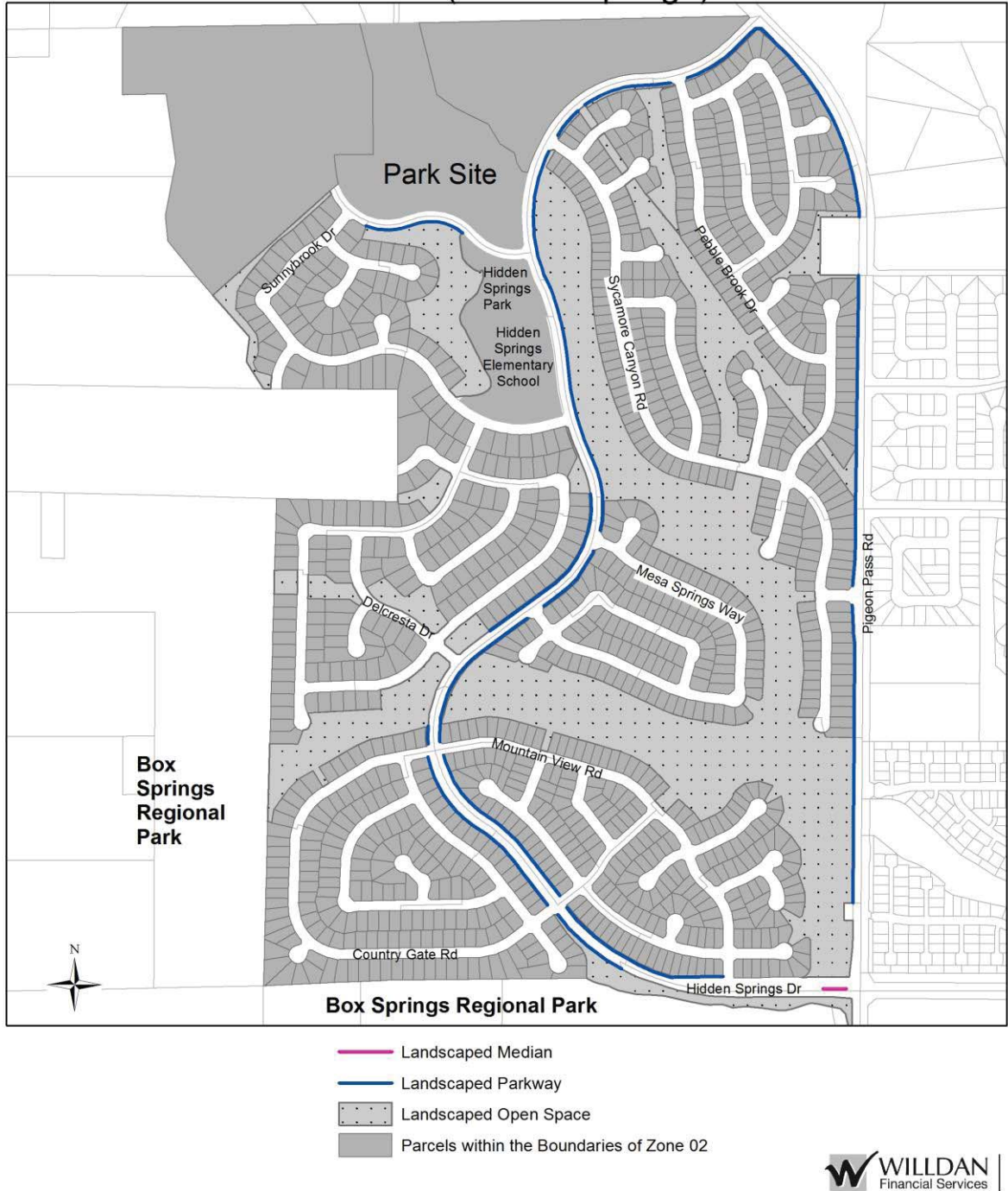
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 01A (Renaissance Park)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 01A

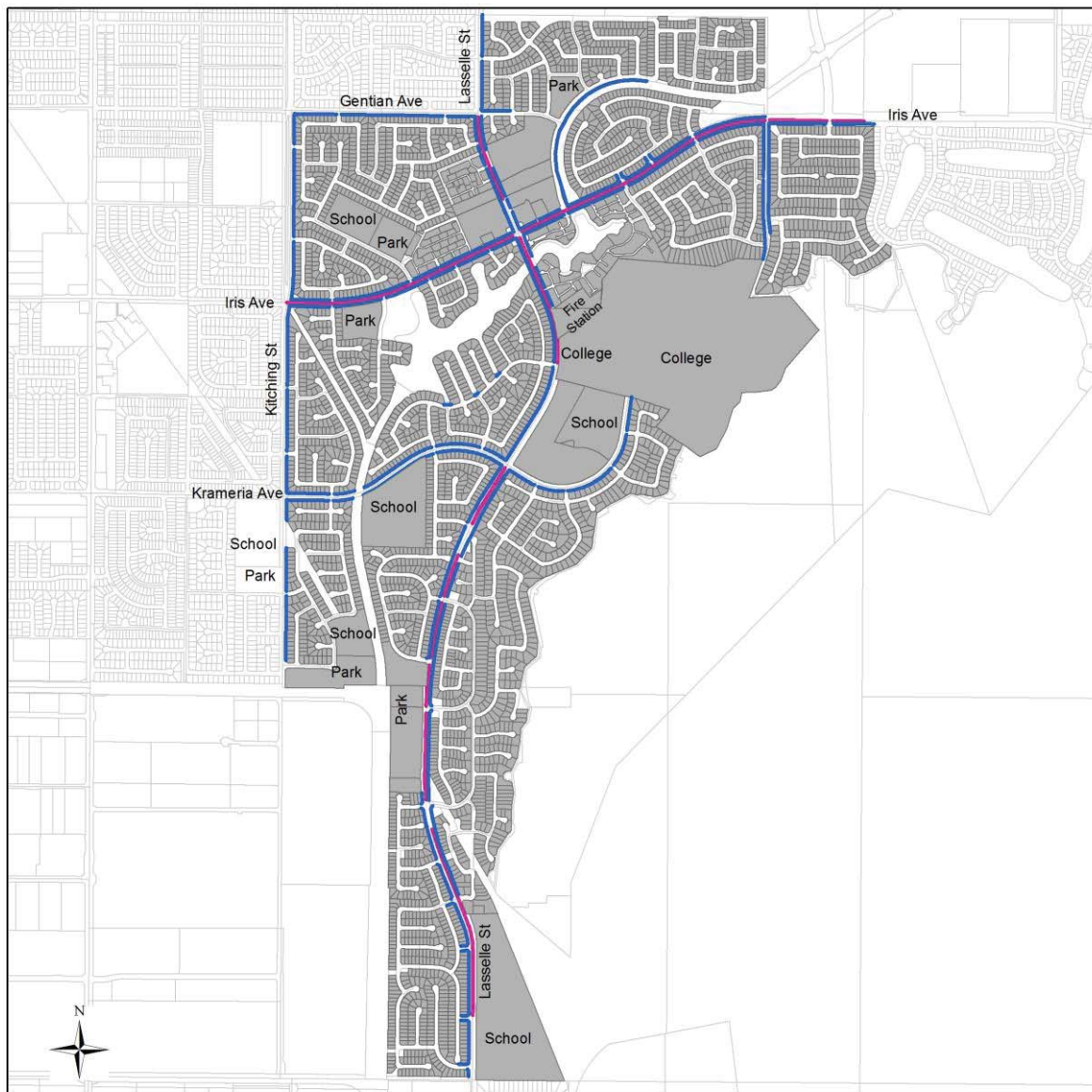
Attachment: LMD No. 2014-02 Maps (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 02 (Hidden Springs)



Attachment: LMD No. 2014-02 Maps (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03 (Moreno Valley Ranch - West)



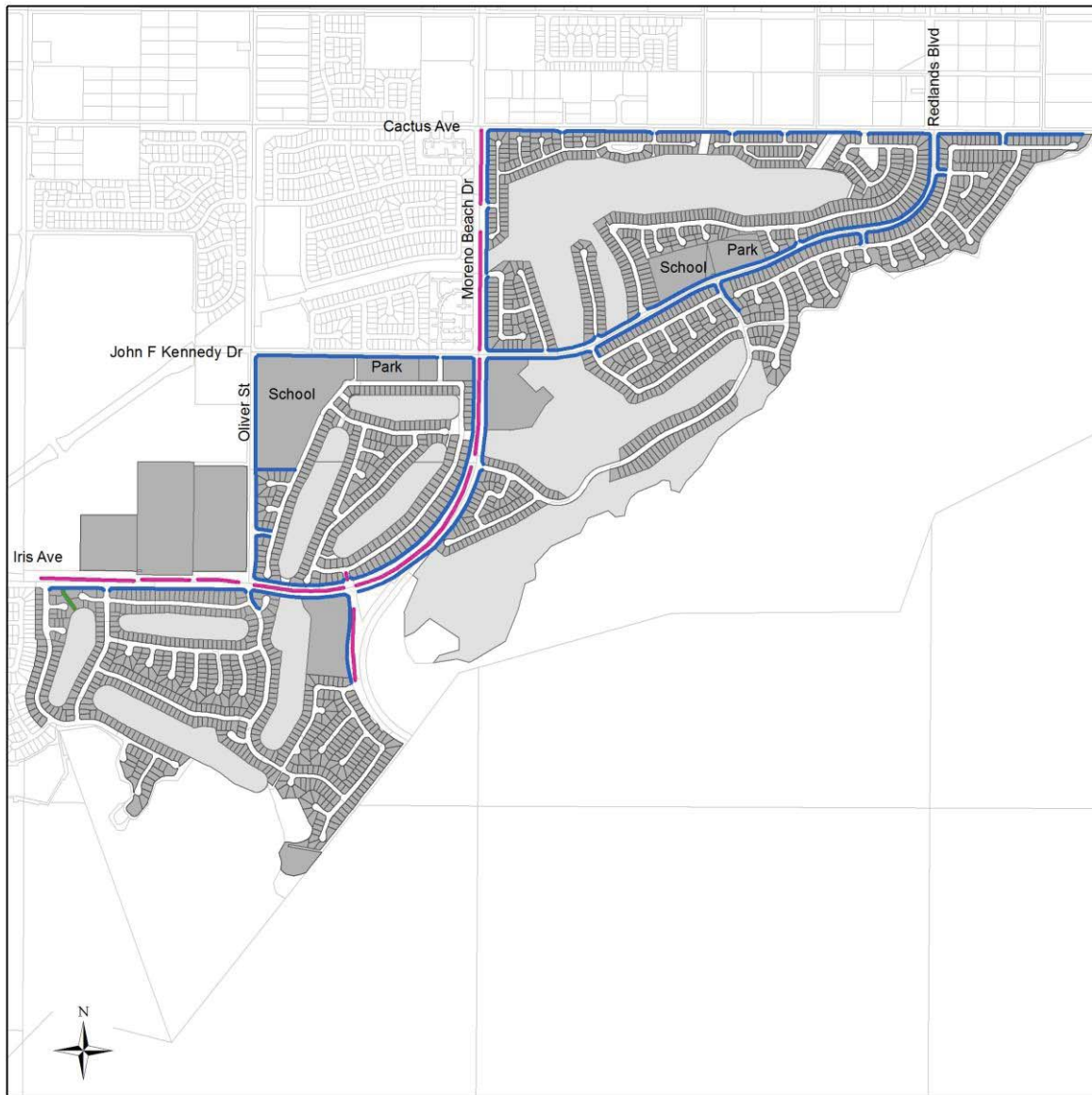
- Landscaped Parkway
- Landscaped Medians
- Parcels within the Boundaries of Zone 03

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 03A (Lasselle Powerline Parkway)



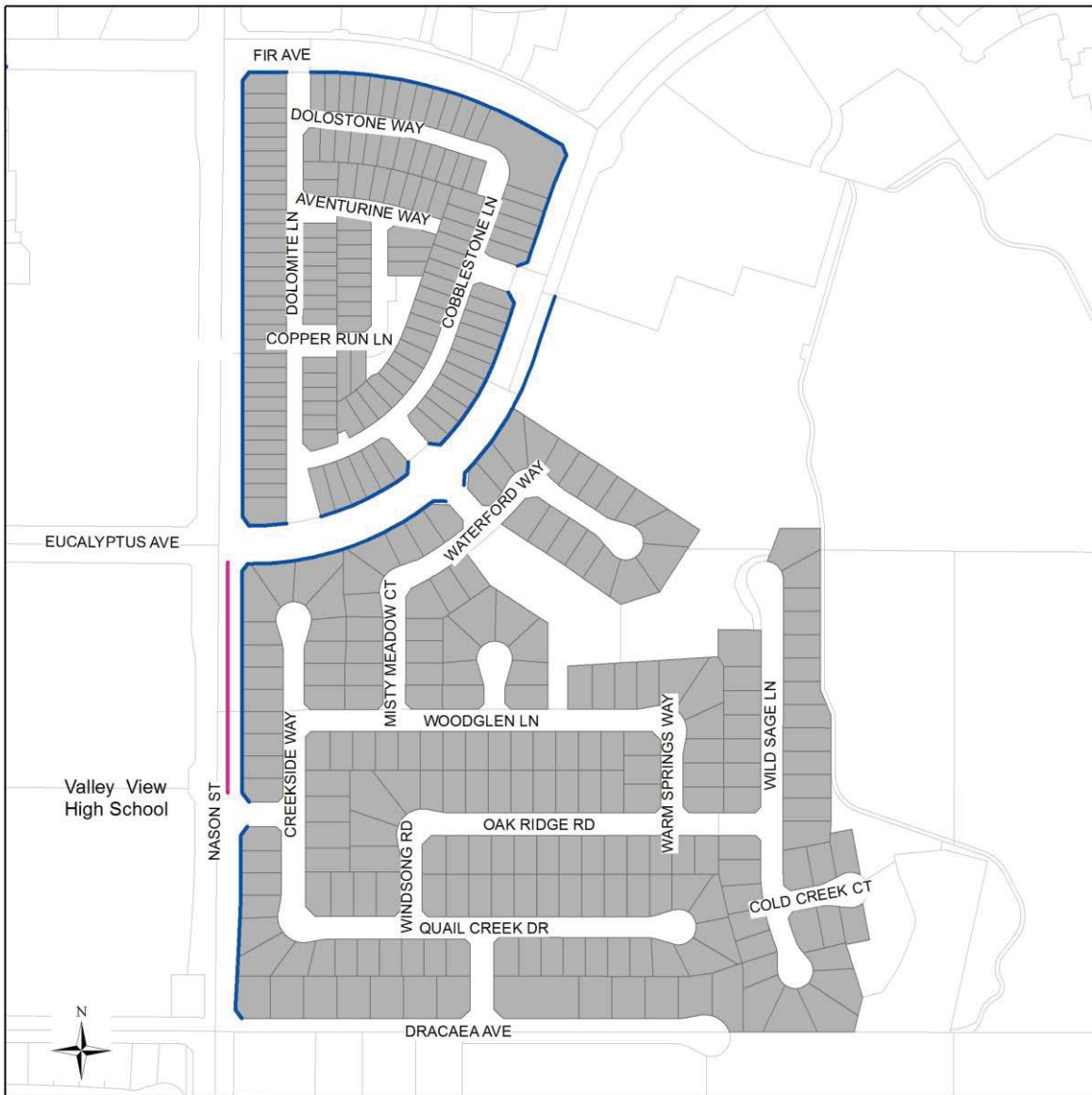
- Landscaped Parkway
- Parcels within the Boundaries of Zone 03A

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 04 (Moreno Valley Ranch - East)



- Landscaped Parkway
- Landscaped Medians
- General Fund Maintained Drainage Area
- Parcels within the Boundaries of Zone 04

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 05 (Stoneridge Ranch)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 05

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 06 (Mahogany Fields)



- Landscaped Parkway
- Landscaped Median
- Parcels within the Boundaries of Zone 06

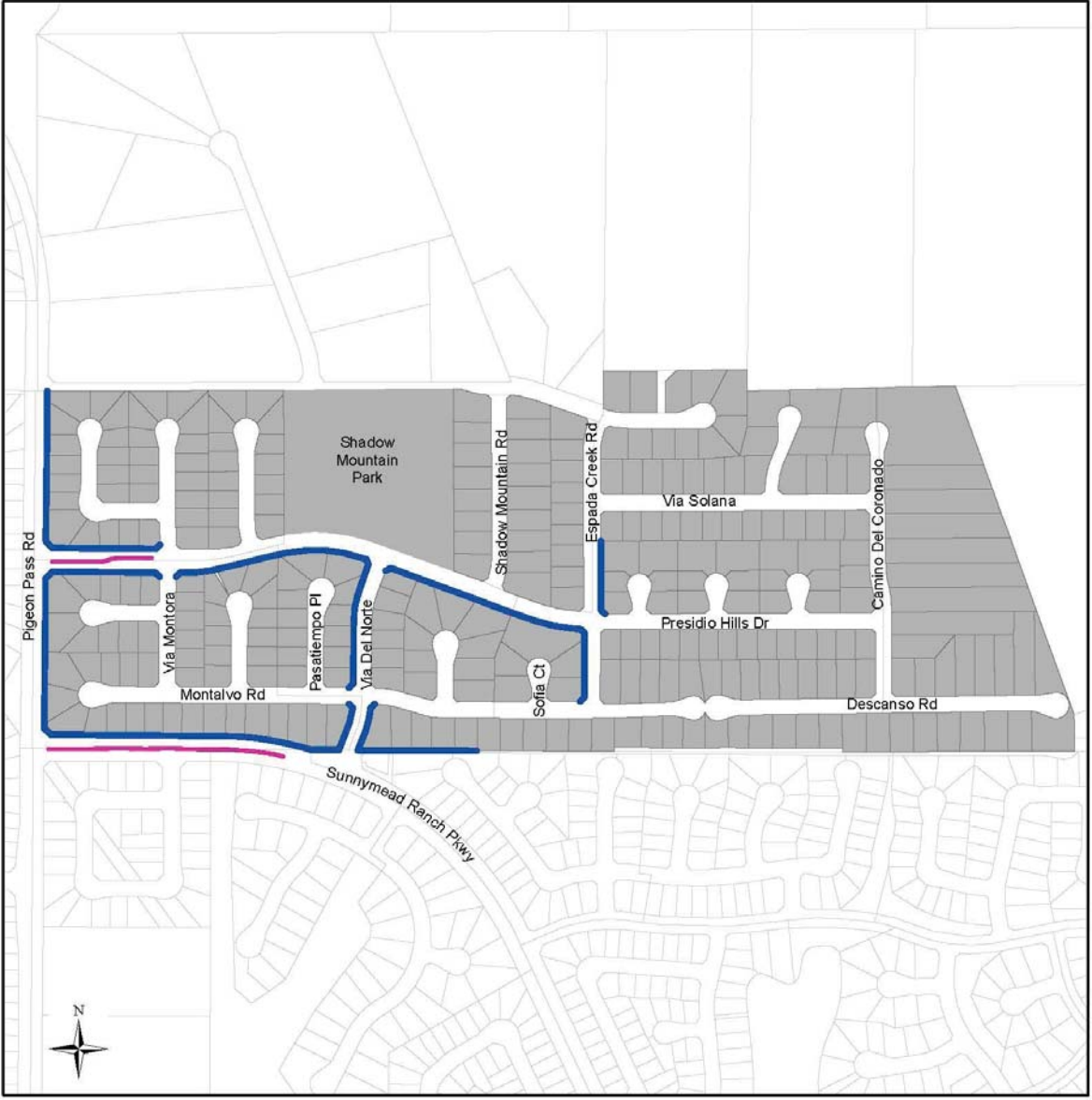
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 07 (Celebration)






- General Fund Maintained Parkway
- Landscaped Parkway
- Landscaped Median
- Future Flood Control Channel
- Parcels within the Boundaries of Zone 07

Attachment: LMD No. 2014-02 Maps (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE

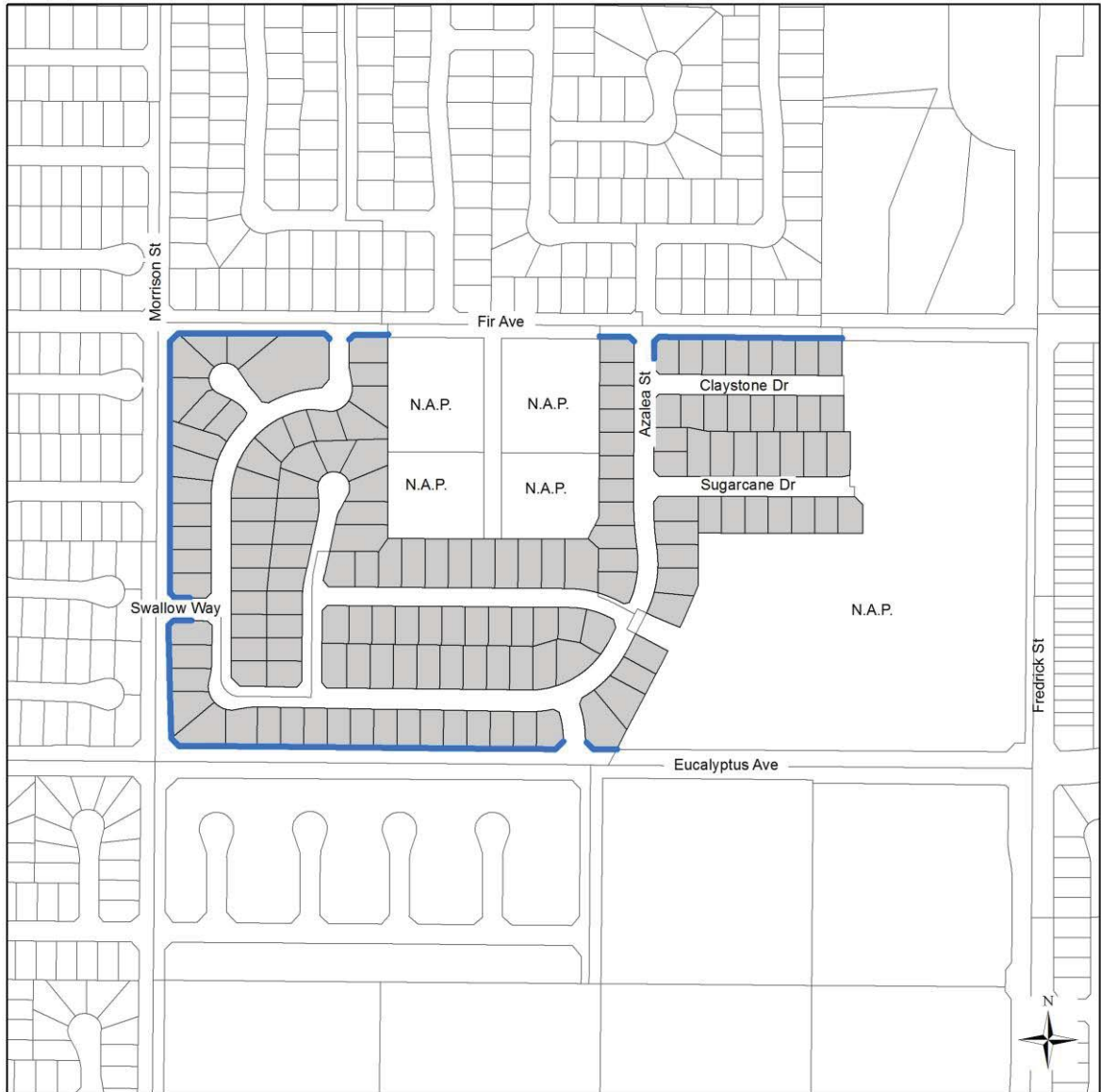
Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 08 (Shadow Mountain)



-  Landscaped Parkway
-  Landscaped Median
-  Parcels within the Boundaries of Zone 08

Attachment: LMD No. 2014-02 Maps (1881 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LANDSCAPE MAINTENANCE

Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 Zone 09 (Savannah)



- Proposed Landscaped Parkway
- ▭ Parcels within the Boundaries of Zone 09



Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING TO CONFIRM A DIAGRAM AND ASSESSMENT FOR LIGHTING MAINTENANCE DISTRICT NO. 2014-01

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct the Public Hearing on the proposed levy of real property assessments for Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
2. Adopt Resolution No. CSD 2016-17. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Confirming a Diagram and Assessment for Fiscal Year 2016/17 in Connection with Moreno Valley Community Services District Lighting Maintenance District No. 2014-01.
3. Authorize the Chief Financial Officer to adjust the assessment levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied assessment does not exceed the maximum assessment, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

SUMMARY

This report recommends the Moreno Valley Community Services District (the "CSD") convene a Public Hearing and consider adoption of the proposed Resolution which confirms the diagram (map) and authorizes the levy of special assessment on the fiscal

year (FY) 2016/17 property tax roll for Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 (“LMD No. 2014-01” or “District”). There are no increases proposed for fiscal year (FY) 2016/17, except for the implementation of inflation adjustments previously approved following a mail ballot proceeding.

Revenue received from the assessment funds, in part, the operation of street lighting within the District. Funds collected for the District are restricted and can only be used for the purposes for which they were collected.

The proposed maximum and applied assessments for FY 2016/17 were reviewed by the Finance Subcommittee during its April 13, 2016 meeting.

DISCUSSION

On May 27, 2014, the CSD adopted its Resolution 2014-08, establishing LMD No. 2014-01. The purpose of the District is to provide ongoing funding for the costs and expenses required to service and maintain residential street lights located within the District. A benefit assessment is levied on the property tax bills of properties located in the District. Funds collected in the District are restricted and can only be used for the purposes for which they were collected. Attachment 3 is a map of the District.

Parcels within the District are grouped into one of three zones based on the special benefit the property receives from the District improvements. The bulk of the parcels in the District are located in either Zone 01 or Zone 02. These zones are defined separately for administrative purposes. Zone 01 includes parcels where the assessment is not subject to an annual inflationary adjustment. Zone 02 includes parcels where the assessment is subject to an annual inflationary adjustment. The level of service is substantially identical in the two zones and the ratio of the number of lights to the number of parcels is substantially the same.

Zone 03 includes the 65 residential parcels in Tract 21958 (immediately north of SR 60 freeway, east of Nason Street, west of Oliver Street). This tract was developed with a substantially lower street light density (street lights are spaced farther apart than those found in Zone 01 and Zone 02). As a result, the parcels in Tract 21958 generally receive less lighting than parcels elsewhere in the District and the per parcel cost of providing street lighting to Tract 21958 parcels is substantially less than the costs of providing the street lighting benefit elsewhere in the District. The breakdown of the zones is detailed in the following table.

| Zones | # of Parcels ¹ | # of Street Lights |
|-----------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------|
| Zone 01 | 32,719 | 7,081 |
| Zone 02 | 7,395 | 1,600 |
| Zone 03 | <u>65</u> | <u>3</u> |
| Total | 40,179 | 8,684 |
| ¹ Number of parcels assessed may differ from number of parcels in District because improvements have not yet been installed. | | |
| Source: FY 2016/17 Assessment Engineer's Report | | |

ANNUAL PROCEEDINGS

The City engages Willdan Financial Services to prepare an Engineer's Report ("Report") each year that describes the proposed assessments for the upcoming year. The Landscaping and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) requires the CSD Board conduct proceedings to approve each year's levy, as described in the Report. The Board must conduct a public hearing to receive public input on the proposed levy.

On May 3, 2016, the CSD Board adopted resolutions to initiate the annual levy approval process, including preparation of the Report. Aside from the implementation of previously adopted annual inflation adjustments, the assessment rates are not proposed to increase from the rates levied in FY 2015/16.

The Report (Attachment 2) includes a detailed description of the existing improvements within the District, the estimated operating costs, the method of assessment apportionment for each lot or parcel within the District boundaries, and a diagram showing the parcels within the zones that make up the District. The Report also describes the special benefit of the street lighting services to the assessed parcel and identifies the parcels subject to the annual assessment. In addition, the Report identifies the general benefit the public receives from the improvements and apportions those costs to the City (see fiscal impact below).

The budget in the Report identifies the number of parcels within the zones that can be assessed and the proposed assessment to levy on the property tax roll. The maximum assessment rates were determined by using the terms approved by the property owners and is the maximum amount the CSD can levy on the property tax roll. They were calculated by applying an inflationary adjustment based off the Consumer Price Index (2.03% for FY 2016/17) to the FY 2015/16 maximum assessment rates, if previously approved by the property owners.

The proposed applied assessment is the amount that is actually levied on the property tax roll. It is the amount necessary to fund the purpose of the District, including administration and reserves, for the upcoming fiscal year. The Report recommends maintaining the FY 2016/17 assessment for Zone 01 and Zone 03 at the FY 2015/16 rates, while increasing the Zone 02 assessment by the property owner authorized

inflationary adjustment (\$0.54/parcel). The proposed assessment roll for the District is available from the City Clerk's office and is also accessible from the Special Districts Division's webpage (www.moval.org/sf). Below is a summary of the FY 2016/17 proposed assessment rates:

| Proposed FY 2016/17 Assessment Rates | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|------------------|----------------------|------------------|-----------------------------------|------------------------|-------------------------------|--------------------------|
| Zones | # of Parcels ¹ | 2015/16 Max Rate | 2015/16 Applied Rate | 2016/17 Max Rate | 2016/17 Applied Rate ² | Change in Applied Rate | Annual Adjustment to Max Rate | Total Assessment Revenue |
| Zone 01 | 32719 | \$ 23.00 | \$ 23.00 | \$ 23.00 | \$ 23.00 | \$ - | 0.00% | \$752,238.00 |
| Zone 02 ² | 7,194 | \$ 26.23 | \$ 26.22 | \$ 26.76 | \$ 26.76 | \$ 0.54 | 2.03% | \$192,511.44 |
| Zone 03 | 65 | \$ 6.00 | \$ 6.00 | \$ 6.00 | \$ 6.00 | \$ - | 0.00% | \$ 390.00 |
| Total Projected Assessment Revenue | | | | | | | | \$945,139.44 |
| ¹ FY 2016/17 Number of parcels assessed may differ from number of parcels in District because improvements have not yet been installed. | | | | | | | | |
| ² Property owner approved inflationary adjustment based on percentage change calculated for the prior year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index, as published by the Department of Labor's Bureau of Labor Statistics. 2.03% (for FY 2016/17) applied to FY 2015/16 maximum rate of \$26.22 to determine FY 2016/17 maximum rate of \$26.76. | | | | | | | | |

Projected revenue from the assessments alone is insufficient to fund the operation of the District. In addition, to the general benefit cost, the Report recommends, and the City's FY 2016/17 Adopted Budget includes, a general fund contribution (as detailed in the fiscal impact section below) to continue providing the services of the District.

The Finance Subcommittee reviewed the proposed maximum and applied assessments during its April 13, 2016 meeting and directed staff to calendar the item for the Public Hearing and CSD Board consideration.

ALTERNATIVES

1. Conduct the Public Hearing and adopt the resolution confirming the assessment for FY 2016/17. *Staff recommends this alternative as it will allow for collection of revenue to support the program established by the District.*
2. Conduct the Public Hearing and do not adopt the resolution confirming the assessment for FY 2016/17. *Staff does not recommend this alternative as it will leave the City without sufficient funding to support the services the District was created to provide.*
3. Open the Public Hearing but continue consideration of the assessment to a future City Council meeting. *Staff does not recommend this alternative as it may prevent the City from meeting the County of Riverside's submission deadline for inclusion on the 2016/17 property tax bills without incurring additional costs.*

FISCAL IMPACT

For FY 2016/17, the total projected expenditures for the District is \$1,795,108.00. Of this amount, \$945,139.44 is anticipated to be received from the property assessments. The balance is proposed to be funded from other revenue sources to the District (e.g. property tax revenues, advanced energy fees for new installations, etc.), fund balance,

and the General Fund. The General Fund contribution is made up of the General Benefit cost (\$35,902.00) and a General Fund subsidy (\$464,098.00), totaling \$500,000.00 for the benefit of the District. These amounts are included within the City's FY 2016/17 Adopted Budget.

Third party costs associated with the annual levy approval process and preparation of the Report for LMD No. 2014-01 are projected not to exceed \$8,700.00. Third party services include an assessment engineer consultant, special legal counsel, and publication of a legal notice. These costs are included within LMD No. 2014-01 fund (5012.70.79.25703) of the City's FY 2016/17 Adopted Budget.

NOTIFICATION

The Public Hearing notice was published in The Press-Enterprise on Thursday, June 2nd in compliance with Streets & Highways Code Section 22626.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Resolution Confirming the Diagram and Assessments for LMD No. 2014-01 for FY 2016/17
2. FY 16/17 Assessment Engineer's Report for LMD No. 2014-01
3. LMD No. 2014-01 Map

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/03/16 2:21 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 9:43 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:04 PM |

LMD 2014-01
68-4272

RESOLUTION NO. CSD 2016-17

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, CONFIRMING A DIAGRAM AND ASSESSMENT FOR FISCAL YEAR 2016/17 IN CONNECTION WITH MORENO VALLEY COMMUNITY SERVICES DISTRICT LIGHTING MAINTENANCE DISTRICT NO. 2014-01

WHEREAS, pursuant to Government Code Section 61122(e), the Moreno Valley Community Services District (the "CSD") is authorized to levy benefit assessments for operations and maintenance pursuant to the Landscaping and Lighting Assessment Act of 1972 (Streets & Highways Code Section 22500 *et seq.*) (the "Act"); and

WHEREAS, by its Resolution No. CSD 2014-08, adopted on May 27, 2014, the Board of Directors, pursuant to the Act, established the Moreno Valley Community Services District Lighting Maintenance District No. 2014-01 (the "Assessment District") to fund street lighting services through the levy of an annual assessment against real property; and

WHEREAS, by its Resolution No. CSD 2016-04, adopted on May 3, 2016, the Board of Directors initiated proceedings to levy the Fiscal Year 2016/17 assessment against real property in the Assessment District and directed Willdan Financial Services, as assessment engineer, (the "Assessment Engineer") to prepare and file a report pursuant to Section 22565 *et seq.* of the Act with respect to said levy; and

WHEREAS, the Assessment Engineer has prepared and filed with the Secretary of the CSD a report entitled "Moreno Valley Community Services District Lighting Maintenance District No. 2014-01, 2016/17 Engineer's Report" (the "Report"), which is on file in the Office of the Secretary of the CSD (the Office of the City Clerk of the City of Moreno Valley), is available for public inspection, and is incorporated herein by reference; and

WHEREAS, by its Resolution No. CSD 2016-05, adopted on May 3, 2016, the Board of Directors approved the Report as filed; and

WHEREAS, by its Resolution No. CSD 2016-06, adopted on May 3, 2016, the Board of Directors declared its intention to levy an assessment against real property in the Assessment District for Fiscal Year 2016/17 and scheduled a public hearing (the "Public Hearing") regarding that levy for June 21, 2016 at 6:00 PM or as soon thereafter as practical, in the City Council Chamber located at 14177 Frederick Street, Moreno Valley, California 92553; and

1
Resolution No. CSD 2016-17
Date Adopted: June 21, 2016

WHEREAS, notice of the Public Hearing was published in the manner set forth in Section 22626(a) of the Act; and

WHEREAS, at the appointed time and place, the Board of Directors held the Public Hearing; and

WHEREAS, at the Public Hearing, all interested persons were afforded the opportunity to hear and be heard and there was no majority protest; and

WHEREAS, having considered all oral statements and all written protests made or filed at the Public Hearing, the Board of Directors desires to levy the proposed assessment for Fiscal Year 2016/17.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. Recitals. The above recitals are all true and correct.
2. Assessment. The diagram and assessment incorporated into the Report is hereby confirmed. This action constitutes the levy of the assessment for Fiscal Year 2016/17. Staff is directed to transmit the assessment to the Riverside County Auditor and to cause the assessment to be collected at the same time and in the same manner as county taxes are collected.
3. Effective Date. This Resolution shall be effective immediately upon adoption.
4. Certification. The City Clerk shall certify to the adoption of this Resolution, and shall maintain on file as a public record this Resolution.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley,
 Acting in the capacity of President of the
 Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity
 of Secretary of the Moreno Valley
 Community Services District

2
 Resolution No. CSD 2016-17
 Date Adopted: June 21, 2016

Attachment: Resolution Confirming the Diagram and Assessments for LMD No. 2014-01 for FY 2016/17 [Revision 2] (1880 : PUBLIC HEARING

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-17
Date Adopted: June 21, 2016

Attachment: Resolution Confirming the Diagram and Assessments for LMD No. 2014-01 for FY 2016/17 [Revision 2] (1880 : PUBLIC HEARING

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-17 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

4
Resolution No. CSD 2016-17
Date Adopted: June 21, 2016

Attachment: Resolution Confirming the Diagram and Assessments for LMD No. 2014-01 for FY 2016/17 [Revision 2] (1880 : PUBLIC HEARING



Moreno Valley Community Services District

Lighting Maintenance District No. 2014-01

2016/17 ENGINEER'S REPORT

Intent Meeting: May 3, 2016

Public Hearing: June 21, 2016

MORENO VALLEY COMMUNITY SERVICES DISTRICT
14177 FREDERICK STREET
MORENO VALLEY, CA 92553

951.413.3480

27368 Via Industria
Suite 200
Temecula, CA 92590
T 951.587.3500 | 800.755.6864
F 951.587.3510



ANNUAL ENGINEER'S REPORT STATEMENT

Fiscal Year 2016/17

Moreno Valley Community Services District

Lighting Maintenance District No. 2014-01

As part of the Resolution of Intention packet presented for the consideration of the Moreno Valley Community Services District Board of Directors, this Report describes the proposed Assessments to be levied on parcels within the Lighting Maintenance District 2014-01 for fiscal year 2016/17, including the budget and basis of the assessments. Reference is hereby made to the Riverside County Assessor's Maps for a detailed description of the lines and dimensions of parcels subject to the proposed assessment. The undersigned respectfully submits the enclosed Report as directed by the Moreno Valley Community Services District Board of Directors.

Dated this 21st day of June, 2016

Willdan Financial Services
Assessment Engineer
On Behalf of the Moreno Valley Community Services District

By: Jim McGuire
Jim McGuire, Principal Consultant

By: Richard Kopecky
Richard Kopecky

R. C. E. # 16742



Attachment: FY 16/17 Assessment Engineer's Report for LMD No. 2014-01 (1880 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND

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INTRODUCTION

The Moreno Valley Community Services District (CSD) was established pursuant to the Community Services District Law (California Government Code Section 61000 et seq.) (“CSD Law”) in 1984 at the time of the incorporation of the City of Moreno Valley. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City.

Prior to the City’s incorporation, the territory that would become the City of Moreno Valley was an unincorporated territory of Riverside County. The County had created County Service Areas (CSAs) to fund and provide certain enhanced services in this territory. The CSD was created so that responsibility for these funding mechanisms (and services) within the territory of the City of Moreno Valley could be transitioned from CSAs governed by the Riverside County Board of Supervisors to a CSD governed by the Moreno Valley City Council.

The CSD is comprised of a number of Zones, each of which provides a specific set of services within a defined portion of the City. Zone B of the CSD was established and responsible for providing residential street lighting in certain residential subdivisions. These street lighting services were funded through a charge on the annual property tax roll to parcels served by the street lighting.

In November, 1996, the voters of California adopted Proposition 218, which has been codified as Articles XIII C and XIII D of the California Constitution. Proposition 218 imposed a number of substantive and procedural requirements on taxes, assessments, and property-related fees imposed by local governments in California. Although referred by the CSD as “charges”, the charges imposed by Zone B of the CSD were categorized under Proposition 218 as real-property assessments.

Street lighting is a maintenance and operation expense for sidewalks and streets. Consequently, the Zone B charges imposed prior to November 5, 1996 were “grandfathered” under Article XIII D, Section 5(a) of the Constitution, which permitted the continuation of assessments existing prior to the effective date of Proposition 218 so long as those assessments were imposed exclusively to finance the capital costs or maintenance and operation expenses for sidewalks, streets, sewers, water, flood control, drainage systems or vector control. These grandfathered Zone B charges continued to be levied annually by the CSD without additional property-owner approval.

Since the adoption of Proposition 218, territories (and associated street lights) were added to CSD Zone B. When this occurred, the CSD conducted a mail ballot assessment proceeding with respect to the levy of the Zone B charges as required by Article XIII D, Section 4(e) of the Constitution. Beginning in December, 1999, the CSD’s practice when balloting for Zone B charges in new territory, was generally to present the charge with an incorporated automatic inflation adjustment. This was not done for the “grandfathered” territory nor much of the territory added to Zone B between November, 1996 and December, 1999. Therefore, in some parts of CSD Zone B, the charge was imposed annually at a level rate, whereas in other parts of Zone B, the maximum charge was increased each year based on inflation.

In May 2014, the Moreno Valley Community Services District, formed Lighting Maintenance District No. 2014-01 (“District”), pursuant to the Landscaping and Lighting Act of 1972 (California Streets and Highways Code Section 22500 et seq.) (the “1972 Act”) replacing the previous CSD

Zone B. Parcels that had been charged an annual Zone B charge for street lighting services are instead assessed an annual assessment for those services as part of Lighting Maintenance District No. 2014-01 as real property assessments with a procedural device designed for the levy of such assessments. This transition did not increase the amount paid annually by any property owner and did not change the nature or extent of the street lighting services provided. The assessments levied in connection with the assessment district, in every way serves as a continuation of the charges levied in connection with Zone B.

Each fiscal year, an Engineer's Report ("Report") is prepared and presented to the CSD Board describing the District, any changes to the District or improvements, and the proposed budget and assessments for that fiscal year. The CSD Board holds a public hearing regarding these matters prior to approving and ordering the proposed levy of assessments for that fiscal year, and the public hearing is noticed pursuant to the 1972 Act if new or increased assessments are not proposed. If, in any year, the proposed annual assessments for the District exceed the maximum assessments previously approved in a Proposition 218 proceeding (or grandfathered under Proposition 218), such an assessment would be considered a new or increased assessment and be confirmed through a mailed property owner protest ballot proceeding before that new or increased assessment may be imposed.

This Report shall serve as the detailed Engineer's Report for fiscal year 2016/17 regarding Lighting Maintenance District No. 2014-01 and the proposed assessments to be levied on the properties therein to provide ongoing funding for the costs and expenses required to service and maintain lighting improvements associated with and resulting from development of properties within the District, in accordance with the proportional special benefits the properties receive from the improvements.

The improvements, the method of apportionment, and special benefit assessments described in this Report are based on the improvements and development of properties within the District and represent an estimate of the direct expenditures and incidental expenses that will be necessary to maintain, service, and operate such improvements for fiscal year 2016/17. The improvements to be maintained in connection with the development of properties within the District and described herein are based on the development plans and specifications for the properties in the District and by reference these plans and specifications are made part of this Report.

The word "parcel," for the purposes of this Report, refers to an individual property assigned its own Assessor's Parcel Number (APN) by the Riverside County Assessor's Office. The Riverside County Auditor/Controller uses Assessor's Parcel Numbers and a dedicated fund number established for the District to identify properties to be assessed on the tax roll and the allocation of the funds collected.

This Report consists of five (5) parts:

Part I

Plans and Specifications: A description of the District boundaries and the improvements associated with the District. The District has three zones of benefit (hereafter referred to as “Zones”), which are described in more detail in this section of the Report as well as Part II (Method of Apportionment). A diagram showing the exterior boundaries of the District and the Zones established therein is attached and incorporated herein under Part IV (District Diagram). The plans for the street light installations are on file with the Public Works Department.

Part II

Method of Apportionment: A discussion of the general and special benefits associated with the overall street lighting improvements provided within the District (Proposition 218 Benefit Analysis). This Part also includes a determination of the proportional costs of the special benefits and a separation of costs considered to be of general benefit (and therefore not assessed). This section of the Report also outlines the method of calculating each property’s proportional special benefit and annual assessment utilizing a weighted benefit of apportionment known as an Equivalent Benefit Unit.

Part III

Estimate of Improvement Costs: An estimate of the annual funding required for the annual maintenance, servicing, and operation of street lighting improvements within the District and specifically the costs associated with the improvements determined to be of special benefit to parcels within the District. The budget identifies an estimate of anticipated annual expenses to service, maintain, and operate existing street lighting improvements within the District for fiscal year 2016/17 including, but not limited to, servicing of the street lights and related facilities, energy costs, and related incidental expenses authorized by the 1972 Act. The budget also identifies the maximum assessment rate for each Zone of the District and the associated assessment range formula (inflationary adjust), as applicable.

Part IV

District Diagram: A diagram showing the boundaries of the District and the Zones therein is provided in this Report and includes all parcels that receive special benefits from the improvements. Parcel identification, the lines and dimensions of each lot, parcel and subdivision of land within the District, are inclusive of all parcels as shown on the Riverside County Assessor’s Parcel Maps as they existed at the time this Report was prepared and shall include all subsequent subdivisions, lot-line adjustments or parcel changes therein. Reference is hereby made to the Riverside County Assessor’s maps for a detailed description of the lines and dimensions of each lot and parcel of land within the District.

Part V

Assessment Roll: A listing of the proposed assessment amount for each parcel within the District. The proposed assessment amount for each parcel is based on the parcel's calculated proportional special benefit as outlined in the method of apportionment and proposed assessment rate established in the District Budget. These assessment amounts represent the assessments proposed to be levied and collected on the County Tax Rolls for fiscal year 2016/17.

PART I - PLANS AND SPECIFICATIONS

DESCRIPTION OF THE DISTRICT

The territory within the District consists of all lots and parcels of land that receive special benefits from the street light improvements funded by the District assessments. The boundaries of the District are comprised of three benefit zones ("Zones"). Parcels within the District are identified and grouped into one of the three designated Zones based on the special benefits properties receive from the District improvements and the authorized maximum assessments established. The three Zones within the District and the benefits associated with the properties therein are described in more detail in Part II (Method of Apportionment) of this Report. In addition, the District Diagram in Part IV of the Report provides a visual representation of the District showing the boundaries of the District Zones.

DISTRICT FACILITIES AND IMPROVEMENTS

The street lights funded by the District are primarily low-intensity residential street lights located within the District, generally provided via 9,500-lumen lights (8,260 of the total lights) spaced approximately every 125 feet within a subdivision, but also includes some lights with lesser lumens (approximately 314 lights) and some with greater lumens (approximately 110 lights). Generally, high-intensity lights outside the subdivisions (which are typically 22,000 lumen lights and greater) are funded through other revenue sources and not part of the District assessments.

The maintenance, operation, and servicing of the District lighting improvements generally include the furnishing of labor, materials, equipment and electricity for the ordinary and usual maintenance, operation, and servicing of street lights within the public right-of-ways and easements dedicated to the City. These activities include, but are not limited to:

- Furnishing of electric current or other illuminating agent.
- Maintenance, repair, and replacement of light poles and fixtures, including changing light bulbs, painting, photoelectric sell repair or replacement, and repairing damage cause by accidents, vandalism, time, and weather.
- Electrical conduit and pull-box repair and replacement due to damage by construction and weather.
- Monitoring of the Underground Service Alert (USA) network, identification of proposed excavation in the vicinity of lighting electrical conduits, and marking the location of those underground conduits in the field to prevent damage by excavation.
- Service, maintenance, repair, and replacement including replacing worn out electrical components and repairing damage due to accidents, vandalism, and weather.
- Periodic repair and rehabilitation of the street lighting system including replacement of old equipment with new or reconditioned equipment; and repair, removal or replacement of related equipment as required including but not limited to lighting fixtures, poles, meters, conduits, electrical cable and relocation of street light facilities as necessary including the purchase and installation of related equipment and facilities.

- Street light inventory database, pole numbering, and mapping to establish the number of street lights that must be maintained, as well as the condition and location of these street lights as part of an effective maintenance program.
- Responding to citizens and Council member inquiries and complaints regarding street lighting.

PART II - METHOD OF APPORTIONMENT

The 1972 Act permits the establishment of assessment districts by agencies for the purpose of providing certain public improvements, including the acquisition, construction, installation, and servicing of street lighting improvements and related facilities. The 1972 Act requires that the cost of these improvements be levied according to benefit rather than assessed value:

“The net amount to be assessed upon lands within an assessment district may be apportioned by any formula or method which fairly distributes the net amount among all assessable lots or parcels in proportion to the estimated benefits to be received by each such lot or parcel from the improvements.”

The formulas used for calculating assessments reflect the composition of parcels within the District (which are all residential properties) and the improvements and activities to be provided, and have been designed to fairly apportion costs based on a determination of the proportional special benefits to each parcel, consistent with the requirements of the 1972 Act and the provisions of Proposition 218 and Article XIII D of the California Constitution.

PROPOSITION 218 BENEFIT ANALYSIS

The costs of the proposed improvements for fiscal year 2016/17 have been identified and allocated to properties within the District based on special benefit. The improvements provided by this District and for which properties are assessed are public street lighting improvements. These improvements generally were installed in connection with the development of the properties within the District and were required by the City as a condition of development. Article XIID Section 2(d) defines District as follows:

“District means an area determined by an agency to contain all parcels which will receive a special benefit from a proposed public improvement or property-related service”;

Article XIID Section 2(i) defines Special Benefit as follows:

“Special benefit” means a particular and distinct benefit over and above general benefits conferred on real property located in the district or to the public at large. General enhancement of property value does not constitute “special benefit.”

Article XIID Section 4a defines proportional special benefit assessments as follows:

“An agency which proposes to levy an assessment shall identify all parcels which will have a special benefit conferred upon them and upon which an assessment will be imposed. The proportionate special benefit derived by each identified parcel shall be determined in relationship to the entirety of the capital cost of a public improvement, the maintenance and operation expenses of a public improvement, or the cost of the property related service being provided. No assessment shall be imposed on any parcel which exceeds the reasonable cost of the proportional special benefit conferred on that parcel.”

BENEFIT ANALYSIS

Special Benefit

The street lighting in the District is primarily low-intensity street lighting that is useful for illuminating the sidewalks and parking lanes in the District. This lighting is distinct from the high-intensity lights installed on major streets which serve in part to enhance traffic safety. Residential street lights are of lower intensity, but more closely spaced, than the high-intensity (22,000-lumen) street lights. These sorts of low-level, low-intensity residential street lights provide three main special benefits: (i) residential security benefit, (ii) pedestrian safety benefit, and (iii) parkway/roadway egress benefit. Because traffic in the District is largely limited to local traffic consisting of residents and residents' guests, it is reasonable to assume that essentially all pedestrians and parking vehicles in the lit areas will, after dark, be directly associated with an assessed dwelling unit.

With the exception of the development that comprises Zone 03 (discussed below), the street lights within the District are consistent with the City's typical intensity and spacing standards for residential lighting and each parcel to be assessed is served directly by the system of street lights providing appropriate lighting within the subdivision. Consequently, we conclude that each residential parcel within the District receives substantially similar benefit from the improvements regardless of their location within the District. Furthermore, the cost of maintaining and operating each light is substantially the same, regardless of the location of the light within the District.

General Benefit

Approximately 5% of the street lights funded by the District are located at the perimeter/entryway of a residential development. These perimeter/entryway lights, in contrast to the remainder of the lights funded by the District, arguably provide some illumination that extends beyond the boundaries of the developments and parcels being assessed within the District, that enhances the safety of members of the public unassociated with an assessed parcel, that illuminates traffic or parking on major thoroughfares, or that otherwise provides services to the general public. Although, in general, these street lights exist solely because of the development of assessed parcels, and although the primary purpose of these lights is to provide illumination for assessed parcels, they may provide some level of general benefit in addition to the special benefits provided to the assessed parcels. We estimate that this general benefit constitutes not more than 25% of the total benefit from perimeter/entryway lights. As 25% of the benefit from 5% of the lights constitutes not more than 2% of the total benefit from all improvements operated and maintained by the District, we determine that the total general benefit from operation and maintenance activities will not exceed 2% of operations and maintenance costs.

ZONES OF BENEFIT

In an effort to ensure an appropriate allocation of the estimated annual cost to provide the District improvements based on proportional special benefits, this District will be established with benefit zones as authorized pursuant to Chapter 1 Article 4, Section 22574 of the 1972 Act:

"The diagram and assessment may classify various areas within an assessment district into different zones where, by reason of variations in the nature, location, and extent of the improvements, the various areas will receive differing degrees of benefit from the

improvements. A zone shall consist of all territory which will receive substantially the same degree of benefit from the improvements.”

There are three zones within the District. The bulk of the parcels in the District are located in either Zone 01 or Zone 02. These Zones are defined separately, largely for administrative convenience, as the level of service is substantially identical in the two zones and the ratio of the number of lights to the number of parcels is substantially the same. Zone 01 consists of those parcels that, as a result of Proposition 218, are subject to an assessment that is not annually adjusted for inflation. Zone 02 consists of those parcels for which the assessment can be adjusted annually for inflation.

Zone 03 consists of 65 residential parcels located in Tract 21958. This tract is unique within the District because it was developed with a substantially lower street light density (street lights are spaced farther apart than the residential street lights typically found in the residential tracts of Zone 01 and Zone 02). As a result, the parcels in Tract 21958 generally receive less lighting than parcels elsewhere in the District, and the per parcel cost of providing street light special benefits to these Tract 21958 parcels is substantially less than the cost of providing benefits elsewhere in the District.

For Fiscal Year 2016/17:

- Zone 01 includes 32,719 parcels and has 7,081 street lights.
- Zone 02 includes 7,395 parcels and has 1,600 street lights.
- Zone 03 includes 65 parcels and 3 street lights.

The District Budget, incorporated herein under Part III of this Report, provides a summary of the total estimated cost of providing the street lighting improvements and the allocation of those costs between the three zones (which is based on the number of lights in each Zone) as well as those costs that are considered general benefit. Details regarding the location and extent of the street lighting improvements within the District and the Zones therein are on file in the Office the Public Works Department, Special Districts Division and by reference these documents are made part of this Report. A diagram showing the boundaries of the three Zones outlined above is attached and incorporated herein under Part IV (District Diagram) of this Report.

ASSESSMENT METHODOLOGY

The method of apportionment for this District calculates the receipt of special benefit from the respective improvements based on the land use of the parcels.

Equivalent Benefit Unit Application

To proportionally allocate special benefit to each parcel, it is necessary to correlate each property's proportional benefit to other properties that benefit from the improvements and services being funded. In order to do this, the assessment methodology assigns each parcel a number of EBU's (Equivalent Benefit Units) based on its land use. One EBU is defined as the special benefit allocable to a single family home. In each case, a parcel is only allocated EBU's in a fiscal year if the street lights serving the parcel (or serving the perimeter of the complex in the case of apartments or condominiums) has been accepted by the City or will be accepted by the City during the upcoming fiscal year.

Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure. This land use is assigned 1.0 EBU per lot or parcel.

Condominium Residential — This land use is defined as a fully subdivided condominium residential unit assigned its own Assessor’s Parcel Number by the County. EBU’s are assigned to these parcels by multiplying the overall acreage of the condominium development by 4 (the typical number of single family homes in an acre of typical development), and then dividing the result by the number of condominium units/parcels in the development.

Multi-Family Residential and Mobile Home Parks — This land use classification identifies properties that are used for residential purposes and contain more than one residential unit per parcel. The proportional special benefit and EBUs for these parcels is based on acreage, at 4.0 EBUs per acre.

Vacant Parcels — This land use classification identifies properties that are identified as undeveloped property that is not fully subdivided, but is served by a street light improvement. This land use is assigned 1.0 EBU per lot or parcel.

Approved Single Family Residential — This land use is defined as a fully subdivided single family residential home site with or without a structure, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Planned Residential Development — This land use is defined as a property that is currently considered vacant or undeveloped land that is to be subdivided into a known number of residential lots, but the street lights to be installed as part of the development have not yet been installed and are not anticipated to come online this fiscal year. Generally, these parcels were annexed to the District in anticipation of the property being developed and street lights being installed, but that has not yet occurred. Until such time that the street lights are to be installed, these parcels will not be assessed and are assigned 0.0 EBU.

Exempt — means a lot, parcel of land or Assessor’s Parcel that is considered to not specially benefit directly from improvements. This classification includes, but is not limited to, areas of public streets, private streets and other roadways; public easements or right-of-ways including; landscaped parkways or easements and utility right-of-ways or easements such as irrigation or drainage ditches, channels or basins; and flood plains. These types of parcels (similar to the improvements) are typically the result of property development rather than the direct cause of development and have little or no need for the improvements. (These types of properties may or may not be assigned an Assessor’s Parcel Number by the County).

Also exempt from assessment are Assessor’s Parcels that are identified as common areas (properties for which the surrounding residential parcels have a shared interest); bifurcated lots; small parcels vacated by the County or similar sliver parcels that cannot be developed independent of an adjacent parcel. These types of parcels are generally not separately assessed because they are functionally a part of another parcel that is assessed for its own benefit and the benefit of the associated parcel.

PART III - ESTIMATE OF COSTS

CALCULATION OF ASSESSMENTS

An assessment amount per EBU is calculated by:

Taking the “Total Annual Expenses” (Total budgeted costs) and subtracting the proportional “General Benefit Costs” which establishes the “Special Benefit Costs”;

$$\text{Total Amount Budgeted} - \text{General Benefit Costs} = \text{Special Benefit Costs}$$

To the resulting “Special Benefit Costs”, various “Other Available Funding” are applied that may include:

- “Fund Balance Transfer/Reduction”, represents the amount of available Fund Balance being applied to pay a portion of the Special Benefit Costs for the fiscal year.
- “Additional Agency Contribution”, which is a contribution of funds from other revenue sources available to the CSD to reduce the amount to be levied as Special Benefit Costs for this fiscal year. This contribution is in addition to the General Benefit Costs.

These adjustments to the Special Benefit Costs result in the “Net Assessment Budget” or “Balance to Levy” (the amount to be collected as Assessments);

$$\text{Special Benefit Costs} \pm \text{Other Available Funding} = \text{Net Assessment Budget}$$

The amount identified as the “Net Assessment Budget” is divided by the total number of EBU’s of parcels to be assessed to establish the “Assessment Rate” or “Assessment per EBU” for the fiscal year. The Assessment Rate is then applied to each parcel’s individual EBU to calculate the parcel’s proportionate special benefit and assessment obligation for the improvements.

$$\text{Net Assessment Budget} / \text{Total EBU (to be assessed)} = \text{Assessment per EBU}$$

$$\text{Assessment per EBU} \times \text{Parcel EBU} = \text{Parcel Assessment Amount}$$

DISTRICT BUDGET

The following budget outlines the estimated costs to maintain the improvements and the anticipated expenditures for fiscal year 2016/17. Operation and maintenance costs were allocated amongst the zones proportionately to the number of street lights serving the zones.

| Description | Total District Budget | Zone 01 | Zone 02 | Zone 03 |
|---------------------------------------------------|-----------------------|---------------------|---------------------|-----------------|
| Operation and Maintenance (O&M) | | | | |
| Operations Salaries & Benefits | \$ 138,829 | \$ 131,753 | \$ 29,770 | \$ 56 |
| Professional Services | 11,000 | 8,969 | 2,027 | 4 |
| Communications | 100 | 82 | 18 | 0 |
| General Liability & Workers Comp | 4,300 | 3,506 | 792 | 2 |
| Total Operation Costs | \$ 176,979 | \$ 144,310 | \$ 32,608 | \$ 61 |
| Utilities | 1,548,800 | 1,262,903 | 285,362 | 535 |
| Total O&M Expenses | \$ 1,725,779 | \$ 1,407,213 | \$ 317,970 | \$ 596 |
| Incidental/Administrative Expenses | | | | |
| District Administration | \$ 38,029 | \$ 31,009 | \$ 7,007 | \$ 13 |
| County Fees | 25,700 | 20,956 | 4,735 | 9 |
| Miscellaneous Administration Expenses | 5,600 | 4,566 | 1,032 | 2 |
| Total Incidental/Administrative Expenses | \$ 69,329 | \$ 56,531 | \$ 12,774 | \$ 24 |
| TOTAL ANNUAL EXPENSES | \$1,795,108 | \$ 1,463,745 | \$ 330,743 | \$ 620 |
| General Benefit Costs | \$ (35,902) | \$ (29,275) | \$ (6,615) | \$ (12) |
| SPECIAL BENEFIT COSTS | \$1,759,206 | \$ 1,434,470 | \$ 324,128 | \$ 608 |
| Other Available Funding | | | | |
| Fund Balance Transfer/Reduction ⁽¹⁾ | \$ (254,269) | \$ (213,091) | \$ (41,110) | \$ (68) |
| Other Revenue Sources ⁽²⁾ | (95,700) | (80,202) | (15,473) | (26) |
| Additional Agency Contribution | (464,098) | (388,939) | (75,035) | (124) |
| Total Contributions/Adjustments | \$ (814,067) | \$ (682,232) | \$ (131,617) | \$ (218) |
| NET ASSESSMENT BUDGET (Balance to Levy) | \$ 945,139 | \$ 752,238 | \$ 192,511 | \$ 390 |
| District Statistics | | | | |
| Total Parcels | | 32,719 | 7,395 | 65 |
| Total Assessed Parcels | | 32,706 | 7,194 | 65 |
| Total EBU | | 32,706 | 7,194 | 65 |
| Proposed Assessment per EBU | | \$23.00 | \$26.76 | \$6.00 |
| Maximum Assessment per EBU | | \$23.00 | \$26.76 | \$6.00 |
| Reserve Fund/Fund Balance | | | | |
| Beginning Fund Balance | \$ 445,668 | \$ 354,708 | \$ 90,776 | \$ 184 |
| Collections/ (Reductions/Deficit) | (254,269) | (213,091) | (41,110) | (68) |
| Ending Fund Balance | \$ 191,400 | \$ 141,617 | \$ 49,667 | \$ 116 |

(1) Additional funds required or applied from available fund balance to cover Special Benefit Costs for the fiscal year.

(2) Other revenue includes property taxes, interest income, advanced energy fees, and unrealized gains/losses.

The budget dollar amounts above are calculated to the penny, but are shown here as rounded amounts (nearest dollar). Any variance in the addition or subtraction of the amounts displayed above is due to this rounding.

ASSESSMENT RATES

The following shows the assessment rates applicable to each Zone for fiscal year 2016/17 based on the budget and the method of apportionment presented above.

Fiscal Year 2016/17 Assessment Rates

| Zone | Maximum Rate | Proposed Rates for FY 2016/17 | |
|---------|-------------------------|-------------------------------|---------|
| Zone 01 | \$ 23.00 | \$23.00 | per EBU |
| Zone 02 | \$ 26.76 ⁽¹⁾ | \$26.76 | per EBU |
| Zone 03 | \$ 6.00 | \$ 6.00 | per EBU |

⁽¹⁾ The Maximum Assessment Rate includes an inflationary adjustment previously balloted and approved by the property owners

Note that for Fiscal Year 2016/17 there are:

- 32,706.00 EBUs in Zones 01 sharing \$1,434,470 in proportional special benefit.
- 7,194.00 EBUs in Zones 02 sharing \$324,128 in proportional special benefit.
- 65.00 EBUs in Zones 03 sharing \$608 in proportional special benefit.
- The proposed assessment rates in each Zone do not exceed the cost of the proportional special benefits per EBU for that Zone.

ANNUAL INFLATIONARY ADJUSTMENT (ASSESSMENT RANGE FORMULA)

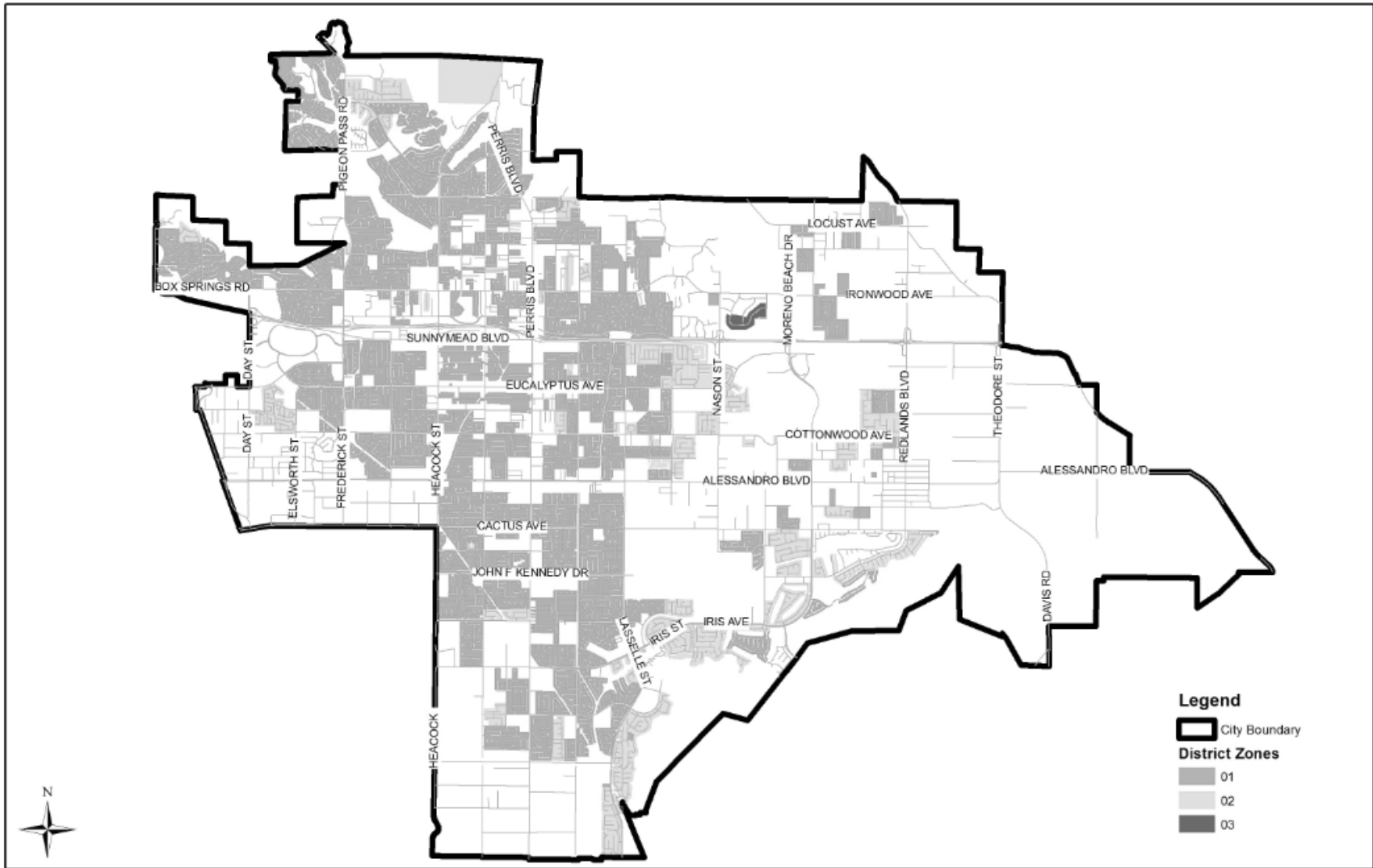
The following inflation adjustment applies to the maximum rate permissible in Zone 02 only:

Each fiscal year, the Maximum Assessment per EBU (Assessment Rate) for Zone 02 established for the improvements in the previous fiscal year may be adjusted by the percentage change calculated for the previous calendar year in the Los Angeles-Riverside-Orange County Consumer Price Index, as published by the Department of Labor’s Bureau of Labor Statistics.

PART IV - DISTRICT DIAGRAMS

The following boundary map depicts the parcels within the three zones that make up the District, which are those that existed at the time this Report was prepared. The combination of this map and the Assessment Roll referenced by this Report constitute the Assessment Diagram for the District.

Moreno Valley Community Services District Lighting Maintenance District No. 2014-01

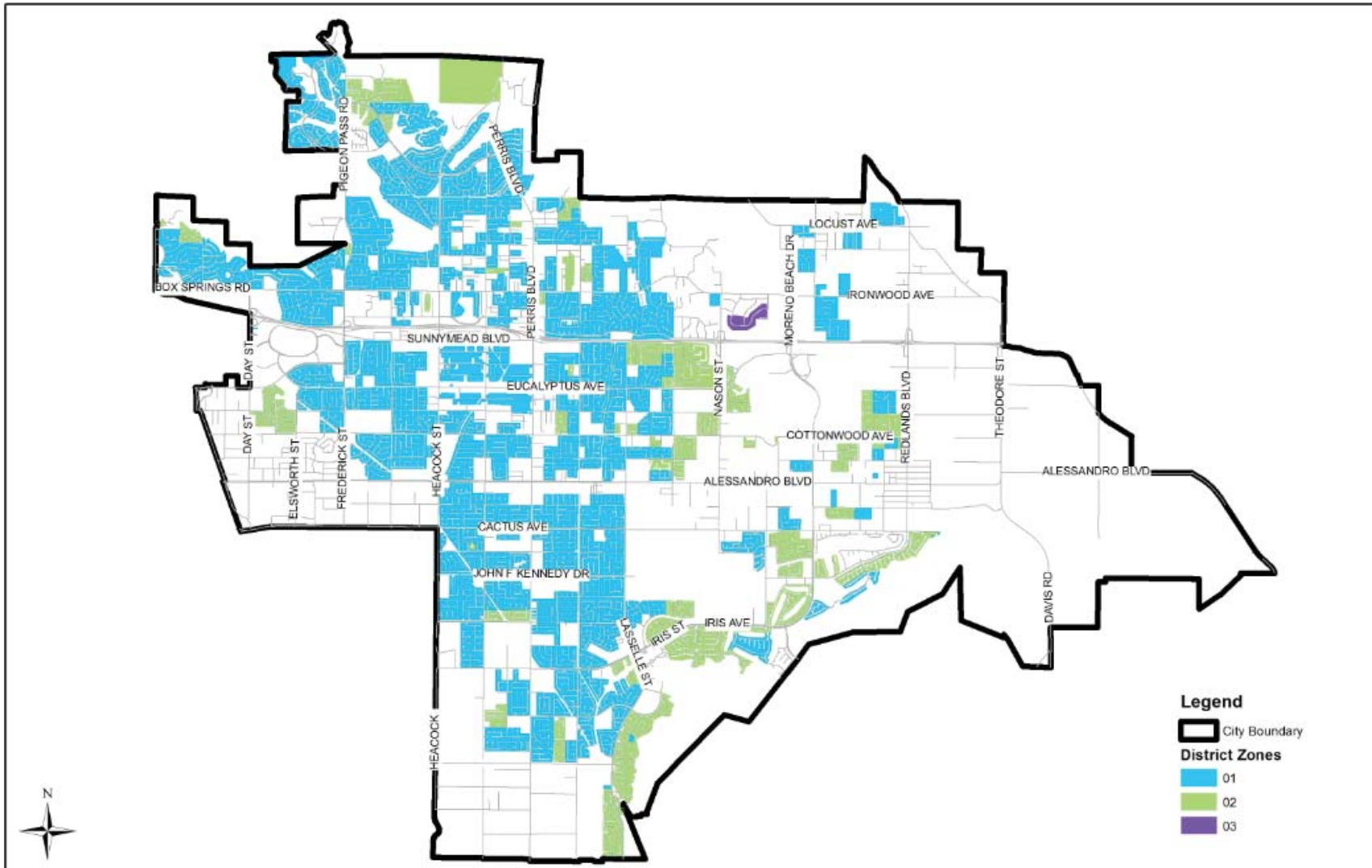


PART V - ASSESSMENT ROLL

Parcel identification for each lot or parcel within the District is based on available parcel maps and property data from the Riverside County Assessor's Office. A listing of the APNs to be assessed within this District, along with the corresponding Assessment Amounts to be levied for fiscal year 2016/17 has been provided electronically to the Secretary of the CSD Board (City Clerk). Due to the number of parcels within the District and by reference, this listing of the APNs and corresponding Assessment Amounts to be levied for fiscal year 2016/17 is made part of this Report. The Report can also be found online at the City's website at www.moval.org/sf. If any APN identified therein is submitted for collection and identified by the County Auditor/Controller of the County of Riverside to be an invalid parcel number for any fiscal year, a corrected parcel number and/or new parcel numbers will be identified and resubmitted to the County Auditor/Controller. The assessment amount to be levied and collected for the resubmitted parcel or parcels shall be based on the method of apportionment, as described in this Report and approved by the CSD Board.

Attachment: FY 16/17 Assessment Engineer's Report for LMD No. 2014-01 (1880 : PUBLIC HEARING TO CONFIRM A DIAGRAM AND

Moreno Valley Community Services District Lighting Maintenance District No. 2014-01





Report to City Council

TO: Mayor and City Council Acting in its Capacity as President and Members of the Board of Directors of the Moreno Valley Community Services District (CSD)

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT ANNUAL PARCEL TAXES AND CHARGES FOR FISCAL YEAR 2016/17

RECOMMENDED ACTION

Recommendations: That the CSD:

1. Conduct a Public Hearing to consider continuing the current Moreno Valley Community Services District annual parcel taxes and charges as proposed for Fiscal Year 2016/17.
2. Adopt Resolution No. CSD 2016-18. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Tax for Providing Zone A (Parks and Community Services) Services During Fiscal Year 2016/17.
3. Adopt Resolution No. CSD 2016-19. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Tax for Providing Zone C (Arterial Street Lighting and Intersection Lighting) Services During Fiscal Year 2016/17.
4. Adopt Resolution No. CSD 2016-20. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone D (Parkway Landscape Maintenance) Services During Fiscal Year 2016/17.

5. Adopt Resolution No. CSD 2016-21. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone E (Extensive Landscape Maintenance) Services During Fiscal Year 2016/17.
6. Adopt Resolution No. CSD 2016-22. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Parcel Charges for Providing Zone M (Commercial/Industrial/Multifamily Improved Median Maintenance) Services During Fiscal Year 2016/17.
7. Adopt Resolution No. CSD 2016-23. A Resolution of the Moreno Valley Community Services District of the City of Moreno Valley, California, Approving the Calculation of the Maximum and Applied Rate for Providing Zone S (Sunnymead Boulevard Maintenance) Services During Fiscal Year 2016/17.
8. Authorize the Chief Financial Officer to adjust the charges levied on the property tax bills in the event there are any parcel changes between the City Council and CSD Board meeting date and the date the fixed charges are submitted to the County of Riverside, provided the applied charge does not exceed the maximum charge, is in compliance with the formation documents for each zone, and is consistent with the adopted budget.

SUMMARY

This report recommends the Moreno Valley Community Services District (the “CSD”) conduct a Public Hearing and adopt the proposed resolutions to continue levying the CSD’s annual parcel tax (Zones A and C) and annual parcel charge (Zones D, E, M, and S) (collectively “parcel charge”) onto the property tax roll. There are no increases proposed, except for the implementation of inflation adjustments previously approved following a mail ballot proceeding.

Revenue received from the parcel charge provides funding for services and programs provided by the Parks and Community Services Department, the operation of the arterial street lighting program, and the maintenance of public landscape areas. Funds collected for each zone are restricted and can only be used within the zone for the purposes for which they were collected.

The proposed maximum and applied parcel charges for fiscal year (FY) 2016/17 were reviewed by the Finance Subcommittee during its April 13, 2016 meeting.

DISCUSSION

The CSD was formed simultaneously with City incorporation to provide a variety of benefit services. Zones within the CSD were established to allocate costs to those parcels that receive benefit from the services provided. Each of the zones fund either a different service or service level to the properties within each zone. A parcel charge is

levied on the property tax bills of properties located in the zones. Revenues received from these programs help to fund parks and community services, street lighting, and maintenance of public landscaping. Funds collected for each zone are restricted and can only be used within the zone for the purposes for which they were collected. Maps of each zone are included as Attachment 8.

Prior to levying the parcel charge onto the property tax roll each year, the CSD Board must conduct a Public Hearing (Government Code Section 61115) to receive public input on the proposed levy. The attached resolutions set the proposed maximum and applied parcel charge for each CSD zone and authorize the County to levy the parcel charge on the FY 2016/17 property tax roll. The proposed applied parcel charge is consistent with the programs and budgets included within the City's FY 2016/17 Adopted Budget.

The Annual Levy Report (the "Report") (Attachment 7) describes each zone, including the services funded, the method of calculation of the parcel charge, annual budget and improvements by zone, the maximum and applied parcel charge proposed for each parcel, and an update on the zones through March of the current fiscal year. The attachment excludes the listing of the proposed levy for each Assessor's Parcel Number due to the size of the assessment roll. A complete Report is on file in the office of the Secretary of the CSD Board (City Clerk) and can be found on the City's website (www.moval.org/sf).

The maximum parcel charge was approved by the qualified elector (property owner or registered voter) and is the maximum amount the CSD can levy on the property tax roll. In those zones where the qualified electors have approved such adjustment, the maximum charge was calculated by applying an inflationary adjustment for FY 2016/17 (2.03%) to the FY 2015/16 maximum parcel charge. The applied parcel charge is the amount necessary to fund the purpose of the zone, including administration and reserves, for the upcoming fiscal year. An individual analysis of each zone, its current service level, projected expenses, fund balance, assigned reserve levels, and whether or not the property owners have authorized an inflationary adjustment was completed to determine the proposed applied parcel charge. The applied parcel charge can be lower than the maximum parcel charge but it cannot be higher. The following table provides a summary of the proposed parcel charges for FY 2016/17:

| Community Services Districts Proposed Annual Parcel Charges ¹ for Fiscal Year 2016/17 | | | | | | | | | | |
|-----------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------|------------------------------|------------------------|--------------------------|------------------------|--------------------|------------------------|--------------------------------------------|--------------------------|----------------------------------------------|
| Zone | Specific Plan or Major Development | Purpose | Estimated Parcel Count | Charge Category | 2015/16 Maximum Charge | 2016/17 Max Charge | 2015/16 Applied Charge | 2016/17 Applied Parcel Charge ⁴ | Change in Applied Charge | Annual Adjustment to Max Charge ⁷ |
| A | Citywide | Parks & Community Services | 48,237 | Per parcel/dwelling unit | \$ 87.50 | \$ 87.50 | \$ 87.50 | \$ 87.50 | \$ - | 0.00% |
| C | Citywide | Arterial Street Lights | 47,016 | Per parcel | \$ 9.00 | \$ 9.00 | \$ 9.00 | \$ 9.00 | \$ - | 0.00% |
| D ^{2,3} | Citywide - residential tracts | Public Landscape Maintenance | 11,665 | Per parcel | varies | varies | varies | varies | varies | 2.03% |
| E-7 | Centerpointe | Public Landscape Maintenance | 47 | Per acre | \$ 730.88 | \$ 745.71 | \$ 730.88 | \$ 745.71 | \$ 14.83 | 2.03% |
| E-8 ⁵ | Promontory Park | Public Landscape Maintenance | 404 | Per parcel | \$ 570.89 | \$ 582.47 | \$ 542.52 | \$ 542.52 | \$ - | 2.03% |
| | | | 225 | Per condo unit | \$ 202.10 | \$ 206.20 | \$ 192.06 | \$ 192.06 | \$ - | 2.03% |
| M ^{2,5,6} | Citywide - certain arterial medians | Public Landscape Maintenance | 82 | Per parcel | varies | varies | varies | varies | varies | 2.03% |
| S | Certain areas on Sunnymead Blvd., between Frederick St. and Perris Blvd. | Public Landscape Maintenance | 131 | Per front linear foot | \$3.010550 | \$3.071664 | \$ 3.010550 | \$ 3.071664 | \$ 0.061114 | 2.03% |

¹ "Parcel Charge" = parcel tax and parcel charge. Zones A and C are parcel taxes; Zones D, E, M and S are parcel charges.

² 28 of the 106 Zone D tracts and 3 parcels in Zone M do not have an approved annual adjustment.

³ Costs shared based on the area of public landscaping maintained and the number of parcels sharing in the cost. See attached resolutions or Annual Levy Report for tract specific detail.

⁴ Rounded down to even number per County requirements.

⁵ Applied a lower charge to use surplus fund balance.

⁶ Rate per median calculated based on square footage of landscaping; cost spread proportionately to authorized benefiting parcels by linear footage or acreage. See attached resolutions or Annual Levy Report for parcel specific detail.

⁷ Annual adjustment approved by qualified electors. Based on percentage change calculated for the prior year in the Los Angeles-Riverside-Orange County Regional Consumer Price Index (CPI), as published by the Department of Labor's Bureau of Labor Statistics. 2.03% CPI applied to FY 2015/16 maximum rate to determine FY 2016/17 maximum rate.

The Finance Subcommittee reviewed the proposed maximum and applied parcel charges during its April 13, 2016 meeting and directed staff to calendar the item for the Public Hearing and CSD Board consideration.

ALTERNATIVES

1. Conduct the Public Hearing and adopt the proposed resolutions. *Staff recommends this alternative, as it will allow for collection of revenue necessary to fund services of the CSD zones.*
2. Conduct the Public Hearing and do not adopt the proposed resolutions. *Staff does not recommend this alternative, as it will leave the CSD zones without sufficient funding to support the programs and services the zones were created to provide.*
3. Open the Public Hearing and continue it to a future regular City Council meeting. *Staff does not recommend this alternative, as it may prevent the City from meeting the County of Riverside's submission deadline for inclusion on the 2016/17 property tax bills without incurring additional costs.*

FISCAL IMPACT

For FY 2016/17, the total projected revenue from the applied charges is \$7,099,431.14. The General Fund provides funding to support the operation of programs provided by Zone A and Zone C (\$541,021.00) and to maintain certain medians which do not have an alternative funding source (\$108,425.00), totaling \$649,446.00. Revenue projections and the General Fund contribution are included in the City's FY 2016/17 Adopted Budget.

| District | Description | Proposed Applied Revenue | General Fund Obligation | General Fund Subsidy |
|---------------------|-------------------------------------------|---------------------------------|--------------------------------|-----------------------------|
| Zone A | Parks & Community Services | \$ 4,929,662.50 | \$ - | \$ 521,021.00 |
| Zone C | Arterial and Intersection Street Lighting | \$ 423,144.00 | \$ - | \$ 20,000.00 |
| Zone D | Parkway Landscape Maintenance | \$ 1,189,952.54 | \$ - | \$ - |
| Zone E | Extensive Landscape Maintenance | \$ 385,567.50 | \$ - | \$ - |
| Zone M ¹ | Landscape Maintenance (medians) | \$ 112,641.38 | \$ 108,425.00 | \$ - |
| Zone S | Sunnymead Blvd | \$ 58,463.22 | \$ - | \$ - |
| Total | | \$ 7,099,431.14 | \$ 108,425.00 | \$ 541,021.00 |

¹ General Fund supports landscape maintenance of certain medians or portions thereof where alternative funding does not exist.

NOTIFICATION

On June 2, 2106, property owners of 48,237 parcels were mailed courtesy notification of the Public Hearing. Information was presented in both English and Spanish. Advertising for the Public Hearing was published in The Press-Enterprise on June 2nd and 9th.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.,
Public Works Director/City Engineer

Concurred By:
Gabriel Garcia
Parks and Community Services Director

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

- 1. Resolution Approving FY 2016-17 Annual Levy for CSD A
- 2. Resolution Approving FY 2016-17 Annual Levy for CSD C
- 3. Resolution Approving FY 2016-17 Annual Levy for CSD D
- 4. Resolution Approving FY 2016-17 Annual Levy for CSD E
- 5. Resolution Approving FY 2016-17 Annual Levy for CSD M
- 6. Resolution Approving FY 2016-17 Annual Levy for CSD S
- 7. FY 16-17 Annual CSD Levy Report
- 8. CSD Maps

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/03/16 2:19 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 1:06 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 2:04 PM |

Zone A
Fund 68-4271

RESOLUTION NO. CSD 2016-18

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED PARCEL TAX FOR PROVIDING ZONE A (PARKS AND COMMUNITY SERVICES) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides improvements and maintenance for parks and community services within the CSD and provides funding for such services, in part, through the collection of the CSD Zone A parcel tax; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by taxes which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit of the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its taxes for Zone A (Parks and Community Services) be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation and application of the tax as previously approved for each assessable parcel of real property or per actual dwelling unit within CSD Zone A will provide the necessary and equitable revenue stream to fund parks and community services by the CSD for fiscal year (FY) 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the tax and the tax which is to be levied against each such parcel for FY 2016/17 (the "Report"), is on file in the Office of the Secretary of the CSD (City Clerk), available for public inspection, and is incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the CSD Board heard and considered all objections and protests, if any.

1
Resolution No. CSD 2016-18
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD A [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied tax rate for FY 2016/17 to fund the costs of furnishing parks and community services within the CSD is eighty-seven dollars and fifty cents (\$87.50) per assessable parcel of real property or per actual dwelling unit.

2. The tax is hereby confirmed for each parcel of real property within CSD Zone A, as set forth in the Report, as such Report may have been modified by order of the CSD Board.

3. The Chief Financial Officer is hereby authorized to adjust the amount in the Report to the extent that the adjustment is warranted due to adjustments in the number of dwelling units and corrected or new parcel numbers prior to submission for inclusion on the Riverside County tax roll.

4. The taxes set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any tax that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the tax will attach at 5:00 pm on the date the tax becomes delinquent and interest at 1.5% per month of the delinquent tax will attach on July 1st after the delinquency date and the first of each month thereafter until such tax is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law

5. As set forth in Resolution CSD 97-01, the existing Zone A parcel taxes are exempt from the requirements of Proposition 218 (Articles XIII C and XIII D of the California Constitution) so long as they are not increased and therefore are not subject to voter ratification at this time.

6. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the tax.

7. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

2
Resolution No. CSD 2016-18
Date Adopted: June 21, 2016

- 8. That the City Clerk shall certify to the adoption of this Resolution.
- 9. That this Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 21st day of June, 2016.

 Mayor of the City of Moreno Valley,
 Acting in the capacity of President of the
 Moreno Valley Community Services District

ATTEST:

 Interim City Clerk, acting in the capacity of
 Secretary of the Moreno Valley
 Community Services District

APPROVED AS TO FORM:

 Interim City Attorney, acting in the capacity
 of General Counsel of the Moreno
 Valley Community Services District

3
 Resolution No. CSD 2016-18
 Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD A [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-18 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-18
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD A [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

Zone C
Fund 68-4274

RESOLUTION NO. CSD 2016-19
A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED PARCEL TAX FOR PROVIDING ZONE C (ARTERIAL STREET LIGHTING AND INTERSECTION LIGHTING) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides for the energy, pole, and maintenance costs for intersection and arterial street lighting services within the CSD and provides funding for such services, in part, through the collection of the CSD Zone C parcel tax; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by taxes which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit of the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its taxes for Zone C (Arterial Street Lighting and Intersection Lighting) services be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation and application of the tax as previously approved for each assessable parcel of real property within CSD Zone C, excluding properties in the Edgemont Community Services District, will provide the necessary and equitable revenue stream to fund the arterial and intersection street lighting services by the CSD for fiscal year (FY) 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the tax and the tax which is to be levied against each such parcel for FY 2016/17 (the "Report"), is on file in the Office of the Secretary of the CSD (City Clerk), available for public inspection, and is incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the CSD Board heard and considered all objections and protests, if any.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES

1
Resolution No. CSD 2016-19
Date Adopted: June 21, 2016

DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied tax rate for FY 2016/17 to defray the costs of furnishing arterial and intersection street lighting services within the CSD is nine dollars (\$9.00) per assessable parcel of real property.
2. The tax is hereby confirmed for each parcel of real property within CSD Zone C, as set forth in the Report, as such Report may have been modified by order of the CSD Board.
3. The Chief Financial Officer is hereby authorized to adjust the amount in the Report to the extent that the adjustment is warranted due to corrections or parcel changes in the zone prior to submission for inclusion on the Riverside County tax roll.
4. The taxes set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any tax that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the taxes at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the tax will attach at 5:00 pm on the date the tax becomes delinquent and interest at 1.5% per month of the delinquent tax will attach on July 1st after the delinquency date and the first of each month thereafter until such tax is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law.
5. As set forth in Resolution CSD 97-01, the existing Zone C parcel taxes are exempt from the requirements of Proposition 218 (Articles XIII C and XIII D of the California Constitution) so long as they are not increased and therefore are not subject to voter ratification at this time.
6. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the tax.
7. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.
8. That the City Clerk shall certify to the adoption of this Resolution.

2
Resolution No. CSD 2016-19
Date Adopted: June 21, 2016

9. That this Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-19
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD C [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-19 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-19
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD C [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

Zone D
Fund 68-4275

RESOLUTION NO. CSD 2016-20

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED PARCEL CHARGES FOR PROVIDING ZONE D (PARKWAY LANDSCAPE MAINTENANCE) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides improvements and maintenance for parkway and median landscape within the CSD and provides funding for such services through the collection of the CSD Zone D parcel charges; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by charges which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit of the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its charges for Zone D (Parkway Landscape Maintenance) be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation of the charges, including a Consumer Price Adjustment (CPI) adjustment (if applicable), as previously approved by the property owners for each assessable parcel of real property within CSD Zone D, will provide the necessary and equitable revenue stream to fund the parkway landscape maintenance services by the CSD for Fiscal Year 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the charge and the charge which is to be levied against each such parcel for Fiscal Year 2016/17 (the "Report"), is on file in the Office of the Secretary to the CSD (City Clerk), available for public inspection, and incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the CSD Board heard and considered all

1
Resolution No. CSD 2016-20
Date Adopted: June 21, 2016

objections and protests, if any.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied charges for Fiscal Year 2016/17 to defray the costs of furnishing parkway landscape maintenance services per assessable parcel of real property within the CSD is identified in Exhibit "A" attached hereto.

2. The maximum and applied charges are hereby confirmed for each assessable parcel of real property within CSD Zone D, as set forth in the Report, as such Report may have been modified by order of the CSD Board.

3. The Chief Financial Officer is hereby authorized to adjust the amount in the Report to the extent that the adjustment is warranted due to corrections or parcel changes in the zone prior to submission of the charges for inclusion on the Riverside County tax roll.

4. The charges set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any charge that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the charges at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the charge will attach at 5:00 pm on the date the charge becomes delinquent and interest at 1.5% per month of the delinquent charge will attach on July 1st after the delinquency date and the first of each month thereafter until such charge is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law.

5. As set forth in Resolution CSD 97-05, the existing Zone D parcel charges are exempt from the requirements of Proposition 218 (Articles XIII C and XIII D of the California Constitution) so long as they are not increased and are therefore are not subject to voter ratification at this time.

6. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the charges.

2
Resolution No. CSD 2016-20
Date Adopted: June 21, 2016

7. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

8. That the City Clerk shall certify to the adoption of this Resolution.

9. That this Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 21st day of June 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-20
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-20 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-20
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD D [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

EXHIBIT A

**Zone D (Parkway Landscape Maintenance)
FY 2016/17 Maximum and Applied Charges**

| Tract Number | 16/17 Parcel Count | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ | Tract Number | 16/17 Parcel Count | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ |
|----------------------------|--------------------|-------------------------------------------------------------|----------------------------------------------------|------------------------|--------------------|-------------------------------------------------------------|----------------------------------------------------|
| 10191/18468 | 77 | \$ 77.05 | \$ 77.04 | 20120 | 41 | 104.98 | 102.90 |
| 11848 | 62 | 93.78 | 93.78 | 20197 ⁽¹⁾ | 221 | 57.00 | 57.00 |
| 12305 ⁽¹⁾ | 98 | 57.00 | 57.00 | 20272 | 205 | 139.62 | 136.84 |
| 12608 | 75 | 213.23 | 0.00 | 20301 ⁽¹⁾ | 149 | 57.00 | 57.00 |
| 12773 | 160 | 89.32 | 89.32 | 20404 | 238 | 115.15 | 110.78 |
| 12902 | 80 | 80.39 | 78.80 | 20525 ⁽¹⁾ | 213 | 57.00 | 57.00 |
| 13576/19080/19081 | 332 | 35.71 | 35.70 | 20552 ⁽¹⁾ | 200 | 57.00 | 57.00 |
| 13585 ⁽¹⁾ | 81 | 57.00 | 57.00 | 20660 | 76 | 117.36 | 117.36 |
| 14387/12268 ⁽¹⁾ | 176 | 57.00 | 57.00 | 20715 | 342 | 103.08 | 101.02 |
| 15387 ⁽¹⁾ | 100 | 57.00 | 57.00 | 20718 | 104 | 155.34 | 149.44 |
| 15433 | 138 | 100.50 | 100.50 | 20859 | 313 | 72.38 | 72.38 |
| 16768 | 105 | 71.45 | 71.44 | 20869 ⁽¹⁾ | 72 | 57.00 | 57.00 |
| 16769 | 156 | 68.09 | 66.74 | 20941 | 76 | 115.13 | 115.12 |
| 16770 ⁽¹⁾ | 70 | 57.00 | 57.00 | 21113 ⁽¹⁾ | 166 | 57.00 | 57.00 |
| 17033 | 38 | 193.34 | 193.34 | 21332 | 104 | 107.19 | 105.06 |
| 17176 ⁽¹⁾ | 138 | 57.00 | 57.00 | 21333 | 127 | 232.55 | 226.28 |
| 17334 | 57 | 378.44 | 370.92 | 21345 | 53 | 127.41 | 127.40 |
| 17387 ⁽¹⁾ | 37 | 57.00 | 57.00 | 21597 | 75 | 518.86 | 479.32 |
| 17457 | 40 | 88.19 | 88.18 | 21616 | 37 | 414.40 | 398.68 |
| 17867 ⁽¹⁾ | 195 | 57.00 | 57.00 | 21737 | 14 | 234.77 | 234.76 |
| 18283 ⁽¹⁾ | 538 | 57.00 | 57.00 | 21806 | 70 | 77.05 | 77.04 |
| 18512/21322 | 519 | 89.90 | 88.12 | 22093 | 73 | 189.41 | 185.64 |
| 18784/20906 | 137 | 194.13 | 186.78 | 22180 | 140 | 270.94 | 0.00 |
| 18930 | 295 | 85.98 | 84.26 | 22276 | 38 | 217.56 | 217.56 |
| 19032 | 113 | 212.15 | 134.28 | 22277 | 38 | 295.09 | 287.12 |
| 19141 | 62 | 83.73 | 82.06 | 22371 | 39 | 319.67 | 319.66 |
| 19142 ⁽¹⁾ | 50 | 57.00 | 57.00 | 22889 | 56 | 207.73 | 207.72 |
| 19143 ⁽¹⁾ | 51 | 57.00 | 57.00 | 22999 ⁽¹⁾ | 43 | 67.00 | 67.00 |
| 19208 | 153 | 81.13 | 79.52 | 23046 ⁽¹⁾ | 38 | 183.00 | 183.00 |
| 19210 | 122 | 75.93 | 75.92 | 24721 ⁽¹⁾ | 64 | 57.00 | 57.00 |
| 19233 ⁽¹⁾ | 129 | 57.00 | 57.00 | 27251-1 ⁽²⁾ | 150 | 0.00 | 0.00 |
| 19363 ⁽¹⁾ | 151 | 57.00 | 57.00 | 27526 | 51 | 178.81 | 175.26 |
| 19434 ⁽¹⁾ | 156 | 57.00 | 57.00 | 28882 | 111 | 115.13 | 112.84 |
| 19474 ⁽¹⁾ | 120 | 57.00 | 57.00 | 29038 | 72 | 66.97 | 66.96 |
| 19496 | 45 | 71.45 | 71.44 | 30027 | 134 | 220.45 | 220.44 |
| 19500 | 40 | 81.49 | 81.48 | 30967 | 33 | 512.70 | 483.90 |
| 19509 ⁽¹⁾ | 323 | 57.00 | 57.00 | 31129 | 109 | 149.37 | 140.98 |
| 19518/18372 ⁽¹⁾ | 108 | 57.00 | 57.00 | 31257 | 17 | 1,172.91 | 1,128.38 |
| 19529 | 35 | 78.15 | 78.14 | 31268 | 26 | 202.25 | 202.24 |
| 19533 ⁽¹⁾ | 147 | 57.00 | 57.00 | 31269 | 35 | 240.12 | 235.34 |
| 19541 | 40 | 103.85 | 103.84 | 31269-1 | 107 | 329.74 | 317.22 |
| 19551 | 225 | 105.28 | 103.18 | 31284 | 144 | 139.40 | 136.62 |

EXHIBIT A

Zone D (Parkway Landscape Maintenance) FY 2016/17 Maximum and Applied Charges

| Tract Number | 16/17 Parcel Count | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ | Tract Number | 16/17 Parcel Count | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ |
|----------------------|--------------------|-------------------------------------------------------------|----------------------------------------------------|----------------|--------------------|-------------------------------------------------------------|----------------------------------------------------|
| 19675 | 38 | 89.32 | 89.32 | 31305 | 1 | 544.09 | 0.00 |
| 19685 | 311 | 78.15 | 78.14 | 31424 | 37 | 240.12 | 231.02 |
| 19799 | 31 | 298.58 | 292.64 | 31591 | 33 | 507.56 | 488.30 |
| 19852 | 292 | 75.65 | 72.80 | 32005 | 2 | 122.84 | 0.00 |
| 19862 | 35 | 165.41 | 162.12 | 32018 | 77 | 75.93 | 75.92 |
| 19912 | 138 | 92.65 | 90.80 | 32625 | 20 | 1,097.01 | 1,035.38 |
| 19937 | 163 | 119.58 | 117.20 | 32715 | 36 | 1,001.54 | 574.72 |
| 19957 | 72 | 75.65 | 75.64 | 33436 | 2 | 46.04 | 0.00 |
| 20030 | 41 | 111.78 | 111.78 | 33637 | 2 | 325.78 | 0.00 |
| 20032 ⁽¹⁾ | 171 | 57.00 | 57.00 | 33962 | 2 | 541.89 | 0.00 |
| 20072 | 119 | 97.60 | 97.60 | 4-Custom Homes | 4 | 621.96 | 0.00 |

⁽¹⁾ An annual inflation adjustment has not been approved by the property owners.

⁽²⁾ Tract 27251/-1 was annexed into LMD 2014-02 (May 12, 2015), replacing the Zone D charge.

⁽³⁾ Maximum rate increased by 2.03% inflationary adjustment, where applicable.

⁽⁴⁾ There are 105 Tract/Developments subject to the Zone D charge; however, only 97 Tracts are projected to be levied in FY 2016/17. The determination to levy the Zone D charge is dependent on whether improvements adjacent to the Tract/Development have been or are being constructed.

Zone E
Fund 68-4276

RESOLUTION NO. CSD 2016-21

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED PARCEL CHARGES FOR PROVIDING ZONE E (EXTENSIVE LANDSCAPE MAINTENANCE) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides improvements for and maintenance of landscaped parkways, open space, and medians within the CSD and provides funding for such services through the collection of the CSD Zone E parcel charges; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by charges which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its charges for Zone E (Extensive Landscape Maintenance) be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation, including a Consumer Price Adjustment (CPI) adjustment, as previously approved by the property owners for each assessable parcel of real property within CSD Zone E will provide the necessary and equitable revenue stream to fund extensive landscape maintenance services by the CSD for fiscal year (FY) 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the charge and the charge which is to be levied against each such parcel for FY 2016/17 (the "Report"), is on file in the Office of the Secretary to the CSD (City Clerk), available for public inspection, and is incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the CSD Board heard and considered all objections and protests, if any.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES

1
Resolution No. CSD 2016-21
Date Adopted: June 21, 2016

DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied charges for FY 2016/17 to defray the costs of furnishing extensive landscape maintenance services per assessable parcel of real property within the CSD is identified in the table below.

Zone E (Extensive Landscape Maintenance)
FY 2016/17 Maximum and Applied Annual Charges

| Zone E | Specific Plan or Major Development | Charge Category | Maximum Charges | Applied Charges |
|--------|------------------------------------|-----------------------------------|-----------------|-----------------|
| E-7 | Centerpointe | Per acre | \$745.71 | \$745.71 |
| E-8 | Promontory Park | Per single-family dwelling parcel | \$582.47 | \$542.52 |
| | | Per condo unit | \$206.20 | \$192.06 |

2. The maximum and applied charges are hereby confirmed for each assessable parcel of real property within CSD Zone E, as set forth in the Report, as such Report may have been modified by order of the CSD Board.

3. The Chief Financial Officer is hereby authorized to adjust the amounts in the Report to the extent that the adjustment is warranted due to corrections or parcel changes in the zone prior to submission of the charges for inclusion on the Riverside County tax roll.

4. The charges set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any charge that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the charges at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the charge will attach at 5:00 pm on the date the charge becomes delinquent and interest at 1.5% per month of the delinquent charge will attach on July 1st after the delinquency date and the first of each month thereafter until such charge is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law.

5. As set forth in Resolution CSD 97-06, the existing Zone E parcel charges are exempt from the requirements of Proposition 218 (Articles XIII C and XIII D of the California Constitution) so long as they are not increased and are therefore are not subject to voter ratification at this time.

2
Resolution No. CSD 2016-21
Date Adopted: June 21, 2016

6. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the charges.

7. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

8. That the City Clerk shall certify to the adoption of this Resolution.

9. That this Resolution shall become effective immediately upon its adoption.

APPROVED AND ADOPTED this 21st day of June 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-21
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-21 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-21
Date Adopted: June 21, 2016

Zone M
Fund 68-4283

RESOLUTION NO. CSD 2016-22

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED PARCEL CHARGES FOR PROVIDING ZONE M (COMMERCIAL/INDUSTRIAL/MULTIFAMILY IMPROVED MEDIAN MAINTENANCE) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides improvements to and maintenance for commercial/industrial/multifamily improved medians within the CSD and provides funding for such services through the collection of the CSD Zone M parcel charges; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by charges which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit of the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its charges for Zone M (Commercial/Industrial/Multifamily Improved Median Maintenance) be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation of the charges, including a Consumer Price Adjustment (CPI) adjustment (if applicable), as previously approved by the property owners for each assessable parcel of real property within CSD Zone M will provide the necessary and equitable revenue stream to fund landscape maintenance to improved medians by the CSD for fiscal year (FY) 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the charge and the charge which is to be levied against each such parcel for FY 2016/17 (the "Report"), is on file in the Office of the Secretary to the CSD (City Clerk), available for public inspection, and is incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the CSD Board heard and considered all objections and protests, if any.

1
Resolution No. CSD 2016-22
Date Adopted: June 21, 2016

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied charges for FY 2016/17 to defray the costs of furnishing landscape maintenance services to medians within the CSD is identified in Exhibit "A" attached hereto.

2. The maximum and applied charges are hereby confirmed for each assessable parcel of real property within CSD Zone M, as set forth in the Report, as such Report may have been modified by order of the CSD Board.

3. The Chief Financial Officer is hereby authorized to adjust the amounts in the Report to the extent that the adjustment is warranted due to corrections or parcel changes in the zone prior to submission of the charges for inclusion on the Riverside County tax roll.

4. The charges set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any charge that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the charges at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the charge will attach at 5:00 pm on the date the charge becomes delinquent and interest at 1.5% per month of the delinquent charge will attach on July 1st after the delinquency date and the first of each month thereafter until such charge is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law.

5. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the charges.

6. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

7. That the City Clerk shall certify to the adoption of this Resolution.

8. That this Resolution shall become effective immediately upon its adoption.

2
Resolution No. CSD 2016-22
Date Adopted: June 21, 2016

APPROVED AND ADOPTED this 21st day of June 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-22
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-22 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-22
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD M [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

EXHIBIT A

Zone M
FY 2016/17 Maximum and Applied Charges

| Assessor's Parcel Number (APN) | FY 2016/17 Maximum Charges | FY 2016/17 Applied Annual Charges ⁽²⁾ | Assessor's Parcel Number (APN) | FY 2016/17 Maximum Charges | FY 2016/17 Applied Annual Charges ⁽²⁾ |
|--------------------------------|----------------------------|--------------------------------------------------|--------------------------------|----------------------------|--------------------------------------------------|
| 263-111-046 | 2549.50 | 0.00 | 482-190-022 | 148.18 | 148.18 |
| 291-191-024 | 375.68 | 206.26 | 482-190-023 | 38.02 | 38.02 |
| 291-192-025 | 489.83 | 268.92 | 482-540-030 | 442.76 | 275.98 |
| 292-230-006 | 238.13 | 0.00 | 482-700-001 | 425.98 | 425.98 |
| 292-230-055 | 405.86 | 0.00 | 482-700-005 | 425.98 | 425.98 |
| 296-280-020 | 1916.19 | 1468.22 | 484-020-023 | 6537.05 | 5661.90 |
| 296-300-005 | 2513.96 | 1926.24 | 484-020-024 | 7989.60 | 6806.94 |
| 296-300-007 | 658.25 | 504.36 | 484-020-026 | 3087.32 | 1924.42 |
| 297-100-066 | 854.67 | 580.58 | 484-030-027 | 1732.82 | 0.00 |
| 297-100-079 | 406.56 | 276.16 | 484-030-020 | 679.81 | 0.00 |
| 297-120-002 | 1076.79 | 591.18 | 484-030-022 | 679.81 | 0.00 |
| 297-120-003 | 779.32 | 427.86 | 484-242-020 | 3276.35 | 0.00 |
| 297-120-011 | 1625.83 | 892.62 | 485-081-035 | 346.60 | 224.76 |
| 297-120-012 | 1625.83 | 892.62 | 485-081-036 | 244.11 | 158.30 |
| 297-120-016 | 5699.48 | 3871.68 | 485-081-037 | 77.84 | 50.46 |
| 297-130-039 ⁽¹⁾ | 798.00 | 598.94 | 485-081-038 | 145.15 | 94.12 |
| 297-130-041 ⁽¹⁾ | 1957.00 | 1469.12 | 485-081-039 | 79.16 | 51.32 |
| 297-130-042 ⁽¹⁾ | 1610.00 | 1209.20 | 485-081-040 | 354.97 | 230.18 |
| 297-130-046 | 2246.46 | 1233.38 | 485-220-030 | 2214.04 | 1936.34 |
| 297-130-064 | 925.83 | 508.30 | 485-220-031 | 332.04 | 331.94 |
| 297-140-049 | 1263.52 | 693.70 | 486-070-004 | 3270.74 | 2121.06 |
| 297-140-050 | 1299.32 | 713.36 | 486-070-012 | 285.27 | 184.98 |
| 297-140-052 | 1142.76 | 627.40 | 486-070-013 | 282.68 | 183.30 |
| 297-141-001 | 240.95 | 132.28 | 486-070-016 | 3270.74 | 2121.06 |
| 297-141-002 | 240.95 | 132.28 | 486-240-015 | 3000.51 | 0.00 |
| 297-141-003 | 240.95 | 132.28 | 486-240-016 | 7783.58 | 0.00 |
| 297-141-004 | 240.95 | 132.28 | 486-250-021 | 8940.11 | 5071.68 |
| 297-141-005 | 240.95 | 132.28 | 486-250-024 | 8630.91 | 4896.28 |
| 297-141-006 | 240.95 | 132.28 | 486-250-025 | 309.15 | 175.36 |
| 297-150-056 | 21559.10 | 2547.42 | 486-280-051 | 10724.11 | 0.00 |
| 297-170-004 | 3992.00 | 3058.76 | 488-210-028 | 1375.76 | 0.00 |
| 297-170-086 | 1697.78 | 1677.80 | 488-350-035 | 7549.31 | 731.14 |
| 297-170-087 | 16487.38 | 16293.36 | 488-350-041 | 35740.43 | 2938.88 |
| 297-170-069 | 7423.51 | 7336.16 | 488-350-047 | 3055.21 | 255.82 |
| 312-020-017 | 1746.60 | 1684.08 | 488-400-001 | 2309.04 | 0.00 |
| 312-020-018 | 1664.94 | 1086.08 | 488-400-002 | 136.27 | 0.00 |
| 312-020-020 | 649.64 | 533.34 | 488-400-003 | 1553.12 | 0.00 |
| 312-250-046 | 4047.90 | 3003.56 | 488-400-004 | 417.15 | 0.00 |
| 312-250-049 | 272.39 | 147.76 | 488-400-005 | 386.18 | 0.00 |
| 312-270-036 | 2898.37 | 2109.34 | 488-400-006 | 361.41 | 0.00 |
| 312-360-001 | 1557.70 | 986.38 | 488-400-007 | 413.01 | 0.00 |
| 312-360-002 | 733.05 | 464.54 | 488-400-008 | 121.80 | 0.00 |
| 312-360-003 | 501.88 | 318.18 | 488-400-009 | 394.42 | 0.00 |
| 312-360-004 | 1759.20 | 1113.66 | 488-400-010 | 315.94 | 0.00 |
| 312-360-005 | 1366.07 | 865.46 | 488-400-011 | 76.36 | 0.00 |

5
Resolution No. CSD 2016-22
Date Adopted: June 21, 2016

EXHIBIT A

Zone M FY 2016/17 Maximum and Applied Charges

| Assessor's Parcel Number (APN) | FY 2016/17 Maximum Charges | FY 2016/17 Applied Annual Charges ⁽²⁾ | Assessor's Parcel Number (APN) | FY 2016/17 Maximum Charges | FY 2016/17 Applied Annual Charges ⁽²⁾ |
|--------------------------------|----------------------------|--------------------------------------------------|--------------------------------|----------------------------|--------------------------------------------------|
| 312-360-006 | 2211.68 | 1400.02 | 488-400-012 | 148.65 | 0.00 |
| 312-360-007 | 864.11 | 547.28 | 488-400-013 | 945.88 | 0.00 |
| 312-360-008 | 814.65 | 515.46 | 488-400-014 | 63.98 | 0.00 |
| 312-360-009 | 904.92 | 572.74 | 488-400-015 | 53.62 | 0.00 |
| 312-360-010 | 914.79 | 579.10 | 488-400-016 | 280.85 | 0.00 |
| 312-360-011 | 734.32 | 464.54 | 488-400-017 | 163.11 | 0.00 |
| 316-020-046 | 10523.89 | 2198.40 | 488-400-018 | 119.76 | 0.00 |
| 316-200-033 | 2315.41 | 179.34 | 488-400-019 | 218.86 | 0.00 |
| 316-200-034 | 4924.39 | 381.40 | 488-400-020 | 189.97 | 0.00 |
| 316-200-035 | 2074.18 | 160.64 | 488-400-021 | 1096.64 | 0.00 |
| 316-210-074 | 2067.52 | 1504.68 | 488-400-022 | 161.05 | 0.00 |
| 316-210-085 | 1318.97 | 978.68 | 488-400-023 | 503.88 | 0.00 |
| 316-210-087 | 1519.23 | 1127.28 | 488-400-024 | 295.27 | 0.00 |
| 474-120-037 | 3488.79 | 0.00 | 488-400-025 | 107.34 | 0.00 |
| 478-070-029 | 8287.07 | 0.00 | 488-400-026 | 390.32 | 0.00 |
| 478-430-031 | 2731.71 | 0.00 | 488-400-027 | 12.33 | 0.00 |
| 479-070-050 | 1771.19 | 1587.78 | 488-400-028 | 386.16 | 0.00 |

⁽¹⁾ An annual inflation adjustment has not been approved by the property owners.

⁽²⁾ There are 124 parcels subject to the Zone M charge; however, only 82 parcels are being levied. The determination to levy the Zone M charge is dependent on whether improvements adjacent to the parcel have been or are being constructed.

Zone S
Fund 68-4270

RESOLUTION NO. CSD 2016-23

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING THE CALCULATION OF THE MAXIMUM AND APPLIED RATE FOR PROVIDING ZONE S (SUNNYMEAD BOULEVARD MAINTENANCE) SERVICES DURING FISCAL YEAR 2016/17

WHEREAS, the Moreno Valley Community Services District (the "CSD") provides improvements for and maintenance of certain parkway and median landscaping and improvements along Sunnymead Boulevard, from Frederick Street to Perris Boulevard that were installed in participation with the City of Moreno Valley ("City") and the former Community Redevelopment Agency of the City and provides funding for such services through CSD Zone S; and

WHEREAS, the Community Services District Law of the State of California, California Government Code Section 61000 et seq. provides that such services may be funded, in whole or in part, by charges which may be collected on the tax roll in the same manner, by the same persons, at the same time as, and together with and not separately from, the general property taxes collected by the County for the benefit of the CSD; and

WHEREAS, the City Council, acting in its capacity as Board of Directors of the CSD ("CSD Board"), has determined that it is in the best interest of the CSD to have its charges for Zone S (Sunnymead Boulevard Maintenance for certain improvements along from Frederick Street to Perris Boulevard) be so collected on the Riverside County tax roll; and

WHEREAS, the CSD Board has determined that continuing the calculation of the rate, including a Consumer Price Adjustment (CPI) adjustment as previously approved by the property owners, and application of the charge for each assessable parcel of real property within CSD Zone S will provide the necessary and equitable revenue stream to fund ongoing maintenance of certain improvements along Sunnymead Boulevard from Frederick Street to Perris Boulevard by the CSD for fiscal year (FY) 2016/17; and

WHEREAS, a report identifying each assessable parcel of real property subject to the rate and the calculated charge which is to be levied against each such parcel for FY 2016/17 (the "Report") is on file in the Office of the Secretary to the CSD (City Clerk), available for public inspection, and incorporated herein by reference; and

WHEREAS, notice of the filing of the Report, and of a hearing thereon, has been given as required by law; and

WHEREAS, the CSD Board has held said hearing, at which time all persons

1
Resolution No. CSD 20152016-23
Date Adopted: June 21, 2016

wishing to be heard were heard, and at which hearing the CSD Board heard and considered all objections and protests, if any.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The maximum and applied rate for FY 2016/17 to defray the costs of ongoing maintenance of certain improvements along Sunnymead Boulevard from Frederick Street to Perris Boulevard within the CSD is \$3.071664 per front linear foot.

2. The maximum and applied rate is hereby confirmed for each assessable parcel of real property within CSD Zone S, as set forth in the Report, as such Report may have been modified by order of the CSD Board.

3. The Chief Financial Officer is hereby authorized to adjust the amounts in the Report to the extent that the adjustment is warranted due to corrections or parcel changes in the zone prior to submission of the charges for inclusion on the Riverside County tax roll.

4. The charges set forth in the Report, as herein confirmed, shall be collected on the Riverside County tax roll at the same time and in the same manner as ad valorem property taxes and shall be subject to the same penalties, procedure, sale and lien priority in any case of delinquency as applicable for ad valorem taxes; provided, however, the CSD may utilize a direct billing procedure for any charge that cannot be collected on the Riverside County tax roll or may, by resolution, elect to collect the charges at a different time or in a different manner if necessary to meet its financial obligations, and if so collected, a delinquent penalty of 10% of the charge will attach at 5:00 pm on the date the charge becomes delinquent and interest at 1.5% per month of the delinquent charge will attach on July 1st after the delinquency date and the first of each month thereafter until such charge is paid. Notwithstanding anything to the contrary, in no event shall the total penalties, including any original delinquency fees, delinquency penalties, and interest thereon exceed the maximum amount permitted by law.

5. The Secretary of the CSD is hereby ordered to forward a certified copy of this Resolution and of the Report to the County of Riverside and to take such actions as are required for the collection of the charge.

6. That if any provision of this Resolution or the application of any such provision is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application, and to this end the provisions of this Resolution are severable and that the City Council declares that it would have adopted this Resolution irrespective of the invalidity of any particular portion of this Resolution.

7. That the City Clerk shall certify to the adoption of this Resolution.

2
Resolution No. CSD 2016-23
Date Adopted: June 21, 2016

8. That this Resolution shall become effective immediately upon its adoption.
APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

Interim City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

Interim City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

3
Resolution No. CSD 2016-23
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD S [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-23 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

INTERIM SECRETARY

(SEAL)

4
Resolution No. CSD 2016-23
Date Adopted: June 21, 2016

Attachment: Resolution Approving FY 2016-17 Annual Levy for CSD S [Revision 2] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY SERVICES DISTRICT

ANNUAL REPORT
FOR FISCAL YEAR 2016/17



Report Date:
MAY 2016

Prepared by:
PUBLIC WORKS DEPARTMENT
SPECIAL DISTRICTS DIVISION

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Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT

I. INTRODUCTION

The Moreno Valley Community Services District (“CSD” or “District”) was created by a vote of the citizens of Moreno Valley at the time the City incorporated in 1984. The District was formed, and Zones A and B were established, under Division 3 of Title 6 of the California Government Code, which allows the CSD to collect taxes, charges, and/or assessments for providing specific services. The purpose of the District was to continue to provide services that had been formerly provided by the County of Riverside through County Service Areas and funded through the collection of annual taxes, charges, and/or assessments. The CSD is a dependent special district of the City, and the Moreno Valley City Council serves as the Board of Directors of the CSD. The boundaries of the CSD are the same as those of the City. Parks and community services, and street lighting services formerly provided by the County were assumed by Zones A and B, respectively.

On June 23, 1987, the City Council of the City of Moreno Valley (“City”), acting in its capacity as the CSD Board of Directors (“CSD Board”), approved the establishment of Zone C (Arterial Street and Intersection Lighting), Zone D (Landscape Maintenance), and Zone E (Extensive Landscape Maintenance) within the District. On March 25, 2003, the CSD Board approved the establishment of Zone M (Commercial, Industrial, and/or Multifamily Median Maintenance). On December 13, 2005, the CSD Board approved the establishment of Zone S (Sunnymead Boulevard Maintenance). Each zone provides a level of service based upon the annual taxes, charges, and/or assessments received. Only those parcels whose owners have previously approved inclusion into a zone are subject to the annual taxes, charges, and/or assessments for that zone.

Proposition 218, approved as a constitutional amendment in the November 5, 1996 election, specifically addresses the ability of public agencies to collect taxes, charges, and/or assessments. The City has reviewed Proposition 218 with respect to the CSD collection process. Based upon this review, it has been determined that the CSD taxes, charges, and/or assessments, as currently collected, are in compliance with Proposition 218. Any future increase beyond what the property owners/voters have already approved will require approval by the property owners through a mail ballot proceeding. The property owner mail ballot proceeding will be conducted in accordance with Proposition 218 guidelines and the CSD Board approved Policy For Conducting Mail Ballot Proceedings, which was originally adopted on January 9, 2001 and most recently amended on October 27, 2015.

To clarify the status of certain CSD charges levied in connection with the CSD Zones, the CSD Board established two assessment districts pursuant to the Landscape and Lighting Act of 1972 (Section 22500 et seq. of the California Streets and Highways Code) to replace and succeed certain zones within the CSD, with no increase in the assessment amount levied as previously approved by the property owners.

On May 27, 2014, the CSD Board adopted Resolution No. CSD 2014-08, forming Moreno Valley Community Services District Lighting Maintenance District No. 2014-01

("LMD No. 2014-01") to replace and succeed Zone B. The LMD No. 2014-01 annual assessment replaced the Zone B charge on the property tax bill. Discussion regarding the residential street light program can be found in the Annual Assessment Engineer's Report for LMD No. 2014-01.

On May 27, 2014 the CSD Board also adopted Resolution No. CSD 2014-09, forming Moreno Valley Community Services District Landscape Maintenance District No. 2014-02 ("LMD No. 2014-02") to replace and succeed certain Zone E charges. The LMD No. 2014-02 annual assessments replaced the Zone E charge on the property tax bill for the zones that are included in LMD No. 2014-02. Discussion regarding the successor zones can be found in the Annual Assessment Engineer's Report for No. LMD 2014-02.

This Annual Report ("Report") documents the fiscal year (FY) 2016/17 CSD taxes, charges, and/or assessments. All property owners who are currently subject to taxes, charges, and/or assessments were sent a notice similar to that of [Appendix A](#).

II. ANNUAL UPDATE

The CSD provides special programs such as parks and community services; arterial and intersection street lighting; and median, open space, and parkway landscape maintenance. The City's Special Districts Division administers the collection of the CSD taxes, charges, and/or assessments and works to provide cost savings and improved services throughout the year. Some of these actions include:

- Development and mailing of an Annual Update to all property owners which describes the services provided, highlights accomplishments completed during the preceding year, and provides updates on improvements or issues that affect the service areas.
- Comprehensive review of the Special Districts Division webpage to ensure up to date information is available to include:
 - Boundary maps of the parcels in the CSD;
 - Service level guidelines;
 - Special Financing Districts Property Lookup - a tool that allows the user to access the City levied taxes, charges, and/or assessments that a given parcel is subject to; and,
 - Integrated Map Viewer – enables a user to see the general location of the landscape improvements maintained with funding received from the annual landscape charges or assessments.
 - Information on how to report street light outages directly to the utility provider.
- Standardizing maintenance service schedules to ensure landscaping is being maintained on a consistent basis.
- Continual refinement of the competitive proposal process for maintenance contracts.
- Continual review and monitoring of maintenance contracts to provide efficiencies and reduce costs including combining landscape maintenance zones under one contract for cost and administration efficiencies for both the City and contractors.
- Aligning service levels for Tracts in accordance with the funding available to provide the most frequent level of service possible.
- Receiving approval to participate in Metropolitan Water District's Turf Removal program to replace turf in potable water areas with drought tolerant landscaping which yielded approximately \$729,000 in rebates to pay for the conversion.
- Conversion of 371,421 square feet of turf to drought-tolerant plant material and water efficient Netafim drip line irrigation systems.
 - In 23 Zone D tracts, 264,529 square feet of turf was removed and the irrigation system was replaced. The renovation included installation of

21,512 one-gallon plants, 1,821 five-gallon plants, 51 15-gallon plants, and 1,494 cubic yards of mulch.

- Over 44,096 square feet of turf was removed and the irrigation system was replaced. The renovation included installation of 4,900 one-gallon plants, and 400 yards of mulch in Zone E-7.
- In Zone M, 62,796 square feet of turf was removed and the irrigation system was replaced. The renovation included installation of 6,200 one-gallon plants, and 630 yards of mulch.
- Monitoring water bills and budgets to respond to drought conditions and Eastern Municipal Water District's water restrictions.

The following provides a brief summary of activities performed through the end of March 2016:

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------|
| 68 | Landscape Service Requests |
| 5 | Different landscape areas administered and managed |
| 75 | Trees and/or stumps removed ³ |
| 79 | Trees Installed |
| 31,250 | Plants Installed |
| 305 | Flats of groundcover replaced |
| 741 | City Processed Street Light Repair Requests ^{1,2} |
| 538 | Trees trimmed ³ |
| 2,259 | Cubic Yards of mulch installed |
| 45 | Underground Service Alerts ² |
| 2,497,687 ^{+/-} | Square feet of maintained landscape areas |
| ¹ Excludes customer requests made directly to the utility provider. ² Includes requests for all special financing districts within the city (CSD and LMD). ³ Scheduled to be completed by the end of the Fiscal Year | |

III. ZONE DESCRIPTIONS

The purpose of the zones is to provide stable revenue sources to fund the ongoing operation and maintenance of the improvements and services.

A. ZONE A (PARKS & COMMUNITY SERVICES)

I. BOUNDARIES

The boundaries for Zone A encompass the entire City. All assessable (taxable) properties within the City boundaries are levied this parcel tax to support the services outlined below. A map showing the boundaries of Zone A is included in [Appendix C](#), and is also on file at the office of and available online from the Public Works Department, Special Districts Division (www.moval.org/sf).

II. IMPROVEMENTS AND SERVICES

Prior to City incorporation, the County of Riverside formed certain County Service Areas to provide parks and community services above the level that was generally provided by the County of Riverside. At the time of City incorporation, CSD Zone A was formed to continue to provide the enhanced level of parks and community services. Services funded by the Parks & Community Services Department include maintenance of approximately 586 acres of citywide parkland and 37 park sites; 4 facilities, 102 youth, teen and adult recreation activities, and 11 special events; the July 4th Annual FunFest and Sights and Sounds of Liberty Parade; the Senior Center which offers 24 senior activities/programs and 24 Senior Center annual special events; the Child's Place after school program which has 5 different sites; and 10 miles of improved multi-use trails. Certain areas within the City may also be included in Community Facilities District No. 1, which provides funding for the maintenance of facilities and additional services beyond those provided by Zone A. Detailed design plans and specifications for park facilities are on file in the office of the Parks & Community Services Department.

B. ZONE C (ARTERIAL STREET AND INTERSECTION LIGHTING)

I. BOUNDARIES

The boundaries for Zone C encompass the entire City. All assessable (taxable) properties within the City boundaries are levied this parcel tax to support the services of both arterial and intersection street lighting with the exception of those parcels within the boundaries of the Edgemont Community Services District (ECSD). The ECSD provides its own arterial and intersection street lighting service. A map identifying the boundaries of Zone C is included in [Appendix C](#), and is also on file at the office of and available online from the Public Works Department, Special Districts Division (www.moval.org/sf).

II. IMPROVEMENTS AND SERVICES

Although the City is under no duty or legal obligation to illuminate its streets, Zone C was established to provide funding for arterial street lighting and intersection lighting on major roadways throughout the zone. The location of each street light within the CSD can be found by using the City's map viewer at <http://www.moreno->

valley.ca.us/city_hall/city_maps.shtml. From the Moreno Valley Map Viewer, select the "Layers" tab in the bottom left corner, select and expand "Operations" and select "Street Lights". The facilities can be viewed when the map scale is less than 10,000. The following provides a summary of the existing street light improvements, which are funded by Zone C as of March 2016. Detailed design plans and specifications for the street lights are on file in the office of the Public Works Department.

Zone C Street Light Inventory

| Southern California Edison | |
|---------------------------------------|-------|
| HPSV 5800 lumen (LS-1) | 4 |
| HPSV 9500 lumen (LS-1) | 145 |
| HPSV 22000 lumen (LS-1) | 2,132 |
| HPSV 27500 lumen (LS-1) | 9 |
| LS-3 Meters | 163 |
| | |
| Moreno Valley Electric Utility | |
| HPSV 22000 lumen (LS-1) | 612 |
| LS-3 Meters | 40 |

Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT

C. ZONE D (PARKWAY LANDSCAPE MAINTENANCE)

I. BOUNDARIES

The boundaries for Zone D encompass the entire City; however, only parcels within identified residential tracts or development areas receiving public landscape maintenance services are levied a charge. A map of the boundaries of Zone D and the parcels included in the zone is included in [Appendix C](#), is on file at the office of the Public Works Department, Special Districts Division and available online (www.moval.org/sf).

I. IMPROVEMENTS AND SERVICES

Zone D was formed to provide a funding source for the maintenance services of public landscape improvements where specific residential tracts or development areas have installed landscaped perimeters, entry statements, or medians within the City's right-of-way or in landscape easement areas and have requested the CSD maintain the improvements on behalf of the property owners. A general summary of the improvements, equipment, and locations for each residential tract are set forth in [Appendix D](#). The general location of the improvements can also be found by using the City's map viewer at http://www.moreno-valley.ca.us/city_hall/city_maps.shtml. From the map viewer, select the "Layers" tab in the bottom left corner, select "Special Districts" from the drop down, and select and expand "Special Districts Layers".

The improvements are scheduled to be maintained per the CSD Zone D General Service Level Guidelines as set forth in [Appendix E](#). Based on these guidelines, the level and frequency of maintenance service is provided based on available funding. Detailed design plans and specifications for the landscape improvements are on file in the office of the Public Works Department, Special Districts Division.

D. ZONE E (EXTENSIVE LANDSCAPE MAINTENANCE)

I. BOUNDARIES

A map of Zone E's boundaries and the parcels in the two subzones (Zone E-7 and Zone E-8) is included in [Appendix C](#), is on file at the office of the Public Works Department, Special Districts Division and available online (www.moval.org/sf).

II. IMPROVEMENTS AND SERVICES

Zone E was formed to provide a funding source for the public landscape maintenance services where specific areas or subzones have installed extensive landscaping in and around specific major residential/commercial development areas within the City's right-of-way or in landscape easement areas and have requested the CSD maintain the improvements on behalf of the property owners. A general summary of the improvements and locations for each area are set forth in [Appendix D](#). The general location of the improvements can also be found by using the City's map viewer at http://www.moreno-valley.ca.us/city_hall/city_maps.shtml. From the map viewer, select the "Layers" tab in the bottom left corner, and select "Special Districts" layer from the drop down, and select and expand "Special Districts Layers".

The improvements are scheduled to be maintained per the CSD Zone E General Service Level Guidelines as set forth in [Appendix E](#). Based on these guidelines, the level and frequency of maintenance service is provided based on available funding. Detailed design plans and specifications for the landscape improvements are on file in the office of the Public Works Department, Special Districts Division.

E. ZONE M (COMMERCIAL, INDUSTRIAL, AND/OR MULTIFAMILY MEDIAN MAINTENANCE)

I. BOUNDARIES

The boundaries for Zone M encompass the entire City; however, only those parcels that have approved the annual charge through a mail ballot proceeding are levied a charge. A map of Zone M's boundaries and the parcels included in the zone is included in [Appendix C](#), is on file at the office of the Public Works Department, Special Districts Division and available online from (www.moval.org/sf).

II. IMPROVEMENTS AND SERVICES

Zone M was formed to provide an ongoing funding source for the public landscape maintenance services where specific commercial, industrial, or multifamily projects have installed and/or are conditioned to provide funding for the ongoing maintenance of those landscaped medians within the City's right-of-way. A general summary of the improvements, equipment, and locations are set forth in [Appendix D](#). The general location of the improvements can also be found by using the City's map viewer at http://www.moreno-valley.ca.us/city_hall/city_maps.shtml. From the map viewer, select the "Layers" tab in the bottom left corner, and select "Special Districts" layer from the drop down and select and expand "Special Districts Layers".

The level and frequency of maintenance service is provided based on available funding. Detailed design plans and specifications for the landscape improvements are on file in the office of the Public Works Department, Special Districts Division.

F. ZONE S (SUNNYMEAD BOULEVARD MAINTENANCE)

I. BOUNDARIES

The boundaries of Zone S include parcels fronting Sunnymead Boulevard from Frederick Street to Perris Boulevard. A map identifying the boundaries of Zone S and the parcels included in the zone is included in [Appendix C](#), is on file at the office of the Public Works Department, Special Districts Division and is available online from (www.moval.org/sf).

II. IMPROVEMENTS AND SERVICES

Zone S was formed to provide an ongoing funding source for public landscape maintenance services for parcels along Sunnymead Boulevard. In participation with the City and the former Redevelopment Agency of the City of Moreno Valley, certain parkway and median improvements were installed within the City's right-of-way. The CSD maintains the improvements installed as part of the former Redevelopment Agency's revitalization project on behalf of the property owners. The maintenance is

funded through the Zone S annual charge. A general summary of the improvements, equipment, and locations are set forth in [Appendix D](#). The general location of the improvements can also be found by using the City's map viewer http://www.moreno-valley.ca.us/city_hall/city_maps.shtml. From the map viewer, select the "Layers" tab in the bottom left corner, select "Special Districts" layer from the drop down, and select and expand "Special Districts Layers".

The level and frequency of maintenance service provided is based on available funding. Detailed design plans and specifications for the landscape improvements are on file in the office of the Public Works Department, Special Districts Division.

IV.METHOD OF ANNUAL PARCEL TAX/CHARGE CALCULATION

This section of the Report presents the FY 2016/17 parcel taxes/charges for each zone of the CSD and a brief description of the method (formula) used for calculating the parcel taxes/charges. The parcel taxes/charges are calculated according to the cost to provide for the operation and maintenance of the improvements within the zones along with any applicable administration costs. A list containing the assessor’s parcel number (APN) and the corresponding maximum and applied taxes, charges, and/or assessments for each zone are provided in [Appendix F](#).

As noted in the following sections, annual inflation adjustments may be authorized by the CSD Board and applied to the taxes, charges, and/or assessments each year, if property owners have previously approved such adjustments. The maximum annual inflation adjustment is based on the Department of Labor, Bureau of Labor Statistics, Regional Consumer Price Index (CPI) for All Urban Consumers for Los Angeles-Riverside-Orange County, or another identified index. The following table provides a history of the CPI.

| Calendar Year | CPI Adjustment | Fiscal Year Applied |
|---------------|----------------|---------------------|
| 2008 | 0.10% | 2009/10 |
| 2009 | 1.83% | 2010/11 |
| 2010 | 1.34% | 2011/12 |
| 2011 | 2.17% | 2012/13 |
| 2012 | 1.93% | 2013/14 |
| 2013 | 1.14% | 2014/15 |
| 2014 | 0.73% | 2015/16 |
| 2015 | 2.03% | 2016/17 |

A. ZONE A (PARKS & COMMUNITY SERVICES)

Prior to Proposition 218, the calculation of the applied Zone A parcel tax was derived by dividing the total estimated budget by the total number of residential parcels and number of actual dwelling units, nonresidential parcels, and undeveloped parcels. Although costs to provide the services have increased and exceeds revenues to fund operations and maintenance, the parcel tax for Zone A has remained at \$87.50 per parcel/dwelling unit since FY 1992/93. Current funding shortfalls have been bridged with contributions from the City’s General Fund. The City’s FY 2016/17 Adopted Budget includes an allocation of \$521,021.00 from the General Fund to support the parks and community services programs.

The Zone A parcel tax is \$87.50 per dwelling unit or nonresidential or undeveloped taxable parcel. The total amount levied on the FY 2015/16 property tax bills was \$4,929,925.00. The total proposed maximum and applied amount to be levied on the property tax bills for FY 2016/17 is \$ 4,929,662.50. There is **no increase** in the parcel tax for FY 2016/17; an annual inflation adjustment has not been approved for this zone.

B. ZONE C (ARTERIAL STREET AND INTERSECTION LIGHTING)

Prior to the passage of Proposition 218, the method of parcel tax calculation was based on the estimated annual budget divided by the total number of taxable parcels within the CSD, excluding those parcels in the ECSD. Although costs to provide the services to operate arterial and intersection street lights have increased, the parcel tax for Zone C has remained constant at \$9.00 per parcel since FY 1996/97.

In FY 2010/11, all remaining Zone C fund balances were used to continue the operation and maintenance of arterial and intersection street light services. Zone C received a contribution from the General Fund of \$90,000 for FY 2011/12. Each year since, Zone C has required an additional contribution from the General Fund. Zone C will require contributions from the General Fund in future years unless the cost of operations and maintenance levels is reduced or an additional funding source is identified. The City Council authorized the subsidy of the arterial and intersection street lighting program from the General Fund through FY 2016/17. The FY 2016/17 Adopted Budget includes an allocation of \$20,000.00 from the General Fund to continue the current level of arterial street lighting services.

The Zone C parcel tax is \$9.00 per taxable parcel. The total amount levied on the FY 2015/16 property tax bills was \$423,171.00. The total proposed maximum and applied amount to be levied on the property tax bills for FY 2016/17 is \$423,144. There is **no increase** in the parcel tax for FY 2016/17; an annual inflation adjustment has not been approved for this zone.

C. ZONE D (PARKWAY LANDSCAPE MAINTENANCE)

The cost per parcel or unit of property is calculated by the estimated cost of operations and maintenance for each tract divided by the number of parcels/units within the tract. In those Tracts where the operational and maintenance costs exceed the revenue collected from current charges, available fund balances are used until a Proposition 218 mail ballot proceeding can be conducted to seek approval to increase the annual charge. In compliance with Proposition 218, mail ballot proceedings are conducted for landscape maintenance services for new residential developments or to increase the charge for existing tracts where actual costs exceed revenue received from the charges generated by that tract. Certain tracts within this zone have approved an annual CPI adjustment. The following table provides a summary of FY 2015/16's maximum and applied charges in addition to the FY 2016/17 proposed maximum and applied charges. The total amount levied on the FY 2015/16 property tax bills was \$1,184,485.96. The total proposed amount to be levied on the property tax bills for FY 2016/17 is \$1,189,952.54.

| Zone D | | | | | | |
|----------------------------|--------------------|-------------------------------------|----------------------------|-------------------------------------------------------------|----------------------------------------------------|---------------------------------|
| Tract Number | 16/17 Parcel Count | FY 2015/16 Noticed/ Maximum Charges | FY 2015/16 Applied Charges | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ | FY 2016/17 Proposed Zone D Levy |
| 10191/18468 | 77 | \$75.52 | \$75.52 | \$77.05 | \$77.04 | \$5,932.08 |
| 11848 | 62 | 91.92 | 91.92 | 93.78 | 93.78 | 5,814.36 |
| 12305 ⁽¹⁾ | 98 | 57.00 | 57.00 | 57.00 | 57.00 | 5,586.00 |
| 12608 | 75 | 208.99 | 0.00 | 213.23 | 0.00 | 0.00 |
| 12773 | 160 | 87.55 | 87.54 | 89.32 | 89.32 | 14,291.20 |
| 12902 | 80 | 78.80 | 78.80 | 80.39 | 78.80 | 6,304.00 |
| 13576/19080/19081 | 332 | 35.00 | 35.00 | 35.71 | 35.70 | 11,852.40 |
| 13585 ⁽¹⁾ | 81 | 57.00 | 57.00 | 57.00 | 57.00 | 4,617.00 |
| 14387/12268 ⁽¹⁾ | 176 | 57.00 | 57.00 | 57.00 | 57.00 | 10,032.00 |
| 15387 ⁽¹⁾ | 100 | 57.00 | 57.00 | 57.00 | 57.00 | 5,700.00 |
| 15433 | 138 | 98.51 | 98.50 | 100.50 | 100.50 | 13,869.00 |
| 16768 | 105 | 70.03 | 70.02 | 71.45 | 71.44 | 7,501.20 |
| 16769 | 156 | 66.74 | 66.74 | 68.09 | 66.74 | 10,411.44 |
| 16770 ⁽¹⁾ | 70 | 57.00 | 57.00 | 57.00 | 57.00 | 3,990.00 |
| 17033 | 38 | 189.50 | 189.50 | 193.34 | 193.34 | 7,346.92 |
| 17176 ⁽¹⁾ | 138 | 57.00 | 57.00 | 57.00 | 57.00 | 7,866.00 |
| 17334 | 57 | 370.92 | 370.92 | 378.44 | 370.92 | 21,142.44 |
| 17387 ⁽¹⁾ | 37 | 57.00 | 57.00 | 57.00 | 57.00 | 2,109.00 |
| 17457 | 40 | 86.44 | 86.44 | 88.19 | 88.18 | 3,527.20 |
| 17867 ⁽¹⁾ | 195 | 57.00 | 57.00 | 57.00 | 57.00 | 11,115.00 |
| 18283 ⁽¹⁾ | 538 | 57.00 | 57.00 | 57.00 | 57.00 | 30,666.00 |
| 18512/21322 | 519 | 88.12 | 88.12 | 89.90 | 88.12 | 45,734.28 |
| 18784/20906 | 137 | 190.27 | 186.78 | 194.13 | 186.78 | 25,588.86 |
| 18930 | 295 | 84.27 | 84.26 | 85.98 | 84.26 | 24,856.70 |
| 19032 | 113 | 207.93 | 134.28 | 212.15 | 134.28 | 15,173.64 |
| 19141 | 62 | 82.07 | 82.06 | 83.73 | 82.06 | 5,087.72 |
| 19142 ⁽¹⁾ | 50 | 57.00 | 57.00 | 57.00 | 57.00 | 2,850.00 |
| 19143 ⁽¹⁾ | 51 | 57.00 | 57.00 | 57.00 | 57.00 | 2,907.00 |
| 19208 | 153 | 79.52 | 79.52 | 81.13 | 79.52 | 12,166.56 |
| 19210 | 122 | 74.42 | 74.42 | 75.93 | 75.92 | 9,262.24 |
| 19233 ⁽¹⁾ | 129 | 57.00 | 57.00 | 57.00 | 57.00 | 7,353.00 |
| 19363 ⁽¹⁾ | 151 | 57.00 | 57.00 | 57.00 | 57.00 | 8,607.00 |
| 19434 ⁽¹⁾ | 156 | 57.00 | 57.00 | 57.00 | 57.00 | 8,892.00 |
| 19474 ⁽¹⁾ | 120 | 57.00 | 57.00 | 57.00 | 57.00 | 6,840.00 |
| 19496 | 45 | 70.03 | 70.02 | 71.45 | 71.44 | 3,214.80 |
| 19500 | 40 | 79.87 | 79.86 | 81.49 | 81.48 | 3,259.20 |
| 19509 ⁽¹⁾ | 323 | 57.00 | 57.00 | 57.00 | 57.00 | 18,411.00 |

| Zone D | | | | | | |
|----------------------------|--------------------|-------------------------------------|----------------------------|-------------------------------------------------------------|----------------------------------------------------|---------------------------------|
| Tract Number | 16/17 Parcel Count | FY 2015/16 Noticed/ Maximum Charges | FY 2015/16 Applied Charges | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ | FY 2016/17 Proposed Zone D Levy |
| 19518/18372 ⁽¹⁾ | 108 | 57.00 | 57.00 | 57.00 | 57.00 | 6,156.00 |
| 19529 | 35 | 76.60 | 76.60 | 78.15 | 78.14 | 2,734.90 |
| 19533 ⁽¹⁾ | 147 | 57.00 | 57.00 | 57.00 | 57.00 | 8,379.00 |
| 19541 | 40 | 101.79 | 101.78 | 103.85 | 103.84 | 4,153.60 |
| 19551 | 225 | 103.19 | 103.18 | 105.28 | 103.18 | 23,215.50 |
| 19675 | 38 | 87.55 | 87.54 | 89.32 | 89.32 | 3,394.16 |
| 19685 | 311 | 76.60 | 76.60 | 78.15 | 78.14 | 24,301.54 |
| 19799 | 31 | 292.64 | 292.64 | 298.58 | 292.64 | 9,071.84 |
| 19852 | 292 | 74.15 | 72.80 | 75.65 | 72.80 | 21,257.60 |
| 19862 | 35 | 162.12 | 162.12 | 165.41 | 162.12 | 5,674.20 |
| 19912 | 138 | 90.81 | 90.80 | 92.65 | 90.80 | 12,530.40 |
| 19937 | 163 | 117.21 | 117.20 | 119.58 | 117.20 | 19,103.60 |
| 19957 | 72 | 74.15 | 74.14 | 75.65 | 75.64 | 5,446.08 |
| 20030 | 41 | 109.56 | 109.56 | 111.78 | 111.78 | 4,582.98 |
| 20032 ⁽¹⁾ | 171 | 57.00 | 57.00 | 57.00 | 57.00 | 9,747.00 |
| 20072 | 119 | 95.66 | 95.66 | 97.60 | 97.60 | 11,614.40 |
| 20120 | 41 | 102.90 | 102.90 | 104.98 | 102.90 | 4,218.90 |
| 20197 ⁽¹⁾ | 221 | 57.00 | 57.00 | 57.00 | 57.00 | 12,597.00 |
| 20272 | 205 | 136.85 | 136.84 | 139.62 | 136.84 | 28,052.20 |
| 20301 ⁽¹⁾ | 149 | 57.00 | 57.00 | 57.00 | 57.00 | 8,493.00 |
| 20404 | 238 | 112.86 | 110.78 | 115.15 | 110.78 | 26,365.64 |
| 20525 ⁽¹⁾ | 213 | 57.00 | 57.00 | 57.00 | 57.00 | 12,141.00 |
| 20552 ⁽¹⁾ | 200 | 57.00 | 57.00 | 57.00 | 57.00 | 11,400.00 |
| 20660 | 76 | 115.03 | 115.02 | 117.36 | 117.36 | 8,919.36 |
| 20715 | 342 | 101.03 | 101.02 | 103.08 | 101.02 | 34,548.84 |
| 20718 | 104 | 152.25 | 149.44 | 155.34 | 149.44 | 15,541.76 |
| 20859 | 313 | 70.94 | 70.94 | 72.38 | 72.38 | 22,654.94 |
| 20869 ⁽¹⁾ | 72 | 57.00 | 57.00 | 57.00 | 57.00 | 4,104.00 |
| 20941 | 76 | 112.84 | 112.84 | 115.13 | 115.12 | 8,749.12 |
| 21113 ⁽¹⁾ | 166 | 57.00 | 57.00 | 57.00 | 57.00 | 9,462.00 |
| 21332 | 104 | 105.06 | 105.06 | 107.19 | 105.06 | 10,926.24 |
| 21333 | 127 | 227.93 | 226.28 | 232.55 | 226.28 | 28,737.56 |
| 21345 | 53 | 124.88 | 124.88 | 127.41 | 127.40 | 6,752.20 |
| 21597 | 75 | 508.54 | 479.32 | 518.86 | 479.32 | 35,949.00 |
| 21616 | 37 | 406.16 | 398.68 | 414.40 | 398.68 | 14,751.16 |
| 21737 | 14 | 230.10 | 230.10 | 234.77 | 234.76 | 3,286.64 |
| 21806 | 70 | 75.52 | 75.52 | 77.05 | 77.04 | 5,392.80 |
| 22093 | 73 | 185.65 | 185.64 | 189.41 | 185.64 | 13,551.72 |

| Zone D | | | | | | |
|-----------------------------------------|--------------------|-------------------------------------|----------------------------|-------------------------------------------------------------|----------------------------------------------------|---------------------------------|
| Tract Number | 16/17 Parcel Count | FY 2015/16 Noticed/ Maximum Charges | FY 2015/16 Applied Charges | FY 2016/17 Proposed Noticed/ Maximum Charges ⁽³⁾ | FY 2016/17 Proposed Applied Charges ⁽⁴⁾ | FY 2016/17 Proposed Zone D Levy |
| 22180 | 140 | 265.55 | 0.00 | 270.94 | 0.00 | 0.00 |
| 22276 | 38 | 213.24 | 213.24 | 217.56 | 217.56 | 8,267.28 |
| 22277 | 38 | 289.22 | 287.12 | 295.09 | 287.12 | 10,910.56 |
| 22371 | 39 | 313.31 | 313.30 | 319.67 | 319.66 | 12,466.74 |
| 22889 | 56 | 203.60 | 203.60 | 207.73 | 207.72 | 11,632.32 |
| 22999 ⁽¹⁾ | 43 | 67.00 | 67.00 | 67.00 | 67.00 | 2,881.00 |
| 23046 ⁽¹⁾ | 38 | 183.00 | 183.00 | 183.00 | 183.00 | 6,954.00 |
| 24721 ⁽¹⁾ | 64 | 57.00 | 57.00 | 57.00 | 57.00 | 3,648.00 |
| 27251-1 ⁽²⁾ | 150 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 27526 | 51 | 175.26 | 175.26 | 178.81 | 175.26 | 8,938.26 |
| 28882 | 111 | 112.84 | 112.84 | 115.13 | 112.84 | 12,525.24 |
| 29038 | 72 | 65.64 | 65.64 | 66.97 | 66.96 | 4,821.12 |
| 30027 | 134 | 216.07 | 216.06 | 220.45 | 220.44 | 29,538.96 |
| 30967 | 33 | 502.50 | 483.90 | 512.70 | 483.90 | 15,968.70 |
| 31129 | 109 | 146.40 | 140.98 | 149.37 | 140.98 | 15,366.82 |
| 31257 | 17 | 1,149.58 | 1,128.38 | 1,172.91 | 1,128.38 | 19,182.46 |
| 31268 | 26 | 198.23 | 198.22 | 202.25 | 202.24 | 5,258.24 |
| 31269 | 35 | 235.35 | 235.34 | 240.12 | 235.34 | 8,236.90 |
| 31269-1 | 107 | 323.18 | 317.22 | 329.74 | 317.22 | 33,942.54 |
| 31284 | 144 | 136.63 | 136.62 | 139.40 | 136.62 | 19,673.28 |
| 31305 | 1 | 533.27 | 0.00 | 544.09 | 0.00 | 0.00 |
| 31424 | 37 | 235.35 | 231.02 | 240.12 | 231.02 | 8,547.74 |
| 31591 | 33 | 497.47 | 488.30 | 507.56 | 488.30 | 16,113.90 |
| 32005 | 2 | 120.40 | 0.00 | 122.84 | 0.00 | 0.00 |
| 32018 | 77 | 74.42 | 74.42 | 75.93 | 75.92 | 5,845.84 |
| 32625 | 20 | 1,075.19 | 1,035.38 | 1,097.01 | 1,035.38 | 20,707.60 |
| 32715 | 36 | 981.62 | 574.72 | 1,001.54 | 574.72 | 20,689.92 |
| 33436 | 2 | 45.13 | 0.00 | 46.04 | 0.00 | 0.00 |
| 33637 | 2 | 319.30 | 0.00 | 325.78 | 0.00 | 0.00 |
| 33962 | 2 | 531.11 | 0.00 | 541.89 | 0.00 | 0.00 |
| 4-Custom Homes | 4 | 609.59 | 0.00 | 621.96 | 0.00 | 0.00 |
| Total Zone D Levy for FY 2016/17 | | | | | | \$1,189,952.54 |

(1) An annual inflation adjustment has not been approved by the property owners.

(2) Tract 27251-1 was annexed into LMD 2014-02 (May 12, 2015), replacing the Zone D charge

(3) Maximum rate increased by 2.03% inflationary adjustment.

(4) There are 105 Tract/Developments subject to the Zone D charge; however, only 97 Tracts are projected to be levied in FY 2016/17. The determination to levy the Zone D charge is dependent on whether improvements adjacent to the parcel have been or are being constructed.

D. ZONE E (EXTENSIVE LANDSCAPE MAINTENANCE)

Zone E charges are based on the operation and maintenance costs for the landscape improvements for each specific planned development. Developments (i.e. subzones) are considered independent and the estimated budget for the required services is divided by the number of residential lots, equivalent dwelling units, and/or acreage in that development yielding a parcel charge, unit charge, and/or acreage charge. Landscape maintenance service is provided at a service level that can be supported by the revenue from the annual charges. Service levels are defined in the Zone E Service Plan Policy (originally approved on September 25, 2007 and most recently amended on April 26, 2011).

In subzones where operational and maintenance costs exceed the revenue collected from current charges, available fund balances are used until a Proposition 218 mail ballot proceeding can be conducted to seek approval to increase the annual charge. In compliance with Proposition 218, mail ballot proceedings are conducted for landscape maintenance services for new subzones or to increase the charge for existing subzones where actual costs exceed the revenue received from the charges generated by that subzone. Property owners in all subzones have approved an annual CPI adjustment. The following table provides a summary of FY 2015/16's maximum and applied charges in addition to the FY 2016/17 proposed maximum and applied charges. The total amount levied on the FY 2015/16 property tax bills was \$357,288.66. The total proposed amount to be levied on the property tax bills for FY 2016/17 is \$385,567.50.

| Zone E | | | | | | | |
|--------------------------------------------------|------------------------------------------------|-----------------|----------------------------|----------------------------|-------------------------------------|-------------------------------------|--------------------------|
| Subzone | Specific Plan or Major Development Description | Charge Category | FY 2015/16 Maximum Charges | FY 2015/16 Applied Charges | Proposed FY 2016/17 Maximum Charges | Proposed FY 2016/17 Applied Charges | Proposed FY 2016/17 Levy |
| E-7 | Centerpointe | Per acre | \$730.88 | \$730.88 | \$745.71 | \$745.71 | |
| Zone E-7 Total | | | | | | | \$123,175.92 |
| E-8 | Promontory Park | Per parcel | 570.89 | 542.52 | 582.47 | 542.52 | |
| | | Per condo unit | 202.10 | 192.06 | 206.20 | 192.06 | |
| Zone E-8 Total | | | | | | | \$262,391.58 |
| Total Proposed Zone E Levy for FY 2016/17 | | | | | | | \$385,567.50 |

E. ZONE M (COMMERCIAL, INDUSTRIAL AND/OR MULTIFAMILY MEDIAN MAINTENANCE)

Zone M charges are calculated by determining the proportional obligation for each contributing parcel based on the total median maintenance including administrative costs attributable to the improved median area.

Parcels subject to the Zone M charge fund the proportional cost of landscape maintenance for the median area associated with or fronting the development project, for the median landscape maintenance and related administration costs. Property owners of most developments within this zone have approved an annual CPI adjustment. The following table provides a summary of FY 2015/16's maximum and applied charges in addition to the FY 2016/17 proposed maximum and applied charges. The total amount levied on the property tax bills for FY 2015/16 was \$157,079.82. The

total proposed amount to be levied on the property tax bills for FY 2016/17 is \$112,641.38

| Zone M | | | | |
|----------------------------|---------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------|
| APN | FY 2015/16 Noticed/ Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Proposed Maximum Charges | FY 2016/17 Proposed Applied Annual Charges ⁽²⁾ |
| 263-111-046 | \$2,498.78 | \$0.00 | \$2,549.50 | \$0.00 |
| 291-191-024 | 368.21 | 365.54 | 375.68 | 206.26 |
| 291-192-025 | 480.09 | 476.62 | 489.83 | 268.92 |
| 292-230-006 | 233.40 | 0.00 | 238.13 | 0.00 |
| 292-230-055 | 397.79 | 0.00 | 405.86 | 0.00 |
| 296-280-020 | 1,878.07 | 1,864.46 | 1,916.19 | 1,468.22 |
| 296-300-005 | 2,463.95 | 2,446.10 | 2,513.96 | 1,926.24 |
| 296-300-007 | 645.16 | 640.48 | 658.25 | 504.36 |
| 297-100-066 | 837.67 | 806.66 | 854.67 | 580.58 |
| 297-100-079 | 398.48 | 383.72 | 406.56 | 276.16 |
| 297-120-002 | 1,055.37 | 213.48 | 1,076.79 | 591.18 |
| 297-120-003 | 763.82 | 154.18 | 779.32 | 427.86 |
| 297-120-011 | 1,593.49 | 367.72 | 1,625.83 | 892.62 |
| 297-120-012 | 1,593.49 | 367.72 | 1,625.83 | 892.62 |
| 297-120-016 | 5,586.09 | 5,379.28 | 5,699.48 | 3,871.68 |
| 297-130-039 ⁽¹⁾ | 798.00 | 798.00 | 798.00 | 598.94 |
| 297-130-041 ⁽¹⁾ | 1,957.00 | 1,957.00 | 1,957.00 | 1,469.12 |
| 297-130-042 ⁽¹⁾ | 1,610.00 | 1,610.00 | 1,610.00 | 1,209.20 |
| 297-130-046 | 2,201.77 | 2,185.82 | 2,246.46 | 1,233.38 |
| 297-130-064 | 907.41 | 900.84 | 925.83 | 508.30 |
| 297-140-049 | 1,238.39 | 1,229.42 | 1,263.52 | 693.70 |
| 297-140-050 | 1,273.47 | 1,264.24 | 1,299.32 | 713.36 |
| 297-140-052 | 1,120.03 | 1,111.92 | 1,142.76 | 627.40 |
| 297-141-001 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-141-002 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-141-003 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-141-004 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-141-005 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-141-006 | 236.16 | 234.44 | 240.95 | 132.28 |
| 297-150-056 | 21,130.16 | 4,815.26 | 21,559.10 | 2,547.42 |
| 297-170-004 | 3,912.58 | 3,884.22 | 3,992.00 | 3,058.76 |
| 297-170-069 | 11,668.74 | 11,584.18 | 7,423.51 | 7,336.16 |
| 297-170-086 | 1,663.98 | 1,651.92 | 1,697.78 | 1,677.80 |
| 297-170-087 | 17,337.00 | 17,211.34 | 16,487.38 | 16,293.36 |
| 312-020-017 | 1,711.85 | 1,711.84 | 1,746.60 | 1,684.08 |
| 312-020-018 | 1,631.82 | 1,631.82 | 1,664.94 | 1,086.08 |
| 312-020-020 | 636.72 | 636.72 | 649.64 | 533.34 |
| 312-250-046 | 3,967.37 | 3,938.62 | 4,047.90 | 3,003.56 |
| 312-250-049 | 266.98 | 134.83 | 272.39 | 147.76 |

| Zone M | | | | |
|---------------|---------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|-----------------------------------------------------------------------------|
| APN | FY 2015/16 Noticed/ Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Proposed Maximum Charges | FY 2016/17 Proposed Applied Annual Charges⁽²⁾ |
| 312-270-036 | 2,840.71 | 2,820.12 | 2,898.37 | 2,109.34 |
| 312-360-001 | 1,526.71 | 1,470.20 | 1,557.70 | 986.38 |
| 312-360-002 | 718.47 | 691.88 | 733.05 | 464.54 |
| 312-360-003 | 491.90 | 473.70 | 501.88 | 318.18 |
| 312-360-004 | 1,724.20 | 1,660.38 | 1,759.20 | 1,113.66 |
| 312-360-005 | 1,338.90 | 1,289.34 | 1,366.07 | 865.46 |
| 312-360-006 | 2,167.68 | 2,087.44 | 2,211.68 | 1,400.02 |
| 312-360-007 | 846.92 | 815.58 | 864.11 | 547.28 |
| 312-360-008 | 798.45 | 768.90 | 814.65 | 515.46 |
| 312-360-009 | 886.92 | 854.10 | 904.92 | 572.74 |
| 312-360-010 | 896.59 | 863.40 | 914.79 | 579.10 |
| 312-360-011 | 719.71 | 693.08 | 734.32 | 464.54 |
| 316-020-046 | 10,314.51 | 6,785.90 | 10,523.89 | 2,198.40 |
| 316-200-033 | 2,269.35 | 163.65 | 2,315.41 | 179.34 |
| 316-200-034 | 4,826.42 | 348.04 | 4,924.39 | 381.40 |
| 316-200-035 | 2,032.92 | 146.60 | 2,074.18 | 160.64 |
| 316-210-074 | 2,026.39 | 2,011.70 | 2,067.52 | 1,504.68 |
| 316-210-085 | 1,292.73 | 1,283.36 | 1,318.97 | 978.68 |
| 316-210-087 | 1,489.01 | 1,478.22 | 1,519.23 | 1,127.28 |
| 474-120-037 | 3,419.38 | 0.00 | 3,488.79 | 0.00 |
| 478-070-029 | 8,122.19 | 0.00 | 8,287.07 | 0.00 |
| 478-430-031 | 2,677.36 | 0.00 | 2,731.71 | 0.00 |
| 479-070-050 | 1,735.96 | 1,735.96 | 1,771.19 | 1,587.78 |
| 482-190-022 | 145.24 | 144.18 | 148.18 | 148.18 |
| 482-190-023 | 37.27 | 37.00 | 38.02 | 38.02 |
| 482-540-030 | 433.96 | 417.90 | 442.76 | 275.98 |
| 482-700-001 | 417.51 | 414.48 | 425.98 | 425.98 |
| 482-700-005 | 417.51 | 414.48 | 425.98 | 425.98 |
| 484-020-023 | 6,406.99 | 6,360.56 | 6,537.05 | 5,661.90 |
| 484-020-024 | 7,830.64 | 7,773.90 | 7,989.60 | 6,806.94 |
| 484-020-026 | 3,025.90 | 2,913.90 | 3,087.32 | 1,924.42 |
| 484-030-027 | 1,698.35 | 0.00 | 1,732.82 | 0.00 |
| 484-030-020 | 666.29 | 0.00 | 679.81 | 0.00 |
| 484-030-022 | 666.29 | 0.00 | 679.81 | 0.00 |
| 484-242-020 | 3,211.17 | 0.00 | 3,276.35 | 0.00 |
| 485-081-035 | 339.71 | 327.14 | 346.60 | 224.76 |
| 485-081-036 | 239.26 | 230.40 | 244.11 | 158.30 |
| 485-081-037 | 76.30 | 73.48 | 77.84 | 50.46 |
| 485-081-038 | 142.27 | 137.00 | 145.15 | 94.12 |
| 485-081-039 | 77.59 | 74.72 | 79.16 | 51.32 |
| 485-081-040 | 347.91 | 335.04 | 354.97 | 230.18 |
| 485-220-030 | 2,169.99 | 2,169.98 | 2,214.04 | 1,936.34 |

| Zone M | | | | |
|---------------|---------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------|
| APN | FY 2015/16 Noticed/ Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Proposed Maximum Charges | FY 2016/17 Proposed Applied Annual Charges ⁽²⁾ |
| 485-220-031 | 325.44 | 325.44 | 332.04 | 331.94 |
| 486-070-004 | 3,205.67 | 3,087.00 | 3,270.74 | 2,121.06 |
| 486-070-012 | 279.60 | 269.26 | 285.27 | 184.98 |
| 486-070-013 | 277.06 | 266.82 | 282.68 | 183.30 |
| 486-070-016 | 3,205.67 | 3,087.00 | 3,270.74 | 2,121.06 |
| 486-240-015 | 2,940.82 | 0.00 | 3,000.51 | 0.00 |
| 486-240-016 | 7,628.72 | 0.00 | 7,783.58 | 0.00 |
| 486-250-021 | 8,762.24 | 8,437.84 | 8,940.11 | 5,071.68 |
| 486-250-024 | 8,459.19 | 8,146.02 | 8,630.91 | 4,896.28 |
| 486-250-025 | 303.00 | 291.78 | 309.15 | 175.36 |
| 486-280-051 | 10,510.75 | 0.00 | 10,724.11 | 0.00 |
| 488-210-028 | 1,348.39 | 0.00 | 1,375.76 | 0.00 |
| 488-350-035 | 7,399.11 | 1,820.02 | 7,549.31 | 731.14 |
| 488-350-041 | 35,029.34 | 7,315.54 | 35,740.43 | 2,938.88 |
| 488-350-047 | 2,994.43 | 636.82 | 3,055.21 | 255.82 |
| 488-400-001 | 2,263.10 | 0.00 | 2,309.04 | 0.00 |
| 488-400-002 | 133.56 | 0.00 | 136.27 | 0.00 |
| 488-400-003 | 1,522.22 | 0.00 | 1,553.12 | 0.00 |
| 488-400-004 | 408.86 | 0.00 | 417.15 | 0.00 |
| 488-400-005 | 378.50 | 0.00 | 386.18 | 0.00 |
| 488-400-006 | 354.22 | 0.00 | 361.41 | 0.00 |
| 488-400-007 | 404.80 | 0.00 | 413.01 | 0.00 |
| 488-400-008 | 119.38 | 0.00 | 121.80 | 0.00 |
| 488-400-009 | 386.58 | 0.00 | 394.42 | 0.00 |
| 488-400-010 | 309.66 | 0.00 | 315.94 | 0.00 |
| 488-400-011 | 74.85 | 0.00 | 76.36 | 0.00 |
| 488-400-012 | 145.70 | 0.00 | 148.65 | 0.00 |
| 488-400-013 | 927.07 | 0.00 | 945.88 | 0.00 |
| 488-400-014 | 62.71 | 0.00 | 63.98 | 0.00 |
| 488-400-015 | 52.56 | 0.00 | 53.62 | 0.00 |
| 488-400-016 | 275.27 | 0.00 | 280.85 | 0.00 |
| 488-400-017 | 159.87 | 0.00 | 163.11 | 0.00 |
| 488-400-018 | 117.38 | 0.00 | 119.76 | 0.00 |
| 488-400-019 | 214.51 | 0.00 | 218.86 | 0.00 |
| 488-400-020 | 186.20 | 0.00 | 189.97 | 0.00 |
| 488-400-021 | 1,074.83 | 0.00 | 1,096.64 | 0.00 |
| 488-400-022 | 157.85 | 0.00 | 161.05 | 0.00 |
| 488-400-023 | 493.86 | 0.00 | 503.88 | 0.00 |
| 488-400-024 | 289.40 | 0.00 | 295.27 | 0.00 |
| 488-400-025 | 105.21 | 0.00 | 107.34 | 0.00 |
| 488-400-026 | 382.56 | 0.00 | 390.32 | 0.00 |
| 488-400-027 | 12.09 | 0.00 | 12.33 | 0.00 |

| Zone M | | | | |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------|--------------------------------------------------|--------------------------------------------------------|------------------------------------------------------------------------------|
| APN | FY 2015/16 Noticed/ Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Proposed Maximum Charges | FY 2016/17 Proposed Applied Annual Charges ⁽²⁾ |
| 488-400-028 | 378.48 | 0.00 | 386.16 | 0.00 |
| Total | \$284,818.33 | \$157,079.84 | \$284,827.27 | \$112,641.38 |
| ⁽¹⁾ An annual inflation adjustment has not been approved by the property owners. | | | | |
| ⁽²⁾ There are 124 parcels subject to the Zone M charge; however, only 82 parcels are being levied. The determination to levy the Zone M charge is dependent on whether improvements adjacent to the parcel have been or are being constructed. | | | | |

F. ZONE S (SUNNYMEAD BOULEVARD MAINTENANCE)

Zone S charges are calculated by determining the proportional financial obligation, based on front linear footage, of the properties along Sunnymead Boulevard between Frederick Street and Perris Boulevard. The Sunnymead Boulevard improvements were installed as part of the former Redevelopment Agency's revitalization project. The charges for this zone pay for the maintenance of certain landscape improvements along Sunnymead Boulevard and administrative costs associated with the zone.

The proposed maximum and applied rate for Zone S for FY 2016/17 is \$3.071664 per front linear footage. An annual CPI adjustment has been approved by the property owners for this zone. The following table provides a summary of FY 2015/16's maximum and applied charges in addition to the FY 2016/17 proposed maximum and applied charges. The total amount levied on the property tax bills for FY 2015/16 was \$57,300.22. The total proposed amount to be levied on the property tax bills for FY 2016/17 is \$58,463.22.

| Zone S | | | | | |
|---------------|---------------------------------------------|----------------------------------------------------------|------------------------------------------------------|----------------------------------------------------------|------------------------------------------------------|
| APN | APN Front Linear Footage | FY 2015/16 Noticed/Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Noticed/Maximum Annual Charges | FY 2016/17 Applied Annual Charges |
| 292-100-003 | 485 | \$1,460.11 | \$1,460.10 | \$1,489.75 | \$1,489.74 |
| 292-100-011 | 480 | 1,445.06 | 1,445.06 | 1,474.39 | 1,474.38 |
| 292-100-012 | 199 | 599.09 | 599.08 | 611.26 | 611.26 |
| 292-100-014 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-100-016 | 1,106 | 3,329.66 | 3,329.66 | 3,397.26 | 3,397.26 |
| 292-100-017 | 179 | 537.77 | 537.76 | 548.69 | 548.68 |
| 292-160-001 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-160-002 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 292-160-003 | 84 | 252.88 | 252.88 | 258.01 | 258.00 |
| 292-160-009 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-160-023 | 123 | 370.29 | 370.28 | 377.81 | 377.80 |

| Zone S | | | | | |
|-------------|--------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|-----------------------------------|
| APN | APN Front Linear Footage | FY 2015/16 Noticed/Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Noticed/Maximum Annual Charges | FY 2016/17 Applied Annual Charges |
| 292-160-024 | 194 | 584.04 | 584.04 | 595.90 | 595.90 |
| 292-160-035 | 92 | 276.97 | 276.96 | 282.59 | 282.58 |
| 292-160-037 | 20 | 60.21 | 60.20 | 61.43 | 61.42 |
| 292-160-038 | 134 | 403.41 | 403.40 | 411.60 | 411.60 |
| 292-160-040 | 149 | 448.57 | 448.56 | 457.67 | 457.66 |
| 292-230-006 | 54 | 162.56 | 162.56 | 165.86 | 165.86 |
| 292-230-007 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-230-023 | 24 | 72.25 | 72.24 | 73.71 | 73.70 |
| 292-230-024 | 96 | 289.01 | 289.00 | 294.87 | 294.86 |
| 292-230-030 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-230-043 | 248 | 746.61 | 746.60 | 761.77 | 761.76 |
| 292-230-046 | 50 | 150.52 | 150.52 | 153.58 | 153.58 |
| 292-230-049 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-230-052 | 60 | 180.63 | 180.62 | 184.29 | 184.28 |
| 292-230-054 | 308 | 927.24 | 927.24 | 946.07 | 946.06 |
| 292-230-055 | 91 | 273.96 | 273.96 | 279.52 | 279.52 |
| 292-241-001 | 219 | 659.31 | 659.30 | 672.69 | 672.68 |
| 292-242-006 | 265 | 797.79 | 797.78 | 813.99 | 813.98 |
| 292-242-008 | 216 | 650.27 | 650.26 | 663.47 | 663.46 |
| 292-242-012 | 198 | 596.08 | 596.08 | 608.18 | 608.18 |
| 292-242-014 | 186 | 559.96 | 559.96 | 571.32 | 571.32 |
| 292-250-010 | 124 | 373.30 | 373.30 | 380.88 | 380.88 |
| 292-250-012 | 133 | 400.40 | 400.40 | 408.53 | 408.52 |
| 292-250-013 | 267 | 803.81 | 803.80 | 820.13 | 820.12 |
| 292-250-014 | 140 | 421.47 | 421.46 | 430.03 | 430.02 |
| 292-250-016 | 78 | 234.82 | 234.82 | 239.58 | 239.58 |
| 292-250-017 | 100 | 301.05 | 301.04 | 307.16 | 307.16 |
| 292-250-018 | 384 | 1,156.05 | 1,156.04 | 1,179.51 | 1,179.50 |
| 292-250-020 | 573 | 1,725.04 | 1,725.04 | 1,760.06 | 1,760.06 |
| 292-250-021 | 170 | 511.79 | 511.78 | 522.18 | 522.18 |
| 292-250-023 | 154 | 463.62 | 463.62 | 473.03 | 473.02 |
| 292-250-024 | 157 | 472.65 | 472.64 | 482.25 | 482.24 |
| 292-250-028 | 255 | 767.69 | 767.68 | 783.27 | 783.26 |
| 292-250-037 | 267 | 803.81 | 803.80 | 820.13 | 820.12 |
| 292-250-039 | 120 | 361.26 | 361.26 | 368.59 | 368.58 |
| 481-070-009 | 300 | 903.16 | 903.16 | 921.49 | 921.48 |
| 481-070-041 | 282 | 848.97 | 848.96 | 866.20 | 866.20 |
| 481-070-042 | 145 | 436.52 | 436.52 | 445.39 | 445.38 |

| Zone S | | | | | |
|-------------|--------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|-----------------------------------|
| APN | APN Front Linear Footage | FY 2015/16 Noticed/Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Noticed/Maximum Annual Charges | FY 2016/17 Applied Annual Charges |
| 481-070-044 | 203 | 611.14 | 611.14 | 623.54 | 623.54 |
| 481-070-045 | 30 | 90.31 | 90.30 | 92.14 | 92.14 |
| 481-070-046 | 277 | 833.92 | 833.92 | 850.85 | 850.84 |
| 481-070-047 | 30 | 90.31 | 90.30 | 92.14 | 92.14 |
| 481-082-002 | 100 | 301.05 | 301.04 | 307.16 | 307.16 |
| 481-082-005 | 125 | 376.31 | 376.30 | 383.95 | 383.94 |
| 481-082-006 | 125 | 376.31 | 376.30 | 383.95 | 383.94 |
| 481-082-009 | 239 | 719.52 | 719.52 | 734.12 | 734.12 |
| 481-083-001 | 176 | 529.85 | 529.84 | 540.61 | 540.60 |
| 481-083-003 | 388 | 1,168.09 | 1,168.08 | 1,191.80 | 1,191.80 |
| 481-101-028 | 68 | 204.71 | 204.70 | 208.87 | 208.86 |
| 481-101-029 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-101-030 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-101-033 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-101-038 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-101-040 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-101-041 | 227 | 683.39 | 683.38 | 697.26 | 697.26 |
| 481-102-007 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 481-102-016 | 320 | 963.37 | 963.36 | 982.93 | 982.92 |
| 481-112-008 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-112-009 | 60 | 180.63 | 180.62 | 184.29 | 184.28 |
| 481-112-010 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 481-112-011 | 60 | 180.63 | 180.62 | 184.29 | 184.28 |
| 481-112-012 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 481-112-013 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-112-014 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-112-016 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-112-017 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-112-018 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-112-019 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-112-020 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-112-021 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-112-038 | 97 | 292.02 | 292.02 | 297.95 | 297.94 |
| 481-112-039 | 65 | 195.68 | 195.68 | 199.65 | 199.64 |
| 481-120-002 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-120-003 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-120-004 | 102 | 307.07 | 307.06 | 313.30 | 313.30 |
| 481-120-005 | 60 | 180.63 | 180.62 | 184.29 | 184.28 |

| Zone S | | | | | |
|-------------|--------------------------|-------------------------------------------|-----------------------------------|-------------------------------------------|-----------------------------------|
| APN | APN Front Linear Footage | FY 2015/16 Noticed/Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Noticed/Maximum Annual Charges | FY 2016/17 Applied Annual Charges |
| 481-120-006 | 102 | 307.07 | 307.06 | 313.30 | 313.30 |
| 481-120-007 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-120-008 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-120-010 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 481-120-011 | 62 | 186.65 | 186.64 | 190.44 | 190.44 |
| 481-120-012 | 82 | 246.86 | 246.86 | 251.87 | 251.86 |
| 481-120-013 | 50 | 150.52 | 150.52 | 153.58 | 153.58 |
| 481-120-014 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-120-032 | 76 | 228.80 | 228.80 | 233.44 | 233.44 |
| 481-140-001 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-002 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-003 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-140-004 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-140-005 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-006 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-007 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-008 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-140-009 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-140-031 | 396 | 1,192.17 | 1,192.16 | 1,216.37 | 1,216.36 |
| 481-140-033 | 88 | 264.92 | 264.92 | 270.30 | 270.30 |
| 481-161-004 | 60 | 180.63 | 180.62 | 184.29 | 184.28 |
| 481-161-005 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-161-006 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-161-007 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-161-008 | 66 | 198.69 | 198.68 | 202.72 | 202.72 |
| 481-161-009 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-161-010 | 132 | 397.39 | 397.38 | 405.45 | 405.44 |
| 481-161-039 | 100 | 301.05 | 301.04 | 307.16 | 307.16 |
| 481-161-040 | 70 | 210.73 | 210.72 | 215.01 | 215.00 |
| 481-161-045 | 105 | 316.10 | 316.10 | 322.52 | 322.52 |
| 481-161-046 | 105 | 316.10 | 316.10 | 322.52 | 322.52 |
| 481-161-047 | 100 | 301.05 | 301.04 | 307.16 | 307.16 |
| 481-161-052 | 79 | 237.83 | 237.82 | 242.66 | 242.66 |
| 481-161-053 | 101 | 304.06 | 304.06 | 310.23 | 310.22 |
| 481-180-016 | 88 | 264.92 | 264.92 | 270.30 | 270.30 |
| 481-180-018 | 138 | 415.45 | 415.44 | 423.88 | 423.88 |
| 481-180-026 | 130 | 391.37 | 391.36 | 399.31 | 399.30 |
| 481-180-027 | 20 | 60.21 | 60.20 | 61.43 | 61.42 |

| Zone S | | | | | |
|---------------|---------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------|------------------------------------------|
| APN | APN Front Linear Footage | FY 2015/16 Noticed/Maximum Annual Charges | FY 2015/16 Applied Annual Charges | FY 2016/17 Noticed/Maximum Annual Charges | FY 2016/17 Applied Annual Charges |
| 481-180-029 | 54 | 162.56 | 162.56 | 165.86 | 165.86 |
| 481-180-034 | 150 | 451.58 | 451.58 | 460.74 | 460.74 |
| 481-180-042 | 88 | 264.92 | 264.92 | 270.30 | 270.30 |
| 481-180-045 | 255 | 767.69 | 767.68 | 783.27 | 783.26 |
| 481-180-048 | 205 | 617.16 | 617.16 | 629.69 | 629.68 |
| 481-180-049 | 50 | 150.52 | 150.52 | 153.58 | 153.58 |
| Total | | \$57,301.04 | \$57,300.22 | \$58,464.04 | \$58,463.22 |

Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT

Appendix A: NOTICE TO PROPERTY OWNERS



PUBLIC HEARING

Tuesday,
June 21, 2016
6:00 p.m.

(or as soon as
the matter may
be called)

City Council
Chamber
14177 Frederick St.
Moreno Valley,
CA 92553

CONTINUATION OF ANNUAL PARCEL CHARGES

The Community Services District (CSD) Board of Directors has scheduled a Public Hearing to consider continuing the levy of existing CSD parcel charges on the fiscal year 2016/17 property tax bills. Parcel charges fund services for property you own in Moreno Valley. As proposed, there will be no increases to the parcel charges other than an inflationary adjustment, if previously approved by the property owners.

**NO NEW PARCEL CHARGES
ARE PROPOSED
as part of this
Public Hearing.
Your attendance is optional.**

**NO SE PROPONEN
NUEVOS IMPUESTOS
a la propiedad como parte
de esta audiencia pública.
Su asistencia es opcional.**

The CSD Annual Report is on file with the City Clerk's office and available at www.moval.org/sf. The Report includes a parcel list and the proposed maximum and applied charges for fiscal year 2016/17.

Este anuncio se puede ver en Espanol en nuestra pagina web

www.moval.org/sf

City of Moreno Valley • Public Works Department
Special Districts Division • 951.413.3480 • specialdistricts@moval.org



City of Moreno Valley
Public Works Department
Special Districts Division
P.O. Box 88005
Moreno Valley, CA 92552-0805

PRESRT STD
US POSTAGE PAID
MORENO VALLEY CA
PERMIT NO. 656

Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT

Appendix B: BUDGET

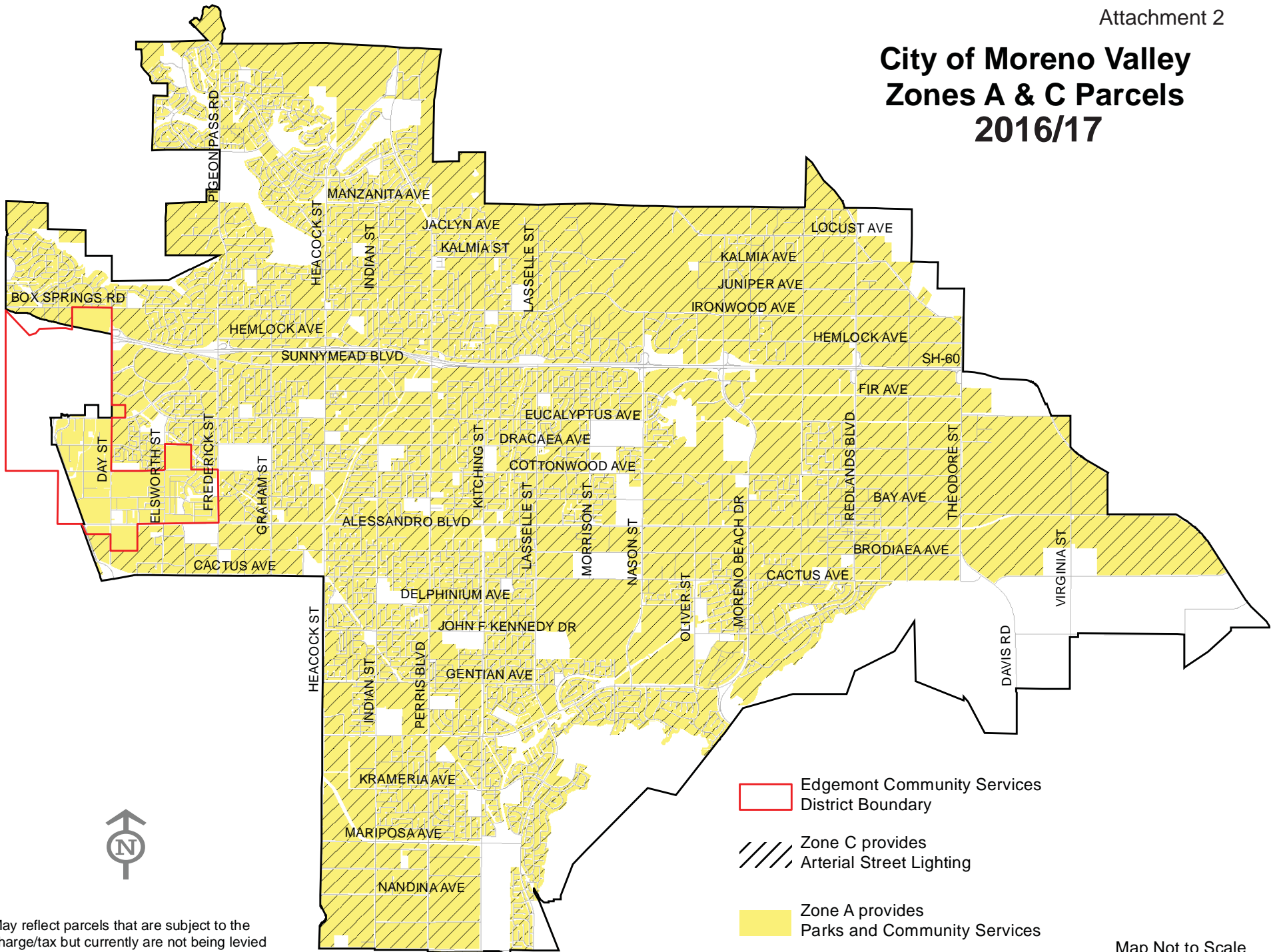
| | 5011 ZONE A PARKS & COMMUNITY SERVICES | 5110 ZONE C ARTERIAL STREET LIGHTING | 5111 ZONE D PARKWAY LANDSCAPE MAINTENANCE | 5013-25713 ZONE E-7 EXTENSIVE LANDSCAPE MAINTENANCE | 5013-25714 ZONE E-8 EXTENSIVE LANDSCAPE MAINTENANCE | 5112 ZONE M MEDIAN LANDSCAPE MAINTENANCE | 5114 ZONE S SUNNYMEAD BLVD MAINTENANCE |
|-----------------------------------------------------|-------------------------------------------------|--------------------------------------------|----------------------------------------------------|-----------------------------------------------------------------|-----------------------------------------------------------------|---------------------------------------------------|-------------------------------------------------|
| Operation and Maintenance Expenses | | | | | | | |
| Personnel Services | \$ 4,191,036 | \$ 44,445 | \$ 193,937 | \$ 11,288 | \$ 10,103 | \$ 16,720 | \$ 4,258 |
| Operations and Maintenance | | | | | | | |
| Contractual Services | | | | | | | |
| Professional Services | \$ 61,100 | \$ 21,000 | \$ 180,400 | \$ 8,229 | \$ 7,587 | \$ 600 | \$ 600 |
| State/County fees | 50,650 | 30,000 | 7,600 | 209 | 188 | 200 | 400 |
| Communication | 26,445 | 100 | 4,800 | 650 | 644 | 3,300 | 1,200 |
| Training and Travel | 13,100 | 100 | 800 | 30 | 27 | 200 | - |
| Advertising | 15,400 | - | 1,700 | 8 | 8 | 200 | 900 |
| Technical Services | 8,300 | - | - | - | - | - | - |
| Maintenance and Repair | 451,240 | - | 345,700 | 59,800 | 303,900 | 78,800 | 23,100 |
| Utilities | 988,200 | 873,200 | 332,800 | 42,500 | 34,700 | 82,500 | 17,600 |
| Other | 339,520 | - | 1,990 | 69 | 62 | - | - |
| | \$ 1,953,955 | \$ 924,400 | \$ 875,790 | \$ 111,496 | \$ 347,115 | \$ 165,800 | \$ 43,800 |
| Materials and Supplies | | | | | | | |
| Postage and Mail | \$ 29,900 | \$ 4,800 | \$ 6,250 | \$ 140 | \$ 126 | \$ 200 | \$ 300 |
| Operating Supplies | 79,040 | 500 | 1,100 | 35 | 32 | 700 | - |
| Operating Materials | 442,330 | - | 18,600 | 2,963 | 6,883 | 7,400 | 900 |
| Uniforms | 33,380 | - | 800 | 33 | 30 | 100 | - |
| Operating Equipment | - | - | - | - | - | - | - |
| Materials & Supplies - New and Replacement Vehicles | - | - | - | - | - | - | - |
| Materials & Supplies - Buildings | - | - | - | - | - | - | - |
| | \$ 584,650 | \$ 5,300 | \$ 26,750 | \$ 3,172 | \$ 7,070 | \$ 8,400 | \$ 1,200 |
| Fixed Charges | | | | | | | |
| General Overhead | \$ 1,984,140 | \$ 2,204 | \$ 41,491 | \$ 17,929 | \$ 16,047 | \$ 3,058 | \$ 3,732 |
| GF Administration | 364,888 | - | 32,673 | 1,906 | 1,705 | 2,824 | 711 |
| SD Administration | 60,000 | 56,900 | 34,075 | 1,983 | 1,775 | 2,938 | 748 |
| Replacement Charges | 100,058 | - | - | - | - | - | - |
| | \$ 2,509,086 | \$ 59,104 | \$ 108,239 | \$ 21,818 | \$ 19,527 | \$ 8,820 | \$ 5,191 |
| Capital Expenditures | | | | | | | |
| Miscellaneous | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Transfers Out | 250,300 | - | - | - | - | - | - |
| | \$ 250,300 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Total Operation and Maintenance Expenses | \$ 9,489,027 | \$ 1,033,249 | \$ 1,204,716 | \$ 147,774 | \$ 383,815 | \$ 199,740 | \$ 54,449 |
| Revenue | | | | | | | |
| Property Taxes | \$ 7,180,887 | \$ 557,400 | \$ - | \$ - | \$ - | \$ - | \$ - |
| Use of Money & Property | 681,200 | - | 6,500 | 1,602 | 20,561 | 2,100 | 200 |
| Parcel Charges/Fees/Taxes | 1,114,350 | 174,400 | 1,227,700 | 122,300 | 213,906 * | 168,900 | 58,000 |
| Miscellaneous | 7,150 | - | - | - | - | - | - |
| Transfers In | 521,021 | 20,000 | - | - | - | 108,425 | - |
| Total Revenue | \$ 9,504,608 | \$ 751,800 | \$ 1,234,200 | \$ 123,902 | \$ 234,467 | \$ 279,425 | \$ 58,200 |
| Contribution/Use of Fund Balance | \$ 15,581 | \$ (281,449) | \$ 29,484 | \$ (23,872) | \$ (149,348) | \$ 79,685 | \$ 3,751 |




* Amount of the parcel charge collected for landscape maintenance.

Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO

Appendix C: BOUNDARY MAPS

City of Moreno Valley Zones A & C Parcels 2016/17



-  Edgemont Community Services District Boundary
-  Zone C provides Arterial Street Lighting
-  Zone A provides Parks and Community Services

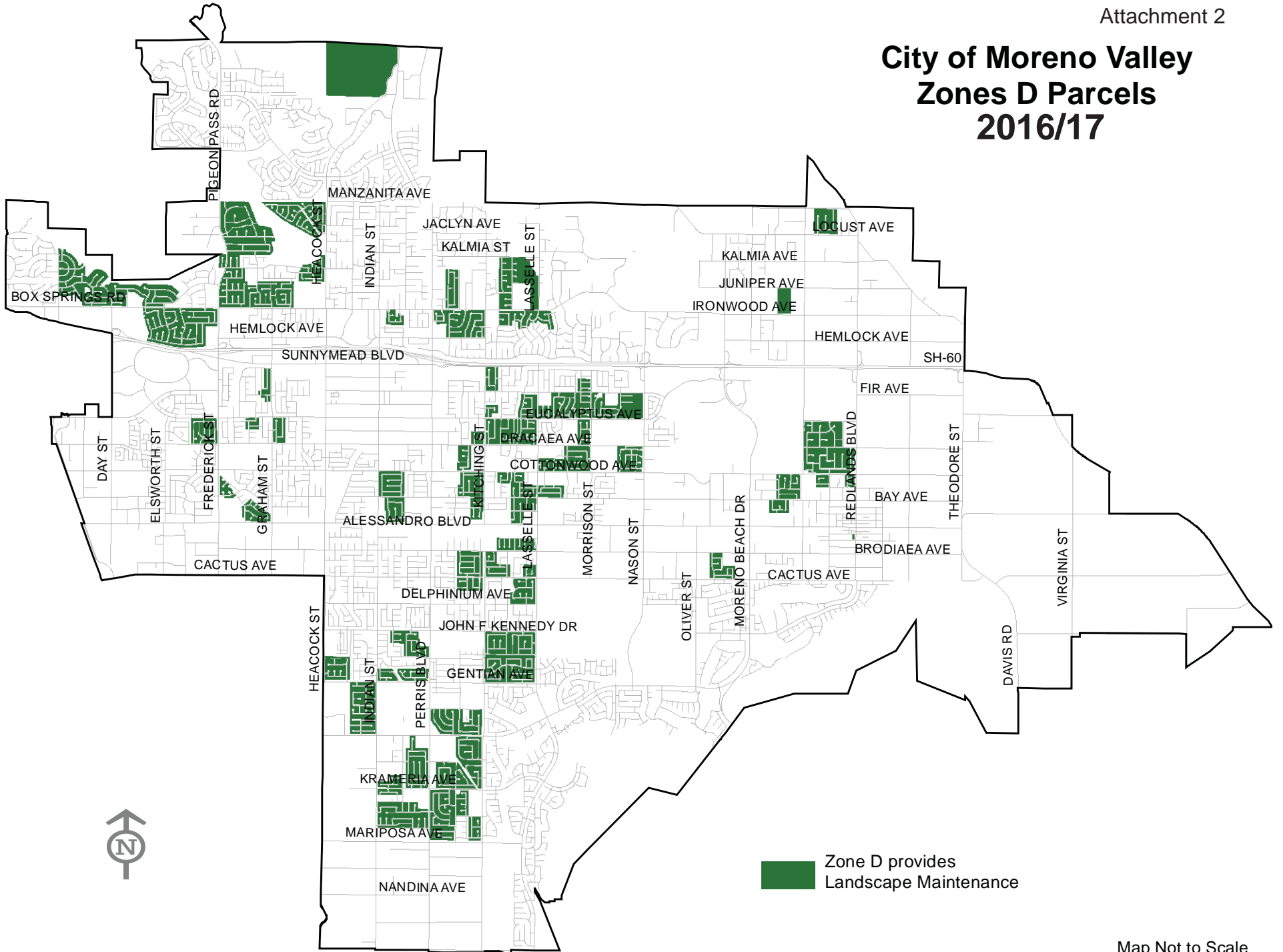



May reflect parcels that are subject to the charge/tax but currently are not being levied

* Zone C Does Not Include Properties Within the Edgemont Community Services District

Map Not to Scale

City of Moreno Valley Zones D Parcels 2016/17

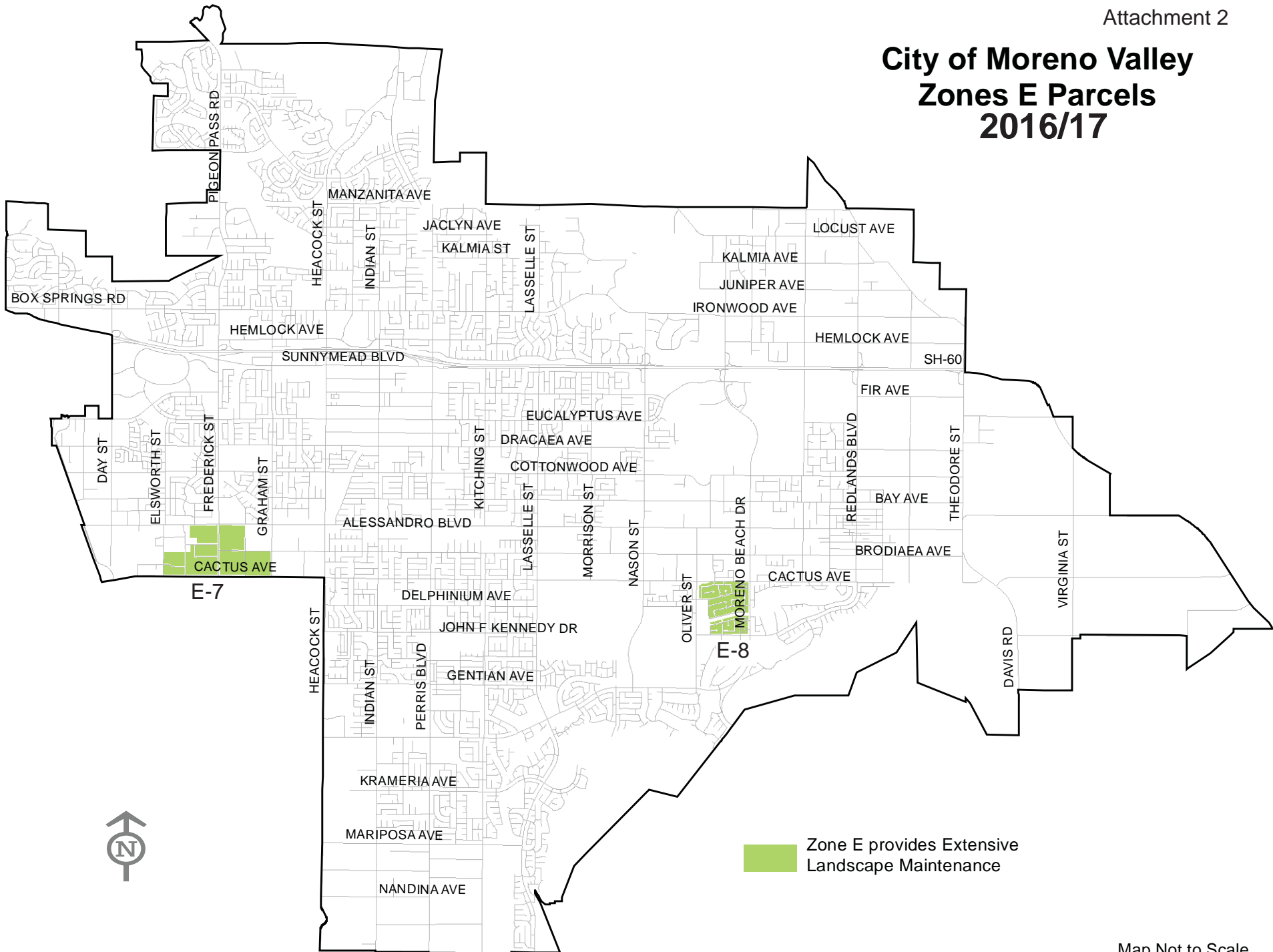


 Zone D provides
Landscape Maintenance

Map Not to Scale

May reflect parcels that are subject to the charge/tax but currently are not being levied

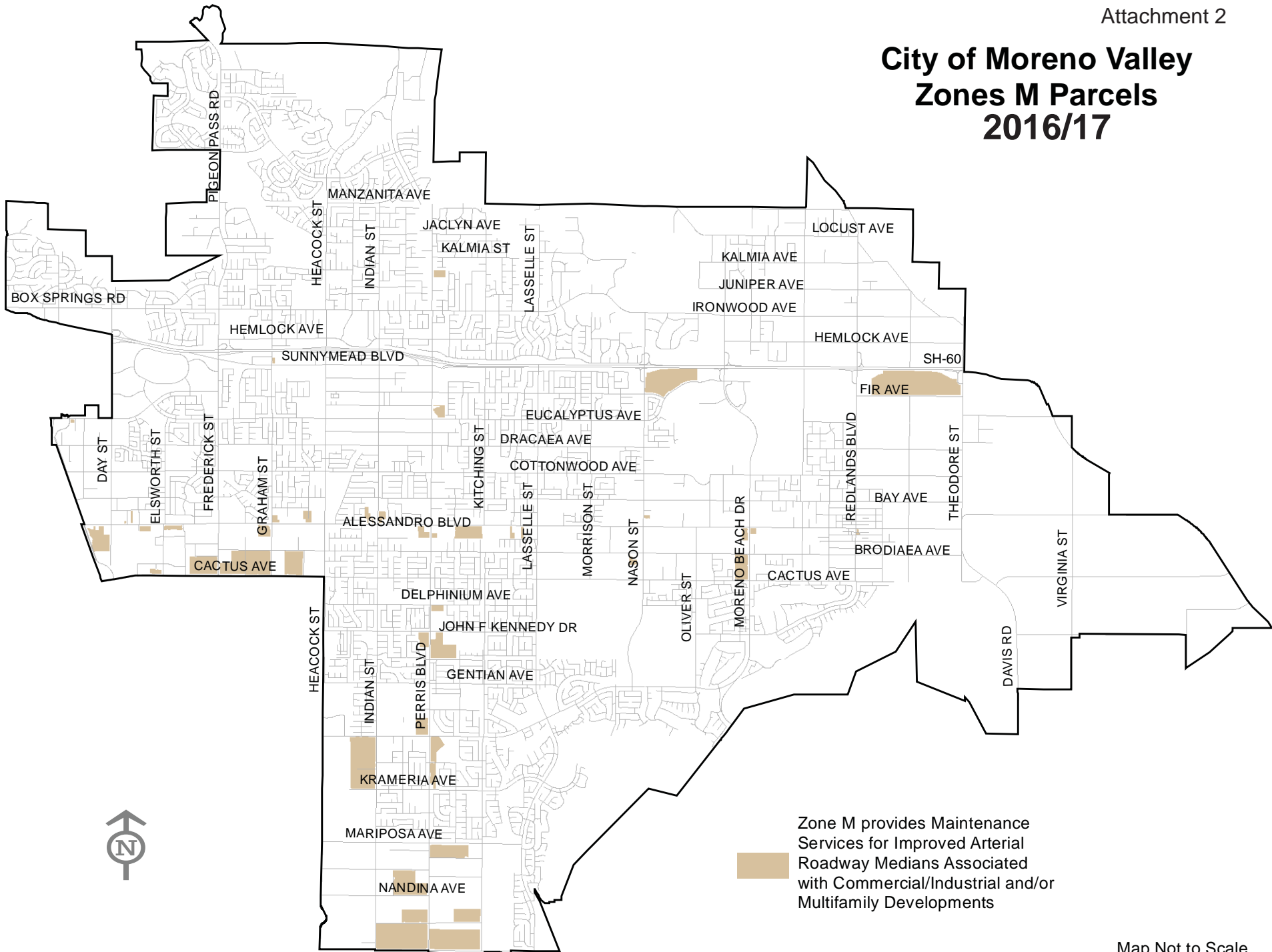
City of Moreno Valley Zones E Parcels 2016/17



Zone E provides Extensive Landscape Maintenance

Map Not to Scale

City of Moreno Valley Zones M Parcels 2016/17

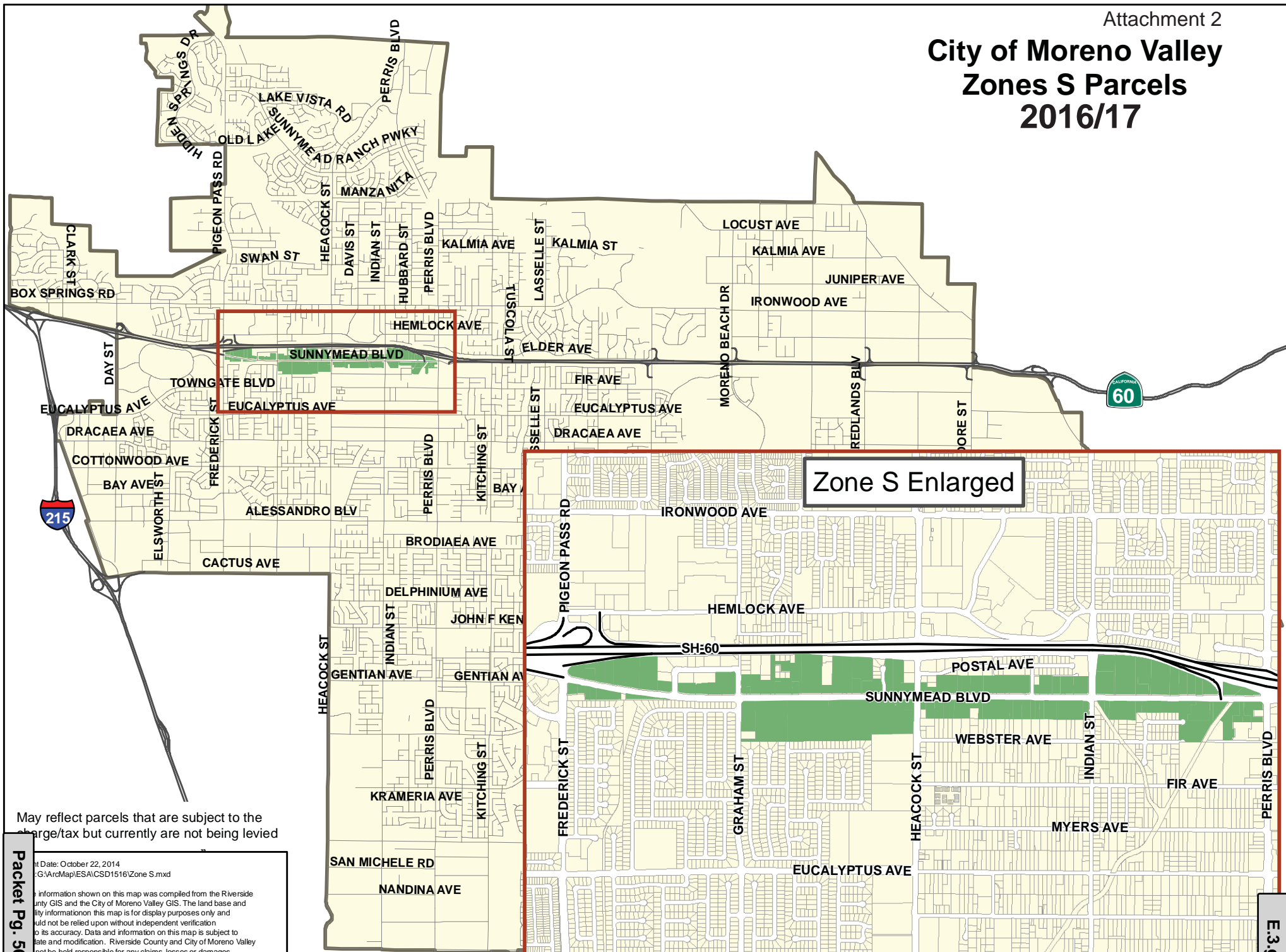


Zone M provides Maintenance Services for Improved Arterial Roadway Medians Associated with Commercial/Industrial and/or Multifamily Developments

Map Not to Scale

May reflect parcels that are subject to the charge/tax but currently are not being levied

City of Moreno Valley Zones S Parcels 2016/17



Zone S Enlarged

May reflect parcels that are subject to the charge/tax but currently are not being levied

Print Date: October 22, 2014
 G:\ArcMap\ESRI\CSD1516\Zone S.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and city information on this map is for display purposes only and should not be relied upon without independent verification of its accuracy. Data and information on this map is subject to change and modification. Riverside County and City of Moreno Valley cannot be held responsible for any claims, losses or damages resulting from

Packet Pg. 566

E.3.9

Appendix D: IMPROVEMENTS

Zone D (Parkway Landscape Maintenance) Improvements

All measurements, counts, and square footages are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Tract Number | General Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.) | Trees |
|-------------------|---------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|-------|
| 10191/18468 | Southeast corner of Eucalyptus Ave/Graham St | Reduced | 10,871 | 30 |
| 11848 | West side of Graham St between Old Valley Dr & Sunnymeadows Dr | Reduced | 9,066 | 45 |
| 12305 | East side of Pigeon Pass Rd on either side of /Western Ridge Rd | Standard | 722 | 5 |
| 12773 | South side of JFK Dr and the west side Lasselle St | Standard | 13,806 | 24 |
| 12902 | South side of Ironwood Ave primarily west of Lasselle St | Standard | 7,344 | 6 |
| 13576/19080/19081 | South side of Ironwood Ave and the west side Pigeon Pass Rd | Reduced | 20,291 | 46 |
| 13585 | West side of Lasselle St north of Bay Ave | Reduced | 6,600 | 26 |
| 14387/12268 | East side of Pigeon Pass Rd north of Swan St | Standard | 2,712 | 7 |
| 15387 | North side of Alessandro Blvd wrapping onto the west side Graham St | Reduced | 9,049 | - |
| 15433 | East side of Perris Blvd wrapping onto the south side of Santiago Dr also includes the north side of Iris Ave | Reduced | 24,161 | 51 |
| 16768 | North side of Eucalyptus Ave west of Lasselle St | Reduced | 16,281 | 21 |
| 16769 | West side of Lasselle St north of Dracaea Ave and the south side of Eucalyptus Ave | Standard | 10,700 | 44 |
| 16770 | South side of Cottonwood Ave east of Stockbrook Rd and west of Terra Bella Ave | Reduced | 5,830 | 9 |
| 17033 | East side of Kitching St north of Dracaea Ave | Reduced | 9,990 | 10 |
| 17176 | North side of Box Springs Rd west of Day St | Reduced | 21,097 | 25 |
| 17334 | North side of Locust Ave at Twilight Way | Reduced | 37,680 | 60 |
| 17387 | East side of Kitching St south of Brodiaea Ave | Reduced | 4,384 | 15 |
| 17457 | South side of Cactus Ave at Parkwood Ct | Reduced | 3,444 | 20 |
| 17867 | West side of Lasselle St north of Brodiaea Ave | Reduced | 13,778 | 22 |
| 18283 | North side of Ironwood Ave between Dream St and Bayless St | Standard | 11,388 | 31 |
| 18512/21322 | West side of Heacock St at Parkland Ave and the medians along Parkland Ave | Standard | 59,940 | 36 |
| 18784/20906 | Ironwood Ave/Kitching St/Hemlock Ave | Standard | 30,432 | 80 |
| 18930 | West side of Frederick St and south side of Eucalyptus Ave | Reduced | 38,849 | 67 |
| 19032 | West side of Heacock St at Gregory Lane and utility access trails within the tract | Standard | 9,132 | 123 |
| 19141 | North side of Cactus Ave west of Parkwood Ct | Standard | 5,838 | 17 |
| 19142 | North side of Cactus Ave east of Parkwood Ct | Standard | 3,950 | 6 |
| 19143 | North side of Cactus Ave at Rio Bravo Rd | Reduced | 4,864 | 4 |
| 19208 | North side of Ironwood Ave between Tuscola St and Slawson Ave | Reduced | 17,680 | 37 |
| 19210 | South side of John F Kennedy Dr and the west side of Perris Blvd | Standard | 9,270 | 31 |
| 19233 | South side of Ironwood Ave at Heritage Dr | Standard | 4,960 | 16 |
| 19363 | South side of Cactus Ave and west side of Lasselle St | Reduced | 13,320 | 71 |

Zone D (Parkway Landscape Maintenance) Improvements

All measurements, counts, and square footages are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Tract Number | General Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.) | Trees |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|-------|
| 19434 | South side of JFK Dr and east side of Kitching St | Reduced | 13,242 | 44 |
| 19474 | North side of Alessandro Blvd at Covey Quail Lane | Standard | 7,240 | 8 |
| 19496 | South side of Ironwood Ave at Tuscola St | Standard | 3,600 | 14 |
| 19500 | West side of Kitching St north of Dracaea Ave | Reduced | 3,636 | 11 |
| 19509 | South side of Cottonwood Ave and west side of Kitching St | Standard | 18,328 | 26 |
| 19518/18372 | West side of Lasselle St south of Bay and north side of Alessandro Blvd at Chara St | Reduced | 12,634 | 23 |
| 19529 | South side of Eucalyptus Ave at Lena St | Standard | 3,330 | 10 |
| 19533 | South side of Ironwood Ave west of Heritage Dr | Standard | 7,400 | 21 |
| 19541 | South side of Eucalyptus Ave between Raenette Wy and Bender Dr | Standard | 5,325 | 1 |
| 19551 | East side of Pigeon Pass Rd and north side of Ironwood Ave | Reduced | 36,364 | 71 |
| 19675 | South side of Cactus Ave between Cochiti Dr and Rio Bravo Rd | Standard | 2,550 | 9 |
| 19685 | East side of Kitching St north side of Gentian Ave and west side of Lasselle St | Reduced | 62,530 | 119 |
| 19799 | North side of Eucalyptus Ave and east side of Kitching St | Reduced | 17,652 | 13 |
| 19852 | North side of Cottonwood Ave west side of Morrison Ln and Eucalyptus Ave | Standard | 28,800 | 29 |
| 19862 | South side of Ironwood Ave on either side of Weller Place | Reduced | 8,805 | 14 |
| 19912 | north side of Iris Ave west of Kitching St | Standard | 11,750 | 31 |
| 19937 | South side of Iris Ave wrapping onto the west side of Kitching St | Standard | 20,890 | 69 |
| 19957 | East side of Frederick St wrapping onto the north side of Bay Ave to Kristina Ct | Reduced | 6,810 | 15 |
| 20030 | East side of Pigeon Pass Rd south of Cougar Canyon | Reduced | 11,200 | 10 |
| 20032 | South side of Cottonwood Ave wrapping onto the east side of Indian St | Reduced | 14,076 | 48 |
| 20072 | North side of Ironwood Ave wrapping onto the west side of Mathews Rd | Reduced | 23,550 | 47 |
| 20120 | South side of JFK at Wintergreen St | Standard | 3,750 | 10 |
| 20197 | South side of Gentian Ave wrapping onto the west side of Indian St | Standard | 13,680 | 33 |
| 20272 | Small section on the north side of Box Springs Rd east of the apt complex and the east side of Clark St from the apt complex heading north | Reduced | 51,216 | 72 |
| 20301 | West side of Perris Blvd on either side of Northern Dancer and the east side of Indian St on either side of Freeport Dr | Reduced | 7,200 | 11 |
| 20404 | North side of Krameria Ave wrapping onto to the west side of Perris Blvd also includes a small section on the south side of Iris Ave | Standard | 36,138 | 133 |
| 20525 | North side of Eucalyptus Ave west of Elmhurst Dr | Reduced | 16,500 | 35 |
| 20552 | East side of Heacock St wrapping onto the north side of Gentian Ave | Reduced | 19,458 | 58 |
| 20660 | West side of Kitching St at Plumeria Ln | Reduced | 11,912 | 19 |
| 20715 | West side of Kitching St starting at Red Maple Ln wrapping onto the north side of Krameria Ave | Standard | 51,250 | 80 |

Zone D (Parkway Landscape Maintenance) Improvements

All measurements, counts, and square footages are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Tract Number | General Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.) | Trees |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|-------|
| 20718 | North side of Iris Ave wrapping onto the west side Indian St to Thomas Ave | Standard | 23,004 | 53 |
| 20859 | South east corner of Perris Blvd and Krameria Ave | Reduced | 33,630 | 81 |
| 20869 | West side of Indian St on either side of Wildwood St | Standard | 2,100 | 4 |
| 20941 | East side of Lasselle St north of Bay Ave | Reduced | 9,600 | 34 |
| 21113 | West side of Perris Blvd north of Suburban Ln and the east side of Indian St | Reduced | 12,200 | 29 |
| 21332 | North side of Ironwood Ave east of Day St | Reduced | 19,440 | 58 |
| 21333 | North side of Ironwood Ave east side of Barclay Dr | Reduced | 54,500 | 28 |
| 21345 | North side of Eucalyptus Ave east of Lasselle St | Standard | 6,600 | 21 |
| 21597 | East side of Kitching St wrapping onto the north side Cactus Ave | Standard | 33,230 | 60 |
| 21616 | North side of Cactus Ave wrapping onto the west side of Lasselle St | Standard | 23,528 | 53 |
| 21737 | West side of Kilgore St at Ironwood Ave | Reduced | 3,920 | 6 |
| 21806 | East side of Perris Blvd north of Mariposa Ave | Standard | 5,975 | 15 |
| 22093 | East side of Pigeon Pass Rd wrapping onto the south side of Swan St | Standard | 8,873 | 18 |
| 22276 | South side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | 11,690 | 33 |
| 22277 | North side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | 20,485 | 26 |
| 22371 | East side of Kitching St north of Atwood Ave and the south side of Eucalyptus Ave | Standard | 17,844 | 28 |
| 22889 | North side of Krameria Ave west of Emma Ln and the east side of Indian St | Standard | 16,438 | 45 |
| 22999 | South side of Ironwood Ave east of Lasselle St | Standard | 3,204 | 15 |
| 23046 | South side of Eucalyptus Ave east of Ninebark St and the west side of Lasselle St | Reduced | 16,000 | 25 |
| 24721 | South side of Eucalyptus Ave west of Shubert St | Reduced | 6,882 | 35 |
| 27526 | North side of Cottonwood Ave wrapping onto the east side of Lasselle St | Reduced | 16,373 | 20 |
| 28882 | South side of Ironwood Ave at Franklin St | Reduced | 20,983 | 25 |
| 29038 | South side of Krameria Ave east of Saddlebrook Ln and landscaping adjacent to a walkway from Krameria to Amy Ct | Reduced | 6,243 | 18 |
| 30027 | South side of Dracaea Ave, west side of Nason St, and the north side of Cottonwood Ave | Reduced | 45,833 | 191 |
| 30967 | East side of Indian St and the south side of Krameria to Emma Ln | Standard | 18,013 | 30 |
| 31129 | North of Cactus Ave between Oliver St and Moreno Beach Dr | Standard | 13,580 | 25 |
| 31257 | West side of Pigeon Pass Rd between Harland Dr and Swan St | Standard | 26,686 | 34 |
| 31268 | South side of Cottonwood Ave west of Wilmot St | Standard | 7,058 | 14 |
| 31269 | North side of Cottonwood Ave | Standard | 7,450 | - |
| 31269-1 | Median on Redlands Blvd between Cottonwood Ave and Dracaea Ave, parkway landscape on the west side of Redlands Blvd, south side of Dracaea Ave, and the north side of Cottonwood Ave | Standard | 43,723 | 47 |

Zone D (Parkway Landscape Maintenance) Improvements

All measurements, counts, and square footages are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Tract Number | General Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.) | Trees |
|--------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|-------|
| 31284 | West side of Quincy St wrapping onto the south side of Cottonwood Ave | Standard | 28,321 | 72 |
| 31424 | South side of Eucalyptus Ave | Standard | 8,750 | 8 |
| 31591 | North side of Eucalyptus Ave and the west side of Morrison St | Standard | 16,445 | 37 |
| 32018 | North side of Cottonwood Ave between Perris Blvd and Kitching St | Reduced | 7,865 | 4 |
| 32625 | South side of Cottonwood Ave wrapping onto the west side of Redlands Blvd also includes a landscaped median on Redlands Blvd | Standard | 17,826 | 37 |
| 32715 | East side of Perris Blvd wrapping onto the south of Ironwood Ave | Standard | 30,968 | 23 |

Zone D (Parkway Landscape Maintenance) Equipment

| Tract Number | General Location of Improvements | Maintenance Service Level | Maxicom Irrigation Controller | Aqua Conserve Irrigation Controller | Battery Operated Irrigation Controller | Electrical/ Irrigation Enclosure | Irrigation Booster Pump | Recycled Water Spi Filter |
|-------------------|---------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------------|----------------------------------------|----------------------------------|-------------------------|---------------------------|
| 10191/18468 | Southeast corner of Eucalyptus Ave/Graham St | Reduced | - | - | 1 | - | - | - |
| 11848 | West side of Graham St between Old Valley Dr & Sunnymeadows Dr | Reduced | - | 1 | - | 1 | - | - |
| 12305 | East side of Pigeon Pass Rd on either side of /Western Ridge Rd | Standard | - | 1 | 1 | 1 | - | - |
| 12773 | South side of JFK Dr and the west side Lasselle St | Standard | - | 1 | - | 1 | - | - |
| 12902 | South side of Ironwood Ave primarily west of Lasselle St | Standard | - | 1 | - | 1 | - | - |
| 13576/19080/19081 | South side of Ironwood Ave and the west side Pigeon Pass Rd | Reduced | - | 1 | - | 1 | - | - |
| 13585 | West side of Lasselle St north of Bay Ave | Reduced | - | 1 | - | 1 | - | - |
| 14387/12268 | East side of Pigeon Pass Rd north of Swan St | Standard | - | 1 | - | 1 | - | - |
| 15387 | North side of Alessandro Blvd wrapping onto the west side Graham St | Reduced | - | 1 | - | 1 | - | - |
| 15433 | East side of Perris Blvd wrapping onto the south side of Santiago Dr also includes the north side of Iris Ave | Reduced | - | 2 | - | 2 | - | - |
| 16768 | North side of Eucalyptus Ave west of Lasselle St | Reduced | - | 1 | - | 1 | - | - |
| 16769 | West side of Lasselle St north of Dracaea Ave and the south side of Eucalyptus Ave | Standard | - | 1 | - | 1 | - | - |
| 16770 | South side of Cottonwood Ave east of Stockbrook Rd and west of Terra Bella Ave | Reduced | - | 1 | - | 1 | - | - |
| 17033 | East side of Kitching St north of Dracaea Ave | Reduced | - | 1 | - | 1 | - | - |
| 17176 | North side of Box Springs Rd west of Day St | Reduced | - | 1 | - | 1 | - | - |
| 17334 | North side of Locust Ave at Twilight Way | Reduced | - | 1 | - | 1 | - | - |
| 17387 | East side of Kitching St south of Brodiaea Ave | Reduced | - | 1 | - | 1 | - | - |
| 17457 | South side of Cactus Ave at Parkwood Ct | Reduced | - | 1 | - | 1 | - | - |
| 17867 | West side of Lasselle St north of Brodiaea Ave | Reduced | - | 1 | - | 1 | - | - |
| 18283 | North side of Ironwood Ave between Dream St and Bayless St | Standard | - | 1 | - | 1 | - | - |
| 18512/21322 | West side of Heacock St at Parkland Ave and the medians along Parkland Ave | Standard | - | 2 | - | 2 | - | - |
| 18784/20906 | Ironwood Ave/Kitching St/Hemlock Ave | Standard | - | 2 | - | 2 | - | - |
| 18930 | West side of Frederick St and south side of Eucalyptus Ave | Reduced | - | 2 | - | 2 | - | - |
| 19032 | West side of Heacock St at Gregory Lane and utility access trails within the tract | Standard | - | 1 | - | 1 | - | - |
| 19141 | North side of Cactus Ave west of Parkwood Ct | Standard | - | 1 | - | 1 | - | - |
| 19142 | North side of Cactus Ave east of Parkwood Ct | Standard | - | 1 | - | 1 | - | - |
| 19143 | North side of Cactus Ave at Rio Bravo Rd | Reduced | - | 1 | - | 1 | - | - |
| 19208 | North side of Ironwood Ave between Tuscola St and Slawson Ave | Reduced | - | - | 1 | - | - | - |
| 19210 | South side of John F Kennedy Dr and the west side of Perris Blvd | Standard | - | 2 | - | 2 | - | - |
| 19233 | South side of Ironwood Ave at Heritage Dr | Standard | - | 1 | - | 1 | - | - |
| 19363 | South side of Cactus Ave and west side of Lasselle St | Reduced | - | 1 | - | 1 | - | - |
| 19434 | South side of JFK Dr and east side of Kitching St | Reduced | - | - | 1 | 1 | - | - |
| 19474 | North side of Alessandro Blvd at Covey Quail Lane | Standard | - | 1 | - | 1 | - | - |
| 19496 | South side of Ironwood Ave at Tuscola St | Standard | - | 1 | - | - | - | - |
| 19500 | West side of Kitching St north of Dracaea Ave | Reduced | - | 1 | - | 1 | - | - |
| 19509 | South side of Cottonwood Ave and west side of Kitching St | Standard | - | 1 | - | 1 | - | - |

Zone D (Parkway Landscape Maintenance) Equipment

| Tract Number | General Location of Improvements | Maintenance Service Level | Maxicom Irrigation Controller | Aqua Conserve Irrigation Controller | Battery Operated Irrigation Controller | Electrical/ Irrigation Enclosure | Irrigation Booster Pump | Recycled Water Spi Filter |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------------|----------------------------------------|----------------------------------|-------------------------|---------------------------|
| 19518/18372 | West side of Lasselle St south of Bay and north side of Alessandro Blvd at Chara St | Reduced | - | 2 | - | 2 | - | - |
| 19529 | South side of Eucalyptus Ave at Lena St | Standard | - | 1 | - | 1 | - | - |
| 19533 | South side of Ironwood Ave west of Heritage Dr | Standard | - | 1 | - | 1 | - | - |
| 19541 | South side of Eucalyptus Ave between Raenette Wy and Bender Dr | Standard | - | 1 | - | 1 | - | - |
| 19551 | East side of Pigeon Pass Rd and north side of Ironwood Ave | Reduced | - | 1 | - | 1 | - | - |
| 19675 | South side of Cactus Ave between Cochiti Dr and Rio Bravo Rd | Standard | - | 1 | - | 1 | - | - |
| 19685 | East side of Kitching St north side of Gentian Ave and west side of Lasselle St | Reduced | - | 1 | - | 1 | - | - |
| 19799 | North side of Eucalyptus Ave and east side of Kitching St | Reduced | - | 1 | - | 1 | - | - |
| 19852 | North side of Cottonwood Ave west side of Morrison Ln and Eucalyptus Ave | Standard | - | 1 | - | 1 | - | - |
| 19862 | South side of Ironwood Ave on either side of Weller Place | Reduced | - | 1 | - | 1 | - | - |
| 19912 | north side of Iris Ave west of Kitching St | Standard | - | 1 | - | 1 | - | - |
| 19937 | South side of Iris Ave wrapping onto the west side of Kitching St | Standard | - | 1 | - | 1 | - | - |
| 19957 | East side of Frederick St wrapping onto the north side of Bay Ave to Kristina Ct | Reduced | - | 1 | - | 1 | - | - |
| 20030 | East side of Pigeon Pass Rd south of Cougar Canyon | Reduced | - | 1 | - | 1 | - | - |
| 20032 | South side of Cottonwood Ave wrapping onto the east side of Indian St | Reduced | - | 1 | - | 1 | - | - |
| 20072 | North side of Ironwood Ave wrapping onto the west side of Mathews Rd | Reduced | - | 1 | - | 1 | - | - |
| 20120 | South side of JFK at Wintergreen St | Standard | - | - | 1 | - | - | - |
| 20197 | South side of Gentian Ave wrapping onto the west side of Indian St | Standard | - | 1 | - | 1 | - | - |
| 20272 | Small section on the north side of Box Springs Rd east of the apt complex and the east side of Clark St from the apt complex heading north | Reduced | - | 2 | - | 2 | - | - |
| 20301 | West side of Perris Blvd on either side of Northern Dancer and the east side of Indian St on either side of Freeport Dr | Reduced | - | 2 | - | 2 | - | - |
| 20404 | North side of Krameria Ave wrapping onto to the west side of Perris Blvd also includes a small section on the south side of Iris Ave | Standard | - | 3 | - | 3 | - | - |
| 20525 | North side of Eucalyptus Ave west of Elmhurst Dr | Reduced | - | 1 | - | 1 | - | - |
| 20552 | East side of Heacock St wrapping onto the north side of Gentian Ave | Reduced | - | 1 | - | 1 | - | - |
| 20660 | West side of Kitching St at Plumeria Ln | Reduced | - | 1 | - | 1 | - | - |
| 20715 | West side of Kitching St starting at Red Maple Ln wrapping onto the north side of Krameria Ave | Standard | - | 2 | - | 2 | - | - |
| 20718 | North side of Iris Ave wrapping onto the west side Indian St to Thomas Ave | Standard | - | 1 | - | 1 | - | - |
| 20859 | South east corner of Perris Blvd and Krameria Ave | Reduced | - | 1 | - | 1 | - | - |
| 20869 | West side of Indian St on either side of Wildwood St | Standard | - | 1 | - | 1 | - | - |
| 20941 | East side of Lasselle St north of Bay Ave | Reduced | - | 1 | - | 1 | - | - |
| 21113 | West side of Perris Blvd north of Suburban Ln and the east side of Indian St | Reduced | - | 1 | - | 1 | - | - |
| 21332 | North side of Ironwood Ave east of Day St | Reduced | - | 1 | - | 1 | - | - |
| 21333 | North side of Ironwood Ave east side of Barclay Dr | Reduced | - | 1 | - | 1 | - | - |
| 21345 | North side of Eucalyptus Ave east of Lasselle St | Standard | - | 1 | - | 1 | - | - |
| 21597 | East side of Kitching St wrapping onto the north side Cactus Ave | Standard | - | 1 | - | 1 | - | - |
| 21616 | North side of Cactus Ave wrapping onto the west side of Lasselle St | Standard | - | 1 | - | 1 | - | - |

Attachment: FY 16-17 Annual CSD Levy Report (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY COMMUNITY SERVICES DISTRICT

Zone D (Parkway Landscape Maintenance) Equipment

| Tract Number | General Location of Improvements | Maintenance Service Level | Maxicom Irrigation Controller | Aqua Conserve Irrigation Controller | Battery Operated Irrigation Controller | Electrical/Irrigation Enclosure | Irrigation Booster Pump | Recycled Water Spi Filter |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------------|----------------------------------------|---------------------------------|-------------------------|---------------------------|
| 21737 | West side of Kilgore St at Ironwood Ave | Reduced | - | 1 | - | 1 | - | - |
| 21806 | East side of Perris Blvd north of Mariposa Ave | Standard | - | 1 | - | 1 | - | - |
| 22093 | East side of Pigeon Pass Rd wrapping onto the south side of Swan St | Standard | - | 1 | - | 1 | - | - |
| 22276 | South side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | - | 1 | - | 1 | - | - |
| 22277 | North side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | - | 1 | - | 1 | - | - |
| 22371 | East side of Kitching St north of Atwood Ave and the south side of Eucalyptus Ave | Standard | - | 1 | - | 1 | - | - |
| 22889 | North side of Krameria Ave west of Emma Ln and the east side of Indian St | Standard | 1 | - | - | - | 1 | - |
| 22999 | South side of Ironwood Ave east of Lasselle St | Standard | - | 1 | - | 1 | - | - |
| 23046 | South side of Eucalyptus Ave east of Ninebark St and the west side of Lasselle St | Reduced | - | 1 | - | 1 | - | - |
| 24721 | South side of Eucalyptus Ave west of Shubert St | Reduced | - | 1 | - | 1 | - | - |
| 27526 | North side of Cottonwood Ave wrapping onto the east side of Lasselle St | Reduced | - | 2 | - | 2 | - | - |
| 28882 | South side of Ironwood Ave at Franklin St | Reduced | - | 1 | - | 1 | - | - |
| 29038 | South side of Krameria Ave east of Saddlebrook Ln and landscaping adjacent to a walkway from Krameria to Amy Ct | Reduced | - | 1 | - | 1 | - | - |
| 30027 | South side of Dracaea Ave, west side of Nason St, and the north side of Cottonwood Ave | Reduced | 2 | - | - | 2 | - | - |
| 30967 | East side of Indian St and the south side of Krameria to Emma Ln | Standard | 1 | - | - | 1 | 1 | - |
| 31129 | North of Cactus Ave between Oliver St and Moreno Beach Dr | Standard | 1 | - | - | 1 | - | - |
| 31257 | West side of Pigeon Pass Rd between Harland Dr and Swan St | Standard | 1 | - | - | 1 | - | - |
| 31268 | South side of Cottonwood Ave west of Wilmot St | Standard | Shares w/31269-1 | - | - | Shares w/31269-1 | Shares w/31269-1 | - |
| 31269 | North side of Cottonwood Ave | Standard | 1 | - | - | 1 | 1 | - |
| 31269-1 | Median on Redlands Blvd between Cottonwood Ave and Dracaea Ave, parkway landscape on the west side of Redlands Blvd, south side of Dracaea Ave, and the north side of Cottonwood Ave | Standard | 3 | - | - | 2 | 1 | - |
| 31284 | West side of Quincy St wrapping onto the south side of Cottonwood Ave | Standard | 1 | - | - | 1 | 1 | - |
| 31424 | South side of Cottonwood Ave | Standard | 1 | - | - | 1 | - | - |
| 31591 | North side of Eucalyptus Ave and the west side of Morrison St | Standard | 1 | - | - | 1 | 1 | - |
| 32018 | North side of Cottonwood Ave between Perris Blvd and Kitching St | Reduced | - | - | - | - | - | - |
| 32625 | South side of Cottonwood Ave wrapping onto the west side of Redlands Blvd also includes a landscaped median on Redlands Blvd | Standard | 1 | - | - | - | 1 | - |
| 32715 | East side of Perris Blvd wrapping onto the south of Ironwood Ave | Standard | 2 | - | - | 2 | - | - |

Zone D (Parkway Landscape Maintenance) Monument Signs

| Tract Number | General Location of Improvements | Maintenance Service Level | Name/Type/Location of Monument/Entry Statement |
|-------------------|---------------------------------------------------------------------------------------------------------------|---------------------------|------------------------------------------------------------------------|
| 10191/18468 | Southeast corner of Eucalyptus Ave/Graham St | Reduced | - |
| 11848 | West side of Graham St between Old Valley Dr & Sunnymeadows Dr | Reduced | "Serra Homes" Metal letter sign (2): NWC & SWC Graham/Old Valley |
| 12305 | East side of Pigeon Pass Rd on either side of /Western Ridge Rd | Standard | "Western Ridge Ranch" Wood letter sign : NEC Pigeon Pass/Western Ridge |
| 12773 | South side of JFK Dr and the west side Lasselle St | Standard | - |
| 12902 | South side of Ironwood Ave primarily west of Lasselle St | Standard | - |
| 13576/19080/19081 | South side of Ironwood Ave and the west side Pigeon Pass Rd | Reduced | - |
| 13585 | West side of Lasselle St north of Bay Ave | Reduced | - |
| 14387/12268 | East side of Pigeon Pass Rd north of Swan St | Standard | - |
| 15387 | North side of Alessandro Blvd wrapping onto the west side Graham St | Reduced | - |
| 15433 | East side of Perris Blvd wrapping onto the south side of Santiago Dr also includes the north side of Iris Ave | Reduced | - |
| 16768 | North side of Eucalyptus Ave west of Lasselle St | Reduced | - |
| 16769 | West side of Lasselle St north of Dracaea Ave and the south side of Eucalyptus Ave | Standard | - |
| 16770 | South side of Cottonwood Ave east of Stockbrook Rd and west of Terra Bella Ave | Reduced | - |
| 17033 | East side of Kitching St north of Dracaea Ave | Reduced | - |
| 17176 | North side of Box Springs Rd west of Day St | Reduced | - |
| 17334 | North side of Locust Ave at Twilight Way | Reduced | "Moonlight Rim" Wood letter sign : NEC Locust/Twilight |
| 17387 | East side of Kitching St south of Brodiaea Ave | Reduced | - |
| 17457 | South side of Cactus Ave at Parkwood Ct | Reduced | - |
| 17867 | West side of Lasselle St north of Brodiaea Ave | Reduced | - |
| 18283 | North side of Ironwood Ave between Dream St and Bayless St | Standard | - |
| 18512/21322 | West side of Heacock St at Parkland Ave and the medians along Parkland Ave | Standard | "Cooper Hill" Wood letter sign : SWC Heacock/Hillgate |
| 18784/20906 | Ironwood Ave/Kitching St/Hemlock Ave | Standard | "Westerly" Plastic letter sign : NWC Hemlock/Westerly |
| 18930 | West side of Frederick St and south side of Eucalyptus Ave | Reduced | - |
| 19032 | West side of Heacock St at Gregory Lane and utility access trails within the tract | Standard | - |
| 19141 | North side of Cactus Ave west of Parkwood Ct | Standard | - |
| 19142 | North side of Cactus Ave east of Parkwood Ct | Standard | - |
| 19143 | North side of Cactus Ave at Rio Bravo Rd | Reduced | - |
| 19208 | North side of Ironwood Ave between Tuscola St and Slawson Ave | Reduced | - |

Zone D (Parkway Landscape Maintenance) Monument Signs

| Tract Number | General Location of Improvements | Maintenance Service Level | Name/Type/Location of Monument/Entry Statement |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------------------------------------------|
| 19210 | South side of John F Kennedy Dr and the west side of Perris Blvd | Standard | - |
| 19233 | South side of Ironwood Ave at Heritage Dr | Standard | - |
| 19363 | South side of Cactus Ave and west side of Lasselle St | Reduced | - |
| 19434 | South side of JFK Dr and east side of Kitching St | Reduced | - |
| 19474 | North side of Alessandro Blvd at Covey Quail Lane | Standard | - |
| 19496 | South side of Ironwood Ave at Tuscola St | Standard | - |
| 19500 | West side of Kitching St north of Dracaea Ave | Reduced | - |
| 19509 | South side of Cottonwood Ave and west side of Kitching St | Standard | - |
| 19518/18372 | West side of Lasselle St south of Bay and north side of Alessandro Blvd at Chara St | Reduced | - |
| 19529 | South side of Eucalyptus Ave at Lena St | Standard | - |
| 19533 | South side of Ironwood Ave west of Heritage Dr | Standard | - |
| 19541 | South side of Eucalyptus Ave between Raenette Wy and Bender Dr | Standard | - |
| 19551 | East side of Pigeon Pass Rd and north side of Ironwood Ave | Reduced | - |
| 19675 | South side of Cactus Ave between Cochiti Dr and Rio Bravo Rd | Standard | - |
| 19685 | East side of Kitching St north side of Gentian Ave and west side of Lasselle St | Reduced | - |
| 19799 | North side of Eucalyptus Ave and east side of Kitching St | Reduced | - |
| 19852 | North side of Cottonwood Ave west side of Morrison Ln and Eucalyptus Ave | Standard | - |
| 19862 | South side of Ironwood Ave on either side of Weller Place | Reduced | "Sunnymead Orchard" Plastic letter sign : SEC Ironwood/Weller |
| 19912 | north side of Iris Ave west of Kitching St | Standard | - |
| 19937 | South side of Iris Ave wrapping onto the west side of Kitching St | Standard | - |
| 19957 | East side of Frederick St wrapping onto the north side of Bay Ave to Kristina Ct | Reduced | - |
| 20030 | East side of Pigeon Pass Rd south of Cougar Canyon | Reduced | - |
| 20032 | South side of Cottonwood Ave wrapping onto the east side of Indian St | Reduced | - |
| 20072 | North side of Ironwood Ave wrapping onto the west side of Mathews Rd | Reduced | - |
| 20120 | South side of JFK at Wintergreen St | Standard | - |
| 20197 | South side of Gentian Ave wrapping onto the west side of Indian St | Standard | - |
| 20272 | Small section on the north side of Box Springs Rd east of the apt complex and the east side of Clark St from the apt complex heading north | Reduced | - |

Zone D (Parkway Landscape Maintenance) Monument Signs

| Tract Number | General Location of Improvements | Maintenance Service Level | Name/Type/Location of Monument/Entry Statement |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------------------------------------------|
| 20301 | West side of Perris Blvd on either side of Northern Dancer and the east side of Indian St on either side of Freeport Dr | Reduced | "Mariner's Pointe" Metal letter sign (2): NWC & SWC Perris/Northern Dancer |
| 20404 | North side of Krameria Ave wrapping onto to the west side of Perris Blvd also includes a small section on the south side of Iris Ave | Standard | - |
| 20525 | North side if Eucalyptus Ave west of Elmhurst Dr | Reduced | "California Seasons" Tile sign : NEC Eucalyptus/Montecello |
| 20552 | East side of Heacock St wrapping onto the north side of Gentian Ave | Reduced | - |
| 20660 | West side of Kitching St at Plumeria Ln | Reduced | - |
| 20715 | West side of Kitching St starting at Red Maple Ln wrapping onto the north side of Krameria Ave | Standard | - |
| 20718 | North side of Iris Ave wrapping onto the west side Indian St to Thomas Ave | Standard | - |
| 20859 | South east corner of Perris Blvd and Krameria Ave | Reduced | - |
| 20869 | West side of Indian St on either side of Wildwood St | Standard | - |
| 20941 | East side of Lasselle St north of Bay Ave | Reduced | - |
| 21113 | West side of Perris Blvd north of Suburban Ln and the east side of Indian St | Reduced | - |
| 21332 | North side of Ironwood Ave east of Day St | Reduced | - |
| 21333 | North side of Ironwood Ave east side of Barclay Dr | Reduced | - |
| 21345 | North side of Eucalyptus Ave east of Lasselle St | Standard | - |
| 21597 | East side of Kitching St wrapping onto the north side Cactus Ave | Standard | - |
| 21616 | North side of Cactus Ave wrapping onto the west side of Lasselle St | Standard | - |
| 21737 | West side of Kilgore St at Ironwood Ave | Reduced | - |
| 21806 | East side of Perris Blvd north of Mariposa Ave | Standard | - |
| 22093 | East side of Pigeon Pass Rd wrapping onto the south side of Swan St | Standard | - |
| 22276 | South side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | - |
| 22277 | North side of Fir Ave wrapping onto the west side of Morrison Ln | Reduced | - |
| 22371 | East side of Kitching St north of Atwood Ave and the south side of Eucalyptus Ave | Standard | - |
| 22889 | North side of Krameria Ave west of Emma Ln and the east side of Indian St | Standard | - |
| 22999 | South side of Ironwood Ave east of Lasselle St | Standard | - |
| 23046 | South side of Eucalyptus Ave east of Ninebark St and the west side of Lasselle St | Reduced | - |
| 24721 | South side of Eucalyptus Ave west of Shubert St | Reduced | - |
| 27526 | North side of Cottonwood Ave wrapping onto the east side of Lasselle St | Reduced | "The Groves" Wood sign: NEC Cottonwood/Lakeport |

Zone D (Parkway Landscape Maintenance) Monument Signs

| Tract Number | General Location of Improvements | Maintenance Service Level | Name/Type/Location of Monument/Entry Statement |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------|
| 28882 | South side of Ironwood Ave at Franklin St | Reduced | - |
| 29038 | South side of Krameria Ave east of Saddlebrook Ln and landscaping adjacent to a walkway from Krameria to Amy Ct | Reduced | - |
| 30027 | South side of Dracaea Ave, west side of Nason St, and the north side of Cottonwood Ave | Reduced | - |
| 30967 | East side of Indian St and the south side of Krameria to Emma Ln | Standard | - |
| 31129 | North of Cactus Ave between Oliver St and Moreno Beach Dr | Standard | "Celebrations homes" Plastic letter sign : NWC Cactus/Dusty Coyote |
| 31257 | West side of Pigeon Pass Rd between Harland Dr and Swan St | Standard | - |
| 31268 | South side of Cottonwood Ave west of Wilmot St | Standard | - |
| 31269 | North side of Cottonwood Ave | Standard | - |
| 31269-1 | Median on Redlands Blvd between Cottonwood Ave and Dracaea Ave, parkway landscape on the west side of Redlands Blvd, south side of Dracaea Ave, and the north side of Cottonwood Ave | Standard | - |
| 31284 | West side of Quincy St wrapping onto the south side of Cottonwood Ave | Standard | - |
| 31424 | South side of Eucalyptus Ave | Standard | - |
| 31591 | North side of Eucalyptus Ave and the west side of Morrison St | Standard | - |
| 32018 | North side of Cottonwood Ave between Perris Blvd and Kitching St | Reduced | - |
| 32625 | South side of Cottonwood Ave wrapping onto the west side of Redlands Blvd also includes a landscaped median on Redlands Blvd | Standard | - |
| 32715 | East side of Perris Blvd wrapping onto the south of Ironwood Ave | Standard | - |

Zone E (Extensive Landscape Maintenance) Improvements

All measurements, counts, and square footages are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Area | Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.)* | Trees | Planter Area (sq ft) * | Turf Area (sq ft) * | Open Space Area (sq ft) * |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|---------------------------|-------|------------------------|---------------------|---------------------------|
| Zone E-7 | Parkway and median landscaping generally surrounding the Centerpointe area, bordered by Elsworth St on the west, Alessandro Blvd on the north, Cactus Ave on the south, and Frederick St on the east | Standard | 178,160 | 312 | 125,765 | 52,272 | - |
| Zone E-8 | Parkway landscaping generally surrounding the housing community bordered by Oliver St on the west, Cactus Ave on the north, John F Kennedy Dr on the south, and Moreno Beach Dr on the east | Standard | 68,104 | 166 | 68,104 | - | - |

* Excludes areas not yet accepted for maintenance by the CSD.

Patio Shelters/Fencing/Trash Cans/Park Benches

| Area | Location of Improvements | Maintenance Service Level | No. of and Locations of Patio Shelters | Location/Length of Fencing * | Trash Cans | Park Benches |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|----------------------------------------|-----------------------------------------------------------------------------|------------|--------------|
| Zone E-7 | Parkway and median landscaping generally surrounding the Centerpointe area, bordered by Elsworth St on the west, Alessandro Blvd on the north, Cactus Ave on the south, and Frederick St on the east | Standard | - | - | - | - |
| Zone E-8 | Parkway landscaping generally surrounding the housing community bordered by Oliver St on the west, Cactus Ave on the north, John F Kennedy Dr on the south, and Moreno Beach Dr on the east | Standard | - | Approx. 1,580 ft of vinyl rail fencing on E/S of Oliver from JFK to Cactus. | - | - |

* Excludes areas not yet accepted for maintenance by the CSD.

Equipment

| Area | Location of Improvements | Maintenance Service Level | Maxicom Irrigation Controller | Aqua Conserve Irrigation Controller | Electrical/Irrigation Enclosure | Landscape Lighting | Irrigation Booster Pump | Recycled Water Spin Filter |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|-------------------------------|-------------------------------------|---------------------------------|------------------------------------------------------------------------------------------------------|-------------------------|----------------------------|
| Zone E-7 | Parkway and median landscaping generally surrounding the Centerpointe area, bordered by Elsworth St on the west, Alessandro Blvd on the north, Cactus Ave on the south, and Frederick St on the east | Standard | 5 | - | 7 | 17 Palm tree lights & 9 tree flood lights on NWC, NEC Alessandro/Fredrick & SWC, SEC Cactus/Fredrick | - | - |
| Zone E-8 | Parkway landscaping generally surrounding the housing community bordered by Oliver St on the west, Cactus Ave on the north, John F Kennedy Dr on the south, and Moreno Beach Dr on the east | Standard | 5 | - | 5 | - | - | - |

Monuments/Entry Statements

| Area | Location of Improvements | Maintenance Service Level | Name/Type/Location of Monument/Entry Statement |
|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------------------------------------------------------------------------------------|
| Zone E-7 | Parkway and median landscaping generally surrounding the Centerpointe area, bordered by Elsworth St on the west, Alessandro Blvd on the north, Cactus Ave on the south, and Frederick St on the east | Standard | "Centerpointe" Concrete monument sign (4): NWC, NEC Alessesandro/Fredrick. & SWC, SEC Cactus/Fredrick. |
| Zone E-8 | Parkway landscaping generally surrounding the housing community bordered by Oliver St on the west, Cactus Ave on the north, John F Kennedy Dr on the south, and Moreno Beach Dr on the east | Standard | "Promontory Park" Metal letter sign (2): NWC & SWC Moreno Beach/Auburn. |

Zone M (Median Landscape Maintenance) Improvements

All measurements, counts, and square footage amounts are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Location of Improvements | Maintenance Service Level | Landscape Area (sq. ft.) | Trees |
|---------------------------------------------------------------------------------------------------------------------|---------------------------|--------------------------|-------|
| Old Highway 215 Monuments located at the northeast and southeast corners of Alessandro Blvd and Old 215 Frontage Rd | Standard | 11,793 | 6 |
| Landscaped medians located along Alessandro Blvd between Old 215 Frontage Rd and Frederick St | Standard | 48,139 | 55 |
| Landscaped medians located along Alessandro Blvd between Frederick St and Heacock St | Standard | 49,077 | 46 |
| Landscaped medians located along Alessandro Blvd between Heacock St and Perris Blvd | Standard | 4,827 | 3 |
| Landscaped medians located along Alessandro Blvd between Flaming Arrow Dr and Kitching St | Standard | 10,536 | 19 |
| Landscaped median located along Perris Blvd from Alessandro Blvd to 600' north of Brodiaea Ave | Standard | 556 | 1 |
| Landscaped medians located along Perris Blvd between John F. Kennedy Dr and Filaree Ave | Standard | 5,432 | 14 |
| Landscaped medians located along Perris Blvd, approx. 400' south of Santiago Dr to Iris Ave | Standard | 1,780 | 7 |
| Landscaped medians located along Perris Blvd between Red Maple Ln and Krameria Ave | Standard | 3,048 | 5 |
| Landscaped median along Perris Blvd, approx. 225' south of Rivard Rd to Nandina Ave | Standard | 8,020 | 15 |
| Landscaped median located along Perris Blvd, approx. 630' south of Nandina Ave to Globe St | Standard | 2,619 | 8 |
| Landscaped median located along Perris Blvd, approx. 250' south of Globe St to Harley Knox Blvd | Standard | 4,338 | 9 |
| Landscaped median located along Perris Blvd, 100' south of Myers Ave to Eucalyptus Ave | Standard | 1,446 | 4 |
| Landscaped medians located along Perris Blvd between Iris Ave and Red Maple Ln | Standard | 4,562 | 13 |
| Parkway on the south side of Elder Ave from Grenville Ave to Brewster Dr | Standard | 7,533 | 52 |
| Landscaped median along Cactus Ave from Elsworth St to 650' west of Elsworth St | Standard | 2,268 | 3 |
| Landscaped medians along Cactus Ave between Frederick St and Heacock St | Standard | 28,837 | 27 |
| Landscaped medians along Moreno Beach Dr between Cactus Ave and Brodiaea Ave | Standard | 5,628 | 3 |
| Landscaped medians along Old 215 Frontage Rd from Alessandro Blvd to 250' south of Alessandro Blvd | Standard | 3,905 | 8 |
| Landscaped medians along Eucalyptus Ave from Theodore St to approx. 1,600' east of Redlands Blvd | Standard | 36,129 | 49 |
| Landscaped median along Cactus Ave 650' east of Elsworth St to Frederick St | Standard | 8,262 | 40 |
| Landscaped median along Iris Ave east of Heacock St | Standard | 5,450 | 9 |
| Non-Irrigated Landscaped median on Alessandro Blvd between Indian St and Perris Blvd | Standard | 17,470 | 38 |

Zone M (Median Landscape Maintenance) Equipment

| Location of Improvements | Maxicom Irrigation Controller | Aqua Conserve Irrigation Controller | Electrical/ Irrigation Enclosure | Landscape Lighting | Irrigation Booster Pump |
|---------------------------------------------------------------------------------------------------------------------|-------------------------------|-------------------------------------|----------------------------------|-----------------------------------------------------------------|-------------------------|
| Old Highway 215 Monuments located at the northeast and southeast corners of Alessandro Blvd and Old 215 Frontage Rd | 1 | - | 2 | 4 flood lights for MV monument signs on NWC & SWC of Aless./215 | |
| Landscaped medians located along Alessandro Blvd between Old 215 Frontage Rd and Frederick St | - | 2 | 2 | - | |
| Landscaped medians located along Alessandro Blvd between Frederick St and Heacock St | - | 2 | 2 | - | |
| Landscaped medians located along Alessandro Blvd between Heacock St and Perris Blvd | - | 1 | 1 | - | |
| Landscaped medians located along Alessandro Blvd between Flaming Arrow Dr and Kitching St | 1 | - | 1 | - | |
| Landscaped median located along Perris Blvd from Alessandro Blvd to 600' north of Brodiaea Ave | 1 | - | 1 | - | |
| Landscaped medians located along Perris Blvd between John F. Kennedy Dr and Filaree Ave | 1 | - | 1 | - | |
| Landscaped medians located along Perris Blvd, approx. 400' south of Santiago Dr to Iris Ave | - | 1 | 1 | - | |
| Landscaped medians located along Perris Blvd between Red Maple Ln and Krameria Ave | 1 | - | 1 | - | |
| Landscaped median along Perris Blvd, approx. 225' south of Rivard Rd to Nandina Ave | 1 | - | 1 | - | |
| Landscaped median located along Perris Blvd, approx. 630' south of Nandina Ave to Globe St | 1 | - | 1 | - | |
| Landscaped median located along Perris Blvd, approx. 250' south of Globe St to Harley Knox Blvd | 1 | - | 1 | - | |
| Landscaped median located along Perris Blvd, 100' south of Myers Ave to Eucalyptus Ave | 1 | - | 1 | - | |
| Landscaped medians located along Perris Blvd between Iris Ave and Red Maple Ln | 1 | - | 1 | - | |
| Parkway on the south side of Elder Ave from Grenville Ave to Brewster Dr | - | 1 | 1 | - | |
| Landscaped median along Cactus Ave from Elsworth St to 650' west of Elsworth St | - | 1 | 1 | - | |
| Landscaped medians along Cactus Ave between Frederick St and Heacock St | 1 | - | 1 | - | |
| Landscaped medians along Moreno Beach Dr between Cactus Ave and Brodiaea Ave | 1 | - | 1 | - | |
| Landscaped medians along Old 215 Frontage Rd from Alessandro Blvd to 250' south of Alessandro Blvd | 1 | - | 1 | - | |
| Landscaped medians along Eucalyptus Ave from Theodore St to approx. 1,600' east of Redlands Blvd | 1 | - | 1 | - | |
| Landscaped median along Cactus Ave 650' east of Elsworth St to Frederick St | 1 | - | 1 | - | |
| Landscaped median along Iris Ave east of Heacock St | 1 | - | 1 | - | |
| Non-Irrigated Landscaped median on Alessandro Blvd between Indian St and Perris Blvd | - | - | - | - | |

Zone M (Median Landscape Maintenance) Monument/Entry Statements

| Location of Improvements | Name/Type/Location of Monument/Entry Statement |
|---------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------|
| Old Highway 215 Monuments located at the northeast and southeast corners of Alessandro Blvd and Old 215 Frontage Rd | "Moreno Valley" Concrete monument sign (2): NEC & SEC of Alessandro/Old 215 |
| Landscaped medians located along Alessandro Blvd between Old 215 Frontage Rd and Frederick St | - |
| Landscaped medians located along Alessandro Blvd between Frederick St and Heacock St | - |
| Landscaped medians located along Alessandro Blvd between Heacock St and Perris Blvd | - |
| Landscaped medians located along Alessandro Blvd between Flaming Arrow Dr and Kitching St | - |
| Landscaped median located along Perris Blvd from Alessandro Blvd to 600' north of Brodiaea Ave | - |
| Landscaped medians located along Perris Blvd between John F. Kennedy Dr and Filaree Ave | - |
| Landscaped medians located along Perris Blvd, approx. 400' south of Santiago Dr to Iris Ave | - |
| Landscaped medians located along Perris Blvd between Red Maple Ln and Krameria Ave | - |
| Landscaped median along Perris Blvd, approx. 225' south of Rivard Rd to Nandina Ave | - |
| Landscaped median located along Perris Blvd, approx. 630' south of Nandina Ave to Globe St | - |
| Landscaped median located along Perris Blvd, approx. 250' south of Globe St to Harley Knox Blvd | - |
| Landscaped median located along Perris Blvd, 100' south of Myers Ave to Eucalyptus Ave | - |
| Landscaped medians located along Perris Blvd between Iris Ave and Red Maple Ln | - |
| Parkway on the south side of Elder Ave from Grenville Ave to Brewster Dr | - |
| Landscaped median along Cactus Ave from Elsworth St to 650' west of Elsworth St | - |
| Landscaped medians along Cactus Ave between Frederick St and Heacock St | - |
| Landscaped medians along Moreno Beach Dr between Cactus Ave and Brodiaea Ave | - |
| Landscaped medians along Old 215 Frontage Rd from Alessandro Blvd to 250' south of Alessandro Blvd | - |
| Landscaped medians along Eucalyptus Ave from Theodore St to approx. 1,600' east of Redlands Blvd | - |
| Landscaped median along Cactus Ave 650' east of Elsworth St to Frederick St | - |
| Landscaped median along Iris Ave east of Heacock St | - |
| Non-Irrigated Landscaped median on Alessandro Blvd between Indian St and Perris Blvd | - |

Zone S (Sunnymead Blvd. Maintenance) Improvements and Equipment

All measurements, counts, and square footage amounts are estimated. Actual locations and amounts may be determined by the approved plans as recorded with the City.

| Location of Improvements | Maintenance Service Level | Planter Area (sq ft) | Turf Area (sq ft) | Trees | Maxicom Irrigation Controller | Electrical/ Irrigation Enclosure |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------|-------------------|-------|-------------------------------|----------------------------------|
| Certain parkway and median landscaping along Sunnymead Blvd. between Frederick St. and Perris Blvd. that were installed in participation with the City and the former Redevelopment Agency of the City of Moreno Valley | Modified based on available funding | 46,543 | - | 316 | 4 | 4 |

Appendix E: SERVICE GUIDELINES

**COMMUNITY SERVICES DISTRICTS
ZONE D (Parkway Landscape Maintenance)
GENERAL SERVICE LEVEL GUIDELINES ***

| DESCRIPTION OF LANDSCAPE MAINTENANCE SERVICE | STANDARD MAINTENANCE SERVICE | REDUCED MAINTENANCE SERVICE | STREET TREE MAINTENANCE SERVICE |
|-----------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|
| Mowing, Edging & Trimming (Of Turf Areas Only) | Weekly | Monthly (or Bi-monthly as needed) | N/A |
| Aeration | 3 times per year | As needed | N/A |
| Tree Trimming | 1 time every 3-4 years or when necessary to eliminate hazard and/or ROW encroachment | 1 time every 5-7 years or when necessary to eliminate hazard and/or ROW encroachment | 1 time every 5-7 years or when necessary to eliminate hazard and/or ROW encroachment |
| Shrub Trimming | 1 time per year (minimum) to eliminate hazard and/or ROW encroachment | 1 time per year to eliminate hazard and/or ROW encroachment | 1 time per year to eliminate hazard and/or ROW encroachment |
| Ground Cover Trimming | 4 times per year (quarterly) to eliminate hazard and/or ROW encroachment | 2 times per year to eliminate hazard and/or ROW encroachment | 2 times per year to eliminate hazard and/or ROW encroachment |
| Weed Control | Monthly | 4 times per year (quarterly) | 4 times per year (quarterly) |
| Irrigation | Weekly (inspect/adjust/repair) | Monthly (inspect/adjust/repair) | Monthly (inspect/adjust/repair) |
| Litter Removal | Weekly | 1 time per month or at least 1 time per 2 months | 1 time per month or at least 1 time per 2 months |
| Turf Fertilizer | 7 applications per year | 3 applications per year | N/A |
| Shrub Fertilizer | 2 applications per year | 1 application per year | N/A |
| Tree Fertilizer | As needed | As needed | As needed |
| Pesticides: | | | |
| Shrubs/Ground Covers (pre-emergent) | 2 times per year | As needed (budget permitting) | N/A |
| Shrubs/Ground Covers (insect/disease control) | As needed | As needed (budget permitting) | N/A |
| Shrubs/Ground Covers (vertebrate pest control) | As needed | As needed (budget permitting) | N/A |
| Turf (weed control) | As needed | As needed (budget permitting) | N/A |
| Turf (vertebrate pest control) | As needed | As needed (budget permitting) | N/A |

* The table sets forth the general guidelines for landscape maintenance services. Since every service area is unique and may require adjusted services based on seasonal demands and available funding, the actual services provided shall be determined by the Special Districts Division Manager. The service level for each service area is contingent upon available funding to support the designated level of service.

COMMUNITY SERVICES DISTRICTS
ZONE E (Extensive Landscape Maintenance)
GENERAL SERVICE LEVEL GUIDELINES *

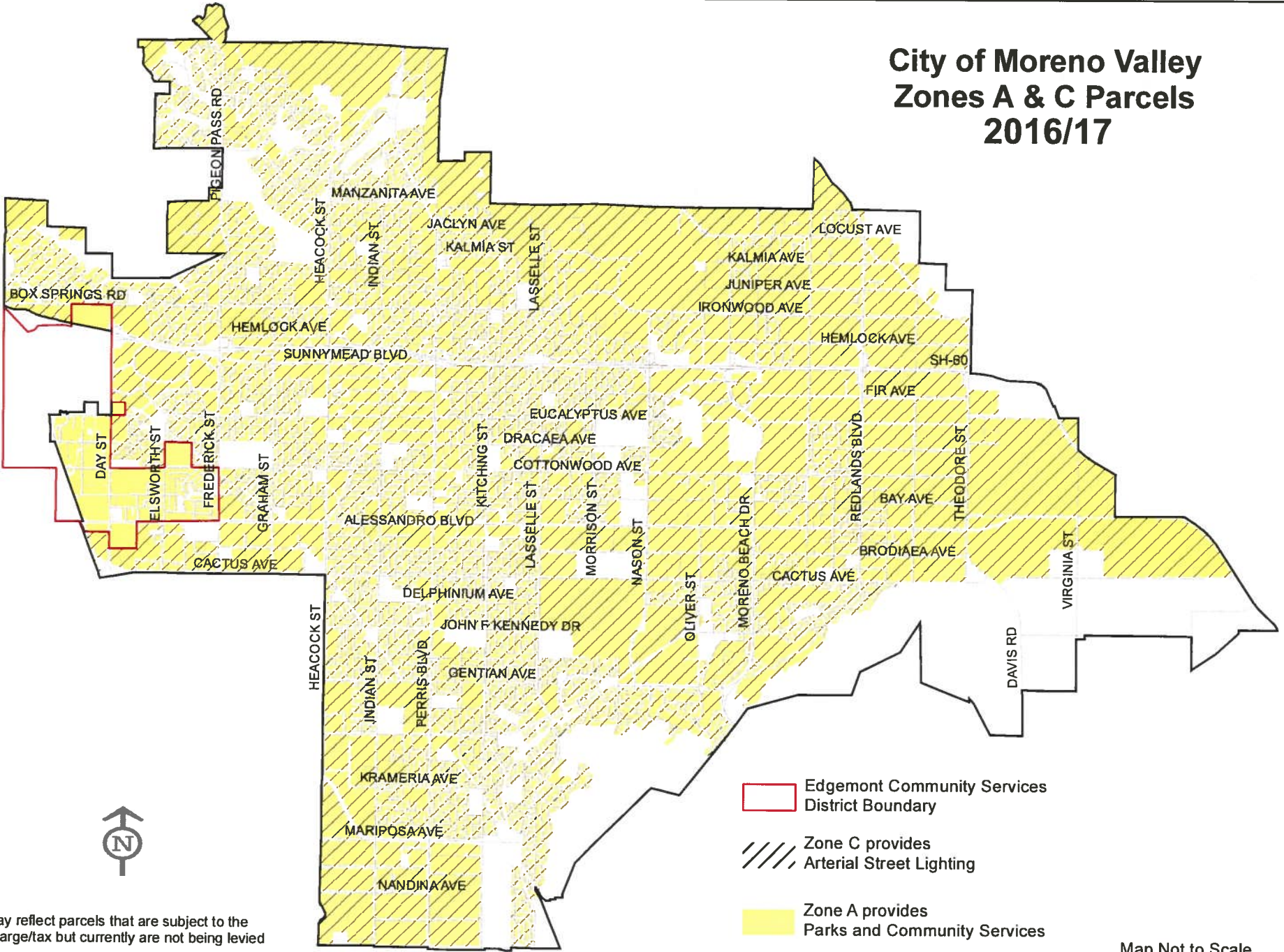
| DESCRIPTION OF LANDSCAPE MAINTENANCE SERVICE | STANDARD MAINTENANCE SERVICE | REDUCED MAINTENANCE SERVICE | STREET TREE MAINTENANCE SERVICE |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------|
| Mowing, Edging & Trimming (Of Turf Areas Only) | Weekly | Monthly (or Bi-monthly as needed) | N/A |
| Aeration | 3 times per year | As needed (budget permitting) | N/A |
| Tree Trimming | 1 time every 3-4 years or when necessary to eliminate hazard and/or ROW encroachment | 1 time every 5-7 years or when necessary to eliminate hazard and/or ROW encroachment | 1 time every 5-7 years or when necessary to eliminate hazard and/or ROW encroachment |
| Shrub Trimming | 1 time per year (minimum) to eliminate hazard and/or ROW encroachment | 1 time per year to eliminate hazard and/or ROW encroachment | 1 time per year to eliminate hazard and/or ROW encroachment |
| Ground Cover Trimming | 4 times per year (quarterly) to eliminate hazard and/or ROW encroachment | 2 times per year to eliminate hazard and/or ROW encroachment | 2 times per year to eliminate hazard and/or ROW encroachment |
| Weed Control | Monthly | 4 times per year (quarterly) | 4 times per year (quarterly) |
| Irrigation | Weekly (inspect/adjust/repair) | Monthly (inspect/adjust/repair) | Monthly (inspect/adjust/repair) |
| Litter Removal | Weekly | 1 time per month or at least 1 time per 2 months | 1 time per month or at least 1 time per 2 months |
| Turf Fertilizer | 8 applications per year (minimum) | 3 applications per year | N/A |
| Shrub Fertilizer | 2 applications per year | 1 application per year | N/A |
| Tree Fertilizer | As needed | As needed (budget permitting) | As needed (budget permitting) |
| Pesticides: | | | |
| Shrubs/Ground Covers | Pre-emergent 2 times per year | As needed (budget permitting) | N/A |
| Shrubs/Ground Covers | Insect/disease control (as needed) | As needed (budget permitting) | N/A |
| Shrubs/Ground Covers | Vertebrate pest control Monthly (minimum) | As needed (budget permitting) | N/A |
| Turf | Weed control, insect, and disease control (as needed) | As needed (budget permitting) | N/A |
| Turf | Vertebrate pest control Monthly (minimum) | As needed (budget permitting) | N/A |

* The table sets forth the general guidelines for landscape maintenance services. Since every service area is unique and may require adjusted services based on seasonal demands and available funding, the actual services provided shall be determined by the Special Districts Division Manager. The service level for each service area is contingent upon available funding to support the designated level of service.

Appendix F: ASSESSMENT ROLL

The List of Assessments
Is On File with the Secretary to the CSD Board (Office of the City Clerk)

City of Moreno Valley Zones A & C Parcels 2016/17

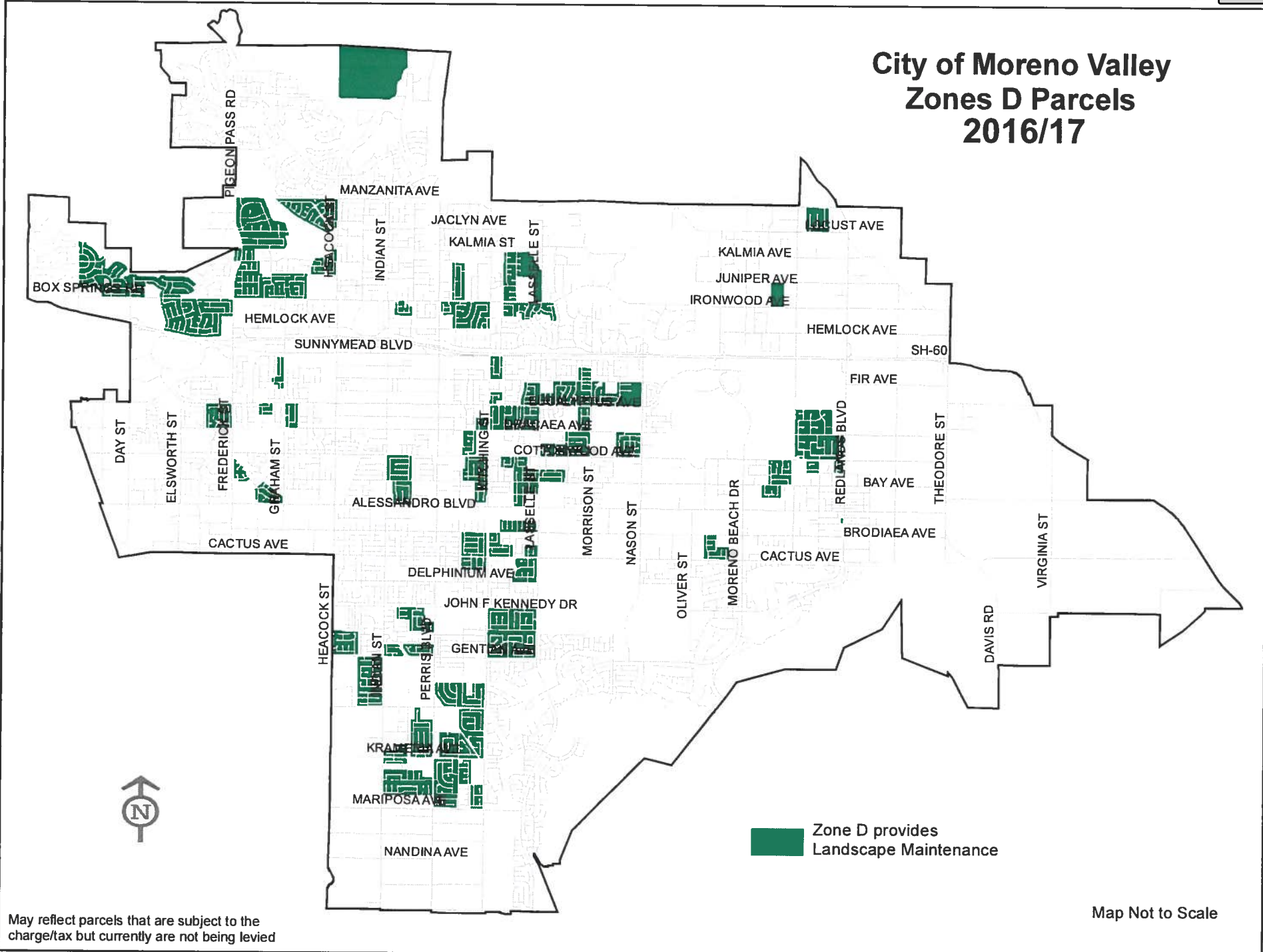


May reflect parcels that are subject to the charge/tax but currently are not being levied
 * Zone C Does Not Include Properties Within the Edgemont Community Services District

Map Not to Scale

Attachment: CSD Maps [Revision 1] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

City of Moreno Valley Zones D Parcels 2016/17



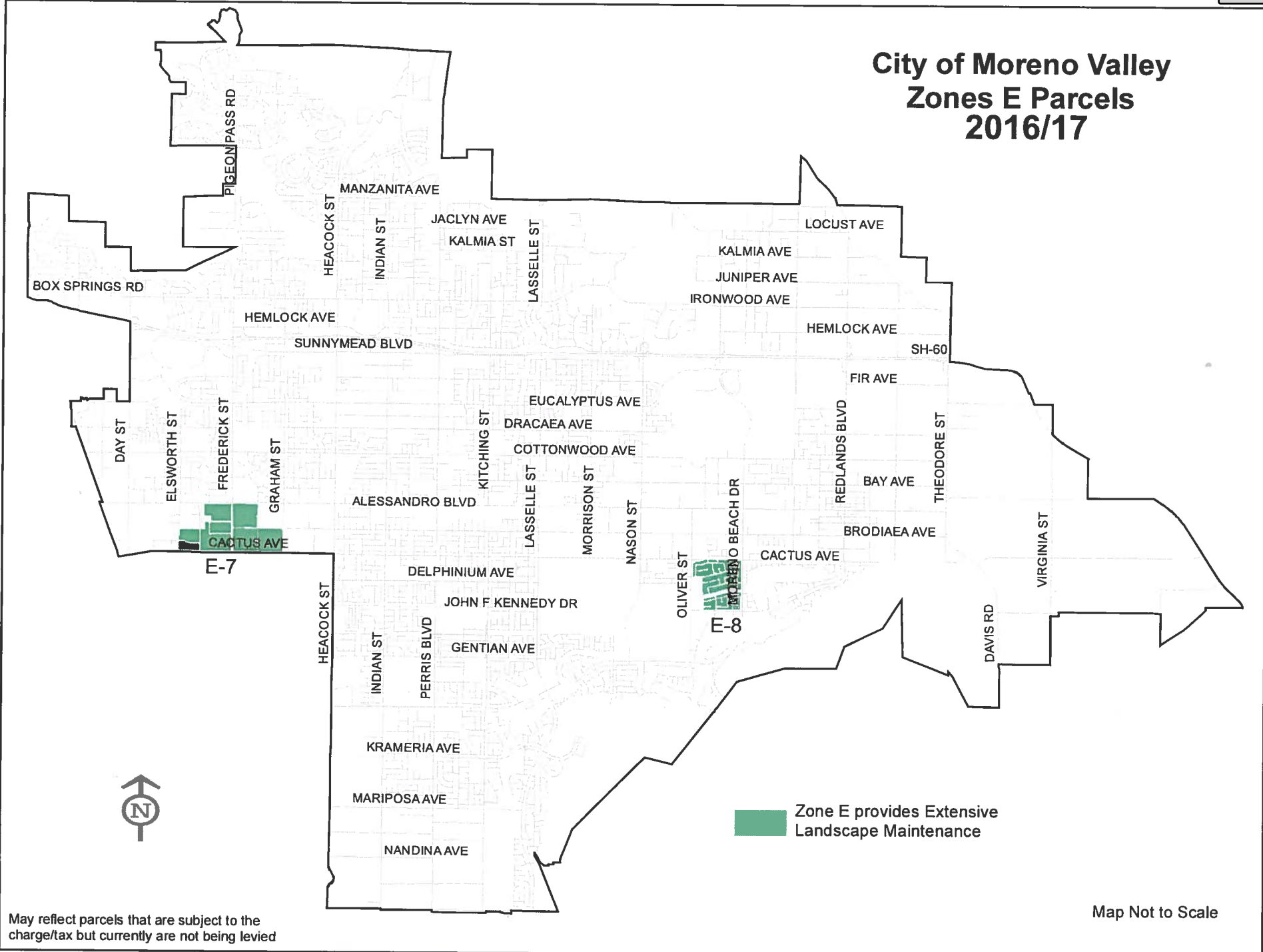
Zone D provides
Landscape Maintenance

Map Not to Scale

May reflect parcels that are subject to the charge/tax but currently are not being levied

Attachment: CSD Maps [Revision 1] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

City of Moreno Valley Zones E Parcels 2016/17

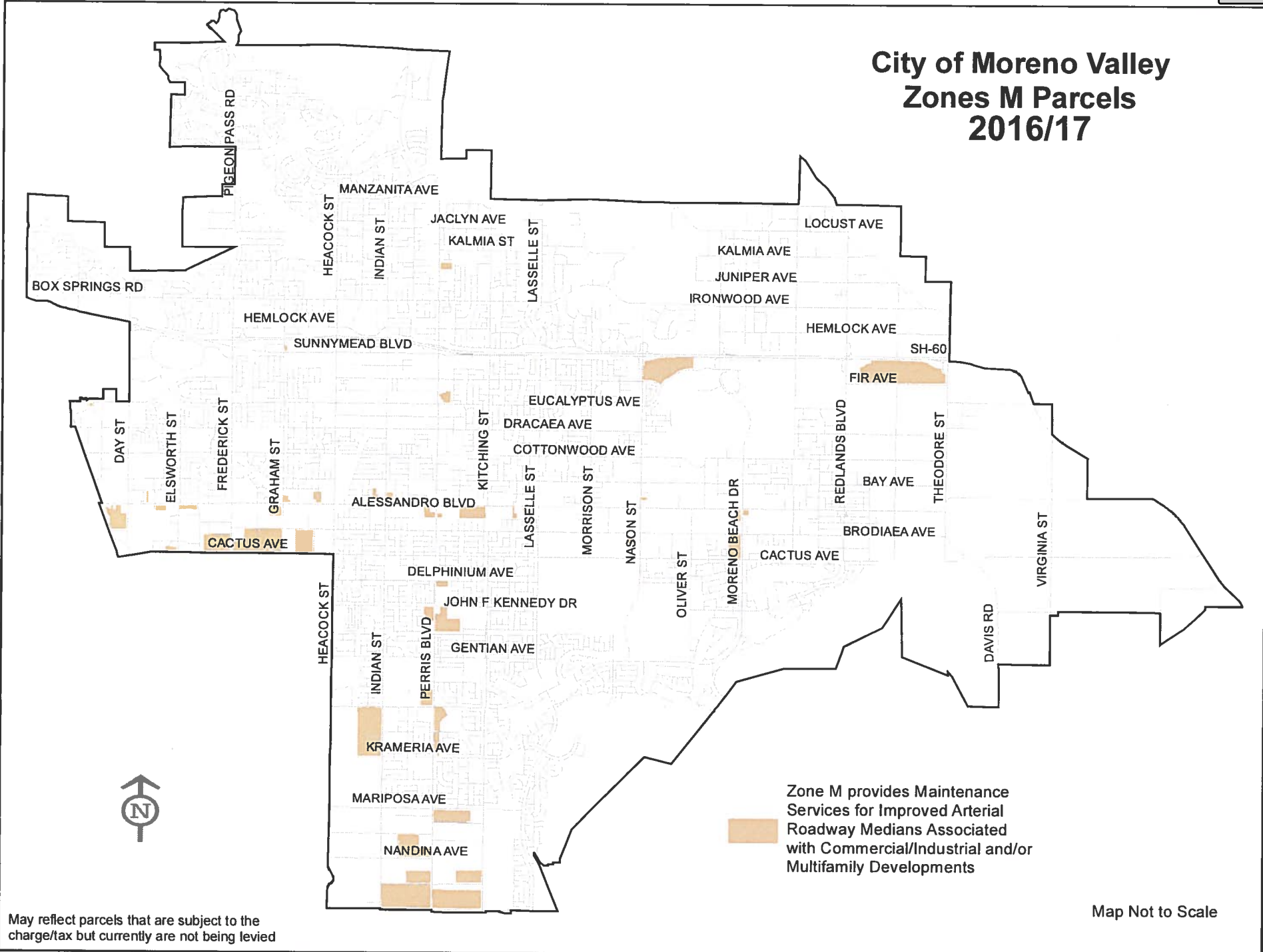


May reflect parcels that are subject to the charge/tax but currently are not being levied

Map Not to Scale

Attachment: CSD Maps [Revision 1] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

City of Moreno Valley Zones M Parcels 2016/17

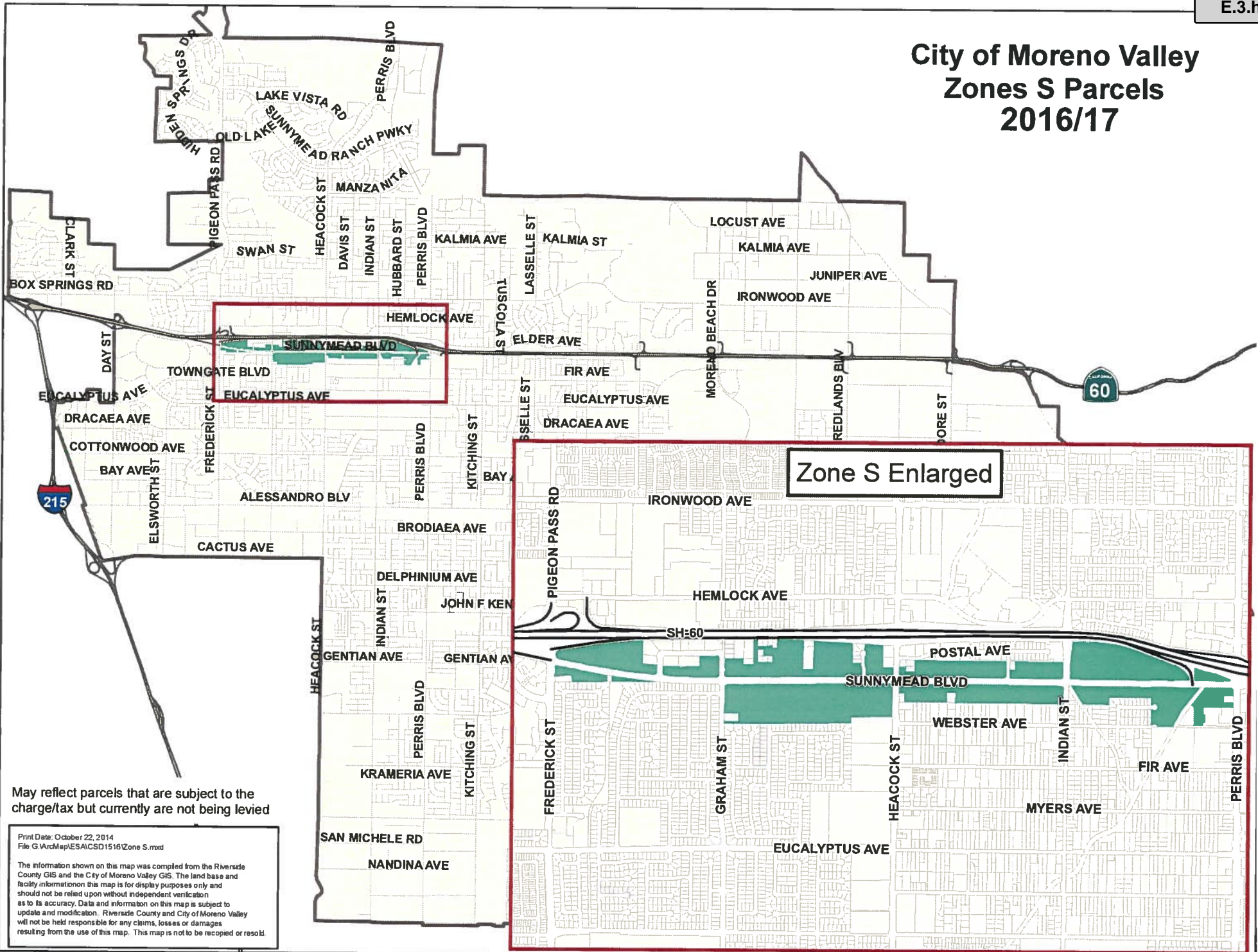


May reflect parcels that are subject to the charge/tax but currently are not being levied

Map Not to Scale

Attachment: CSD Maps [Revision 1] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY

City of Moreno Valley Zones S Parcels 2016/17



May reflect parcels that are subject to the charge/tax but currently are not being levied

Print Date: October 22, 2014
File G:\ArcMap\ESA\CSD1516\Zone S.mxd

The information shown on this map was compiled from the Riverside County GIS and the City of Moreno Valley GIS. The land base and facility information on this map is for display purposes only and should not be relied upon without independent verification as to its accuracy. Data and information on this map is subject to update and modification. Riverside County and City of Moreno Valley will not be held responsible for any claims, losses or damages resulting from the use of this map. This map is not to be recycled or resold.

Attachment: CSD Maps [Revision 1] (1878 : PUBLIC HEARING TO CONTINUE MORENO VALLEY



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

RECOMMENDED ACTION

Recommendations: That the City Council

1. Acting as the legislative body of Community Facilities District No. 7, conduct the Public Hearing on the proposed amendments to the Rate and Method of Apportionment for Improvement Area 1 of Community Facilities District No. 7.
2. Acting as the legislative body of Community Facilities District No. 7, approve and adopt Resolution No. 2016-49. A Resolution of the City Council of the City of Moreno Valley, California, Calling Special Mailed-Ballot Election Within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley.
3. Direct the City Clerk to count the ballots received and report the results of the special election to the Legislative Body.
4. Acting as the legislative body of Community Facilities District No. 7, approve and adopt Resolution No. 2016-50. A Resolution of the City Council of the City of Moreno Valley, California, for Change Relating to and Making Certain Amendments to Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley.
5. Introduce Ordinance No. 911. An Ordinance of the City Council of the City of Moreno Valley, California, Levying Special Taxes Within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley.

SUMMARY

The two property owners in Improvement Area (IA) No. 1 of Community Facilities District (CFD) No. 7. (“CFD No. 7” or “District”) submitted a petition requesting the City make certain changes to the Rate and Method of Apportionment of Special Tax (the “RMA”) for the IA. (See Attachment 6 for a boundary map of IA No. 1).

If the proposed RMA is approved, the property owners have requested the District issue bonds to finance the public improvements. The bonds will be secured by a special tax levied only against those eligible properties in IA No. 1 of CFD No. 7 and will not be an obligation of the City, its general fund, or any other property owners in the City. Issuance of bonds will allow one of the property owners to repay others for its share of the cost of the public improvements through payment of the special tax.

DISCUSSION

On June 24, 2008, the City Council formed CFD No. 7, with IA No. 1, IA No. 2, and IA No. 3, each with its own RMA. The District was formed to finance the acquisition of street improvements and flood control facilities. Individual IAs were established so that property owners within each IA could construct public improvements to facilitate future development within their IA and issue bonds specific to those public improvements. IA No. 2 was dissolved in 2012 and IA No. 3 is not expected to request issuance of bonds to finance their public improvements.

The RMA establishes the calculation of the annual special tax, the properties subject to the special tax and at which rate, the formula to calculate a prepayment of the special tax, and the term of the special tax. On July 8, 2008, Ordinance No. 777 was adopted, providing for the levy of special taxes within IA No. 1, among other things. The special tax will be only levied against properties within the IA of the District and used to fund debt service and administration costs related to a proposed bond issue. The debt will be secured by the special tax and will not be an obligation of the City. Debt has not been issued for the District nor have the special taxes been levied on any of the properties in the District.

FR/CAL Moreno Valley, LLC (“FR/CAL”) and Komar Investments, LLC (“Komar”) were the original landowners in IA No. 1 at the time the District was formed. The RMA designates the FR/CAL property in Zone 1 and the Komar property in Zone 2 of the IA. In 2008, FR/CAL constructed the public infrastructure improvements for IA No. 1. Street and certain flood control improvements were accepted by the City and certain flood control improvements were accepted by Riverside County Flood Control and Water Conservation District (RCFCD) in 2009.

Amended and Restated RMA

After the formation of CFD No. 7, I-215 Logistics, LLC (“I-215 Logistics”) acquired 73.48 acres from Komar and FR/CAL acquired the balance (approximately 20 acres) of the

Komar property (which had been previously transferred to two parties, Alvaraz and Marsal) (the “Property Owners”).

Due to market conditions and difficulty securing favorable financing terms, bonds were not issued after the improvements were constructed. Now, with the market recovering and a strong, long-term tenant, the Property Owners want to issue bonds, based on the proposed changes to the RMA. The proposed changes include:

- 1) amending the description of Financed Facilities to mean only Storm Drain Facilities acquired by RCFCF in an amount not in excess of \$2,703,341.58 (effectively lowering the maximum special tax);
- 2) amending the Original Boundary Map by moving the approximately 20 acres of FR/CAL property (formerly owned by Komar) from Zone 2 to Zone 1. After the change, the Zone 1 properties are owned by FR/CAL while the Zone 2 properties are owned by I-215 Logistics. Attachment 6 includes the boundary map for the original and proposed zone boundaries; and,
- 3) apportioning the special tax only to parcels located within Zone 2.

The Finance Subcommittee reviewed this item during its April 13th meeting.

Special Election

On May 17, 2016, the City Council adopted its resolution of consideration and scheduled a public hearing for June 21st to consider the proposed changes. A two-thirds approval from the qualified electors in IA No. 1 must be received in order for the Council to consider approval of the proposed amendments to the RMA. On April 15, 2016, the Registrar of Voters confirmed there are no registered voters within the boundaries of IA No. 1, making the Property Owners the qualified electors. Additionally, the City received completed Waiver and Consents from the Property Owners, which allows shortening of time to conduct the Public Hearing, among other things (Attachment 7).

After conducting the Public Hearing, the City Council can adopt the resolution calling for the special election, and direct the City Clerk to count the ballots and announce the results. Provided a two-thirds approval is received from the Property Owners, the City Council can consider adoption of a resolution approving an amended and restated RMA and introduction of an ordinance of special tax lien. This ordinance will supersede and replace Ordinance No. 777 as it relates to IA No. 1.

ALTERNATIVES

1. Adopt the proposed resolutions and introduce the proposed ordinance for IA1 of CFD No. 7, if the Property Owners approve the Ballot Measure by at least two-thirds vote. *Staff recommends this alternative, as it is consistent with the results of the Ballot Measure.*

2. Do not adopt the proposed resolutions or introduce the proposed ordinance. *Staff recommends this alternative if the Ballot Measure fails. Staff does not recommend this alternative if the Ballot Measure passes, as it is not consistent with the results of the Ballot Measure.*

3. Do not adopt the proposed resolutions and introduce the proposed ordinance, but rather continue the item to a future Council meeting. *Staff does not recommend this alternative, as it will delay the Property Owners' request to issue bonds.*

FISCAL IMPACT

The City will not incur any costs associated with this process. FR/CAL entered into an Advanced Funding Agreement with the City and made a deposit for the upfront costs associated with changes to the RMA and boundary map revisions. Any additional costs associated with bond issuance shall be paid from bond proceeds. Debt service on the bonds will be secured solely by the levy of special taxes on properties within the IA No. 1 and are not an obligation of the City, its general fund or any other property owners.

NOTIFICATION

The Public Hearing notice was published in the Press Enterprise on June 9, 2016 and the item was posted as part of the agenda posting requirements. The property owners affected by the item submitted a petition requesting the changes.

PREPARATION OF STAFF REPORT

Prepared By:
Candace E. Cassel
Special Districts Division Manager

Department Head Approval:
Ahmad R. Ansari, P.E.
Public Works Director/City Engineer

Concurred By:
Marshall Eyeran
Chief Financial Officer/City Treasurer

CITY COUNCIL GOALS

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. Resolution calling for election for CFD No. 7
2. Resolution of change for CFD No. 7
3. Ordinance Levying Special Taxes in CFD No. 7
4. CFD No. 7 IA 1 RMA Redline
5. CFD No. 7 IA 1 RMA Clean
6. CFD No. 7 Boundary Maps
7. CFD No. 7 Waiver and Consent
8. Petition (Fully-Executed by I-215 and FR-CAL) for Change Proceedings in Moreno Valley CFD No. 7

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 6:06 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 11:35 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 11:38 AM |

RESOLUTION NO. 2016-49

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CALLING SPECIAL MAILED-BALLOT ELECTION WITHIN IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

WHEREAS, the City Council (the "City Council") of the City of Moreno Valley (the "City") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), (i) to form a community facilities district comprising three improvement areas within the City of Moreno Valley, designated and known as "Community Facilities District No. 7 of the City of Moreno Valley" (the "Community Facilities District"), with "Improvement Area No. 1," "Improvement Area No. 2" and "Improvement Area No. 3," (ii) to authorize a special tax to finance the acquisition and construction of certain public facilities, (iii) to authorize the issuance of debt to finance the facilities, and (iv) to establish the appropriations limit for the Community Facilities District, all as set forth in the City Council's Resolution No. 2008-82 (the "Resolution of Formation"), adopted on June 24, 2008; and

WHEREAS, the City acting on behalf of the Community Facilities District, FR/CAL Moreno Valley, LLC, a Delaware limited liability company ("FR/CAL"), First Industrial, L.P., a Delaware limited liability partnership ("First Industrial") and FR/CAL Indian Avenue, LLC, a Delaware limited liability company ("FR/CAL IA," and together with FR/CAL and First Industrial, the "Parties") entered into an Amended and Restated Acquisition/Financing Agreement (the "Acquisition Agreement"), dated February 1, 2010, pursuant to which the City and the Parties agreed that, among other facilities, certain flood control facilities (the "Flood Control Facilities") would be constructed by the Parties and subsequently acquired by the City on behalf of the Riverside County Flood Control and Water Conservation District (the "Flood Control District"); and

WHEREAS, the Acquisition Agreement further provided that the purchase price for the Flood Control Facilities would be paid from the proceeds of bonds issued by the Community Facilities District pursuant to the Act, secured solely by the levy of special taxes on property within the Community Facilities District; and

WHEREAS, subsequent to the execution of the Acquisition Agreement, I-215 Logistics, LLC, a Delaware limited liability company ("I-215 Logistics") acquired approximately 73.48 acres of property located in Zone 2 of Improvement Area No. 1, of the Community Facilities District from the Komar family ("Komar," the owner of property at the time the Community Facilities District was formed); and FR/CAL acquired the balance of the Komar property, approximately 20 acres (which had been previously transferred to two parties Alvaraz and Marsal) located in Zone 2 of Improvement Area

No. 1 of the Community Facilities District; and

WHEREAS, Komar, as a landowner in Improvement Area No. 1 of the Community Facilities District, voted in favor of the issuance of bonds secured solely by the levy of special taxes on property within Improvement Area No. 1 of the Community Facilities District, and I-215 Logistics and FR/CAL acquired the Komar property interest with the expectation that special tax bonds would be issued pursuant to the Act to acquire the Flood Control Facilities; and

WHEREAS, FR/CAL and I-215 Logistics (together, the "Owners"), as the respective present legal owners of all of the property (the "Property"), which is included within the territory of Improvement Area No. 1 filed a petition with the City (the "Petition"), requested the City Council of the City to enter into certain change proceedings pursuant to Article 3 of the Act; and

WHEREAS, the Owners' requested change proceedings are described in Sections 2, 3, 4, 5 and 6 of the Memorandum of Understanding (the "MOU") dated as of February 19, 2015, which is attached as Exhibit B to the Petition; and

WHEREAS, these proposed changes in the authority conferred upon the City Council by the Community Facilities District are referred to herein as the "Proposed Amendments"; and

WHEREAS, on Tuesday, May 17, 2016, the City Council adopted its Resolution of Consideration considering the Proposed Amendments (the "Resolution of Consideration") scheduled a Public Hearing thereon on this date; and

WHEREAS, the question of whether to modify Improvement Area No. 1 in the Community Facilities District in the manner described in the Proposed Amendments must be submitted to the voters pursuant to Government Code Sections 53326, 53337 and 53338; and

WHEREAS, a proposed form of ballot has been prepared and is attached hereto as Exhibit A; and

WHEREAS, a "Certificate of Registrar of Voters of Riverside County" relating to Improvement Area No. 1 of the Community Facilities District has been filed with the Clerk; and

WHEREAS, at the close of the Public Hearing, the City Council determined that there was no majority protest in Improvement Area No. 1 under Section 53337 of the Government Code; and

WHEREAS, the Owners have each previously filed with the City a Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed Ballot Election (the "Waivers"), stating (i) that each Owner is the legal owner of

the fee interest of the land identified in the Petition, (ii) that each Owner understands that the City has received a certificate from the County Registrar of Voters indicating that there were fewer than 12 registered voters residing within the boundaries of the respective portion of Property owned during the 90-day period preceding the date of the Waiver, and each Owner has no information that would contradict that conclusion, and (iii) that each Owner, or an authorized representative of each Owner, by executing the Waiver, has petitioned for the election to be held by the City and has waived the various requirements for the conduct of the election; and

WHEREAS, the City Council is fully advised in this matter.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct, and the City Council so finds and determines.

Section 2. The City Council accepts the two Waivers filed in these proceedings and finds, in accordance therewith, that during at least one of the ninety days just past, there were fewer than twelve registered voters residing within the boundaries of Improvement Area No. 1 of the Community Facilities District. Accordingly, under Section 53326(b) of the Government Code, the qualified electors of Improvement Area No. 1 of the Community Facilities District for the proposed special election shall be the owners of land within Improvement Area No. 1 of the Community Facilities District and the number of votes to which each landowner is entitled pursuant to Section 53326(b), is equal to the number of acres owned rounded up to the next whole acre.

Section 3. The City Council further finds, based on the Waivers, that the time limits and related requirements respecting preparation and distribution of election materials are waived. The City Council hereby finds that the rights, procedures and time periods waived by the Owners are solely for the protection of the qualified electors and may be waived by the qualified electors under Section 53326(a) and 53327(b) of the Act and under other provisions of law dealing with waiver generally, and that the Waivers constitutes a full and knowing waiver, by the Owners, of those rights, procedures and time periods. The City Council therefore is establishing the procedures and time periods for this special mailed-ballot election without regard to statutory schedules.

Section 4. Pursuant to Sections 53326 and 53351 of the Government Code, the City Council hereby calls an election, to be held and conducted upon adoption of this Resolution, and sets June 21, 2016, as the election date and 6:00 p.m. on that date as the deadline for returning ballots. If prior to that time the Clerk shall have received all of the eligible ballots to be cast, pursuant to Section 53351(j) of the Act the Clerk will at that time declare the election closed. Pursuant to Section 53326 of the Government

Code, the election shall be conducted by mailed ballot; provided that personal service of the respective ballots to authorized representatives of each Owner is permitted under the Waivers on file with the Clerk and shall therefore be permitted. The Clerk is directed to either mail or make personal service of the ballots, in the form of the attached Exhibit A, to each Owner within Improvement Area No. 1 or, if one has been appointed as evidenced in writing, to the Owner's authorized representative.

Section 5. The proposition to be submitted to the qualified electors of Improvement Area No. 1 of the Community Facilities District shall be as set forth in the form of special election ballot attached hereto as Exhibit A.

Section 6. The Clerk is hereby designated as the official to conduct the special mailed-ballot election pursuant to the Act and California Elections Code Sections 307 and 320 and the following provisions:

(a) The special election shall be held and conducted, and the votes canvassed and the returns made, and the results determined, as provided herein; and in all particulars not prescribed by this Resolution the special election shall be held and conducted and the votes received and canvassed in the manner provided by law for the holding of special elections consistent with the Act.

(b) All landowners within Improvement Area No. 1 of the Community Facilities District as of the close of the Public Hearing shall be qualified to vote upon the proposition to be submitted at the special election.

(c) The special election shall be conducted as a mailed-ballot election, in accordance with the provisions of the Act and the prior proceedings of the City taken thereunder, and there shall be no polling places for the special election. All ballots shall be delivered or mailed by the Clerk to the Owners, and all voted ballots are required to be received by the Clerk not later than 6:00 p.m., on the day of the election in order to be counted. However, if at any time the Clerk determines that all votes have been cast, the Clerk shall immediately declare the election closed pursuant to Section 53351(j) of the Act.

(d) Each voter desiring to vote in favor of the proposition to be submitted at the special election shall mark a cross (x) or similar mark in the blank space next to the word "YES" on the ballot to the right of the proposition; and each voter desiring to vote against the proposition shall mark a cross (x) or similar mark in the blank space next to the word "NO" on the ballot to the right of the proposition. The cross (x) or similar mark may be marked with either pen or pencil.

(e) The Clerk shall commence the canvass of the returns of the special election, and report the returns to the City Council as soon as possible.

(f) The City Council may thereupon declare the results of the special election, and shall cause to be spread upon its minutes a statement of the results of the special

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election as ascertained by the canvass.

Section 7. This Resolution shall take effect immediately upon its passage.

Section 8. The Clerk shall certify to the passage and adoption of this Resolution and enter it into the book of original resolutions

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-49 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

INTERIM CITY CLERK

(SEAL)

EXHIBIT A

**IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY**

SPECIAL ELECTION BALLOT

(Mailed-Ballot Election: Change Proceedings)

This ballot is for the use of the authorized representative of the following owners of land within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley (“the Community Facilities District”):

| <u>Name of Owner</u> | <u>Number of Acres Owned</u> | <u>Total Votes</u> |
|---------------------------|------------------------------|--------------------|
| FR/CAL Moreno Valley, LLC | 73.07 | 74 |
| I-215 Logistics, LLC | 73.48 | 74 |

According to the provisions of the Mello-Roos Community Facilities Act of 1982, and resolutions of the City Council (the “City Council”) of the City of Moreno Valley (the “City”), the above-named Owners are entitled to cast the number of votes shown above under the heading “Total Votes,” representing the total votes for the property owned by each Owner.

In order to be counted, this ballot must be executed and certified below and be returned to the City Clerk, by mail or in person, to be received by the City Clerk prior to **6:00 P.M.** on June 21, 2016 at the City Council Chamber at 14177 Frederick Street, Moreno Valley, California.

Mailing by that time will not be sufficient. This ballot must be received by the time stated in order to be counted.

AN "X" OR OTHER MARK WILL CAST ALL VOTES ASSIGNED TO THIS BALLOT. All distinguishing marks or erasures are forbidden and make the ballot void. If you wrongly mark, tear, or deface this ballot, return it to the City Clerk and obtain another.

BALLOT MEASURE

Shall the City Council (the "City Council") of the City of Moreno Valley, through Improvement Area No. 1 of its Community Facilities District No. 7 of the City of Moreno Valley (the "District"), be authorized to take action to provide for certain "Proposed Amendments" in and for its Improvement Area No. 1 of Community Facilities District No. 7, all as specified in "A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA FOR CONSIDERATION TO MAKE VARIOUS AMENDMENTS AND MODIFICATIONS TO THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX FOR IMPROVEMENT AREA NO. 1, ESTABLISHED IN AND FOR COMMUNITY FACILITIES DISTRICT NO. 7, TO AMEND THE BOUNDARIES OF THE ZONES ESTABLISHED WITHIN IMPROVEMENT AREA NO. 1, TO LIMIT THE TYPE OF FACILITIES TO BE FINANCED, AND OTHER MODIFICATIONS AND RELATED MATTERS" adopted by the City Council of the City on May 17, 2016; and "RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, CALLING SPECIAL MAILED-BALLOT ELECTION WITHIN IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY" adopted by the City Council of the City on June 21, 2016?

MARK "YES" OR "NO"
WITH AN "X":

YES:

NO:

Certification for Special Election Ballot

The undersigned is [FR/CAL Moreno Valley, LLC or I-215 Logistics, LLC] or the authorized representative of [FR/CAL Moreno Valley, LLC or I-215 Logistics, LLC] and is a person legally authorized and entitled to cast this ballot on behalf of [FR/CAL Moreno Valley, LLC or I-215 Logistics, LLC].

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on _____, 2016.

[Insert appropriate signature block]

RESOLUTION NO. 2016-50

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, FOR CHANGE RELATING TO AND MAKING CERTAIN AMENDMENTS TO IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

WHEREAS, the City Council (the "City Council") of the City of Moreno Valley (the "City") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to form a community facilities district comprising three improvement areas within the City of Moreno Valley, designated and known as "Community Facilities District No. 7 of the City of Moreno Valley" (the "Community Facilities District"), with "Improvement Area No. 1," "Improvement Area No. 2" and "Improvement Area No. 3," all as set forth in the City Council's Resolution No. 2008-82 (the "Resolution of Formation"), adopted on June 24, 2008; and

WHEREAS, the City Council makes reference to its Resolution No. 2016-30, adopted on May 17, 2016 (the "Resolution of Consideration") and its Resolution No. 2016- __, adopted on June 21, 2016 (the "Resolution Calling Election," and together with the Resolution of Consideration, the "Resolutions"), calling a special, mailed-ballot elections in Improvement Area No. 1 within the Community Facilities District to determine if the Proposed Amendments, as those terms are defined in the Resolutions, should be adopted; and

WHEREAS, pursuant to the Resolutions the City Council has conducted the special mailed-ballot election; and

WHEREAS, the Clerk has filed with the City Council a Certificate of Clerk Regarding Receipt of Executed Ballots, and Declaring Election Results for Improvement Area No. 1 (the "Certificate of Election Results", the proposed form of is attached hereto as Exhibit A), dated this date and indicating that all votes cast in the special, mailed-ballot elections were cast in favor of approving the Proposed Amendments; and

WHEREAS, the City Council is fully advised in this matter.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The above recitals are true and correct, and the City Council so finds and determines.

Section 2. The City Council hereby accepts the Certificate of Election Results.

Section 3. The City Council hereby finds and determines and declares that the ballot measure submitted to the qualified electors of Improvement Area No. 1 in the Community Facilities District on the question of approving the Proposed Amendments has been passed and approved by those qualified electors in accordance with Section 53338 of the Government Code.

Section 4. The City Council hereby finds and determines and declares that the Proposed Amendments are now authorized by the special elections called by the Resolutions.

Section 5. The City Council hereby authorizes and directs Bond Counsel to cause an Amended Notice of Special Tax Lien for Improvement Area No. 1 to be prepared and to be recorded with the County Recorder of the County of Riverside in accordance with the provisions of Section 3117.5 of the Streets and Highways Code and Section 53338(c) of the Government Code. The Amended Notice of Special Tax Lien shall have the Amended and Restated Rate and Method of Apportionment attached to it and shall be recorded in the County Recorder’s office within fifteen days of today’s date.

Section 6. This resolution shall take effect immediately upon its passage.

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley

ATTEST:

Interim City Clerk

APPROVED AS TO FORM:

Interim City Attorney

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-49 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

INTERIM CITY CLERK

(SEAL)

Exhibit A

**IMPROVEMENT AREA NO. 1
COMMUNITY FACILITIES DISTRICT NO. 7
CITY OF MORENO VALLEY, STATE OF CALIFORNIA**

**CERTIFICATE OF CLERK REGARDING RECEIPT OF
EXECUTED BALLOTS, AND DECLARING ELECTION RESULTS**

I, the undersigned City Clerk of the City of Moreno Valley (the “City”) hereby certify:

I have received and reviewed election ballots from FR/CAL, LLC and from I-215 Logistics, LLC (each an “Owner,” and together, the “Owners”), as the owners of all the land entitled to vote within the above mention Improvement Area No. 1 of Community Facilities District No. 7, in the form approved by the City Council in its Resolution Calling for a Special Mailed-Ballot Election within Improvement Area No. 1 of Community Facilities District No. 7. The ballots had the name of each Owner entitled to cast it printed or written on the ballot, and the number of votes to be cast by the ballot written or printed thereon according to the formula of one vote for each acre or portion of an acre within Improvement Area No. 1 owned by each such Owner, rounded up to the next whole number, all as specified in Government Code Section 53326(b).

Each executed ballot has been properly marked to show how the votes assigned to the ballot have been cast, and the ballot has been dated and signed under penalty of perjury by the respective Owner.

In accordance with the Council’s Resolution Calling Special Mailed-Ballot Election adopted June 21, 2016, and Section 53351(j) of the Government Code, the election was closed.

I have personally reviewed the ballots to confirm that they were properly marked and signed, and I have counted the votes cast and hereby certify the result of that count to be:

| | |
|---------------------------------|------|
| Total votes that could be cast: | 148 |
| Votes cast “Yes”: | 148 |
| Votes cast “No”: | none |

Based upon the foregoing, the percentage of votes cast “Yes” out of all votes that were cast is 100%.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this declaration is executed on June 21, 2016.

By: _____
City Clerk, City of Moreno Valley

Attachment: Resolution of change for CFD No. 7 [Revision 1] (2068 : PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF

ORDINANCE NO. 911

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, LEVYING SPECIAL TAXES WITHIN IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

WHEREAS, the City Council (the "City Council") of the City of Moreno Valley (the "City") conducted proceedings under and pursuant to the terms and provisions of the "Mello-Roos Community Facilities Act of 1982," being Chapter 2.5, Part 1, Division 2, Title 5 (beginning with Section 53311) of the Government Code of the State of California (the "Act"), to form a community facilities district comprising three improvement areas within the City of Moreno Valley, designated and known as "Community Facilities District No. 7 of the City of Moreno Valley" (the "Community Facilities District"), with "Improvement Area No. 1," "Improvement Area No. 2" and "Improvement Area No. 3," all as set forth in the City Council's Resolution No. 2008-82 (the "Resolution of Formation"), adopted on June 24, 2008;

WHEREAS, on July 8, 2008, the City Council adopted its Ordinance No. 777 (the "2008 Ordinance") providing, among other things, for the levy of special taxes within Improvement Area No. 1 of the Community Facilities District; and

WHEREAS, on May 17, 2016, the City Council adopted its resolution of consideration relating to Improvement Area No. 1 (the "Resolution of Consideration") and scheduled a Public Hearing on this date to give consideration to the Proposed Amendments, as defined in the Resolution of Consideration, with respect to Improvement Area No. 1; and

WHEREAS, on June 21, 2016, the City Council held a noticed public hearing on the Proposed Amendments, as required by the Act and adopted a resolution calling an election within Improvement Area No. 1 of the Community Facilities District on the Proposed Amendments; and

WHEREAS, on June 21, 2016, an election was held in which the qualified electors of Improvement Area No. 1 of the Community Facilities District approved said proposition by more than the two-thirds vote required by the Act;

The City Council of the City of Moreno Valley does ordain as follows:

SECTION 1.

This Ordinance supersedes and replaces the 2008 Ordinance as it relates to Improvement Area No. 1.

SECTION 2.

The City Council hereby authorizes and levies special taxes within Improvement Area No. 1 of the Community Facilities District pursuant to Sections 53328 and 53340 of the Act, at the rate and in accordance with the method of apportionment set forth in Exhibit A attached hereto (the “Amended and Restated Rate and Method of Apportionment”).

SECTION 3.

The City Council may, in accordance with subdivision (b) of Section 53340 of the Act, provide, by resolution, for the levy of the special tax in future tax years at the same rate or at a lower rate than the rate provided by this Ordinance. In no event shall the special tax be levied on any parcel within Improvement Area No. 1 of the Community Facilities District in excess of the maximum tax specified therefor in the Amended and Restated Rate and Method of Apportionment.

SECTION 4.

The special tax shall be levied on all of the parcels in Improvement Area No. 1 of the Community Facilities District, unless exempted by law or by the Amended and Restated Rate and Method of Apportionment.

SECTION 5.

The proceeds of the special tax shall only be used to pay, in whole or in part, the cost of financing certain public capital facilities, as more particularly described in the Amended and Restated Rate and Method of Apportionment.

SECTION 6.

The special tax shall be collected in the same manner as ordinary *ad valorem* property taxes are collected and shall be subject to the same penalties and the same procedure, sale and lien priority in the case of delinquency as is provided for *ad valorem* taxes, unless another procedure is adopted by the City Council. In addition, the provisions of Section 53356.1 of the Act shall apply to delinquent special tax payments. The Chief Financial Officer is hereby authorized and directed to provide all necessary information to the Treasurer and Tax Collector of Riverside County and to otherwise take all actions necessary in order to effect proper billing and collection of the special tax, so that the special tax shall be levied and collected in sufficient amounts and at the times necessary to satisfy the financial obligations of Improvement Area No. 1 of the Community Facilities District in each fiscal year.

Notwithstanding the foregoing, the City may collect one or more installments of the special taxes by means of direct billing by the Community Facilities District of the property owners within Improvement Area No. 1 of the Community Facilities District if, in the judgment of the staff and/or officers of the City, such means of collection will reduce the burden of administering the Community Facilities District or is otherwise appropriate

in the circumstances. In such event, the special taxes shall become delinquent if not paid when due as set forth in any such respective billing to the property owners.

SECTION 7. SEVERABILITY

If for any reason any portion of this Ordinance is found to be invalid, or if the special tax is found inapplicable to any particular parcel within Improvement Area No. 1 of the Community Facilities District, by a court of competent jurisdiction, the balance of this Ordinance and the application of the special tax to the remaining parcels within Improvement Area No. 1 of the Community Facilities District shall not be affected.

SECTION 8. EFFECT OF ENACTMENT

This Ordinance shall take effect and shall be in force 30 days after the date of its adoption and prior to the expiration of 15 days from the passage thereof shall be published at least once in the Press Enterprise, a newspaper of general circulation, printed and published in the area of the Community Facilities District, together with the names of the City Council members voting for and against the same.

APPROVED AND ADOPTED this 5th day of July, 2016

Mayor

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, _____, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 911 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 5th day of July, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

Interim City Clerk

(SEAL)

EXHIBIT A
AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT

**AMENDED AND RESTATED RATE AND METHOD OF
APPORTIONMENT OF SPECIAL TAX**

IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year 2016-17, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

City of Moreno Valley
Improvement Area No. 1 of CFD No. 7

June 21, 2016
Page 1

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

"Boundary Map" means the "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," filed _____, 2016 in Book _____ of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

"Building Permit" means a permit for new construction for a non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for commercial or industrial use.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

"CFD No. 7" means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

"City" means the City of Moreno Valley.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

"County" means the County of Riverside.

"Developed Property" means all Assessor's Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor's Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

"Exempt Property" means all Assessor's Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

"Facilities" means only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MDP – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

"Final Map" means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Future Annexation Area" means all Assessor's Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled "Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California," filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

"Goals and Policies" means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or “IA No. 1” means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property in Zone 2, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property in Zone 2. For Annexed Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Annexed Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years’ Special Taxes, and (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, less (vi) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Amended and Restated Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- *“Zone 1”* means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- *“Zone 2”* means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2016-17, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$0 per Acre.

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$3,500 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$3,500 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (73.48).

$[\$3,500 \times 73.48 = \$257,180.00]$

2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

3) The new Maximum Special Tax for Taxable Property within Zone 2, exclusive of Annexed Property, shall equal the result calculated in Step 1, minus the result calculated in Step 2, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (73.48 Acres), exclusive of Annexed Property.

(\$257,180.00 – Step 2 result)/73.48 =
Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A multiplied by the Annexed Property acreage.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Maximum Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than 73.48 Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2016-17 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

City of Moreno Valley
Improvement Area No. 1 of CFD No. 7

June 21, 2016
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- Step One: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor's Parcel of Annexed Property up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor's Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax.
- Step Two: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional monies are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

"Facilities Costs" means \$2,703,341.58, all or a portion of which will be used to determine the prepayment amount only if Bonds have not been issued, in which case the portion of the prepayment attributable to this amount shall be deposited into the Improvement Fund.

"Improvement Fund" means a fund available for expenditure to acquire or construct the Facilities.

"Outstanding Bonds" means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable fee determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable fee, the City shall notify such owner of the prepayment amount of such Assessor's Parcel. Prepayment must be made not less than 60 days prior to the next

occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

| | |
|-------------|----------------------------|
| | Bond Redemption Amount |
| plus | Redemption Premium |
| plus | Defeasance |
| plus | Administrative Fee |
| <u>less</u> | <u>Reserve Fund Credit</u> |
| equals | Prepayment Amount |

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor's Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor's Parcel.
2. For each Assessor's Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
3. If Bonds have not been issued, then for each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Facilities Costs. If Bonds have been issued, then for each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the "Bond Redemption Amount," for such Assessor's Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor's Parcel in the current Fiscal Year.
6. Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
7. Subtract the amount computed pursuant to paragraph 6 from the result computed pursuant to paragraph 5. This difference is the "Defeasance."
8. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."

9. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.
10. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_f - A) \times F + A$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_f = the Prepayment Amount calculated according to Section F.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = Administrative Fees calculated in Section F, step 8

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the 2050-51 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 73.48 Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Exhibit A
IMPROVEMENT AREA 1 OF
CITY OF MORENO VALLEY CFD NO. 7
MAXIMUM SPECIAL TAX RATE FOR ANNEXED PROPERTY ⁽¹⁾

| <u>Year After Bond Issuance</u> | <u>Maximum Special Tax per Acre</u> |
|-------------------------------------|-----------------------------------------|
| ≤ 0 | \$609 |
| 1 | \$619 |
| 2 | \$630 |
| 3 | \$642 |
| 4 | \$654 |
| 5 | \$668 |
| 6 | \$684 |
| 7 | \$700 |
| 8 | \$719 |
| 9 | \$739 |
| 10 | \$761 |
| 11 | \$786 |
| 12 | \$814 |
| 13 | \$846 |
| 14 | \$881 |
| 15 | \$922 |
| 16 | \$968 |
| 17 | \$1,022 |
| 18 | \$1,085 |
| 19 | \$1,160 |
| 20 | \$1,250 |
| 21 | \$1,361 |
| 22 | \$1,499 |
| 23 | \$1,678 |
| 24 | \$1,917 |
| 25 | \$2,251 |
| 26 | \$2,754 |
| 27 | \$3,594 |
| 28 | \$5,275 |
| 29 | \$10,321 |

(1) The above Maximum Special Tax rates are based upon the assumed coupon rate of 4.53%, consistent with the other bonding assumptions. A premium of 15% is added to cover administrative expenses and delinquencies. These rates will be adjusted based upon the final pricing of the bonds at issuance.

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

IMPROVEMENT AREA ~~No~~NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year ~~2008-2009~~2016-17, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Bonds” means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

“Boundary Map” means the “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,” filed May 16, 2008, 2016 in Book 73, Pages 6-8 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Building Permit” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation commercial or industrial use.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

“CFD No. 7” means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Exempt Property” means all Assessor’s Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

“Facilities” means those public facilities authorized to be funded by CFD No. 7 as set forth in the formation documents for CFD No. 7: only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MDP – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means all Assessor’s Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled “Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Goals and Policies” means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or **“IA No. 1”** means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property in Zone 2, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property in Zone 2. For Annexed Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Annexed Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than ~~47.92 Acres within Zone 1 or, to less than 82.5373.48~~ Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior ~~years~~ years’ Special Taxes, and (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, ~~and (vi) the acquisition or construction of eligible Facilities, provided that the inclusion of such amount does not cause an increase in the levy of the Special Tax on Undeveloped Property, less (vii) less (vi)~~ any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Amended and Restated Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than ~~47.92 Acres within Zone 1 or, to less than 82.53~~73.48 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- “Zone 1” means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- “Zone 2” means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year ~~2008-2009~~2016-17, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year ~~2008-2009~~2016-17, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to ~~\$7,999~~0 per Acre.

~~The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as follows:~~

~~1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 1, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 1 (\$7,999 per Acre) by the minimum taxable Acreage originally established for Zone 1 as defined in Section I (47.92 Acres):~~

~~[\$7,999 x 47.92 = \$383,312]~~

~~2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section ~~C.3.~~~~

~~3) The new Maximum Special Tax for Taxable Property within Zone 1 shall equal the result calculated in Step 1, minus the result calculated in Step 2 multiplied by 49.44%, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 1 (47.92 Acres), exclusive of Annexed Property.~~

~~[\$383,312 — (Step 2 result * 0.4944)]/47.92 =
Maximum Special Tax per Acre for Taxable Property within Zone 1~~

Attachment: CFD No. 7 IA 1 RMA Redline (2068 : PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year ~~2008-2009~~2016-17, each Assessor's Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$~~4,7503,500~~4,7503,500 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor's Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$~~4,7503,500~~4,7503,500 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (~~82.53 Acres~~73.48).

$$[\$4,7503,500 \times 82.53 = \$392,01873.48 = \$257,180.00]$$

2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

~~2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.~~

3) The new Maximum Special Tax for Taxable Property within Zone 2, exclusive of Annexed Property, shall equal the result calculated in Step 1, minus the result calculated in Step 2 ~~multiplied by 50.56%~~, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (~~82.53~~73.48 Acres), exclusive of Annexed Property.

$$\frac{[\$392,018 - (\$257,180.00 - \text{Step 2 result} * 0.5056)]}{82.53} / 73.48 =$$

Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A multiplied by the Annexed Property acreage.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Maximum Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than ~~47.92 Acres within Zone 1 or, to less than 82.5373.48~~ Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year ~~2008-2009~~2016-17 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: ~~————The~~To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor's Parcel of Annexed Property ~~and each Assessor's Parcel of Developed Property~~ up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor's Parcel of Developed Property in Zone 2 up to ~~satisfy~~100% of the applicable Maximum Special Tax ~~Requirement~~.
- Step Two: ~~————If~~ additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the ~~first two steps have~~second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional monies are needed to satisfy the Special Tax Requirement after ~~all previous steps have occurred~~the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

~~“Facilities Costs” means either \$6.15 million, expressed in 2008 dollars, which shall increase by the Construction Inflation Index on January 1, 2009, and on each January 1 thereafter, or such lower numbers as shall be determined either by (a) the CFD Administrator as sufficient to finance the Facilities, or (b) the City Council concurrently with a covenant that it will not issue any more CFD No. 7 Bonds secured by IA No. 1 (except refunding bonds) to be secured by Special Taxes levied under this Rate and Method of Apportionment.~~

~~“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the Calendar Year, which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.~~

~~“Future Facilities Costs” means the Facilities Costs minus that (a) portion of the Facilities Costs previously and actually funded (i) from the proceeds of all previously issued Bonds, (ii) from interest earnings on the Improvement Fund actually earned prior to the date of prepayment and (iii) directly from Special Tax revenues and (b) amount of the proceeds of all previously issued Bonds then on deposit in the Improvement Fund.~~

“Facilities Costs” means \$2,703,341.58, all or a portion of which will be used to determine the prepayment amount only if Bonds have not been issued, in which case the portion of the prepayment attributable to this amount shall be deposited into the Improvement Fund.

~~“Improvement Fund” means a fund specifically identified in the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Facilities.~~

“Outstanding Bonds” means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor’s Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor’s Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit fee determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable deposit fee, the City shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor’s Parcel shall be calculated according to the following formula (capitalized terms defined below):

| | |
|-----------------|----------------------------------------|
| | Bond Redemption Amount |
| plus | Redemption Premium |
| plus | Future Facilities Amount |
| plus | Defeasance |
| plus | Administrative Fee |
| less | Reserve Fund Credit |
| less | Capitalized Interest Credit |
| equals | Prepayment Amount |

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor’s Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor’s Parcel.
2. For each Assessor’s Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor’s Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor’s Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor’s Parcels for which the Special Tax obligation has been previously prepaid.
- ~~3.~~ ~~For 3.~~ ~~If Bonds have not been issued, then for each Assessor’s Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Facilities Costs. If Bonds have been issued, then for~~ each Assessor’s Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the “Bond Redemption Amount,” for such Assessor’s Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the “Redemption Premium.”
- ~~5.~~ ~~If (a) all the Bonds authorized to be issued by CFD No. 7 for IA No. 1 have not been issued, and (b) the City Council has not restricted its ability to issue additional bonds in the future, then compute the Future Facilities Amount.~~
- ~~6.~~ ~~The “Future Facilities Amount” shall be calculated by multiplying the quotient computed pursuant to paragraph 2, by the amount if any, determined pursuant to paragraph 5. The product shall be the “Future Facilities Amount.”~~
- ~~7-5.~~ Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor’s Parcel in the current Fiscal Year.
- ~~8-6.~~ Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount ~~less the Future Facilities Amount and Administrative Fee~~ (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
- ~~9-7.~~ Subtract the amount computed pursuant to paragraph ~~86~~ from the result computed pursuant to paragraph ~~75~~. This difference is the “Defeasance.”

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- ~~108.~~ Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”
- ~~119.~~ Calculate the “Reserve Fund Credit” as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.
- ~~12. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to step 2 by the expected balance in the capitalized interest fund after such first interest payment (the “Capitalized Interest Credit”).~~
- ~~1310.~~ The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the ~~Future Facilities Amount, the~~ Defeasance, and the Administrative Fee, less the Reserve Fund ~~Credit and less the Capitalized Interest~~ Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor’s Parcel, and the obligation of such Assessor’s Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_f - A) \times F + A$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_f = the Prepayment Amount calculated according to Section F.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = Administrative Fees calculated in Section F, step ~~408~~

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the ~~2048-~~ 492050-51 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than ~~47.92 Acres within Zone 1 or, to less than 82.5373.48~~ Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator’s decision requires that the Special Tax for an Assessor’s Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor’s Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Exhibit A

**IMPROVEMENT AREA 1 OF
CITY OF MORENO VALLEY CFD NO. 7
MAXIMUM SPECIAL TAX RATE FOR ANNEXED PROPERTY ⁽¹⁾**

| <u>Year After Bond Issuance</u> | <u>Maximum Special Tax per Acre</u> |
|-------------------------------------|-----------------------------------------|
| ≤ 0 | \$609 |
| 1 | \$619 |
| 2 | \$630 |
| 3 | \$642 |
| 4 | \$654 |
| 5 | \$668 |
| 6 | \$684 |
| 7 | \$700 |
| 8 | \$719 |
| 9 | \$739 |
| 10 | \$761 |
| 11 | \$786 |
| 12 | \$814 |
| 13 | \$846 |
| 14 | \$881 |
| 15 | \$922 |
| 16 | \$968 |
| 17 | \$1,022 |
| 18 | \$1,085 |
| 19 | \$1,160 |
| 20 | \$1,250 |
| 21 | \$1,361 |
| 22 | \$1,499 |
| 23 | \$1,678 |
| 24 | \$1,917 |
| 25 | \$2,251 |
| 26 | \$2,754 |
| 27 | \$3,594 |
| 28 | \$5,275 |
| 29 | \$10,321 |

(1) The above Maximum Special Tax rates are based upon the assumed coupon rate of 4.53%, consistent with the other bonding assumptions. A premium of 15% is added to cover administrative expenses and delinquencies. These rates will be adjusted based upon the final pricing of the bonds at issuance.

Attachment: CFD No. 7 IA 1 RMA Redline (2068 : PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF SPECIAL

June 24, 2008

City of Moreno Valley
Communities Facilities District No. 7**Exhibit A****IMPROVEMENT AREA 1 NO. OF
CITY OF MORENO VALLEY CFD NO. 7
MAXIMUM SPECIAL TAX RATE FOR ANNEXED PROPERTY ⁽¹⁾**

| <u>Year After Formation</u> | <u>Maximum Special Tax per Acre</u> |
|---------------------------------|-----------------------------------------|
| 1 | \$658 |
| 2 | \$665 |
| 3 | \$673 |
| 4 | \$682 |
| 5 | \$692 |
| 6 | \$702 |
| 7 | \$714 |
| 8 | \$727 |
| 9 | \$742 |
| 10 | \$758 |
| 11 | \$777 |
| 12 | \$798 |
| 13 | \$821 |
| 14 | \$848 |
| 15 | \$879 |
| 16 | \$915 |
| 17 | \$956 |
| 18 | \$1,005 |
| 19 | \$1,064 |
| 20 | \$1,135 |
| 21 | \$1,222 |
| 22 | \$1,332 |
| 23 | \$1,474 |
| 24 | \$1,665 |
| 25 | \$1,934 |
| 26 | \$2,339 |
| 27 | \$3,015 |
| 28 | \$4,371 |
| 29 | \$8,446 |

(1) The above Maximum Special Tax rates are based upon the assumed coupon rate of 7.25%, consistent with the other bonding assumptions. These rates will be adjusted based upon the final pricing of the bonds at issuance. Once property is annexed into the CFD, that property's Maximum Special Tax is fixed at the final adjusted amount per acre (after bond issuance) for the year after formation in which the property is annexed.

AMENDED AND RESTATED RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year 2016-17, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Bonds” means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

“Boundary Map” means the “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,” filed _____, 2016 in Book _____ of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Building Permit” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for commercial or industrial use.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

“CFD No. 7” means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Exempt Property” means all Assessor’s Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

“Facilities” means only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MDP – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means all Assessor’s Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled “Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Goals and Policies” means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or **“IA No. 1”** means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property in Zone 2, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property in Zone 2. For Annexed Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Annexed Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years’ Special Taxes, and (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, less (vi) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Amended and Restated Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 73.48 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- **“Zone 1”** means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- **“Zone 2”** means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2016-17, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$0 per Acre.

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2016-17, each Assessor’s Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$3,500 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

- 1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$3,500 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (73.48).

$$[\$3,500 \times 73.48 = \$257,180.00]$$

- 2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

- 3) The new Maximum Special Tax for Taxable Property within Zone 2, exclusive of Annexed Property, shall equal the result calculated in Step 1, minus the result calculated in Step 2, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (73.48 Acres), exclusive of Annexed Property.

$$(\$257,180.00 - \text{Step 2 result})/73.48 =$$

Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A multiplied by the Annexed Property acreage.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Maximum Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than 73.48 Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2016-17 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor’s Parcel of Annexed Property up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor’s Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax.
- Step Two: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional monies are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor’s Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

“Facilities Costs” means \$2,703,341.58, all or a portion of which will be used to determine the prepayment amount only if Bonds have not been issued, in which case the portion of the prepayment attributable to this amount shall be deposited into the Improvement Fund.

“Improvement Fund” means a fund available for expenditure to acquire or construct the Facilities.

“Outstanding Bonds” means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor’s Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor’s Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable fee determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable fee, the City shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the next

occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor’s Parcel shall be calculated according to the following formula (capitalized terms defined below):

| | |
|--------|------------------------|
| | Bond Redemption Amount |
| plus | Redemption Premium |
| plus | Defeasance |
| plus | Administrative Fee |
| less | Reserve Fund Credit |
| equals | Prepayment Amount |

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor’s Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor’s Parcel.
2. For each Assessor’s Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor’s Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor’s Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor’s Parcels for which the Special Tax obligation has been previously prepaid.
3. If Bonds have not been issued, then for each Assessor’s Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Facilities Costs. If Bonds have been issued, then for each Assessor’s Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the “Bond Redemption Amount,” for such Assessor’s Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the “Redemption Premium.”
5. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor’s Parcel in the current Fiscal Year.
6. Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
7. Subtract the amount computed pursuant to paragraph 6 from the result computed pursuant to paragraph 5. This difference is the “Defeasance.”
8. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the “Administrative Fee.”

- 9. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.
- 10. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_f - A) \times F + A$$

The terms above have the following meanings:

- PP = the Partial Prepayment Amount.
- P_f = the Prepayment Amount calculated according to Section F.
- F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.
- A = Administrative Fees calculated in Section F, step 8

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the 2050-51 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 73.48 Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

Exhibit A

**IMPROVEMENT AREA 1 OF
CITY OF MORENO VALLEY CFD NO. 7
MAXIMUM SPECIAL TAX RATE FOR ANNEXED PROPERTY ⁽¹⁾**

| <u>Year After Bond Issuance</u> | <u>Maximum Special Tax per Acre</u> |
|-------------------------------------|-----------------------------------------|
| ≤ 0 | \$609 |
| 1 | \$619 |
| 2 | \$630 |
| 3 | \$642 |
| 4 | \$654 |
| 5 | \$668 |
| 6 | \$684 |
| 7 | \$700 |
| 8 | \$719 |
| 9 | \$739 |
| 10 | \$761 |
| 11 | \$786 |
| 12 | \$814 |
| 13 | \$846 |
| 14 | \$881 |
| 15 | \$922 |
| 16 | \$968 |
| 17 | \$1,022 |
| 18 | \$1,085 |
| 19 | \$1,160 |
| 20 | \$1,250 |
| 21 | \$1,361 |
| 22 | \$1,499 |
| 23 | \$1,678 |
| 24 | \$1,917 |
| 25 | \$2,251 |
| 26 | \$2,754 |
| 27 | \$3,594 |
| 28 | \$5,275 |
| 29 | \$10,321 |

(1) The above Maximum Special Tax rates are based upon the assumed coupon rate of 4.53%, consistent with the other bonding assumptions. A premium of 15% is added to cover administrative expenses and delinquencies. These rates will be adjusted based upon the final pricing of the bonds at issuance.

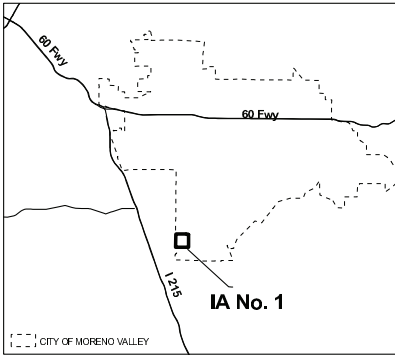
Proposed Boundary Map

SHEET 1 OF 1

MAP OF PROPOSED AMENDED BOUNDARIES OF IMPROVEMENT AREA NO. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7

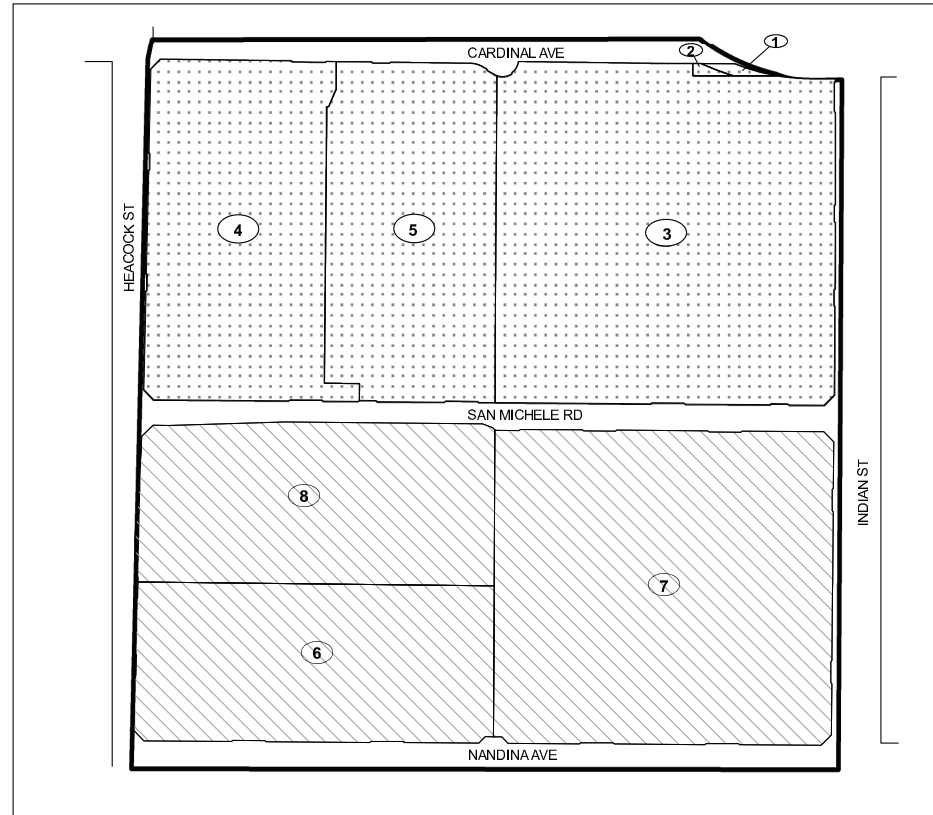
CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

VICINITY MAP



| 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 | 316-180-012 |
| 7 | 316-180-013 |
| 8 | 316-180-014 |

| Legend | |
|--------|--------------------------------------------|
| | IMPROVEMENT AREA NO. 1 (IA NO. 1) BOUNDARY |
| | MAP REFERENCE NUMBER |
| | ZONE 1 |
| | ZONE 2 |



FILED IN THE OFFICE OF THE CITY CLERK THIS _____ DAY OF _____, 201____.

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 A REGULAR MEETING THEREOF, HELD ON THE _____ DAY OF _____, 201____, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

FILED THIS _____ DAY OF _____, 201____, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ PAGE(S) _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICT IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: _____

INSTRUMENT NO.: _____

PETER ALDANA, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE
STATE 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 RECORDED THE 16TH DAY OF MAY, 2008, IN BOOK 73, PAGES 6 TO 8 OF ASSESSMENTS AND COMMUNITY FACILITIES DISTRICTS AS INSTRUMENT NO. 2008-0265595 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 AS SHOWN ON THE RIVERSIDE COUNTY ASSESSOR'S MAPS FOR THOSE PARCELS LISTED.

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAILS CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



27368 VIA INDUSTRIA, #200
TEMECULA, CA 92590
PH: (951) 587-3500

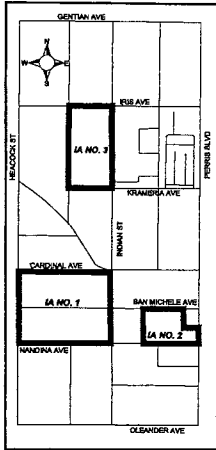
E.4.f

Original Boundary Map

MAP OF PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7

SHEET 1 OF 3

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

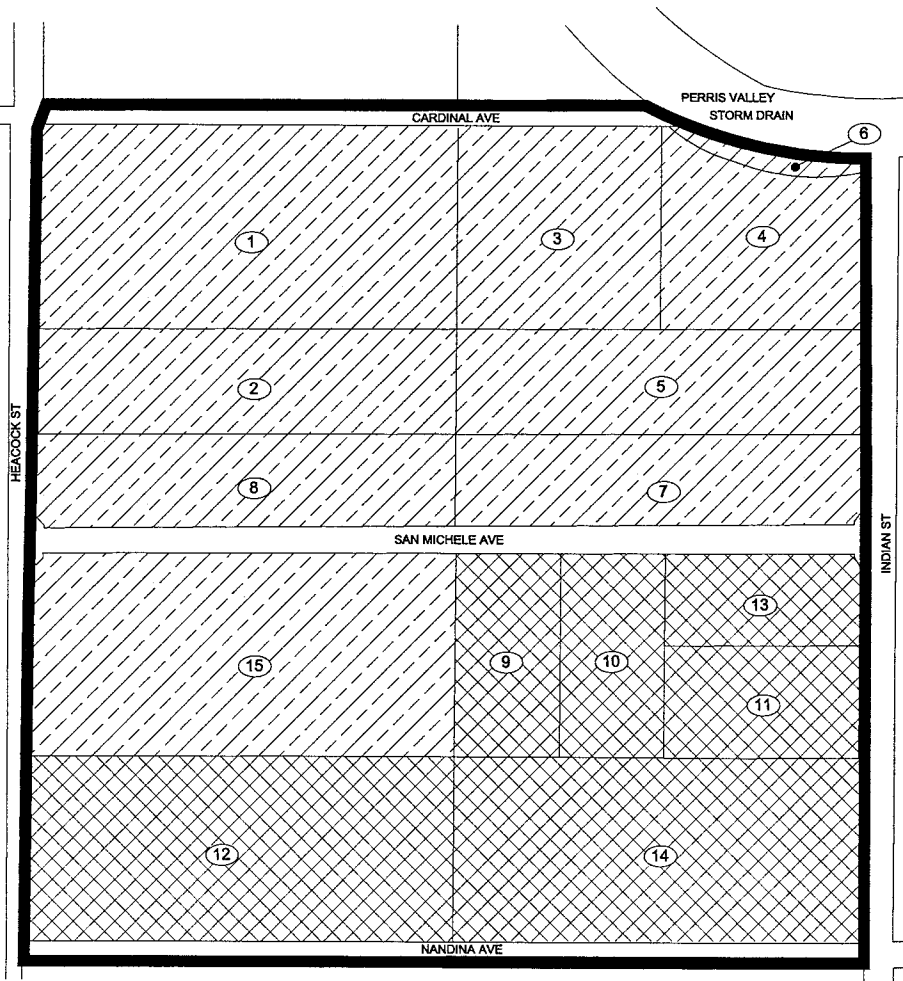


Vicinity Map

| MAP REF. NO. | ASSESSOR'S PARCEL NO. |
|--------------|-----------------------|
| 1 | 316-170-001 |
| 2 | 316-170-002 |
| 3 | 316-170-004 |
| 4 | 316-170-006 |
| 5 | 316-170-007 |
| 6 | 316-170-010 |
| 7 | 316-170-013 |
| 8 | 316-170-014 |
| 9 | 316-180-002 |
| 10 | 316-180-003 |
| 11 | 316-180-006 |
| 12 | 316-180-008 |
| 13 | 316-180-009 |
| 14 | 316-180-009 |
| 15 | 316-180-010 |

LEGEND FOR SHEET 1

- IMPROVEMENT AREA NO. 1 (IA NO. 1) BOUNDARY
- MAP REFERENCE NUMBER
- ZONE 1
- ZONE 2



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS _____ DAY OF _____ 2008.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7, 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 _____ DAY OF _____, 2008, BY ITS RESOLUTION NO. _____.

CITY CLERK
CITY OF MORENO VALLEY

RIVERSIDE COUNTY RECORDER'S CERTIFICATE

FILED THIS _____ DAY OF _____, 2008, AT THE HOUR OF _____ O'CLOCK _____ M. IN BOOK _____ OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) _____ IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE: _____

INSTRUMENT NO.: _____

LARRY WARD, ASSESSOR-COUNTY CLERK-RECORDER

BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE

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

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAIL CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.

MuniFinancial
27368 Via Induistris
Suite 110
Torrance, California 90503-3651
Phone (651) 587-3500 Fax (651) 587-3510

Attachment: CFD No. 7 Boundary Maps (2068) : PUBLIC HEARING TO MODIFY THE RATE AND METHOD

**WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION
AND APPOINTMENT OF REPRESENTATIVE TO ACT FOR PROPERTY OWNER
IN VOTING AND CASTING BALLOT**

(CHANGE PROCEEDINGS)

COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

Improvement Area No. 1

City Council
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92552-0805

Members of the City Council:

This is a representation and waiver (the “Waiver”) with respect to certain procedural matters under the Mello-Roos Community Facilities Act of 1982 (the “Act”), commencing with Section 53311 of the California Government Code (the “Government Code”), and the Undersigned hereby state as follows:

1. Landowner; Property. FR/CAL Moreno Valley, LLC, a Delaware limited liability company (“FR/CAL”), as the legal owner of certain property described in Exhibit A to the Petition (the “Petition”) presented simultaneously herewith and made a part hereof (the “Property”), which is included within the territory of Improvement Area No. 1 (“Improvement Area No. 1”) of the City of Moreno Valley Community Facilities District No. 7 (the “Community Facilities District”), which Community Facilities District was established pursuant to the City Council’s Resolution No. 2008-82 (the “Resolution of Formation”), adopted on June 24, 2008. All of the Property is included within the boundaries of Improvement Area No. 1. The City has previously approved a rate and method of apportionment of the special tax for Improvement Area No. 1 (referred to herein as the “RMA”). FR/CAL and I-215 Logistics, LLC, a Delaware limited liability company (“I-215 Logistics”) (and together with FR/CAL, the “Owners” of all the property which is included within the territory of Improvement Area No. 1) entered into a Memorandum of Understanding (the “MOU”) dated as of February 19, 2015 (attached as Exhibit B to the Petition) describing certain change proceedings they agreed to petition the City to conduct pursuant to Article 3 of the Act.

2. Proceedings. FR/CAL hereby acknowledges and agrees that the City Council (the “City Council”) of the City of Moreno Valley (the “City”) has commenced change proceedings pursuant to the Act and a Resolution of Consideration, adopted by the City Council of the City on May 17, 2016 (the “Resolution of Consideration”), at the request of the Owners to modify the RMA and the boundary map of Improvement Area No. 1 to reflect the changes specifically described in Sections 2, 3, 4, 5 and 6 of the MOU (collectively, the “Amendments”).

FR/CAL understands that the City Council will fix Tuesday, June 21, 2016, at 6:00 p.m., or as soon thereafter as the City Council may reach the matter, at the City Council Chambers, 14177 Frederick Street, Moreno Valley, California, as the time and place where the City Council would conduct public hearings to give consideration to the Amendments.

As required by the Act, the Amendments are to be submitted to the qualified electors of Improvement Area No. 1 at a special election for Improvement Area No. 1. FR/CAL hereby acknowledges that the special election for Improvement Area No. 1 shall be held in accordance with Section 53326 and Section 53338 of the Government Code.

3. Ownership of Property; No Registered Voters. FR/CAL represent and warrant to the City that that it is the legal owner of the Property, and that no other person or entity is the legal owner of any portion of the fee interest in any of the Property. FR/CAL understands that the City has received a certificate from the County Registrar of Voters indicating that there were fewer than 12 registered voters residing within the boundaries of the Property during the 90-day period preceding the date of this Waiver, and FR/CAL has no information that would contradict that conclusion.

4. Waiver. FR/CAL understands that a special mailed-ballot, landowner election will be held to determine whether the authority to approve the Amendments, all as set forth in the Resolution of Consideration, will be conferred upon the City Council. FR/CAL requests that the election be conducted at the earliest possible date.

FR/CAL hereby waives any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a).

FR/CAL hereby waives the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b).

FR/CAL hereby waives the requirement to publish notice of the election under Government Code Section 53352.

FR/CAL hereby waives the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101 and agrees that either mailed service or personal service of the ballot will be sufficient.

FR/CAL hereby waives the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5.

FR/CAL hereby waives any and all defects in notice or procedure in the conduct of the election, whether known or unknown (except the right to vote and to have the ballots fairly counted), and states that the election is being expedited, pursuant to this Waiver, at the particular instance and request of FR/CAL.

FR/CAL hereby consents to the levy and collection of the special tax on the above-referenced parcels and hereby waives any and all rights to challenge any and all aspects of these change proceedings.

Finally, FR/CAL has authorized William G. Williams III to act in all respects for FR/CAL in casting the votes and executing the ballot assigned to the Property owned by FR/CAL.

FR/CAL hereby waives any and all defects in notice or procedure in any proceedings related to the Amendments, whether known or unknown (other than, in the case of the election for Improvement Area No. 1, the right to vote and to have ballots accurately counted). FR/CAL further waives its right to make any protest or complaint or to undertake any legal action challenging the validity of the elections.

FR/CAL hereby represents that it has obtained such information with respect to the waivers contained herein as it has deemed necessary or appropriate. FR/CAL hereby confirms and represents that it is fully informed with respect to such waivers and fully understands the consequences thereof.

5. Authorized Representative. William G. Williams III is an authorized signatory for FR/CAL, duly authorized by FR/CAL, and possess all authority necessary to execute ballots on behalf of FR/CAL and to vote on behalf of FR/CAL in the election to be held under the Act on the Amendments.

6. Mailing Address. The address of FR/CAL for receiving notices and ballots is as set forth in the Petition presented to the City Council.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.


Dated as of April 6, 2016.

FR/CAL MORENO VALLEY,
a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teacher’s Retirement System,
a public entity,
its sole member

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By: 
Name: William G. Williams III
Title: Investment Director – Asset Management

Attachment: CFD No. 7 Waiver and Consent (2068 : PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF

**WAIVER AND CONSENT
SHORTENING TIME PERIODS AND WAIVING VARIOUS
REQUIREMENTS FOR CONDUCTING A MAILED-BALLOT ELECTION
AND APPOINTMENT OF REPRESENTATIVE TO ACT FOR PROPERTY OWNER
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(CHANGE PROCEEDINGS)

COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

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This is a representation and waiver (the “Waiver”) with respect to certain procedural matters under the Mello-Roos Community Facilities Act of 1982 (the “Act”), commencing with Section 53311 of the California Government Code (the “Government Code”), and the Undersigned hereby state as follows:

1. Landowner; Property. I-215 Logistics, LLC, a Delaware limited liability company (“I-215 Logistics”) as the legal owner of certain property described in Exhibit A to the Petition (the “Petition”) presented simultaneously herewith and made a part hereof (the “Property”), which is included within the territory of Improvement Area No. 1 (“Improvement Area No. 1”) of the City of Moreno Valley Community Facilities District No. 7 (the “Community Facilities District”), which Community Facilities District was established pursuant to the City Council’s Resolution No. 2008-82 (the “Resolution of Formation”), adopted on June 24, 2008. All of the Property is included within the boundaries of Improvement Area No. 1. The City has previously approved a rate and method of apportionment of the special tax for Improvement Area No. 1 (referred to herein as the “RMA”). I-215 Logistics and FR/CAL Moreno Valley, LLC, a Delaware limited liability company (“FR/CAL”) (and together with I-215 Logistics, the “Owners” of all the property which is included within the territory of Improvement Area No. 1) entered into a Memorandum of Understanding (the “MOU”) dated as of February 19, 2015 (attached as Exhibit B to the Petition) describing certain change proceedings they agreed to petition the City to conduct pursuant to Article 3 of the Act.

2. Proceedings. I-215 Logistics hereby acknowledges and agrees that the City Council (the “City Council”) of the City of Moreno Valley (the “City”) has commenced change proceedings pursuant to the Act and a Resolution of Consideration, adopted by the City Council of the City on May 17, 2016 (the “Resolution of Consideration”), at the request of the Owners to modify the RMA and the boundary map of Improvement Area No. 1 to reflect the changes specifically described in Sections 2, 3, 4, 5 and 6 of the MOU (collectively, the “Amendments”).

I-215 Logistics understands that the City Council will fix Tuesday, June 21, 2016, at 6:00 p.m., or as soon thereafter as the City Council may reach the matter, at the City Council Chambers, 14177 Frederick Street, Moreno Valley, California, as the time and place where the City Council would conduct public hearings to give consideration to the Amendments.

As required by the Act, the Amendments are to be submitted to the qualified electors of Improvement Area No. 1 at a special election for Improvement Area No. 1. I-215 Logistics hereby acknowledges that the special election for Improvement Area No. 1 shall be held in accordance with Section 53326 and Section 53338 of the Government Code.

3. Ownership of Property; No Registered Voters. I-215 Logistics represents and warrants to the City that that it is the legal owner of the Property, and that no other person or entity is the legal owner of any portion of the fee interest in any of the Property. I-215 Logistics understands that the City has received a certificate from the County Registrar of Voters indicating that there were fewer than 12 registered voters residing within the boundaries of the Property during the 90-day period preceding the date of this Waiver, and I-215 Logistics has no information that would contradict that conclusion.

4. Waiver. I-215 Logistics understands that a special mailed-ballot, landowner election will be held to determine whether the authority to approve the Amendments, all as set forth in the Resolution of Consideration, will be conferred upon the City Council. I-215 Logistics requests that the election be conducted at the earliest possible date.

I-215 Logistics hereby waives any and all minimum time periods relative to the election pursuant to Government Code Section 53326(a).

I-215 Logistics hereby waives the preparation and distribution of an impartial analysis of the ballot measure, as well as arguments in favor and against, under the authority of Government Code Section 53327(b).

I-215 Logistics hereby waives the requirement to publish notice of the election under Government Code Section 53352.

I-215 Logistics hereby waives the requirements regarding the time to mail ballots to the qualified electors under Elections Code Section 4101 and agrees that either mailed service or personal service of the ballot will be sufficient.

I-215 Logistics hereby waives the requirements regarding identification envelopes for the return of mailed ballots contained in Government Code Section 53327.5.

I-215 Logistics hereby waives any and all defects in notice or procedure in the conduct of the election, whether known or unknown (except the right to vote and to have the ballots fairly counted), and states that the election is being expedited, pursuant to this Waiver, at the particular instance and request of I-215 Logistics.

I-215 Logistics hereby consents to the levy and collection of the special tax on the above-referenced parcels and hereby waives any and all rights to challenge any and all aspects of these change proceedings.

I-215 Logistics has authorized Stacey Magee to act in all respects for I-215 Logistics in casting the votes and executing the ballot assigned to the Property owned by I-215 Logistics.

I-215 Logistics hereby waives any and all defects in notice or procedure in any proceedings related to the Amendments, whether known or unknown (other than, in the case of the election for Improvement Area No. 1, the right to vote and to have ballots accurately counted). I-215 Logistics further waives its right to make any protest or complaint or to undertake any legal action challenging the validity of the elections.

I-215 Logistics hereby represents that it has obtained such information with respect to the waivers contained herein as it has deemed necessary or appropriate. I-215 Logistics hereby confirms and represents that it is fully informed with respect to such waivers and fully understands the consequences thereof.

5. Authorized Representative. Stacey Magee is an authorized signatory for I-215 Logistics, duly authorized by I-215 Logistics, and possess all authority necessary to execute ballots on behalf of I-215 Logistics and to vote on behalf of I-215 Logistics in the election to be held under the Act on the Amendments.

6. Mailing Address. The address of I-215 Logistics for receiving notices and ballots is as set forth in the Petition presented to the City Council.

The undersigned declares under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Dated as of April 6, 2016.

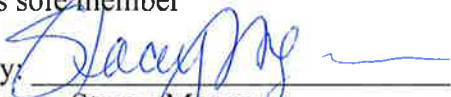
I-215 Logistics, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
a Delaware limited liability company,
its manager

By: Lion Industrial Properties, L.P.,
a Delaware limited partnership,
its sole member

By: LIT GP Sub, LLC,
a Delaware limited liability company,
its general partner

By: Lion Industrial Trust,
a Maryland real estate investment trust,
its sole member

By: 
Name: Stacey Magee
Title: Vice President

Attachment: CFD No. 7 Waiver and Consent (2068 : PUBLIC HEARING TO MODIFY THE RATE AND METHOD OF APPORTIONMENT OF

**PETITION REQUESTING
CERTAIN AMENDMENTS RELATED TO
IMPROVEMENT AREA NO. 1 OF
COMMUNITY FACILITIES DISTRICT NO. 7
OF THE CITY OF MORENO VALLEY
(Including Waivers)**

City Council
City of Moreno Valley
14177 Frederick Street
Moreno Valley, California 92553-9014

Members of the City Council:

This is a landowners' petition requesting certain change proceedings in connection with Improvement Area No. 1 ("Improvement Area No. 1") of Community Facilities District No. 7 of the City of Moreno Valley, State of California (the "Community Facilities District") pursuant to the Mello-Roos Community Facilities Act of 1982 (the "Mello-Roos Act") and a waiver with respect to certain procedural matters under the Mello-Roos Act, and the undersigned hereby state as follows:

1. Petitioners. This petition is submitted by FR/CAL Moreno Valley, LLC, a Delaware limited liability company ("FR/CAL") and I-215 Logistics, LLC, a Delaware limited liability company ("I-215 Logistics") (together, the "Petitioners"), as the respective legal owners of the property described in Exhibit A attached hereto and made a part hereof (the "Property"), which is the site of Improvement Area No. 1 of the Community Facilities District. By submitting this petition, Petitioners warrant to the City of Moreno Valley (the "City") that they are the respective legal owners of the fee interest of all of the land included within Improvement Area No. 1. The City has previously approved a rate and method of apportionment of the special tax for Improvement Area No. 1 (referred to herein as the "RMA"). Petitioners have entered into a Memorandum of Understanding (the "MOU") dated as of February 19, 2015 and attached hereto as Exhibit B describing certain change proceedings they agree to petition the City to conduct pursuant to Article 3 of the Mello-Roos Act.

2. Proceedings Requested. Petitioners hereby request that the City Council of the City institute proceedings pursuant to the Mello-Roos Act to modify the RMA and the boundary map of Improvement Area No. 1 to reflect the changes specifically described in Sections 2, 3, 4, 5 and 6 of the MOU (collectively, the "Amendments").

3. Elections. Petitioners hereby request that a special election be held under the Mello-Roos Act in order to approve the Amendments, all to be consolidated into a single election and that the election be conducted by the City and its officials using mailed or hand-delivered ballots and

that such ballots be opened and canvassed and the results certified at the same meeting of the City Council as the public hearing on the proposed Amendments under the Mello-Roos Act or as soon thereafter as possible.

4. **Waiver.** To expedite the completion of the change proceedings for Improvement Area No. 1 of the Community Facilities District, Petitioners accompany this petition with an executed Waiver and Consent Shortening Time Periods and Waiving Various Requirements for Conducting a Mailed-Ballot Election.

6. **Mailing Address.** The address of each Petitioner for receiving notices is: (i) with respect to FR/CAL, 19125 North Creek Parkway, Suite 120, Bothell, WA 98011: Attention: William G. Williams; e-mail: Williams.bill@principal.com; (ii) with respect to I-215 Logistics, c/o Clarion Partners, 717 McKinney Avenue, Suite 1900, Dallas, TX 75202, Attention: Stacey Magee, Director; e-mail: Stacey.magee@clarionpartners.com.


This petition is dated April 6, 2016.

FR/CAL MORENO VALLEY,
a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teacher’s Retirement System,
a public entity,
its sole member

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By: 

Name: William G. Williams III

Title: Investment Director – Asset Management

I-215 LOGISTICS, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
a Delaware limited liability company,
its manager

By: Lion Industrial Properties, L.P.,
a Delaware limited partnership,
its sole member

By: LIT GP Sub, LLC,
a Delaware limited liability company,
its general partner

By: Lion Industrial Trust,
a Maryland real estate investment trust,
its sole member

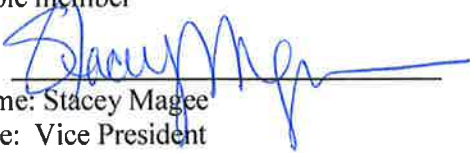
By: 
Name: Stacey Magee
Title: Vice President

EXHIBIT A
PROPERTY DESCRIPTION

That certain real property situated in the State of California, City of Moreno Valley, more particularly described as follows:

With respect to FR/CAL, the following Riverside County Parcel Numbers:

316-180-012, 316-180-013 and 316-180-014

With respect to I-215 Logistics, the following Riverside County Parcel Numbers:

316-170-023, 316-170-025, 316-170-026, 316-170-018 and 316-170-020

EXHIBIT B
MEMORANDUM OF UNDERSTANDING

Memorandum of Understanding

Improvement Area No. 1 of
Community Facilities District No. 7 of the City of Moreno Valley

This Memorandum of Understanding (“**MOU**”) is made and entered into effective as of February 19, 2015 (“**Effective Date**”). The MOU is by and between FR/Cal Moreno Valley, LLC, a Delaware corporation (“**FR/Cal**”), and I-215 Logistics, LLC, a Delaware limited liability company (“**I-215 Logistics**”). FR/Cal and I-215 Logistics may be referenced in this MOU individually as a “**Party**” and collectively as the “**Parties**.”

Recitals

WHEREAS, pursuant to the Mello-Roos Community Facilities Act of 1982 (the “**Act**”), Community Facilities District No. 7 of the City of Moreno Valley (“**CFD No. 7**”) was formed on June 24, 2008, by the City of Moreno Valley (“**City**”) with the consent and approval of the property owners within CFD No. 7 to facilitate financing of certain public improvements;

WHEREAS, CFD No. 7 consists of three Improvement Areas, which are additionally subdivided into Zones;

WHEREAS, Improvement Area No. 1, containing Zone 1 and Zone 2, was created at the formation of CFD No. 7, and is shown on the boundary map filed on May 16, 2008, at Book 73 of Maps of Assessment and Community Facilities Districts at Pages 6-8 in the office of the County Recorder of Riverside County (the “**Original Boundary Map**”) and attached hereto as Exhibit “**A**”;

WHEREAS, CFD No. 7 authorizes the financing by Improvement Area No. 1 of specific and distinct public improvements (“**Public Improvements**”);

WHEREAS, the financing of the Public Improvements is authorized by means of the issuance of special tax bonds by the City on behalf of Improvement Area No. 1, which authorization was approved by unanimous vote of property owners within CFD No. 7 on June 24, 2008 (the “**Bonds**”);

WHEREAS, the special taxes levied on assessor’s parcels within Improvement Area No. 1 shall be calculated and subject to the limitations set forth in the Rate and Method of Apportionment of Special Tax for Improvement Area No. 1 (the “**RMA**”), attached hereto as Exhibit “**B**”, as such RMA is amended pursuant to this MOU, and such special taxes shall be used to pay the annual debt service on the Bonds;

WHEREAS, the authorized Public Improvements for Improvement Area No. 1 include master planned storm drain facilities (“**Storm Drain Facilities**”) to be owned and operated by the Riverside County Flood Control and Water Conservation District (“**Flood Control District**”);

WHEREAS, the inclusion of the Storm Drain Facilities in CFD No. 7 required entering into the Joint Community Facilities Agreement relating to CFD No. 7, by and among the City, the Flood Control District, FR/Cal, First Industrial, LP, and FR/Cal Indian Avenue, LLC;

WHEREAS, FR/Cal constructed the Storm Drain Facilities, and the Final Audit Report, prepared by Willdan Financial Services, for the City and the Flood Control District, the summary cover letter of which is attached hereto as **Exhibit "C"**, recommended a purchase price for the Storm Drain Facilities of Five Million, Two Hundred and Eleven Thousand, Seven Hundred and Sixty Three Dollars and Twenty-One Cents (\$5,211,763.21) (herein, the "**Storm Drain Cost**");

WHEREAS, the Parties have determined that 51.87% of the Storm Drain Cost, and only 51.87% of the Storm Drain Cost, or \$2,703,341.58, should be financed by the issuance of Bonds;

WHEREAS, the Parties have determined to modify the definition of "Facilities" in the RMA to limit the Public Improvements that may be financed by Improvement Area No. 1 to the Storm Drain Facilities only and to further limit the amount of the Storm Drain Costs that may be financed by Improvement Area No. 1 to \$2,703,341.58, as further set forth in this MOU;

WHEREAS, on February 20, 2014, FR/Cal purchased property from Alvaraz & Marsal (the "**Alvaraz & Marsal Property**") immediately to the north of Parcel 1 of Parcel Map 35150, designated as Building A site owned by FR/Cal (bordered by San Michele Avenue on the north and Heacock Street on the west);

WHEREAS, pursuant to the Original Boundary Map, the Alvaraz & Marsal Property is located in Zone 2 of Improvement Area No. 1, but the Parties desire to have the Alvaraz & Marsal Property located in Zone 1 of Improvement Area No. 1;

WHEREAS, to accommodate the change in the Zone identification for the Alvaraz & Marsal Property, the Original Boundary Map must be amended, as set forth in this MOU;

WHEREAS, in addition, the Parties have determined that a change to the RMA is necessary (i) to modify the prepayment provisions to reflect the change in the definition of "Facilities," (ii) to reflect the change in the boundaries of Zone 1 and Zone 2 resulting from the change to the Original Boundary Map, and (iii) to revise the apportionment of special taxes under the RMA so that only the property in Zone 2 will be taxed; and

WHEREAS, the Parties desire to set forth their basic agreement in this MOU and provide the terms and conditions that shall be binding on the Parties.

NOW, THEREFORE, in consideration of mutual covenants contained herein and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereto agree as follows:

Agreement

1. Petition for Change Proceedings.

- a) FR/Cal and I-215 Logistics shall collectively petition the City to conduct change proceedings under Article 3 of the Act. The petition shall conform to the provisions of Section 53332 of the Act.
- b) The petition shall state that FR/Cal (and FR/Cal only) will provide any fee or deposit required by Section 53332 of the Act to commence change proceedings.
- c) The petition shall request that the RMA and the Original Boundary Map be modified to reflect the changes described in Sections 2, 3, 4, 5, and 6 below.
- d) FR/Cal and I-215 Logistics shall cooperate with each other and the City in connection with, and not protest, the change proceedings within Improvement Area No. 1 provided that the change proceedings are conducted in a manner consistent with the terms of this MOU and provided that the changes proposed to be made and that are actually made to the RMA and the Original Boundary Map are consistent with the terms of this MOU.

2. Modification of Original Boundary Map. The Original Boundary Map shall be amended and restated so as to identify the Alvaraz & Marsal Property as being in Zone 1 and not in Zone 2 (as amended pursuant to this Agreement, herein referred to as the “**Amended and Restated Boundary Map**”).

3. Modification of the RMA – Revising the Zones. The RMA shall be amended as follows:

- a) The term “Boundary Map” in the RMA shall continue to be used but the definition shall be amended to reflect the name and recording information of the Amended and Restated Boundary Map.
- b) The term “Proportionately” shall be revised in full to read as follows:

“**Proportionately**” means, for Developed Property in Zone 2, that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property in Zone 2. For Undeveloped Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property in Zone 2. For Provisional Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property in Zone 2. For Taxable Public Property in Zone 2, it means

that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor's Parcels of Taxable Public Property in Zone 2. For Annexed Property in Zone 2, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor's Parcels of Annexed Property in Zone 2.

- c) The term "Provisional Property" in the RMA shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- d) The term "Taxable Public Property" in the RMA shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- e) Section C.1. of the RMA shall be amended to revise the calculation of the maximum special tax for Zone 1 using 62.78 acres (instead of 47.92 acres).
- f) Section C.2. of the RMA shall be amended to revise the calculation of the maximum special tax for Zone 2 using 67.67 acres (instead of 82.53 acres).
- g) Section D.2. of the RMA shall be amended shall be amended to reflect that the new acreage number for Zone 1 is 62.78 acres (instead of 47.92 acres) and that the new acreage number for Zone 2 is 67.67 acres (instead of 82.53 acres).
- h) Section I of the RMA shall be amended to reflect that the minimum acres in Zone 1 are 62.78 acres (instead of 47.92 acres) and that the minimum acres in Zone 2 are 67.67 acres (instead of 82.53 acres).

4. **Modification of RMA - Apportionment.** Section E of the RMA shall be amended in full to read as follows:

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2015-2016 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property within Zone 2 until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: To satisfy the Special Tax Requirement, the Special Tax shall be levied Proportionately on (i) each Assessor's Parcel of Annexed Property in Zone 2 up to 100% of the applicable Maximum Special Tax, and (ii) each Assessor's Parcel of Developed Property in Zone 2 up to 100% of the applicable Maximum Special Tax.
- Step Two: If additional moneys are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional moneys are needed to satisfy the Special Tax Requirement after the second step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional moneys are needed to satisfy the Special Tax Requirement after the third step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property in Zone 2 up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

5. **Modification of RMA - Facilities.** FR/Cal and I-215 Logistics agree that only the Storm Drain Facilities shall be financed by the Bonds and only up to the amount of \$2,703,341.58. Neither FR/Cal nor I-215 Logistics will request that the City or CFD finance (i) any Public Improvements other than the Storm Drain Facilities (notwithstanding that additional Public Improvements were authorized to be financed in Improvement Area No. 1) and (ii) any Storm Drain Costs in excess of \$2,703,341.58. Accordingly, the definition of "Facilities" in the RMA shall be amended to read as follows:

"Facilities" means only the Perris Valley MDP – Lateral B-3, Stage 2 and the Perris Valley MPD – Lateral B-3.2 and in an amount not in excess of \$2,703,341.58.

6. **Modification of the RMA – Prepayment of the Special Tax.** Section F of the RMA shall be amended as follows:
- a) The definition of "Facilities Costs" in Section F of the RMA shall be amended and restated in full to read as follows:
- "Facilities Costs" means \$2,703,341.58.
- b) The term "Construction Inflation Index" shall be deleted.

7. **Issuance of Special Tax Bonds.** FR/Cal will take the lead in coordinating the issuance of Bonds by the City. The overall bond issuance process may take between six (6) to nine (9) months to accomplish. The process requires retention of professional services by the City, and the City may require that a deposit of certain costs of issuance be made prior to conducting any Bond issuance procedures. These professional services may include bond counsel, disclosure counsel, bond underwriter, market absorption consultant, special tax consultant, and appraisal services, as needed. FR/Cal will make any required deposits and enter into any required agreements for such deposits. I-215 Logistics will not be required to provide any deposits or advances in connection with the issuance of Bonds.
8. **Cooperation in Issuance of Bonds.** I-215 Logistics shall reasonably cooperate with both FR/Cal, the City, and any professionals hired by the City to assist in the issuance of Bonds, including, but not limited to, the following:
- a) If required by the underwriter for the Bonds, entering into a continuing disclosure undertaking providing for semi-annual reports to assist the underwriter in complying with Rule 15c2-12 of Securities Exchange Act of 1934. The continuing disclosure undertaking shall be customary for non-residential property in a CFD.
 - b) Providing non-proprietary, non-confidential, and reasonable information regarding the property owned by I-215 Logistics in Zone 2 and the tenant residing on the property to any appraiser, underwriter, or disclosure counsel; provided, however, that I-215 Logistics shall not be required to provide any confidential or proprietary information about its tenant, nor any information that could in any way violate or does violate the lease agreement with its tenant.
9. **Cooperation.** Both Parties agree to cooperate with each other and to execute such instruments and documents and to diligently undertake such actions as may be reasonably required in order to effectuate the intent of this MOU. Both Parties shall perform the obligations under this MOU in an expeditious manner so as to cause the modification of the RMA and the Original Boundary Map to occur as soon as practicable.
10. **Indemnification.** Each Party agrees to indemnify and hold harmless the other Party, their officers, agents and employees from any and all liability, claims, demands, damages, or injuries to any person as a result of any breach of this MOU (after notice and reasonable opportunity to cure) by the Party against which the other Party seeks indemnification.
11. **Binding on Successors and Assigns.** This MOU shall be binding on the successors and assigns of the Parties, and each Party covenants that it will specifically include this MOU in any assignment or sale of the property it owns within Improvement Area No. 1 of CFD No. 7.
12. **California Law.** This MOU shall be interpreted and enforced under the laws of the State of California.

13. **Miscellaneous.** The terms of this MOU may not be modified or amended except by an instrument in writing executed by each of the Parties hereto. No subsequent agreement, representation or promise made by either Party hereto, or by or to an employee, officer, agent or representative of either Party, shall be of any effect unless it is in writing and executed by the Party to be bound thereby. In the event that enforcement or interpretation of the terms, of the provisions of this MOU become necessary, the prevailing Party (whether or not such enforcement or interpretation results in resolution for or against either Party) shall be entitled to seek and collect reimbursement of all of the costs in seeking such enforcement or interpretation (including by way of example only, court costs, arbitration or mediation costs, discovery costs, and service of process expenses), as well as all attorneys' fees, expert fees, mediator fees, arbitrator fees, accountant fees, other third-party fees and costs, and any other costs or expenses incurred in the bringing such action or seeking such interpretation.


IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the Effective Date.

FR/CAL MORENO VALLEY,
a Delaware limited liability company

By: FirstCal Industrial, LLC,
a Delaware limited liability company,
its sole member

By: California State Teachers' Retirement System,
a public entity,
its sole member

By: Principal Real Estate Investors, LLC,
a Delaware limited liability company,
its authorized agent

By: 
Name: William G. Williams III
Title: Investment Director – Asset Management

[Signatures on MOU continued on the next page]

[Signatures on MOU continued from the previous page]

I-215 LOGISTICS, LLC,
a Delaware limited liability company

By: LIT Holdings GP, LLC,
a Delaware limited liability company,
its manager

By: Lion Industrial Properties, L.P.,
a Delaware limited partnership,
its sole member

By: LIT GP Sub, LLC,
a Delaware limited liability company,
its general partner

By: Lion Industrial Trust,
a Maryland real estate investment trust,
its sole member

By: 

Name: Stacey Magee

Title: Vice President

EXHIBIT "A"
THE ORIGINAL BOUNDARY MAP

MAP OF PROPOSED BOUNDARIES OF
COMMUNITY FACILITIES DISTRICT NO. 7

CITY OF MORENO VALLEY
COUNTY OF RIVERSIDE
STATE OF CALIFORNIA

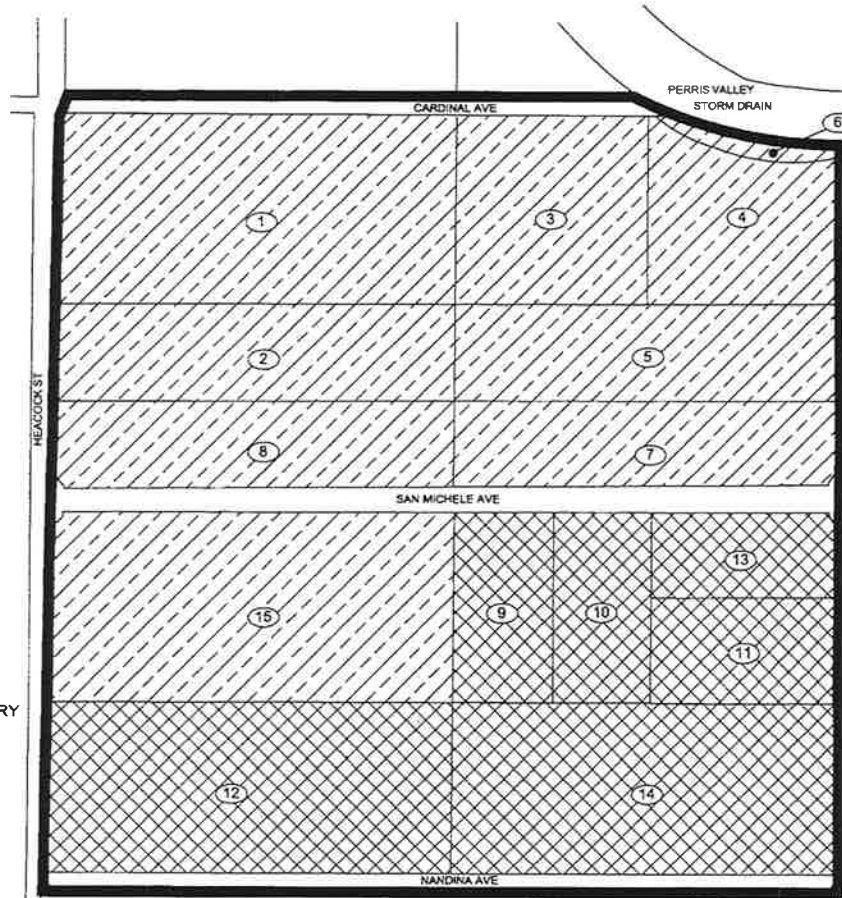


Vicinity Map

| MAP REF. NO. | ASSESSOR'S PARCEL NO. |
|--------------|-----------------------|
| 1 | 346-170-001 |
| 2 | 346-170-002 |
| 3 | 346-170-004 |
| 4 | 346-170-006 |
| 5 | 346-170-007 |
| 6 | 346-170-010 |
| 7 | 346-170-012 |
| 8 | 346-170-014 |
| 9 | 346-180-002 |
| 10 | 346-180-003 |
| 11 | 346-180-004 |
| 12 | 346-180-006 |
| 13 | 346-180-008 |
| 14 | 346-180-009 |
| 15 | 346-180-010 |

LEGEND FOR SHEET 1

- IMPROVEMENT AREA NO. 1 (IA NO. 1) BOUNDARY
- MAP REFERENCE NUMBER
- ZONE 1
- ZONE 2



FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF MORENO VALLEY THIS 14 DAY OF May 2008.

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF COMMUNITY FACILITIES DISTRICT NO. 7, 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 13 DAY OF May, 2008, BY ITS RESOLUTION NO. 2008-50.

James H. Haskins
CITY CLERK
CITY OF MORENO VALLEY

RIVERSIDE COUNTY RECORDER'S CERTIFICATE

FILED THIS 14TH DAY OF MAY 2008, AT THE HOUR OF 8 O'CLOCK A.M. IN BOOK 72 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES DISTRICTS AT PAGE(S) 1a-B IN THE OFFICE OF THE COUNTY RECORDER, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA.

FEE \$ 13.00

INSTRUMENT NO.: 2008-0265595

LARRY WARD, ASSESSOR-COUNTY CLERK-RECORDER

M. Garcia
BY DEPUTY
COUNTY RECORDER
COUNTY OF RIVERSIDE

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

THE RIVERSIDE COUNTY ASSESSOR'S MAPS SHALL GOVERN FOR ALL DETAIL CONCERNING THE LINES AND DIMENSIONS OF SUCH LOTS OR PARCELS.



EXHIBIT "B"
**RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX
FOR CFD NO. 7**

RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

IMPROVEMENT AREA No. 1 OF COMMUNITY FACILITIES DISTRICT NO. 7 OF THE CITY OF MORENO VALLEY

A special tax as hereinafter defined shall be levied on and collected within Improvement Area No. 1 of Community Facilities District No. 7 of the City of Moreno Valley ("IA No. 1") each Fiscal Year commencing in Fiscal Year 2008-2009, in an amount determined by the City Council of the City of Moreno Valley through the application of the appropriate Special Tax for "Developed Property," "Undeveloped Property," "Provisional Property," and "Taxable Public Property" as described below. IA No. 1 consists of two zones, designated as Zone 1 and Zone 2. All of the real property within IA No. 1, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable Final Map, or other recorded instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560. The minimum Acreage of Taxable Property is determined in accordance with Section I.

"Act" means the Mello-Roos Communities Facilities Act of 1982 as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means any actual ordinary and necessary expense of the City, or designee thereof or both, to carry out the administration of IA No. 1 related to the determination of the amount of the levy of Special Taxes, the collection of Special Taxes, including the expenses of collecting delinquencies and pursuing foreclosures, the administration of Bonds, the payment of a proportional share of salaries and benefits of any City employee whose duties are related to the administration of IA No. 1, fees and expenses for counsel, audits, or other amounts needed to pay rebate to the federal government with respect to the Bonds, costs related to complying with continuing disclosure requirements pursuant to applicable federal and state securities law, costs associated with responding to public inquiries regarding IA No. 1 or the Bonds, and costs otherwise incurred in order to carry out the administration of IA No. 1.

"Annexed Property" means Assessor's Parcels originally identified within the Future Annexation Area that have been annexed to IA No. 1.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel number within the boundaries of IA No. 1.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel number.

“Bonds” means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which the Special Tax has been pledged.

“Boundary Map” means the “Map of Proposed Boundaries of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 6-8 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Building Permit” means a permit for new construction for a non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

“Calendar Year” means the period commencing January 1 of any year and ending the following December 31.

“CFD Administrator” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement and providing for the levy and collection of the Special Taxes for IA No. 1.

“CFD No. 7” means Community Facilities District No. 7 of the City of Moreno Valley established by the City under the Act.

“City” means the City of Moreno Valley.

“City Council” means the City Council of the City, acting as the legislative body of CFD No. 7, or its designee.

“County” means the County of Riverside.

“Developed Property” means all Assessor’s Parcels of Taxable Property for which Building Permits were issued on or before June 1 preceding the Fiscal Year for which Special Taxes are being levied, provided that a Final Map for such Assessor’s Parcels was recorded on or before January 1 of the prior Fiscal Year for which Special Taxes may be levied.

“Exempt Property” means all Assessor’s Parcels within IA No. 1 which are exempt from the Special Taxes pursuant to law or Section I herein.

“Facilities” means those public facilities authorized to be funded by CFD No. 7 as set forth in the formation documents for CFD No. 7.

“Final Map” means a recorded final map, parcel map, or lot line adjustment, evidencing the subdivision of property pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.).

“Fiscal Year” means the period commencing on July 1 of any year and ending the following June 30.

“Future Annexation Area” means all Assessor’s Parcels within the future annexation area of IA No. 1 as determined by reference to the boundary map entitled “Map of Proposed Boundaries of Future Annexation Area of Community Facilities District No. 7, City of Moreno Valley, County of Riverside, State of California,” filed May 16, 2008 in Book 73, Pages 9-11 of Maps of Assessments and Community Facilities Districts in the office of the County Recorder.

“Goals and Policies” means the local goals and policies adopted by the City Council concerning the use of the Act that are in effect at the time of formation of CFD No. 7.

“Improvement Area No. 1” or “IA No. 1” means the area within CFD No. 7 designated as Improvement Area No. 1 by reference to the Boundary Map, as such area may be amended by the addition of Annexed Property.

“Indenture” means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time, and any instrument replacing or supplementing the same.

“Maximum Special Tax” means the maximum Special Tax determined in accordance with Section C, which may be levied by CFD No. 7 in any Fiscal Year on an Assessor’s Parcel of Taxable Property.

“Partial Prepayment Amount” means the amount required to prepay a portion of the Special Tax obligation for an Assessor’s Parcel, as described in Section G.

“Prepayment Amount” means the amount required to prepay the Special Tax obligation in full for an Assessor’s Parcel, as described in Section F.

“Proportionately” means, for Developed Property, the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Undeveloped Property. For Provisional Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Provisional Property. For Taxable Public Property, it means that the ratio of the actual Special Tax levied to the Maximum Special Tax is equal for all Assessor’s Parcels of Taxable Public Property.

“Provisional Property” means all Assessor’s Parcels identified under Section I, excluding Public Property, that are not classified as Exempt Property because such classification would reduce the sum of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2.

“Public Property” means any property within the boundaries of IA No. 1 that is owned by or irrecoverably dedicated to the City, the federal government, the State of California, the County, or any other public agency.

“Special Tax” means the special tax authorized to be levied by CFD No. 7 pursuant to the Act to fund the Special Tax Requirement.

“Special Tax Requirement” means the amount required in any Fiscal Year for IA No. 1 to fund: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) any amount required to establish or replenish any reserve funds established in association with the Bonds, (iv) any delinquencies in the payment of prior years Special Taxes, (v) a reasonable estimate of delinquencies expected to occur in the Fiscal Year in which the Special Tax will be levied, and (vi) the acquisition or construction of eligible Facilities, provided that the inclusion of such amount does not cause an increase in the levy of the Special Tax on Undeveloped Property, less (vii) any amount available to pay debt service or other periodic costs on the Bonds as reasonably determined by the CFD Administrator pursuant to the Indenture.

“Taxable Property” means all Assessor’s Parcels that are not exempt from the Special Tax pursuant to law or the Rate and Method of Apportionment of Special Tax.

“Taxable Public Property” means all Assessor’s Parcels defined as Public Property that are not classified as Exempt Property under Section I because such classification would reduce the sum of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2.

“Trustee” means the trustee, fiscal agent, or paying agent under the Indenture.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property, exclusive of Annexed Property, which are not classified as Developed Property, Taxable Public Property, or Provisional Property.

“Zone” means one of the two mutually exclusive geographic areas defined below.

- **“Zone 1”** means the area within IA No. 1 designated as zone 1 by reference to the Boundary Map.
- **“Zone 2”** means the area within IA No. 1 designated as zone 2 by reference to the Boundary Map.

B. CLASSIFICATION OF ASSESSOR’S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2008-2009, each Assessor’s Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Fiscal Year, each Assessor’s Parcel of Taxable Property shall be further classified as Developed Property, Undeveloped Property, Provisional Property, or Taxable Public Property.

C. MAXIMUM SPECIAL TAXES

1. ZONE 1

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2008-2009, each Assessor’s Parcel of Taxable Property within Zone 1 shall be subject to a Maximum Special Tax equal to \$7,999 per Acre.

The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as Assessor’s Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 1 shall be recalculated as follows:

- 1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 1, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 1 (\$7,999 per Acre) by the minimum taxable Acreage originally established for Zone 1 as defined in Section I (47.92 Acres).

$$[\$7,999 \times 47.92 = \$383,312]$$

- 2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

- 3) The new Maximum Special Tax for Taxable Property within Zone 1 shall equal the result calculated in Step 1, minus the result calculated in Step 2 multiplied by 49.44%, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 1 (47.92 Acres), exclusive of Annexed Property.

$$\frac{[\$383,312 - (\text{Step 2 result} \times 0.4944)]}{47.92} =$$

Maximum Special Tax per Acre for Taxable Property within Zone 1

2. ZONE 2

Taxable Property

Each Fiscal Year commencing in Fiscal Year 2008-2009, each Assessor's Parcel of Taxable Property within Zone 2 shall be subject to a Maximum Special Tax equal to \$4,750 per Acre.

The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as Assessor's Parcels within the Future Annexation Area are annexed to IA No. 1, or if there is an adjustment to the Special Tax in accordance with Section D. The Maximum Special Tax for Taxable Property within Zone 2 shall be recalculated as follows:

- 1) Calculate the total amount of Special Taxes that can be generated through the levy of the Maximum Special Tax within Zone 2, exclusive of Annexed Property, by multiplying the original Maximum Special Tax established for Zone 2 (\$4,750 per Acre) by the minimum taxable Acreage for Zone 2 as defined in Section I (82.53 Acres).

$$[\$4,750 \times 82.53 = \$392,018]$$

- 2) Calculate the total amount of Special Taxes that can be generated by Annexed Property through the levy of the Maximum Special Tax for Annexed Property in accordance with Section C.3.

- 3) The new Maximum Special Tax for Taxable Property within Zone 2 shall equal the result calculated in Step 1, minus the result calculated in Step 2 multiplied by 50.56%, and then by dividing such amount by the minimum taxable Acreage originally established for Zone 2 (82.53 Acres), exclusive of Annexed Property.

$$[\$392,018 - (\text{Step 2 result} \times 0.5056)] / 82.53 =$$

Maximum Special Tax per Acre for Taxable Property within Zone 2

3. Annexed Property

The Maximum Special Tax for Annexed Property shall be equal to the Maximum Special Tax set forth in Exhibit A.

D. Administrative Adjustments to the Maximum Special Tax

1. Prior to Issuance of Bonds

Prior to the issuance of the first series of Bonds, the CFD Administrator shall calculate the total tax burden for all Assessor's Parcels of Taxable Property, to determine whether or not any reductions are necessary to the Maximum Special Tax rate(s) identified herein in order to comply with the Goals and Policies. In calculating the total tax burden, the CFD Administrator shall (i) refer to the City's Goals and Policies, any market absorption study or price point analysis dated not earlier than 90 days prior to the date of issuance or other such date approved by the City, and any other document available to the City and/or CFD Administrator, and (ii) calculate the total tax burden considering the Maximum Special Tax rates and other governmental liens. The Maximum Special Tax set forth herein may be reduced if it is reasonably determined by the CFD Administrator and/or City, through review of available information related to IA No. 1, that the total tax burden against Taxable Property results in an amount that would reduce the marketability of the Bonds based on consultations with the City's underwriter, financial advisor, and/or other project team consultants engaged by the City. The City will have the final discretion regarding any reduction in the Maximum Special Tax rates identified herein.

If a mandatory Special Tax reduction is implemented, the same percent reduction shall be applied to the Maximum Special Tax for each Zone, exclusive of the Maximum Special Tax for Annexed Property set forth in Exhibit A, and the City Council shall cause an "Amended Notice of Special Tax Lien" to be recorded in compliance with the Act. The amount of Bonds that may be issued will be recalculated and shall not exceed an amount, in which, the Maximum Special Taxes that could be levied on Taxable Property within IA No. 1 in each Fiscal Year, less Administrative Expenses for such Fiscal Year, shall provide no less than 110% coverage on the annual debt service on all Outstanding Bonds, as defined in Section F herein.

2. Subsequent to Issuance of Bonds

If, in any Fiscal Year after the City has issued the first series of Bonds, either (i) a Final Map is proposed to be recorded or (ii) an existing Final Map is proposed to be amended, that will result in a reduction of total Acreage of Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2, then a mandatory prepayment must be made in accordance with Sections F and G. The mandatory prepayment must be made by the landowners of those Assessor's Parcel(s) that are the subject of the proposed Final Map or the landowners of those Assessor's Parcel(s) that will be amended by the amended Final Map.

If a mandatory prepayment is required, the mandatory prepayment shall be paid as a requirement to record such new Final Map or amended Final Map.

E. METHOD OF APPORTIONMENT OF THE SPECIAL TAX

Commencing in Fiscal Year 2008-2009 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

- Step One: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Annexed Property and each Assessor's Parcel of Developed Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Two: If additional monies are needed to satisfy the Special Tax Requirement after the first step has been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Three: If additional monies are needed to satisfy the Special Tax Requirement after the first two steps have been completed, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Provisional Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.
- Step Four: If additional monies are needed to satisfy the Special Tax Requirement after all previous steps have occurred, the Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property up to 100% of the applicable Maximum Special Tax to satisfy the Special Tax Requirement.

F. PREPAYMENT OF SPECIAL TAX

The following definitions apply to this Section F:

“Facilities Costs” means either \$6.15 million, expressed in 2008 dollars, which shall increase by the Construction Inflation Index on January 1, 2009, and on each January 1 thereafter, or such lower numbers as shall be determined either by (a) the CFD Administrator as sufficient to finance the Facilities, or (b) the City Council concurrently with a covenant that it will not issue any more CFD No. 7 Bonds secured by IA No. 1 (except refunding bonds) to be secured by Special Taxes levied under this Rate and Method of Apportionment.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the City of Los Angeles, measured as of the Calendar Year, which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the Facilities Costs minus that (a) portion of the Facilities Costs previously and actually funded (i) from the proceeds of all previously issued Bonds, (ii) from interest earnings on the Improvement Fund actually earned prior to the date of prepayment and (iii) directly from Special Tax revenues and (b) amount of the proceeds of all previously issued Bonds then on deposit in the Improvement Fund.

“Improvement Fund” means a fund specifically identified in the Indenture to hold funds, which are currently available for expenditure to acquire or construct the Facilities.

“Outstanding Bonds” means all previously issued Bonds secured by the levy of Special Taxes which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of the Maximum Special Tax.

The Special Tax obligation of an Assessor’s Parcel of Taxable Property may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor’s Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount for an Assessor’s Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor’s Parcel intending to prepay all or a part of the Special Tax obligation shall provide the City with written notice of intent to prepay, and within 10 business days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 7 in calculating the proper amount of a prepayment. Within 30 business days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor’s Parcel. Prepayment must be made not less than 60 days prior to the next occurring date that notice of redemption of Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

| | |
|-------------|------------------------------------|
| | Bond Redemption Amount |
| plus | Redemption Premium |
| plus | Future Facilities Amount |
| plus | Defeasance |
| plus | Administrative Fee |
| less | Reserve Fund Credit |
| <u>less</u> | <u>Capitalized Interest Credit</u> |
| equals | Prepayment Amount |

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For an Assessor's Parcel of Taxable Property, compute the Maximum Special Tax applicable to such Assessor's Parcel.
2. For each Assessor's Parcel intending to prepay, divide the Maximum Special Tax computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Maximum Special Tax applicable to all Assessor's Parcels of Taxable Property, excluding the Maximum Special Taxes of any Assessor's Parcels for which the Special Tax obligation has been previously prepaid.
3. For each Assessor's Parcel intending to prepay, multiply the quotient computed pursuant to paragraph 2 by Outstanding Bonds. The product shall be the "Bond Redemption Amount," for such Assessor's Parcels, as applicable.
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds on the next available redemption date to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. If (a) all the Bonds authorized to be issued by CFD No. 7 for IA No. 1 have not been issued, and (b) the City Council has not restricted its ability to issue additional bonds in the future, then compute the Future Facilities Amount.
6. The "Future Facilities Amount" shall be calculated by multiplying the quotient computed pursuant to paragraph 2, by the amount if any, determined pursuant to paragraph 5. The product shall be the "Future Facilities Amount."
7. Compute the amount needed to pay interest on the Bond Redemption Amount starting with the first Bond interest payment date after which the prepayment has been received until the earliest redemption date for the Outstanding Bonds, taking into consideration the amount of Special Taxes levied on and paid for the Assessor's Parcel in the current Fiscal Year.
8. Compute the amount the CFD Administrator reasonably expects to be derived from the reinvestment of the Prepayment Amount less the Future Facilities Amount and Administrative Fee (defined in paragraph 10) until the earliest redemption date for the Outstanding Bonds.
9. Subtract the amount computed pursuant to paragraph 8 from the result computed pursuant to paragraph 7. This difference is the "Defeasance."

10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirement, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve fund on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than \$0.
12. If any capitalized interest for the Outstanding Bonds will not have been expended at the time of the first interest payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the quotient computed pursuant to step 2 by the expected balance in the capitalized interest fund after such first interest payment (the "Capitalized Interest Credit").
13. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit and less the Capitalized Interest Credit.

With respect to the Special Tax obligation that is prepaid pursuant to this Section F, the City Council shall indicate in the records of CFD No. 7 that there has been a prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax obligation and the release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such Special Tax shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

G. PARTIAL PREPAYMENT OF SPECIAL TAX

The Special Tax obligation of an Assessor's Parcel of Taxable Property may be partially prepaid, as calculated in this Section G, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = (P_F - A) \times F + A$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount.

P_F = the Prepayment Amount calculated according to Section F.

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax obligation.

A = Administrative Fees calculated in Section F, step 10

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the records of CFD No. 7 that there has been a partial prepayment of the Special Tax obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax obligation, to indicate the partial prepayment of the Special Tax obligation and the partial release of the Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax that may be levied on Taxable Property after such partial prepayment, net of reasonably estimated annual Administrative Expenses, shall be at least 1.10 times the regularly scheduled annual interest and principal payments on all Bonds outstanding after such partial prepayment in each future Fiscal Year.

H. TERMINATION OF SPECIAL TAX

For each Fiscal Year that any Bonds are outstanding, the Special Tax shall be levied on all Assessor's Parcels of Taxable Property within IA No. 1 in accordance with Section E. If any delinquencies for the Special Tax remain uncollected prior to or after all Bonds are retired, the Special Tax may be levied to the extent necessary to reimburse CFD No. 7 for uncollected Special Taxes, but not later than the 2048-49 Fiscal Year.

I. EXEMPTIONS

The City shall classify as Exempt Property: (i) Public Property, (ii) Assessor's Parcels used or owned exclusively by a property owners' association, or (iii) Assessor's Parcels with public or utility easements, including Assessor's Parcels designated as open space or retention basin, making impractical their utilization for other purposes than those set forth in the easement, provided that such classification would not reduce the Acreage of all Taxable Property to less than 47.92 Acres within Zone 1 or, to less than 82.53 Acres within Zone 2. Public Property that cannot be classified as Exempt Property will be classified as Taxable Public Property and shall be subject to the Special Tax in accordance with Section E. All other Assessor's Parcels identified within this section that cannot be classified as Exempt Property will be classified as Provisional Property and will be subject to the Special Tax in accordance with Section E.

J. APPEALS

Any property owner claiming that the amount or application of the Special Tax is not correct may file a written notice of appeal with the City Manager of the City not later than twelve months after having paid the first installment of the Special Tax that is disputed. The CFD Administrator shall promptly review the appeal, and if necessary, meet with the property owner, consider written and oral evidence regarding the amount of the Special Tax, and rule on the appeal. If the CFD Administrator's decision requires that the Special Tax for an Assessor's Parcel be modified or changed in favor of the property owner, a cash refund shall not be made (except for the last year of levy), but an adjustment shall be made to the Special Tax on that Assessor's Parcel in the subsequent Fiscal Year(s).

K. MANNER OF COLLECTION

The annual Special Taxes shall be collected in the same manner and at the same time as ordinary ad valorem property taxes, provided, however, that CFD No. 7 may collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

EXHIBIT "C"
SUMMARY COVER LETTER TO FINAL AUDIT REPORT

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
AND
CITY OF MORENO VALLEY**

**PRELIMINARY AUDIT REPORT
For
Payment Request No. 1**

**Improvement Area 1
Flood Control Facilities**

**Submitted by
First Industrial, LP**

**Per
Joint Community Facilities Agreement
Dated October 1, 2009
And
Amended and Restated
Acquisition/Financing Agreement
Dated February 2, 2010**

**Relating to
City of Moreno Valley
Community Facilities District No. 7**

**Prepared by:
WILLDAN FINANCIAL SERVICES
27368 Via Industria Suite 110
Temecula, CA 92590**

September 30, 2010

Attachment: Petition (Fully-Executed by I-215 and FR-CAL) for Change Proceedings in Moreno Valley CFD No. 7 (2068 : PUBLIC HEARING TO



September 30, 2010

Ms. Candace Cassel
 Special District Division Manager
 City of Moreno Valley
 14325 Frederick Street, Suite 9
 P.O. Box 88005
 Moreno Valley, California 92552-0805

**Re: Community Facilities District No. 7
 Preliminary Audit Report for Payment Request No. 1
 Improvement Area 1, Flood Control Facilities
 Perris Valley MDP Lateral B-3 and B-3.2**

Dear Ms. Cassel:

In accordance with the Joint Community Facilities Agreement (the "JCFA"), dated October 1, 2009 between the City of Moreno Valley (the "City"), the Riverside County Flood Control and Water Conservation District (the "RCFCD"), FR/CAL Moreno Valley LLC, First Industrial, LP, and FR/CAL Indian Avenue LLC (collectively the "Owner"), and the Amended and Restated Acquisition/Financing Agreement (the "Agreement") dated February 2, 2010 between the City and the Owner, we are submitting this Preliminary Audit Report for Payment Request No. 1 ("Report") presenting our findings and recommended payment for the Improvement Area 1 Flood Control Facilities, namely Perris Valley MDP Lateral B-3, Stage 2 and Lateral B-3.2 (the "Facilities") as further described in "Exhibit C" of the JCFA.

This Report is in response to the Payment Request No. 1 that was received from the Owner requesting payment for the completed Facilities. Payment Request No. 1 included supporting documentation required by Section 8(c) of the Agreement, such as copies of contracts, change orders, invoices, lien releases, cancelled checks, and other relevant documents that were combined and are located in the following titled binders, which are considered an integral part of Payment Request No. 1 for the Facilities.

CITY OF MORENO VALLEY
 Community Facilities District No. 7

Volume No.'s I, II, and III

Submitted by:

First Industrial Realty Trust, Inc.
 898 North Sepulveda Boulevard
 El Segundo, California 90245
 Mr. Matt Englard

CONTRACTS AND COST DATA

This Report includes the following tables summarizing the Facilities' costs:

- Table 1 – Contract/Purchase Order Summary.** Lists the individual vendor contracts and/or purchase orders submitted with Payment Request No. 1. Information includes vendor's name, work description, contract/purchase order date and number, contract amount, and ineligible and eligible contract amounts relative to the Facilities.
- Table 2 – Summary of Audited Costs.** Identifies incidental, construction and construction management costs, and the *Amount Requested* by the Owner. As the result of "Audit Review Procedures" listed on the following page, the *Amount Recommended* represents the amount eligible for inclusion in the *Recommended Purchase Price*. The *Amount Recommended* is allocated between the RCFCD and City segments of the Facilities by using the agreed upon cost sharing percentages. Individual vendor invoice detail included in pages 2 through 14 of Table 2 provides additional descriptions, amount of work performed, and any audit comments.

Ms. Candace Cassel
 City of Moreno Valley
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REQUIRED DOCUMENTATION

This Report includes the following exhibits, which present documentation evidencing fulfillment by the Owner of obligations, as required by Section 3.3 of the JCFA for determination of Purchase Price and processing of the payment request.

1. **Exhibit A – Owner's Payment Request.** The request is in a form consistent with "Exhibit G" of the JCFA. Requested project costs total \$5,514,716.63, including Owner's project administration of \$108,131.70. Also included is a schedule labeled "Payment Request-Actual Cost," which shows the agreed upon allocation of H&H Construction, Inc. ("H&H"), contract costs between the RCFCD and City segments, with resulting percentage allocations of 96.4 percent and 3.6 percent, respectively. These percentages serve as the basis for allocating all joint costs.
2. **Exhibit B – Acceptance of Facilities.** These two documents include a letter from the RCFCD dated April 2, 2009, accepting the Facilities for operations and maintenance and City Resolution No. 2009-62 dated June 23, 2009, accepting the Facilities.
3. **Exhibit C – Notice of Completion.** The Notice of Completion for the Facilities was recorded with the Riverside County Recorder on April 8, 2009.
4. **Exhibit D – "As-Built" Plans.** Because of their volume, "Exhibit D" includes only page 1 of the final "As-Built" plans approved by the RCFCD and the City for Drawing No. 4-948 relating to the Facilities. The full set of "As-Built" plans is on file with the City's public works department and is incorporated in this Report by reference.
5. **Exhibit E – One year Maintenance Bond.** This is a letter from the City that, upon acceptance by the City on June 23, 2009, reduced the project's performance bond to 10 percent of the H&H contract cost and commenced the one year warranty period pursuant to Section 5 of the Agreement.
6. **Exhibit F – Release of Liens/Material & Labor Bond.** This is a letter from the City dated September 24, 2009, acknowledging that no mechanics' liens have been filed during the allotted time, thereby releasing 90 percent of the Material and Labor Bond. This letter serves as a substitute for the provision of Section 8. (c). (1) of the Agreement requiring written unconditional lien releases from all contractors.
7. **Exhibit G – Evidence of Dedication.** This is a letter from the RCFCD providing the Owner with a "Notice to Proceed" for the construction of Facilities; and a copy of Section 1, Item 10, of the Cooperation Agreement that requires an "Irrevocable Offer of Dedication" of the Facilities, as a condition precedent to providing the notice.
8. **Exhibit H – Amended and Restated Acquisition/Financing Agreement with Joint Community Facilities Agreement.** These are the governing documents relating to the identification, construction, acquisition, funding, and ownership of the Facilities. Due to its volume, only the first page of this document is included in Exhibit H. The document in its entirety is on file with the City and is incorporated in this Report by reference.

AUDIT PROCEDURES

Audit procedures were performed on the contracts, change orders, invoices, cancelled checks, and lien releases to verify the eligibility of costs presented in Payment Request No. 1. These procedures included:

1. Review of applicable sections of the JCFA and Agreement relating to payment provisions and identification of Facilities to be maintained by the RCFCD and City.
2. Verification of receipt of all required documents for the Owner's payment request.
3. Review of all contracts, including change orders, purchase orders, and other supporting documents.
4. Review of invoices and cancelled checks to the prime and subcontractors.
5. Review of contractor lien releases.
6. Verification of specific improvement costs and reasonableness of any cost allocations.

When discovered, missing documents and explanations for certain discrepancies were promptly requested from the Owner. The amounts that could not be verified or satisfactorily resolved were

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communicated to the Owner, and deducted from the Amount Recommended on the detailed vendor spreadsheets.

AUDIT FINDINGS AND ADJUSTMENTS

The Owner has satisfied the documentary requirements of the JCFA and Agreement in support of Payment Request No.1. Requested amounts that were adequately supported with contracts, change orders, and cancelled checks and that were reasonably identified to the Facilities were included in the Amount Recommended in Table 2. Requested amounts that did not satisfy this requirement were excluded and are further discussed below.

Formation Costs: Permits and Fees to the City (page 2 of Table 2) include \$129,940.00 in deposits paid by the Owner to fund CFD formation costs, such as legal fees, special tax consultants, etc. These deposits were included by the Owner in the Payment Request No. 1 for the Facilities. The Owner's payment and formation cost details that were provided by the City have been reviewed; and the amounts appear to be eligible for reimbursement as a formation costs upon issuance of the bonds, but not eligible as a Facilities Cost. Therefore, the Amount Recommended for payment of Facilities Costs in Table 2 has been reduced by \$129,940.00.

Non-related Costs: Permits and Fees (pages 2 and 3 of Table 2) include fees that were identified to projects other than to the Facilities and are not eligible for payment. These include \$2,340.00 paid to the City, \$1,420.99 paid to the RCFCD, and \$1,856.00 paid to the State Water Resources Control Board. There are also two Albert A. Webb and Associates contracts that were related to street improvements or to a combination of street and storm drain that could not be clearly identified to the Facilities and are, therefore, not eligible for payment. These include Webb contract no. 2007-0262 (page 6 of Table 2) for \$39,978.65, and no. 2007-040 (page 11 of Table 2) for \$7,862.08. The Amount Recommended for payment has been reduced by a total of \$53,457.72 that relate to these non-related costs.

Overpayment: Permits and Fees (pages 3 of Table 2) include an apparent overpayment to the RCFCD for the cost of inspection fees. Pursuant to its letter dated October 25, 2007, the amount requested by RCFCD was \$100,936.15; but the amount paid was \$110,936.15. The Amount Recommended for payment for Facilities Costs has been reduced by a total of \$10,000 for this apparent overpayment.

Unallowable Over-time: Certain invoices relating to Albert Webb contract no. 20060146S (page 8 of Table 2) include survey team overtime charges for hours exceeding standard 8-hour work days. Justification by Webb for the overtime hours was to avoid a next-day trip to the job, which would have cost the project a minimum of 4 hours pursuant to the Survey Master Labor Agreement, Southern California Local 12, in affect at the time. By authorizing the occasional overtime hours, Webb had determined that this would be a cost saving to the project. However, it was determined that, in most instances, the number of hours charged at regular straight time rates were less than the eight hours required before overtime rates were applicable. Therefore, the Amount Recommended payment for payment for Facilities has been reduced by \$1,424 to account for these apparent excess charges.

Owner's Project Administration: Payment Request No. 1 includes a project administration charge by First Industrial Realty Trust, the Owners' representative, for \$108,131.70 that is computed at 2 percent of the total Facilities costs. However, the JCFA disallows payment for any portion of the Owner's overhead; and only allows for reimbursement to the Owner for actual reasonable costs, as defined in Article I, Section 1.1, of the JCFA. Therefore, the Amount Recommended for payment for Facilities has been reduced by \$108,131.70, the entire amount of this project's administration charge. The Owner has stated that the amount allowable for eventual payment will be discussed with the City and the RCFCD.

The aforementioned adjustments are summarized in the calculation of the Recommended Purchase Price and Allocation, shown below. The Recommended Purchase Price for the Facilities is \$5,211,763.21.

ALLOCATION OF FACILITIES COSTS BETWEEN RCFCD AND CITY SEGMENTS

"Exhibit C" of the JCFA identifies certain segments of the Facilities that, upon acceptance, are to be maintained separately by the RCFCD and the City. The H&H contract summarized on page 1 of Table 1 includes the primary construction costs for the Facilities. The allocation of these costs between the RCFCD and City segments were reviewed for reasonableness by representatives from the City and the Owner. The final allocation of the H&H contract costs resulted in a 96.4 percent allocation of cost to RCFCD segments, and 3.6 percent allocation to City segments. These percentages were determined to be a reasonable basis for allocating joint costs and were used to allocate all remaining Facilities Costs

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that were not specific to a particular segment. The allocation of costs by major category is shown on page 1 of Table 2.

RECOMMENDED PURCHASE PRICE

The Recommended Purchase Price for the Improvement Area 1 Flood Control Facilities presented in Payment Request No. 1, and the allocation of the purchase price between the RCFCD and the City, is shown below.

| <u>Recommended Purchase Price and Allocation</u> | |
|--------------------------------------------------|---------------------------|
| | <u>Improvement Area 1</u> |
| Owner's Payment Request | \$5,514,716.63 |
| Ineligible Costs | |
| Costs of Formation | \$ (129,940.00) |
| Non-Related Costs | (53,457.72) |
| Overpayment | (10,000.00) |
| Unallowable Over-Time | (1,424.00) |
| Owner's Project Administration | (108,131.70) |
| | <u>\$ (302,953.42)</u> |
| Recommended Purchase Price | <u>\$5,211,763.21</u> |
| Allocation of Purchase Price | |
| RCFCD | 96.4% \$5,025,481.27 |
| City | 3.6% \$ 186,281.94 |

Pursuant to the provisions of the Joint Community Facilities Agreement (See "Exhibit H"), the *Recommended Purchase Price* for both the FCFCD and City portions of the Facilities will be financed, in whole or in part, through the proceeds of bonds issued for the City of Moreno Valley's Community Facilities District No. 7.

Should you have any questions regarding the content of this Report, please call me at (951) 587-3527; I may also be reached via email at bquaid@willdan.com.

Yours truly,

Willdan Financial Services



Robert D. Quaid,
 Senior Project Manager

cc: Mr. Arturo Diaz, Riverside County Flood (aadiaz@rcflood.org)
 Mr. Ken Consaul, Riverside County Flood (keconsaul@rcflood.org)
 Ms. Cynthia Gordon, City of Moreno Valley (cynthiag@moval.org)
 Mr. Marshall Eyerman, City of Moreno Valley (marshalle@moval.org)
 Mr. Chris Fisher, Willdan Financial Services (cfisher@willdan.com)
 Mr. Habib Isaac, Willdan Financial Services (hisaac@willdan.com)
 Mr. Matt Enghard, First Industrial (matt.enghard@cox.net)
 Mr. Phil Lemoine, Webb Associates, (phil.lemoine@webbassociates.com)
 Mr. Dick Kopecky, Willdan Financial Services, (dkopecky4@hotmail.com)
 Mr. Tom Breitkreuz, (breitkreuz@roadrunner.com)
 Mr. Patrick Spillane (pspillane@idsrealestate.com)



Report to City Council

TO: Mayor and City Council

FROM: Allen Brock, Community Development Director
Richard J. Sandzimier, Planning Official

AGENDA DATE: June 21, 2016

TITLE: A PUBLIC HEARING FOR AN AMENDMENT TO THE CITY'S MUNICIPAL CODE TO ADD TECHNICAL CORRECTIONS, DEFINITIONS AND OTHER TEXT MODIFICATIONS TO IMPROVE CLARITY, AND TO ADDRESS INTERNAL INCONSISTENCIES IN TITLES 8, 9, AND 12 OF THE MUNICIPAL CODE.

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Certify that the proposed Municipal Code Amendment (PA14-0011) is exempt under the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) (Review for Exemption) of the CEQA Guidelines in that there is no possibility that the proposal could have a significant impact on the environment; and
2. Introduce Ordinance No. 912. An Ordinance of the City Council of the City of Moreno Valley, California, amending Titles 8, 9 and 12 of the City of Moreno Valley Municipal Code to add technical corrections, definitions and other text modifications to improve clarity, and to address internal inconsistencies.

SUMMARY

This Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations contained in Titles 8, 9, and 12 of the City of Moreno Valley Municipal Code. The majority of the changes pertain to Title 9 Planning and Zoning. Staff has identified a number of minor changes that are recommended to streamline the flow and clarity of the Code (eliminate redundancies), clarify existing processes, and clean up existing inconsistencies in the text.

The proposed amendments include changes that will provide internal Municipal Code consistency, the addition of definitions, changes to the Permitted Uses Table, and modifications to Code regulations for massage establishments ensuring consistency between Title 9 and Title 11 (Peace, Morals, and Safety). Minor changes are also proposed to Title 12 (Vehicles and Traffic) clarifying truck idling times, and Title 8 (Building and Construction) regarding hours of operation for construction and grading.

Amendments to the Municipal Code are not uncommon and have occurred over time in many instances in order to ensure city regulations remain current with State law, the City's General Plan, and City Council direction. They are also often warranted and prudent to improve clarity and use of the Code by both staff and project applicants. The most recent Municipal Code Amendment brought forth to the City Council was in February 2016 and related to a density bonus for multiple-family projects that incorporate green building principles into their design.

PROJECT DESCRIPTION

This City initiated amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. A detailed analysis of each of the twenty-one proposed amendments is included in the attached Planning Commission staff report. The amendments are summarized below:

| | |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------|
| Item 1 | Change wording from "Modified Monument Signs" to "Monument Signs" |
| Item 2 | Revise definition of "Monument Signs" |
| Item 3 | Revise requirements for entry monument signs for multiple-family projects |
| Item 4 | Revise the hours of operation for construction and grading (Title 8) |
| Item 5 | Review/Clarify commercial vehicle restrictions for home occupations |
| Item 6 | Correct the section reference given in Section 9.09.202 - Swimming pools, spas and recreational courts |
| Item 7 | Revise both Title 9 and Title 12 referring to truck idling times consistent with the State requirement |
| Item 8 | Revise the Light Industrial (LI) standards |
| Item 9 | Modify the single-family front yard landscaping standards |
| Item 10 | Delete the "Specific Plan District" section |
| Item 11 | Allow the use of gravel for vehicle storage (single-family residences) |
| Item 12 | Modify the time limits for Temporary Use Permits (TUPs) |
| Item 13 | Clarify and expand uses related to bars, nightclubs and restaurants to Chapter 9.02 (Permits and Approvals) and Chapter 9.15 (Definitions) |
| Item 14 | Addition of "pool hall" to definitions in Chapter 9.15 (Definitions) |
| Item 15 | Addition of "mulch" to definitions in Chapter 9.15 (Definitions) |
| Item 16 | Addition of "Pervious pavement/surfaces" and "hardscape" to definitions in Chapter 9.15 (Definitions) |
| Item 17 | Revise Chapter 9.17 (Landscape and Water Efficiency Requirements) |
| Item 18 | Update public noticing procedures for second dwelling unit (Previously approved in 2010) |

| | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Item 19 | Correction to “Table 9.11.040 A-12 - Off-Street Parking Requirements” regarding second dwelling units in Chapter 9.11 (Parking, Pedestrian and Loading Requirements) |
| Item 20 | Replace various off-street parking requirements to “Table 9.11.040B-12 - Off-Street Parking Requirements” that were inadvertently deleted in Chapter 9.11 (Parking, Pedestrian and Loading Requirements) |
| Item 21 | Changes related to Title 11 (Peace, Morals and Safety) regarding massage parlors/establishments in Title 9 |

DISCUSSION

ADVISORY BOARD/COMMISSION RECOMMENDATION

The Planning Commission approved Planning Commission Resolution 2016-05 on April 28, 2016 by a 7-0 vote. The resolution recommends that the City Council approve the proposed amendments to Titles 8, 9, 11, and 12 of the City Municipal Code.

The Planning Commission recommended the Code Amendment as proposed with one modification to Item 5 of the attached Planning Commission report regarding the regulations for home occupation permits. A home occupation permit provides standards to limit enterprises conducted within homes (e.g. home businesses) to those which are secondary to the use of the residence, and compatible with the surrounding residences. After considerable discussion by the Planning Commission, there was consensus regarding technical modifications to provide added clarity to the home occupation standards regarding the number of vehicles permitted in conjunction with a home occupation, and the weight of the vehicles. The Planning Commission agreed on the following modification to Municipal Code Section 9.02.130.6:

- “No commercial vehicles may be used for delivery of materials, with the exception of occasional and reasonable courier services to or from the premises. No more than two (2) commercial vehicles may be used in connection with a home occupation permit. Each vehicle shall not have dimensions larger than eight (8) feet in total outside width, or seven (7) feet in total height, or twenty-one (21) feet in bumper-to-bumper length. No attachments or equipment shall be permitted when vehicles are not in use and within view of the public right-of-way. Vehicles used for mobile vending shall be subject to the State Health and Safety Codes. The aforementioned vehicles and vehicles for hire shall be subject to the parking restrictions contained in Chapters 1.38 and 12.42 of the municipal code.”

Background

At the April 28, 2016 Planning Commission meeting, the Commissioners received a detailed written staff report (Attachment 2) and a staff presentation including an overview of each proposed Municipal Code Amendment.

During the public comments portion of the public hearing, two speakers spoke in favor of the proposed Municipal Code amendments. One speaker expressed support for the allowance of two vehicles in conjunction with a home occupation as discussed by Planning Commission. The second speaker was in favor of the proposed revisions to the City's landscape standards which allow for the expanded use of mulch and gravel.

Two emails were submitted by residents to the Planning Commission (Attachment 3 and 4). Both residents asked that the Planning Commission defer any action on Items 18 and 19 and request that the City Council initiate a comprehensive re-evaluation of the City's Municipal Code provisions regulating second dwelling units. Neither resident attended the public hearing.

The modification to the second dwelling unit section of the Code to delete public noticing procedures is only proposed as a clean-up item. Based on Government Code Section 65852.2 (second-unit law), a local agency is currently required to treat the projects as ministerial. A Municipal Code Amendment processed in 2010 (PA09-0024) was intended to remove the noticing requirements in Section 9.09.130 (D) for second dwelling units consistent with State law regulations. However, due to the manner in which the ordinance language was drafted and submitted to the official codifier, the change was not made. Therefore, Items 18 and 19 is a minor clean-up item to be consistent with noticing requirements in State law (Government Code Section 65852.2).

After additional discussion with staff, the Planning Commission took actions to recommend that the City Council approve all twenty-one Code amendment items with the revised wording for the home occupation section of the Code.

ENVIRONMENTAL

Staff has reviewed the proposed Municipal Code Amendment in accordance with the CEQA Guidelines and has determined that the code amendment is exempt pursuant to Section 15061 (b) (3) (Review for Exemption) of the CEQA Guidelines. This exemption applies if "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

Each of the proposed amendments was analyzed under the California Environmental Quality Act to determine if the proposal qualified as an exemption (Attachment 5). It was determined that each amendment would be covered by the general rule provided for in Section 15061(b)(3). Therefore, this project will not have a significant effect on the environment.

ALTERNATIVES

1. Approve the proposed Ordinance as submitted. Staff recommends this alternative.
2. Deny the proposed Ordinance and thereby retain the regulations as they currently exist. An action to deny the proposed ordinance would not implement the various policy clarifications and text clean-ups to Titles 8, 9, and 12 of the City of Moreno Valley Municipal Code. Staff does not recommend this alternative.

FISCAL IMPACT

Not applicable.

CITY COUNCIL GOALS

Not applicable.

NOTIFICATION

In accordance with Section 9.02.200 of the Municipal Code, a 1/8 page public notice was published in the Press Enterprise newspaper on or before June 11, 2016 for the June 21, 2016 public hearing; thereby satisfying the ten day notice required (Attachment 6).

PREPARATION OF STAFF REPORT

Prepared By:
Claudia Manrique
Associate Planner

Department Head Approval:
Allen Brock
Community Development Director

Concurred By:
Richard J. Sandzimier
Planning Official

CITY COUNCIL GOALS

None

ATTACHMENTS

1. Proposed Ordinance
2. Exhibit A - 9.12.060 to Ordinance
3. Exhibit B - Permitted Uses Table to Ordinance
4. Exhibit C - Parking Tables to Ordinance
5. Planning Commission Report with Attachments

- 6. K Dale Email 4-27-16
- 7. P Holmes Email 4-27-16
- 8. CEQA Review Memo
- 9. Public Hearing Notice

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/01/16 9:02 AM |
| City Attorney Approval | <u>✓ Approved</u> | 5/24/16 8:48 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:34 PM |

ORDINANCE NO. 912

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA14-0011 AMENDING SEVERAL ZONING REGULATIONS CONTAINED IN TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE. THE PROPOSED AMENDMENTS INCLUDE TECHNICAL CORRECTIONS TO FURTHER INTERNAL MUNICIPAL CODE CONSISTENCY, INCLUDING ADDITIONS OF DEFINITIONS, AND CHANGES TO THE PERMITTED USES TABLE. MINOR CHANGES ARE ALSO PROPOSED TO TRUCK IDLING TIMES IN TITLE 12, AND HOURS OF OPERATION FOR CONSTRUCTION AND GRADING IN TITLE 8

The City Council of the City of Moreno Valley does ordain as follows:

WHEREAS, it is a City-initiated work effort to update the Municipal Code to maintain consistency with state law and city practices; and

WHEREAS, staff identified a number of miscellaneous code amendments to Title 9 (Planning and Zoning) of the City's Municipal Code in order to clarify ambiguous language, remove language discrepancies, and codify existing policies and procedures and/or application requirements; and

WHEREAS, staff identified a code amendment to Title 12 (Vehicles and Traffic) of the City's Municipal Code in order to clarify a language discrepancy regarding diesel truck idling times, and meeting the requirements of California Code of Regulations, Title 13, Division 3, Article 1, Chapter 10, section 2485(c); and

WHEREAS, staff identified a code amendment to Title 8 (Building and Construction) of the City's Municipal Code in order to clarify a language discrepancy regarding hours of operation for construction and grading activities times; and

WHEREAS, on March 14, 2016, a 1/8 page Public Notice was published in the *Press Enterprise Newspaper*, advertising a duly noticed public hearing before the Planning Commission regarding the proposed "clean-up" code amendments; and

WHEREAS, on March 24, 2016, the Planning Commission continued the public hearing for this project to the April 28, 2016 Planning Commission agenda; and

WHEREAS, on April 28, 2016, the Planning Commission reviewed the list of Staff's proposed "clean-up" code amendments that were arranged by 21 topics, provided Staff with its feedback on all the proposed amendments; and

WHEREAS, on April 28, 2016, the Planning Commission adopted Planning Commission Resolution No. 2016-05, thereby recommending to the City Council the adoption of an ordinance to amend miscellaneous “clean-up” code changes to Title 9 (Planning and Zoning), Title 8 (Building and Construction), and Title 12 (Vehicles and Traffic) of the City’s Municipal Code; and

WHEREAS, the amendment of the Moreno Valley Municipal Code is exempt from further environmental review pursuant to Section 15061 of the California Environmental Quality Act (CEQA) Guidelines; and

WHEREAS, on June 9, 2016, a 1/8 page Public Notice was published in the *Press Enterprise Newspaper*, advertising a duly noticed public hearing before the City Council regarding the proposed “clean-up” code amendments; and

WHEREAS, the City Council of the City of Moreno Valley has considered information presented by the Community Development Director and other interested parties at a public meeting held on June 21, 2016; and

WHEREAS, the City Council has determined that the adoption of this Ordinance is in the best interests of the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to Section 21083 of the California Environmental Quality Act (CEQA) statues and Section 15061 of the CEQA Guidelines, it has been determined that this amendment of the Municipal Code is exempt from further environmental review.

SECTION 2. If any portion of this Ordinance, or application of any such provision to any person or circumstances, shall be held invalid, the reminder of this Ordinance to the extent it can be given effect, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 3. Amendments of Title 9 (Planning and Zoning), Title 8 (Building and Construction), and Title 12 (Vehicles and Traffic) of the Moreno Valley Municipal Code is in the best interest of the public because the revisions will ensure the Municipal Code maintains consistency with state law and city practices.

SECTION 4. FINDINGS

- A. Conformance with the General Plan - The proposed use is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The proposed Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations contained in Title 9 of the City of Moreno Valley Municipal Code. The proposed amendments range from minor “clean-up” items, changes to further internal Municipal Code consistency, additions of definitions, changes to the Permitted Uses Table, and changes to massage facilities to be in agreement with Title 11 (Peace, Morals, and Safety). There are also minor changes to Title 12 (Vehicles and Traffic) referring to truck idling times and Title 8 (Building and Construction) referring to hours of operation for construction and grading.

The list of Municipal Code sections to be revised include the following: 9.12.060 (Permitted Signs), 9.15.030 (Definitions), 9.02.130.6 (Home Occupation Permits), 9.09.202 (Swimming pools, spas and recreational courts), 9.05.050 (Good Neighbor Guidelines for warehouse distribution facilities), 12.38.020 (Parking prohibitions or restrictions), 9.05.040 (Industrial Site Development Standards), 9.03.040E (Special Single-Family Residential Development Standards), 9.13.040 (Map designation), 9.16.130 (Single-Family Residential General Guidelines), 9.02.150 (Temporary Use Permits), 9.02.020 (Permitted Uses), 9.17.070 (Single-family residential development), 9.11.040 (Off-Street Parking Requirements), 9.02.130 (Home Occupation Permits), 8.21.050 (Grading Permit Requirements), 8.14.040 (Miscellaneous standards and regulations) and the elimination of Section 9.07.020 (Specific Plan District) from the City of Moreno Valley Municipal Code.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. All text changes were reviewed to ensure that the clarifying language and minor technical errors are consistent with General Plan policies.

The proposed amendments to the Municipal Code which are applicable to residential areas will further General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design. The proposed Code amendment establishing new use categories for bars, bars with limited live entertainment, nightclubs, and restaurants with limited live entertainment is consistent with Objective 2.4 of the General Plan in that expansion of restaurant and bar type uses will serve the retail and service commercial needs of Moreno Valley residents and businesses.

The Municipal Code Amendment is consistent with the General Plan and its goals, objectives, policies and programs.

- B. Health, Safety and Welfare – The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

FACT: The proposed changes do not have the potential of adversely affecting the public health, safety or welfare of the residents of City of Moreno Valley or surrounding jurisdictions.

Staff has reviewed the proposed Municipal Code Amendment in accordance with the CEQA Guidelines and has determined that the project qualifies as exempt pursuant to Section 15061 (b) (3) (Review for Exemption) of the CEQA Guidelines. For the proposed Code amendments, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

The proposed Municipal Code Amendment includes various clarifications and text clean-ups amending several zoning regulations. The proposed amendments range from minor “clean-up” items, changes to further internal Municipal Code consistency, additions of definitions, changes to the Permitted Uses Table, and changes to massage facilities to be consistent with Title 11 (Peace, Morals, and Safety). Based on staff’s review of the Project, no special circumstances exist that would create a reasonable possibility that this project will have a significant effect on the environment.

C. Conformance with Zoning Regulations – The proposed amendment is consistent with the purposes and intent of Titles 8, 9 and 12 of the Municipal Code.

FACT: The amendment process is necessary to ensure compliance with the procedures required by state law, and to establish a reasonable and fair means to allow amendments and changes which will ensure consistency with the General Plan and all applicable zoning and other regulations. The proposed amendment meets all applicable Municipal Code requirements related to amendments to provisions of Title 9 (MC 9.02.050). The proposed changes to Title 8 and Title 12 were also reviewed and found consistent with the General Plan and all applicable zoning and other regulations.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. These proposed amendments clarify and address inconsistencies within the Municipal Code. As proposed, the amendment is consistent with the purposes and intent of Titles 8, 9, and 12.

SECTION 5. MUNICIPAL CODE AMENDED SECTION 9.12.060:

5.1 Section 9.12.060 of Chapter 9.12 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended as follows:

The term “modified” from “modified monument signs” shall be removed from the City of Moreno Valley Municipal Code and replaced with “monument signs.”

Section 9.12.060 of Chapter 9.12 of the City of Moreno Valley Municipal Code is hereby amended and replaced with the text provided in Exhibit A of this Ordinance.

SECTION 6. MUNICIPAL CODE AMENDED SECTION 9.15.030:

6.1 Section 9.15.030 of Chapter 9.15 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended with the following:

Municipal Code Section 9.15.030 replaces the existing definition of “Modified Monument Sign” replacing it with “Monument Sign” as follows:

“Monument sign” means a sign supported permanently on the ground by columns, pilasters, or similar details to provide design interest and complement their surroundings. Monument signs shall incorporate landscaping to screen the base. Landscaping around monument signs should be designed to ensure the long-term readability of the sign.

SECTION 7. AMENDMENT TO SECTION 9.12.060:

7.1 Section 9.12.060.B.2.b of Chapter 9.12 of the City of Moreno Valley Municipal Code is revised and replaced with language to allow multiple-family complexes greater design flexibility with entry wall signs while not expanding the amount of total square footage allowed for signage.

7.2 Section 9.12.060.B.2.b of Chapter 9.12 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

b. Multiple-Family Complex. One wall or monument sign, not exceeding 25 square feet in area per display face, is allowed for each public street frontage. Monument signs may not exceed 6 feet in overall height. In lieu of a freestanding sign or one large wall sign, 2 single-sided, wall mounted-signs not exceeding 25 square feet per display face are allowed for each public street frontage when located at a project entry point. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.

SECTION 8. AMENDMENT TO SECTIONS 8.21 AND 8.14 OF TITLE 8

8.1 Sections 8.14.040E and 8.21.050.O of the City of Moreno Valley Municipal Code are revised and replaced to make the work hours allowed for construction and grading activities consistent.

8.2 Section 8.21.050.O of Chapter 8.21 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

O. Time of Grading Operations. Grading and equipment operations shall only be completed between the hours of seven a.m. to seven p.m. Monday through Friday, excluding holidays and from eight a.m. to four p.m. on Saturday. The city engineer may, however, permit grading or equipment operations before or after the allowable hours of operation if he or she determines that such operations are not detrimental to the health, safety, or welfare of residents or the general public. Permitted hours of

operations may be shortened by the city engineer's finding of a previously unforeseen effect on the health, safety, or welfare of the surrounding community.

8.3 Section 8.14.040.E of Chapter 8.14 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Hours of Construction. Any construction within the city shall only be completed between the hours of seven a.m. to seven p.m. Monday through Friday, excluding holidays and from eight a.m. to four p.m. on Saturday, unless written approval is obtained from the city building official or city engineer.”

SECTION 9. AMENDMENT TO SECTION 9.02.130.D.6

9.1 Section 9.02.130.6 of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised and replaced with language clarifying the sizes of vehicles that may be parked at single-family residences in conjunction with a home occupation approved business.

9.2 The text of Section 9.02.130.D.6 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended and replaced to read as follows:

6. No commercial vehicles may be used for delivery of materials, with the exception of occasional and reasonable courier services to or from the premises. No more than two (2) commercial vehicles may be used in connection with a home occupation permit. Each vehicle shall not have dimensions larger than eight (8) feet in total outside width, or seven (7) feet in total height, or twenty-one (21) feet in bumper-to-bumper length. No attachments or equipment shall be permitted when vehicles are not in use and within view of the public right-of-way. Vehicles used for mobile vending shall be subject to the State Health and Safety Codes. The aforementioned vehicles and vehicles for hire shall be subject to the parking restrictions contained in Chapters 1.38 and 12.42 of the municipal code.

SECTION 10. AMENDMENT TO SECTION 9.09.202.C

10.1 Section 9.09.202.C of Chapter 9.09 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended with the following:

Municipal Code 9.09.202.C.3 replaces the existing reference “Section 9.03.040(E)(3)” and replacing it with “Section 9.03.040(E)(7)” as follows:

3. Swimming pool equipment shall be operated in accordance with Section 9.03.040(E)(7).

SECTION 11. AMENDMENT TO SECTIONS 9.05.050.D OF TITLE 9 and 12.38.020.C OF TITLE 12

11.1 Sections 9.05.050.D and 12.38.020.C of the City of Moreno Valley Municipal Code are revised to meet truck idling rules and regulations set by the State per California Code of Regulations Title 13, Section 2485, which is a five (5) minute limit.

11.2 Section 9.05.050.D of Chapter 9.05 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

D. Reduce and/or eliminate diesel idling within the warehouse/distribution center by using the following strategies:

1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020(C), Parking Prohibitions or Restrictions, while adjacent to a developed residential area, the operator shall not idle the vehicle's engine for longer than five (5) minutes.
2. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040(A)(1), Idling Limitation, a driver of a vehicle must turn off the engine upon stopping at a destination.
3. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040(C), Idling Limitation, an equipment operator of a TRU (transportation refrigeration unit) must not cause or allow a TRU to operate while stationary unless the vehicle is lawfully parked at a location approved for truck parking by this code and not within five hundred (500) feet of a school unless the operator is actively engaged in the process of loading or unloading cargo or is waiting in a queue to load or unload cargo for a period not to exceed two hours.
4. Enforce compliance with Moreno Valley Municipal Code Section 12.50.060(D), Relationship to Other Laws, nothing in this chapter allows idling in excess of other applicable laws, including, but not limited to, any other local, state or federal law or regulation as stringent as, or more stringent than this chapter.
5. Future tenant improvements involving conversion of a warehouse for refrigeration storage shall include electrical hookups for refrigeration units.
6. Promote the installation of on-site electric hook-ups to eliminate the idling of main and auxiliary engines during loading and unloading of cargo and when trucks are not in use.

11.3 Section 12.38.020.C of Chapter 12.38 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

- C. While adjacent to a developed residential area within the city, the operator shall not idle the vehicle's engine for longer than five (5) minutes.

SECTION 12. AMENDMENT TO SECTION 9.05.040.B.9

12.1 Section 9.05.040.B.9 of Chapter 9.05 of the City of Moreno Valley Municipal Code is revised by deleting of the word "building." The rest of Section 9.05.040B (numbers 1-8 and 10) will remain unchanged.

12.2 Section 9.05.040.B.9 of Chapter 9.05 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

9. In the LI district, industrial and warehouse, structures greater than fifty thousand (50,000) square feet in building area shall be separated from any Residential district as determined by an air quality and noise impact analysis. The minimum separation distance for such uses shall be two hundred fifty (250) feet between the residential district and the truck court or loading area.

SECTION 13. AMENDMENT TO SECTION 9.03.040.E

13.1 Section 9.03.040.E of Chapter 9.03 of the City of Moreno Valley Municipal Code is revised by including additional single-family zoning districts that require fully landscaped front yards and street side yards when residential developments have five or more dwelling units. The amendment is to the Special Single-Family Residential Development Standards.

13.2 Section 9.03.040.E of Chapter 9.03 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Special Single-Family Residential Development Standards.

1. In any residential district, front yard setbacks in subdivision developments may be reduced by twenty (20) percent provided the mean of all such setbacks in the development is not less than the minimum required for the district.
2. In the R2, RA2, R3 and R5 districts, developments of five or more dwelling units shall include front and street side yard landscaping and shall consist predominantly of plant materials, except for necessary walks, drives and fences.
3. In the RS10 district, driveways and fire hydrants shall be designed and located to maximize on-street parking opportunities in front of each residence.

4. Within the RS10 district, small lot single-family subdivisions on less than fifteen (15) gross acres shall provide landscaping and decorative walls along the street side of corner lots and at least two of the following amenities throughout the project:
 - a. Front porches;
 - b. Automatic garage door openers;
 - c. Electronic security systems.

5. Within the RS10 district, small lot single-family subdivisions on fifteen (15) gross acres or more shall include usable common open space encompassing a minimum of ten (10) percent of each development. Usable common open space does not include individually owned lots, parking areas, nor vehicular rights-of-way. Usable common open space is open space and/or recreational amenities under joint (common) ownership, including, but not necessarily limited to, landscaped areas, trails, playgrounds, tennis courts, swimming pools and recreational buildings. A homeowners' association shall be established to provide continual maintenance of the commonly owned facilities.

6. For all developments within the R5 land use district, a buffer of lots held to the development standards of the R3 land use district shall be included for all portions of a subdivision located adjacent to lower density single-family residential land use districts, including the R1, R2, RA-2, and RR zones.

7. In all residential districts, air conditioners, heating, cooling and ventilating equipment and all other mechanical, lighting or electrical devices shall be operated so that noise levels do not exceed sixty (60) dBA (Ldn) at the property line. Additionally, such equipment, including roof-mounted installation, shall be screened from surrounding properties and streets and shall not be located in the required front yard or street side yard. All equipment shall be installed and operated in accordance with other applicable city ordinances.

SECTION 14. AMENDMENT TO SECTION 9.07.020

14.1 Section 9.07.020 of Chapter 9.07 of the City of Moreno Valley Municipal Code is hereby amended by deleting the whole section. There is no reference to Specific Plan Districts in the City of Moreno Valley General Plan.

14.2 Section 9.07.020 of Chapter 9.07 of the City of Moreno Valley Municipal Code is hereby deleted.

SECTION 15. AMENDMENT TO SECTION 9.13.040

15.1 Section 9.13.040 of Chapter 9.13 of the City of Moreno Valley Municipal Code is hereby amended by deleting the reference to the General Plan.

15.2 Section 9.13.040 of Chapter 9.13 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

Areas within an approved specific plan shall be designated on the official zoning map as follows:

In all cases, the “SP” symbol shall be followed by a number to designate the specific plan (e.g., SP-1: Specific Plan No. 1). All development shall be subject to provisions of the designated specific plan, associated documents and the regulations of this chapter.

SECTION 16. AMENDMENT TO SECTION 9.02.150.D

16.1 Section 9.02.150.D of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised by adding the time limits for larger shopping centers as Number 2 and renumbering the rest of the section as Numbers 3 through 9.

16.2 Section 9.02.150.D of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended with the following:

D. Special Requirement for Merchandise Sales. The following shall apply to merchandise sales, as delineated in the Temporary Uses Table 9.02.150-3 above:

1. “Merchandise sale... in conjunction with established businesses” means an event managed and operated by the owner or operator of a permanently established business, on the premises of that business (or upon immediately adjacent common area of a shopping or commercial center in which the business is located), conducting the sale, lease, rental or other transfer of control of merchandise which is inventory of the established business and which is of the same or similar kind and quality normally offered as immediately available to the public by that business at that business site. Sales operated by outside vendors shall not be permitted under this provision. An outdoor sale of merchandise on the premises of a business that ordinarily only displays merchandise and/or conducts sales or lease transactions for customer delivery at another site or at another time shall not be permitted under this provision. This subsection shall not apply to “merchandise sales on the premises of a bank, [etc.],” as listed in the Temporary Uses Table.

2. Merchandise sales sponsored and sanctioned by the Master Property Association or Property Manager for Shopping Centers, which are 20 acres or larger and located within the Community Commercial zoning (CC) district, shall have a maximum of 36 days per calendar year.
3. Food and Entertainment. Upon approval of the community development director and compliance with all other laws and regulations, food or entertainment may be sold or provided by two or fewer secondary vendors incidental to the merchandise sale, such as a hot dog cart, snow cone or popcorn wagon, pony ride, inflatable jumper, etc., provided that such uses occupy not more than twenty-five (25) percent of the total space occupied by the sale or four hundred (400) square feet, whichever is less.
4. Merchandise sales (including display areas) shall not occupy landscaped areas or unimproved surfaces.
5. Merchandise sales taking place upon parking surfaces shall be confined to improved parking surfaces. Merchandise sales shall not occupy more than twenty (20) percent of the legally required improved parking spaces for the business conducting the sale. No merchandise sale shall occupy parking spaces legally required for another business, including other businesses located in the same shopping or commercial center, or parking spaces otherwise required for the shopping or commercial center in which the business is located. Merchandise sales may occupy on-site improved parking spaces that are not so legally required, subject to all other provisions of this chapter. No merchandise sale shall occupy or encumber more than one hundred twenty-five (125) parking spaces.
6. Merchandise sales shall not negatively affect the vehicular and pedestrian circulation patterns of the subject site or nearby streets, or the usability of the remaining parking spaces for the site, and shall allow unabated access for public safety personnel and vehicles.
7. Setup and Takedown. One day of setup before a merchandise sale and one day of takedown/cleanup after the sale shall not be counted against the total number of permitted sale days. No sales activity shall occur on such setup or takedown/cleanup days.
8. No Use of Public Right-of-Way. Any and all personal properties or merchandise shall be solely contained on private property and shall not extend into the public right-of-way.
9. Cleanup. The permittee shall be responsible for cleanup of the site within twenty-four (24) hours of termination of the sale event.

SECTION 17. AMENDMENT TO SECTION 9.02.020

17.1 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised by adding the four new restaurant, nightclub, and bar type uses to the “Permitted Uses Table 9.02.020-1”.

17.2 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised “Permitted Uses Table 9.02.020-1” in Exhibit B of this Ordinance.

SECTION 18. AMENDMENT TO SECTION 9.15.030

18.1 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code is hereby amended by adding ten new definitions: bars, bars with limited live entertainment, hardscape, mulch, nightclub, permeable paving/surfaces, pool hall, restaurants with limited live entertainment, and spa facility, and deleting the definition for massage parlor. All other definitions in Section 9.15.030 remain unchanged.

18.2 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

“Bars” means an establishment serving alcoholic beverages for on-site consumption as the primary use, including bars, cocktail lounges, pubs, saloons, and taverns and in which the service of food is only incidental to the consumption of such beverages.

“Bars, with Limited Live Entertainment” means a bar or tavern that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet and customer dancing does not occur. The use shall instead be classified as a nightclub if the performance area exceeds 75 square feet or customer dancing occurs. Live entertainment does not include a sexually oriented business.

“Hardscape” refers to the solid, hard elements in landscape design that stay the same for years. Examples of hardscape designs include patios, decks, driveways, walkways, stairs, water features, retaining or garden walls and outdoor kitchens. Many different materials are used in hardscape designs including concrete, brick, slate and flagstone.

“Mulch” means any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, and decomposed granite left loose and applied to the soil surface for the beneficial purposes of reducing evaporation, suppressing weeds, moderating soil temperature, and preventing soil erosion. In mulched planting areas, the use of low volume irrigation is required to maximize water infiltration into the root zone.

“Nightclubs” means a bar, tavern, restaurant or similar establishment that provides live entertainment (music, comedy, etc.) that may serve alcoholic beverage for sale, where the performance area exceeds 75 square feet, or customer dancing occurs.

“Permeable paving/surfaces” means any paving or surfaces that allow storm water to infiltrate the underlying soils. Permeable paving/surfaces are required to be contained so neither sediment nor the permeable surface discharges off the site. Materials allowed include but are not limited to: porous asphalt, porous concrete, single-sized aggregate, planting beds, open-jointed blocks, stone, pavers or brick that are loosely set without mortar.

“Pool hall” means a building or portion thereof having within its premises four or more pool tables or billiard tables, or combination thereof, regardless of size, and whether activated manually or by the insertion of a coin, token or other mechanical device.

“Restaurants with Limited Live Entertainment” means a restaurant that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet, and customer dancing does not occur. The use shall be classified as a nightclub (commercial entertainment) if the performance area exceeds 75 square feet or customer dancing is provided. Live entertainment does not include a sexually oriented business.

“Spa facility” means an establishment in a fixed location where massage is performed for compensation pursuant to all applicable state and local laws, rules and regulations as well as meeting all the requirements of Chapter 11.96 (Spa facilities). Spa facilities may include additional services such as full service hair salons, make-up consultation and application and manicure and pedicure services, and therapeutic treatments such as body packs and wraps, exfoliation, cellulite and heat treatments, electrolysis, body toning, waxing, aromatherapy, cleansing facials, medical facials, non-surgical face lifts, electrical toning and electrolysis. Hydrotherapy and steam and sauna facilities, nutrition and weight management, spa cuisine and exercise facilities and instruction may also be provided as additional services.

18.3 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code hereby deleted the definition of massage parlor.

SECTION 19. AMENDMENT TO SECTION 9.17.070.A

19.1 Section 9.17.070.A of Chapter 9.17 of the City of Moreno Valley Municipal Code is hereby amended by revising existing landscape guidelines for single-family residential homes to include better guidance for drought tolerant landscapes.

19.2 Section 9.17.070.A of Chapter 9.17 of the City of Moreno Valley Municipal

Code is hereby amended to read as follows:

- A. Plans for landscape construction or reconstruction of existing single-family units, custom homes and model home complexes are subject to review by the planning division to ensure:
1. Conformance with prevailing building design guidelines, with pleasing visual aesthetics and water efficient design.
 2. Use of xeriscape landscaping.
 3. Use of approved landscape materials.
 4. Use of approved “smart irrigation” controllers.
 5. Irrigation systems minimize overspray onto structures or hard surfaces such as sidewalks, driveways and walls/fences.
 6. The front yard areas have a maximum allowance of twenty-five (25) percent turf with the remaining yard planted with shrubs, groundcovers and required trees. Turf should be planted in gathering areas only. Pavement and other solid surfaces shall not cover more than half of the required front yard setback. Pervious pavement/surfaces are recommended to reduce water run-off.
 7. Ground Treatment. The ground area within required landscape areas shall receive landscape treatment and present a finished appearance and reasonably complete coverage upon planting. Areas not planted with trees, shrubs, or bedding plants shall be planted according to the following provisions.
 - (1) Areas may be planted with ground cover. Ground cover shall be of a size and spacing to provide one hundred (100) percent coverage within the first year of planting. Edging shall be provided for all ground cover.
 - (2) Mulch shall be installed and maintained at a minimum depth of three (3) inches on all planted areas except where ground cover plants are fully established. Mulch may be approved as a permanent ground treatment in landscape designs up to 25 percent of the total required landscape area. Mulch with an accompanying weed barrier may be used in a limited way when appropriate to a design concept and as a ground treatment in areas where drainage is a problem.
 8. New and existing single-family front yard setbacks include front and street side yard landscaping consisting predominantly of plant materials including shrubs, groundcovers and required trees, except for necessary walks, drives and fences, not including weeds, as defined in Municipal Code Chapter 6.04, or concrete/hardscape materials.
 9. Groundcover should be used to absorb run-off from rain or irrigation.
 10. Reduction of hardscape/paving is recommended to reduce water run-off. Pervious pavement/surfaces are preferred.
 11. The plant palette provided in the County of Riverside Guide to Friendly Landscaping is recommended to identify plants which can be used to establish an aesthetically pleasing and water efficient landscape.

SECTION 20. AMENDMENT TO SECTION 9.09.130.D

20.1 Section 9.09.130.D of Chapter 9.09 of the City of Moreno Valley Municipal Code is hereby amended by deleting the noticing requirements for second dwelling units to be consistent with noticing requirements in State law (Government Code Section 65852.2).

20.2 Section 9.09.130.D of Chapter 9.09 of the City of Moreno Valley Municipal Code is hereby deleted. All other text of Section 9.09.130 remains unchanged.

SECTION 21. AMENDMENT TO SECTION 9.11.040

21.1 Section 9.11.040 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended by replacing uses inadvertently deleted in a past Municipal Code Amendment to both Table 9.11.040A-12 (Off-Street Parking Requirements) and Table 9.11.040B-12 (Off-Street Parking Requirements) and revising the parking requirements for second dwelling units in Table 9.11.040A-12 (Off-Street Parking Requirements).

21.2 Section 9.11.040 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised ““Off-Street Parking Requirements Tables 9.11.040A-12 and Table 9.11.040B-12” provided in Exhibit C of this Ordinance.

SECTION 22. AMENDMENT TO SECTION 9.02.020

22.1 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended by changing the term “massage establishment” under Personal Services to “spa facilities” in the Permitted Uses Table.

22.2 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised “Permitted Uses Table 9.02.020-1” provided in Exhibit B of this Ordinance.

SECTION 23. AMENDMENT TO SECTION 9.02.130

23.1 Section 9.02.130 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended by replacing the term “massage establishment” with “spa facilities.”

23.2 Section 9.02.130.E of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Prohibited Home Occupation Uses. The following uses, either by operation or nature, are not considered to be incidental to or compatible with residential activities and therefore shall not be permitted as home occupations:

1. Automotive and other vehicle (inclusive of motorcycles or recreational vehicles) repair (body or mechanical), upholstery, painting or storage;
2. Towing;
3. The sale, use or manufacture of ammunition, explosives or fireworks;
4. Spa Facilities. This shall not be construed to prohibit medical massage performed by licensed professionals, as defined in this title;
5. Junk yards;
6. Escort services; and
7. Quantities of materials which may present a health and/or safety hazard, including, but not limited to: explosives; flammable or combustible dusts, liquids or gases; corrosives; irritants and toxic materials.

SECTION 26. EFFECT OF ENACTMENT

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 27. NOTICE OF ADOPTION

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 28. EFFECTIVE DATE

This ordinance shall take effect thirty (30) days after the date of adoption.

APPROVED AND ADOPTED this 21st day of June, 2016.

ATTEST:

Mayor

City Clerk

16
Ordinance No. 912
Date Adopted: July 5, 2016

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, _____, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 912 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 5th day of July, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Exhibit A: “List of Changes to Section 9.12.060 Permitted signs”

9.12.060 Permitted signs.

A. General Provisions.

1. The following signs shall be permitted subject to a sign permit:

- a. Monument signs;
- b. Tenant identification (wall) signs;
- c. Drive-through restaurant menu boards;
- d. Freeway signs;
- e. Gas station signs;
- f. Theater marquees;
- g. Internal guidance signs;
- h. Directory signs;
- i. Special event signs;
- j. Off-site directional signs;
- k. Banners.

2. Changeable Copy. The signs described in this section may include manual, electronic or mechanically activated changeable copy comprising not more than fifty (50) percent of the sign copy area. Such changeable copy shall not blink, flash or change in appearance more than once in three seconds. Manually activated changeable copy signs shall use no more than two colors and shall be enclosed within a cabinet with a clear protective cover.

B. Monument Sign Requirements.

1. Commercial and Industrial Developments. One sign is allowed per driveway not to exceed a total per street frontage of two square feet of copy area and two and one-half square feet of sign area respectively for each one thousand (1,000) square feet of gross floor area within the development. With respect to a single building of less than ten thousand (10,000) square feet in gross floor area located on an individual parcel with street frontage, such sign need not be less than

twenty (20) square feet in sign copy area and thirty-five (35) square feet in sign area per street frontage.

2. Residential Developments.

a. Neighborhood Identification Signs.

i. One non-illuminated neighborhood identification sign is permitted at each street entrance to each neighborhood.

ii. Neighborhood identification signs shall not exceed twenty-five (25) square feet in copy area, forty-five (45) feet in sign area and six feet in height.

iii. The content of such signs shall be limited to the name of the neighborhood.

iv. All neighborhood identification signs shall be designed for maximum vandal resistance and shall be made of masonry, cement, or other materials of comparable durability. Such signs may be either freestanding or affixed to the neighborhood perimeter wall.

v. All neighborhood identification signs shall comply with the sight distance requirements for traffic safety.

vi. No neighborhood identification sign shall be allowed unless a homeowners' association or community services district is responsible for sign maintenance.

vii. Any neighborhood identification sign located within a city right-of-way shall require an encroachment permit for such sign from the city engineer.

b. Multiple-Family Complex. One sign is permitted per street frontage not to exceed twelve (12) square feet in copy area, twenty-five (25) square feet in sign area and six feet in height. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.

c. Temporary Model Home Complex. Two non-illuminated signs are permitted not to exceed twenty-five (25) square feet in copy area, forty-five (45) square feet in sign area and six feet in height at each major entrance to the complex. Such signs shall be removed at the completion of home sales.

3. Institutional Signs Within Residential Districts. One monument sign not to exceed thirty-six (36) square feet in copy area, forty-eight (48) square feet in sign area and eight feet in height is permitted to identify the premises of a place of religious worship or similar quasi-public institution.

4. Sign Height and Area.
 - a. The height of a monument sign is the vertical dimension measured from the average finished grade level to the highest point of the sign. The height of a monument sign shall not exceed fifteen (15) feet.
 - b. The maximum height of a sign located on a berm with a finished grade level more than two feet above the top of the street curb shall be reduced an amount equal to the distance that the grade level exceeds two feet above the top of curb.
 - c. Where topographic constraints make the established copy height standards impractical, the community development director may adjust the height requirements on a project by project basis.
 - d. The sign area of a monument sign may not exceed the limits prescribed in this section unless a determination is made by the decision-making body that an increase is needed to improve the compatibility of the sign with the architecture of the development where the sign is to be located. This provision shall not be construed to apply to the sign copy area.
 5. Addresses. Addresses with a minimum of six-inch letters shall be located above the copy area. If a series of addresses are located within the project, the address shall include the entire address range beginning with the lowest number. Addresses shall not be considered in the calculation of the copy area.
 6. Vacant Spaces. Any vacant tenant spaces on a multitenant monument sign shall appear opaque until occupied using a material and texture consistent with the rest of the sign copy area.
 7. Opaque Backgrounds. The sign copy area shall be designed with opaque backgrounds such that when illuminated from behind, only the sign text is illuminated against a dark (unlighted) background.
 8. Application to Multitenant Centers. Monument sign standards apply to any development designed as an integrated center with shared parking and access. Leasing to individual tenants or subdivision of the center shall not establish separate sign privileges for each tenant or parcel.
 9. Setback Requirements. Monument signs may be placed at the ultimate street right-of-way line, except that they shall not encroach within the limited use area described in the landscape development guidelines and specifications.
- C. Tenant Identification (Wall) Sign Requirements.

1. Signs on Buildings Up to Two Stories High. Each tenant may erect a wall sign on the front, side and rear of the building space occupied by such tenant with a sign area not to exceed ten (10) percent of the building face occupied by such tenant, except that such sign need not be less than twenty (20) square feet in area.
2. Signs Within Any District on Buildings Over Two Stories High.
 - a. One wall sign not to exceed two percent of the building face may be placed above the windows of the highest floor on each exterior wall (front, rear and side) of the building. Such sign(s) shall display the name of the building or the major tenant.
 - b. Up to four wall signs per building, each not to exceed twenty (20) square feet in area, may be placed below the second floor to identify building tenants.
3. Residential Uses. One wall sign is permitted per street frontage of a multiple-family complex not to exceed twelve (12) square feet in area. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.
4. Approved Types of Wall Signs. Wall signs shall consist of individually mounted channel letters, carved or routed wood, neon, sculptured cans, can signs and awning signs.
5. Wall Sign Specifications.
 - a. The copy area of a can wall sign shall use an opaque background. The retainer shall be decorative.
 - b. Individually mounted letters may be constructed of metal, plastic or foam, provided that the letters are a minimum of one inch in depth and the density of the plastic or foam is three pounds or greater. Alternative materials may be approved provided they are equivalent in durability to the above-referenced materials.
 - c. Carved or routed wood signs shall be constructed of redwood, cedar, balsa or an equivalent material. Wood signs shall be coated with sealer to minimize weathering. Plywood signs are prohibited.
 - d. Letters or graphics on an awning sign shall be painted, printed or affixed flat against the surface of an awning. An awning is a roof-like cover constructed of non-rigid material over a supporting framework that projects from the exterior wall of a building.
6. Raceways and Conduit. Raceways and electrical conduit shall not be visible.

- D. Drive-Through Restaurant Menu Boards. Two additional signs shall be permitted for the purpose of displaying the type and price of products sold on-site to drive-through customers. Such signs may include a speaker system to allow drive-through customers to order food and beverages. Such signs shall not exceed forty-eight (48) square feet in area and eight feet in height inclusive of the base. If the restaurant elects to build only a single menu board, the sign shall not exceed sixty-four (64) square feet and the height shall not exceed eight feet inclusive of the base.
- E. Freeway Signs. One freestanding on-site sign shall be permitted per parcel or business complex, provided that the sign is located within six hundred sixty (660) feet of a freeway right-of-way. Such sign shall not exceed forty-five (45) feet in height and one hundred fifty (150) feet in sign area. The sign area may not exceed the limits prescribed in this section unless a determination is made by the community development director that an increase is needed to improve the compatibility of the sign with the architecture of the development where the sign is to be located.
- F. Gas Station Signs.
1. Monument Signs. Gas stations shall be allowed one monument sign per street frontage to identify the business and the state-mandated price identification. Each sign shall not exceed forty (40) square feet in copy area and seventy-five (75) square feet in sign area, except that up to forty-five (45) square feet in copy area may be allowed where there is joint use of a gas station with other businesses.
 2. Gas Pump Island Signs. Signs are allowed on or above the fuel pumps not to exceed a maximum aggregate surface area of four square feet per linear foot of pump island.
 3. Gas Pump Canopy (Liter Box) Signs. Letters and symbols placed on the canopy over the fuel pumps shall not exceed twenty (20) percent of the total surface area of each face of the canopy.
- G. Theater Marquees. Theater marquees shall be subject to review by the community development director.
- H. Internal Guidance Signs. Internal guidance signs may be erected to direct pedestrian or vehicular traffic within the internal circulation system of a business or residential complex. Internal guidance signs shall list one or more of the businesses or buildings on the premises and indicate the recommended route to the businesses or buildings. Such signs shall not exceed fifteen (15) feet in height. Such signs shall be oriented for viewing from within the premises, and shall not be readily visible from outside of the premises in which they are located.

Internal guidance signs located twenty (20) feet or more from the public right-of-way and less than four square feet in sign area do not require a sign permit.

I. Directory Signs.

1. Vehicular-Oriented Directory Signs. One vehicular-oriented directory sign may be required near each major entrance of a multiple-structure project. One vehicular-oriented directory sign shall be permitted near each major entrance of a multitenant, business complex. Such signs shall not exceed forty-eight (48) square feet in sign area and eight feet in height. A vehicular-oriented directory sign shall not be placed at the driveway entrance but shall be located in an easily accessible location adjacent to the driveway. Such sign may contain a list and map and accompanying legend indicating the name of the development, streets, buildings, unit numbers and fire hydrant locations within the development. Vehicle-oriented directory signs shall be oriented for viewing from within the complex and not from the street outside of the complex.
2. Pedestrian-Oriented Directory Signs. One pedestrian-oriented directory sign not to exceed ten (10) square feet in copy area shall be permitted for each multitenant building in a business or residential complex. Such sign shall list each business or residence located within the building and its address.

J. Projecting Signs. A projecting sign may be permitted in lieu of a monument sign based on a determination by the decision-making body that the physical limitations of the site make it impractical to erect a monument sign on the premises. The copy area and sign area shall not exceed the size of the monument sign.

K. Special Event Signs.

1. Special event signs are permitted subject to the following:

a. Definition. A “special promotion” means a commercial event for which the special use of special event signs which are otherwise prohibited by this chapter, are permitted with a granting of a permit by the community development department prior to such displays. No special promotion shall exceed thirty (30) days during any calendar year at any one address or location within the city;

b. The community development director shall issue permits for “special event signs” not to exceed thirty (30) days during any calendar year. The applicant for such special event signs may elect to determine how the days shall be allocated to that particular address or premises within the city. However, no more than three permits may be issued per calendar year;

- c. Applications for “special event sign” permits shall be filed with the community development department, at least five days prior to the beginning of the event; provided, however, that the community development director may exempt an applicant from the five days application prior to the beginning of an event provided the applicant files a declaration under penalty of perjury that the nature of his business activities does not permit advance knowledge by the applicant of the time of any particular “special event” and that such applicant agrees that he will not exceed the total number of thirty (30) days within any calendar year.
- d. All special event signs shall comply with the following requirements and restrictions:
- i. The applicant shall obtain any other required permits, licenses, written approvals from the city or other agencies and observe all laws concerning health and safety.
 - ii. Written approval from the property owner or authorized agent shall be submitted with the permit application.
 - iii. A copy of the approved permit application will be furnished by the community development department. This copy, and all other required permits, must be displayed in a conspicuous place on the premises throughout the duration of the event.
 - iv. Signs, advertising devices and other approved outdoor displays shall substantially conform in size and location to the site plan sketched on or attached to the permit and conform with any restrictions stated upon the permit.
 - v. Signs, advertising devices and other approved outdoor displays shall be erected or placed only on property in possession or control of the permittee. No off-site signs or displays shall be permitted.
 - vi. Within ten (10) feet of any vehicular access or five feet of any public street property line, no sign, advertising device, or other approved outdoor display shall exceed thirty (30) inches in height above street curb. No public right-of-way shall be used for locating any sign or display.
 - vii. Signs or banners shall be permitted with an area of one square foot for each lineal foot of store or building front, owned or operated by the permittee, up to a maximum of eighty (80) square feet.
 - viii. All signs, or other approved outdoor displays shall be erected and maintained in a clean, safe manner and in good repair at all times.

- ix. The community development director may impose special requirements and restrictions when unusual conditions exist at or near the proposed event location. Such restrictions shall be listed on the approved permit application and shall be adhered to throughout the duration of the event.
 - x. Search lights may be permitted concurrently with other signs as part of a special event promotion.
2. Special event signs for grand openings shall be permitted in addition to the time frames specified above, provided that no additional time shall be granted for inflatable signs.
- a. No sign shall be displayed more than thirty (30) calendar days;
 - b. The event is for the original opening of a business at a particular location, within thirty (30) days after occupancy. Existing businesses may qualify if the ownership and the name of the business are changed. A grand opening is not an annual or occasional sales promotion or the opening of a related store at another location;
 - c. The requirements of special event signs are met.
3. Inflatable Signs. Inflatables shall be allowed with a special event sign permit, provided that:
- a. Inflatables shall not be displayed for more than thirty (30) days per calendar year;
 - b. Balloons and blimps shall not exceed a maximum height of fifty (50) feet above grade;
 - c. Large (greater than forty (40) inches in diameter) balloons and blimps shall be permitted for commercial uses only;
 - d. Any size balloon or blimp may be illuminated but may not have been constructed of reflective material.
- L. Off-Site Directional Signs. Only off-site directional signs which are in conformance with this section may be erected or maintained within the city. Off-site directional signs shall only be permitted for residential subdivisions, public and quasi-public uses or facilities. The following standards shall apply to the construction and installation of off-site directional signs:
- 1. The city shall designate an organization for administration of the terms of this section, except that the organization shall have no enforcement powers

hereunder. The duties of the organization under this section include, but are not limited to, the following:

- a. Timely, equitable and nondiscriminatory processing of applications to install a directional sign on a kiosk;
 - b. Obtaining sites and approvals for kiosk locations;
 - c. Timely construction and installation of kiosks and directional signs; and
 - d. Maintenance of kiosks, kiosk sites and directional signs in a neat, clean and orderly condition.
2. The duties imposed upon the organization pursuant to this section may be exercised by a third party, subject to prior approval of such third party by the public works director.
 3. The design of kiosks and directional signs shall be prepared by the organization and submitted to the city for written approval by the public works director.
 4. Kiosks and directional signs shall conform to the following general standards:
 - a. Kiosks shall contain no more than eight directional signs per face;
 - b. No kiosk shall have more than one face, except that additional faces, not to exceed three in number, may be approved for specific locations by the planning commission;
 - c. No kiosk shall exceed nine feet in height or five feet in width;
 - d. Each directional sign shall be nine inches high and five feet long;
 - e. Directional signs may contain the following information: name of use; applicant logo; and a directional arrow;
 - f. No tag sign, streamer, device, display board, or other appurtenance may be added to or placed upon any kiosk or kiosk site, except as approved in writing by the public works director;
 - g. Kiosks will be permitted in all land use districts and on private or public property or right-of-way, subject in each case to written permission of the owner of such property or right-of-way and subject to written approval of the city. Permission of the property owner for each kiosk site shall be filed with the public works director. Approval of the city may be obtained in the following manner:

- i. By designation as an approved site by the public works director,
 - ii. For kiosks of one face, by the public works director, and
 - iii. For kiosks of two or more faces, by the planning commission, except that the public works director may give interim approval of such sites for a period of thirty (30) days or less;
- h. All liabilities, costs and expenses arising out of the siting, installation and construction of kiosks and directional signs, and out of administering the provisions of this section, other than enforcement expenses related to violations of this section, shall be borne by the organization; the organization shall enter into an agreement with the city, under which it indemnifies, defends and holds harmless the city, in such form as approved by the public works director and city attorney, and shall provide public liability insurance in the minimum amount of three hundred thousand dollars (\$300,000.00) naming the city as additional insured and in such form and with a company or companies approved by the director of public works and city attorney; and the city shall have no liability therefor.
- i. In addition to other penalties provided by law, including those set forth in this section, any directional sign erected, constructed, installed or maintained in violation of this section shall be deemed a public nuisance and may be summarily abated as such by the city.

M. Banners.

1. General Provisions.

- a. Banners shall be maintained free from deterioration, disrepair or other condition that would create a nuisance as described in Section 6.04.030(P) of this code.
- b. Banners shall be attached to buildings unless otherwise specified in this section. The banners shall be securely fastened at all four corners to the wall of the building on which it is located. The method of attachment shall prevent the banner from flapping in the wind.
- c. A banner shall not obscure windows, doors, lighting fixtures, other signs, nor shall it be displayed above the walls of the building on which it is located.

2. Promotional Advertising Banners.

- a. A “promotional advertising banner” means a banner advertising the name of a business or a product or service provided on the premises.
 - b. No promotional advertising banner shall be displayed unless authorized by permit issued by the community development department. Each may cover more than one banner. A banner permit shall be effective for as long as the business receiving the permit has a valid business license for the location. A new permit shall be required if the business moves to a new location. Banners shall be maintained in good condition and in conformance with the approved permit.
 - c. Banners shall be displayed on the wall(s) of the building space occupied by the business advertised on the banner, not to exceed one banner per wall and two banners per business. Each promotional advertising banner shall not exceed ten (10) percent of the area of the building face on which it is placed.
 - d. In the case of a business engaged in a substantially outdoor enterprise, the community development director may permit a promotional advertising banner to be placed in a location other than the wall of a building occupied by such business and of a size that would be enjoyed by a typical indoor business situated on a site of the same size.
 - e. A copy of the approved banner permit shall be displayed in a conspicuous place on the premises in full public view for as long as the permit is in effect.
 - f. A promotional advertising banner shall not be displayed in lieu of a permanent wall or canopy sign except during the first sixty (60) days of issuance of the certificate of occupancy for the business.
 - g. A promotional advertising banner shall not be displayed facing a freeway.
3. Quasi-Public Uses. One banner not to exceed sixteen (16) square feet in sign area may be displayed per street frontage in conjunction with a quasi-public use.
- N. Off-Site Real Estate Signs.
- 1. An off-site real estate sign is a sign advertising real estate that is for sale, rent, lease or exchange where the advertised property is not the same property on which the sign is located.
 - 2. No off-site real estate sign may be illuminated.
 - 3. No off-site real estate sign shall be allowed without written consent of the property owner.

4. No off-site real estate sign shall be installed in a manner that creates a hazard for vehicle or pedestrian traffic. All off-site real estate signs shall comply with the sight distance requirements for traffic safety.
5. Off-site real estate signs are prohibited within the public right-of-way.
6. No off-site real estate sign shall exceed twenty-four (24) square feet in area or eight feet in height.
7. Off-site real estate signs shall be made of weather-resistant materials, maintained in good condition and kept free of graffiti. No paper, cardboard, lightweight plastic or similar fragile material shall be used. Off-site real estate signs shall be coated with materials that allow graffiti to be removed easily.
8. The content of each off-site real estate sign shall be limited to the information identified in Section 713 of the California Civil Code: a statement that the property is for sale, lease or exchange; directions to the property; and the owner's or agent's name, address and telephone number.
9. Off-site real estate signs shall be removed within ten (10) days of the execution of the sale, lease, exchange or rental agreement for the property for which the sign is erected.
- O. Signs in the Public Right-of-Way.
 1. A Monument Sign that is otherwise permissible pursuant to Section 9.12.060(B)(1) of this chapter and located in the public-right-of-way may be permitted in the following circumstances:
 - a. The sign is located within a public right-of-way controlled by the city of Moreno Valley;
 - b. The sign is located along Sunnymead Boulevard between Frederick Street and Perris Boulevard;
 - c. There is no practicable location on private property to locate the sign;
 - d. The sign design and location do not obstruct or impede any utility, utility access, pedestrian walkways or pedestrian or vehicle sight lines;
 - e. The sign design and location are not located over or upon any other easement without written authorization for such from the owner of the easement;
 - f. An encroachment permit is obtained, all fees paid, and all required insurance and other requirements are kept current and valid;

- g. A sign permit is obtained in accordance with this chapter.
2. In order to apply for a permit for a sign in the public right-of-way pursuant to this section, an application must first be made for an encroachment permit and all criteria for such encroachment permit must be met.
3. In the event that any of the requirements or terms of the encroachment permit are not met or are not continually maintained in accordance with the encroachment permit, any sign permit shall become void and such sign shall become a public nuisance and may be removed by the city at any time at the sign owner's expense.
4. Any such sign in the public right-of-way shall be immediately removed from the public right-of-way upon request by the city for any public purpose and shall not be entitled to any compensation.

Permitted Uses Table 9.02.020-1

X - Indicates stated use is permitted subject to district requirements.
 C - Indicates stated use is allowed with a conditional use permit.
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | | | | Industrial Zones | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|-------------------|------------|---------------|---------------------------|----|----|----|---|---|------------------|----|----|-----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX |

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|----------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Adult Businesses | | | | | | | | | | | | | | | | | A | | A | A | | A | A | A | A | |
| Agricultural Uses—Crops Only | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Agricultural (involving structures) | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Aircraft Landing Facilities | | | | | | | | | | | | | | | | | C | | C | C | C | C | | | | |
| Ambulance Service | | | | | | | | | | | | | | | | | ◆ | | | | ◆ | X | X | X | X | |
| Amusement Parks, Fairgrounds | | | | | | | | | | | | | | | | | ◆ | | | | | X | | | | |
| Animal Raising (see Section 9.09.090 of this title) | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Appliance and Electronic Repair Shops | | | | | | | | | | | | X | X | X | X | X | | | | | | X | X | | X | |
| Arcades, Video Machines | | | | | | | | | | | | | | | | ◆ | X | ◆ | | | | | | | | |
| Athletic Clubs, Gymnasiums and Spas | | | | | | | | | | | | X | X | X | X | X | | | X | | | X | X | X | X | |
| Auction Houses | | | | | | | | | | | | | | | | | X | | | | | | | | X | |
| Auditoriums | | | | | | | | | | | | ◆ | ◆ | ◆ | | | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Auto Electronic Accessories and Installation | | | | | | | | | | | | | | | | | X | | | | | X | X | | X | |
| Automobile Fleet Storage | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Automobile, Motorcycle, Truck, Golf Cart, Recreational Vehicle | | | | | | | | | | | | | | | | | ◆ | | | | | X | X | | | |

Attachment: Exhibit B - Permitted Uses Table to Ordinance (2007 : A PUBLIC HEARING FOR A CITYWIDE

Permitted Uses Table 9.02.020-1

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|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|-------------------|------------|---------------|---------------------------|----|----|----|---|------------------|---|----|----|----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
| and Boat Sales and Incidental Minor Repairs and Accessory Installations | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Service Stations Accessory uses include convenience store and car wash Minor repairs to include auto/boat/motorcycle/RV (excludes major repair, paint, body work) | | | | | | | | | | | | | | | | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | |
| Automotive, Boat, Motorcycle and RV Repair—Minor (includes brake, muffler and tire installation and repair) | | | | | | | | | | | | | | | | ♦ | X | | | | | | X | X | | X | |
| Automotive Paint and Body Repair—Major Engine Overhaul | | | | | | | | | | | | | | | | | ♦ | | | | | | X | | | | |
| Auto Rentals | | | | | | | | | | | | | | | | | X | | | | | | | X | X | X | |
| Auto Supply Stores | | | | | | | | | | | | X | X | X | X | X | X | | | | | | X | X | | X | |
| Bakery Shops | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | X | |
| Bakery—Commercial | | | | | | | | | | | | | | | | | | | | | | X | | | | | |
| Banks—Financial Institutions | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | | | | | X | X | |
| Barber and Beauty Colleges | | | | | | | | | | | | X | X | X | X | X | | | X | X | | | | X | X | | |

Permitted Uses Table 9.02.020-1

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|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|-------------------|------------|---------------|---------------------------|----|----|----|---|------------------|---|----|----|-----|----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

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|----------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bars (Drinking Establishments) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bars | | | | | | | | | | | | | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | | | | | | | | | |
| Bars, with Limited Live Entertainment | | | | | | | | | | | | | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | | | | | | | | | |
| Boat Sales New and Used Including Repairs and Accessory Installation | | | | | | | | | | | | | | | | | ◆ | | | | | | X | | | | |
| Boarding and Rooming Houses | | | | | | | | | X | X | X | X | X | X | | | | | | | | | | | | | |
| Bowling Alley | | | | | | | | | | | | | ◆ | ◆ | ◆ | X | X | | | | | | | | | | |
| Building Material Sales With outdoor storage | | | | | | | | | | | | | | | | | ◆ | | | | | | X | X | | | |
| Building Material Storage Yards | | | | | | | | | | | | | | | | | | | | | | X | | | | | |
| Bus, Rail and Taxi Stations | | | | | | | | | | | | | | | ◆ | | ◆ | | | | | | | | | | |
| Business Equipment Sales (includes repairs) | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X | |
| Business Schools | | | | | | | | | | | | | X | X | X | X | X | X | X | X | | | | X | X | X | X |
| Business Supply Stores | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | X | X | X | X | X |
| Cabinet Shop | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | X |
| Caretakers Residence ¹ | | | | | | | | | | | | | | | | | ◆ | ◆ | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Car Wash | | | | | | | | | | | | | | | | X | X | | | | | | X | | | | |
| Accessory to auto related use | | | | | | | | | | | | | | | | | ◆ | ◆ | | | | | X | | | | |
| Catering Service | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | X | X | |
| Cemetery (Human or Pet) With or Without | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | |

Attachment: Exhibit B - Permitted Uses Table to Ordinance (2007 : A PUBLIC HEARING FOR A CITYWIDE

Permitted Uses Table 9.02.020-1

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|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|-------------------|------------|---------------|---------------------------|----|----|----|---|------------------|---|----|----|-----|----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

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|-----------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Accessory Mortuary and Cremation Services (Minimum 10-acre site required) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Churches ² | C | C | C | C | C | C | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | C | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | |
| Clubs | | | | | | | | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | | | | | C |
| Commercial Radio or Television Stations | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With on-site antenna | | | | | | | | | | | | | | | | | ♦ | | | | | | ♦ | ♦ | ♦ | ♦ |
| Without on-site antenna | | | | | | | | | | | | | | | | | X | | | | | | X | X | X | X |
| Communications Facilities (See Section 9.09.040 of this title) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Computer Sales and Repairs | | | | | | | | | | | | | X | X | X | X | X | | X | | | | X | X | X | X |
| Contractors Storage Yard | | | | | | | | | | | | | | | | | | | | | | | X | | | |
| Convalescent Homes/Assisted Living | | | | | | | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | | | | | |
| Convenience Stores | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | | | | | X | X | | | | | | | | | |
| Without drive-through | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | |
| With alcohol sales | | | | | | | | | | | | | ♦ | ♦ | ♦ | ♦ | ♦ | | | | | | | | | |
| Convention Hall, Trade Show, Exhibit Building with Incidental Food Services | | | | | | | | | | | | | | | C | | ♦ | | ♦ | | ♦ | | | ♦ | ♦ | |
| Copy Shops | | | | | | | | | | | | | X | X | X | X | X | X | X | X | | | X | X | X | X |
| Country Club | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | |
| Dancing, Art, Music and | | | | | | | | | | | | | X | X | X | X | X | X | X | X | | | X | X | X | |

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| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Similar Schools | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Day Care Centers | C | C | C | C | C | C | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | C |
| Delicatessens | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | X | X | X | |
| Diaper Supply Service | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Laundry with fleet storage | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Disposal company | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Drapery Shops | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | |
| Dressmaking Shops | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | |
| Driving School | | | | | | | | | | | | | X | X | X | X | X | | X | X | | | | X | X | X | |
| Drug Stores | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | |
| Dry Cleaning or Laundry | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Dry Cleaning | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X | |
| b. Laundromat | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | |
| c. Laundry Commercial | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Emergency Shelters ¹⁴ | | | | | | | | | | | | | | | | | | | | | | X | C | | | C | |
| Equestrian Centers, Riding Academies, Commercial Stables (including incidental sales of feed and tack) | C | C | C | C | | | | | | | | | | | | | ♦ | | | | | | | | | C | |
| Exterminators | | | | | | | | | | | | | | | | | | C | | | | | X | X | X | X | |
| Farm Worker Housing | | | | | | | | | X | X | X | X | | | | | | | | | | | | | | | |
| Feed and Grain Stores | | | | | | | | | | | | | | | | X | X | X | | | | | | | | | |
| Fire and Police Stations | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Floor Covering Stores (may include incidental repairs with installation service) | | | | | | | | | | | | | X | X | X | X | X | | | | | | X | | | | |
| Fraternity/Sorority | | | | | | | | C | C | C | C | C | | | | | | | | | | | | | | | |

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| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Frozen Food Locker | | | | | | | | | | | | | | | | | | | | | | X | X | | | | |
| Gasoline Dispensing - Non-retail accessory to an auto-related use | | | | | | | | | | | | | | | | | X | | | | | | X | X | X | X | |
| Glass Shops and Glass Studios—Stained, etc. | | | | | | | | | | | | | | | | X | X | | | | | | X | X | | X | |
| Golf Courses or Golf Driving Ranges with Incidental Commercial Uses | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | ◆ | |
| Handicapped Housing | | | | | | | | X | X | X | X | X | X | X | | | | | | | | | | | | | |
| Heavy Equipment Sales and Rentals | | | | | | | | | | | | | | | | | X | | | | | | | X | X | | |
| Hospitals | | | | | | | | | | | | | | | | | ◆ | | ◆ | ◆ | ◆ | | | | C | C | C |
| Hotels | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. With 20% or less of the units containing kitchens | | | | | | | | | | | | | X | X | X | | X | | C | | | | | X | X | X | |
| b. With over 20% of the units containing kitchens | | | | | | | | | | | | | C | C | C | | C | | C | | | | | C | C | C | |
| Ice Cream Stores—Including Yogurt Sales | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X | |
| Impound Yards | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Jewelry Stores | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | | |
| Kennel and Catteries | C | C | C | C | C | C | C | C | C | C | C | C | C | C | C | C | C | | ◆ | ◆ | ◆ | ◆ | C | | | | |
| Laboratories (medical and dental) | | | | | | | | | | | | | X | X | X | X | X | | X | X | | | X | X | X | X | |
| Libraries | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | | X | X | X | |

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|--------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|---|---|---|---|---|---|---|--|--|--|---|---|---|---|---|
| Liquor Stores | | | | | | | | | | | | | ◆ | ◆ | | ◆ | ◆ | | | | | | | | | | |
| Live/Work Unit (12) | | | | | | | | | | | | | X | X | X | | | | | | | | | | | | |
| Locksmith Shops | | | | | | | | | | | | | X | X | X | X | X | X | | | | | X | X | X | X | |
| Lodge Halls and Similar Facilities | | | | | | | | | | | | | ◆ | ◆ | ◆ | ◆ | ◆ | | ◆ | | | | | | | ◆ | ◆ |
| Lumberyards | | | | | | | | | | | | | | | | | | X | | | | | X | | | | |
| Mail Order House | | | | | | | | | | | | | | | | | X | | | | | | X | X | X | X | |
| Manufacturing and Assembly | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Custom and light manufacturing indoor uses only (50,000 square feet or less), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| b. Custom and light manufacturing indoor uses only (more than 50,000 square feet), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| c. General manufacturing with frequent truck traffic and/or outdoor equipment or storage | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| d. Retail sales of goods produced or | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |

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| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| warehoused on-site ³ | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical Clinics/Medical Care | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inpatient care | | | | | | | | | | | | | X | X | X | X | X | | X | X | | X | X | X | X | |
| Urgent care | | | | | | | | | | | | | X | X | X | X | X | | X | X | | | | | | |
| Medical device services and sales (retail), including, but not limited to, fittings for and sale of prosthetic and orthotic devices | | | | | | | | | | | | | | | X | X | X | | X | | | | | | | |
| Medical equipment supply, including retail sales for in-home medical care, such as wheelchairs, walkers, and respiratory equipment | | | | | | | | | | | | | | | X | X | X | | X | | | | | | | |
| Mobile Home Parks | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | |
| Mobile Home Sales or Rentals (outdoor display) | | | | | | | | | | | | | | | | | C | | | | | | | | | |
| Mortuaries | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With cremation services | | | | | | | | | | | | | | | | | | | | | | | X | X | | |
| No cremation services | | | C | C | C | C | C | C | C | C | C | C | | | ♦ | ♦ | ♦ | | | | | | X | X | | |
| Museums | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Newspaper and Printing Shops | | | | | | | | | | | | | X | X | X | X | X | | | | | X | X | X | X | |
| Nightclubs | | | | | | | | | | | | | | C | C | | C | | | | | | | | | |
| Nursery, (Plant), | X | X | X | X | | | | | | | | | | | | | | | | | | X | X | | | X |

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|-------------------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Wholesale and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Offices (administrative and professional) | | | | | | | | | | | | | X | X | X | X | X | X | X | X | | | X | X | X | |
| Open Air Theaters | | | | | | | | | | | | | | | C | | | | | | C | | | | | C |
| Orphanages | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | |
| Painting Contractor | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Parcel Delivery Terminals | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| Parking Lot | | | | | | | | | | | | | | | C | C | X | X | C | | | | | X | | |
| Parks and Recreation Facilities (public) | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Personal Services (e.g., nail salons, spa facilities ¹⁵ , barber and beauty shops, and tattoo parlors) | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | X | |
| Pharmacy ⁴ | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | X | |
| Photo Studios | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | X | |
| Plumbing Shops | | | | | | | | | | | | | | | | | X | | | | | | | | | X |
| Plumbing Supply Stores for Contractors | | | | | | | | | | | | | | | | | | | | | | | X | X | X | |
| Pool Hall | | | | | | | | | | | | | | ♦ | | ♦ | ♦ | | | | | | | | | |
| Postal Services | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | X | X | X | |
| Pottery Sales with Outdoor Sales | | | | | | | | | | | | | X | X | X | X | X | X | | | | X | | | X | |
| Public Administration, Buildings and Civic Centers | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Public Utility Stations, | C | C | C | C | C | C | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | X | X | ♦ | ♦ | C |

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|-----------------------------------------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Yards, Wells and Similar Facilities, Excluding Offices | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Racetracks | | | | | | | | | | | | | | | | | | | | | C | | | | | |
| Record Store | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | |
| Recording Studio | | | | | | | | | | | | | X | X | X | X | X | X | X | X | | | X | X | X | X |
| Recreational Facilities (Private) such as Tennis Club, Polo Club, with Limited Associated Incidental Uses | C | C | C | C | C | C | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | ♦ | | | | | | | | |
| Recycling, Large Collection Facility ⁵ | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Recycling, Small Collection Facility | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | |
| Recycling Processing Centers | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| Refreshment Stands | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Rental Service | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within an enclosed structure (furniture, office, party supplies) | | | | | | | | | | | | | X | X | X | X | X | X | | | | X | X | X | X | |
| With outdoor storage and display (vehicles, equipment, etc.) | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Research and Development | | | | | | | | | | | | | X | X | X | | | | | X | X | X | X | X | X | |
| Residential | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single-Family | X | X | X | X | X | X | X | X | | | | | | | | | | | | | | | | | | |
| Multiple-Family | | | | | | | | | X | X | X | X | X | X | X | | | | | | | | | | | |

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| Manufactured home park (see mobile home parks) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Care Facility (for seven or more persons) | C | C | C | C | C | C | C | C | C | C | C | C | C | C | X | | | | | | | | | | | |
| Restaurants (Eating and Drinking Establishments) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without entertainment | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X |
| With Limited Live entertainment | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | |
| With alcoholic beverage sales | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X |
| With outdoor seating ¹³ | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | X |
| Restaurants (fast-food) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | | | | | ♦ | ♦ | | | | | | | | | ♦ |
| Without drive-through | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | X |
| Retails Sales | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | |
| Support Retail Sales | | | | | | | | | | | | | X | X | X | | | | X | | | | | | | X |
| Sandwich Shops ⁶ | | | | | | | | | | | | | X | X | X | X | X | X | X | X ⁶ | | | | | | |
| Schools, Private | C | C | C | C | C | C | C | C | C | C | C | C | ♦ | ♦ | ♦ | ♦ | ♦ | | | | | | | | ♦ | ♦ |
| Senior Housing | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | X | X | | | | | |
| Shoe Shine Stands | | | | | | | | | | | | | X | X | X | X | X | | | X | X | | | X | X | |
| Shoe Repair Shop | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | |
| Sign Shop | | | | | | | | | | | | | X | X | X | X | X | X | | | | X | X | X | X | |
| Single room occupancy (SRO) facility | | | | | | | | | | | | C | C | C | C | | X | | | | | | | | | |
| Skating Rinks | | | | | | | | | | | | | | X | | | X | | | | | | | | | |

Permitted Uses Table 9.02.020-1

| X - | Indicates stated use is permitted subject to district requirements. | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|-------------------|------------|---------------|---------------------------|----|----|----|---|------------------|---|----|----|-----|----|
| C - | Indicates stated use is allowed with a conditional use permit. | | | | | | | | | | | | | | | | | | | | | | | | | |
| ◆ - | Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. | | | | | | | | | | | | | | | | | | | | | | | | | |
| A - | Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Residential Zones | | | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | | | Industrial Zones | | | | | |
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |
| Stationery Stores | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | X | X | |
| Statue Shop -Outdoor display | | | | | | | | | | | | | | | | | | ◆ | | | | | X | X | | |
| Storage Lots and Mini-Warehouses | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | | C | | | | | X | | | |
| Outdoor | | | | | | | | | | | | | | | | | | C | | | | | X | | | |
| Swim Schools/Center with Incidental Commercial Uses | C | C | C | C | C | C | C | C | C | C | C | C | | | | | X | | | | | | | | | |
| Taxidermist | | | | | | | | | | | | | | | | | X | | | | | | X | X | | |
| Theaters (excludes open air) | | | | | | | | | | | | | X | X | X | X | X | X | | | | | | | | |
| Tire Recapping | | | | | | | | | | | | | | | | | | | | | | | X | | | |
| Trade and Vocational Schools | | | | | | | | | | | | | X | X | X | | X | | X | X | | | | X | X | |
| Transfer, Moving and Storage Facilities | | | | | | | | | | | | | | | | | | | | | | | X | X | | |
| Truck Wash | | | | | | | | | | | | | | | | | | | | | | | X | X | | |
| Upholstery Shops | | | | | | | | | | | | | | | | | | X | | | | | X | X | | X |
| Vehicle Storage Yards | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | X | | | | | | X | X | | |
| Outdoor | | | | | | | | | | | | | | | | | C | | | | | | X | X | | |
| Vending Machine Service and Repair | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X |
| Veterinarian (including animal hospital) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities within an enclosed structure | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | X | X |
| With outdoor activities | | | | | | | | | | | | | | | | | ◆ | | | | | | | | ◆ | ◆ |

Attachment: Exhibit B - Permitted Uses Table to Ordinance (2007 : A PUBLIC HEARING FOR A CITYWIDE

Permitted Uses Table 9.02.020-1

X - Indicates stated use is permitted subject to district requirements.
 C - Indicates stated use is allowed with a conditional use permit.
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | | | Industrial Zones | | | | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-------------------|------------|------------|---------------------------|----|----|----|----|------------------|---|---|----|----|-----|----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|---|---|---|---|---|---|---|--|--|--|--|---|---|---|---|--|
| Weight Reduction Center | | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | | | |
| Wholesale, Storage, and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities indoors (50,000 square feet or less) | | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| All activities indoors (more than 50,000 square feet) | | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| All activities outdoors | | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Retail sale of goods warehoused on-site ⁷ | | | | | | | | | | | | | | | | | | | | | | | | X | X | X | | |
| Wrecking Yard | | | | | | | | | | | | | | | | | | | | | | | | ◆ | | | | |

- Notes:
- (1) Do not consider residential use per distance requirement.
 - (2) The administrative plot plan process may be used to establish these uses in an existing building within any commercial or industrial zone, even if the project is located adjacent to residential uses or zones.
 - (3) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
 - (4) Permitted in the OC and VOR districts only as a support medical office facility.
 - (5) Large collection facilities may be established within an existing building through the “tenant improvement” process if such building or tenant space occupied by the use is not located adjacent to a residential use or zone.
 - (6) Sandwich shops shall not have cooking hoods, nor shall they exceed five percent of the gross floor area of the complex where they are located.
 - (7) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
 - (8) In the MUI district, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 300 feet in any direction from a street intersection, as measured from the corner formed by the lot’s property lines, and (b) are allowed, but not required on the other lots.
 - (9) In the MUC and MUN districts, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 150 feet in any direction from a street intersection, as measured from the corner formed by the lot’s property lines, and (b) are allowed, but not required on the other lots.

Permitted Uses Table 9.02.020-1

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|-----|----|----|----|------|-----|-----|-----|-----|--------------------------|------------|---------------|--------------------------------------|----|----|----|---|-------------------------|---|----|----|-----|----|
| X - | Indicates stated use is permitted subject to district requirements. | | | | | | | | | | | | | | | | | | | | | | | | | |
| C - | Indicates stated use is allowed with a conditional use permit. | | | | | | | | | | | | | | | | | | | | | | | | | |
| ◆ - | Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. | | | | | | | | | | | | | | | | | | | | | | | | | |
| A - | Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met. | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Residential Zones | | | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | | | Industrial Zones | | | | | |
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

(10) See Section 9.07.40 (Medical Use Overlay District)
 (11) See Section 9.09.260 (Mixed Use Development)
 (12) See Section 9.09.250 (Live-Work Development)
 (13) See Section 9.09.270 (Outdoor Dining)
 (14) Use is also permitted in the Moreno Valley Industrial Area Plan (SP 208)
 (15) For Spa Facilities refer to Title 11, Chapter 11.96 of the Municipal Code.

Zoning District Key

| | | | |
|------|----------------------------------------------------------------------------|-----|-------------------------------------------------|
| HR | Hillside Residential District | MU | Mixed Use Overlay District |
| RR | Rural Residential District | MUN | Mixed-Use Neighborhood Overlay District |
| R1 | Residential 1 District (40,000 square feet minimum lot size) | MUC | Mixed-Use Community Overlay District |
| RA2 | Residential Agriculture 2 (20,000 square feet minimum lot size) | MUI | Mixed-Use Institutional Anchor Overlay District |
| R2 | Residential 2 District (20,000 square feet minimum lot size) | NC | Neighborhood Commercial District |
| R3 | Residential 3 District (10,000 square feet minimum lot size) | CC | Community Commercial District |
| R5 | Residential 5 District (7,200 square feet minimum lot size) | VC | Village Commercial District |
| RS10 | Residential Single-Family 10 District (4,500 square feet minimum lot size) | OC | Office Commercial District |
| R10 | Residential 10 District (Up to 10 Dwelling Units per net acre) | O | Office District |
| R15 | Residential 15 District (Up to 15 Dwelling Units per net acre) | P | Public District |
| R20 | Residential 20 District (Up to 20 Dwelling Units per net acre) | I | Industrial District |
| R30 | Residential 30 District (Up to 30 Dwelling Units per net acre) | LI | Light Industrial |
| | | BP | Business Park District |
| | | BPX | Business Park-Mixed Use District |
| | | OS | Open Space District |

| Permitted Uses Table 9.02.020-1 | | | | | | | | | | | | | | | | | | | | | | | | | | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|-------------------|------------|------------|---------------------------|----|----|----|----|------------------|---|---|----|----|-----|----|
| X - Indicates stated use is permitted subject to district requirements. C - Indicates stated use is allowed with a conditional use permit. ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Residential Zones | | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | | | Industrial Zones | | | | | | |
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9,11) | MUC (9,11) | MUI (8,10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

**Table 9.11.040A-12
Off-Street Parking Requirements**

| Use | Requirement | Covered Parking | Notes |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential Uses | | | |
| Single-family | 2/unit | Within an enclosed garage | |
| Second units | 1/bedroom | | The second dwelling unit shall provide a minimum of one parking space per bedroom in addition to the parking required for the main dwelling without blocking any required parking (no tandem parking) |
| Duplex | 2/unit | Within an enclosed garage | |
| 3 or more units: | | | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom | 1.5/unit | 1 covered/unit | |
| 2 bedrooms | 2.0/unit | 1 covered/unit | |
| 3+ bedrooms | 2.5/unit | 2 covered/unit | |
| Senior housing: | 1.0/unit | 1 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom | 1.5/unit | 1 covered/unit | |
| + bedrooms | | | |
| Mobile home parks | 2.5/unit | | Tandem spaces may be used to meet resident parking requirements. |
| Residential care homes | Parking requirements shall be determined by the community development director subject to an approved parking study. | | |
| Live-work units (residential component) | 2/unit | 2 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is NOT included in the minimum required parking standard and can be shared with the business aspect of the "live-work" parking standard. |
| Residential component of mixed-use project | See multiple-family requirements in this table | See multiple-family requirements in this table | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard and may be shared with the nonresidential component. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |

**Table 9.11.040B-12
Off-Street Parking Requirements**

| Commercial Uses | Requirement | Notes |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General retail (unless specified elsewhere) | 1/225 sq. ft. of gross floor area | |
| Automobile, boat, mobile home, or trailer sales, retail nurseries, or other similar outdoor commercial activities | 1/2,000 sq. ft. of display area | 1. Display area shall include all office, service and repair, or other related activities and areas that are accessible to the public. 2. No required off-street parking spaces shall be used for display, sales, service or repair of vehicles. |
| Automobile service stations, repair and service facilities | 2 spaces + 4/service bay for 4 or less bays and 2/service bay for 5 or more bays | Any related retail activities shall be subject to the general retail parking standards (mini-markets, tire sales, and the like). |
| Automobile washing and waxing establishments: Self-serve Automated | 2 spaces + 2/washing stall 10 + 1 per 2 employees | |
| Business and professional offices | 1/250 sq. ft. of gross floor area | |
| Banks, savings and loans and medical/dental offices | 1/225 sq. ft. of gross floor area | |
| Day care center | 1/employee + 1/500 sq. ft. of gross floor area | Special design requirements shall apply for bus loading or parent drop-off points. |
| Eating and drinking establishments | 1/100 sq. ft. of gross floor area up to 6,000 sq. ft. 1/75 sq. ft. of gross floor area over 6,000 sq. ft. | A minimum of 10 spaces required for stand-alone use. No additional parking required if outdoor dining area comprises no more than 15% of the interior gross floor area of the primary food service use; if outdoor dining area is over 15%, 1 space for every 60 sq. ft. or 1 space for every 3 seats, whichever is greater. |
| Eating and drinking establishments within shopping centers of 25,000 sq. ft. of building area or greater. | 1/225 sq. ft. of gross floor area up to 15% of the shopping center gross building square footage. | |
| Hotel/Motel | 1/guest room | For facilities with 100+ parking spaces, two 12'x36' through stalls for RV parking are required. These stalls may be counted as 4 auto parking stalls. |
| Kennels | 2 spaces per 1,000 sq. ft. | 2 spaces "per 1,000 sq.ft." of indoor animal enclosure. |
| Veterinary Hospital and Clinic | 1/200 sq.ft. of gross floor area | |
| Mortuaries | ¼ seats + funeral procession queue capacity for 5 cars | |
| Nail Salons | 1 space for every 2 work stations | |

| | | |
|---------------------------------------------|----------------------------------------------------------------------------------|------------------|
| Schools, private: | | |
| Business and Trade | 10 spaces + 24/classroom | |
| College | 10 spaces + 30/classroom | |
| Elementary/Junior High | 10 spaces + 2/classroom | |
| Senior High | 10 spaces + 10/classroom | |
| Storage Lots and Mini-Warehouses | 1/100 storage spaces and 2/caretaker residence | 2 spaces minimum |
| Medical and Health Services: | | |
| Convalescent and Nursing Homes | 1/3 beds | |
| Homeless Shelter | 1/4 beds | |
| Hospitals | 1/ bed | |
| Residential Care Facilities | (see Residential Uses, Section 9.11.040 Table 9.11.040A 12 | |
| Recreation: | | |
| Arcades | 1/75 sq.ft. of gross floor area | |
| Bowling and Billiards | 5/alley + 2/billiard table | |
| Commercial Stables | 1/5 horse capacity for boarding onsite | |
| Golf Course | 6/hole | |
| Golf Driving Range | 1/tee | |
| Golf, miniature | 3/hole | |
| Health Club | 1/100 sq.ft. of gross floor area | |
| Parks-Public and Private | To be determined by the approval authority based upon an approved parking study. | |
| Skating Rink | 1/100 sq.ft. of gross floor area | |
| Tennis, Handball and Racquetball facilities | 3/court | |
| Theaters | 1/3 fixed seats | |

**Table 9.11.040C-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial Uses | | |
| Manufacturing | 1/500 sq. ft. of gross floor area | Trailer parking: parking stalls for trailers shall be provided at a ratio of 1 stall per truck loading dock door. This is in addition to the loading parking stall already provided at the dock door. |
| Research and development | 1/350 sq. ft. of gross floor area | |
| Warehouse and distribution | 1/1,000 sq. ft. of gross floor area for the first 20,000 sq. ft.; 1/ea. 2,000 sq. ft. of gross floor area for the second 20,000 sq. ft.; 1/ea. 4,000 sq. ft. of gross floor area for areas in excess of the initial 40,000 sq. ft. | |

**Table 9.11.040D-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Public and Quasi-Public Uses | | |
| Libraries, museums and galleries | 1/300 sq. ft. of gross floor area | |
| Public utility facilities without an office on-site | 2/employee on the largest shift + 1/company vehicle | A minimum of 2 spaces shall be required. |
| Auditorium, places of public assembly and places of worship | 1/3 fixed seats or 1/35 sq. ft. of gross floor area of the assembly area or 1 space for every 4.5 lineal feet of benches/pews, whichever is greater | |
| Government offices | To be determined by a parking study approved by the community development director | |



PLANNING COMMISSION

STAFF REPORT

Meeting Date: April 28, 2016

MUNICIPAL CODE AMENDMENT

Case: PA14-0011

Applicant: City of Moreno Valley

Owner: City of Moreno Valley

Representative: Community Development Department

Location: Citywide

Case Planner: Claudia Manrique

Council District: All

SUMMARY

This Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations contained in Titles 8, 9, 11 and 12 of the City of Moreno Valley Municipal Code. The majority of the changes pertain to Title 9 Planning and Zoning. Staff has identified a number of minor changes within the code that are recommended to streamline the flow and clarity of the code (eliminate redundancies), clarify existing processes, and clean up existing inconsistencies in the text.

The proposed amendments include changes that will provide internal Municipal Code consistency, the addition of definitions of key code terms, changes to the Permitted Uses Table, and changes to "massage" regulations to ensure consistency between Title 9 and Title 11 (Peace, Morals, and Safety). Minor changes are proposed to Title 12 (Vehicles and Traffic) clarifying truck idling times, and Title 8 (Building and Construction) regarding hours of operation for construction and grading.

Amendments to the Municipal Code, such as those proposed in this effort, are not uncommon and have occurred over time in many instances in order to ensure city regulations remain current with State law, the City's General Plan, and City Council direction. They are also often warranted and prudent to improve clarity and use of the Code by both staff and project applicants. The last Municipal Code Amendment (PA14-0038) brought forth to the Planning Commission was in December 2015 and related to a density bonus for multiple-family projects that incorporate green building principles into their design.

PROJECT DESCRIPTION

This City initiated amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. These proposed amendments will clarify and address inconsistencies within the code. A detailed analysis of all twenty-one proposed amendments is included in the next section. The amendments are summarized below:

| | |
|---------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Item 1 | Change wording from "Modified Monument Signs" to "Monument Signs" |
| Item 2 | Revise definition of "Monument Signs" |
| Item 3 | Revise requirements for entry monument signs for multiple-family projects |
| Item 4 | Revise the hours of operation for construction and grading (Title 8) |
| Item 5 | Review/Clarify commercial vehicle restrictions for home occupations |
| Item 6 | Correct the section reference given in Section 9.09.202 - Swimming pools, spas and recreational courts |
| Item 7 | Revise both Title 9 and Title 12 referring to truck idling times consistent with the State requirement |
| Item 8 | Revise the Light Industrial (LI) standards |
| Item 9 | Modify the single-family front yard landscaping standards |
| Item 10 | Delete the "Specific Plan District" section |
| Item 11 | Allow the use of gravel for vehicle storage (single-family residences) |
| Item 12 | Modify the time limits for Temporary Use Permits (TUPs) |
| Item 13 | Clarify and expand uses related to bars, nightclubs and restaurants to Chapter 9.02 (Permits and Approvals) and Chapter 9.15 (Definitions) |
| Item 14 | Addition of "pool hall" to definitions in Chapter 9.15 (Definitions) |
| Item 15 | Addition of "mulch" to definitions in Chapter 9.15 (Definitions) |
| Item 16 | Addition of "Pervious pavement/surfaces" and "hardscape" to definitions in Chapter 9.15 (Definitions) |
| Item 17 | Revise to Chapter 9.17 (Landscape and Water Efficiency Requirements) |
| Item 18 | Update public noticing procedures for second dwelling unit (Previously approved in 2010) |
| Item 19 | Correction to "Table 9.11.040 A-12 - Off-Street Parking Requirements" regarding second dwelling units in Chapter 9.11 (Parking, Pedestrian and Loading Requirements) |
| Item 20 | Replace various off-street parking requirements to "Table 9.11.040B-12 - Off-Street Parking Requirements" that were inadvertently deleted in Chapter 9.11 (Parking, Pedestrian and Loading Requirements) |

| | |
|---------|------------------------------------------------------------------------------------------------|
| Item 21 | Modify Title 11 (Peace, Morals and Safety) regarding massage parlors/establishments in Title 9 |
|---------|------------------------------------------------------------------------------------------------|

ANALYSIS

The proposed individual amendments are explained below. Tables are included in most sections describing the current standards and proposed changes. Changes to the Permitted Uses Table, Parking Standards Table and larger text sections are provided as attachments. Items proposed to be deleted from the Municipal Code are shown with strikethrough text.

Item 1 Change wording from “Modified Monument Signs” to “Monument Signs”

Municipal Code Section 9.12.060 (Permitted Signs) lists the type of signs permitted subject to a sign permit application. Currently, the list includes “Modified monument signs,” but not “monument signs.” It appears that the term, “modified” monument sign, was established with the original adoption of the Municipal Code in 1992. However, there is no distinction between a “monument sign” and a “modified monument sign.” Therefore, staff recommends revising the title to just “monument signs.” All proposed changes to the text are listed in Attachment 1.

Item 2 Revise definition of “Monument Signs”

Municipal Code Section 9.15.030 (Definitions) currently has a definition for “Modified monument sign”, which will be revised to read “Monument sign” to be in agreement with Section 9.12.060 (Permitted Signs). Staff also recommends revising the definition for “Monument sign” to discourage the use of a single pole support and allow for greater visual interest.

Staff is recommending the following revision to the definition:

| Current Standards | Proposed Standards |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| “Modified Monument sign” means a sign supported permanently on the ground by a single, or multiple supports, but that shall not be supported on a single pole or column of less than eighteen (18) inches in diameter. Structural supports that are not a decorative element of the sign shall be concealed. | “Monument sign” means a sign supported permanently on the ground or by columns, pilasters, or similar structural elements to provide design interest and complement their surroundings. Monument signs shall incorporate landscaping to screen the base. Landscaping around monument signs should be designed to ensure the long-term readability of the sign. |

Item 3 Revising requirements for entry signs for multiple-family projects

The Permitted Signs Section 9.12.060 of the Municipal Code addresses types of signs permitted signs, the placement of signs, and the applicability of a sign permit. In the past, developers of multiple-family complexes have desired wall signage on both sides of their main entrances. However, two signs on one street frontage is not currently permitted under the Municipal Code. As provided for in Section 9.12.060 B.2.b only one sign is permitted per street frontage not to exceed twelve (12) square feet in copy area, twenty-five (25) square feet in sign area and six feet in height.

Staff researched the sign requirements for several neighboring cities and found that cities often allow greater flexibility with wall signs. The proposed change to wall signs will allow greater design flexibility for multiple-family complexes while not expanding the amount of total square footage allowed for signage. The content of such signs shall remain limited to the name of the complex and the range of addresses within the complex.

Staff recommends amending Section 9.12.060 B.2.b by adding an option to allow for two smaller wall signs as follows:

| Current Standards | Proposed Standards |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Multiple-Family Complex. One sign is permitted per street frontage not to exceed twelve (12) square feet in copy area, twenty-five (25) square feet in sign area and six feet in height. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.</p> | <p>Multiple-Family Complex. One wall or monument sign, not exceeding 25 square feet in area per display face, is allowed for each public street frontage. Monument signs may not exceed 6 feet in overall height. In lieu of a freestanding monument sign or one large wall sign, 2 single-sided, wall mounted-signs not exceeding 25 square feet per display face are allowed for each public street frontage when located at a project entry point. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.</p> |

Item 4 Revising the hours of operation for construction and grading (Title 8)

This proposed amendment is a simple text clean up to Chapter 8.21 of Title 8 (Building and Construction), and Chapter 8.14 (General). The Municipal Code identifies different hours for grading and construction activities. Staff worked with the Land Development and Building Departments to address the inconsistencies of the construction and grading hours. It is recommended that the time tables of both activities (grading and construction) are consistent. There is no expansion of hours proposed. Construction hours in Chapter 8.14.040 (Miscellaneous standards and regulations) will be reduced by two hours.

This amendment proposes to further the protection of the character of the single-family neighborhood by providing clarification of the sizes of vehicles that may be parked at single-family residences in conjunction with a home occupation approved business. The City already has limits on the types of vehicles that may be parked (i.e. no tow trucks may be parked at a residence).

The proposed standards are based on researching code requirements of various neighboring cities, including Riverside and Perris. The current wording of the Municipal Code warrants updating as the City no longer issues commercial vehicle parking permits. The amendment to Municipal Code Section 9.02.130.6 (Home Occupation Permits) of Chapter 9.02 (Permits and Approvals) is proposed as follows:

| Current Standards | Proposed Standards |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>6. No commercial vehicles may be used for delivery of materials, with the exception of occasional and reasonable courier services to or from the premises. No more than one vehicle larger than a three-quarter-ton truck may be used in connection with a home occupation. Any commercial truck tractor, trailer, semitrailer, or commercial vehicle having a manufacturer's gross weight rating of ten thousand (10,000) pounds or more shall obtain a commercial vehicle parking permit. The aforementioned vehicles and vehicles for hire shall be subject to the parking restrictions contained in Chapters 12.38 and 12.42 of the municipal code.</p> | <p>6. No commercial vehicles may be used for delivery of materials, with the exception of occasional and reasonable courier services to or from the premises. No more than one vehicle larger than a three-quarter-ton truck may be used in connection with a home occupation. That single vehicle shall have a weight less than ten thousand (10,000) pounds "gross vehicle weight rating" and dimensions less than eight (8) feet in total outside width, or seven (7) feet in height, or twenty-one (21) feet in bumper-to-bumper length. Commercial vehicles used in the home occupation that are parked or stored on the premises shall not be visible from any public street or right-of-way. No attachments or equipment shall be permitted when vehicles are not in use and within view of the public right-of-way. Vehicles used for mobile vending shall be subject to the State Health and Safety Codes. The aforementioned vehicles and vehicles for hire shall be subject to the parking restrictions contained in Chapters 12.38 and 12.42 of the municipal code.</p> |

Item 6 Correcting the Municipal Code Section 9.09.202 for Swimming pools, Spas and recreational courts

This proposed amendment is a text cleanup to Section 9.09.202 (Swimming pools, spas and recreational courts). A past update (PA10-0035) to the Special Single-Family Residential Development Standards (Section 9.03.040.E) inadvertently renumbered an item referenced in Section 9.09.202.

Staff recommends changing the numbering to Section 9.09.202.C.3 as follows:

| Current Standards | Proposed Standards |
|-----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------|
| 3. Swimming pool equipment shall be operated in accordance with Section 9.03.040(E)(3). | 3. Swimming pool equipment shall be operated in accordance with Section 9.03.040(E)(7). |

Item 7 Revisions making both sections referring to truck idling times consistent with the State requirement (Title 9 & Title 12)

Truck idling rules and regulations have changed over time to better address environmental issues within the State of California. State law identifies that diesel-fueled trucks with a gross vehicle weight rating greater than 10,000 pounds, shall not idle for more than five minutes when stopped (California Code of Regulations Title 13, Section 2485).

The Municipal Code currently includes two sections, 9.05.050.D.1 and 12.38.020, identifying vehicle idling at fifteen minutes. Staff recommends revising the time to the State requirement of five (5) minutes.

The amendment to Section D of Chapter 9.05.050 will be as follows:

| Current Standards | Proposed Standards |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020(C), Parking Prohibitions or Restrictions, while adjacent to a developed residential area, the operator shall not idle the vehicle's engine for longer than fifteen (15) minutes. | 1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020(C), Parking Prohibitions or Restrictions, while adjacent to a developed residential area, the operator shall not idle the vehicle's engine for longer than (5) minutes. |

The amendment to Section C of Chapter 12.38.020 will be as follows:

| Current Standards | Proposed Changes |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| C. While adjacent to a developed residential area within the city, the operator shall not idle the vehicle's engine for longer than fifteen (15) minutes. | C. While adjacent to a developed residential area within the city, the operator shall not idle the vehicle's engine for longer than five (5) minutes. |

Item 8 Revision to the Light Industrial (LI) standards

Municipal Code Section 9.05.040 describes minimum property development standards for all land, buildings and structures constructed within the specified industrial districts.

Based on the City's experience with other industrial projects, a Municipal Code Amendment (PA10-0017) was approved by the City Council on August 23, 2011, which added a new standard to the Light Industrial zone that would require industrial and warehouse structures greater than 50,000 square feet in building area to be separated from any Residential district as determined by an air quality and noise impact analysis. Based on air quality analyses for other industrial projects, the intent was to set the minimum separation distance for such uses at 250 feet between the residential district and the truck court or loading area. However, the adopted code amendment inadvertently referred to the minimum separation distance between the residential district and the building.

Currently, Section 9.05.040.B.9 includes the word "building" in its explanation. Staff proposes to delete the word "building" as shown below, because the intent of the original language was not to limit building location.

| Current Standards | Proposed Changes |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>9. In the LI district, industrial and warehouse, structures greater than fifty thousand (50,000) square feet in building area shall be separated from any Residential district as determined by an air quality and noise impact analysis. The minimum separation distance for such uses shall be two hundred fifty (250) feet between the residential district and the building, truck court or loading area.</p> | <p>9. In the LI district, industrial and warehouse, structures greater than fifty thousand (50,000) square feet in building area shall be separated from any Residential district as determined by an air quality and noise impact analysis. The minimum separation distance for such uses shall be two hundred fifty (250) feet between the residential district and the truck court or loading area.</p> |

Item 9

Municipal Code Section 9.03.040E (Special Single-Family Residential Development Standards) currently requires tract home developments in the Residential 5 (R5) district with five or more dwelling units to have fully landscaped front yards and street side yards (for corner lots). This amendment is proposing to apply the standard to residential developments of five or more dwellings within the Residential 2 (R2), Residential Agriculture 2 (RA2) and Residential 3 (R3) districts.

The requirement for installation of front yard landscaping in additional single family residential zones will beautify individual neighborhoods and enhance the overall image of the City. The amendment will also be consistent with General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design.

The change to Section 9.03.040E.2 will not impact landscaping requirements for custom homes or developments in the Residential 2 (R2), Residential Agriculture 2 (RA2) and Residential 3 (R3) districts with less than five dwelling units. Municipal Code Section

9.17.070 (Single-family residential development) covers the landscaping requirements for existing single-family units, custom homes and model home complexes.

Staff is proposing Section 9.03.040E.2 to read as follows:

| Current Standards | Proposed Standards |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| In the R5 districts, developments of five or more dwelling units shall include front and street side yard landscaping and shall consist predominantly of plant materials, except for necessary walks, drives and fences. | In the R2, RA2, R3 and R5 districts, developments of five or more dwelling units shall include front and street side yard landscaping and shall consist predominantly of plant materials, except for necessary walks, drives and fences. |

Item 10 Delete the “Specific Plan District” section

With the adoption of the 2006 comprehensive General Plan update, the City no longer has a Specific Plan land use designation in the General Plan. All land areas within Specific Plans were placed in the appropriate land use district. Specific Plans are now shown as overlays on the Zoning Atlas. Therefore, this is a text clean-up item for internal consistency of the Municipal Code.

This amendment proposes deleting Section 9.07.020 (Specific Plan District) from the Municipal Code and deleting the reference to the General Plan from Section 9.13.040 (Map designation) as shown below:

• ~~9.07.020 Specific plan district (SP).~~

~~A. Purpose and Intent. Specific plans prepared pursuant to California Government Code Sections 65450, et seq., are a significant tool to implement the general plan, as well as an inducement to the development of desirable large-scale mixed-use developments. It is the purpose of this section to provide a method for the zoning of lands for which customized development and use regulations can be approved by the city council. The creation of a specific plan (SP) zone is necessary to provide adequate development flexibility for innovation in residential building types, land use mixes, site design, and development concepts. (See Chapter 9.13.)~~

~~B. Applicability.~~

~~1. The provisions of this section may only be applied to properties for which a specific plan has been adopted by the city council pursuant to Government Code Section 65450 et seq., and Section 9.02.030(B).~~

~~2. The provisions of Chapter 9.13 shall apply to all applications for specific plans from and after the effective date of this development code.~~

~~C. Zoning Map Designation. The specific plan district shall be designated on the city zoning atlas by the symbol “SP” followed by a number to designate the specific plan (e.g., SP-1 for specific plan No. 1). (Ord. 359, 1992)~~

Staff is proposing Section 9.13.040 (Map designation) to read as follows:

| Current Standards | Proposed Changes |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Areas within an approved specific plan shall be designated on the general plan map and the official zoning map as follows:</p> <p>In all cases, the "SP" symbol shall be followed by a number to designate the specific plan (e.g., SP-1: Specific Plan No. 1). All development shall be subject to provisions of the designated specific plan, associated documents and the regulations of this chapter. (Ord. 359, 1992)</p> | <p>Areas within an approved specific plan shall be designated on the official zoning map as follows:</p> <p>In all cases, the "SP" symbol shall be followed by a number to designate the specific plan (e.g., SP-1: Specific Plan No. 1). All development shall be subject to provisions of the designated specific plan, associated documents and the regulations of this chapter. (Ord. 359, 1992)</p> |

Item 11 Allow the use of gravel for vehicle storage (single-family residences)

Chapter 9.16 (Design Guidelines), Section 9.16.130.B Single-Family Residential General Guidelines allow for the storage of recreational vehicles, boats and campers in residential districts with certain restrictions. The proposed amendment will allow for additional flexibility for the homeowner by allowing vehicle storage on gravel or crushed rock if the material meets a specified standard, and it is well maintained. Staff proposes to expand the guidelines to add gravel or crushed rock as an alternative pervious parking surface as follows:

| Current Standards | Proposed Changes |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>10. Storage of recreational vehicles, boats and campers should be provided for residents by either an enlarged side yard setback to allow access to the rear yard or an off-site storage area, both of which are to be out of public view. Residential units should be designed with the larger side yard, a minimum of ten (10) feet, on the garage side of the structure for storage/yard access. Pervious surfaces are required for such areas within required setbacks.</p> | <p>10. Storage of recreational vehicles, boats and campers in residential districts is allowed if the residence is able to provide either an enlarged side yard setback to allow access to the rear yard or an off-site storage area, both of which are to be out of public view. A minimum of ten (10) feet, on the garage side of the structure is required for storage/yard access. All vehicles must be stored on an improved area with an asphalt, concrete, or pervious paving surface. Pervious surfaces are required for such areas within required setbacks. Any pervious paving surface must be designed for vehicle storage. If gravel or crushed rock is used as an improved parking surface, it shall be well maintained and kept vegetation free. Material used for the improved parking surface shall be a minimum of two inches (2") in thickness.</p> |

Item 12 Time limits on Temporary Use Permits

Municipal Code Section 9.02.150 addresses the requirements for Temporary Use Permits (TUPs). The section allows for short-term activities on privately owned property with appropriate regulations so that such activities will be compatible with the surrounding areas. One of the most requested TUP activities in the City is the "merchandise sale," which is allowed outdoors or in temporary enclosures within the shopping or commercial center in which the business is located. Currently, the time limit for TUPs is 18 days a year per shopping center. To be more flexible in addressing the needs of larger shopping centers (20 acres or greater in size), the proposed amendment will increase the number of days for merchandise sales from 18 to 36 per year.

Staff recommends revising Section 9.02.150.D (Special Requirement for Merchandise Sales) by adding the time limits for larger shopping centers as Number 2 and renumbering the rest of the section numbers as follows:

| Current Standards | Proposed Changes |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>1. "Merchandise sale... in conjunction with established businesses" means an event managed and operated by the owner or operator of a permanently established business, on the premises of that business (or upon immediately adjacent common area of a shopping or commercial center in which the business is located), conducting the sale, lease, rental or other transfer of control of merchandise which is inventory of the established business and which is of the same or similar kind and quality normally offered as immediately available to the public by that business at that business site. Sales operated by outside vendors shall not be permitted under this provision. An outdoor sale of merchandise on the premises of a business that ordinarily only displays merchandise and/or conducts sales or lease transactions for customer delivery at another site or at another time shall not be permitted under this provision. This subsection shall not apply to "merchandise sales on the premises of a bank, [etc.]," as listed in</p> | <p>1. "Merchandise sale... in conjunction with established businesses" means an event managed and operated by the owner or operator of a permanently established business, on the premises of that business (or upon immediately adjacent common area of a shopping or commercial center in which the business is located), conducting the sale, lease, rental or other transfer of control of merchandise which is inventory of the established business and which is of the same or similar kind and quality normally offered as immediately available to the public by that business at that business site. Sales operated by outside vendors shall not be permitted under this provision. An outdoor sale of merchandise on the premises of a business that ordinarily only displays merchandise and/or conducts sales or lease transactions for customer delivery at another site or at another time shall not be permitted under this provision. This subsection shall not apply to "merchandise sales on the premises of a bank, [etc.]," as listed in</p> |

the Temporary Uses Table.

2. Food and Entertainment. Upon approval of the community development director and compliance with all other laws and regulations, food or entertainment may be sold or provided by two or fewer secondary vendors incidental to the merchandise sale, such as a hot dog cart, snow cone or popcorn wagon, pony ride, inflatable jumper, etc., provided that such uses occupy not more than twenty-five (25) percent of the total space occupied by the sale or four hundred (400) square feet, whichever is less.
3. Merchandise sales (including display areas) shall not occupy landscaped areas or unimproved surfaces.
4. Merchandise sales taking place upon parking surfaces shall be confined to improved parking surfaces. Merchandise sales shall not occupy more than twenty (20) percent of the legally required improved parking spaces for the business conducting the sale. No merchandise sale shall occupy parking spaces legally required for another business, including other businesses located in the same shopping or commercial center, or parking spaces otherwise required for the shopping or commercial center in which the business is located. Merchandise sales may occupy on-site improved parking spaces that are not so legally required, subject to all other provisions of this chapter. No merchandise sale shall occupy or encumber more than one hundred twenty-five (125) parking spaces.
5. Merchandise sales shall not negatively affect the vehicular and pedestrian

the Temporary Uses Table.

2. Merchandise sales sponsored and sanctioned by the Master Property Association or Property Manager for Shopping Centers, which are 20 acres or larger and located within the Community Commercial zoning (CC) district, shall be allowed a maximum of 36 days per calendar year.
3. Food and Entertainment. Upon approval of the community development director and compliance with all other laws and regulations, food or entertainment may be sold or provided by two or fewer secondary vendors incidental to the merchandise sale, such as a hot dog cart, snow cone or popcorn wagon, pony ride, inflatable jumper, etc., provided that such uses occupy not more than twenty-five (25) percent of the total space occupied by the sale or four hundred (400) square feet, whichever is less.
4. Merchandise sales (including display areas) shall not occupy landscaped areas or unimproved surfaces.
5. Merchandise sales taking place upon parking surfaces shall be confined to improved parking surfaces. Merchandise sales shall not occupy more than twenty (20) percent of the legally required improved parking spaces for the business conducting the sale. No merchandise sale shall occupy parking spaces legally required for another business, including other businesses located in the same shopping or commercial center, or parking spaces otherwise required for the shopping or commercial center in which the business is located. Merchandise sales may occupy on-site

circulation patterns of the subject site or nearby streets, or the usability of the remaining parking spaces for the site, and shall allow unabated access for public safety personnel and vehicles.

6. Setup and Takedown. One day of setup before a merchandise sale and one day of takedown/cleanup after the sale shall not be counted against the total number of permitted sale days. No sales activity shall occur on such setup or takedown/cleanup days.
7. No Use of Public Right-of-Way. Any and all personal properties or merchandise shall be solely contained on private property and shall not extend into the public right-of-way.
8. Cleanup. The permittee shall be responsible for cleanup of the site within twenty-four (24) hours of termination of the sale event.

improved parking spaces that are not so legally required, subject to all other provisions of this chapter. No merchandise sale shall occupy or encumber more than one hundred twenty-five (125) parking spaces.

6. Merchandise sales shall not negatively affect the vehicular and pedestrian circulation patterns of the subject site or nearby streets, or the usability of the remaining parking spaces for the site, and shall allow unabated access for public safety personnel and vehicles.
7. Setup and Takedown. One day of setup before a merchandise sale and one day of takedown/cleanup after the sale shall not be counted against the total number of permitted sale days. No sales activity shall occur on such setup or takedown/cleanup days.
8. No Use of Public Right-of-Way. Any and all personal properties or merchandise shall be solely contained on private property and shall not extend into the public right-of-way.
9. Cleanup. The permittee shall be responsible for cleanup of the site within twenty-four (24) hours of termination of the sale event.

Item 13 Clarify and expand uses of bars, nightclubs and restaurants to Chapter 9.02 (Permits and Approvals) and Chapter 9.15 (Definitions)

This proposed amendment will introduce new definitions to clarify the differences between various restaurants and bar type uses. The Permitted Uses Table will be updated to reflect the expanded list of restaurants and bar uses.

The Municipal Code currently does not provide a definition for bars and nightclubs. Therefore, these uses have only been permitted if they include food service under the

“Restaurants (eating and drinking establishments)” category as provided for in the Permitted Use Table.” Nightclubs with food service have been regarded as a “Restaurant with entertainment.” In addition, any coffee shop or coffee house wishing to provide any type of small scale live performance (e.g. music, theatrical or comedic performance, karaoke, or vocal entertainment) would have to serve food as a restaurant to be considered a permitted use.

Staff researched the applicable development standards of various cities, including Riverside, Pasadena and Rancho Cucamonga. The recommended definitions are consistent with other cities. The proposed amendment will expand dining and entertainment options for Moreno Valley residents and will set forth performance standards to help ensure a safe and inviting atmosphere for all.

The proposed new uses (bars, bars with limited live entertainment, nightclubs, and restaurants with limited live entertainment) are consistent with Objective 2.4 of the General Plan in that expansion of restaurant and bar type uses will serve the retail and service commercial needs of Moreno Valley residents and businesses.

To allow flexibility in addressing new types of uses in the City, staff proposes to add a list of new definitions to Chapter 9.15 (Definitions), Section 9.15.030 as follows:

| Proposed New Definitions |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>“Bar” means an establishment serving alcoholic beverages for on-site consumption as the primary use, including bars, cocktail lounges, pubs, saloons, and taverns and in which the service of food is only incidental to the consumption of such beverages.</p> |
| <p>“Bar, with Limited Live Entertainment” means a bar or tavern that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet and customer dancing does not occur. The use shall instead be classified as a nightclub if the performance area exceeds 75 square feet or customer dancing occurs. Live entertainment does not include a sexually oriented business.</p> |
| <p>“Nightclub” means a bar, tavern, restaurant or similar establishment that provides live entertainment (music, comedy, etc.) that may serve alcoholic beverage for sale, where the performance area exceeds 75 square feet, or customer dancing occurs.</p> |
| <p>“Restaurant with Limited Live Entertainment” means a restaurant that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet, and customer dancing does not occur. The use shall be classified as a nightclub (commercial entertainment) if the performance area exceeds 75 square feet or customer dancing is provided. Live entertainment does not include a sexually oriented business.</p> |

The four new restaurant and bar type uses will also be added to the “Permitted Uses Table 9.02.020-1” in Section 9.02.020 (Permitted Uses) (Attachment #2). Table 9.02.020-1 (Permitted Uses) clarifies within which zoning districts the proposed uses

are permitted or conditionally permitted. Staff proposes to add the following information to the Permitted Uses Table:

- “Bar” and “Bar, with Limited Live Entertainment” are proposed as conditionally permitted uses within all the Mixed Use Overlay Districts (Mixed-Use Neighborhood Overlay District (MUN), Mixed-Use Community Overlay District (MUC) and Mixed-Use Institutional Anchor Overlay District (MUI) as well as Neighborhood Commercial (NC), Community Commercial (CC) and Village Commercial (VC) zoning districts.
- “Restaurant, with Limited Live Entertainment” is proposed permitted uses within the Neighborhood Commercial (NC), Community Commercial (CC) and Village Commercial (VC) zoning districts as well as all the Mixed Use Overlay Districts (MUN, MUC and MUI).
- “Nightclub” is proposed conditionally permitted uses in Community Commercial (CC) zoning districts, and the mixed use overlay districts MUC and MUI. A Conditional Use Permit (CUP) application would be required.
- “Restaurants with entertainment” will be deleted from the “Permitted Uses Table 9.02.020-1” as the use has been replaced by the new definitions above.

Item 14 Addition of “pool hall” to definitions in Chapter 9.15 (Definitions)

The City’s current Municipal Code includes “Pool Hall” in the Permitted Uses Table (9.02.020-1 of Chapter 9.02 Permits and Approvals). Pool Halls are an allowed use in the Neighborhood Commercial and Community Commercial districts, and with a Conditional Use Permit if within 300 feet of residential. However, there is no definition for pool halls in Chapter 9.15 (Definitions).

Based on staff’s experience, pool halls generally include multiple pool tables, and the primary use was a pool hall. However, more recently there have been requests from restaurants, bars, and hookah/vape lounges to include pool tables that would be ancillary to the primary use. This amendment is intended to allow additional flexibility by allowing a small number of pool tables in conjunction with other commercial businesses. Staff recommends allowing pool tables (up to three) to be permitted without requiring additional applications if they are ancillary to the primary use.

Staff proposes to add a new definition to Chapter 9.15 (Definitions), Section 9.15.030 as follows:

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Proposed New Definition |
| <p>“Pool hall” means a building or portion thereof having within its premises four or more pool tables or billiard tables, or combination thereof, regardless of size, and whether activated manually or by the insertion of a coin, token or other mechanical device.</p> |

Item 15 Addition of “mulch” to definitions in Chapter 9.15 (Definitions)

Mulch is a beneficial addition to landscaping in many situations, including providing a surface covering under shrubs, or where ground cover material is maturing. The Municipal Code in Section 9.17.030 currently identifies that all soil surfaces in landscape areas shall be covered by plant materials, walkways, or mulch. In addition, it specifies that areas covered with mulch require a minimum of three inches of mulch material unless otherwise approved by the City. The intention of this proposed amendment is to provide a definition for mulch, since there is not currently a definition of “mulch” in the Municipal Code.

Staff proposes to add “mulch” to definitions in Chapter 9.15 (Definitions), Section 9.15.030 as follows:

Proposed New Definition

“Mulch” means any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, and decomposed granite left loose and applied to the soil surface for the beneficial purposes of reducing evaporation, suppressing weeds, moderating soil temperature, and preventing soil erosion. In mulched planting areas, the use of low volume irrigation is required to maximize water infiltration into the root zone.

Item 16 Addition of “Pervious pavement/surfaces” and “hardscape” to definitions in Chapter 9.15 (Definitions)

Permeable paving allows water to pass through the paving material or between pavers while providing a stable, load-bearing surface. This allows storm water to filter through the soil below the paved surface, reducing the numerous environmental issues associated with water runoff. Pervious pavement is also regarded as a best management practice for water quality. Therefore, a definition of pervious pavement/surfaces will help support the City’s effort to promote the use of pervious pavement and surfaces. Landscaping design that uses alternatives to reduce impervious pavement is a positive step towards improving the quality of water resources.

Staff proposes to add “Pervious pavement/surfaces” and “Hardscape” to definitions in Chapter 9.15 (Definitions), Section 9.15.030 as follows:

Proposed New Definition

“Permeable paving/surfaces” means any paving or surfaces that allow storm water to infiltrate the underlying soils. Permeable paving/surfaces are required to be contained so neither sediment nor the permeable surface discharges off the site. Materials allowed include but are not limited to: porous asphalt, porous concrete, single-sized aggregate, planting beds, open-jointed blocks, stone, pavers or brick that are loosely set without mortar.

“**Hardscape**” refers to the solid, hard elements in landscape design that stay the same for years. Examples of hardscape designs include patios, decks, driveways, walkways, stairs, water features, retaining or garden walls and outdoor kitchens. Many different materials are used in hardscape designs including concrete, brick, slate and flagstone.

Item 17 Revisions to Chapter 9.17 (Landscape and Water Efficiency Requirements)

The existing landscape guidelines for single-family residential homes provide general standards regarding the use of drought tolerant plant materials and irrigation systems. Staff recommends changes to the City’s standards for landscaping and water efficiency. These more specific standards will also assist the homeowner and developers by providing better guidance for drought tolerant landscapes.

Staff proposes to revise Chapter 9.17 (Landscape and Water Efficiency Requirements), Section 9.17.070 (Single-family residential development) as follows:

| Current Standards | Proposed Changes |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 6. The front yard area have a maximum of twenty-five (25) percent turf with the remaining yard planted with shrubs, groundcovers and required trees. Turf should be planted in gathering areas only. Pavement and other solid surfaces shall not cover more than half of the required front yard setback. Pervious pavement/surfaces are recommended to reduce water run-off. | 6. The front yard areas have a maximum allowance of twenty-five (25) percent turf with the remaining yard planted with shrubs, groundcovers and required trees. Turf should be planted in gathering areas only. Pavement and other solid surfaces shall not cover more than half of the required front yard setback. Pervious pavement/surfaces are recommended to reduce water run-off. |
| 7. New and existing single-family front yard setbacks include front and street side yard landscaping consisting predominantly of plant materials including shrubs, groundcovers and required trees, except for necessary walks, drives and fences, not including weeds, as defined in Municipal Code Chapter 6.04, or concrete/hardscape materials. | 7. Ground Treatment. The ground area within required landscape areas shall receive landscape treatment and present a finished appearance and reasonably complete coverage upon planting. Areas not planted with trees, shrubs, or bedding plants shall be planted according to the following provisions. |
| 8. Groundcover should be used to absorb run-off from rain or irrigation. | a) Areas may be planted with ground cover. Ground cover shall be of a size and spacing to provide one hundred (100) percent coverage within the first year of planting. Edging shall be |
| 9. Reduction of hardscape/paving, incorporating permeable surfaces to | |

reduce run-off.

10. The plant palette provided in the County of Riverside Guide to Friendly Landscaping is recommended to identify plants which can be used to establish an aesthetically pleasing and water efficient landscape.

provided for all ground cover.

b) Mulch shall be installed and maintained at a minimum depth of three (3) inches on all planted areas except where ground cover plants are fully established. Mulch may be approved as a permanent ground treatment in landscape designs up to 25 percent of the total required landscape area. Mulch with an accompanying weed barrier may be used in a limited way when appropriate to a design concept.

8. New and existing single-family front yard setbacks include front and street side yard landscaping consisting predominantly of plant materials including shrubs, groundcovers and required trees, except for necessary walks, drives and fences, not including weeds, as defined in Municipal Code Chapter 6.04, or concrete/hardscape materials.

9. Groundcover should be used to absorb run-off from rain or irrigation.

10. Reduction of hardscape/paving is recommended to reduce water run-off. Pervious pavement/surfaces are preferred.

11. The plant palette provided in the County of Riverside Guide to Friendly Landscaping is recommended to identify plants which can be used to establish an aesthetically pleasing and water efficient landscape.

**Item 18 Deletion of public noticing procedures for second dwelling unit
(Previously approved in 2010 under project number: PA09-0024)**

A Municipal Code Amendment processed in 2010 (PA09-0024) was intended to remove the noticing requirements in Section 9.09.130 (D) for second dwelling units consistent with State law regulations. However, due to the manner in which the ordinance language was drafted and submitted to the official codifier, the change to drop the noticing was not made. This item is therefore a minor clean-up item to be consistent with noticing requirements in State law (Government Code Section 65852.2).

Staff proposes to revise Chapter 9.09 (Specific Use Development Standards), Section 9.09.130 (D) (Second Dwelling Units) by deleting "D" as follows:

- ~~D. — Notice. Notice of an application for a second unit shall be mailed or delivered to the owners of real property within three hundred (300) feet of the parcel containing the proposed unit. The notice shall describe the nature of the request and the location of the project. The notice shall also state that written comments are requested and that a decision will be made on a date not less than ten (10) days from the date of mailing of the notice. Notice of the decision shall be mailed or delivered to the applicant and to the property owners within three hundred (300) feet of the parcel containing the proposed second unit. (Ord. 817 § 3.3, 2010; Ord. 475 § 1.4, 1995; Ord. 428 § 1.2, 1994; Ord. 359, 1992)~~

Item 19 Correction to "Table 9.11.040 A-12 - Off-Street Parking Requirements" regarding second dwelling units in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)

Section 9.09.130 (C) addresses the property development standards for second dwelling units. The Municipal Code Amendment processed in 2010 (PA09-0024) included updating the parking requirements for consistency with State Law (Government Code Section 65852.2). Unfortunately, the proposed change was not made to Table 9.11.040 A-12 (Off-Street Parking Requirements) in 2010. Currently, this table states that second dwelling units require a carport or garage that provides a minimum of two (2) parking spaces per unit.

Staff proposes to revise Table 9.11.040 A-12 to read as follows:

| Current Standards | | | | Proposed Changes | | | |
|-----------------------|-------------|-------------------|-------|-----------------------|-------------|-----------------|------------------------------------------------------------------------------------------------------|
| Use | Requirement | Covered Parking | Notes | Use | Requirement | Covered Parking | Notes |
| Residential Uses | | | | Residential Uses | | | |
| Second dwelling units | 2/unit | Carport or garage | | Second dwelling units | 1/bedroom | | The second dwelling unit shall provide a minimum of one parking space per bedroom in addition to the |

| | | | | |
|--|--|--|--|--------------------------------------------------------------------------------------------------|
| | | | | parking required for the main dwelling without blocking any required parking (no tandem parking) |
|--|--|--|--|--------------------------------------------------------------------------------------------------|

Item 20 Replacing various off-street parking requirements to “Table 9.11.040B-12 - Off-Street Parking Requirements” that were inadvertently deleted in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)

When the last code amendment updating the Off-Street Parking Requirements in Chapter 9.11.040 was published, some uses were inadvertently deleted from Table 9.11.040B-12.0. This code amendment proposes to reinsert the uses deleted listed in Table 2 (Attachment 3).

Item 21 Changes related to Title 11 (Peace, Morals and Safety) regarding massage parlors/establishments in Title 9

On November 24, 2015, the City Council approved two ordinances revising Title 11 (Peace, Morals and Safety) of the Moreno Valley Municipal Code by repealing Chapter 11.06 in its entirety, and adding Chapters 11.95 and 11.96 in response to new state laws (Senate Bill 731 and Assembly Bill 1147) regarding massage parlors. Both ordinances included a request that the Planning Commission recommend adoption of an ordinance to the City Council to amend Title 9.

The proposed amendment includes modifications to Sections 9.02.020, 9.02.130 and 9.15.030. Staff is recommending adding a definition for “Spa facility” as the fourth change in the proposed amendment.

Change #1 (Section 9.02.020)

Staff is recommending a revision to the Permitted Uses Table to change the term “massage establishment” under Personal Services to “spa facilities.” Earlier in the list of proposed Municipal Code Amendment (Item #16), “Permitted Uses Table 9.02.020-1” in Section 9.02.020 (Permitted Uses) in Chapter 9.02 (Permits and Approvals) (Attachment 2) has been modified.

Staff recommends revising the “Permitted Uses Table 9.02.020-1” in Section 9.02.020 (Permitted Uses) as follows:

| Current Standards | Proposed Changes |
|---------------------------------------|-------------------------------------------|
| Personal Services (e.g., nail salons, | Personal Services (e.g., nail salons, spa |

| | |
|---------------------------------------------------------------------|----------------------------------------------------------|
| massage establishment, barber and beauty shops, and tattoo parlors) | facilities, barber and beauty shops, and tattoo parlors) |
|---------------------------------------------------------------------|----------------------------------------------------------|

Change #2 (Section 9.02.130)

A home occupation permit (Section 9.02.130) "allows for the gainful employment in the home by the occupant(s) of a dwelling, to the extent that the enterprise does not require frequent customer access or have associated characteristics which would reduce the surrounding residents' enjoyment of their neighborhood." Prohibited home occupation uses include massage parlors, which will have a term change to "spa facilities" and remain a prohibited use.

Staff recommends revising Chapter 9.02 (Permits and Approvals), Section 9.02.130.E (Home occupation permits) as follows:

| Current Standards | Proposed Changes |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>E. Prohibited Home Occupation Uses. The following uses, either by operation or nature, are not considered to be incidental to or compatible with residential activities and therefore shall not be permitted as home occupations:</p> <ol style="list-style-type: none"> 1. Automotive and other vehicle (inclusive of motorcycles or recreational vehicles) repair (body or mechanical), upholstery, painting or storage; 2. Towing; 3. The sale, use or manufacture of ammunition, explosives or fireworks; 4. Massage Parlors. This shall not be construed to prohibit medical massage performed by licensed professionals, as defined in this title; 5. Junk yards; 6. Escort services; and 7. Quantities of materials which may present a health and/or safety hazard, including, but not limited to: explosives; flammable or combustible dusts, liquids or gases; corrosives; irritants and toxic materials. | <p>E. Prohibited Home Occupation Uses. The following uses, either by operation or nature, are not considered to be incidental to or compatible with residential activities and therefore shall not be permitted as home occupations:</p> <ol style="list-style-type: none"> 1. Automotive and other vehicle (inclusive of motorcycles or recreational vehicles) repair (body or mechanical), upholstery, painting or storage; 2. Towing; 3. The sale, use or manufacture of ammunition, explosives or fireworks; 4. Spa Facilities. This shall not be construed to prohibit medical massage performed by licensed professionals, as defined in this title; 5. Junk yards; 6. Escort services; and 7. Quantities of materials which may present a health and/or safety hazard, including, but not limited to: explosives; flammable or combustible dusts, liquids or gases; corrosives; irritants and toxic materials. |

Change #3 (Section 9.15.030)

Staff recommends that the definition of “massage parlor” is deleted from Chapter 9.15, Section 9.15.030 (Definitions) as follows:

- ~~“Massage parlor” means any place where for any form of consideration or gratuity, massage, alcohol rub, administration of fomentations, electric or magnetic treatments, or any other treatment or manipulation of the human body occurs. Massage parlor, as referred to in this title, does not include the following:~~

~~1. A medical establishment including professional offices where massage is administered by a physician, surgeon, chiropractor, osteopath, physical therapist, nurse or any other person licensed to practice a healing art under the provisions of the California Business and Professions Code when engaging in such practice within the scope of his or her license, or by an individual acting under the direction and control of any of the aforelisted licensed professionals on the premises of the medical establishment;~~

~~2. Hospital, medical clinic, nursing home, sanatorium, or other major medical or mental facility duly licensed under the laws of the state of California;~~

~~3. Barbershop or beauty salon where massage is limited to the head, scalp, neck or back and is administered by barbers or cosmetologists licensed under the laws of the state of California;~~

~~4. Any school or institution of higher education including a community or junior college, college or university whose course of study is approved by the State Department of Education or Superintendent of Public Instruction where massage is administered or taught by authorized school employees in conjunction with athletic training programs, training in the healing arts or other school courses;~~

~~5. Any athletic club, health club, country club, gymnasium, reducing salon, beauty salon, or similar establishment, where massage is offered as an incidental or accessory service to its primary program of sport, exercise, athletic training, weight reduction or beauty care.~~

Change #4 (Section 9.15.030)

With the removal of massage parlor from the Section 9.15.030 (Definitions), Staff recommends adding the definition of “spa facility” to address similar uses that may be proposed within the City. There is currently one spa facility in Moreno Valley at the Ayers Hotel and Spa located on Memorial Way.

Day spas are becoming a more frequent and popular use throughout California. These spas typically offer a combination of non-medical personal services that includes nail, skin, or hair care and treatment, and massage therapy. The businesses also provide

relaxation rooms, spa tubs, and upscale bathroom facilities to enhance the customer experience. Adding the spa facility to the Municipal Code will allow staff to ensure that proposed businesses meet the requirements of both Title 9 and Title 11.

Staff recommends adding the definition of "spa facility" to Chapter 9.15, Section 9.15.030 (Definitions) as follows:

Proposed New Definition

"Spa facility" means an establishment in a fixed location where massage is performed for compensation pursuant to all applicable state and local laws, rules and regulations as well as meeting all the requirements of Chapter 11.96 (Spa facilities). Spa facilities may include additional services such as full service hair salons, make-up consultation and application and manicure and pedicure services, and therapeutic treatments such as body packs and wraps, exfoliation, cellulite and heat treatments, electrolysis, body toning, waxing, aromatherapy, cleansing facials, medical facials, non-surgical face lifts, electrical toning and electrolysis. Hydrotherapy and steam and sauna facilities, nutrition and weight management, spa cuisine and exercise facilities and instruction may also be provided as additional services.

ENVIRONMENTAL

Staff has reviewed the proposed Municipal Code Amendment in accordance with the CEQA Guidelines and has determined that the code amendment is exempt pursuant to Section 15061 (b) (3) (Review for Exemption) of the CEQA Guidelines. This exemption applies if "The activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA."

Each of the proposed amendments was analyzed under the California Environmental Quality Act to determine if the proposal qualified as an exemption (Attachment 4). It was determined that each amendment would be covered by the general rule provided for in Section 15061(b)(3). Therefore, this project will not have a significant effect on the environment.

NOTIFICATION

In accordance with Section 9.02.200 of the Municipal Code, a 1/8 page public notice was published in the Press Enterprise newspaper on March 14, 2016 for the March 24, 2015 public hearing. Planning Commission formally continued the hearing to April 28, 2016. Given the prior action of the Planning Commission to formally continue the hearing to a date certain, no additional public noticing has been required.

STAFF RECOMMENDATION

Staff recommends that the Planning Commission **APPROVE** Resolution No. 2016-05, and thereby:

1. **RECOGNIZE** that PA14-0011 (Municipal Code Amendment) qualify as exemptions in accordance with CEQA Guidelines, Section 15061.
2. **APPROVE** Planning Commission Resolution No. 2016-05, recommending that the City Council approve the proposed amendments to Title 8, Title 9, and Title 12 of the City Municipal Code, PA14-0011.

Prepared by:
Claudia Manrique
Associate Planner

Approved by:
Allen Brock
Community Development Director

ATTACHMENTS

1. Table 1: List of Changes to Section 9.12.060 Permitted signs
2. Permitted Uses Table with Proposed Revisions
3. Table 2: Parking Table 9.11.040B-12
4. PA14-0011 CEQA Review Memo
5. Draft City Council Ordinance
6. Exhibit A - Changes to Section 9.12.060 (Permitted signs) to CC Ordinance
7. Exhibit B - Permitted Uses Table to CC Ordinance
8. Exhibit C - Parking Tables in Section 9.11.040 to CC Ordinance
9. Public Notice
10. Resolution No. 2016-05

**Table 1: "List of Changes to Chapter 9.12 Sign Regulations,
Section 9.12.060 Permitted signs"**

| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Section 9.12.060 Permitted signs, will include the following change:</p> <p>A. General Provisions.</p> <p>1. The following signs shall be permitted subject to a sign permit:</p> <p>a. Modified monument signs <u>Monument signs</u>;</p> |
| <p>The word "Modified" will be deleted from Section 9.12.060 as follows:</p> <p>B. Modified <u>Monument Sign Requirements</u>.</p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B3 as follows:</p> <p><u>3. Institutional Signs Within Residential Districts. One modified monument sign not to exceed thirty-six (36) square feet in copy area, forty-eight (48) square feet in sign area and eight feet in height is permitted to identify the premises of a place of religious worship or similar quasi-public institution.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B4a as follows:</p> <p>4. <u>Sign Height and Area.</u></p> <p>a. <u>The height of a modified-monument sign is the vertical dimension measured from the average finished grade level to the highest point of the sign. The height of a modified monument sign shall not exceed fifteen (15) feet.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B4d as follows:</p> <p>4. <u>Sign Height and Area.</u></p> <p>d. <u>The sign area of a modified monument sign may not exceed the limits prescribed in this section unless a determination is made by the decision-making body that an increase is needed to improve the compatibility of the sign with the architecture of the development where the sign is to be located. This provision shall not be construed to apply to the sign copy area.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B6 as follows:</p> <p><u>6. Vacant Spaces. Any vacant tenant spaces on a multi-tenant modified monument sign shall appear opaque until occupied using a material and texture consistent with the rest of the sign copy area.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B8 as follows:</p> <p><u>8. Application to Multi-tenant Centers. Modified Monument sign standards apply to any development designed as an integrated center with shared parking and access. Leasing to individual tenants or subdivision of the center shall not establish separate sign privileges for each tenant or parcel.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 B9 as follows:</p> <p><u>9. Setback Requirements. Modified Monument signs may be placed at the ultimate street right-of-way line, except that they shall not encroach within the limited use area described in the landscape development guidelines and specifications.</u></p> |
| <p>The revised wording will also change the wording of Section 9.12.060 F1 as follows:</p> |

F. Gas Station Signs.

1. Modified-Monument Signs. Gas stations shall be allowed one modified monument sign per street frontage to identify the business and the state-mandated price identification. Each sign shall not exceed forty (40) square feet in copy area and seventy-five (75) square feet in sign area, except that up to forty-five (45) square feet in copy area may be allowed where there is joint use of a gas station with other businesses.

The revised wording will also change the wording of Section 9.12.060 J as follows:

J. Projecting Signs. A projecting sign may be permitted in lieu of a modified monument sign based on a determination by the decision-making body that the physical limitations of the site make it impractical to erect a modified monument sign on the premises. The copy area and sign area shall not exceed the size of the modified monument sign.

The revised wording will also change the wording of Section 9.12.060 O1 as follows:

O. Signs in the Public Right-of-Way.

1. A Modified Monument Sign that is otherwise permissible pursuant to Section 9.12.060(B)(1) of this chapter and located in the public-right-of-way may be permitted in the following circumstances:

Permitted Uses Table 9.02.020-1

- X - Indicates stated use is permitted subject to district requirements.
- C - Indicates stated use is allowed with a conditional use permit.
- ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
- A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | | Commercial & Office Zones | | | | | | | Industrial Zones | | | | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-----|---------------------------|------------|------------|---------------|----|----|----|------------------|---|---|---|----|----|-----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX |

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| and Boat Sales and Incidental Minor Repairs and Accessory Installations | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Service Stations | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accessory uses include convenience store and car wash | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Minor repairs to include auto/boat/motorcycle/RV (excludes major repair, paint, body work) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive, Boat, Motorcycle and RV Repair—Minor (includes brake, muffler and tire installation and repair) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automotive Paint and Body Repair—Major Engine Overhaul | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Rentals | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Supply Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bakery Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bakery—Commercial | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Banks—Financial Institutions | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Barber and Beauty Colleges | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

- X - Indicates stated use is permitted subject to district requirements.
- C - Indicates stated use is allowed with a conditional use permit.
- ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
- A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Commercial & Office Zones | | | | | | | Industrial Zones | | | | | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|---------------------------|-----|------------|------------|---------------|----|----|------------------|----|---|---|---|----|----|-----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX |

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|-----------------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Accessory Mortuary and Cremation Services (Minimum 10-acre site required) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Churches ² | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | |
| Clubs | | | | | | | | | | | | | | | | | | | | | | | | | | | C |
| Commercial Radio or Television Stations | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With on-site antenna | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without on-site antenna | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Communications Facilities (See Section 9.09.040 of this title) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Computer Sales and Repairs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contractors Storage Yard | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Contractors Storage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Convalescent Homes/Assisted Living | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Convenience Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without drive-through | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With alcohol sales | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Convention Hall, Trade Show, Exhibit Building with Incidental Food Services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Copy Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Country Club | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Dancing, Art, Music and | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

- X - Indicates stated use is permitted subject to district requirements.
- C - Indicates stated use is allowed with a conditional use permit.
- ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
- A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|--------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |
| Similar Schools | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Day Care Centers | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Delicatessens | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Diaper Supply Service | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Laundry with fleet storage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Disposal company | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drapery Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dressmaking Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Driving School | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Drug Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Dry Cleaning or Laundry | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Dry Cleaning | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b. Laundromat | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c. Laundry Commercial | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Emergency Shelters ¹⁴ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Equestrian Centers, Riding Academies, Commercial Stables (including incidental sales of feed and tack) | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | |
| Exterminators | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Farm Worker Housing | | | | | | | | | X | X | X | | | | | | | | | | | | | | | | |
| Feed and Grain Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire and Police Stations | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Floor Covering Stores (may include incidental repairs with installation service) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fraternity/Sorority | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

X - Indicates stated use is permitted subject to district requirements.
 C - Indicates stated use is allowed with a conditional use permit.
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | L1 | BP | BPX | OS |

| | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|---------------------------------------------------------------------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Frozen Food Locker | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Gasoline Dispensing - Non-retail accessory to an auto-related use | | | | | | | | | | | | | | | | | X | | | | | | X | X | | | |
| Glass Shops and Glass Studios—Stained, etc. | | | | | | | | | | | | | | | | X | | | | | | | X | | | | |
| Golf Courses or Golf Driving Ranges with Incidental Commercial Uses | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | X | | | | | ◆ |
| Handicapped Housing | | | | | | | | X | X | X | X | | | | | | | | | | | | | | | | |
| Heavy Equipment Sales and Rentals | | | | | | | | | | | | | | | | | X | | | | | | | | | | |
| Hospitals | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Hotels | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. With 20% or less of the units containing kitchens | | | | | | | | | | | | | | | | | X | | | | | | | | | | |
| b. With over 20% of the units containing kitchens | | | | | | | | | | | | | | | | | C | | | | | | | | | | |
| Ice Cream Stores—Including Yogurt Sales | | | | | | | | | | | | | | | | | X | X | X | | | | | | | | |
| Impound Yards | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Jewelry Stores | | | | | | | | | | | | | | | | | X | X | X | | | | | | | | |
| Kennel and Catteries | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Laboratories (medical and dental) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Libraries | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |

Permitted Uses Table 9.02.020-1

| | Residential Zones | | | | | | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | | | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|-----|----|----|----|------|-----|-----|-----|---------------------------|------------|------------|---------------|----|----|------------------|----|---|---|---|---|----|-----|----|--|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | L | BP | BPX | OS | |
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| ◆ - | Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. | | | | | | | | | | | | | | | | | | | | | | | | | | |
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| | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| Liquor Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Live/Work Unit (12) | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Locksmith Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lodge Halls and Similar Facilities | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lumberyards | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mail Order House | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manufacturing and Assembly | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Custom and light manufacturing indoor uses only (50,000 square feet or less), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b. Custom and light manufacturing indoor uses only (more than 50,000 square feet), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c. General manufacturing with frequent truck traffic and/or outdoor equipment or storage | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d. Retail sales of goods produced or | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

| | Residential Zones | | | | | | | | | Mixed Use Overlay | | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-------------------|-----|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|--|
| | HR | RP | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |
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| warehoused on-site ³ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical Clinics/Medical Care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inpatient care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Urgent care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical device services and sales (retail), including, but not limited to, fittings for and sale of prosthetic and orthotic devices | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical equipment supply, including retail sales for in-home medical care, such as wheelchairs, walkers, and respiratory equipment | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mobile Home Parks | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mobile Home Sales or Rentals (outdoor display) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortuaries | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With cremation services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No cremation services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Museums | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Newspaper and Printing Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nightclubs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nursery, (Plant), | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

| | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
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|-------------------------------------------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|---------------------------|-----|------------|------------|---------------|----|----|------------------|----|---|---|---|----|----|-----|----|---|
| | HR | RP | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |
| Wholesale and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Offices (administrative and professional) | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | | | X | X | X | |
| Open Air Theaters | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Orphanages | C | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | C |
| Painting Contractor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parcel Delivery Terminals | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parking Lot | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parks and Recreation Facilities (public) | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Personal Services (e.g., nail salons, massage establishments, spa facilities ¹⁵ , barber and beauty shops, and tattoo parlors) | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Pharmacy ⁴ | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Photo Studios | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Plumbing Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plumbing Supply Stores for Contractors | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pool Hall | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Postal Services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pottery Sales with Outdoor Sales | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Public Administration, Buildings and Civic Centers | | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |

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|-----------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
| | HR | RP | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |
| Public Utility Stations, Yards, Wells and Similar Facilities, Excluding Offices | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | X | ◆ | ◆ | ◆ | C |
| Racetracks | | | | | | | | | | | | X | X | X | X | C | | | | | | | | | | | |
| Record Store | | | | | | | | | | | | X | X | X | X | | | | | | | | | | | | |
| Recording Studio | | | | | | | | | | | | X | X | X | X | | | | | | | | | | | | |
| Recreational Facilities (Private) such as Tennis Club, Polo Club, with Limited Associated Incidental Uses | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | X | ◆ | ◆ | ◆ | |
| Recycling, Large Collection Facility ⁵ | | | | | | | | | | | | | | | | ◆ | | | | | | X | | | | | |
| Recycling, Small Collection Facility | | | | | | | | | | | | X | X | X | X | X | X | X | | | | | | | | | |
| Recycling Processing Centers | | | | | | | | | | | | | X | X | X | X | X | X | | | | X | X | X | X | X | |
| Refreshment Stands | | | | | | | | | | | | X | X | X | X | X | X | X | | | | X | X | X | X | X | |
| Rental Service | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within an enclosed structure (furniture, office, party supplies) | | | | | | | | | | | | X | X | X | X | X | X | X | | | | X | X | X | X | X | |
| With outdoor storage and display (vehicles, equipment, etc.) | | | | | | | | | | | | | | | | | ◆ | | | | | X | | | | | |
| Research and Development | | | | | | | | | | | | X | X | X | X | | | | | | | X | X | X | X | X | |
| Residential Single-Family | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | | | | | | | |

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|-------------------------------------------------------|-------------------|----|-----|----|----|----|------|-----|-----|-----|-------------------|------------|------------|---------------|----|----|----|---------------------------|---|---|---|----|----|-----|------------------|---|--|--|--|
| | HR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (g.11) | MUC (g.11) | MUI (g.10.11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | | | | |
| Multiple-Family | | | | | | | | X | | | X | X | X | | | | | | | | | | | | | | | | |
| Manufactured home park (see mobile home parks) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Care Facility (for seven or more persons) | C | C | C | C | C | C | C | C | C | C | C | C | C | X | | | | | | | | | | | | | | | |
| Restaurants (Eating and Drinking Establishments) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With-entertainment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without entertainment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With Limited Live entertainment | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With alcoholic beverage sales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With outdoor seating ¹³ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Restaurants (fast-food) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without drive-through | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail Sales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Support Retail Sales | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sandwich Shops ⁶ | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Schools, Private | C | C | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | | | |
| Senior Housing | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | | |
| Shoe Shine Stands | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shoe Repair Shop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sign Shop | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single room occupancy | | | | | | | | | | | C | C | C | C | C | C | C | C | C | C | C | C | C | C | C | C | | | |

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| (SRO) facility | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Skating Rinks | | | | | | | | | | | | | X | | | | X | | | | | | | | | | |
| Stationery Stores | | | | | | | | | | | | X | X | | | X | X | X | | | | | | X | | | |
| Statue Shop -Outdoor display | | | | | | | | | | | | | | | | ◆ | | | | | | | X | | | | |
| Storage Lots and Mini-Warehouses | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outdoor | | | | | | | | | | | | | | | | C | | | | | | | | | | | |
| Swim Schools/Center with Incidental Commercial Uses | C | C | C | C | C | C | C | C | C | C | C | | | | | X | | | | | | | | | | | |
| Taxidermist | | | | | | | | | | | | | X | | | X | X | X | | | | | | | | | |
| Theaters (excludes open air) | | | | | | | | | | | | | X | | | X | X | | | | | | | | | | |
| Tire Recapping | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade and Vocational Schools | | | | | | | | | | | | X | X | | | X | | | X | | | | | X | X | | |
| Transfer, Moving and Storage Facilities | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Truck Wash | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Upholstery Shops | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Vehicle Storage Yards | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outdoor | | | | | | | | | | | | | | | | X | | | | | | | X | X | | | |
| Vending Machine Service and Repair | | | | | | | | | | | | | | | | C | | | | | | | X | X | | | |
| Veterinarian (including animal hospital) | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| All activities within an | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |

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|--------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|---------------------------|----|----|----|---|------------------|---|----|----|-----|----|--|
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| enclosed structure | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With outdoor activities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Weight Reduction Center | | | | | | | | | | | | X | X | X | X | ◆ | X | X | X | X | | | | | ◆ | ◆ | |
| Wholesale, Storage, and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities indoors (50,000 square feet or less) | | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| All activities outdoors (more than 50,000 square feet) | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| All activities outdoors | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Retail sale of goods warehoused on-site ⁷ | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | | |
| Wrecking Yard | | | | | | | | | | | | | | | | | | | | | | | ◆ | | | | |

Notes:
 (1) Do not consider residential use per distance requirement.
 (2) The administrative plot plan process may be used to establish these uses in an existing building within any commercial or industrial zone, even if the project is located adjacent to residential uses or zones.
 (3) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
 (4) Permitted in the OC and VOR districts only as a support medical office facility.
 (5) Large collection facilities may be established within an existing building through the "tenant improvement" process if such building or tenant space occupied by the use is not located adjacent to a residential use or zone.
 (6) Sandwich shops shall not have cooking hoods, nor shall they exceed five percent of the gross floor area of the complex where they are located.
 (7) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
 (8) In the MUJ district, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 300 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.

Permitted Uses Table 9.02.020-1

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | Commercial & Office Zones | | | | | Industrial Zones | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|---------------------------|----|----|----|---|------------------|----|----|-----|----|
| | HR | R2 | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | P | I | LI | BP | BPX | OS |
| X - | Indicates stated use is permitted subject to district requirements. | | | | | | | | | | | | | | | | | | | | | | | | |
| C - | Indicates stated use is allowed with a conditional use permit. | | | | | | | | | | | | | | | | | | | | | | | | |
| ◆ - | Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. | | | | | | | | | | | | | | | | | | | | | | | | |
| A - | Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met. | | | | | | | | | | | | | | | | | | | | | | | | |

- (9) In the MUC and MUN districts, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 150 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.
- (10) See Section 9.07.40 (Medical Use Overlay District)
- (11) See Section 9.09.260 (Mixed Use Development)
- (12) See Section 9.09.250 (Live-Work Development)
- (13) See Section 9.09.270 (Outdoor Dining)
- (14) Use is also permitted in the Moreno Valley Industrial Area Plan (SP 208)
- (15) For Spa Facilities refer to Title 11, Chapter 11.96 of the Municipal Code.

Permitted Uses Table 9.02.020-1

| X - | Indicates stated use is permitted subject to district requirements. | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-----|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----|----|----|-----|----|----|----|------|-----|-------------------|-----|-----|---------------------------|------------|---------------|------------------|----|----|----|---|---|---|----|----|-----|----|
| C - | Indicates stated use is allowed with a conditional use permit. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| ◆ - | Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| A - | Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met. | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | Commercial & Office Zones | | | Industrial Zones | | | | | | | | | | |
| | HR | RR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS |

Zoning District Key

| | | | |
|------|----------------------------------------------------------------------------|-----|-------------------------------------------------|
| HR | Hillside Residential District | MU | Mixed Use Overlay District |
| RR | Rural Residential District | MUN | Mixed-Use Neighborhood Overlay District |
| R1 | Residential 1 District (40,000 square feet minimum lot size) | MUC | Mixed-Use Community Overlay District |
| RA2 | Residential Agriculture 2 (20,000 square feet minimum lot size) | MUI | Mixed-Use Institutional Anchor Overlay District |
| R2 | Residential 2 District (20,000 square feet minimum lot size) | NC | Neighborhood Commercial District |
| R3 | Residential 3 District (10,000 square feet minimum lot size) | CC | Community Commercial District |
| R5 | Residential 5 District (7,200 square feet minimum lot size) | VC | Village Commercial District |
| RS10 | Residential Single-Family 10 District (4,500 square feet minimum lot size) | OC | Office Commercial District |
| R10 | Residential 10 District (Up to 10 Dwelling Units per net acre) | O | Office District |
| R15 | Residential 15 District (Up to 15 Dwelling Units per net acre) | P | Public District |
| R20 | Residential 20 District (Up to 20 Dwelling Units per net acre) | I | Industrial District |
| R30 | Residential 30 District (Up to 30 Dwelling Units per net acre) | LI | Light Industrial |
| | | BP | Business Park District |
| | | BPX | Business Park-Mixed Use District |
| | | OS | Open Space District |

**Table 9.11.040A-12
Off-Street Parking Requirements**

| Use | Requirement | Covered Parking | Notes |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential Uses | | | |
| Single-family | 2/unit | Within an enclosed garage | |
| Second units | 2/unit-1/bedroom | Carport or garage | The second dwelling unit shall provide a minimum of one parking space per bedroom in addition to the parking required for the main dwelling without blocking any required parking (no tandem parking) |
| Duplex | 2/unit | Within an enclosed garage | |
| 3 or more units: | | | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom | 1.5/unit | 1 covered/unit | |
| 2 bedrooms | 2.0/unit | 1 covered/unit | |
| 3+ bedrooms | 2.5/unit | 2 covered/unit | |
| Senior housing: | 1.0/unit | 1 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom | 1.5/unit | 1 covered/unit | |
| + bedrooms | | | |
| Mobile home parks | 2.5/unit | | Tandem spaces may be used to meet resident parking requirements. |
| Residential care homes | Parking requirements shall be determined by the community development director subject to an approved parking study. | | |
| Live-work units (residential component) | 2/unit | 2 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is NOT included in the minimum required parking standard and can be shared with the business aspect of the "live-work" parking standard. |
| Residential component of mixed-use project | See multiple-family requirements in this table | See multiple-family requirements in this table | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard and may be shared with the nonresidential component. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |

**Table 9.11.040B-12
Off-Street Parking Requirements**

| Commercial Uses | Requirement | Notes |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General retail (unless specified elsewhere) | 1/225 sq. ft. of gross floor area | |
| Automobile, boat, mobile home, or trailer sales, retail nurseries, or other similar outdoor commercial activities | 1/2,000 sq. ft. of display area | 1. Display area shall include all office, service and repair, or other related activities and areas that are accessible to the public. 2. No required off-street parking spaces shall be used for display, sales, service or repair of vehicles. |
| Automobile service stations, repair and service facilities | 2 spaces + 4/service bay for 4 or less bays and 2/service bay for 5 or more bays | Any related retail activities shall be subject to the general retail parking standards (mini-markets, tire sales, and the like). |
| Automobile washing and waxing establishments: Self-serve Automated | 2 spaces + 2/washing stall 10 + 1 per 2 employees | |
| Business and professional offices | 1/250 sq. ft. of gross floor area | |
| Banks, savings and loans and medical/dental offices | 1/225 sq. ft. of gross floor area | |
| Day care center | 1/employee + 1/500 sq. ft. of gross floor area | Special design requirements shall apply for bus loading or parent drop-off points. |
| Eating and drinking establishments | 1/100 sq. ft. of gross floor area up to 6,000 sq. ft. 1/75 sq. ft. of gross floor area over 6,000 sq. ft. | A minimum of 10 spaces required for stand-alone use. No additional parking required if outdoor dining area comprises no more than 15% of the interior gross floor area of the primary food service use; if outdoor dining area is over 15%, 1 space for every 60 sq. ft. or 1 space for every 3 seats, whichever is greater. |
| Eating and drinking establishments within shopping centers of 25,000 sq. ft. of building area or greater. | 1/225 sq. ft. of gross floor area up to 15% of the shopping center gross building square footage. | |
| Hotel/Motel | 1/guest room | For facilities with 100+ parking spaces, two 12'x36' through stalls for RV parking are required. These stalls may be counted as 4 auto parking stalls. |
| Kennels | 2 spaces per 1,000 sq. ft. | 2 spaces per 1,000 sq.ft. of indoor animal enclosure. |
| Veterinary Hospital and Clinic | 1/200 sq.ft. of gross floor area | |
| Mortuaries | ¼ seats + funeral procession queue capacity for 5 cars | |
| Nail Salons | 1 space for every 2 work stations | |

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|----------------------------------------------------|-----------------------------------------------------------------------------------------|-------------------------|
| <u>Schools, private.</u> | | |
| <u>Business and Trade</u> | <u>10 spaces + 24/classroom</u> | |
| <u>College</u> | <u>10 spaces + 30/classroom</u> | |
| <u>Elementary/Junior High</u> | <u>10 spaces + 2/classroom</u> | |
| <u>Senior High</u> | <u>10 spaces + 10/classroom</u> | |
| <u>Storage Lots and Mini-Warehouses</u> | <u>1/100 storage spaces and 2/caretaker residence</u> | <u>2 spaces minimum</u> |
| <u>Medical and Health Services:</u> | | |
| <u>Convalescent and Nursing Homes</u> | <u>1/3 beds</u> | |
| <u>Homeless Shelter</u> | <u>1/4 beds</u> | |
| <u>Hospitals</u> | <u>1/ bed</u> | |
| <u>Residential Care Facilities</u> | <u>(see Residential Uses, Section 9.11.040 Table 9.11.040A 12</u> | |
| <u>Recreation:</u> | | |
| <u>Arcades</u> | <u>1/75 sq.ft. of gross floor area</u> | |
| <u>Bowling and Billiards</u> | <u>5/alley + 2/billiard table</u> | |
| <u>Commercial Stables</u> | <u>1/5 horse capacity for boarding onsite</u> | |
| <u>Golf Course</u> | <u>6/hole</u> | |
| <u>Golf Driving Range</u> | <u>1/tee</u> | |
| <u>Golf, miniature</u> | <u>3/hole</u> | |
| <u>Health Club</u> | <u>1/100 sq.ft. of gross floor area</u> | |
| <u>Parks-Public and Private</u> | <u>To be determined by the approval authority based upon an approved parking study.</u> | |
| <u>Skating Rink</u> | <u>1/100 sq.ft. of gross floor area</u> | |
| <u>Tennis, Handball and Racquetball facilities</u> | <u>3/court</u> | |
| <u>Theaters</u> | <u>1/3 fixed seats</u> | |

**Table 9.11.040C-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial Uses | | |
| Manufacturing | 1/500 sq. ft. of gross floor area | Trailer parking: parking stalls for trailers shall be provided at a ratio of 1 stall per truck loading dock door. This is in addition to the loading parking stall already provided at the dock door. |
| Research and development | 1/350 sq. ft. of gross floor area | |
| Warehouse and distribution | 1/1,000 sq. ft. of gross floor area for the first 20,000 sq. ft.; 1/ea. 2,000 sq. ft. of gross floor area for the second 20,000 sq. ft.; 1/ea. 4,000 sq. ft. of gross floor area for areas in excess of the initial 40,000 sq. ft. | |

**Table 9.11.040D-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Public and Quasi-Public Uses | | |
| Libraries, museums and galleries | 1/300 sq. ft. of gross floor area | |
| Public utility facilities without an office on-site | 2/employee on the largest shift + 1/company vehicle | A minimum of 2 spaces shall be required. |
| Auditorium, places of public assembly and places of worship | 1/3 fixed seats or 1/35 sq. ft. of gross floor area of the assembly area or 1 space for every 4.5 lineal feet of benches/pews, whichever is greater | |
| Government offices | To be determined by a parking study approved by the community development director | |



CITY OF MORENO VALLEY
Community Development Department
Planning Division

MEMORANDUM

To: Case Folder – PA14-0011
 From: Claudia Manrique, Associate Planner
 Date: March 2, 2016
 Subject: CEQA Determination for PA14-0011

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| Item 1 | <p><u>Change wording from “Modified Monument Signs” to “Monument Signs”</u></p> <p><i>This “clean-up” amendment clarifies requirements for a monument sign. There is no difference between a monument sign and a modified monument sign, thus staff is removing the term “modified” from the code.</i></p> <p>Staff finds that this amendment is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant impact on the environment. Since the only change is an administrative zoning text amendment to the Municipal Code, it can be seen with certainty that there is no possibility that this amendment may have a significant effect on the environment. (Section 15061 (b) (3))</p> |
| Item 2 | <p><u>Revise definition of “Monument Signs”</u></p> <p><i>This “clean-up” amendment clarifies the definition of a monument sign. Staff is removing the term “modified” from the definition as well as expanding the design requirements to discourage the use of a single pole support and allow for greater design interest</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 3 | <p><u>Revising requirements for entry monument signs for multiple-family projects</u></p> <p><i>This amendment is proposing to add a two smaller wall signs option for Multiple-Family Complexes along with the traditional one entry monument. The square footage for the two smaller signs will not exceed the existing limit.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may</p> |

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| | <p>have a significant effect on the environment.</p> |
| Item 4 | <p><u>Revising the hours of operation for construction and grading (Title 8)</u></p> <p><i>This “clean-up” amendment to Title 8 will place the same construction and grading hours in both Section O of Chapter 8.21.050 (Grading Permit Requirements) & Section E of Chapter 8.14.040 (Miscellaneous standards and regulations), allowing them to be in agreement. There is expansion of hours allowed, in fact construction hours in Chapter 8.14.040 (Miscellaneous standards and regulations) will lose two hours.</i></p> <p>Minor municipal code amendments, which do not lead to physical improvements beyond those typically exempt or which refine or clarify existing land use standards as being exempt from CEQA and thus not requiring environmental review. This exemption is pursuant to State CEQA Guidelines Section 15061 (b) (3), which states “when it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” Staff finds that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 5 | <p><u>Review/Clarify commercial vehicle restrictions for home occupations</u></p> <p><i>This amendment proposes to protect the character of the single-family neighborhood by providing clarification on the sizes of vehicles that may be parked at single-family residences that are tied to a home occupation approved business. The City already has limits on the sizes of vehicles and types (i.e. no tow trucks may be parked at a residence) associated with home occupations.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment. The text changes are for clarification purposes only.</p> |
| Item 6 | <p><u>Correcting the section reference given in Section 9.09.202 - Swimming pools, spas and recreational courts</u></p> <p><i>This “clean-up” amendment fixes the numbering in Section 9.09.202 to match the past update to the Special Single-Family Residential Development Standards in Section 9.03.04.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 7 | <p><u>Revisions making both sections referring to truck idling times meet the State requirement (Title 9 & Title 12)</u></p> |

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| | <p><i>This “clean-up” amendment modifies the truck idling times in Title 9, Chapter 9.05.050 and Title 12, Chapter 12.38.020 to be consistent. Both will meet the current CA State limit of five (5) minutes (California Code of Regulations Title 13, Section 2485).</i></p> <p>Staff finds that the CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 8 | <p><u>Revision to the Light Industrial (LI) standards</u></p> <p><i>This “clean-up” amendment removes the word “building” from the explanation of what the minimum separation distance for an industrial project with structures less than fifty thousand (50,000) square feet in building area is between a residential district and truck court or loading area. Deletion of the word “building” will have no impact on how this development standard requirement is enforced.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that this clarification of the zoning text may have a significant effect on the environment.</p> |
| Item 9 | <p><u>Revision to the single-family front yard landscaping standards</u></p> <p><i>This amendment is proposing to require tract home developments within the Residential 2 (R2), Residential Agriculture 2 (RA2) and Residential 3 (R3) districts to have fully landscaped front yards prior to occupancy. Currently, only tract home developments in the Residential 5 (R5) district have this requirement.</i></p> <p><i>Requiring the installation and appropriate maintenance of front yard landscaping in additional single family residential zones will beautify individual neighborhoods while enhancing the overall image of the City and well as meeting General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that this zoning text amendment may have a significant effect on the environment.</p> |
| Item 10 | <p><u>Delete the “Specific Plan District” section</u></p> <p><i>This proposed amendment is a simple text clean up to delete Section 9.07.020 (Specific Plan District) from the Municipal Code and deleting the reference to the General Plan from Section 9.13.040 (Map designation). The City no longer has a “Specific Plan District” in the General Plan. All Specific Plans were translated to the closest land use district in the 2006 General Plan Update and are now shown as overlays on the Zoning Atlas.</i></p> |

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| | <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 11 | <p><u>Allow the use of gravel for vehicle storage (single-family residences)</u></p> <p><i>This amendment proposes to expand the guidelines to add gravel or crushed rock as alternative pervious surfaces that are allowed for vehicle storage (recreational vehicles, boats and campers). Permeable paving materials provide the opportunity for stormwater to infiltrate into soil, helping facilitate aquifer recharge as well as keeping pollutants from vehicles from going straight into stormwater pipes.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> <p>Asphalt, concrete, or pervious paving surfaces are already allowed. The Municipal Code amendment will clarify and expand the allowed materials to include gravel or crushed rock. Any pervious paving surface currently must be designed and maintained to remain well-drained. This requirement will not change.</p> |
| Item 12 | <p><u>Time limits on Temporary Use Permits (TUPs)</u></p> <p><i>This amendment proposes to allow greater flexible in addressing the needs of regional shopping centers (20 acres or greater in size), staff recommends extending the number of days per year that they may hold TUP activities.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 13 | <p><u>Expanding types of bars, nightclubs and restaurants to Chapter 9.02 (Permits and Approvals) and Chapter 9.15 (Definitions)</u></p> <p><i>Staff proposes to add a list of new definitions including bars, bars with limited live entertainment, restaurants with limited live entertainment and nightclubs to the municipal code to better address the full range of potential businesses within these categories. This amendment is a clarification of the existing Municipal Code to address these businesses.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 14 | <p><u>Addition of “pool hall” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This proposed amendment includes a definition of pool hall and allows pool tables</i></p> |

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| | <p><i>(up to three) to be permitted without requiring additional applications if they are ancillary to the primary use. As proposed bars, bars with limited live entertainment, restaurants with limited live entertainment, or nightclubs may have up to three pool tables without being considered a pool hall.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 15 | <p><u>Addition of “mulch” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This amendment provides a definition of mulch and what materials will be considered mulch - any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, and decomposed granite left loose.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 16 | <p><u>Addition of “Pervious pavement/surfaces” and “hardscape” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This amendment provides definitions for pervious pavement/surfaces and hardscape to provide additional landscaping design alternatives to Moreno Valley citizens as well as options to reduce impervious pavement, which provides a positive step towards improving the quality of a community's water resources.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 17 | <p><u>Revisions to Chapter 9.17 (Landscape and Water Efficiency Requirements)</u></p> <p><i>This proposed amendment provides more landscaping options, including the use of mulch in landscaping designs, as well as continuing to recommend the use of drought tolerant plant materials and irrigation systems.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 18 | <p><u>Deletion of public noticing procedures for second dwelling unit (Previously approved in 2010 under project number: PA09-0024)</u></p> <p><i>There was a Municipal Code Amendment processed in 2010 (PA09-0024) that was intended to remove the noticing requirements in Section 9.09.130 (D) to be consistent with State Law (Government Code Section 65852.2) for second dwelling units;</i></p> |

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| | <p><i>however, due to the manner in which the Ordinance was proposed and submitted, the change could not be made by to the codifier. This item is therefore a minor clean-up item to be consistent with noticing requirements in State law.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 19 | <p><u>Correction to “Table 9.11.040 A-12 - Off-Street Parking Requirements” regarding second dwelling units in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)</u></p> <p><i>This “clean up” amendment will have the off-street parking requirements table in agreement with Section 9.09.130(Second dwelling units).</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 20 | <p><u>Replacing various off-street parking requirements to “Table 9.11.040B-12 - Off-Street Parking Requirements” that were inadvertently deleted in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)</u></p> <p><i>This “clean up” amendment will replace sections of the off-street parking requirements table that were mistakenly deleted. The only change to the table itself is the text change in Item 22.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 21 | <p><u>Changes related to Title 11 (Peace, Morals and Safety) regarding massage parlors/establishments</u></p> <p><i>The City Council approved two ordinances revising Title 11 (Peace, Morals and Safety) of the Moreno Valley Municipal Code by repealing Chapter 11.06 in its entirety, and adding Chapters 11.95 and 11.96 in response to new state laws (Senate Bill 731 and Assembly Bill 1147) regarding massage parlors on November 24, 2015. Both ordinances included a request that the Planning Commission recommend adoption of an ordinance to the City Council to amend Title 9.</i></p> <p><i>The three proposed changes impact Sections 9.02.020, 9.02.130 and 9.15.030. Staff is recommending adding a definition for “Spa facility” as the fourth change in Item 23’s proposed amendment.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |

ORDINANCE NO.

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA14-0011 AMENDING SEVERAL ZONING REGULATIONS CONTAINED IN TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE. THE PROPOSED AMENDMENTS INCLUDE TECHNICAL CORRECTIONS TO FURTHER INTERNAL MUNICIPAL CODE CONSISTENCY, INCLUDING ADDITIONS OF DEFINITIONS, AND CHANGES TO THE PERMITTED USES TABLE. MINOR CHANGES ARE ALSO PROPOSED TO TRUCK IDLING TIMES IN TITLE 12, AND HOURS OF OPERATION FOR CONSTRUCTION AND GRADING IN TITLE 8

The City Council of the City of Moreno Valley does ordain as follows:

WHEREAS, it is a City-initiated work effort to update the Municipal Code to maintain consistency with state law and city practices; and

WHEREAS, staff identified a number of miscellaneous code amendments to Title 9 (Planning and Zoning) of the City's Municipal Code in order to clarify ambiguous language, remove language discrepancies, and codify existing policies and procedures and/or application requirements; and

WHEREAS, staff identified a code amendment to Title 12 (Vehicles and Traffic) of the City's Municipal Code in order to clarify a language discrepancy regarding diesel truck idling times, and meeting the requirements of California Code of Regulations, Title 13, Division 3, Article 1, Chapter 10, section 2485(c); and

WHEREAS, staff identified a code amendment to Title 8 (Building and Construction) of the City's Municipal Code in order to clarify a language discrepancy regarding hours of operation for construction and grading activities times; and

WHEREAS, on March 14, 2016, a 1/8 page Public Notice was published in the *Press Enterprise Newspaper*, advertising a duly noticed public hearing before the Planning Commission regarding the proposed "clean-up" code amendments. [TO BE UPDATED]; and

WHEREAS, on March 24, 2016, the Planning Commission reviewed the list of Staff's proposed "clean-up" code amendments that were arranged by 23 topics, provided Staff with its feedback on all the proposed amendments [TO BE UPDATED]; and

WHEREAS, on March 24, 2016, the Planning Commission adopted Planning Commission Resolution No. 2016-05, thereby recommending to the City Council the adoption of an ordinance to amend miscellaneous “clean-up” code changes to Title 9 (Planning and Zoning), Title 8 (Building and Construction), and Title 12 (Vehicles and Traffic) of the City’s Municipal Code; and

WHEREAS, the amendment of the Moreno Valley Municipal Code is exempt from further environmental review pursuant to Section 15061 of the California Environmental Quality Act (CEQA) Guidelines; and

WHEREAS, on [TO BE UPDATED]a 1/8 page Public Notice was published in the *Press Enterprise Newspaper*, advertising a duly noticed public hearing before the City Council regarding the proposed “clean-up” code amendments. [TO BE UPDATED]; and

WHEREAS, the City Council of the City of Moreno Valley has considered information presented by the Community Development Director and other interested parties at a public meeting held on [TO BE UPDATED]and

WHEREAS, the City Council has determined that the adoption of this Ordinance is in the best interests of the City.

NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY DOES ORDAIN AS FOLLOWS:

SECTION 1. Pursuant to Section 21083 of the California Environmental Quality Act (CEQA) statues and Section 15061 of the CEQA Guidelines, it has been determined that this amendment of the Municipal Code is exempt from further environmental review.

SECTION 2. If any portion of this Ordinance, or application of any such provision to any person or circumstances, shall be held invalid, the reminder of this Ordinance to the extent it can be given effect, or the application of such provisions to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby, and to this extent the provisions of this Ordinance are severable.

SECTION 3. Amendments of Title 9 (Planning and Zoning), Title 8 (Building and Construction), and Title 12 (Vehicles and Traffic) of the Moreno Valley Municipal Code is in the best interest of the public because the revisions will ensure the Municipal Code maintains consistency with state law and city practices.

SECTION 4. FINDINGS

- A. Conformance with the General Plan - The proposed use is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The proposed Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations contained in Title 9 of the City of Moreno Valley Municipal Code. The proposed amendments range from minor “clean-up” items, changes to further internal Municipal Code consistency, additions of definitions, changes to the Permitted Uses Table, and changes to massage facilities to be in agreement with Title 11 (Peace, Morals, and Safety). There are also minor changes to Title 12 (Vehicles and Traffic) referring to truck idling times and Title 8 (Building and Construction) referring to hours of operation for construction and grading.

The list of Municipal Code sections to be revised include the following: 9.12.060 (Permitted Signs), 9.15.030 (Definitions), 9.02.130.6 (Home Occupation Permits), 9.09.202 (Swimming pools, spas and recreational courts), 9.05.050 (Good Neighbor Guidelines for warehouse distribution facilities), 12.38.020 (Parking prohibitions or restrictions), 9.02.190 (Permits and Approvals), 9.09.110 (Recycling Facilities), 9.05.040 (Industrial Site Development Standards), 9.03.040E (Special Single-Family Residential Development Standards), 9.13.040 (Map designation), 9.16.130 (Single-Family Residential General Guidelines), 9.02.150 (Temporary Use Permits), 9.02.020 (Permitted Uses), 9.17.070 (Single-family residential development), 9.11.040 (Off-Street Parking Requirements), 9.02.130 (Home Occupation Permits), 8.21.050 (Grading Permit Requirements), 8.14.040 (Miscellaneous standards and regulations) and the elimination of Section 9.07.020 (Specific Plan District) from the City of Moreno Valley Municipal Code.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. All text changes were reviewed to ensure that the clarifying language and minor technical errors are consistent with General Plan policies.

The proposed amendments to the Municipal Code which are applicable to residential areas will further General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design. The proposed Code amendment establishing new use categories for bars, bars with limited live entertainment, nightclubs, and restaurants with limited live entertainment is consistent with Objective 2.4 of the General Plan in that expansion of restaurant and bar type uses will serve the retail and service commercial needs of Moreno Valley residents and businesses.

The Municipal Code Amendment is consistent with the General Plan and its goals, objectives, policies and programs.

- B. Health, Safety and Welfare – The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

FACT: The proposed changes do not have the potential of adversely affecting the public health, safety or welfare of the residents of City of Moreno Valley or surrounding jurisdictions.

Staff has reviewed the proposed Municipal Code Amendment in accordance with the CEQA Guidelines and has determined that the project qualifies as exempt pursuant to Section 15061 (b) (3) (Review for Exemption) of the CEQA Guidelines. For the proposed Code amendments, it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment.

The proposed Municipal Code Amendment includes various clarifications and text clean-ups amending several zoning regulations. The proposed amendments range from minor “clean-up” items, changes to further internal Municipal Code consistency, additions of definitions, changes to the Permitted Uses Table, and changes to massage facilities to be consistent with Title 11 (Peace, Morals, and Safety). Based on staff’s review of the Project, no special circumstances exist that would create a reasonable possibility that this project will have a significant effect on the environment.

C. Conformance with Zoning Regulations – The proposed amendment is consistent with the purposes and intent of Titles 8, 9 and 12 of the Municipal Code.

FACT: The amendment process is necessary to ensure compliance with the procedures required by state law, and to establish a reasonable and fair means to allow amendments and changes which will ensure consistency with the General Plan and all applicable zoning and other regulations. The proposed amendment meets all applicable Municipal Code requirements related to amendments to provisions of Title 9 (MC 9.02.050). The proposed changes to Title 8 and Title 12 were also reviewed and found consistent with the General Plan and all applicable zoning and other regulations.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the Municipal Code. These proposed amendments clarify and address inconsistencies within the Municipal Code. As proposed, the amendment is consistent with the purposes and intent of Titles 8, 9, and 12.

SECTION 5. MUNICIPAL CODE AMENDED SECTION 9.12.060:

5.1 Section 9.12.060 of Chapter 9.12 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended as follows:

The term “modified” from “modified monument signs” shall be removed from the City of Moreno Valley Municipal Code and replaced with “monument signs.”

Section 9.12.060 of Chapter 9.12 of the City of Moreno Valley Municipal Code is hereby amended and replaced with the text provided in Exhibit A of this Ordinance.

SECTION 6. MUNICIPAL CODE AMENDED SECTION 9.15.030:

6.1 Section 9.15.030 of Chapter 9.15 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended with the following:

Municipal Code Section 9.15.030 replaces the existing definition of "Modified Monument Sign" replacing it with "Monument Sign" as follows:

"Monument sign" means a sign supported permanently on the ground by columns, pilasters, or similar details to provide design interest and complement their surroundings. Monument signs shall incorporate landscaping to screen the base. Landscaping around monument signs should be designed to ensure the long-term readability of the sign.

SECTION 7. AMENDMENT TO SECTION 9.12.060:

7.1 Section 9.12.060.B.2.b of Chapter 9.12 of the City of Moreno Valley Municipal Code is revised and replaced with language to allow multiple-family complexes greater design flexibility with entry wall signs while not expanding the amount of total square footage allowed for signage.

7.2 Section 9.12.060.B.2.b of Chapter 9.12 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

b. Multiple-Family Complex. One wall or monument sign, not exceeding 25 square feet in area per display face, is allowed for each public street frontage. Monument signs may not exceed 6 feet in overall height. In lieu of a freestanding sign or one large wall sign, 2 single-sided, wall mounted-signs not exceeding 25 square feet per display face are allowed for each public street frontage when located at a project entry point. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.

SECTION 8. AMENDMENT TO SECTIONS 8.21 AND 8.14 OF TITLE 8

8.1 Sections 8.14.040E and 8.21.050.O of the City of Moreno Valley Municipal Code are revised and replaced to make the work hours allowed for construction and grading activities consistent.

8.2 Section 8.21.050.O of Chapter 8.21 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

O. Time of Grading Operations. Grading and equipment operations shall only be completed between the hours of seven a.m. to seven p.m. Monday through Friday, excluding holidays and from eight a.m. to four p.m. on Saturday. The city engineer

may, however, permit grading or equipment operations before or after the allowable hours of operation if he or she determines that such operations are not detrimental to the health, safety, or welfare of residents or the general public. Permitted hours of operations may be shortened by the city engineer's finding of a previously unforeseen effect on the health, safety, or welfare of the surrounding community.

8.3 Section 8.14.040.E of Chapter 8.14 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Hours of Construction. Any construction within the city shall only be completed between the hours of seven a.m. to seven p.m. Monday through Friday, excluding holidays and from eight a.m. to four p.m. on Saturday, unless written approval is obtained from the city building official or city engineer."

SECTION 9. AMENDMENT TO SECTION 9.02.130.6

9.1 Section 9.02.130.6 of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised and replaced with language clarifying the sizes of vehicles that may be parked at single-family residences in conjunction with a home occupation approved business.

9.2 The text of Section 9.02.130.6 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended and replaced to read as follows:

6. No commercial vehicles may be used for delivery of materials, with the exception of occasional and reasonable courier services to or from the premises. No more than one vehicle larger than a three-quarter-ton truck may be used in connection with a home occupation. That single vehicle shall have a weight less than ten thousand (10,000) pounds "gross vehicle weight rating" and dimensions less than eight (8) feet in total outside width, or seven (7) feet in height, or twenty-one (21) feet in bumper-to-bumper length. Commercial vehicles used in the home occupation that are parked or stored on the premises shall not be visible from any public street or right-of-way. No attachments or equipment shall be permitted when vehicles are not in use and within view of the public right-of-way. Vehicles used for mobile vending shall be subject to the State Health and Safety Codes. The aforementioned vehicles and vehicles for hire shall be subject to the parking restrictions contained in Chapters 12.38 and 12.42 of the municipal code.

SECTION 10. AMENDMENT TO SECTION 9.09.202.C

10.1 Section 9.09.202.C of Chapter 9.09 of Title 9 of the City of Moreno Valley Municipal Code is hereby amended with the following:

Municipal Code 9.09.202.C.3 replaces the existing reference "Section 9.03.040(E)(3)" and replacing it with "Section 9.03.040(E)(7)" as follows:

3. Swimming pool equipment shall be operated in accordance with Section 9.03.040(E)(7).

SECTION 11. AMENDMENT TO SECTIONS 9.05.050.D OF TITLE 9 and 12.38.020.C OF TITLE 12

11.1 Sections 9.05.050.D and 12.38.020.C of the City of Moreno Valley Municipal Code are revised to meet truck idling rules and regulations set by the State per California Code of Regulations Title 13, Section 2485, which is a five (5) minute limit.

11.2 Section 9.05.050.D of Chapter 9.05 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

D. Reduce and/or eliminate diesel idling within the warehouse/distribution center by using the following strategies:

1. Enforce compliance with Moreno Valley Municipal Code Section 12.38.020(C), Parking Prohibitions or Restrictions, while adjacent to a developed residential area, the operator shall not idle the vehicle's engine for longer than five (5) minutes.
2. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040(A)(1), Idling Limitation, a driver of a vehicle must turn off the engine upon stopping at a destination.
3. Enforce compliance with Moreno Valley Municipal Code Section 12.50.040(C), Idling Limitation, an equipment operator of a TRU (transportation refrigeration unit) must not cause or allow a TRU to operate while stationary unless the vehicle is lawfully parked at a location approved for truck parking by this code and not within five hundred (500) feet of a school unless the operator is actively engaged in the process of loading or unloading cargo or is waiting in a queue to load or unload cargo for a period not to exceed two hours.
4. Enforce compliance with Moreno Valley Municipal Code Section 12.50.060(D), Relationship to Other Laws, nothing in this chapter allows idling in excess of other applicable laws, including, but not limited to, any other local, state or federal law or regulation as stringent as, or more stringent than this chapter.
5. Future tenant improvements involving conversion of a warehouse for refrigeration storage shall include electrical hookups for refrigeration units.

6. Promote the installation of on-site electric hook-ups to eliminate the idling of main and auxiliary engines during loading and unloading of cargo and when trucks are not in use.

11.3 Section 12.38.020.C of Chapter 12.38 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

C. While adjacent to a developed residential area within the city, the operator shall not idle the vehicle's engine for longer than five (5) minutes.

SECTION 12. AMENDMENT TO SECTION 9.02.190.2

12.1 Section 9.02.190.2 of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised adding language to clarify the procedure for filing applications due to code enforcement actions.

12.2 Section 9.02.190.2 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

2. A completed application shall consist of:

- a. The application form with all applicable information included on, or attached to, the form;
- b. The additional information, reports, dimensioned drawings and other material specified on the application form;
- c. A description of how the proposed project or requested action is consistent with the goals, objectives, policies, programs and other provisions of the adopted general plan;
- d. Any other information or forms required for implementation of the California Environmental Quality Act pursuant to state and Moreno Valley guidelines for the implementation of CEQA;
- e. Payment in full of the required fees for processing the application;
- f. Other information or actions as may be required on the application form, as prescribed by the community development director; and
- g. Applications submitted in response to a City enforcement action or code violation require application fees 50% higher than the otherwise applicable fee based on the City's current City fee schedule and should be submitted prior to the deadline of the notice.

SECTION 13. AMENDMENT TO SECTION 9.09.110.D.1

13.1 Section 9.09.110.D.1 of Chapter 9.09 of the City of Moreno Valley Municipal Code is revised adding language to clarify the location where small collection facilities are allowed with the rest of Section 9.09.110.D to remain unchanged.

13.2 Section 9.09.110.D.1 of Chapter 9.09 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

D. Small Collection Facilities. Small collection facilities may be approved subject to minor development review provided the facilities are in compliance with the following standards:

1. They shall be allowed as provided by the underlying zone and must be established in conjunction with a supermarket and provided that the primary use is in compliance with parking requirements, and the zoning, building, fire and other applicable codes of the City;

SECTION 14. AMENDMENT TO SECTION 9.05.040.B.9

14.1 Section 9.05.040.B.9 of Chapter 9.05 of the City of Moreno Valley Municipal Code is revised by deleting of the word "building." The rest of Section 9.05.040B (numbers 1-8 and 10) will remain unchanged.

14.2 Section 9.05.040.B.9 of Chapter 9.05 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

9. In the LI district, industrial and warehouse, structures greater than fifty thousand (50,000) square feet in building area shall be separated from any Residential district as determined by an air quality and noise impact analysis. The minimum separation distance for such uses shall be two hundred fifty (250) feet between the residential district and the truck court or loading area.

SECTION 15. AMENDMENT TO SECTION 9.03.040.E

15.1 Section 9.03.040.E of Chapter 9.03 of the City of Moreno Valley Municipal Code is revised by including additional single-family zoning districts that require fully landscaped front yards and street side yards when residential developments have five or more dwelling units. The amendment is to the Special Single-Family Residential Development Standards.

15.2 Section 9.03.040.E of Chapter 9.03 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Special Single-Family Residential Development Standards.

1. In any residential district, front yard setbacks in subdivision developments may be reduced by twenty (20) percent provided the mean of all such setbacks in the development is not less than the minimum required for the district.
2. In the R2, RA2, R3 and R5 districts, developments of five or more dwelling units shall include front and street side yard landscaping and shall consist predominantly of plant materials, except for necessary walks, drives and fences.
3. In the RS10 district, driveways and fire hydrants shall be designed and located to maximize on-street parking opportunities in front of each residence.
4. Within the RS10 district, small lot single-family subdivisions on less than fifteen (15) gross acres shall provide landscaping and decorative walls along the street side of corner lots and at least two of the following amenities throughout the project:
 - a. Front porches;
 - b. Automatic garage door openers;
 - c. Electronic security systems.
5. Within the RS10 district, small lot single-family subdivisions on fifteen (15) gross acres or more shall include usable common open space encompassing a minimum of ten (10) percent of each development. Usable common open space does not include individually owned lots, parking areas, nor vehicular rights-of-way. Usable common open space is open space and/or recreational amenities under joint (common) ownership, including, but not necessarily limited to, landscaped areas, trails, playgrounds, tennis courts, swimming pools and recreational buildings. A homeowners' association shall be established to provide continual maintenance of the commonly owned facilities.
6. For all developments within the R5 land use district, a buffer of lots held to the development standards of the R3 land use district shall be included for all portions of a subdivision located adjacent to lower density single-family residential land use districts, including the R1, R2, RA-2, and RR zones.
7. In all residential districts, air conditioners, heating, cooling and ventilating equipment and all other mechanical, lighting or electrical devices shall be operated so that noise levels do not exceed sixty (60) dBA (Ldn) at the property line. Additionally, such equipment, including roof-mounted

installation, shall be screened from surrounding properties and streets and shall not be located in the required front yard or street side yard. All equipment shall be installed and operated in accordance with other applicable city ordinances.

SECTION 16. AMENDMENT TO SECTION 9.07.020

16.1 Section 9.07.020 of Chapter 9.07 of the City of Moreno Valley Municipal Code is hereby amended by deleting the whole section. There is no reference to Specific Plan Districts in the City of Moreno Valley General Plan.

16.2 Section 9.07.020 of Chapter 9.07 of the City of Moreno Valley Municipal Code is hereby deleted.

SECTION 17. AMENDMENT TO SECTION 9.13.040

17.1 Section 9.13.040 of Chapter 9.13 of the City of Moreno Valley Municipal Code is hereby amended by deleting the reference to the General Plan.

17.2 Section 9.13.040 of Chapter 9.13 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

Areas within an approved specific plan shall be designated on the official zoning map as follows:

In all cases, the "SP" symbol shall be followed by a number to designate the specific plan (e.g., SP-1: Specific Plan No. 1). All development shall be subject to provisions of the designated specific plan, associated documents and the regulations of this chapter.

SECTION 18. AMENDMENT TO SECTION 9.02.150.D

18.1 Section 9.02.150.D of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised by adding the time limits for larger shopping centers as Number 2 and renumbering the rest of the section as Numbers 3 through 9.

18.2 Section 9.02.150.D of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended with the following:

D. Special Requirement for Merchandise Sales. The following shall apply to merchandise sales, as delineated in the Temporary Uses Table 9.02.150-3 above:

1. "Merchandise sale... in conjunction with established businesses" means an event managed and operated by the owner or operator of a permanently established business, on the premises of that business (or upon immediately adjacent common area of a shopping or commercial center in which the business is located), conducting the sale, lease, rental or other transfer of control of merchandise which is inventory of the established business and which is of the same or similar kind and quality normally offered as immediately available to the public by that business at that business site. Sales operated by outside vendors shall not be permitted under this provision. An outdoor sale of merchandise on the premises of a business that ordinarily only displays merchandise and/or conducts sales or lease transactions for customer delivery at another site or at another time shall not be permitted under this provision. This subsection shall not apply to "merchandise sales on the premises of a bank, [etc.]," as listed in the Temporary Uses Table.

2. Merchandise sales sponsored and sanctioned by the Master Property Association or Property Manager for Shopping Centers, which are 20 acres or larger and located within the Community Commercial zoning (CC) district, shall be have a maximum of 36 days per calendar year.

3. Food and Entertainment. Upon approval of the community development director and compliance with all other laws and regulations, food or entertainment may be sold or provided by two or fewer secondary vendors incidental to the merchandise sale, such as a hot dog cart, snow cone or popcorn wagon, pony ride, inflatable jumper, etc., provided that such uses occupy not more than twenty-five (25) percent of the total space occupied by the sale or four hundred (400) square feet, whichever is less.

4. Merchandise sales (including display areas) shall not occupy landscaped areas or unimproved surfaces.

5. Merchandise sales taking place upon parking surfaces shall be confined to improved parking surfaces. Merchandise sales shall not occupy more than twenty (20) percent of the legally required improved parking spaces for the business conducting the sale. No merchandise sale shall occupy parking spaces legally required for another business, including other businesses located in the same shopping or commercial center, or parking spaces otherwise required for the shopping or commercial center in which the business is located. Merchandise sales may occupy on-site improved parking spaces that are not so legally required, subject to all other provisions of this chapter. No merchandise sale shall occupy or encumber more than one hundred twenty-five (125) parking spaces.

6. Merchandise sales shall not negatively affect the vehicular and pedestrian circulation patterns of the subject site or nearby streets, or the

usability of the remaining parking spaces for the site, and shall allow unabated access for public safety personnel and vehicles.

7. Setup and Takedown. One day of setup before a merchandise sale and one day of takedown/cleanup after the sale shall not be counted against the total number of permitted sale days. No sales activity shall occur on such setup or takedown/cleanup days.

8. No Use of Public Right-of-Way. Any and all personal properties or merchandise shall be solely contained on private property and shall not extend into the public right-of-way.

9. Cleanup. The permittee shall be responsible for cleanup of the site within twenty-four (24) hours of termination of the sale event.

SECTION 19. AMENDMENT TO SECTION 9.02.020

19.1 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is revised by adding the four new restaurant, nightclub, and bar type uses to the "Permitted Uses Table 9.02.020-1".

19.2 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised "Permitted Uses Table 9.02.020-1" in Exhibit B of this Ordinance.

SECTION 20. AMENDMENT TO SECTION 9.15.030

20.1 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code is hereby amended by adding ten new definitions: bars, bars with limited live entertainment, hardscape, mulch, nightclub, permeable paving/surfaces, pool hall, restaurants with limited live entertainment, spa facility, and supermarket and deleting the definition for massage parlor. All other definitions in Section 9.15.030 remain unchanged.

20.2 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

"Bars" means an establishment serving alcoholic beverages for on-site consumption as the primary use, including bars, cocktail lounges, pubs, saloons, and taverns and in which the service of food is only incidental to the consumption of such beverages.

"Bars, with Limited Live Entertainment" means a bar or tavern that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet and customer dancing does not occur. The use

shall instead be classified as a nightclub if the performance area exceeds 75 square feet or customer dancing occurs. Live entertainment does not include a sexually oriented business.

“Hardscape” refers to the solid, hard elements in landscape design that stay the same for years. Examples of hardscape designs include patios, decks, driveways, walkways, stairs, water features, retaining or garden walls and outdoor kitchens. Many different materials are used in hardscape designs including concrete, brick, slate and flagstone.

“Mulch” means any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, and decomposed granite left loose and applied to the soil surface for the beneficial purposes of reducing evaporation, suppressing weeds, moderating soil temperature, and preventing soil erosion. In mulched planting areas, the use of low volume irrigation is required to maximize water infiltration into the root zone.

“Nightclubs” means a bar, tavern, restaurant or similar establishment that provides live entertainment (music, comedy, etc.) that may serve alcoholic beverage for sale, where the performance area exceeds 75 square feet, or customer dancing occurs.

“Permeable paving/surfaces” means any paving or surfaces that allow storm water to infiltrate the underlying soils. Permeable paving/surfaces are required to be contained so neither sediment nor the permeable surface discharges off the site. Materials allowed include but are not limited to: porous asphalt, porous concrete, single-sized aggregate, planting beds, open-jointed blocks, stone, pavers or brick that are loosely set without mortar.

“Pool hall” means a building or portion thereof having within its premises four or more pool tables or billiard tables, or combination thereof, regardless of size, and whether activated manually or by the insertion of a coin, token or other mechanical device.

“Restaurants with Limited Live Entertainment” means a restaurant that provides incidental entertainment, such as musical performances, where the performance area does not exceed 75 square feet, and customer dancing does not occur. The use shall be classified as a nightclub (commercial entertainment) if the performance area exceeds 75 square feet or customer dancing is provided. Live entertainment does not include a sexually oriented business.

“Spa facility” means an establishment in a fixed location where massage is performed for compensation pursuant to all applicable state and local laws, rules and regulations as well as meeting all the requirements of Chapter 11.96 (Spa facilities). Spa facilities may include additional services such as full service hair salons, make-up consultation and application and manicure and pedicure services, and therapeutic treatments such as body packs and wraps, exfoliation, cellulite and

heat treatments, electrolysis, body toning, waxing, aromatherapy, cleansing facials, medical facials, non-surgical face lifts, electrical toning and electrolysis. Hydrotherapy and steam and sauna facilities, nutrition and weight management, spa cuisine and exercise facilities and instruction may also be provided as additional services.

20.3 Section 9.15.030 of Chapter 9.15 of the City of Moreno Valley Municipal Code hereby deleted the definition of massage parlor.

SECTION 21. AMENDMENT TO SECTION 9.17.070.A

21.1 Section 9.17.070.A of Chapter 9.17 of the City of Moreno Valley Municipal Code is hereby amended by revising existing landscape guidelines for single-family residential homes to include better guidance for drought tolerant landscapes.

21.2 Section 9.17.070.A of Chapter 9.17 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

- A. Plans for landscape construction or reconstruction of existing single-family units, custom homes and model home complexes are subject to review by the planning division to ensure:
1. Conformance with prevailing building design guidelines, with pleasing visual aesthetics and water efficient design.
 2. Use of xeriscape landscaping.
 3. Use of approved landscape materials.
 4. Use of approved "smart irrigation" controllers.
 5. Irrigation systems minimize overspray onto structures or hard surfaces such as sidewalks, driveways and walls/fences.
 6. The front yard areas have a maximum allowance of twenty-five (25) percent turf with the remaining yard planted with shrubs, groundcovers and required trees. Turf should be planted in gathering areas only. Pavement and other solid surfaces shall not cover more than half of the required front yard setback. Pervious pavement/surfaces are recommended to reduce water run-off.
 7. Ground Treatment. The ground area within required landscape areas shall receive landscape treatment and present a finished appearance and reasonably complete coverage upon planting. Areas not planted with trees, shrubs, or bedding plants shall be planted according to the following provisions.
 - (1) Areas may be planted with ground cover. Ground cover shall be of a size and spacing to provide one hundred (100) percent coverage within the first year of planting. Edging shall be provided for all ground cover.
 - (2) Mulch shall be installed and maintained at a minimum depth of three (3) inches on all planted areas except where ground cover plants

are fully established. Mulch may be approved as a permanent ground treatment in landscape designs up to 25 percent of the total required landscape area. Mulch with an accompanying weed barrier may be used in a limited way when appropriate to a design concept and as a ground treatment in areas where drainage is a problem.

8. New and existing single-family front yard setbacks include front and street side yard landscaping consisting predominantly of plant materials including shrubs, groundcovers and required trees, except for necessary walks, drives and fences, not including weeds, as defined in Municipal Code Chapter 6.04, or concrete/hardscape materials.
9. Groundcover should be used to absorb run-off from rain or irrigation.
10. Reduction of hardscape/paving is recommended to reduce water run-off. Pervious pavement/surfaces are preferred.
11. The plant palette provided in the County of Riverside Guide to Friendly Landscaping is recommended to identify plants which can be used to establish an aesthetically pleasing and water efficient landscape.

SECTION 22. AMENDMENT TO SECTION 9.09.130.D

22.1 Section 9.09.130.D of Chapter 9.09 of the City of Moreno Valley Municipal Code is hereby amended by deleting the noticing requirements for second dwelling units to be consistent with noticing requirements in State law (Government Code Section 65852.2).

22.2 Section 9.09.130.D of Chapter 9.09 of the City of Moreno Valley Municipal Code is hereby deleted. All other text of Section 9.09.130 remain unchanged.

SECTION 23. AMENDMENT TO SECTION 9.11.040

23.1 Section 9.11.040 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended by replacing uses inadvertently deleted in a past Municipal Code Amendment to both Table 9.11.040A-12 (Off-Street Parking Requirements) and Table 9.11.040B-12 (Off-Street Parking Requirements) and revising the parking requirements for second dwelling units in Table 9.11.040A-12 (Off-Street Parking Requirements).

23.2 Section 9.11.040 of Chapter 9.11 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised "Off-Street Parking Requirements Tables 9.11.040A-12 and Table 9.11.040B-12" provided in Exhibit C of this Ordinance.

SECTION 24. AMENDMENT TO SECTION 9.02.020

24.1 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal

Code is hereby amended by changing the term "massage establishment" under Personal Services to "spa facilities" in the Permitted Uses Table.

24.2 Section 9.02.020 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as the attached revised "Permitted Uses Table 9.02.020-1" provided in Exhibit B of this Ordinance.

SECTION 25. AMENDMENT TO SECTION 9.02.130

25.1 Section 9.02.130 of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended by replacing the term "massage establishment" with "spa facilities."

25.2 Section 9.02.130.E of Chapter 9.02 of the City of Moreno Valley Municipal Code is hereby amended to read as follows:

E. Prohibited Home Occupation Uses. The following uses, either by operation or nature, are not considered to be incidental to or compatible with residential activities and therefore shall not be permitted as home occupations:

1. Automotive and other vehicle (inclusive of motorcycles or recreational vehicles) repair (body or mechanical), upholstery, painting or storage;
2. Towing;
3. The sale, use or manufacture of ammunition, explosives or fireworks;
4. Spa Facilities. This shall not be construed to prohibit medical massage performed by licensed professionals, as defined in this title;
5. Junk yards;
6. Escort services; and
7. Quantities of materials which may present a health and/or safety hazard, including, but not limited to: explosives; flammable or combustible dusts, liquids or gases; corrosives; irritants and toxic materials.

SECTION 26. EFFECT OF ENACTMENT

Except as specifically provided herein, nothing contained in this ordinance shall be deemed to modify or supersede any prior enactment of the City Council which addresses the same subject addressed herein.

SECTION 27. NOTICE OF ADOPTION

Within fifteen days after the date of adoption hereof, the City Clerk shall certify to the adoption of this ordinance and cause it to be posted in three public places within the city.

SECTION 28. EFFECTIVE DATE

This ordinance shall take effect thirty (30) days after the date of adoption.

APPROVED AND ADOPTED this XXth day of XX, 2016.

ATTEST:

Mayor

City Clerk

APPROVED AS TO FORM:

City Attorney

ORDINANCE JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Ordinance No. 908 had its first reading on November 24, 2015 and had its second reading on December 15, 2015 and was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 15th day of December, 2015, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

Exhibit A: “List of Changes to Section 9.12.060 Permitted signs”

9.12.060 Permitted signs.

A. General Provisions.

1. The following signs shall be permitted subject to a sign permit:

- a. Monument signs;
- b. Tenant identification (wall) signs;
- c. Drive-through restaurant menu boards;
- d. Freeway signs;
- e. Gas station signs;
- f. Theater marquees;
- g. Internal guidance signs;
- h. Directory signs;
- i. Special event signs;
- j. Off-site directional signs;
- k. Banners.

- 2. Changeable Copy.** The signs described in this section may include manual, electronic or mechanically activated changeable copy comprising not more than fifty (50) percent of the sign copy area. Such changeable copy shall not blink, flash or change in appearance more than once in three seconds. Manually activated changeable copy signs shall use no more than two colors and shall be enclosed within a cabinet with a clear protective cover.

B. Monument Sign Requirements.

- 1. Commercial and Industrial Developments.** One sign is allowed per driveway not to exceed a total per street frontage of two square feet of copy area and two and one-half square feet of sign area respectively for each one thousand (1,000) square feet of gross floor area within the development. With respect to a single building of less than ten thousand (10,000) square feet in gross floor area located on an individual parcel with street frontage, such sign need not be less than

twenty (20) square feet in sign copy area and thirty-five (35) square feet in sign area per street frontage.

2. Residential Developments.

a. Neighborhood Identification Signs.

i. One non-illuminated neighborhood identification sign is permitted at each street entrance to each neighborhood.

ii. Neighborhood identification signs shall not exceed twenty-five (25) square feet in copy area, forty-five (45) feet in sign area and six feet in height.

iii. The content of such signs shall be limited to the name of the neighborhood.

iv. All neighborhood identification signs shall be designed for maximum vandal resistance and shall be made of masonry, cement, or other materials of comparable durability. Such signs may be either freestanding or affixed to the neighborhood perimeter wall.

v. All neighborhood identification signs shall comply with the sight distance requirements for traffic safety.

vi. No neighborhood identification sign shall be allowed unless a homeowners' association or community services district is responsible for sign maintenance.

vii. Any neighborhood identification sign located within a city right-of-way shall require an encroachment permit for such sign from the city engineer.

b. Multiple-Family Complex. One sign is permitted per street frontage not to exceed twelve (12) square feet in copy area, twenty-five (25) square feet in sign area and six feet in height. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.

c. Temporary Model Home Complex. Two non-illuminated signs are permitted not to exceed twenty-five (25) square feet in copy area, forty-five (45) square feet in sign area and six feet in height at each major entrance to the complex. Such signs shall be removed at the completion of home sales.

3. Institutional Signs Within Residential Districts. One monument sign not to exceed thirty-six (36) square feet in copy area, forty-eight (48) square feet in sign area and eight feet in height is permitted to identify the premises of a place of religious worship or similar quasi-public institution.

4. Sign Height and Area.
 - a. The height of a monument sign is the vertical dimension measured from the average finished grade level to the highest point of the sign. The height of a monument sign shall not exceed fifteen (15) feet.
 - b. The maximum height of a sign located on a berm with a finished grade level more than two feet above the top of the street curb shall be reduced an amount equal to the distance that the grade level exceeds two feet above the top of curb.
 - c. Where topographic constraints make the established copy height standards impractical, the community development director may adjust the height requirements on a project by project basis.
 - d. The sign area of a monument sign may not exceed the limits prescribed in this section unless a determination is made by the decision-making body that an increase is needed to improve the compatibility of the sign with the architecture of the development where the sign is to be located. This provision shall not be construed to apply to the sign copy area.
 5. Addresses. Addresses with a minimum of six-inch letters shall be located above the copy area. If a series of addresses are located within the project, the address shall include the entire address range beginning with the lowest number. Addresses shall not be considered in the calculation of the copy area.
 6. Vacant Spaces. Any vacant tenant spaces on a multitenant monument sign shall appear opaque until occupied using a material and texture consistent with the rest of the sign copy area.
 7. Opaque Backgrounds. The sign copy area shall be designed with opaque backgrounds such that when illuminated from behind, only the sign text is illuminated against a dark (unlighted) background.
 8. Application to Multitenant Centers. Monument sign standards apply to any development designed as an integrated center with shared parking and access. Leasing to individual tenants or subdivision of the center shall not establish separate sign privileges for each tenant or parcel.
 9. Setback Requirements. Monument signs may be placed at the ultimate street right-of-way line, except that they shall not encroach within the limited use area described in the landscape development guidelines and specifications.
- C. Tenant Identification (Wall) Sign Requirements.

1. Signs on Buildings Up to Two Stories High. Each tenant may erect a wall sign on the front, side and rear of the building space occupied by such tenant with a sign area not to exceed ten (10) percent of the building face occupied by such tenant, except that such sign need not be less than twenty (20) square feet in area.
2. Signs Within Any District on Buildings Over Two Stories High.
 - a. One wall sign not to exceed two percent of the building face may be placed above the windows of the highest floor on each exterior wall (front, rear and side) of the building. Such sign(s) shall display the name of the building or the major tenant.
 - b. Up to four wall signs per building, each not to exceed twenty (20) square feet in area, may be placed below the second floor to identify building tenants.
3. Residential Uses. One wall sign is permitted per street frontage of a multiple-family complex not to exceed twelve (12) square feet in area. The content of such signs shall be limited to the name of the complex and the range of addresses within the complex.
4. Approved Types of Wall Signs. Wall signs shall consist of individually mounted channel letters, carved or routed wood, neon, sculptured cans, can signs and awning signs.
5. Wall Sign Specifications.
 - a. The copy area of a can wall sign shall use an opaque background. The retainer shall be decorative.
 - b. Individually mounted letters may be constructed of metal, plastic or foam, provided that the letters are a minimum of one inch in depth and the density of the plastic or foam is three pounds or greater. Alternative materials may be approved provided they are equivalent in durability to the above-referenced materials.
 - c. Carved or routed wood signs shall be constructed of redwood, cedar, balsa or an equivalent material. Wood signs shall be coated with sealer to minimize weathering. Plywood signs are prohibited.
 - d. Letters or graphics on an awning sign shall be painted, printed or affixed flat against the surface of an awning. An awning is a roof-like cover constructed of non-rigid material over a supporting framework that projects from the exterior wall of a building.
6. Raceways and Conduit. Raceways and electrical conduit shall not be visible.

- D. Drive-Through Restaurant Menu Boards. Two additional signs shall be permitted for the purpose of displaying the type and price of products sold on-site to drive-through customers. Such signs may include a speaker system to allow drive-through customers to order food and beverages. Such signs shall not exceed forty-eight (48) square feet in area and eight feet in height inclusive of the base. If the restaurant elects to build only a single menu board, the sign shall not exceed sixty-four (64) square feet and the height shall not exceed eight feet inclusive of the base.
- E. Freeway Signs. One freestanding on-site sign shall be permitted per parcel or business complex, provided that the sign is located within six hundred sixty (660) feet of a freeway right-of-way. Such sign shall not exceed forty-five (45) feet in height and one hundred fifty (150) feet in sign area. The sign area may not exceed the limits prescribed in this section unless a determination is made by the community development director that an increase is needed to improve the compatibility of the sign with the architecture of the development where the sign is to be located.
- F. Gas Station Signs.
1. Monument Signs. Gas stations shall be allowed one monument sign per street frontage to identify the business and the state-mandated price identification. Each sign shall not exceed forty (40) square feet in copy area and seventy-five (75) square feet in sign area, except that up to forty-five (45) square feet in copy area may be allowed where there is joint use of a gas station with other businesses.
 2. Gas Pump Island Signs. Signs are allowed on or above the fuel pumps not to exceed a maximum aggregate surface area of four square feet per linear foot of pump island.
 3. Gas Pump Canopy (Liter Box) Signs. Letters and symbols placed on the canopy over the fuel pumps shall not exceed twenty (20) percent of the total surface area of each face of the canopy.
- G. Theater Marquees. Theater marquees shall be subject to review by the community development director.
- H. Internal Guidance Signs. Internal guidance signs may be erected to direct pedestrian or vehicular traffic within the internal circulation system of a business or residential complex. Internal guidance signs shall list one or more of the businesses or buildings on the premises and indicate the recommended route to the businesses or buildings. Such signs shall not exceed fifteen (15) feet in height. Such signs shall be oriented for viewing from within the premises, and shall not be readily visible from outside of the premises in which they are located.

Internal guidance signs located twenty (20) feet or more from the public right-of-way and less than four square feet in sign area do not require a sign permit.

I. Directory Signs.

1. Vehicular-Oriented Directory Signs. One vehicular-oriented directory sign may be required near each major entrance of a multiple-structure project. One vehicular-oriented directory sign shall be permitted near each major entrance of a multitenant, business complex. Such signs shall not exceed forty-eight (48) square feet in sign area and eight feet in height. A vehicular-oriented directory sign shall not be placed at the driveway entrance but shall be located in an easily accessible location adjacent to the driveway. Such sign may contain a list and map and accompanying legend indicating the name of the development, streets, buildings, unit numbers and fire hydrant locations within the development. Vehicle-oriented directory signs shall be oriented for viewing from within the complex and not from the street outside of the complex.
 2. Pedestrian-Oriented Directory Signs. One pedestrian-oriented directory sign not to exceed ten (10) square feet in copy area shall be permitted for each multitenant building in a business or residential complex. Such sign shall list each business or residence located within the building and its address.
- J. Projecting Signs. A projecting sign may be permitted in lieu of a monument sign based on a determination by the decision-making body that the physical limitations of the site make it impractical to erect a monument sign on the premises. The copy area and sign area shall not exceed the size of the monument sign.
- K. Special Event Signs.
1. Special event signs are permitted subject to the following:
 - a. Definition. A "special promotion" means a commercial event for which the special use of special event signs which are otherwise prohibited by this chapter, are permitted with a granting of a permit by the community development department prior to such displays. No special promotion shall exceed thirty (30) days during any calendar year at any one address or location within the city;
 - b. The community development director shall issue permits for "special event signs" not to exceed thirty (30) days during any calendar year. The applicant for such special event signs may elect to determine how the days shall be allocated to that particular address or premises within the city. However, no more than three permits may be issued per calendar year;

c. Applications for "special event sign" permits shall be filed with the community development department, at least five days prior to the beginning of the event; provided, however, that the community development director may exempt an applicant from the five days application prior to the beginning of an event provided the applicant files a declaration under penalty of perjury that the nature of his business activities does not permit advance knowledge by the applicant of the time of any particular "special event" and that such applicant agrees that he will not exceed the total number of thirty (30) days within any calendar year.

d. All special event signs shall comply with the following requirements and restrictions:

- i. The applicant shall obtain any other required permits, licenses, written approvals from the city or other agencies and observe all laws concerning health and safety.
- ii. Written approval from the property owner or authorized agent shall be submitted with the permit application.
- iii. A copy of the approved permit application will be furnished by the community development department. This copy, and all other required permits, must be displayed in a conspicuous place on the premises throughout the duration of the event.
- iv. Signs, advertising devices and other approved outdoor displays shall substantially conform in size and location to the site plan sketched on or attached to the permit and conform with any restrictions stated upon the permit.
- v. Signs, advertising devices and other approved outdoor displays shall be erected or placed only on property in possession or control of the permittee. No off-site signs or displays shall be permitted.
- vi. Within ten (10) feet of any vehicular access or five feet of any public street property line, no sign, advertising device, or other approved outdoor display shall exceed thirty (30) inches in height above street curb. No public right-of-way shall be used for locating any sign or display.
- vii. Signs or banners shall be permitted with an area of one square foot for each lineal foot of store or building front, owned or operated by the permittee, up to a maximum of eighty (80) square feet.
- viii. All signs, or other approved outdoor displays shall be erected and maintained in a clean, safe manner and in good repair at all times.

- ix. The community development director may impose special requirements and restrictions when unusual conditions exist at or near the proposed event location. Such restrictions shall be listed on the approved permit application and shall be adhered to throughout the duration of the event.
 - x. Search lights may be permitted concurrently with other signs as part of a special event promotion.
2. Special event signs for grand openings shall be permitted in addition to the time frames specified above, provided that no additional time shall be granted for inflatable signs.
- a. No sign shall be displayed more than thirty (30) calendar days;
 - b. The event is for the original opening of a business at a particular location, within thirty (30) days after occupancy. Existing businesses may qualify if the ownership and the name of the business are changed. A grand opening is not an annual or occasional sales promotion or the opening of a related store at another location;
 - c. The requirements of special event signs are met.
3. Inflatable Signs. Inflatables shall be allowed with a special event sign permit, provided that:
- a. Inflatables shall not be displayed for more than thirty (30) days per calendar year;
 - b. Balloons and blimps shall not exceed a maximum height of fifty (50) feet above grade;
 - c. Large (greater than forty (40) inches in diameter) balloons and blimps shall be permitted for commercial uses only;
 - d. Any size balloon or blimp may be illuminated but may not have been constructed of reflective material.
- L. Off-Site Directional Signs. Only off-site directional signs which are in conformance with this section may be erected or maintained within the city. Off-site directional signs shall only be permitted for residential subdivisions, public and quasi-public uses or facilities. The following standards shall apply to the construction and installation of off-site directional signs:
1. The city shall designate an organization for administration of the terms of this section, except that the organization shall have no enforcement powers

hereunder. The duties of the organization under this section include, but are not limited to, the following:

- a. Timely, equitable and nondiscriminatory processing of applications to install a directional sign on a kiosk;
 - b. Obtaining sites and approvals for kiosk locations;
 - c. Timely construction and installation of kiosks and directional signs; and
 - d. Maintenance of kiosks, kiosk sites and directional signs in a neat, clean and orderly condition.
2. The duties imposed upon the organization pursuant to this section may be exercised by a third party, subject to prior approval of such third party by the public works director.
 3. The design of kiosks and directional signs shall be prepared by the organization and submitted to the city for written approval by the public works director.
 4. Kiosks and directional signs shall conform to the following general standards:
 - a. Kiosks shall contain no more than eight directional signs per face;
 - b. No kiosk shall have more than one face, except that additional faces, not to exceed three in number, may be approved for specific locations by the planning commission;
 - c. No kiosk shall exceed nine feet in height or five feet in width;
 - d. Each directional sign shall be nine inches high and five feet long;
 - e. Directional signs may contain the following information: name of use; applicant logo; and a directional arrow;
 - f. No tag sign, streamer, device, display board, or other appurtenance may be added to or placed upon any kiosk or kiosk site, except as approved in writing by the public works director;
 - g. Kiosks will be permitted in all land use districts and on private or public property or right-of-way, subject in each case to written permission of the owner of such property or right-of-way and subject to written approval of the city. Permission of the property owner for each kiosk site shall be filed with the public works director. Approval of the city may be obtained in the following manner:

- i. By designation as an approved site by the public works director,
 - ii. For kiosks of one face, by the public works director, and
 - iii. For kiosks of two or more faces, by the planning commission, except that the public works director may give interim approval of such sites for a period of thirty (30) days or less;
- h. All liabilities, costs and expenses arising out of the siting, installation and construction of kiosks and directional signs, and out of administering the provisions of this section, other than enforcement expenses related to violations of this section, shall be borne by the organization; the organization shall enter into an agreement with the city, under which it indemnifies, defends and holds harmless the city, in such form as approved by the public works director and city attorney, and shall provide public liability insurance in the minimum amount of three hundred thousand dollars (\$300,000.00) naming the city as additional insured and in such form and with a company or companies approved by the director of public works and city attorney; and the city shall have no liability therefor.
- i. In addition to other penalties provided by law, including those set forth in this section, any directional sign erected, constructed, installed or maintained in violation of this section shall be deemed a public nuisance and may be summarily abated as such by the city.

M. Banners.

1. General Provisions.

- a. Banners shall be maintained free from deterioration, disrepair or other condition that would create a nuisance as described in Section 6.04.030(P) of this code.
- b. Banners shall be attached to buildings unless otherwise specified in this section. The banners shall be securely fastened at all four corners to the wall of the building on which it is located. The method of attachment shall prevent the banner from flapping in the wind.
- c. A banner shall not obscure windows, doors, lighting fixtures, other signs, nor shall it be displayed above the walls of the building on which it is located.

2. Promotional Advertising Banners.

- a. A “promotional advertising banner” means a banner advertising the name of a business or a product or service provided on the premises.
 - b. No promotional advertising banner shall be displayed unless authorized by permit issued by the community development department. Each may cover more than one banner. A banner permit shall be effective for as long as the business receiving the permit has a valid business license for the location. A new permit shall be required if the business moves to a new location. Banners shall be maintained in good condition and in conformance with the approved permit.
 - c. Banners shall be displayed on the wall(s) of the building space occupied by the business advertised on the banner, not to exceed one banner per wall and two banners per business. Each promotional advertising banner shall not exceed ten (10) percent of the area of the building face on which it is placed.
 - d. In the case of a business engaged in a substantially outdoor enterprise, the community development director may permit a promotional advertising banner to be placed in a location other than the wall of a building occupied by such business and of a size that would be enjoyed by a typical indoor business situated on a site of the same size.
 - e. A copy of the approved banner permit shall be displayed in a conspicuous place on the premises in full public view for as long as the permit is in effect.
 - f. A promotional advertising banner shall not be displayed in lieu of a permanent wall or canopy sign except during the first sixty (60) days of issuance of the certificate of occupancy for the business.
 - g. A promotional advertising banner shall not be displayed facing a freeway.
3. Quasi-Public Uses. One banner not to exceed sixteen (16) square feet in sign area may be displayed per street frontage in conjunction with a quasi-public use.
- N. Off-Site Real Estate Signs.
1. An off-site real estate sign is a sign advertising real estate that is for sale, rent, lease or exchange where the advertised property is not the same property on which the sign is located.
 2. No off-site real estate sign may be illuminated.
 3. No off-site real estate sign shall be allowed without written consent of the property owner.

4. No off-site real estate sign shall be installed in a manner that creates a hazard for vehicle or pedestrian traffic. All off-site real estate signs shall comply with the sight distance requirements for traffic safety.
5. Off-site real estate signs are prohibited within the public right-of-way.
6. No off-site real estate sign shall exceed twenty-four (24) square feet in area or eight feet in height.
7. Off-site real estate signs shall be made of weather-resistant materials, maintained in good condition and kept free of graffiti. No paper, cardboard, lightweight plastic or similar fragile material shall be used. Off-site real estate signs shall be coated with materials that allow graffiti to be removed easily.
8. The content of each off-site real estate sign shall be limited to the information identified in Section 713 of the California Civil Code: a statement that the property is for sale, lease or exchange; directions to the property; and the owner's or agent's name, address and telephone number.
9. Off-site real estate signs shall be removed within ten (10) days of the execution of the sale, lease, exchange or rental agreement for the property for which the sign is erected.
- O. Signs in the Public Right-of-Way.
 1. A Monument Sign that is otherwise permissible pursuant to Section 9.12.060(B)(1) of this chapter and located in the public-right-of-way may be permitted in the following circumstances:
 - a. The sign is located within a public right-of-way controlled by the city of Moreno Valley;
 - b. The sign is located along Sunnymead Boulevard between Frederick Street and Perris Boulevard;
 - c. There is no practicable location on private property to locate the sign;
 - d. The sign design and location do not obstruct or impede any utility, utility access, pedestrian walkways or pedestrian or vehicle sight lines;
 - e. The sign design and location are not located over or upon any other easement without written authorization for such from the owner of the easement;
 - f. An encroachment permit is obtained, all fees paid, and all required insurance and other requirements are kept current and valid;

- g. A sign permit is obtained in accordance with this chapter.
2. In order to apply for a permit for a sign in the public right-of-way pursuant to this section, an application must first be made for an encroachment permit and all criteria for such encroachment permit must be met.
3. In the event that any of the requirements or terms of the encroachment permit are not met or are not continually maintained in accordance with the encroachment permit, any sign permit shall become void and such sign shall become a public nuisance and may be removed by the city at any time at the sign owner's expense.
4. Any such sign in the public right-of-way shall be immediately removed from the public right-of-way upon request by the city for any public purpose and shall not be entitled to any compensation.

Permitted Uses Table 9.02.020-1

- X - Indicates stated use is permitted subject to district requirements.
- C - Indicates stated use is allowed with a conditional use permit.
- ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
- A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|----------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | L | BP | BPX | OS | |
| Adult Businesses | X | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agricultural Uses—Crops Only | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Agricultural (involving structures) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Aircraft Landing Facilities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Ambulance Service | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Amusement Parks, Fairgrounds | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Animal Raising (see Section 9.09.090 of this title) | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Appliance and Electronic Repair Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Arcades, Video Machines | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Athletic Clubs, Gymsnasiums and Spas | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auction Houses | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auditoriums | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Auto Electronic Accessories and Installation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automobile Fleet Storage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Automobile, Motorcycle, Truck, Golf Cart, Recreational Vehicle | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

X - Indicates stated use is permitted subject to district requirements.
 C - Indicates stated use is allowed with a conditional use permit.
 ◆ - Indicates a use is permitted unless the use is located three hundred (300) feet or less from a residential zone or use, in which case the use is allowed with a conditional use permit. However, the expansion of an existing general manufacturing use is allowed without a conditional use permit regardless of its distance from residential zones or residential uses.
 A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|----------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|--|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |
| Bars (Drinking Establishments) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bars, with Limited Live Entertainment | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Boat Sales New and Used Including Repairs and Accessory Installation | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Boarding and Rooming Houses | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bowling Alley | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Material Sales | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With outdoor storage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Building Material Storage Yards | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Bus, Rail and Taxi Stations | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Equipment Sales (includes repairs) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Schools | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Business Supply Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cabinet Shop | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Caretakers Residence ¹ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Car Wash | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Accessory to auto related use | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Catering Service | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cemetery (Human or Pet) With or Without | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

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| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|-----------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
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| Accessory Mortuary and Cremation Services (Minimum 10-acre site required) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Churches ² | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | |
| Clubs | | | | | | | | | | | | | | | | | | | | | | | | | | | C |
| Commercial Radio or Television Stations | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With on-site antenna | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without on-site antenna | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Communications Facilities (See Section 9.09.040 of this title) | | | | | | | | | | | | | | | | | ◆ | X | | | | | | ◆ | ◆ | ◆ | |
| Computer Sales and Repairs | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Contractors Storage Yard | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Convalescent Homes/Assisted Living | | | | | | | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | |
| Convenience Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Without drive-through | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With alcohol sales | | | | | | | | | | | | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | |
| Convention Hall, Trade Show, Exhibit Building with Incidental Food Services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Copy Shops | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Country Club | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Dancing, Art, Music and | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |

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| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|--------------------------------------------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
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| Similar Schools | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Day Care Centers | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Delicatessens | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | C |
| Diaper Supply Service | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Laundry with fleet storage | | | | | | | | | | | | | | | | | | | | | | X | X | | | | |
| Disposal company | | | | | | | | | | | | | | | | | | | | | | X | | | | | |
| Drapery Shops | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| Dressmaking Shops | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| Driving School | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| Drug Stores | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| Dry Cleaning or Laundry | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| a. Dry Cleaning | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | X |
| b. Laundromat | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | | | | | | |
| c. Laundry Commercial | | | | | | | | | | | | | | | | | | | | | | X | X | | | | |
| Emergency Shelters ¹⁴ | | | | | | | | | | | | | | | | | | | | | | C | C | C | C | C | C |
| Equestrian Centers, Riding Academies, Commercial Stables (including incidental sales of feed and tack) | C | C | C | C | | | | | | | | | | | | | | | | | | | | | | | C |
| Exterminators | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Farm Worker Housing | | | | | | | | | X | X | X | | | | | | | | | | | | | | | | |
| Feed and Grain Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Fire and Police Stations | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Floor Covering Stores (may include incidental repairs with installation service) | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | |
| Fraternity/Sorority | | | | | | | | C | C | C | C | C | | | | | | | | | | | | | | | |

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| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|---------------------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | L | BP | BPX | OS | |
| Frozen Food Locker | | | | | | | | | | | | | | | | | | | | | | | X | X | | | |
| Gasoline Dispensing - Non-retail accessory to an auto-related use | | | | | | | | | | | | | | | | | X | | | | | | X | X | | | |
| Glass Shops and Glass Studios—Stained, etc. | | | | | | | | | | | | | | | | X | | | | | | | X | | | | |
| Golf Courses or Golf Driving Ranges with Incidental Commercial Uses | C | C | C | C | C | C | C | X | X | X | C | X | X | | | | | | | | | X | | | | ◆ | |
| Handicapped Housing | | | | | | | | | | | | X | X | | | | | | | | | | | | | | |
| Heavy Equipment Sales and Rentals | | | | | | | | | | | | | | | | X | | | | | | | X | | | | |
| Hospitals | | | | | | | | | | | | | | | | | ◆ | | | | | | | | | | C |
| Hotels | | | | | | | | | | | | | | | | | | | | | | | | | | | C |
| a. With 20% or less of the units containing kitchens | | | | | | | | | | | | X | X | X | | | X | | | | | | | X | X | | C |
| b. With over 20% of the units containing kitchens | | | | | | | | | | | | C | C | C | | | C | | | | | | | C | C | | C |
| Ice Cream Stores—Including Yogurt Sales | | | | | | | | | | | | X | X | X | X | | X | X | | | | | | | | | X |
| Impound Yards | | | | | | | | | | | | | | | | | | | | | | | X | | | | |
| Jewelry Stores | | | | | | | | | | | | X | X | X | X | | X | X | | | | | | | | | |
| Kennel and Catteries | C | C | C | C | C | C | C | C | C | C | C | C | C | C | | ◆ | ◆ | ◆ | | | | | ◆ | | | | |
| Laboratories (medical and dental) | | | | | | | | | | | | X | X | X | X | | X | X | | | | | X | X | | | X |
| Libraries | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |

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| Liquor Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Live/Work Unit (12) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Locksmith Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lodge Halls and Similar Facilities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Lumberyards | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mail Order House | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Manufacturing and Assembly | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| a. Custom and light manufacturing indoor uses only (50,000 square feet or less), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| b. Custom and light manufacturing indoor uses only (more than 50,000 square feet), with light truck traffic, on-site and wholesaling of goods produced | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| c. General manufacturing with frequent truck traffic and/or outdoor equipment or storage | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| d. Retail sales of goods produced or | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| warehoused on-site ³ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical Clinics/Medical Care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Inpatient care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Urgent care | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical device services and sales (retail), including, but not limited to, fittings for and sale of prosthetic and orthotic devices | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Medical equipment supply, including retail sales for in-home medical care, such as wheelchairs, walkers, and respiratory equipment | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mobile Home Parks | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Mobile Home Sales or Rentals (outdoor display) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Mortuaries | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With cremation services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| No cremation services | | | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | X | X | X | X |
| Museums | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | | | | | | | |
| Newspaper and Printing Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nightclubs | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Nursery, (Plant), | X | X | X | X | | | | | | | | | | | | | | | | | | | | | | | |

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| Wholesale and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Offices (administrative and professional) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Open Air Theaters | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Orphanages | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Painting Contractor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parcel Delivery Terminals | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parking Lot | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Parks and Recreation Facilities (public) | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | | | | | | | |
| Personal Services (e.g., nail salons, spa facilities ¹⁵ , barber and beauty shops, and tattoo parlors) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pharmacy ⁴ | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Photo Studios | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plumbing Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Plumbing Supply Stores for Contractors | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pool Hall | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Postal Services | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Pottery Sales with Outdoor Sales | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Administration, Buildings and Civic Centers | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Public Utility Stations, | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | C |

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| Yards, Wells and Similar Facilities, Excluding Offices | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Racetracks | | | | | | | | | | | | | | | | | | | C | | | | | | | | | | |
| Record Store | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |
| Recording Studio | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |
| Recreational Facilities (Private) such as Tennis Club, Polo Club, with Limited Associated Incidental Uses | C | C | C | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | | | | | | | | | |
| Recycling, Large Collection Facility ⁵ | | | | | | | | | | | | | | | | | | | ◆ | | | | | | | | | | |
| Recycling, Small Collection Facility | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |
| Recycling Processing Centers | | | | | | | | | | | | | | | | | | | | X | | | | | | | | | |
| Refreshment Stands | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |
| Rental Service | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Within an enclosed structure (furniture, office, party supplies) | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |
| With outdoor storage and display (vehicles, equipment, etc.) | | | | | | | | | | | | | | | | | | | ◆ | | | | | | | | | | |
| Research and Development | | | | | | | | | | | | | | | X | X | X | X | | | | | | | | | | | |
| Residential | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single-Family | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | | | | | | | | | | |
| Multiple-Family | | | | | | | | | | | | | | | X | X | X | X | X | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

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- C - Indicates stated use is allowed with a conditional use permit.
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- A - Indicates a use is permitted with an adult business use permit, providing the requirements of Section 9.09.030 of this title are met.

| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|-------------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|---|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | L | BP | BPX | OS | |
| Manufactured home park (see mobile home parks) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Residential Care Facility (for seven or more persons) | C | C | C | C | C | C | C | C | C | C | C | C | C | C | X | | | | | | | | | | | | |
| Restaurants (Eating and Drinking Establishments) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Without entertainment | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| With Limited Live entertainment | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| With alcoholic beverage sales | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| With outdoor seating ¹³ | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Restaurants (fast-food) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With drive-through | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Without drive-through | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Retails Sales | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Support Retail Sales | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Sandwich Shops ⁶ | | | | | | | | | | | | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Schools, Private | C | C | C | C | C | C | C | C | C | C | C | C | C | C | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ | ◆ |
| Senior Housing | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |
| Shoe Shine Stands | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Shoe Repair Shop | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Sign Shop | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Single room occupancy (SRO) facility | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Skating Rinks | | | | | | | | | | | | | | | | | | | | | | | | | | | |

Permitted Uses Table 9.02.020-1

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| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | | Commercial & Office Zones | | | | | | Industrial Zones | | | | |
|-----------------------------------------------------|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|----|---------------------------|----|----|---|---|---|------------------|----|-----|----|--|
| | HR | RR | R1 | RA2 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10.11) | NC | CC | VC | OC | O | P | I | L | BP | BPX | OS | |
| Stationery Stores | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Statue Shop -Outdoor display | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Storage Lots and Mini-Warehouses | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outdoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Swim Schools/Center with Incidental Commercial Uses | C | C | C | C | C | C | C | C | C | C | C | | | | | | | | | | | | | | | | |
| Taxidermist | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Theaters (excludes open air) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Tire Recapping | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Trade and Vocational Schools | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Transfer, Moving and Storage Facilities | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Truck Wash | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Upholstery Shops | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vehicle Storage Yards | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Indoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Outdoor | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Vending Machine Service and Repair | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Veterinarian (including animal hospital) | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities within an enclosed structure | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| With outdoor activities | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|-------------------|----|----|-----|----|----|------|-----|-----|-----|-------------------|------------|------------|---------------|----|----|---------------------------|----|---|---|---|----|------------------|-----|----|--|
| | HR | RR | R1 | RA2 | R2 | R3 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | O | P | I | LI | BP | BPX | OS | |

| | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------------------------------------------------|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|---|---|---|---|--|
| Weight Reduction Center | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wholesale, Storage, and Distribution | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities indoors (50,000 square feet or less) | | | | | | | | | | | | | | | | | | | | | | X | X | X | X | |
| All activities outdoors (more than 50,000 square feet) | | | | | | | | | | | | | | | | | | | | | | | | | | |
| All activities outdoors | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Retail sale of goods warehoused on-site | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Wrecking Yard | | | | | | | | | | | | | | | | | | | | | | | | | | |

Notes:

- (1) Do not consider residential use per distance requirement.
- (2) The administrative plot plan process may be used to establish these uses in an existing building within any commercial or industrial zone, even if the project is located adjacent to residential uses or zones.
- (3) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (4) Permitted in the OC and VOR districts only as a support medical office facility.
- (5) Large collection facilities may be established within an existing building through the "tenant improvement" process if such building or tenant space occupied by the use is not located adjacent to a residential use or zone.
- (6) Sandwich shops shall not have cooking hoods, nor shall they exceed five percent of the gross floor area of the complex where they are located.
- (7) Retail is limited to fifteen (15) percent of gross floor area (see Section 9.05.040 of this title).
- (8) In the MUI district, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 300 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.
- (9) In the MUC and MUN districts, mixed use (commercial uses on first floor with office uses or residential uses on upper floors) are (a) required to on lots at street intersections and within 150 feet in any direction from a street intersection, as measured from the corner formed by the lot's property lines, and (b) are allowed, but not required on the other lots.

Permitted Uses Table 9.02.020-1

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| | Residential Zones | | | | | | | | | | Mixed Use Overlay | | | | | Commercial & Office Zones | | | | | Industrial Zones | | | | |
|--|-------------------|----|----|-----|----|----|----|------|-----|-----|-------------------|-----|------------|------------|---------------|---------------------------|----|----|----|---|------------------|----|----|-----|----|
| | HR | RR | R1 | RA1 | R2 | R3 | R5 | RS10 | R10 | R15 | R20 | R30 | MUN (9.11) | MUC (9.11) | MUI (9.10,11) | NC | CC | VC | OC | P | I | LI | BP | BPX | OS |
| | | | | | | | | | | | | | | | | | | | | | | | | | |

- (10) See Section 9.07.40 (Medical Use Overlay District)
- (11) See Section 9.09.260 (Mixed Use Development)
- (12) See Section 9.09.250 (Live-Work Development)
- (13) See Section 9.09.270 (Outdoor Dining)
- (14) Use is also permitted in the Moreno Valley Industrial Area Plan (SP 208)
- (15) For Spa Facilities refer to Title 11, Chapter 11.96 of the Municipal Code.

Zoning District Key

| | | | |
|------|----------------------------------------------------------------------------|-----|-------------------------------------------------|
| HR | Hillside Residential District | MU | Mixed Use Overlay District |
| RR | Rural Residential District | MUN | Mixed-Use Neighborhood Overlay District |
| R1 | Residential 1 District (40,000 square feet minimum lot size) | MUC | Mixed-Use Community Overlay District |
| RA2 | Residential Agriculture 2 (20,000 square feet minimum lot size) | MUI | Mixed-Use Institutional Anchor Overlay District |
| R2 | Residential 2 District (20,000 square feet minimum lot size) | NC | Neighborhood Commercial District |
| R3 | Residential 3 District (10,000 square feet minimum lot size) | CC | Community Commercial District |
| R5 | Residential 5 District (7,200 square feet minimum lot size) | VC | Village Commercial District |
| RS10 | Residential Single-Family 10 District (4,500 square feet minimum lot size) | OC | Office Commercial District |
| R10 | Residential 10 District (Up to 10 Dwelling Units per net acre) | O | Office District |
| R15 | Residential 15 District (Up to 15 Dwelling Units per net acre) | P | Public District |
| R20 | Residential 20 District (Up to 20 Dwelling Units per net acre) | I | Industrial District |
| R30 | Residential 30 District (Up to 30 Dwelling Units per net acre) | LI | Light Industrial |
| | | BP | Business Park District |
| | | BPX | Business Park-Mixed Use District |
| | | OS | Open Space District |

**Table 9.11.040A-12
Off-Street Parking Requirements**

| Use | Requirement | Covered Parking | Notes |
|--------------------------------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Residential Uses | | | |
| Single-family | 2/unit | Within an enclosed garage | |
| Second units | 1/bedroom | | The second dwelling unit shall provide a minimum of one parking space per bedroom in addition to the parking required for the main dwelling without blocking any required parking (no tandem parking) |
| Duplex | 2/unit | Within an enclosed garage | |
| 3 or more units: | | | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom | 1.5/unit | 1 covered/unit | |
| 2 bedrooms | 2.0/unit | 1 covered/unit | |
| 3+ bedrooms | 2.5/unit | 2 covered/unit | |
| Senior housing: | 1.0/unit | 1 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |
| Studio | 1.25/unit | 1 covered/unit | |
| 1 bedroom + bedrooms | 1.5/unit | 1 covered/unit | |
| Mobile home parks | 2.5/unit | | Tandem spaces may be used to meet resident parking requirements. |
| Residential care homes | Parking requirements shall be determined by the community development director subject to an approved parking study. | | |
| Live-work units (residential component) | 2/unit | 2 covered/unit | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is NOT included in the minimum required parking standard and can be shared with the business aspect of the "live-work" parking standard. |
| Residential component of mixed-use project | See multiple-family requirements in this table | See multiple-family requirements in this table | Guest parking is required for all units at "0.25 spaces/unit". Guest parking is included in the minimum required parking standard and may be shared with the nonresidential component. Alternate parking requirements may be permitted subject to approval of a parking study pursuant to Section 9.11.070(A) of this chapter. |

**Table 9.11.040B-12
Off-Street Parking Requirements**

| Commercial Uses | Requirement | Notes |
|-------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| General retail (unless specified elsewhere) | 1/225 sq. ft. of gross floor area | |
| Automobile, boat, mobile home, or trailer sales, retail nurseries, or other similar outdoor commercial activities | 1/2,000 sq. ft. of display area | 1. Display area shall include all office, service and repair, or other related activities and areas that are accessible to the public. 2. No required off-street parking spaces shall be used for display, sales, service or repair of vehicles. |
| Automobile service stations, repair and service facilities | 2 spaces + 4/service bay for 4 or less bays and 2/service bay for 5 or more bays | Any related retail activities shall be subject to the general retail parking standards (mini-markets, tire sales, and the like). |
| Automobile washing and waxing establishments: Self-serve Automated | 2 spaces + 2/washing stall 10 + 1 per 2 employees | |
| Business and professional offices | 1/250 sq. ft. of gross floor area | |
| Banks, savings and loans and medical/dental offices | 1/225 sq. ft. of gross floor area | |
| Day care center | 1/employee + 1/500 sq. ft. of gross floor area | Special design requirements shall apply for bus loading or parent drop-off points. |
| Eating and drinking establishments | 1/100 sq. ft. of gross floor area up to 6,000 sq. ft. 1/75 sq. ft. of gross floor area over 6,000 sq. ft. | A minimum of 10 spaces required for stand-alone use. No additional parking required if outdoor dining area comprises no more than 15% of the interior gross floor area of the primary food service use; if outdoor dining area is over 15%, 1 space for every 60 sq. ft. or 1 space for every 3 seats, whichever is greater. |
| Eating and drinking establishments within shopping centers of 25,000 sq. ft. of building area or greater. | 1/225 sq. ft. of gross floor area up to 15% of the shopping center gross building square footage. | |
| Hotel/Motel | 1/guest room | For facilities with 100+ parking spaces, two 12'x36' through stalls for RV parking are required. These stalls may be counted as 4 auto parking stalls. |
| Kennels | 2 spaces per 1,000 sq. ft. | 2 spaces "per 1,000 sq.ft." of indoor animal enclosure. |
| Veterinary Hospital and Clinic | 1/200 sq.ft. of gross floor area | |
| Mortuaries | ¼ seats + funeral procession queue capacity for 5 cars | |
| Nail Salons | 1 space for every 2 work stations | |

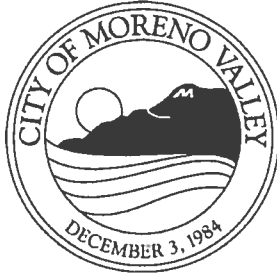
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|---------------------------------------------|----------------------------------------------------------------------------------|------------------|
| Schools, private: | | |
| Business and Trade | 10 spaces + 24/classroom | |
| College | 10 spaces + 30/classroom | |
| Elementary/Junior High | 10 spaces + 2/classroom | |
| Senior High | 10 spaces + 10/classroom | |
| Storage Lots and Mini-Warehouses | 1/100 storage spaces and 2/caretaker residence | 2 spaces minimum |
| Medical and Health Services: | | |
| Convalescent and Nursing Homes | 1/3 beds | |
| Homeless Shelter | 1/4 beds | |
| Hospitals | 1/ bed | |
| Residential Care Facilities | (see Residential Uses, Section 9.11.040 Table 9.11.040A 12 | |
| Recreation: | | |
| Arcades | 1/75 sq.ft. of gross floor area | |
| Bowling and Billiards | 5/alley + 2/billiard table | |
| Commercial Stables | 1/5 horse capacity for boarding onsite | |
| Golf Course | 6/hole | |
| Golf Driving Range | 1/tee | |
| Golf, miniature | 3/hole | |
| Health Club | 1/100 sq.ft. of gross floor area | |
| Parks-Public and Private | To be determined by the approval authority based upon an approved parking study. | |
| Skating Rink | 1/100 sq.ft. of gross floor area | |
| Tennis, Handball and Racquetball facilities | 3/court | |
| Theaters | 1/3 fixed seats | |

**Table 9.11.040C-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|----------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Industrial Uses | | |
| Manufacturing | 1/500 sq. ft. of gross floor area | Trailer parking: parking stalls for trailers shall be provided at a ratio of 1 stall per truck loading dock door. This is in addition to the loading parking stall already provided at the dock door. |
| Research and development | 1/350 sq. ft. of gross floor area | |
| Warehouse and distribution | 1/1,000 sq. ft. of gross floor area for the first 20,000 sq. ft.; 1/ea. 2,000 sq. ft. of gross floor area for the second 20,000 sq. ft.; 1/ea. 4,000 sq. ft. of gross floor area for areas in excess of the initial 40,000 sq. ft. | |

**Table 9.11.040D-12
Off-Street Parking Requirements**

| Use | Requirement | Notes |
|-------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|
| Public and Quasi-Public Uses | | |
| Libraries, museums and galleries | 1/300 sq. ft. of gross floor area | |
| Public utility facilities without an office on-site | 2/employee on the largest shift + 1/company vehicle | A minimum of 2 spaces shall be required. |
| Auditorium, places of public assembly and places of worship | 1/3 fixed seats or 1/35 sq. ft. of gross floor area of the assembly area or 1 space for every 4.5 lineal feet of benches/pews, whichever is greater | |
| Government offices | To be determined by a parking study approved by the community development director | |



**NOTICE
OF
PLANNING COMMISSION PUBLIC
HEARING**

THE PLANNING COMMISSION WILL CONSIDER A CITYWIDE AMENDMENT TO THE CITY'S MUNICIPAL CODE TO MAKE SEVERAL TECHNICAL CORRECTIONS AND CLARIFICATIONS IN ORDER TO ADDRESS INTERNAL CONSISTENCY, AND TO ADD CLARIFYING LANGUAGE TO THE MUNICIPAL CODE.

The proposed amendment (PA14-0011) includes various clarifications and text clean-ups amending several zoning regulations contained in Title 9 of the City of Moreno Valley Municipal Code. The proposed amendments include technical corrections to further internal Municipal Code consistency, including additions of definitions, changes to the Permitted Uses Table, and changes to massage facilities to be in agreement with changes that have been made to Title 11 (Peace, Morals, and Safety) of the Municipal Code. Minor changes are also proposed truck idling times in Title 12 (Vehicles and Traffic), and hours of operation for construction and grading in Title 8 (Building and Construction).

The proposal is exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) (Review for Exemption) of the CEQA Guidelines in that there is no possibility that the proposal could have a significant impact on the environment.

The Planning Commission may consider any appropriate modifications or alternatives to the proposed amendment or the environmental determination. Any person interested in the proposal may speak at the hearing or provide written testimony at or prior to the hearing. The application file and environmental documents may be inspected at the Community Development Department at 14177 Frederick Street, Moreno Valley, California during normal business hours (7:30 a.m. to 5:30 p.m., Monday through Thursday and 7:30 a.m. to 4:30 p.m., Friday), or you may telephone (951) 413-3206 for further information.

Any person may also appear and be heard in support or in opposition to any project or recommended environmental determination at the time of hearing.

The Planning Commission may consider an appropriate modification or alternative to the project or the environmental determination. If you challenge this item in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the Planning Commission on or before the following meeting date:

**Thursday, March 24, 2016
7:00 P.M. or thereafter
City Council Chambers
14177 Frederick Street
Moreno Valley, CA 92552-0805**

PLANNING COMMISSION RESOLUTION NO. 2016-05

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF MORENO VALLEY, CALIFORNIA, APPROVING PA14-0011 AMENDING SEVERAL ZONING REGULATIONS CONTAINED IN TITLE 9 OF THE CITY OF MORENO VALLEY MUNICIPAL CODE. THE PROPOSED AMENDMENTS INCLUDE TECHNICAL CORRECTIONS TO FURTHER INTERNAL MUNICIPAL CODE CONSISTENCY, INCLUDING ADDITIONS OF DEFINITIONS, AND CHANGES TO THE PERMITTED USES TABLE. MINOR CHANGES ARE ALSO PROPOSED TO TRUCK IDLING TIMES IN TITLE 12, AND HOURS OF OPERATION FOR CONSTRUCTION AND GRADING IN TITLE 8.

WHEREAS, City of Moreno Valley has filed an application for the approval of PA14-0011 (Municipal Code Amendment) as described in the title of this Resolution; and

WHEREAS, the application has been evaluated in accordance with established City of Moreno Valley procedures, and with consideration of the General Plan and other applicable regulations; and

WHEREAS, upon completion of a through development review process the project was appropriately agendized and noticed for a public hearing before the Planning Commission of March 24, 2016; and

WHEREAS, on March 24, 2016, the Planning Commission of the City of Moreno Valley Planning Commission conducted a public hearing to consider the application and voted 7-0 to continue the project until the April 28, 2016 public hearing; and

WHEREAS, on April 28, 2016, the Planning Commission of the City of Moreno Valley conducted a public hearing to consider the application; and

WHEREAS, on April 28, 2016, the Planning Commission of the City of Moreno Valley made and issued an Environmental Determination that the project is exempt from the California Environmental Quality Act (CEQA) (Public Resources Code section 21000 et. seq.) under CEQA Guideline Section 15061 (b)(3), Review for Exemption;

WHEREAS, all legal prerequisites to the adoption of this Resolution have occurred; and

WHEREAS, pursuant to Government Code Section 66020(d)(1), **NOTICE IS HEREBY GIVEN** that this project is subject to certain fees, dedications, reservations and other exactions as provided herein.

NOW, THEREFORE, BE IT RESOLVED, by the Planning Commission of the City of Moreno Valley as follows:

- A. This Planning Commission hereby specifically finds that all of the facts set forth above in this Resolution are true and correct.
- B. Based upon substantial evidence presented to this Planning Commission during the above-referenced meeting on April 28, 2016, including written and oral staff reports, and the record from the public hearing, this Planning Commission hereby specifically finds as follows:
 - 1. **Conformance with General Plan Policies** – The proposed use is consistent with the General Plan, and its goals, objectives, policies and programs.

FACT: The proposed Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations contained in Title 9 of the City of Moreno Valley Municipal Code. The proposed amendments range from minor “clean-up” items, changes to further internal Municipal Code consistency, additions of definitions, changes to the permitted uses table, and changes to massage facilities to be in agreement with Title 11 (Peace, Morals, and Safety). There are also minor changes to Title 12 (Vehicles and Traffic) referring to truck idling times and Title 8 (Building and Construction) referring to hours of operation for construction and grading.

The list of Sections to be revised include the following: 9.12.060 (Permitted Signs), 9.15.030 (Definitions), 9.02.130.6 (Home Occupation Permits), 9.09.202 (Swimming pools, spas and recreational courts), 9.05.050 (Good Neighbor Guidelines for warehouse distribution facilities), 12.38.020 (Parking prohibitions or restrictions), 9.05.040 (Industrial Site Development Standards), 9.03.040E (Special Single-Family Residential Development Standards), 9.13.040 (Map designation), 9.16.130 (Single-Family Residential General Guidelines), 9.02.150 (Temporary Use Permits), 9.02.020 (Permitted Uses), 9.17.070 (Single-family residential development), 9.11.040 (Off-Street Parking Requirements), 9.02.130 (Home Occupation Permits), 8.21.050 (Grading Permit Requirements), 8.14.040 (Miscellaneous standards and regulations) and the elimination of Section 9.07.020 (Specific Plan District) from the City of Moreno Valley Municipal Code.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the municipal code. All text changes were reviewed to ensure that the

clarifying language and minor technical errors are consistent with general plan polices.

Furthermore, the proposed amendment to Municipal Code Section 9.03.040E (Special Single-Family Residential Development Standards) to require residential developments of five or more dwellings within the Residential 2 (R2), Residential Agriculture 2 (RA2) and Residential 3 (R3) districts to have fully landscaped front yards and street side yards (for corner lots) is also consistent with General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design. The proposed new uses (bars, bars with limited live entertainment, nightclubs, and restaurants with limited live entertainment) are consistent with Objective 2.4 of the General Plan in that expansion of restaurant and bar type uses will serve the retail and service commercial needs of Moreno Valley residents and businesses.

These proposed amendments will clarify and fix inconsistencies within the code. The Municipal Code Amendment is consistent with the General Plan and its goals, objectives, policies and programs.

2. **Conformance with Zoning Regulations** – The proposed use complies with all applicable zoning and other regulations.

FACT: The amendment process is necessary to ensure compliance with the procedures required by state law, and to establish a reasonable and fair means to allow amendments and changes which will ensure consistency with the general plan and all applicable zoning and other regulations. The proposed amendment meets all applicable Municipal Code requirements related to amendments to provisions of Title 9 (MC 9.02.050). The proposed changes to Title 8 and Title 12 were also reviewed and found consistent with the General Plan and all applicable zoning and other regulations.

This City initiated “clean-up” amendment will correct minor technical errors and inconsistencies, and will add clarifying language to the municipal code. These proposed amendments will clarify and fix inconsistencies within the code. As proposed, the amendment is consistent with the purposes and intent of Title 9, Title 8 and Title 12.

3. **Health, Safety and Welfare** – The proposed use will not be detrimental to the public health, safety or welfare or materially injurious to properties or improvements in the vicinity.

FACT: The proposed changes do not have the potential of adversely affecting the public health, safety or welfare of the residents of City of Moreno Valley or surrounding jurisdictions.

Staff has reviewed the proposed Municipal Code Amendment in accordance with the CEQA Guidelines and has determined that the project qualifies for a categorically exemption pursuant to Section 15061 (b) (3) (Review for Exemption) of the CEQA Guidelines. This exemption states that if the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

The proposed Municipal Code Amendment includes various policy clarifications and text clean-ups amending several zoning regulations. The proposed amendments range from minor "clean-up" items, changes to further internal Municipal Code consistency, additions of definitions, changes to the permitted uses table, and changes to massage facilities to be in agreement with Title 11 (Peace, Morals, and Safety). Based on staff's review of the Project, no special circumstances exist that would create a reasonable possibility that this project will have a significant effect on the environment. Therefore, the proposed Project is exempt from CEQA and no further environmental review is required.

BE IT FURTHER RESOLVED that the Planning Commission **HEREBY APPROVES** Resolution No. 2016-05 and thereby:

1. **CERTIFY** that this item is exempt from the provisions of the California Environmental Quality Act (CEQA), CEQA Guidelines, Section 15061 (Review for Exemption); and
2. **APPROVE** Planning Commission Resolution No. 2016-05, recommending that the City Council approve PA14-0011.

APPROVED on this 28th day of April, 2016.

Brian R. Lowell
Chair, Planning Commission

ATTEST:

Richard J. Sandzimier, Planning Official

APPROVED AS TO FORM:

City Attorney

Attached: Conditions of Approval

Leslie Keane

From: Kathleen Dale <kdalenmn@aol.com>
Sent: Wednesday, April 27, 2016 9:27 PM
To: Claudia Manrique
Subject: April 28, 2016 Planning Commission - Case PA14-0011

Claudia - please enter the following comments in the record for Thursday's public hearing and provide a copy to each Planning Commissioner.

The Municipal Code Amendment item before you on April 28, 2016 (Case PA14-0011) includes two sections addressing Municipal Code provisions governing second dwelling units (items 18 and 19). Recent events related to a proposed second unit on Sheffield Drive underscore the importance of deferring these piecemeal amendments to a more comprehensive amendment that establishes an improved framework for accommodation of second units in a manner consistent with the stated Municipal Code intent, which is to "ensure that accessory living quarters located in residential districts do not adversely impact either adjacent residential parcels or the surrounding neighborhood" (Municipal Code Section 9.09.130). Based upon the issues that came to light in the Sheffield situation, a comprehensive update should include consideration of where second units are allowed, notice provisions, and development standards (including, but not limited to, parking, building height, setbacks, lot coverage, architecture, and unit size).

Staff research of the City's permit tracking records reveal an average of only one application for a second unit each year (since 1/1/11). With this level of activity, deferral of these amendments for a more comprehensive update should not be an inconvenience to the citizens, nor represent a substantial exposure for the City due to continuing Code discrepancies.

The staff report misleadingly indicates that State law prohibits notification for second units. To the contrary, implementing guidance provided by the State (August 6, 2003 Department of Housing and Community Development memorandum) identifies circumstances under which notification can be required and numerous cities throughout the State require notice in conjunction with second unit permits (including Riverside and Menifee locally). The Sheffield Drive case underscores the importance of the notice provisions not only to potentially affected neighbors, but also to the residents proposing second units. Once the residents proposing the Sheffield Drive second unit became aware of the neighbor's concerns, they chose not to proceed with the project.

The neighborhood compatibility issues with second units are not dissimilar to those with group homes, as demonstrated with the recent proposal before the Commission on Steeplechase Drive. Without involvement of the adjoining and nearby residents, how can the neighborhood knowledge, interests, and concerns of those most directly affected by a proposal be taken into account in determining that a proposed second unit does not adversely impact the existing neighborhood?

Please defer any action on PA14-0011, items 18 and 19, and request that the City Council initiate a comprehensive re-evaluation of the City's Municipal Code provisions regulating second dwelling units.

Respectfully submitted,

Kathleen Dale

Attachment: K Dale Email 4-27-16 (2097 : A PUBLIC HEARING FOR A CITYWIDE AMENDMENT TO THE CITY'S MUNICIPAL CODE TO MAKE

Leslie Keane

From: Peggy <prubin41@aol.com>
 Sent: Wednesday, April 27, 2016 3:51 PM
 To: Claudia Manrique
 Subject: Case #PA14-0011 Item # 18 & 19

Planning Department

Attn: Claudia Manrique

SECOND UNITS / PARKING REQUIREMENTS

Case # PA14-0011

Items 18 & 19

I'm requesting the City do a more comprehensive look at the second unit requirements and notification process, as well as the parking requirements. It needs some serious considerations in place to protect other citizens of Moreno Valley from having to go through what myself and neighbors recently had to endure.

I do not think the City receives many applications for second units, therefore it shouldn't be a problem postponing these items in order to really research it. The code currently has many inconsistent requirements.

I understand the need for second units being based on an elderly parent, adult child or a similar situation but there needs to be many more specific regulations put in place to protect surrounding neighbors. The first being...the deletion of notification to those affected is WRONG, not being properly notified about something that impacts your life. It's pretty scary to think as a homeowner, you have NO voice or recourse as to what happens within 5 feet of your own backyard! The second consideration being the limitation of size; specifically the height and compliance with fitting into the surrounding area. There are privacy issues and for some people, obstruction of views. Third are the parking issues that would go along with other types of second units being built, such as multiple family rental units!

I'm not suggesting trying to stop progress in our City or comparing this to open empty space sbeing built on...I'm referring to 30 year old neighborhoods being forever changed and a person's peace and enjoyment on their own property being stopped, as well as property values being affected. Lastly...it pits neighbors against each other in a negative way.

Thank you in advance for reading this and responding responsibly.

Peggy Holmes
 22563 Sheffield Dr.
 Moreno Valley, CA 92557
 951-242-3605

Attachment: P Holmes Email 4-27-16 (2097 : A PUBLIC HEARING FOR A CITYWIDE AMENDMENT TO THE CITY'S MUNICIPAL CODE TO MAKE



CITY OF MORENO VALLEY
Community Development Department
Planning Division

MEMORANDUM

To: Case Folder – PA14-0011
From: Claudia Manrique, Associate Planner
Date: March 2, 2016
Subject: CEQA Determination for PA14-0011

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| Item 1 | <p><u>Change wording from “Modified Monument Signs” to “Monument Signs”</u></p> <p><i>This “clean-up” amendment clarifies requirements for a monument sign. There is no difference between a monument sign and a modified monument sign, thus staff is removing the term “modified” from the code.</i></p> <p>Staff finds that this amendment is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant impact on the environment. Since the only change is an administrative zoning text amendment to the Municipal Code, it can be seen with certainty that there is no possibility that this amendment may have a significant effect on the environment. (Section 15061 (b) (3))</p> |
| Item 2 | <p><u>Revise definition of “Monument Signs”</u></p> <p><i>This “clean-up” amendment clarifies the definition of a monument sign. Staff is removing the term “modified” from the definition as well as expanding the design requirements to discourage the use of a single pole support and allow for greater design interest</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 3 | <p><u>Revising requirements for entry monument signs for multiple-family projects</u></p> <p><i>This amendment is proposing to add a two smaller wall signs option for Multiple-Family Complexes along with the traditional one entry monument. The square footage for the two smaller signs will not exceed the existing limit.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may</p> |

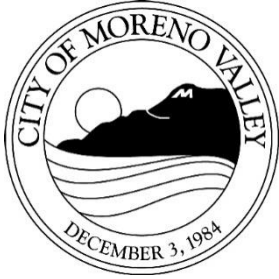
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| | have a significant effect on the environment. |
| Item 4 | <p><u>Revising the hours of operation for construction and grading (Title 8)</u></p> <p><i>This “clean-up” amendment to Title 8 will place the same construction and grading hours in both Section O of Chapter 8.21.050 (Grading Permit Requirements) & Section E of Chapter 8.14.040 (Miscellaneous standards and regulations), allowing them to be in agreement. There is expansion of hours allowed, in fact construction hours in Chapter 8.14.040 (Miscellaneous standards and regulations) will lose two hours.</i></p> <p>Minor municipal code amendments, which do not lead to physical improvements beyond those typically exempt or which refine or clarify existing land use standards as being exempt from CEQA and thus not requiring environmental review. This exemption is pursuant to State CEQA Guidelines Section 15061 (b) (3), which states “when it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.” Staff finds that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 5 | <p><u>Review/Clarify commercial vehicle restrictions for home occupations</u></p> <p><i>This amendment proposes to protect the character of the single-family neighborhood by providing clarification on the sizes of vehicles that may be parked at single-family residences that are tied to a home occupation approved business. The City already has limits on the sizes of vehicles and types (i.e. no tow trucks may be parked at a residence) associated with home occupations.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment. The text changes are for clarification purposes only.</p> |
| Item 6 | <p><u>Correcting the section reference given in Section 9.09.202 - Swimming pools, spas and recreational courts</u></p> <p><i>This “clean-up” amendment fixes the numbering in Section 9.09.202 to match the past update to the Special Single-Family Residential Development Standards in Section 9.03.04.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 7 | <u>Revisions making both sections referring to truck idling times meet the State requirement (Title 9 & Title 12)</u> |

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| | <p><i>This “clean-up” amendment modifies the truck idling times in Title 9, Chapter 9.05.050 and Title 12, Chapter 12.38.020 to be consistent. Both will meet the current CA State limit of five (5) minutes (California Code of Regulations Title 13, Section 2485).</i></p> <p>Staff finds that the CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 8 | <p><u>Revision to the Light Industrial (LI) standards</u></p> <p><i>This “clean-up” amendment removes the word “building” from the explanation of what the minimum separation distance for an industrial project with structures less than fifty thousand (50,000) square feet in building area is between a residential district and truck court or loading area. Deletion of the word “building” will have no impact on how this development standard requirement is enforced.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that this clarification of the zoning text may have a significant effect on the environment.</p> |
| Item 9 | <p><u>Revision to the single-family front yard landscaping standards</u></p> <p><i>This amendment is proposing to require tract home developments within the Residential 2 (R2), Residential Agriculture 2 (RA2) and Residential 3 (R3) districts to have fully landscaped front yards prior to occupancy. Currently, only tract home developments in the Residential 5 (R5) district have this requirement.</i></p> <p><i>Requiring the installation and appropriate maintenance of front yard landscaping in additional single family residential zones will beautify individual neighborhoods while enhancing the overall image of the City and well as meeting General Plan Objective 2.3, which promotes a sense of community and pride within residential areas through increased neighborhood interaction and enhanced project design.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that this zoning text amendment may have a significant effect on the environment.</p> |
| Item 10 | <p><u>Delete the “Specific Plan District” section</u></p> <p><i>This proposed amendment is a simple text clean up to delete Section 9.07.020 (Specific Plan District) from the Municipal Code and deleting the reference to the General Plan from Section 9.13.040 (Map designation). The City no longer has a “Specific Plan District” in the General Plan. All Specific Plans were translated to the closest land use district in the 2006 General Plan Update and are now shown as overlays on the Zoning Atlas.</i></p> |

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| | <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 11 | <p><u>Allow the use of gravel for vehicle storage (single-family residences)</u></p> <p><i>This amendment proposes to expand the guidelines to add gravel or crushed rock as alternative pervious surfaces that are allowed for vehicle storage (recreational vehicles, boats and campers). Permeable paving materials provide the opportunity for stormwater to infiltrate into soil, helping facilitate aquifer recharge as well as keeping pollutants from vehicles from going straight into stormwater pipes.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> <p>Asphalt, concrete, or pervious paving surfaces are already allowed. The Municipal Code amendment will clarify and expand the allowed materials to include gravel or crushed rock. Any pervious paving surface currently must be designed and maintained to remain well-drained. This requirement will not change.</p> |
| Item 12 | <p><u>Time limits on Temporary Use Permits (TUPs)</u></p> <p><i>This amendment proposes to allow greater flexible in addressing the needs of regional shopping centers (20 acres or greater in size), staff recommends extending the number of days per year that they may hold TUP activities.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 13 | <p><u>Expanding types of bars, nightclubs and restaurants to Chapter 9.02 (Permits and Approvals) and Chapter 9.15 (Definitions)</u></p> <p><i>Staff proposes to add a list of new definitions including bars, bars with limited live entertainment, restaurants with limited live entertainment and nightclubs to the municipal code to better address the full range of potential businesses within these categories. This amendment is a clarification of the existing Municipal Code to address these businesses.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 14 | <p><u>Addition of “pool hall” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This proposed amendment includes a definition of pool hall and allows pool tables</i></p> |

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| | <p><i>(up to three) to be permitted without requiring additional applications if they are ancillary to the primary use. As proposed bars, bars with limited live entertainment, restaurants with limited live entertainment, or nightclubs may have up to three pool tables without being considered a pool hall.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 15 | <p><u>Addition of “mulch” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This amendment provides a definition of mulch and what materials will be considered mulch - any organic material such as leaves, bark, straw, compost, or inorganic mineral materials such as rocks, gravel, and decomposed granite left loose.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 16 | <p><u>Addition of “Pervious pavement/surfaces” and “hardscape” to definitions in Chapter 9.15 (Definitions)</u></p> <p><i>This amendment provides definitions for pervious pavement/surfaces and hardscape to provide additional landscaping design alternatives to Moreno Valley citizens as well as options to reduce impervious pavement, which provides a positive step towards improving the quality of a community's water resources.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 17 | <p><u>Revisions to Chapter 9.17 (Landscape and Water Efficiency Requirements)</u></p> <p><i>This proposed amendment provides more landscaping options, including the use of mulch in landscaping designs, as well as continuing to recommend the use of drought tolerant plant materials and irrigation systems.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 18 | <p><u>Deletion of public noticing procedures for second dwelling unit (Previously approved in 2010 under project number: PA09-0024)</u></p> <p><i>There was a Municipal Code Amendment processed in 2010 (PA09-0024) that was intended to remove the noticing requirements in Section 9.09.130 (D) to be consistent with State Law (Government Code Section 65852.2) for second dwelling units;</i></p> |

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| | <p><i>however, due to the manner in which the Ordinance was proposed and submitted, the change could not be made by to the codifier. This item is therefore a minor clean-up item to be consistent with noticing requirements in State law.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 19 | <p><u>Correction to “Table 9.11.040 A-12 - Off-Street Parking Requirements” regarding second dwelling units in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)</u></p> <p><i>This “clean up” amendment will have the off-street parking requirements table in agreement with Section 9.09.130(Second dwelling units).</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 20 | <p><u>Replacing various off-street parking requirements to “Table 9.11.040B-12 - Off-Street Parking Requirements” that were inadvertently deleted in Chapter 9.11 (Parking, Pedestrian and Loading Requirements)</u></p> <p><i>This “clean up” amendment will replace sections of the off-street parking requirements table that were mistakenly deleted. The only change to the table itself is the text change in Item 22.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |
| Item 21 | <p><u>Changes related to Title 11 (Peace, Morals and Safety) regarding massage parlors/establishments</u></p> <p><i>The City Council approved two ordinances revising Title 11 (Peace, Morals and Safety) of the Moreno Valley Municipal Code by repealing Chapter 11.06 in its entirety, and adding Chapters 11.95 and 11.96 in response to new state laws (Senate Bill 731 and Assembly Bill 1147) regarding massage parlors on November 24, 2015. Both ordinances included a request that the Planning Commission recommend adoption of an ordinance to the City Council to amend Title 9.</i></p> <p><i>The three proposed changes impact Sections 9.02.020, 9.02.130 and 9.15.030. Staff is recommending adding a definition for “Spa facility” as the fourth change in Item 23’s proposed amendment.</i></p> <p>Staff finds that CEQA Guidelines Section 15061 (b) (3) applies because it can be seen with certainty that there is no possibility that the zoning text amendment may have a significant effect on the environment.</p> |



NOTICE OF CITY COUNCIL PUBLIC HEARING

FOR AN AMENDMENT TO THE CITY'S MUNICIPAL CODE
TO ADD TECHNICAL CORRECTIONS, DEFINITIONS AND
OTHER TEXT MODIFICATIONS TO IMPROVE CLARITY,
AND TO ADDRESS INTERNAL INCONSISTENCIES IN
TITLES 8, 9 AND 12 OF THE MUNICIPAL CODE.

The proposed amendment (PA14-0011) includes various clarifications and text clean-ups amending zoning regulations contained in Title 9 of the City of Moreno Valley Municipal Code. The proposed amendments include additions of definitions, changes to the Permitted Uses Table, and modifications to ensure agreement with changes recently made with regards to massage facilities in Title 11 (Peace, Morals, and Safety) of the Municipal Code. Minor technical changes are proposed for truck idling times in Title 12 (Vehicles and Traffic), and with regard to allowed hours of operation for construction and grading in Title 8 (Building and Construction).

The proposal has been found to be exempt from the California Environmental Quality Act (CEQA) in accordance with Section 15061(b)(3) (Review for Exemption) of the CEQA Guidelines in that there is no possibility that the proposal could have a significant impact on the environment. The City Council may consider any appropriate modifications or alternatives to the amendment or the environmental determination.

Any person interested in the proposal may speak at the hearing or provide written testimony at or prior to the hearing. Any person interested in the proposed project may contact Claudia Manrique, Associate Planner at (951) 413-3225 or at the Community Development Department at 14177 Frederick Street, Moreno Valley, California, during normal business hours (7:30 a.m. to 5:30 p.m., Monday through Thursday and 7:30 a.m. to 4:30 p.m., Friday), or you may telephone (951) 413-3206 for further information.

If you challenge this item in court, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice, or in written correspondence delivered to the City Council on or before the following meeting date:

Tuesday, June 21, 2016
6:00 P.M.
City Council Chambers
14177 Frederick Street
Moreno Valley, CA 92552-0805

Upon request and in compliance with the Americans with Disabilities Act of 1990, any person with a disability who requires a modification or accommodation in order to participate in a meeting should direct such request to Guy Pegan, ADA Coordinator, at 951.413.3120 at least 48 hours before the meeting. The 48-hour notification will enable the City to make reasonable arrangements to ensure accessibility to this meeting.



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve placing the submitted list of the 2015 delinquent solid waste accounts on the Fiscal Year (FY) 2016/2017 Riverside County property tax roll for collection.
2. Direct the City Clerk to file with the Riverside County Auditor a certified copy of Resolution No. 2012-55 and the list of 2015 delinquent solid waste accounts as required by Section 5473.4 of the California Health and Safety Code and Section 6.02.030 of the City of Moreno Valley Municipal Code.

SUMMARY

This report recommends approval to place the submitted list of the 2015 delinquent solid waste accounts on the FY 2016/2017 Riverside County property tax roll for collection.

Waste Management bills residential customers quarterly for solid waste services; payments are remitted directly to Waste Management. When a customer fails to make payment, the collection of the account is placed on the Riverside County property tax roll for delinquent balances not paid at the end of each calendar year. Customers continue to receive weekly solid waste and recycling services whether or not payment is remitted to the franchise hauler. This procedure was authorized by prior enactments of the City Council as reflected in Section 6.02.030 of the Moreno Valley Municipal Code. The option to collect delinquent payments was negotiated as part of the franchise agreement.

DISCUSSION

Waste Management has submitted a preliminary list of approximately 6,357 delinquent accounts for the 2015 calendar year. This delinquent list is to be placed on the FY 2016/2017 tax roll if approved by Council. An official copy of the list is available in the City Clerk's office for public viewing. The maximum charge to be placed on the tax roll is \$1,918,157.48. Although Waste Management accepted payment on delinquent accounts until June 16, 2016, there may be some additional deletions to the list or minor adjustments to the amounts prior to final submittal to the Riverside County Auditor.

As part of the notification process, Waste Management has mailed a "Notice of Delinquent Account" to the affected property owners and account holders, informing them of the intent to place all delinquent charges on the tax roll. These notifications are mailed on a quarterly basis which is over and above the minimum notification requirements as per Section 5473.1 of the California Health and Safety Code and the Moreno Valley Municipal Code Section 6.02.030. A public posting of the Council's action, in accordance with Section 6066 of the Government Code, is all that is required by law.

Procedurally, in order to collect these delinquent charges on the County tax roll, the City must file with the County Auditor a certified copy of the proposed resolution along with the report as specified in California Health and Safety Code Section 5473.4 and Section 6.02.030 of the Moreno Valley Municipal Code.

ALTERNATIVES

1. Approve placing the submitted list of the 2015 delinquent solid waste accounts on the Fiscal Year (FY) 2016/2017 Riverside County property tax roll for collection and direct the City Clerk to file with the Riverside County Auditor a certified copy of the proposed resolution and a written report as prescribed by Section 6.02.030(e) of the Moreno Valley Municipal Code. *Staff recommends this alternative. This will ensure compliance with the franchise agreement and preserve the ability to avoid a net loss of revenue to the City of approximately \$232,672 in franchise fees.*
2. Do not approve placing the submitted list of delinquent solid waste accounts on the Fiscal Year (FY) 2016/2017 Riverside County property tax roll for collection and do not direct the City Clerk to file with the Riverside County Auditor a certified copy of the proposed resolution and a written report as prescribed by Section 6.02.030(e) of the Moreno Valley Municipal Code. *Staff does not recommend this alternative as it will place the City in non-compliance of the franchise agreement, and could result in a net loss of revenue to the City of approximately \$232,672 in franchise fees.*

FISCAL IMPACT

The City receives a 12.13% franchise fee for revenue generated from the collection of delinquent accounts. Placement of these delinquent charges on the County property tax roll will ensure the City receives the revenues due from this source which would be approximately \$232,672. This amount is deposited into the general fund.

Solid waste services are exempt from Proposition 218, as stated in Section 6(c) Property Related Fees and Charges. This is because the obligation to pay does not arise due to the customer owning the property, it arises because the property is used in a way which generates trash, and the customer did not choose to legally self-haul. Furthermore, the fee is not an encumbrance on the property, although delinquent fees can become the subject of a judgment lien.

NOTIFICATION

A "Notice of Public Hearing" was published on June 7, 2016 and June 15, 2016, in The Press Enterprise in accordance with Section 6066 of the Government Code. A public posting of Council's action will also be done in accordance with Section 6066 of the Government Code. In addition, Waste Management mailed payment requests to the attached accounts through a separate notice sent to property owners where the property could be identified as non-owner occupied. An official list of the submitted 2015 delinquent accounts is available in the City Clerk's office. This list represents the maximum charges which can be placed on the property tax roll for FY 2016/2017.

PREPARATION OF STAFF REPORT

Prepared By:
Angelic Davis
Management Analyst

Department Head Approval:
Ahmad R. Ansari
Public Works Director/City Engineer

Concurred By:
Robert Lemon
Maintenance & Operations Division Manager

CITY COUNCIL GOALS

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. List of Delinquent Accounts for FY 2016-2017 – Sorted by Street Address
2. List of Delinquent Accounts for FY 2016-2017 – Sorted by Parcel Number
3. Resolution 2012-55

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 6:04 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 11:19 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 11:36 AM |

MORENO VALLEY Tax Roll Listing 2016
Customers with Invoice Item Dates in 2015
As of June 7, 2016

Column Totals 1,918,157.48
Customer Count 6,357

Table with columns: Rec No, ParcelNo, ParcelUniq, Fund No, NAME, HOUSE#, STREET, CITY, STATE, ZIPCOD, OwnerName, MailAddress, MailCityState, MailZip, Principal. Contains 500 rows of property data.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 - PUBLIC HEARING FOR DELINQUENT

Table with 11 columns: Account Number, Property Address, City, State, Zip, and Name. Contains a large list of property records.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Account ID, Address, City, State, ZIP, and Delinquent Date. It lists numerous accounts across various streets in Moreno Valley, CA, with dates ranging from 2016 to 2017.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for address number, address, city, state, zip, account number, and name. The table contains multiple rows of data for various street addresses in the Moreno Valley area.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, address, city, state, zip, and phone number. The table lists delinquent accounts for various streets including MERKELBACH ALLEN, BARBER LARRY, ROBINSON ANGELA M, and many others, covering a wide range of residential addresses.

Table with columns for account number, address, city, state, zip, and amount. It lists numerous accounts for Moreno Valley, CA, including addresses like Aguilera, Erik (Rent), Aguilera, Marvin (Ownr), and Aguilera, Vanessia (Rent).

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip. Contains multiple entries for various accounts across different addresses in California.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns: Address, City, State, Zip, Account Number, Name, City, State, Zip, Account Number, Name, City, State, Zip, Account Number. Contains multiple rows of account information for Moreno Valley, CA.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns: Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip. Contains a list of delinquent accounts for FY 2016-2017, sorted by street address.

Table with 12 columns: Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip. Contains a comprehensive list of delinquent accounts for FY 2016-2017, sorted by street address.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 - PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, name, address, city, state, zip, and phone number. The table lists numerous individuals and their corresponding account information.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Account Number, Address, City, State, Zip, Account Number, City, State, Zip, Account Number, City, State, Zip. The table lists various delinquent accounts across different municipalities in the state.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns: Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip. Lists delinquent accounts sorted by street address.

Table with columns for account number, name, address, city, state, zip, and phone number. It lists numerous individuals and organizations, including families like the Nunez, Murguia, and Medina families, and various businesses and professionals.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns: Account Number, Name, Address, City, State, ZIP, Phone, Account Number, Name, Address, City, State, ZIP, Phone, Account Number, Name, Address, City, State, ZIP, Phone. The table lists various delinquent accounts for FY 2016-2017, sorted by street address.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account numbers, street addresses, cities, zip codes, and account statuses. It lists thousands of individual accounts across various municipalities including Moreno Valley, Brea, and others.

Table with columns: Account Number, Address, City, State, ZIP, and Account Balance. Lists various delinquent accounts across multiple pages.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for address, owner name, street address, city, county, zip, and account number. It lists delinquent accounts for various streets like CAMPOS, RODRIGUEZ NAVA, MENDEZ, PERAZA, etc.

Table with columns for Account Number, Address, City, State, ZIP, and Delinquent Amount. Includes a vertical title 'Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT' on the right side.

Table with columns for account number, address (number, street, city, state, zip), and account information (number, name, address, zip). The table lists numerous accounts across various addresses in Moreno Valley, CA, with associated account numbers and names.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, address, city, state, zip, and phone number. The table lists numerous accounts across various locations including Moreno Valley, Sun Valley, and other areas in California.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Street Address [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, address, and amount. It lists numerous delinquent accounts across various streets in Moreno Valley, CA, including streets like VELLANTO WAY, POSADA FERNANDO, ELLIS GRANT E, and many others.

Table with multiple columns: Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip, Account Number, Address, City, State, Zip. Contains 400 rows of data.

Table with columns for account number, address, owner name, city, state, zip, and phone number. The table lists numerous delinquent accounts across various streets in Moreno Valley, CA.

MORENO VALLEY Tax Roll Listing 2016 Customers with Invoice Item Dates in 2015 As of June 7, 2016

Summary table with columns: Column Totals, Customer Count, 1,918,157.48, 6,357

Main data table with columns: Rec No, ParcelNo, ParcelUniq, Fund No, NAME, HOUSE#, STREET, CITY, STATE, ZIPCOD, OwnerName, MailAddress, MailCityState, MailZip, Principal

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel ID, address, owner, address, city, state, address, city, state, parcel ID, address, owner, address, city, state, address, city, state. Contains a large list of property records with associated parcel numbers and owner information.

Attachment: List of Delinquent Accounts for FY 2016-2017 - Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Parcel ID, Address, City, State, ZIP, County, and Assessed Value. The table lists numerous parcels across various areas like Moreno Valley, Corona, and Hemet, with associated parcel IDs and values ranging from \$350 to over \$1,000.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, address, city, state, zip, and other identifiers. The table lists numerous accounts across various addresses in Moreno Valley, CA, including streets like SUGAR CREEK CT, SEAFARER WAY, and DREAM ST.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel number, address, city, county, zip, account number, and amount. The table lists numerous delinquent accounts across various parcels in Moreno Valley, California.

Table with columns for parcel number, address, owner name, city, county, zip, parcel number, address, owner name, city, county, zip, parcel number, address, owner name, city, county, zip. The table lists numerous parcels and their corresponding owners across various locations in Moreno Valley, CA.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel number, address, owner name, city, state, zip, and account number. The table lists numerous parcels across various cities in California, including Moreno Valley, Corona, and Fontana.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3]

Table with columns: Parcel Number, Address, City, State, Zip, Parcel Number, Address, City, State, Zip. Contains a long list of property records.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with multiple columns containing parcel numbers, owner names, addresses, and legal descriptions for various properties in Moreno Valley, CA.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Parcel Number, Address, City, State, ZIP, and Delinquent Account Number. The table lists numerous parcels across various cities like Moreno Valley, Corona, and Rowland Heights, detailing their addresses and associated delinquent account information.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with 12 columns: Parcel ID, Address, City, State, Zip, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number. Contains a comprehensive list of property records for Moreno Valley, CA.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with 13 columns: ID, Address, City, State, ZIP, Case Number, Case Name, City, State, ZIP, Case Number, Case Name, City, State, ZIP. Lists delinquent accounts for FY 2016-2017, sorted by parcel number.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with 10 columns: Parcel ID, Address, City, State, Zip, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number, Assessor's Parcel Number. Contains a large list of property records.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, parcel ID, owner name, address, city, state, zip, and account status. The table lists numerous accounts, many of which are marked as delinquent.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for account number, address, city, state, zip, parcel number, owner name, and account number. Contains a large list of property records.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel ID, owner name, address, city, state, zip, parcel number, owner name, address, city, state, zip, parcel number, owner name, address, city, state, zip. The table lists numerous parcels and their respective owners and addresses across various locations like Moreno Valley, Corona, and Los Angeles.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table listing delinquent accounts with columns for parcel number, owner name, address, city, state, zip, parcel number, owner name, address, city, state, zip, parcel number, owner name, address, city, state, zip.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with 11 columns: ID, Address, City, State, Zip, Name, City, State, Zip, Name, City, State, Zip. The table lists numerous parcels and their owners across various cities in the state of Florida, including Miami, Orlando, Jacksonville, and Tampa. The entries are organized by address ranges.

Table with columns for Parcel Number, Address, City, County, ZIP, and Delinquent Account Number. It lists various properties across different areas like Moreno Valley, Fontana, and San Jacinto, with associated parcel and account IDs.

Table with columns for parcel ID, address, owner name, city, county, state, zip, and other details. It lists numerous parcels across various locations like Moreno Valley, California, with owner names such as Salazar, Gerardo, and Rodriguez, Gregorio.

Attachment: List of Delinquent Accounts for FY 2016-17 Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with multiple columns containing account numbers, names, addresses, cities, states, and zip codes. The table lists various parcel and utility accounts across different areas.

Table with columns for account number, address, city, state, zip, parcel number, and delinquent amount. The table lists numerous accounts across various addresses in Moreno Valley, CA, with delinquent amounts ranging from \$54.11 to \$538.40.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for Account Number, Parcel Number, Owner Name, Address, City, State, Zip, Account Status, and Amount Due. Includes entries like 887 484253009 7, 6116 484253010 7, 5942 484253019 6, etc.

Table with columns for account number, address, city, state, zip, parcel number, and account number. The table lists numerous accounts across various addresses in Moreno Valley, CA, including streets like Goldston Ct, MASON, Hoffman, Terry, Carreno, Carpio, Salter, Roth, Johnson, Lopez, Hall, Fregoso, Spigner, Filaree, Cissell, Richmond, Rodriguez, Pulido, Cisneros, Armstrong, Velasco, Roberts, Garcia, Jones, Mahe, Foreman, Mohamed, Aparicio, Cartier, Adam, Stokes, Soto, Mejia, Chavez, Fajardo, Laron, Ortega, Yost, Hernandez, Quintanilla, Dean, Silva, Ontiveros, Macias, Raughter, Haight, Heredia, Gram, Neal, Owens, Fair, Barret, Ramirez, Whittington, Beal, Ramirez, Perez, Guerrero, Mendoza, Adams, Chavez, Horner, Smith, Gonzalez, Johnson, Cortea, Pizarro, Richardson, Carthel, Gonzalez, PARRAS, Castro, Devore, Patriarco, Burns, Calhoun, Pulido, Torres, Colvin, Dupree, Abel, Gonzalez, Jackson, Munoz, Barnes, Diaz, Rojo, Holmes, Lozano, Perez, Hayes, Moreno, Rodriguez, Cole, Owens, Sosa, Marquez, Escobar, Vasquez, Morales, Irby, Hidalgo, Tapia, Carisoza, and Carlos.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns: Parcel Number, Address, City, State, Zip, Account Number, and Amount. The table lists numerous property records for delinquent accounts for FY 2016-2017, sorted by parcel number. Each row includes a unique parcel ID, the full street address, the city and state, and the corresponding account number and amount owed.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel number, address, owner name, and associated legal information. The table lists numerous parcels across various locations in Moreno Valley, California, including street names and owner details.

Attachment: List of Delinquent Accounts for FY 2016-2017 Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

Table with columns for parcel ID, owner name, address, city, state, zip, account number, and amount. It lists numerous parcels in Moreno Valley, CA, including owners like LARA TELLEZ, RICKS, NEWSON, FUTCH, PERRY, CALDERON, etc.

Attachment: List of Delinquent Accounts for FY 2016-2017 ? Sorted by Parcel Number [Revision 3] (2066 : PUBLIC HEARING FOR DELINQUENT

RESOLUTION NO. 2012-55

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, REPEALING, REVISING AND REENACTING THE PROVISIONS OF RESOLUTION 2007-72, AND AUTHORIZING THE COLLECTION OF DELINQUENT AND UNPAID TAXES AND CHARGES FOR SOLID WASTE COLLECTION ON THE TAX ROLL.

WHEREAS, the City Council has heretofore adopted Chapter 6.02 of Title 6 of the City of Moreno Valley Municipal Code relating to refuse collection, transfer and disposal services; and

WHEREAS, Section 6.02.030 of Chapter 6.02 provides for the collection of delinquent and unpaid fees and charges on the tax roll in the same manner, by the same persons, and at the same time as, together with and not separately from, the City's general taxes, pursuant to the provisions of Section 5473 of the California Health and Safety Code; and

WHEREAS, said delinquent and unpaid fees and charges are those fees and charges for which services have been rendered but which have not been paid for more than sixty (60) days after the billing date; and

WHEREAS, Section 5473.10 of the Health and Safety Code provides that in addition to delinquent fees and charges, the amount collected on the tax roll may also include a 10% basic penalty for nonpayment of those fees and charges and, in addition, a penalty of 1 ½ % per month for nonpayment of those fees, charges and the basic penalty; and

WHEREAS, it is in the best interests of the City that delinquent and unpaid fees and charges for refuse collection be collected on the tax roll; and

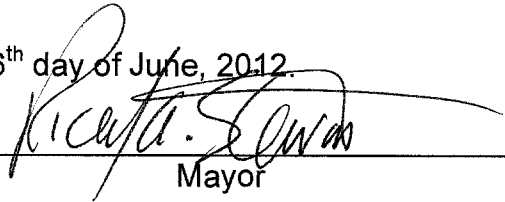
WHEREAS, the City Council has heretofore caused a report to be prepared, a copy of which is on file in the office of the City Clerk, which identifies each parcel of real property (without consideration of the value of said property) receiving such refuse collection services and facilities and the amount of the delinquent fees and charges for each parcel for the year which remain outstanding, computed in conformity with the charges prescribed by Chapter 6.02, and has caused notice of said report and of a public hearing thereon to be duly given; and

WHEREAS, the City Council has held said hearing, at which all persons wishing to be heard were heard, and at which hearing the City Council heard and considered all objections and protests, if any;

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

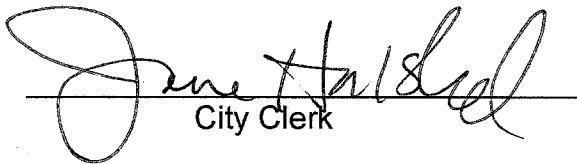
1. Resolution No. 2007-72 as adopted by the City Council on June 26, 2007, is hereby repealed, the repeal to be effective only upon the date of adoption of this resolution. No action commenced pursuant to the authority granted by Resolution No. 2007-72 shall be invalidated or otherwise affected by the repeal thereof.
2. Delinquent and unpaid fees and charges for solid waste collection as set forth in said report, and herein confirmed, shall be collected on the tax roll in the same manner, by the same persons as, and at the same time as, together with and not separately from, the City's general taxes, pursuant to the provisions of Chapter 6.02 of the City of Moreno Valley Municipal Code and Section 5473 of the California Health and Safety Code.
3. On or before August 10th of each year following the final determination of the delinquent charges, the City Clerk shall file with the auditor of the County of Riverside a certified copy of this resolution together with a certified copy of said report endorsed with a statement over her signature that the report has been finally adopted by the City Council.
4. The auditor shall enter the amounts of the charges against the respective lots of parcels of land as they appear on the current assessment roll.
5. Said election to collect delinquent and unpaid fees and charges shall remain in effect until December 31, 2017, unless otherwise repealed or amended by the City Council.

APPROVED AND ADOPTED this 26th day of June, 2012.



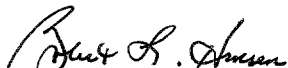
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney

Attachment: Resolution 2012-55 (2066 : PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS)

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

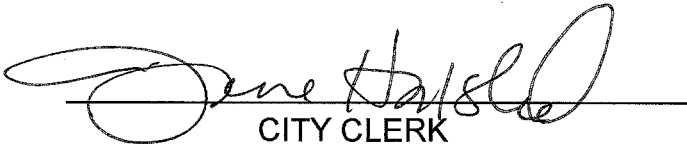
I, Jane Halstead, City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2012-55 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 26th day of June, 2012 by the following vote:

AYES: Council Members Co, Hastings, Molina, Mayor Pro Tem Batey and Mayor Stewart

NOES: None

ABSENT: None

ABSTAIN: None


CITY CLERK

(SEAL)

Attachment: Resolution 2012-55 (2066 : PUBLIC HEARING FOR DELINQUENT RESIDENTIAL SOLID WASTE ACCOUNTS)



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT PLAN

RECOMMENDED ACTION

Recommendation: That the City Council, the Housing Authority, and the Community Services District:

1. Conduct a public hearing and accept public comments for consideration of the adoption of the Fiscal Year (FY) 2016-2017 Capital Improvement Plan.

Recommendation: That the City Council:

1. Adopt Resolution No. 2016-51. A Resolution of the City Council of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

Recommendation: That the Community Services District:

1. Adopt Resolution No. CSD 2016-24. A Resolution of the Community Services District of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

Recommendation: That the Housing Authority:

1. Adopt Resolution No. HA 2016-01. A Resolution of the Moreno Valley Housing Authority of the City of Moreno Valley, California, adopting the Capital Improvement Plan for FY 2016-2017.

SUMMARY

City staff produces an updated Capital Improvement Plan (CIP) annually, which is brought before the City Council for approval. The CIP identifies the City of Moreno Valley's capital improvement needs for each fiscal year and prioritizes them based on City Council direction and anticipated funding availability.

DISCUSSION

The purpose of the CIP is to serve as a planning tool that identifies needed improvements and establishes long-term funding. The document tracks the use of resources for designing and managing, acquiring easements, constructing, and rehabilitating City infrastructure, such as buildings and streets. The CIP also provides a framework for funding capital projects and helps the City forecast and coordinate long-term needs. Capital planning ensures the timely repair and replacement of aging infrastructure and the implementation of community priorities to meet the demands of a growing and changing population. The Proposed CIP contains the list of projects comprising the budget and expenditures as well as scheduling that will enable the City Council to make adequate financial plans and will ensure that the City officers can administer their respective functions in accordance with such plans.

The Proposed CIP identifies and projects the costs of constructing the following types of projects anticipated through build-out of the City:

- Street and Highways
- Bridges
- Buildings
- Drainage
- Electric Utility
- Parks
- Programs
- Traffic Signals
- Underground Utilities

City staff has completed a full review of all project needs through build-out of the City. The priorities, as proposed, are based on economic feasibility, community enhancement and need, infrastructure, safety, and anticipated development trends within the City.

California Government Code Section 66002 provides that the CIP shall be annually updated and adopted by a resolution of the governing body of the local agency at a noticed public hearing. A public hearing notice was published in the Press Enterprise and the Proposed CIP was made available for public review on May 5, 2016.

The CIP was presented for approval by the Planning Commission on May 12, 2016 and was found to be in conformance with the City's General Plan. In addition, Moreno Valley Utility capital projects are brought before the Utility Commission for review.

All revisions to the Proposed CIP are documented in Attachment 4.

Capital Plan Adoption Actions

Resolutions Adopting the Capital Improvement Plan for FY 2016-2017 (Attachments 1, 2, and 3) - As a long-standing best practice, each of the City's primary entities (the City, Housing Authority, and Community Services District) will adopt separate resolutions to approve their respective capital improvement plan and carryover budgets.

Revisions to the Proposed Capital Improvement Plan (Attachment 4) - The list of revisions, resulting from updated information, were incorporated in the Proposed CIP following its issuance on May 5, 2016. The list includes recommended revisions to the Proposed CIP that would, upon approval, be incorporated in the Adopted CIP. Incorporating Revisions to the Proposed CIP in the Adopted CIP will provide a more accurate FY 2016-2017 capital plan for the City of Moreno Valley.

Summary of the Proposed Capital Improvement Plan (Attachment 5) - This document summarizes the FY 2016-2017 proposed CIP including the plan's objectives, a summary of the FY 2016-2017 active and proposed projects, and the FY 2014-2015 completed projects, as well as their respective costs.

ALTERNATIVES

1. Approve and authorize the recommended actions as presented in this staff report. *Staff recommends this alternative as it will allow for implementing the planning, design, and construction of necessary capital improvements.*
2. Do not approve and authorize the recommended actions as presented in this staff report. *Staff does not recommend this alternative as it will delay the planning, design, and construction of necessary capital improvements.*

FISCAL IMPACT

Projects have been identified as funded, partially funded, and unfunded for FY 2016-2017 through FY 2020-2021 and beyond. The Capital Improvement Plan provides the funding and expenditure plan for FY 2016-2017. This year's plan includes \$19.2 million in new capital requests plus \$30.7 million in carryover budget appropriations from FY 2015-2016.

| Section | Description | FY 2015-2016 Carryover | FY 2016-2017 New Request | Total |
|----------------|----------------------------------|-----------------------------------|-------------------------------------|--------------|
| 80001 | Street Improvements | \$12,772,110 | \$2,916,737 | \$15,688,847 |
| 80002 | Bridges | \$350,300 | \$10,000 | \$360,300 |
| 80003 | Buildings | \$967,099 | \$92,000 | \$1,059,099 |
| 80004 | Drainage, Sewers, and Waterlines | \$2,903,762 | \$1,271,670 | \$4,175,432 |
| 80005 | Electric Utility | \$4,295,885 | \$13,535,115 | \$17,831,000 |
| 80007 | Parks | \$1,549,091 | \$407,500 | \$1,956,591 |
| 80008 | Traffic Signals | \$7,691,425 | \$940,000 | \$8,631,425 |
| 80009 | Underground Utilities | \$84,940 | \$0 | \$84,940 |

| | | | | |
|-------|------------------|---------------------|---------------------|---------------------|
| 80010 | Programs (Other) | \$100,294 | \$0 | \$100,294 |
| | Total | \$30,714,916 | \$19,173,022 | \$49,887,928 |

NOTIFICATION

A display notice was published in the newspaper. As of the date of report preparation, staff had received no public inquiries in response to the noticing for this Capital Improvement Plan adoption.

PREPARATION OF STAFF REPORT

Prepared By:
Linda Wilson
Senior Management Analyst

Department Head Approval:
Ahmad A. Ansari
Public Works Director/City Engineer

Concurred By:
Quang Nguyen
Senior Engineer, P.E.

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

Public Safety. Provide a safe and secure environment for people and property in the community, control the number and severity of fire and hazardous material incidents, and provide protection for citizens who live, work and visit the City of Moreno Valley.

Public Facilities and Capital Projects. Ensure that needed public facilities, roadway improvements, and other infrastructure improvements are constructed and maintained.

Positive Environment. Create a positive environment for the development of Moreno Valley's future.

Community Image, Neighborhood Pride and Cleanliness. Promote a sense of community pride and foster an excellent image about our City by developing and executing programs which will result in quality development, enhanced neighborhood preservation efforts, including home rehabilitation and neighborhood restoration.

ATTACHMENTS

1. City Resolution
2. CSD Resolution
3. HA Resolution
4. Revisions to the Proposed CIP
5. PowerPoint Presentation

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 6:03 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/09/16 1:22 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/09/16 2:03 PM |

RESOLUTION NO. 2016-51

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
 MORENO VALLEY, CALIFORNIA, ADOPTING THE
 CAPITAL IMPROVEMENT PLAN FOR FY 2-16-2017

WHEREAS, the City Manager has heretofore submitted to the City Council a Proposed Capital Improvement Plan (CIP) for the City for FY 2016-2017, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the City; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the City Council to make adequate financial plans and will ensure that City officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE CITY COUNCIL OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as amended per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the City of Moreno Valley for the FY 2016-2017.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2016, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

1
 Resolution No. 2016-51
 Date Adopted: June 21, 2016

APPROVED AND ADOPTED this 21st day of June, 2016.

Mayor of the City of Moreno Valley

ATTEST:

City Clerk

APPROVED AS TO FORM:

City Attorney

2
Resolution No. 2016-51
Date Adopted: June 21, 2016

Attachment: City Resolution [Revision 2] (2045 : PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim City Clerk of the City of Moreno Valley, California, do hereby certify that Resolution No. 2016-51 was duly and regularly adopted by the City Council of the City of Moreno Valley at a regular meeting thereof held on the 21st day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Council Members, Mayor Pro Tem and Mayor)

CITY CLERK

(SEAL)

3
Resolution No. 2016-51
Date Adopted: June 21, 2016

RESOLUTION NO. CSD 2016-24

A RESOLUTION OF THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, ADOPTING THE CAPITAL IMPROVEMENT PLAN FOR FY 2016-2017

WHEREAS, the City Manager has heretofore submitted to the President and Board of Directors of the Moreno Valley Community Services District a Proposed Capital Improvement Plan (CIP) for the District for FY 2016-2017, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the Community Services District; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the Community Services District to make adequate financial plans and will ensure that District officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE MORENO VALLEY COMMUNITY SERVICES DISTRICT OF THE CITY OF MORENO VALLEY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the Community Services District for the FY 2016-2017.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2016, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

1
Resolution No. CSD 2016-24
Date Adopted: June 21, 2016

APPROVED AND ADOPTED this 7th day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of President of the
Moreno Valley Community Services District

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Community Services District

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Community Services District

2
Resolution No. CSD 2016-24
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Community Services District, Moreno Valley, California do hereby certify that Resolution No. CSD 2016-24 was duly and regularly adopted by the Board of Directors of the Moreno Valley Community Services District at a regular meeting held on the 21st day of June, 2016, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Boardmembers, Vice-President and President)

SECRETARY

(SEAL)

Resolution No. CSD 2016-24³
Date Adopted: June 21, 2016

Attachment: CSD Resolution [Revision 2] (2045 : PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT

RESOLUTION NO. HA 2016-01

A RESOLUTION OF THE MORENO VALLEY HOUSING
 AUTHORITY OF THE CITY OF MORENO VALLEY,
 CALIFORNIA, ADOPTING THE FISCAL YEAR 2016-2017
 CAPITAL IMPROVEMENT PLAN

WHEREAS, the City Manager has heretofore submitted to the Chairperson and the Board of Directors of the Moreno Valley Housing Authority a Proposed Capital Improvement Plan (CIP) for the Housing Authority for FY 2016-2017, a copy of which is on file in the Office of the City Clerk and is available for public inspection; and

WHEREAS, the said Proposed CIP contains the list of projects comprising the budget, and contains expenditure requirements, and the resources available to the Moreno Valley Housing Authority; and

WHEREAS, the Proposed CIP appears to be desirable; and

WHEREAS, the Proposed CIP, as herein approved, will enable the Moreno Valley Housing Authority to make adequate financial plans and will ensure that Housing Authority officers can administer their respective functions in accordance with such plans.

NOW, THEREFORE, THE MORENO VALLEY HOUSING AUTHORITY, CALIFORNIA, DOES HEREBY RESOLVE AS FOLLOWS:

1. The Proposed CIP, as amended per the Revisions to the Proposed Capital Improvement Plan (Attachment 4), is hereby approved and adopted as the capital budget of the Moreno Valley Housing Authority for the FY 2016-2017.
2. The projects are hereby appropriated as the capital budget for said fiscal year.
3. Pursuant to Section 53901 of the California Government Code, by no later than August 30, 2016, the City Clerk shall file a copy of this Resolution with the Auditor/Controller of the County of Riverside.
4. Within fifteen (15) days after the adoption of this Resolution, the City Clerk shall certify to the adoption hereof and, as so certified, cause a copy to be posted in at least three (3) public places within the City.

BE IT FURTHER RESOLVED that this resolution shall take effect immediately upon its adoption.

1
 Resolution No. HA 2016-01
 Date Adopted: June 21, 2016

APPROVED AND ADOPTED this 7th day of June, 2016.

Mayor of the City of Moreno Valley,
Acting in the capacity of Chairman of the
Moreno Valley Housing Authority

ATTEST:

City Clerk, acting in the capacity of
Secretary of the Moreno Valley
Housing Authority

APPROVED AS TO FORM:

City Attorney, acting in the capacity
of General Counsel of the Moreno
Valley Housing Authority

2
Resolution No. HA 2016-01
Date Adopted: June 21, 2016

RESOLUTION JURAT

STATE OF CALIFORNIA)
COUNTY OF RIVERSIDE) ss.
CITY OF MORENO VALLEY)

I, Leslie Keane, Interim Secretary of the Moreno Valley Housing Authority of the City of Moreno Valley, California, do hereby certify that Resolution No. HA 2016-01 was duly and regularly adopted by the Commissioners of the Moreno Valley Housing Authority at a regular meeting thereof held on the 21st day of June, 2016 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAIN:

(Commissioners, Vice Chairperson and Chairperson)

SECRETARY

(SEAL)

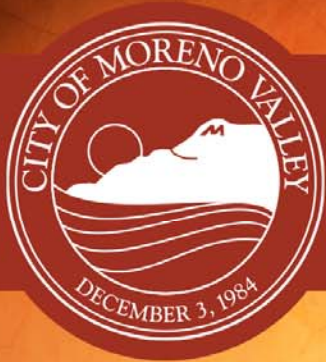
3
Resolution No. HA 2016-01
Date Adopted: June 21, 2016

Attachment: HA Resolution [Revision 2] (2045 : PUBLIC HEARING AND ADOPTION OF THE FISCAL YEAR 2016-2017 CAPITAL IMPROVEMENT

CITY OF MORENO VALLEY
Revisions to the Proposed Capital Improvement Plan
FY 2016-2017 CIP Budget
(Revisions Impacting Project Funding in FY 2016-2017 Only)

Funded Projects

| Reference Page No. | Project Name | Submitted Amount | Revised Amount | Reason/Justification |
|-----------------------|------------------------------------------------------------------------------|---------------------|-------------------|-----------------------------------------------------------------|
| S-19 | Edgemont Neighborhood Pavement Rehabilitation | \$320,000 | \$270,000 | Updated New Request for FY 2016-2017. |
| S-26 | Nason Street / Cactus Avenue to Fir Avenue | \$0 | \$85,187 | Updated Carryover to FY 2016-2017. |
| S-29 | Reche Vista Drive Realignment / Perris Blvd and Heacock Street to North City | \$0 | \$119,729 | Updated Carryover to FY 2016-2017. |
| S-33 | Sunnymead Boulevard Median Modification | \$100,000 | \$0 | Modification to be performed by Maintenance & Operations staff. |
| S-36 | Citywide Annual Pavement Resurfacing Program | \$0 | \$972,828 | Updated Carryover to FY 2016-2017. |
| B-6 | Cottonwood Recreation Center Exterior Building Upgrade | \$30,000 | \$45,000 | Updated FY 15/16 budget and carryover to FY 16/17 |
| B-7 | Cottonwood Recreation Center Renovation Phase II | \$140,000 | \$125,000 | Updated FY 15/16 budget and carryover to FY 16/17 |
| B-9 | March Field Park Annex Roof Improvements | \$0 | \$42,000 | New Project to commence in FY 2016-2017. |
| E-6 | Kitching Substation and SCE Switchyard / Facility Upgrades | \$4,109,885 | \$4,309,885 | Updated FY 2015-2016 budget. |
| PR-3 | Community Enhancement Program | \$153,294 | \$100,294 | Updated Carryover to FY 2016-2017. |



CAPITAL IMPROVEMENT PLAN

CITY OF MORENO VALLEY | FISCAL YEAR 2016-2017



June 21, 2016

PERRIS BLVD

FY 2016-2017 Capital Improvement Plan Objectives

- Based on Economic Development Opportunities, Development, Council Priorities, Funding Availabilities
- Dynamic Document
- Independent of Annual Operating Costs

PERRIS BOULEVARD

Highlights of Active Projects FY 2016-2017

Interchanges

Streets and Highways

Buildings

Drainage

Electric Utility

Parks

Programs

Traffic Signals

Underground Utilities

PERRIS BOULEVARD

Highlights of Active Projects FY 2016-2017

Interchanges

Streets and Highways

Buildings

Drainage

Electric Utility

Parks

Programs

Traffic Signals

Underground Utilities

Active Project Carryover = \$29,400,000

New Funding (Active and New Projects) = \$19,300,000

All Active and New Projects Total Cost = \$48,700,000

Active Projects FY 2016-2017



PERRIS BOULEVARD

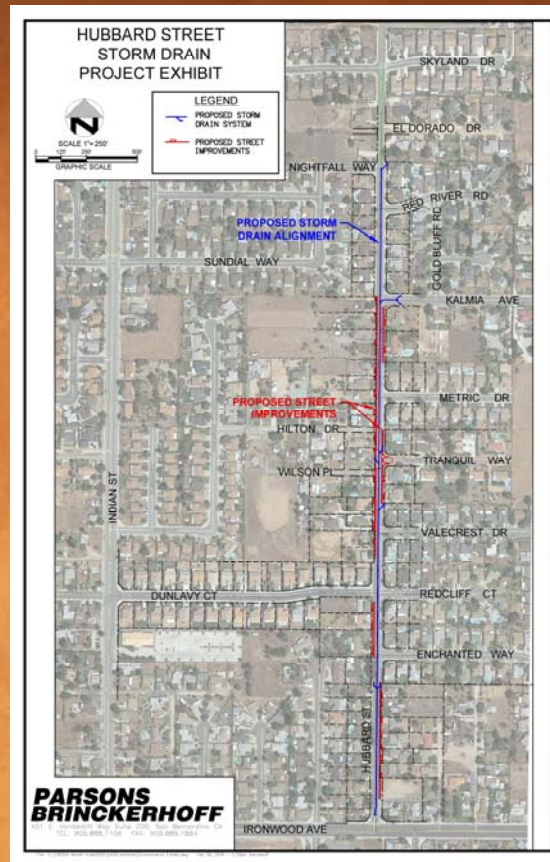
Citywide Fiber Optic Communications Expansion

Active Projects FY 2016-2017



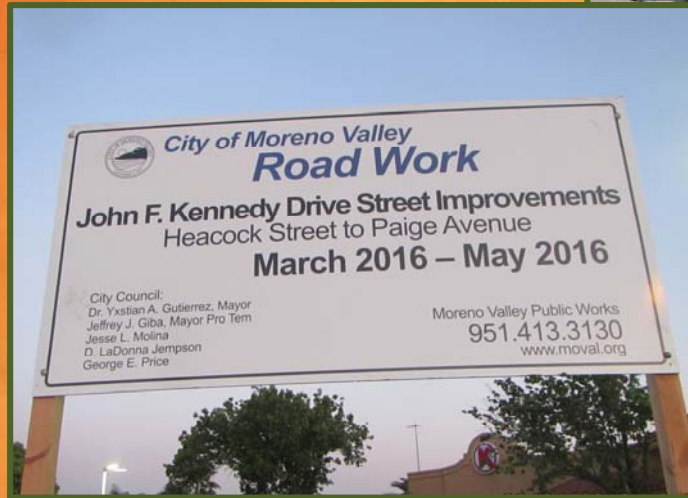
Elsworth Street and Sherman Avenue Sidewalk Improvements

Active Projects FY 2016-2017



Hubbard Street Storm Drain (Sunnymead MDP Line H-1A)

Active Projects FY 2016-2017



John F. Kennedy Drive Improvements / Heacock St to Paige Av

PERRIS BOULEVARD

Active Projects FY 2016-2017



Reche Vista Dr Realignment / Perris Bl and Heacock St to N City Limits

Active Projects FY 2016-2017



PERRIS BOULEVARD

Towngate Community Center Renovation

New Proposed Projects FY 2016-2017

Street Improvements

- ❖ Edgemont Neighborhood Pavement Rehabilitation - \$270,000

Buildings

- ❖ March Field Park Annex Roof Improvements - \$42,000

Drainage

- ❖ Flaming Arrow Drive Storm Drain (Sunnymead MDP Line M-11 Extension) - \$300,000

Electric Utility

- ❖ Kitching Substation Transfer Load - Install New Cable from Krameria Avenue to Indian Street to Iris Interconnect - \$378,000

Traffic Signals

- ❖ Moreno Valley Ranch ITS - \$580,000

PERRIS BOULEVARD

New Proposed Projects FY 2016-2017

Street Improvements

- ❖ Edgemont Neighborhood Pavement Rehabilitation - \$270,000

Buildings

- ❖ March Field Park Annex Roof Improvements - \$42,000

Drainage

- ❖ Flaming Arrow Drive Storm Drain (Sunnymead MDP Line M-11 Extension) - \$300,000

Electric Utility

- ❖ Kitching Substation Transfer Load - Install New Cable from Krameria Avenue to Indian Street to Iris Interconnect - \$378,000

Traffic Signals

- ❖ Moreno Valley Ranch ITS - \$580,000

All New Proposed Projects Total Cost = \$1,570,000

Completed Projects FY 2015-2016

Streets and Highways

Buildings

Drainage

Parks

Traffic Signals

PERRIS BOULEVARD

Completed Projects FY 2015-2016

Streets and Highways

Buildings

Drainage

Parks

Traffic Signals

Total Completed Projects Cost = \$33,907,000

PERRIS BOULEVARD

Completed Projects FY 2015-2016



Hidden Springs Park ADA Parking Stall



March Community Center ADA Drinking Fountain



Sunnymead Park ADA Pedestrian Bridge

Annual ADA Park Improvements

PERRIS BOULEVARD

Completed Projects FY 2015-2016



Hidden Springs Park ADA Parking Stall



March Community Center ADA Drinking Fountain



Sunnymead Park ADA Pedestrian Bridge

Annual ADA Park Improvements

- Alessandro Bl from Western City Limit to Indian St
- Heacock St from Alessandro Bl to John F Kennedy Dr
- Ironwood Av from Barclay Dr to Pigeon Pass Rd
- Shared Bicycle Markings on Bay Av from Frederick St to Graham St
- Shared Bicycle Markings on Indian St from Cottonwood Av to Sunnymead Bl



Heacock St BEFORE



Heacock St AFTER

Bike Lane Improvements

Completed Projects FY 2015-2016



Frederick St and Elsworth St Pedestrian Ramps and Pavement Resurfacing
Citywide Annual Pavement Resurfacing Program (Cycle 2)

PERRIS BOULEVARD

Completed Projects FY 2015-2016



Frederick St and Elsworth St Pedestrian Ramps and Pavement Resurfacing
Citywide Annual Pavement Resurfacing Program (Cycle 2)



BEFORE (At Frederick St)

AFTER (At Frederick St)



BEFORE (E/O Graham St)

AFTER (E/O Graham St)

Cactus Av E/B 3rd Lane Improvements / Veterans Wy to Heacock St

Completed Projects FY 2015-2016



Corporate Yard Facility (Phase 1)

PERRIS BOULEVARD

Completed Projects FY 2015-2016



East Sunnymead BI Storm Drain from Indian St to SR-60 /
Perris BI Off-Ramp

Completed Projects FY 2015-2016



Nason St / Cactus Av to Fir Av, and
Nason St / Riverside Medical Center Driveway Traffic Signal

PERRIS BOULEVARD

Completed Projects FY 2015-2016



Perris BI Widening / Ironwood Av to Manzanita Av

Summary by Category

Summary by Category
Amounts in 1000's

| Category | Carryover to FY 16/17 | New Request FY 16/17 | Plan FY 17/18 | Plan FY 18/19 | Plan FY 19/20 | Plan FY 20/21 & Beyond | Grand Totals |
|-----------------------|--------------------------|----------------------------|------------------|------------------|------------------|------------------------------|------------------|
| Streets and Highways | 11,594 | 2,917 | 30,362 | 18,679 | 90,025 | 584,288 | 737,865 |
| Bridges | 350 | 10 | 360 | 360 | 3,210 | 99,237 | 103,527 |
| Buildings | 967 | 92 | 50 | 1,616 | 14,350 | 168,302 | 185,377 |
| Drainage | 2,904 | 1,272 | 2,630 | - | - | 30,759 | 37,565 |
| Electricity | 4,296 | 13,535 | 5,426 | 100 | 2,406 | 10,641 | 36,404 |
| Parks | 1,549 | 408 | 1,155 | 100 | 5,100 | 233,469 | 241,781 |
| Traffic Signals | 7,691 | 940 | 110 | 970 | 110 | 37,400 | 47,221 |
| Underground Utilities | 85 | - | 25 | 25 | 25 | 2,820 | 2,980 |
| Programs | 100 | - | - | - | - | - | 100 |
| Total | 29,537 | 19,174 | 40,118 | 21,850 | 115,226 | 1,166,916 | 1,392,821 |

Summary by Fund

Summary by Fund
Amounts in 1000's

| Project Fund | Carryover to FY 16/17 | New Request FY 16/17 | Plan FY 17/18 | Plan FY 18/19 | Plan FY 19/20 | Plan FY 20/21 & Beyond | Grand Totals |
|---------------------------------|--------------------------|----------------------------|------------------|------------------|------------------|------------------------------|------------------|
| Air Quality Management | 24 | 30 | 30 | 30 | 30 | 30 | 174 |
| Capital Projects Grants | 11,854 | 0 | 0 | 0 | 0 | 0 | 11,854 |
| Capital Projects Reimbursements | 650 | 0 | 0 | 0 | 0 | 0 | 650 |
| Community Devlp Block Grant | 539 | 978 | 0 | 0 | 0 | 0 | 1,517 |
| DIF Interchange Improvements | 159 | 0 | 0 | 0 | 0 | 0 | 159 |
| DIF Traffic Signal | 551 | 830 | 0 | 0 | 0 | 0 | 1,381 |
| Electric Restricted Assets | 4,296 | 13,535 | 0 | 0 | 0 | 0 | 17,831 |
| Facilities Construction | 865 | 0 | 0 | 0 | 0 | 46,200 | 47,065 |
| Fire Services Capital Projects | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| General Fund (Reimb by RCFC) | 209 | 0 | 0 | 0 | 0 | 0 | 209 |
| Measure A | 5,593 | 1,455 | 1,525 | 1,225 | 1,225 | 1,225 | 12,248 |
| Parks & Community Svcs | 1,839 | 458 | 150 | 150 | 150 | 300 | 3,047 |
| PW General Capital Projects | 1,994 | 1,222 | 0 | 0 | 0 | 0 | 3,216 |
| SCAG Article 3 | 262 | 0 | 0 | 0 | 0 | 0 | 262 |
| Technology Services Assets | 601 | 0 | 0 | 0 | 0 | 0 | 601 |
| TRIP | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TUMF | 100 | 666 | 2,000 | 0 | 4,000 | 45,000 | 51,766 |
| Unfunded | 0 | 0 | 36,413 | 20,445 | 109,821 | 1,074,161 | 1,240,840 |
| Zone A Parks | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| TOTAL BY FUND | 29,537 | 19,174 | 40,118 | 21,850 | 115,226 | 1,166,916 | 1,392,821 |

PERRIS BOULEVARD

FY 2016-2017 Capital Improvement Plan Adoption Recommendations

- Open Public Hearing
- Accept Public Comments
- Close Public Hearing
- City Council to Discuss and Adopt Capital Improvement Plan

PERRIS BOULEVARD



Report to City Council

TO: Mayor and City Council

FROM: Ahmad R. Ansari, P.E., Public Works Director/City Engineer

AGENDA DATE: June 21, 2016

TITLE: WASTE MANAGEMENT FY 2016-2017 RATE ADJUSTMENT

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Approve the Waste Management proposed Fiscal Year (FY) 2016/2017 Rate Adjustment.

SUMMARY

This report recommends approval of a proposed rate adjustment with Waste Management for FY 2016/2017. Waste Management has an exclusive agreement with the City of Moreno Valley for the collection, transportation, recycling, and disposal of solid waste. As part of this agreement, the Contractor Service Rates are to be adjusted annually to reflect changes in the Consumer Price Index (CPI), disposal (e.g. tipping fees or tonnage increases), changes in service, and extraordinary costs.

DISCUSSION

The franchise agreement with Waste Management stipulates that an annual CPI adjustment shall be made effective the first day of July of each calendar year and other adjustments such as tipping fees, service costs, and extraordinary costs, shall be made effective as they occur. The agreement states that the CPI shall be derived by multiplying the service component (Waste Management's cost to provide service to Moreno Valley) by the percentage increased or decreased in the CPI for March of the immediate preceding year.

The combination of the CPI adjustment for FY 2016/2017 of 1.696%, a 2.03% increase in Riverside County tipping fees, and a 0.625% increase in green waste processing

fees, reflects an increase of \$0.46 per month. The proposed new monthly residential rate is \$22.24.

Relative to commercial rates, the combination of the 1.696% CPI adjustment and 2.03% increase in Riverside County tipping fees results in an overall commercial rate increase of 2.27%.

Additionally, Waste Management has provided commercial organic rates for commercial customers that generate organic material in accordance with new Mandatory Commercial Organic Waste Recycling requirements in California due to the enactment of Assembly Bill 1826 (AB 1826). AB 1826 requires businesses to recycle their organic waste, such as food waste, green waste, landscape and pruning waste, nonhazardous wood waste, and food-soiled paper waste that is mixed in with food waste, on and after April 1, 2016, depending on the amount of waste they generate per week. This law also requires that on and after January 1, 2016, local jurisdictions across the state implement an organic waste recycling program to divert organic waste generated by businesses, including multifamily residential dwellings that consist of five or more units. In accordance with this law the City and/or the City's hauler is authorized to charge and collect fees from organic waste generators to recover the cost to comply with the law. The organic rates provided include both service and recycling/processing components. Organics collected in Moreno Valley will be processed through Waste Management's third party contractor CR&R at its facility in Perris, California.

The attached exhibit shows details of the proposed new fees for FY 2016/2017 for all classifications.

ALTERNATIVES

1. Approve the Waste Management proposed Fiscal Year (FY) 2016/2017 Rate Adjustment. *This would ensure compliance with the existing Waste Management Franchise Agreement.*
2. Do not approve the Waste Management proposed FY 2016/2017 Rate Adjustment. *This would result in potential non-compliance with the existing Waste Management Franchise Agreement and could result in Waste Management's inability to continue to perform their service as per the contract specifications.*

FISCAL IMPACT

The City receives a 12.13% franchise fee on all monies collected by Waste Management. Any increase or decrease in rates has a proportionate effect on revenues received by the City. Any decrease in the current rates would negatively affect the general fund.

PREPARATION OF STAFF REPORT

Prepared By:
Angelic Davis
Management Analyst

Department Head Approval:
Ahmad R. Ansari
Public Works Director/City Engineer

Concurred By:
Robert Lemon
Maintenance & Operations Division Manager

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

ATTACHMENTS

- 1. Waste Management FY 2016/2017 Rate Adjustment

APPROVALS

| | | |
|-------------------------|-------------------|------------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/07/16 2:32 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/03/16 10:41 AM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:30 PM |

City of Moreno Valley
Attachment 1
Summary of Refuse and Recycling Rates
Effective July 1, 2016

| Service Type | Current Rate | Rate Adjustment | Proposed Rate | Service Type | Current Rate | Rate Adjustment | Proposed Rate |
|-----------------------------------------------------------------------------------|--------------|-----------------|---------------|----------------------------|--------------------------------------|-----------------|---------------|
| Commercial & Multi-family (1 Recycle Bin included with each Trash Bin) | | | | Recycling Bins | | | |
| <u>Size</u> | <u>Freq</u> | | | <u>Size</u> | <u>Freq</u> | | |
| 1.5 | 1 | \$ 102.88 | \$ 1.94 | \$ 104.82 | All Sizes | 1 | \$ 65.72 |
| 1.5 | 2 | \$ 185.47 | \$ 3.53 | \$ 189.00 | All Sizes | 2 | \$ 131.44 |
| 1.5 | 3 | \$ 263.09 | \$ 5.04 | \$ 268.13 | All Sizes | 3 | \$ 197.16 |
| 1.5 | 4 | \$ 338.29 | \$ 6.51 | \$ 344.79 | All Sizes | 4 | \$ 262.88 |
| 1.5 | 5 | \$ 418.35 | \$ 8.06 | \$ 426.40 | All Sizes | 5 | \$ 328.60 |
| 1.5 | 6 | \$ 495.94 | \$ 9.57 | \$ 505.51 | All Sizes | 6 | \$ 394.32 |
| 2 | 1 | \$ 119.72 | \$ 2.29 | \$ 122.01 | Extra empty | | \$ 30.00 |
| 2 | 2 | \$ 215.98 | \$ 4.18 | \$ 220.16 | Commercial Misc Services | | |
| 2 | 3 | \$ 306.30 | \$ 5.96 | \$ 312.27 | Temp bin service (up to 7 days) | | \$ 134.53 |
| 2 | 4 | \$ 393.95 | \$ 7.71 | \$ 401.66 | Temp bin service (30 days) | | \$ 296.96 |
| 2 | 5 | \$ 487.16 | \$ 9.54 | \$ 496.71 | Extra empty - first bin | | \$ 54.13 |
| 2 | 6 | \$ 577.53 | \$ 11.33 | \$ 588.86 | Extra empty - addl bins | | \$ 23.21 |
| 3 | 1 | \$ 153.39 | \$ 2.99 | \$ 156.37 | Pull-out service per bin | | |
| 3 | 2 | \$ 276.72 | \$ 5.46 | \$ 282.18 | 0-15 feet | N/C | N/C |
| 3 | 3 | \$ 392.71 | \$ 7.81 | \$ 400.53 | 16-35 feet | \$ 15.59 | \$ 0.26 |
| 3 | 4 | \$ 505.33 | \$ 10.11 | \$ 515.44 | 36-50 feet | \$ 23.40 | \$ 0.40 |
| 3 | 5 | \$ 624.72 | \$ 12.52 | \$ 637.24 | Over 51 feet | \$ 31.21 | \$ 0.53 |
| 3 | 6 | \$ 740.70 | \$ 14.87 | \$ 755.57 | Locking container | \$ 39.01 | \$ 0.66 |
| 4 | 1 | \$ 195.58 | \$ 3.83 | \$ 199.41 | Restart fee | \$ 46.81 | \$ 0.79 |
| 4 | 2 | \$ 353.04 | \$ 7.01 | \$ 360.05 | Special bin/container lid | \$ 15.40 | \$ 0.26 |
| 4 | 3 | \$ 501.03 | \$ 10.04 | \$ 511.07 | Overage fees | \$ 54.15 | \$ 0.92 |
| 4 | 4 | \$ 644.81 | \$ 12.99 | \$ 657.80 | Bin exchange - over 1 per year | \$ 46.29 | \$ 0.79 |
| 4 | 5 | \$ 797.04 | \$ 16.08 | \$ 813.12 | Bin exchange - service level change | \$ 46.29 | \$ 0.79 |
| 4 | 6 | \$ 945.07 | \$ 19.11 | \$ 964.18 | Bulky item collection | \$ 17.35 | \$ 0.29 |
| 6 | 1 | \$ 247.89 | \$ 4.97 | \$ 252.87 | Set up fee | \$ 27.13 | \$ 0.46 |
| 6 | 2 | \$ 449.71 | \$ 9.17 | \$ 458.88 | Redelivery fee | \$ 54.25 | \$ 0.92 |
| 6 | 3 | \$ 640.35 | \$ 13.17 | \$ 653.52 | Commercial Recycle Contamination | \$ 54.13 | \$ 0.92 |
| 6 | 4 | \$ 825.85 | \$ 17.08 | \$ 842.94 | Replacement Lock | \$ 25.00 | \$ 0.42 |
| 6 | 5 | \$ 1,021.65 | \$ 21.17 | \$ 1,042.83 | Replacement Key | \$ 5.00 | \$ 0.08 |
| 6 | 6 | \$ 1,212.24 | \$ 25.18 | \$ 1,237.41 | Haul or Call Fee | \$ 25.00 | \$ 0.42 |
| Commercial Compactor | | | | Rolloff | | | |
| <u>Size</u> | <u>Freq</u> | | | Hauling fee | \$ 221.35 | \$ 3.76 | \$ 225.11 |
| 1.5 | 1 | \$ 132.50 | \$ 2.82 | \$ 135.33 | Compactor hauling fee | \$ 319.96 | \$ 5.43 |
| 1.5 | 2 | \$ 244.74 | \$ 5.30 | \$ 250.04 | Monthly minimum pull fee | \$ 221.35 | \$ 3.76 |
| 1.5 | 3 | \$ 352.01 | \$ 7.70 | \$ 359.71 | Monthly minimum pull fee (compactor) | \$ 319.96 | \$ 5.43 |
| 1.5 | 4 | \$ 456.87 | \$ 10.06 | \$ 466.93 | Temporary flat fee (incl 4 tons) | \$ 387.38 | \$ 1.99 |
| 1.5 | 5 | \$ 566.58 | \$ 12.49 | \$ 579.07 | Organics | \$ 545.00 | \$ 9.25 |
| 1.5 | 6 | \$ 673.79 | \$ 14.89 | \$ 688.68 | C&D | \$ 429.13 | \$ 7.28 |
| 2 | 1 | \$ 159.24 | \$ 3.47 | \$ 162.71 | Delivery | \$ 77.14 | \$ 1.31 |
| 2 | 2 | \$ 295.04 | \$ 6.54 | \$ 301.58 | Extra trip | \$ 77.14 | \$ 1.31 |
| 2 | 3 | \$ 424.88 | \$ 9.51 | \$ 434.39 | Relocation | \$ 77.14 | \$ 1.31 |
| 2 | 4 | \$ 552.09 | \$ 12.44 | \$ 564.53 | Set up fee | \$ 27.12 | \$ 0.46 |
| 2 | 5 | \$ 684.81 | \$ 15.46 | \$ 700.27 | Recycle Report Fee | \$ 25.00 | \$ 0.42 |
| 2 | 6 | \$ 814.69 | \$ 18.43 | \$ 833.12 | Residential Service | | |
| 3 | 1 | \$ 212.65 | \$ 4.76 | \$ 217.41 | Single family rate | \$ 21.78 | \$ 0.46 |
| 3 | 2 | \$ 395.28 | \$ 9.01 | \$ 404.30 | Senior citizen discount rate | \$ 19.60 | \$ 0.41 |
| 3 | 3 | \$ 570.56 | \$ 13.14 | \$ 583.70 | Add 35 gal refuse container | \$ 3.84 | \$ 0.07 |
| 3 | 4 | \$ 742.51 | \$ 17.21 | \$ 759.72 | Add 64 gal refuse container | \$ 5.01 | \$ 0.08 |
| 3 | 5 | \$ 921.19 | \$ 21.39 | \$ 942.58 | Add 64 gal G/W container | N/C | N/C |
| 3 | 6 | \$ 1,096.47 | \$ 25.52 | \$ 1,121.99 | Add 96 gal refuse container | \$ 6.66 | \$ 0.11 |
| 4 | 1 | \$ 274.67 | \$ 6.20 | \$ 280.86 | Add 96 gal G/W container | \$ 6.15 | \$ 0.10 |
| 4 | 2 | \$ 511.17 | \$ 11.75 | \$ 522.92 | Add 96 gal recycle container | \$ 2.50 | \$ 0.04 |
| 4 | 3 | \$ 738.20 | \$ 17.14 | \$ 755.33 | Per bag charge | \$ 2.68 | \$ 0.05 |
| 4 | 4 | \$ 961.02 | \$ 22.45 | \$ 983.47 | Container changes over 1 per year | \$ 10.77 | \$ 0.18 |
| 4 | 5 | \$ 1,192.31 | \$ 27.92 | \$ 1,220.22 | Add bulky item pick-up* | \$ 17.36 | \$ 0.29 |
| 4 | 6 | \$ 1,419.42 | \$ 33.31 | \$ 1,452.73 | Curbside E-waste (over 3 free) | \$ 17.35 | \$ 0.29 |
| | | | | Temporary bin service | | | |
| | | | | Temporary bin service | | | |
| | | | | Set up fee | | | |
| Commercial Organics | | | | Commercial Organics | | | |
| <u>Size</u> | <u>Freq</u> | | | <u>Size</u> | <u>Freq</u> | | |
| 2 | 1 | N/A | \$ 223.64 | 64 Gallon Cart | 1 | N/A | \$ 41.66 |
| 2 | 2 | N/A | \$ 446.70 | 64 Gallon Cart | 2 | N/A | \$ 83.33 |
| 2 | 3 | N/A | \$ 669.77 | 64 Gallon Cart | 3 | N/A | \$ 124.99 |
| 2 | 4 | N/A | \$ 892.78 | 64 Gallon Cart | 4 | N/A | \$ 166.65 |
| 2 | 5 | N/A | \$ 1,115.83 | 64 Gallon Cart | 5 | N/A | \$ 208.31 |
| 2 | 6 | N/A | \$ 1,338.86 | 64 Gallon Cart | 6 | N/A | \$ 249.98 |

*In excess of one item per week

Attachment: Waste Management FY 2016/2017 Rate Adjustment (2065 : WASTE MANAGEMENT FY 2016-2017 RATE ADJUSTMENT)



Report to City Council

TO: Mayor and City Council

FROM: Leslie Keane, Interim City Clerk

AGENDA DATE: June 21, 2016

TITLE: STRATEGIC PLAN PROCESS

RECOMMENDED ACTION

Recommendations: That the City Council:

1. Discuss the proposed strategic plan and consider taking action to modify the direction, scope and schedule.

SUMMARY

Mayor Pro Tem Giba and Councilmember Molina have agendized a review of the strategic plan process and timeframe. Work on the current strategic plan was initiated by staff in 2015 and is ongoing. The City Council met with the strategic plan consultants at a study session on March 29, 2016. Discussion of the draft plan was scheduled at the Council's May 31 special study session; the matter was tabled at that meeting for further discussion at a future meeting.

ALTERNATIVES

1. Take action to modify the proposed direction, scope and schedule of the strategic plan.
2. Take no action and continue draft plan review and implementation.

PREPARATION OF STAFF REPORT

Prepared By:
Leslie Keane
Interim City Clerk

CITY COUNCIL GOALS

None

ATTACHMENTS

None

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 3:21 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 3:28 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:39 PM |



Report to City Council

TO: Mayor and City Council

FROM: Steve Quintanilla, Interim City Attorney

AGENDA DATE: June 21, 2016

TITLE: PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ & COMPANY LLP RELATED TO AN INDEPENDENT IN-DEPTH INTERNAL REVIEW OF THE CITY'S FINANCIAL PROCEDURES AND PRACTICES

RECOMMENDED ACTION

Recommendation: That the City Council

1. Approve the Professional Services Agreement with Vasquez & Company LLP related to an independent in-depth internal review of the City's financial procedures and practices.
2. Approve the expenditure budget adjustment in the amount of \$100,000 as set forth in the Fiscal Impact section of this report.

DISCUSSION

The City Attorney's office obtained a proposal from Vasquez & Company LLP to perform an independent internal review of the City's financial procedures and practices as they relate to a variety of issues including, but not limited to, public works contracts; consultants; legal services; payroll; benefits; real property transactions; collection; and processing and collection of fees and taxes.

The purpose of this review is to determine whether there are gaps or missing components in the City's various financial policies and/or procedures that may create an opportunity for mistakes or worse — embezzlement of funds, fraud, theft, or other illegal acts or irregularities — to ensure taxpayer resources and other City assets are protected.

In light of the foregoing, the City Attorney's Office prepared a Professional Services Agreement with an amount not to exceed \$100,000. Attached to the Professional Services Agreement is the Scope of Services provided by Vasquez & Company LLP for Council's review.

The suggested approach to perform the review is as follows:

- Review municipal operations to identify areas that expose the City to the risk of financial loss or illegal acts. Areas of risk to be determined based on:
 - Interviews with members of the City Council, City staff and management
 - Consideration of complexity, sensitivity, volumes and dollars of activity
 - Past experience at the City or other entities with similar activities/operations
- Catalog financial practices pertinent to areas of risk exposure
 - Financial practices will be identified based on observations of activities and review of relevant documentation of procedures
 - The completeness of the financial practices catalog will be confirmed by knowledgeable City personnel
- Determine whether internal controls are in place and are designed properly to prevent or detect on a timely basis errors and irregularities
 - For each selected transaction cycle, internal control strengths and weaknesses will be identified and documented
 - For each selected transaction cycle, an assessment will be made as to whether the internal controls, as designed, would be effective in preventing or detecting on a timely basis errors and irregularities
- Prepare and provide to the City Council a listing of financial practices and controls designed to eliminate or mitigate the risk of improper or unauthorized acts. The listing will identify internal controls by transaction cycle and present:
 - Transaction cycles over which the internal controls are not designed adequately to prevent or detect on a timely basis errors and irregularities
 - Transaction cycles over which the internal controls are designed properly
- Guidance will be requested from the City Council concerning the next steps in the engagement.
 - For those transaction cycles for which internal controls are not designed adequately to prevent or detect errors and irregularities, the Council will be requested to provide direction as to whether the Vasquez team should

develop alternative procedures and controls or whether City management will undertake to develop properly designed procedures

- o For those transaction cycles for which internal controls are designed properly, the Council will be requested to provide direction as to whether the Vasquez team should undertake to test the functioning of the internal controls to determine whether they are functioning as designed.

Attached, for comparison purposes, are additional proposals that were submitted to the City in 2015 for similar services. Of course, the City Council has the discretion to consider these consultants as well. If the City Council wants to consider these additional consultants, it should direct the City Attorney’s Office to obtain updated proposals from them.

ALTERNATIVES

1. Approve the Professional Services Agreement with Vasquez & Company LLP related to an independent in-depth internal review of the City’s financial procedures and practices with an amount not to exceed \$100,000 and approve the expenditure budget adjustment.
2. Do not approve the Professional Services Agreement with Vasquez & Company LLP related to an independent in-depth internal review of the City’s financial procedures and practices with an amount not to exceed \$100,000 and do not approve the expenditure budget adjustment.

FISCAL IMPACT

The fiscal impact of approving this professional services agreement for an amount not to exceed \$100,000 will increase the City Council’s expenditure budget for FY 2016-17 as follows:

| Description | Fund | GL Account No. | Type (Rev/Exp) | FY 16/17 Budget | Proposed Adjustments | FY 16/17 Amended Budget |
|-----------------------|---------|-------------------------|----------------|-----------------|----------------------|-------------------------|
| Professional Services | General | 1010-10-01-10010-620299 | Exp | \$ 0 | \$100,000 | \$100,000 |

NOTIFICATION

Publication of the Agenda.

ATTACHMENTS

1. Professional Services Agreement with Vasquez and Company
2. Additional Proposals

PREPARATION OF STAFF REPORT

Prepared By:
Steven B. Quintanilla
Interim City Attorney

CITY COUNCIL GOALS

Revenue Diversification and Preservation. Develop a variety of City revenue sources and policies to create a stable revenue base and fiscal policies to support essential City services, regardless of economic climate.

ATTACHMENTS

- 1. Professional Services Agreement Vazquez Co (06 08 16) docx (003)
- 2. Vasquez Scope of Services - City of Moreno Valley Approach for Special Study
- 3. EadiePayne
- 4. WhiteNelsonDiehlEvans2
- 5. WhiteNelsonDiehlEvans1
- 6. VavrinekTrineDayCoLLP
- 7. RogersAndersonMalodyScottLLP
- 8. MayerHoffman McCannPC

APPROVALS

| | | |
|-------------------------|-------------------|-----------------|
| Budget Officer Approval | <u>✓ Approved</u> | 6/08/16 3:02 PM |
| City Attorney Approval | <u>✓ Approved</u> | 6/08/16 1:28 PM |
| City Manager Approval | <u>✓ Approved</u> | 6/08/16 5:42 PM |

**PROFESSIONAL SERVICES AGREEMENT
BY AND BETWEEN
THE CITY OF MORENO VALLEY
AND
VASQUEZ & COMPANY, LLP**

This Professional Services Agreement (hereinafter, "Agreement") is made and entered into this ___ day of June 2016, by and between the City of Moreno Valley, a municipal corporation located in the County of Riverside, State of California, hereinafter referred to as the "City," and Vasquez & Company, LLP, a limited liability partnership, hereinafter referred to as "Consultant."

RECITALS:

WHEREAS, the City desires to utilize the services of Consultant, as an independent contractor, to provide the City with services related to an independent internal review of City's financial procedures and practices (hereinafter, the "Services") as more particularly described in the "Scope of Services," attached hereto and incorporated herein by this reference as Exhibit "A"; and

WHEREAS, Consultant represents that it is fully qualified to perform such services by virtue of its experience and the training, education and expertise of its principals and employees.

NOW THEREFORE, IN CONSIDERATION OF THE COVENANTS, CONDITIONS AND PROMISES CONTAINED HEREIN, THE PARTIES HERETO AGREE AS FOLLOWS:

Section 1. RECITALS

The Recitals set forth above are true and correct and are hereby incorporated into this Agreement by this reference, as though set forth in full herein.

Section 2. SCOPE OF SERVICES

Consultant shall provide to the City those services as set forth in the Scope of Services, at the time, place, and in the manner specified therein, in a manner satisfactory to the City and consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. In the event any conflict exists between the Agreement minus the Scope of Services, on the one hand, and the Scope of Services, on the other hand, the former shall supersede.

Section 3. COMPLETION DATE

Consultant shall perform those services set forth in the Scope of Services during the term of this Agreement, which shall commence as soon as possible and continue until and through on or about _____, 2016.

Section 4. COMPENSATION

The City agrees to pay Consultant for and in consideration of the faithful performance of the consulting services and duties set forth in this Agreement, and Consultant agrees to accept from the City, as and for compensation for the faithful performance of said services and duties, an amount not to exceed a total compensation of ONE HUNDRED THOUSAND DOLLARS AND 00/100 CENTS (\$100,000.00) during the term of this Agreement, in accordance with the Scope of Services.

Section 5. METHOD OF PAYMENT

a. Consultant shall submit invoices to the City on a monthly basis describing the work performed. Consultant's bills shall include a brief description of the services performed, the date the services were performed, the number of hours spent and by whom, and a description of any reimbursable expenditures. The City shall pay Consultant no later than thirty (30) days after approval of the invoice by City staff provided that the services reflected in the invoice were performed to the reasonable satisfaction of the City in accordance with the terms of this Agreement, that the number of hours of service set forth in the invoice reflect the amount of time ordinarily expended for such service by members of the profession currently practicing in the same locality under similar conditions, and that all expenses, rates and other information set forth in the invoice are consistent with the terms and conditions of this Agreement.

b. The Consultant shall submit invoices under this Agreement to:

Accounts Payable
 City of Moreno Valley
 14177 Frederick Street
 Moreno Valley, CA 92552
 Telephone: (951) 413-3000
 Email: AccountsPayable@moval.org

c. Consultant agrees that City payments will be received via Automated Clearing House ("ACH") Direct Deposit and that the required ACH Authorization form will be completed prior to any payments by the City. Any invoice not paid because the completed ACH Authorization Form has not been provided will not incur any fees, late charges, or other penalties. The ACH Authorization form is located at:

http://www.moval.org/city_hall/forms.shtml#bf

- d. Invoices shall include the following information:
- Vendor Name, Mailing Address, and Phone Number
 - Invoice Date
 - Vendor Invoice Number
 - City-provided Reference Number (e.g. Project, Activity)
 - Detailed work hours by class title (e.g. Manager, Technician, or Specialist), services performed and rates, explicit portion of a contract amount, or detailed billing information that is sufficient to justify the invoice amount; single, lump amounts without detail are not acceptable.

Section 6. EXTRA WORK

At any time during the term of this Agreement, the City may request that Consultant perform Extra Work. As used herein, "Extra Work" means any work which is determined by the City to be necessary for the proper completion of the Services, but which the parties did not reasonably anticipate would be necessary at the execution of this Agreement. Consultant shall not perform Extra Work without written authorization from the City.

Section 7. TERMINATION

This Agreement may be terminated by the City immediately for cause. The City may terminate this Agreement without cause upon thirty (30) days' written notice of termination. Upon termination, Consultant shall be entitled to compensation for services performed up to the effective date of termination.

Section 8. OWNERSHIP OF DOCUMENTS

All plans, studies, documents and other writings prepared by and for Consultant, its officers, employees and agents and subcontractors in the course of implementing this Agreement, except working notes and internal documents, shall become the property of the City upon payment to Consultant for such work, and the City shall have the sole right to use such materials in its discretion without further compensation to Consultant or to any other party. Consultant shall, at its expense, provide such reports (including any electronic copies), plans, studies, documents and other writings to the City upon written request.

Section 9. CONFIDENTIALITY

a. All ideas, memoranda, specifications, plans, procedures, drawings, photographs, descriptions, computer program data, input record data, written information, and other documents and data either created by or provided to Consultant in connection with the performance of this Agreement shall be held confidential by Consultant. Such materials shall not, without prior written consent of the City, be used by Consultant for any purposes other than the performance of the services under this Agreement, nor shall such materials be disclosed to any person or entity not connected with the performance of the services under this Agreement. Nothing furnished to Consultant which is otherwise known to Consultant or is generally known, or has become known, to the related industry shall be deemed confidential.

b. Consultant shall not use the City's insignia or photographs relating to the project for which Consultant's services are rendered, or any publicity pertaining to the Consultant's services under this Agreement in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the City.

Section 10. CONSULTANT'S BOOKS AND RECORDS

a. Consultant shall maintain any and all ledgers, books of account, invoices, vouchers, canceled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to the City for a minimum period of three years, or for any longer period required by law, from the date of final payment to Consultant pursuant to this Agreement.

b. Consultant shall maintain all documents and records which demonstrate performance under this Agreement for a minimum of three years, or for any longer period required by law, from the date of termination or completion of this Agreement.

c. Any records or documents required to be maintained pursuant to this Agreement shall be made available for inspection or audit, at any time during regular business hours, upon written request by the City Manager, City Attorney, City's third party auditor or a designated representative of these officers. Copies of such documents shall be provided to the City for inspection at the City's address indicated for receipt of notices in this Agreement when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at Consultant's address indicated for receipt of notices in this Agreement.

d. Where the City has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of Consultant's business, the City may, by written request of any of the above-named officers, require that custody of the records be given to the City and that the records and documents be maintained at the City's address indicated for receipt of notices in this Agreement.

Access to such records and documents shall be granted to any party authorized by Consultant, Consultant’s representatives, or Consultant’s successor-in-interest.

Section 11. INDEPENDENT CONTRACTOR’S STATUS: NOT AGENT OF THE CITY

Consultant shall at all times during the term of this Agreement remain, as to the City, a wholly independent contractor and shall perform the services described in this Agreement as an independent contractor and further, hereby waives any claims for any compensation or benefits afforded to City employees and not to independent contractors. Neither the City nor any of its agents shall have control over the conduct of Consultant or any of Consultant’s employees, except as herein set forth. Nothing contained in this Agreement shall be deemed, construed or represented by the City or Consultant or by any third person to create the relationship of principal and agent and Consultant shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the City. Consultant shall have no authority, expressed or implied, to act on behalf of the City in any capacity whatsoever as an agent, nor shall Consultant have any authority, expressed or implied, to bind the City to any obligation whatsoever.

Section 12. REPRESENTATIONS AND ACKNOWLEDGMENTS REGARDING INDEPENDENT CONTRACTOR’S STATUS OF CONSULTANT

a. Consultant represents and acknowledges the following:

- (1) The City is not required to provide any training or legal counsel to Consultant or its employees in order for Consultant to perform the services described in this Agreement.
- (2) Performance of the services described in this Agreement does not have to be integrated into the daily business operations of the City.
- (3) The services described in this Agreement can be performed without the use of City equipment, materials, tools or facilities.
- (4) Nothing in this Agreement shall be interpreted to imply that the City must maintain any contractual relationship with Consultant on a continuing basis after termination of this Agreement.
- (5) The City will not be requested or demanded to assume any liability for the direct payment of any salary, wage or other such compensation to any person employed by Consultant to perform the services described in this Agreement.

(6) Consultant shall not at any time or in any manner represent that it or any of its officers, employees, or agents are employees of the City.

b. The City represents and acknowledges the following:

(1) Consultant is not required to comply with daily instructions from City staff with respect to when, where or how Consultant must perform the services set forth in this Agreement.

(2) Consultant is solely responsible for determining who, under the supervision or direction of Consultant, will perform the services set forth in this Agreement.

(3) The City will not hire, supervise or pay any assistants working for Consultant pursuant to this Agreement.

(4) Nothing in this Agreement shall be interpreted to imply that the Consultant must maintain any contractual relationship with the City on a continuing basis after termination of this Agreement.

(5) It is the sole responsibility of Consultant to set the hours in which Consultant performs or plans to perform the services set forth in this Agreement.

(6) Consultant is not required to devote full time to the business operations of the City in order to perform the services set forth in this Agreement.

(7) Consultant is not required to perform the services set forth in this Agreement at City-owned property.

(8) Nothing in this Agreement shall be interpreted to preclude Consultant from working for other persons or firms, provided that such work does not create a conflict of interest.

(9) Consultant is not required to perform the Services set forth in the Agreement in any particular order or sequence.

Section 13. CIVIL CODE SECTION 1542 WAIVER

Consultant expressly waives any and all rights and benefits conferred upon it by the provisions of section 1542 of the California Civil Code which reads as follows:

“A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.”

This waiver shall be effective as a bar to any and all actions, fees, damages, losses, claims, liabilities and demands of whatsoever character, nature and kind, that are known or unknown, or suspected or unsuspected, including, without limitation, claims of entitlements under the California Public Employees' Retirement System (CalPERS) that are only afforded to employees and not independent contractors. Consultant further represents and warrants that it understands this waiver and that if it does not understand this waiver, it shall seek the advice of a qualified attorney before executing this Agreement.

Initials

Section 14. CONFLICTS OF INTEREST

a. Consultant (including principals, associates and professional employees) covenants and represents that it does not have any investment or interest in real property and shall not acquire any interest, direct or indirect, in the area covered by this Agreement or any other source or income, interest in real property or investment which would be affected in any manner or degree by the performance of Consultant's services hereunder. Consultant further covenants and represents that in the performance of its duties hereunder no person having any such interest shall perform any services under this Agreement.

b. Consultant is not a designated employee within the meaning of the Political Reform Act because Consultant:

- (1) Does not make or participate in:
 - (i) the making or any governmental decisions regarding approval of a rate, rule, or regulation, the adoption or enforcement of laws;
 - (ii) the issuance, denial, suspension or revocation of permits, licenses, applications, certificates, approvals, orders, or similar authorization or entitlement;
 - (iii) authorizing the City to enter into, modify, or renew a contract;
 - (iv) granting the City approval to a contract that requires City approval and to which the City is a party, or to the specifications for such a contract;

- (v) granting the City approval to a plan, design, report, study, or similar item; or
- (vi) adopting, or granting City approval of, policies, standards, or guidelines for the City or for any subdivision thereof.

(2) Does not serve in a staff capacity with the City and in that capacity participate in making a governmental decision or otherwise perform the same or substantially all the same duties for the City that would otherwise be performed by an individual holding a position specified in the City’s Conflict of Interest Code under Government Code Section 87302.

c. In the event the City officially determines that Consultant must disclose its financial interests by completing and filing a Fair Political Practices Commission Form 700, Statement of Economic Interests, Consultant shall file the subject Form 700 with the City Clerk’s Office of the City of Moreno Valley pursuant to the written instructions provided by the Office of the City Clerk.

Section 15. PROFESSIONAL ABILITY OF CONSULTANT; WARRANTY; FAMILIARITY WITH WORK; PERMITS AND LICENSES

a. Consultant warrants that all services will be performed in a competent, professional and satisfactory manner in accordance with the standards prevalent in the industry for such services.

b. By executing this Agreement, Consultant warrants that:

- (1) it has thoroughly investigated and considered the work to be performed;
- (2) it has investigated the issues, regarding the scope of services to be provided;
- (3) it has carefully considered how the work should be performed; and
- (4) it fully understands the facilities, difficulties and restrictions attending performance of the work under this Agreement.

c. Should Consultant discover any latent or unknown conditions materially differing from those inherent in the work or as represented by the City, it shall immediately inform the City of such fact and shall not proceed except at Consultant’s risk until written instructions are received from the City Manager or appropriate City representative.

d. Consultant represents that it has obtained and will maintain at all times during the term of this Agreement all professional and/or business licenses, certifications and/or permits necessary for performing the services described in this Agreement, including a City of Moreno Valley business license.

Section 16. COMPLIANCE WITH LAWS

Consultant shall comply with all local, state and federal laws, rules and regulations applicable to the services required hereunder.

Section 17. INDEMNIFICATION

a. Consultant shall defend, indemnify and hold harmless the City, its officers, officials, agents, employees and volunteers from and against any and all claims, demands, actions, losses, damage, injuries, and liability, direct or indirect (including any and all costs and expenses in connection therewith), arising out of the performance of this Agreement, except for any such claim arising out of the sole negligence or willful misconduct of the City, its officers, agents, employees or volunteers.

b. The City does not, and shall not, waive any rights that it may have against Consultant under this Section because of the acceptance by the City, or the deposit with the City, of any insurance policy or certificate required pursuant to this Agreement. The hold harmless, indemnification and duty to defend provisions of this Section shall apply regardless of whether or not said insurance policies are determined to be applicable to the claim, demand, action, damage, liability, loss, cost or expense described herein.

c. Notwithstanding the provisions of subsections a. and b. of this section, Consultant shall not be responsible for damages or be in default or deemed to be in default by reason of delay caused by strikes, lockouts, accidents, or acts of God, or the failure of the City to furnish timely information or to approve or disapprove Consultant's work promptly, or by reason of delay or faulty performance by the City, construction contractors, or governmental agencies, or by reason of any other delays beyond Consultant's control, or for which Consultant is without fault.

Section 18. INSURANCE REQUIREMENTS

a. Throughout the term of this Agreement, Consultant shall pay for and maintain in full force and effect all insurance as required in Exhibit "B" or as may be authorized in writing by the City Manager or his/her designee at any time and in his/her sole discretion.

b. If at any time during the term of the Agreement or any extension, Consultant or any of its subcontractors fail to maintain any required insurance in full

force and effect, all services and work under this Agreement shall be discontinued immediately, and all payments due or that become due to Consultant shall be withheld until notice is received by City that the required insurance has been restored to full force and effect and that the premiums therefore have been paid for a period satisfactory to City. Any failure to maintain the required insurance shall be sufficient cause for City to terminate this Agreement. No action taken by City pursuant to this section shall in any way relieve Consultant of its responsibilities under this Agreement. The phrase "fail to maintain any required insurance" shall include, without limitation, notification received by City that an insurer has commenced proceedings, or has had proceedings commenced against it, indicating that the insurer is insolvent.

c. The fact that insurance is obtained by Consultant shall not be deemed to release or diminish the liability of Consultant, including, without limitation, liability under the indemnity provisions of this Agreement. The duty to indemnify City shall apply to all claims and liability regardless of whether any insurance policies are applicable. The policy limits do not act as a limitation upon the amount of indemnification to be provided by Consultant. Approval or purchase of any insurance contracts or policies shall in no way relieve from liability nor limit the liability of Consultant, its principals, officers, agents, employees, persons under the supervision of Consultant, vendors, suppliers, invitees, consultants, sub-consultants, subcontractors, or anyone employed directly or indirectly by any of them.

d. Upon request of City, Consultant shall immediately furnish City with a complete copy of any insurance policy required under this Agreement, including all endorsements, with said copy certified by the underwriter to be a true and correct copy of the original policy. This requirement shall survive expiration or termination of this Agreement.

e. If Consultant should subcontract all or any portion of the services to be performed under this Agreement, Consultant shall require each subcontractor to provide insurance protection in favor of City and each of its officers, officials, employees, agents and volunteers in accordance with the terms of this section, except that any required certificates and applicable endorsements shall be on file with Consultant and City prior to the commencement of any services by the subcontractor.

Section 19. NOTICES

a. Any notice to be provided pursuant to this Agreement shall be in writing, and all such notices shall be delivered by personal service or by deposit in the United States mail, certified or registered, return receipt requested, with postage prepaid, and addressed to the parties as follows:

To the City: Steven B. Quintanilla, Interim City Attorney
City of Moreno Valley

14177 Frederick Street
 Moreno Valley, CA 92552
 Telephone: (951) 413-3000
 Email: SteveQ@QALawyers.com

To Consultant: Peggy McBride, Government Practice Leader
 Vasquez & Company LLP
 801 South Grand Avenue, Suite 400,
 Los Angeles, CA 90017-4646
 Telephone: (213) 873-1706
 Email: p_mcbride@vasquezcpa.com

b. Notices, payments and other documents shall be deemed delivered upon receipt by personal service or as of the second (2nd) day after deposit in the United States mail.

Section 20. ENTIRE AGREEMENT

a. This Agreement supersedes any and all other agreements, either oral or written, between the City and Consultant with respect to the subject matter of this Agreement.

b. This Agreement contains all of the covenants and agreements between the parties with respect to the subject matter of this Agreement, and each party to this Agreement acknowledges that no representations, inducements, promises, or agreements have been made by or on behalf of any party except those covenants and agreements embodied in this Agreement.

c. No agreement, statement, or promise not contained in this Agreement shall be valid or binding.

Section 21. MODIFICATIONS AND AMENDMENTS

This Agreement may be modified or amended only by a written instrument signed by both parties.

Section 22. ASSIGNMENT AND SUBCONTRACTING

a. The experience, knowledge, capability and reputation of Consultant, its principals and employees were a substantial inducement for the City to enter into this Agreement. Assignments of any or all rights, duties or obligations of the Consultant under this Agreement will be permitted only with the written consent of the City.

b. Consultant shall not subcontract any portion of the work to be performed under this Agreement without the written consent of the City. If the City consents to such subcontract, Consultant shall be fully responsible to the City for all acts or omissions of the subcontractor. Nothing in this Agreement shall create any contractual relationship between the City and subcontractor nor shall it create any obligation on the part of the City to pay or to see to the payment of any monies due to any such subcontractor other than as required by law.

Section 23. WAIVER

a. No waiver shall be binding, unless executed in writing by the party making the waiver.

b. No waiver of any provision of this Agreement shall be deemed, or shall constitute, a waiver of any other provision, whether or not similar, nor shall any such waiver constitute a continuing or subsequent waiver of the same provision.

c. Failure of either party to enforce any provision of this Agreement shall not constitute a waiver of the right to compel enforcement of the remaining provisions of this Agreement.

Section 24. SEVERABILITY

If any one or more of the sentences, clauses, paragraphs or sections contained herein is declared invalid, void or unenforceable by a court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall not affect, impair or invalidate any of the remaining sentences, clauses, paragraphs or sections contained herein.

Section 25. VENUE

All proceedings involving disputes over the terms, provisions, covenants or conditions contained in this Agreement and all proceedings involving any enforcement action related to this Agreement shall be initiated and conducted in the applicable court or forum in Riverside County, California.

Section 26. LITIGATION EXPENSES AND ATTORNEYS' FEES

In the event any action, suit or proceeding is brought for the enforcement of, or the declaration of any right or obligation pursuant to this Agreement or as a result of any alleged breach of any provision of this Agreement, the prevailing party in such suit or proceeding shall be entitled to recover its costs and expenses, including reasonable attorney's fees, from the losing party, and any judgment or decree rendered in such a proceeding shall include an award thereof.

Section 27. EXECUTION IN COUNTERPARTS

This Agreement may be executed in several counterparts, each of which shall constitute one and the same instrument and shall become binding upon the parties when at least a copy hereof shall have been signed by both parties hereto. In approving this Agreement, it shall not be necessary to produce or account for more than one such counterpart.

Section 28. PROHIBITED INTERESTS

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, the City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no member, officer, or employee of the City, during the term of his or her service with the City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

Section 29. EQUAL OPPORTUNITY EMPLOYMENT

Consultant represents that it is an equal opportunity employer and shall not discriminate against any subcontractor, employee, or applicant ("person") for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, sex, age or sexual orientation. Unless otherwise permitted under the law, Consultant shall not refuse to hire or employ any such person or refuse to select any such person for a training program leading to employment, or bar or discharge any such person from employment or from a training program leading to employment, or otherwise discriminate against any such person in compensation or in terms, conditions, or privileges of employment.

Section 30. TIME OF THE ESSENCE

Time is of the essence in the performance of this Agreement.

Section 31. PRINCIPAL REPRESENTATIVES

a. Margaret McBride, Government Practice Lead is designated as Consultant's Principal Representative and is the person responsible for undertaking, managing and supervising the performance of all of the services set forth in the Scope

of Services for this Agreement. Consultant's designated Principal Representative's experience, knowledge, capability and reputation were a substantial inducement for the City to enter into this Agreement, and as such, for the purposes of performing the Scope of Services of this Agreement, the duties of Consultant's designated Principal Representative shall not be reassigned, without the express written consent of both parties.

b. Interim City Attorney Steven B. Quintanilla shall be the Principal Representative of the City for purposes of communicating with Consultant on any matter associated with the performance of the services set forth in this Agreement.

Section 32. NON-LIABILITY OF CITY'S OFFICERS AND EMPLOYEES

No officer or employee of the City shall be personally liable to Consultant, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to Consultant or to its successor, or for any breach of any obligation of the terms of this Agreement.

Section 33. INTERPRETATION

This Agreement shall not be interpreted against either party on the grounds that one of the parties was solely responsible for preparing it or caused it to be prepared as both parties were involved in drafting it.

Section 34. PROTECTION AND CORRECTION OF WORK

a. Consultant shall adopt reasonable methods during the life of the Agreement to furnish continuous protection to the work performed by Consultant, and the equipment, materials, papers and other components thereof to prevent losses or damages.

b. The performance of services by Consultant shall not relieve Consultant from any obligation to correct any incomplete, inaccurate or defective work at no further cost to the City, when such inaccuracies are due to the fault of Consultant.

Section 35. CAPTIONS AND HEADINGS

The captions and headings contained in this Agreement are provided for identification purposes only and shall not be interpreted to limit or define the content of the provisions described under the respective caption or heading.

Section 36. GOVERNING LAW

The validity of this Agreement and any of its terms or provisions, as well as the rights and duties of the parties under this Agreement, shall be construed pursuant to and in accordance with California law.

Section 37. CUMULATIVE REMEDIES

Except with respect to rights and remedies expressly declared to be exclusive in this Agreement, the rights and remedies of the parties are cumulative and the exercise by either party of one or more of such rights or remedies shall not preclude the exercise by it, at the same or different times, of any other rights or remedies for the same default or any other default by the other party.

Section 38. NO THIRD PARTY BENEFICIARIES

The parties do not intend the benefits of this Agreement to inure to any third party, nor shall any provision of this Agreement be so construed.

Section 39. REPRESENTATIONS OF PARTIES AND PERSONS EXECUTING AGREEMENT

a. Each of the parties to this Agreement hereby represents that all necessary and appropriate actions of their governing bodies have been taken to make this Agreement a binding obligation of each of the parties hereto.

b. The persons executing this Agreement warrant that they are duly authorized to execute this Agreement on behalf of and bind the parties each purports to represent.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the date first written above.

CITY OF MORENO VALLEY

Mayor

VASQUEZ & COMPANY LLP

By: _____
Name: _____
Title: _____
(President or Vice President)

Date

By: _____
Name: _____
Title: _____
(Corporate secretary)

Date

| |
|-----------------------------------------------------------------|
| <u>INTERNAL USE ONLY</u> |
| ATTEST: |
| _____ City Clerk <i>(only needed if Mayor signs)</i> |
| APPROVED AS TO LEGAL FORM: |
| _____ City Attorney |
| _____ Date |
| RECOMMENDED FOR APPROVAL: |
| _____ Department Head <i>(if contract exceeds 15,000)</i> |
| _____ Date |

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EXHIBIT "A"
SCOPE OF SERVICES
SEE ATTACHED
JUNE 7, 2016

Attachment: Professional Services Agreement Vazquez Co (06 08 16) docx (003) (2142 : PROFESSIONAL SERVICES AGREEMENT WITH

EXHIBIT "B"

INSURANCE REQUIREMENTS

Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The most current version of Insurance Services Office (ISO) Commercial General Liability Coverage Form CG 00 01, which shall include insurance for "bodily injury," "property damage" and "personal and advertising injury" with coverage for premises and operations, products and completed operations, and contractual liability.
2. The most current version of Insurance Service Office (ISO) Business Auto Coverage Form CA 00 01, which shall include coverage for all owned, hired, and non-owned automobiles or other licensed vehicles (Code 1-Any Auto).
3. Workers' Compensation insurance as required by the California Labor Code and Employer's Liability Insurance.
4. Professional Liability (Errors and Omissions) insurance appropriate to Consultant's profession.

Minimum Limits of Insurance

Consultant shall maintain limits of liability of not less than:

1. General Liability:
 - \$1,000,000 per occurrence for bodily injury and property damage
 - \$1,000,000 per occurrence for personal and advertising injury
 - \$2,000,000 aggregate for products and completed operations
 - \$2,000,000 general aggregate
2. Automobile Liability:
 - \$1,000,000 per accident for bodily injury and property damage
3. Employer's Liability:
 - \$1,000,000 each accident for bodily injury
 - \$1,000,000 disease each employee

\$1,000,000 disease policy limit

4. Professional Liability (Errors and Omissions):

\$1,000,000 per claim/occurrence

\$2,000,000 policy aggregate

Umbrella or Excess Insurance

In the event Consultant purchases an Umbrella or Excess insurance policy(ies) to meet the "Minimum Limits of Insurance," this insurance policy(ies) shall "follow form" and afford no less coverage than the primary insurance policy(ies).

Deductibles and Self-Insured Retentions

Consultant shall be responsible for payment of any deductibles contained in any insurance policy(ies) required hereunder and Consultant shall also be responsible for payment of any self-insured retentions. Any deductibles or self-insured retentions must be declared to, and approved by, the City Manager or his/her designee. At the option of the City Manager or his/her designee, either (i) the insurer shall reduce or eliminate such deductibles or self-insured retentions as respects City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers; or (ii) Consultant shall provide a financial guarantee, satisfactory to the City Manager or his/her designee, guaranteeing payment of losses and related investigations, claim administration and defense expenses. At no time shall City be responsible for the payment of any deductibles or self-insured retentions.

Other Insurance Provisions

The General Liability and Automobile Liability insurance policies are to contain, or be endorsed to contain, the following provisions:

1. City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers are to be covered as additional insureds.
2. The coverage shall contain no special limitations on the scope of protection afforded to City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers.
3. Consultant's insurance coverage shall be primary and no contribution shall be required of City.

The Workers' Compensation insurance policy is to contain, or be endorsed to contain,

the following provision: Consultant and its insurer shall waive any right of subrogation against City, CSD, Housing Authority and each of their officers, officials, employees, agents and volunteers.

If the Professional Liability (Errors and Omissions) insurance policy is written on a claims-made form:

1. The retroactive date must be shown, and must be before the effective date of the Agreement or the commencement of work by Consultant.
2. Insurance must be maintained and evidence of insurance must be provided for at least 3 years after any expiration or termination of the Agreement or, in the alternative, the policy shall be endorsed to provide not less than a 3-year discovery period.
3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a retroactive date prior to the effective date of the Agreement or the commencement of work by Consultant, Consultant must purchase extended reporting coverage for a minimum of 3 years following the expiration or termination of the Agreement.
4. A copy of the claims reporting requirements must be submitted to City for review.
5. These requirements shall survive expiration or termination of the Agreement.

All policies of insurance required hereunder shall be endorsed to provide that the coverage shall not be cancelled, non-renewed, reduced in coverage or in limits except after 30 calendar day written notice by certified mail, return receipt requested, has been given to City. Upon issuance by the insurer, broker, or agent of a notice of cancellation, non-renewal, or reduction in coverage or in limits, Consultant shall furnish City with a new certificate and applicable endorsements for such policy(ies). In the event any policy is due to expire during the work to be performed for City, Consultant shall provide a new certificate, and applicable endorsements, evidencing renewal of such policy not less than 15 calendar days prior to the expiration date of the expiring policy.

Acceptability of Insurers

All policies of insurance required hereunder shall be placed with an insurance company(ies) admitted by the California Insurance Commissioner to do business in the State of California and rated not less than "A-VII" in Best's Insurance Rating Guide; or authorized by the City Manager or his/her designee.

Verification of Coverage

Consultant shall furnish City with all certificate(s) and **applicable endorsements** effecting coverage required hereunder. All certificates and **applicable endorsements** are to be received and approved by the City Manager or his/her designee prior to City's execution of the Agreement and before work commences.

City of Moreno Valley

Approach to Conducting a Vulnerability Assessment June 7, 2016

Objectives

The objectives of this study are to assist the City in its efforts to review financial practices, identify areas of exposure to fraud, illegal acts and other irregularities, review financial practices and internal accounting controls, and report identified system and control deficiencies to the City Council.

Background

The City Council seeks assurance that taxpayer resources and other City assets are protected from exposure to theft, fraud, embezzlement, or other illegal act or irregularities. Accordingly the City has elected to engage a certified public accounting firm to perform an independent review, evaluation and testing of selected financial safeguards, activities and transactions. Vasquez & Company LLP (Vasquez) has been requested to provide an approach to the conduct of such a study.

The complexity of governmental operations in areas such as construction management, investment securities and leverage, debt management, contracting, electronic processing and automation of sensitive tasks, and an array of federal, state and local laws and regulations have significantly increased the financial and legal risks facing those charged with city governance and management.

Recent losses experienced by California municipalities have highlighted the vulnerability of local governments to the effects of illegal acts and irregularities. Noted instances or allegations include:

- Unauthorized payments to members of the governing body and city management
- Improper wire transfer of city funds to a city employee for personal use
- Issuance of checks to an individual disguised as a vendor providing services to the city
- Violations of state and local contracting laws by awarding large contracts without competitive procurements and subsequently granting material change orders without support or authorization



- Improper charging of luxury items for personal benefit of city officials on city credit cards
- Sale of property to which the City did not hold title
- Money laundering and bribery of public officials

The City seeks to ensure that it has adequate controls in place to prevent or, at a minimum, detect on a timely basis, improper or unauthorized financial transactions.

Approach

Our proposed approach to the conduct of this study includes the following tasks.

1. Review municipal operations to identify areas that expose the City to the risk of financial loss or illegal acts. Areas of risk to be determined based on:
 - Interviews with members of the City Council, City staff and management
 - Consideration of complexity, sensitivity, volumes and dollars of activity
 - Past experience at the City or other entities with similar activities/operations
2. Catalog financial practices pertinent to areas of risk exposure
 - Financial practices will be identified based on observations of activities and review of relevant documentation of procedures
 - The completeness of the financial practices catalog will be confirmed by knowledgeable City personnel
3. Determine whether internal controls are in place and are designed properly to prevent or detect on a timely basis errors and irregularities
 - For each selected transaction cycle, internal control strengths and weaknesses will be identified and documented
 - For each selected transaction cycle, an assessment will be made as to whether the internal controls, as designed, would be effective in preventing or detecting on a timely basis errors and irregularities
4. Prepare and provide to the City Council a listing of financial practices and controls designed to eliminate or mitigate the risk of improper or unauthorized acts. The listing will identify internal controls by transaction cycle and present:
 - Transaction cycles over which the internal controls are not designed adequately to prevent or detect on a timely basis errors and irregularities
 - Transaction cycles over which the internal controls are designed properly
5. Guidance will be requested from the City Council concerning the next steps in the engagement.
 - For those transaction cycles for which internal controls are not designed adequately to prevent or detect errors and irregularities, the Council will be requested to provide direction as to whether the Vasquez team should develop alternative procedures and controls or whether City management will undertake to develop properly designed procedures
 - For those transaction cycles for which internal controls are designed properly, the Council will be requested to provide direction as to whether the Vasquez team should undertake to test the functioning of the internal controls to determine whether they are functioning as designed



- 6. Test selected controls (as determined by the City Council) and identify weak or missing controls that could allow errors or irregularities to occur and not be detected on a timely basis
 - Testing to be documented and performed in accordance with accepted sampling protocols
- 7. Provide bi-weekly reports setting forth our progress and findings to the City Council.
- 8. Prepare a report of identified internal control weaknesses for City Council consideration
 - Report to identify internal control weaknesses, cause and effect whenever practical.

Staffing

An engagement of this nature requires experience with and understanding of internal control concepts, municipal government and sound business accounting practices. In order to complete the study in an expeditious and effective manner, we would propose to use senior level personnel whose backgrounds include the following qualifications:

- 1. Past experience as professional staff within municipal finance department(s)
- 2. Certification as a Certified Fraud Examiner
- 3. Past experience as Sarbanes Oxley (SOX) internal controls reviewer, risk assessment and analysis, policy and procedure review and development
- 4. Member, Institute of Internal Auditors
- 5. Member, American Institute of Certified Public Accountants

Margaret J. (Peggy) McBride, CPA, will lead the team and provide direction, oversight and review of all efforts, work product, findings and reports.

Professional Fees

Our fees are based on the time spent on an engagement at the billing rates of the personnel assigned. Because we intend to use primarily senior level personnel, their billing rates are somewhat higher than the rate for an inexperienced, non-certified staff accountant, however, their ability to promptly identify potential internal control weaknesses, strengths and mitigating factors and perform an effective analysis of an overall internal control framework allows them to expend less time, incur fewer hours and thus provide the most cost effective solution for the City.

Our billing rates for this engagement would be as follow:

| | |
|-------------------|-------|
| Partner | \$275 |
| Manager | 175 |
| Senior Consultant | 125 |
| Staff | 90 |

The hours and related professional fees will vary depending on the number and complexity of the selected operational areas and transaction cycles. Also impacting hours and fees will be the extent of internal control testing that the Council requests at the time we present our findings regarding the effectively designed and ineffectively designed internal controls. The hours and fees will also be influenced by the extent to which the Council requests us to design new systems and procedures.



Recognizing the difficulty in determining a fixed cost for such an assignment, we suggest the City Council consider authorizing the implementation of the project up to an amount not to exceed \$100,000, at which time the Council can determine whether findings justify an expanded study and further testing. Of course, Vasquez will provide regular bi-weekly reports of our progress and professional fees incurred, in order that the Council can evaluate our progress and modify the scope of work as circumstances warrant.

* * * * *

Attachment: Vasquez Scope of Services - City of Moreno Valley Approach for Special Study (2142 : PROFESSIONAL SERVICES AGREEMENT



**Proposal for City of Moreno Valley
Professional Auditing Services for
FYE 2015, 2016, and 2017**

May 8, 2015

City of Moreno Valley Audit Team

Eden Casareno
Engagement Partner

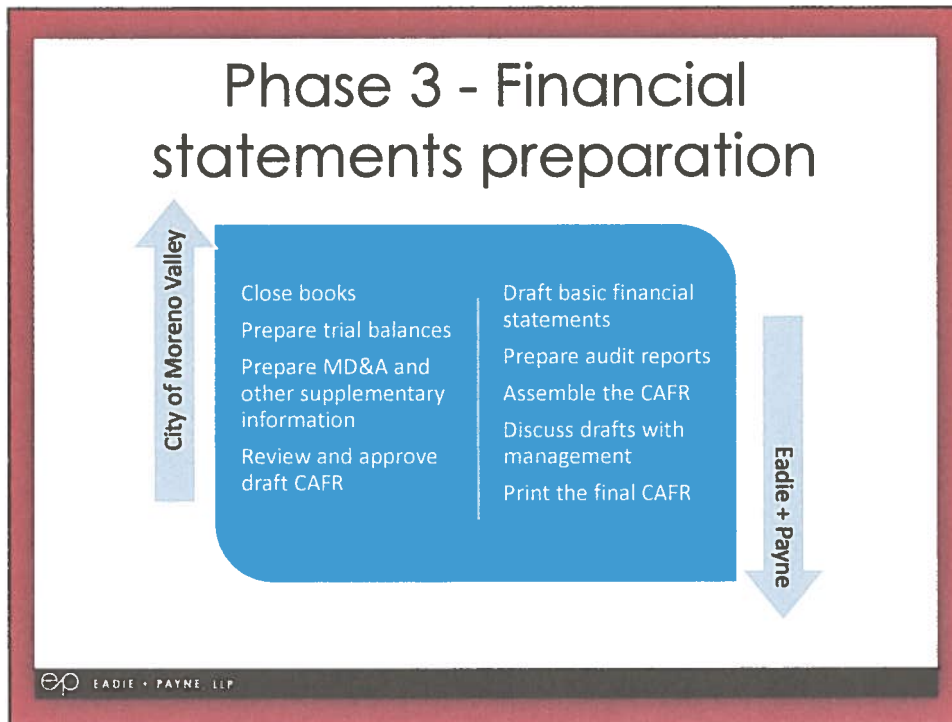
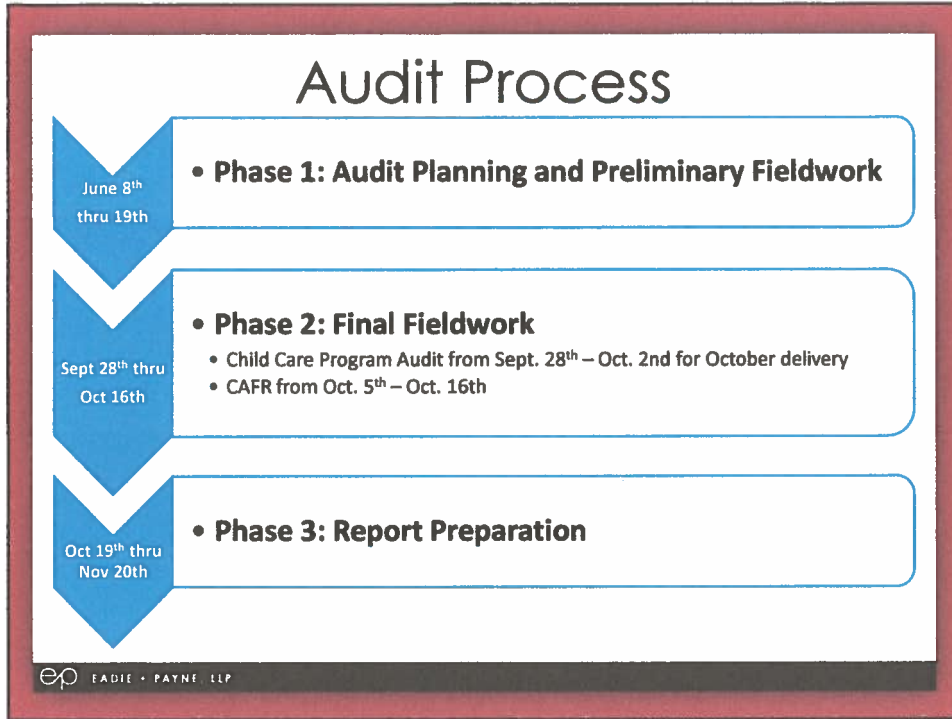
Debbie Crowley
Technical Reviewer

Richard Hertz
Audit Manager

Clerical Staff

Justin Gonzales
Senior Auditor

Audit Staff



Why Eadie + Payne

- Communication
- Experience and knowledge of governments
- Added value

ep EADIE + PAYNE, LLP

Communication

Other Departments

Finance Department

Audit Team

ep EADIE + PAYNE, LLP

Experience and knowledge

Recent governmental audits

- City of Industry
- City of Hemet
- Hesperia Recreation and Park District
- Big Bear Municipal Water District
- Inland Valley Development Agency
- Law Library of San Bernardino County

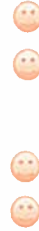
Eden



Richard



Justin





Contact Information

Eadie + Payne, LLP
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Redlands, CA 92375-2560
909-793-2406

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rhertz@eadiepaynellp.com

Justin E. Gonzales
jgonzales@eadiepaynellp.com

ep EADIE + PAYNE, LLP





City of Moreno Valley



Presented By:

WHITE NELSON DIEHL EVANS LLP

May 8, 2015

FIRM PROFILE

EXPERIENCE AND QUALIFICATIONS

AUDIT APPROACH

REASONS TO SELECT WNDE



Staff Qualifications and Experience

- Large regional firm
- Provide audit, tax and advisory services for over 85 years
- 3 offices with 140 employees and 23 partners
- Services to be provided by our Irvine office

| | Assurance Department Irvine | Governmental Experience |
|------------------------|-----------------------------------|----------------------------|
| Partners | 9 | 4 |
| Managers/Supervisors | 15 | 9 |
| Senior Associates | 10 | 10 |
| Experienced Associates | 8 | 8 |
| Associates | 4 | 4 |
| | <u>46</u> | <u>35</u> |



Firm Profile

- **Industry groups (Assurance)**
 - Government
 - Non profit
 - Manufacturing
 - Business to Business Services
- **BDO Alliance firm**
 - 5th largest firm worldwide
 - Access to relevant training and education for multiple industries
 - Access to specialists



Firm Experience

- Provided audit and related services to over 100 governmental organizations in 2014 (34 cities)
- Provides advisory services to other governmental organizations
 - Tax opinions
 - Fraud investigations
 - Agreed upon procedures
- Very knowledgeable about GFOA financial reporting award program



Firm Experience

- Similar Engagements
 - Based on Governmental Funds Actual

| | 2014 Governmental Funds Actual | |
|------------------|--------------------------------|--------------|
| | Revenues | Expenditures |
| Moreno Valley | 142,538,000 | 156,219,000 |
| Burbank | 176,901,000 | 194,298,000 |
| Palm Desert | 87,192,000 | 80,946,000 |
| Rialto | 82,834,000 | 77,774,000 |
| San Buenaventura | 106,957,000 | 101,838,000 |



Firm Experience

- **Similar Engagements**
- **Based on Activities**

| | Similar Activities |
|------------------|----------------------------|
| Burbank | Electric, successor agency |
| Colton | Electric, successor agency |
| Palm Desert | Successor agency |
| Rialto | Successor agency |
| San Buenaventura | Successor agency |



Staff Qualifications and Experience

- **Robert Callanan (25 years)**
 - 15 years as a partner
 - Engagement partner on 16 governmental organizations – 8 cities
 - Member of State Governmental Accounting and Audit Committee
 - GFOA reviewer



Staff Qualifications and Experience

- **Nitin Patel (30 years)**
 - 19 years as a partner
 - Engagement partner on 28 governmental organizations - 17 cities
 - Designated quality control partner with AICPA governmental audit quality control center
 - Member of State Governmental Accounting and Audit Committee
 - GFOA reviewer



Staff Qualifications and Experience

- **Kassie Radermacher (10 years)**
 - Some of the audits managed in the past year:
 - City of Bellflower
 - City of Newport Beach
 - City of Rialto
 - City of San Gabriel



Staff Qualifications and Experience

➤ Joe Ludin, CPA (6 years)

- Some of the audits supervised in the past year:
 - City of Camarillo
 - City of Costa Mesa
 - City of Rialto
 - City of West Covina
 - City of West Hollywood



Audit Approach

- Our goal is to provide exceptional client service
 - Create a seamless transition to a new audit firm
 - Assign experienced audit team
 - Extensive use of Information Technology
 - Use of paperless work papers
 - Use data extraction as audit tool (IDEA) during fieldwork
 - Client schedules – minimize impact on client staff
 - Communicate progress and expectations throughout the entire audit process
 - PBC lists provided in advance



Audit Approach

- **Planning and Risk Assessment**
 - **Planning meeting**
 - Discuss goals and expectations
 - New GASB standards
 - **Understand City and control environment - Review budget documents, prior reports, inquiry with various departments, observations, City's website**
 - **Document internal control systems using checklists and narratives**
 - **Perform test of controls and walkthroughs**
 - **Perform risk assessment**



Audit Approach

- **Final Fieldwork**
 - **Risk based**
 - **Substantive and analytical test of account balances**
 - **Review of work as being completed by supervisor and manager**
 - **Exit meeting - discuss adjustments, remaining open items, potential findings or management letter comments - NO SURPRISES**



Audit Approach

- **Final review of work papers and reports by:**
 - **Manager**
 - **Engagement Partner**
 - **Concurring Technical Review Partner**
- **Provide drafts and final reports**



Scheduling the Project (pages 17 & 18)

- **Project**
 - City audit and CAFR preparation (including GANN report)
 - Community Services District (CSD) audit and reports
 - Child Care Grant audit and reports
 - Single audit and reports (CDBG, CalTrans, NSP, HOME)
 - Optional State Controller's Report – City and CSD
- **Supervisor and 2 staff (with at least 1 year of experience)**
 - Interim: 1 week
 - Final: 2 weeks
- **Timing – see outline**



Reasons to Select WNDE

- Commitment to provide exceptional client service
- Staff with extensive governmental experience
- Partner involvement in all phases of the audit
- We want to have a year-round relationship with our clients
- Established firm with no regulatory action
- GFOA award program experience



Reasons to Select WNDE

- Audit approach has multiple levels of review
- Quality audit work - often times we receive comments about inquiries and document requests that have not been asked before
- Large regional firm - resources to meet deadlines
- We are ready to assist you with GASB 68 (see next slide)



GASB 68

- Provide assistance in the preparation of the restatement
- Provide guidance in the preparation of any journal entries
- If applicable, consult with the City on the allocation of the GASB 68 liability to proprietary and private-purpose trust fund
- Assist in how to identify the information needed from CalPERS actuarial reports
- Inform the City of their responsibility in reviewing the census data submitted to CalPERS
- Provide the City an example note and required supplementary information
- Perform census data tests required



Communication

- **Communication methods are determined by the client**
 - Form of communication preferred (phone, email, ftp website)
 - Any other specific requests made by the City
- **Before and during fieldwork**
 - Interim and final request lists will be provided one month in advance (unless other preferences have been noted)
 - Manager will check in with the City on the status of year-end closing procedures at least 2 weeks in advance of final fieldwork
 - The Audit Supervisor is the main point of contact during fieldwork and will filter all staff questions



Communication

➤ After fieldwork

- After final fieldwork, the Manager will provide status updates at least every 2 weeks
- Partner, Manager, and Supervisor are available throughout the year



**CITY OF MORENO VALLEY
PROFESSIONAL AUDITING
SERVICES PROPOSAL
RFP 2015-001**

**FOR THE THREE YEARS ENDING JUNE 30, 2017
(WITH AN OPTION FOR EACH OF THE TWO YEARS
ENDING JUNE 30, 2018 AND JUNE 30, 2019)**



Submitted By:



TITLE PAGE

RFP Subject: Certified Audits on the City of Moreno Valley
For the Three Years Ending June 30, 2019
(With an Option for Each of the Two Years
Ending June 30, 2019)

Name of Proposer: White Nelson Diehl Evans LLP
Certified Public Accountants and Consultants

Local Address: 2875 Michelle Drive, Suite 300
Irvine, CA 92606-5165

Telephone: (714) 978-1300

Fax: (714) 978-7893

Federal Identification Number: 33-0686301

California CPA License Number: PAR 6123

Website: www.wndecpa.com

Email: rcallanan@wndecpa.com

Contact Persons: Robert J. Callanan, CPA
Engagement Partner

Nitin P. Patel, CPA
Technical Review Partner

Date: April 9, 2015



CITY OF MORENO VALLEY

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April 9, 2015

City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553

We are pleased to present our proposal to serve as independent auditors for the City of Moreno Valley. We have prepared this information in accordance with the guidelines set forth in your request for proposal.

Why We Are The Best Qualified Firm

We consider ourselves to be the best qualified firm to perform auditing and accounting services for the City of Moreno Valley. Please consider these qualifications:

- A significant part of our practice is devoted to providing professional services to the governmental industry and over the past year, the firm provided services to approximately 100 governmental organizations and on an annual basis our firm issues over 150 reports on audits of governmental agencies including, Cities, the Successor Agency to Redevelopment Agencies, Special Districts and Joint Power Authorities.
- Our firm has devoted a substantial amount of time and resources in order to provide governmental agencies with quality audits. Our knowledge of the industry is best demonstrated by the fact that our clients who apply for the "Certificate of Achievement in Financial Reporting" issued by the Government Finance Officers Association (GFOA) consistently receive that award. A list of these clients is presented on page 6 of this proposal.
- We are in a professional alliance with BDO Seidman, a National Accounting Firm, and a network of accounting firms allowing us the ability to provide quality attestation services. The BDO Alliance provides us access to BDO's personnel and technical resources which allows White Nelson Diehl Evans LLP to deliver the range of services and capabilities of a large national firm, including the use of specialists to support the needs of our clients.
- We are a full service CPA firm. Our Consulting Services Department can provide the City with a variety of services, including investment policy compliance reviews, litigation support, dispute resolution services, and consulting on a wide array of governmental issues.
- Our audits include extensive use of information technology as described in detail on page 7 of this proposal.

Why We Are The Best Qualified Firm (Continued)

- We understand that we provide a service to the City. We are committed to providing an effective and efficient audit that will meet the proposed timing of the project deliverables by assigning experienced governmental auditors. Understanding the size of the City of Moreno Valley and the scope of work requested in the proposal, we are proposing an engagement team with extensive governmental audit experience. The staffing plan includes Robert Callanan, CPA, the engagement partner with 25 years of experience, Kassie Radermacher, CPA, with 10 years of experience who will manage the audit, and Joseph Ludin, CPA, a supervisor with 6 years of experience who will be on-site supervising and performing the audit fieldwork. We are confident that the proposed staffing plan with an engagement team experienced in governmental audits and who are familiar with municipal procedures will result in an effective and efficient audit that meets the project timing and deliverables requirements with minimum disruption to your staff.

The scope of our services for the three years ending June 30, 2017 would be as follows:

- A financial audit and preparation of the basic financial statements of the City of Moreno Valley, including Successor Agency transactions, in accordance in with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, to be included in the Comprehensive Annual Financial Report (CAFR).
- A Single Audit of Federal Grants to be performed to meet the requirements of the U.S. Office of Management and Budget (OMB) Circular A-133.
- An agreed-upon procedures review of the calculation of the City's GANN Appropriations Limit (GANN), as required by Section 1.5 of Article XIII B of the California Constitution.
- A management letter containing any comments or recommendations resulting from our review of the systems of internal controls in connection with the financial audits.
- A report communicating information related to the audit to those in charge of governance at the conclusion of the audits.
- A financial and compliance audit and preparation of the basic financial statements of the City's Child Care Program.

We make a commitment to deliver all necessary reports based on the timetable presented herein on page 17. Also, a more detailed discussion of our understanding of the work to be performed is set forth on pages 17 through 24.

Our goal is to provide the City with the highest quality of service, including a CAFR which meets all required reporting standards. We are confident that our service and experience will be of benefit to the City and will provide added value over and above the performance of the audit itself. Throughout the year, you should feel comfortable in calling us for advice regarding accounting and auditing matters, as we are never too busy to meet the needs of our clients.

We thank the City for the opportunity to present our proposal. Please feel free to contact me, or Mr. Nitin P. Patel, CPA, at (714) 978-1300 if you have any questions. This proposal constitutes a firm and irrevocable offer for 60 days from the date of this letter. Mr. Patel and I are authorized to represent our firm, and bind the firm to a contract.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP



Robert J. Callanan, CPA
Engagement Partner



FIRM PROFILE AND QUALIFICATIONS

LICENSING AND INDEPENDENCE

Our firm, and all of our certified personnel, are properly licensed to practice public accounting in California.

Also, we meet the independence requirements of "Government Auditing Standards", as published by the U.S. General Accountability Office. We have no conflict of interest with the City and will provide written notice to the City of any professional relationships contemplated with the City during our term as auditors. We have not provided auditing or any other services to the City during the past five years.

SIZE AND LOCATION OF THE FIRM

White Nelson Diehl Evans LLP is a California accounting firm with offices in Irvine, Carlsbad and Escondido.



Our firm has approximately 140 employees, which includes 23 partners with separate assurance and tax departments. Your City would be served by the assurance department from our Irvine office, which has approximately 45 professional staff members, including 9 partners, 15 managers and supervisors. The Irvine Office assurance department staff with governmental experience consists of four partners, five managers, four supervisors, ten seniors and twelve staff accountants.

White Nelson Diehl Evans LLP has extensive experience in providing auditing, accounting and consulting services in the governmental sector. Over twenty thousand hours per year are devoted to this area of our practice for over 100 governmental units including cities, successor agencies, special districts, nonprofit corporations and joint power authorities.

RANGE OF ACTIVITIES

White Nelson Diehl Evans LLP is a full service CPA firm. We offer a broad range of services, including:

| | |
|-------------------------------|-------------------------------------------|
| Certified Audits | Tax Planning and Consulting |
| Compilations and Reviews | Income Tax Preparation and Representation |
| Agreed-Upon Procedure Reviews | Consulting Services |
| Financial Services | Litigation Support Services |

Our specific services available to governmental agencies are more fully set forth in this proposal.



PARTICIPATION IN "QUALITY REVIEW" PROGRAMS

In July 2012, our firm underwent a quality review, by an independent CPA firm, under provisions of the AICPA Quality Review Program. This review is required every three years and covered our audits of governmental agencies. A final report dated August 3, 2012 with a pass rating on our systems and procedures was received. A copy of the independent CPA firm's report is included herein at Attachment II. Accordingly, we are confident that our current auditing standards and techniques meet all existing requirements.

No regulatory action has ever been taken against any office of our firm due to substandard work. We had no significant deficiencies noted in any federal or state desk reviews over the past three years.

EDUCATION PROGRAMS

White Nelson Diehl Evans LLP has a formal continuing education program. All firm auditors are required to obtain 80 hours of continuing education every two years in the accounting and auditing area as required by Government Auditing Standards, and at least 24 hours of government related continuing education courses. Our staff is continually expanding their knowledge of the governmental industry through our in-house training programs, programs offered by the AICPA, GFOA, the California Society of Certified Public Accountants and other professional organizations, and through on-the-job training.

Noted below is a description of certain in-house education courses taken by our partners and staff to meet the governmental continuing education requirements. All personnel involved with governmental auditing are required to attend these courses.

- Understanding the Risk Assessment Standards
- Understanding of GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments
- Understanding, and Auditing, Deposits and Investments of California Governmental Units
- Understanding GASB Statements 43 and 45 related to Other Post Employment Benefits
- Reviews of Internal Controls in Accordance With Statements on Auditing Standards
- Assessing Audit Risk and Materiality in Conducting An Audit
- Consideration of Fraud in a Financial Statement Audit
- Computer Auditing in the Governmental Environment
- The Single Audit - New Provisions under OMB Circular A-133
- Laws and Regulations in the Government Sector
- Understanding GASB Statement 54 related to Fund Balance Reporting and Governmental Fund Type Definitions
- Understanding GASB Statement 65 related to reporting of Deferred Outflows and Deferred Inflows of Resources
- Understanding the new GASB Pension Standards



PARTICIPATION IN PROFESSIONAL ORGANIZATIONS

Our partners and staff are actively involved in professional organizations in the governmental accounting field. Noted below is a summary of our participation in various national and California governmental organizations.

AICPA

Our firm is a member of the AICPA Governmental Audit Quality Center. The Center is a firm-based voluntary membership Center whose primary purpose is to promote the importance of quality governmental audits to purchasers of governmental audit services. The Center provides members with an online forum tool for sharing best practices, as well as discussions on audit, accounting, and regulatory issues. As a member of the Center, the firm receives updates on changes in auditing and accounting standards that effect governmental audits. The quality control partner is required to attend an annual web cast to discuss auditing and reporting issues effecting governmental audits. Our firm uses the resources of the Center to maintain the quality of our governmental audits.

GFOA, GASB and FASB

Our firm is an associate member of the Government Finance Officers Association of the United States and Canada (GFOA).

Also, we have web based access to the latest pronouncements issued by the Governmental Accounting Standards Board (GASB) and the Financial Accounting Standard Board (FASB), including Interpretations, Technical Pronouncements and Newsletters. We regularly analyze these pronouncements and advise our governmental clients of changes in accounting rules.

CSMFO

Our Irvine office partners and our Director of Consulting Services are associate members of the California Society of Municipal Finance Officers (CSMFO). Our personnel regularly attend local CSMFO chapter meetings throughout Southern California, and the annual statewide conference. We often provide public speakers for these meetings.

CSCPA

Several partners and principals of the firm have been members of the Governmental Accounting and Auditing (GAA) Committee of the Orange County Chapter of the California Society of Certified Public Accountants (CSCPA). Mr. Patel, Mr. Ludin and Mr. Morgan have each served as chairman of this committee. Firm personnel have been involved over the years in preparing position papers issued for professional organizations on governmental accounting matters. Currently, Mr. Patel and Mr. Callanan are members of the State Governmental Accounting and Auditing Committee.



GFOA AWARD PROGRAM

The partner and manager will be involved in all phases of report preparation or review. Reporting checklists will be used to assure compliance with all reporting requirements. In addition, another member of the firm, not associated with the audit, and with extensive governmental auditing and accounting experience, will review each financial statement audited and related reports. Based on the high quality of our review process, we have been able to assist various clients in obtaining the GFOA "Certificate of Achievement for Excellence in Financial Reporting". The recent clients that have received the award are:

Cities:

Alhambra
Bellflower
Beverly Hills
Burbank
Camarillo
Campbell
Colton
Costa Mesa
Cypress
Del Mar
Downey
Fountain Valley
Goleta
Highland
Lake Forest
Lakewood
Lancaster
Newport Beach
Palm Desert
Pico Rivera
Port Hueneme

Cities (Continued):

Rancho Palos Verdes
Rancho Santa Margarita
San Buenaventura
San Gabriel
Sanger
Signal Hill
Stanton
Tustin
West Covina
West Hollywood
Westminster

Special Districts:

Costa Mesa Sanitary District
Inland Empire Utilities Agency
Las Virgenes Municipal Water District
Olivenhain Municipal Water District
Otay Water District
Rancho California Water District
Santa Ana Watershed Project Authority
Yorba Linda Water District



COMPUTER AUDITING CAPABILITIES

White Nelson Diehl Evans LLP uses technology to make the audit process more effective. We utilize a paperless audit software, ProSystem fx Engagement, which allows us to manage our audit documentation electronically. Some of the benefits of paperless audit are:

- Receive the City's schedules in either hard copy or electronic format.
- Import and integrate trial balance data from virtually any accounting system. We avoid the time and expense of keying in account numbers, descriptions and account balances. We simply take your electronic trial balance and import it directly into our audit software.
- Create our own lead sheets, which can include prior year balances. This helps us to easily identify significant fluctuations between fiscal years.
- CAFR schedules are linked to trial balances. CAFR is updated automatically for any last minute journal entries, if any.

Our approach includes using IDEA (Interactive Data Extraction and Analysis) which is a data analysis software that can be used to analyze large amounts of information. It allows the firm to extract data from the City's accounting records to tailor specific audit tests based on risk assessments. Some audit procedures that IDEA can be utilized for are:

- Mechanical accuracy of worksheets or general ledgers.
- Exception and gap/completeness testing for missing check numbers.
- Cross checking different data bases for common information such as employee names.
- Duplicate testing of invoice numbers.
- Completeness of general ledger balances.

The firm also has document management software which allows our clients to access our web portal. We utilize the web portal to transfer data files that are confidential or too large to be sent by e-mail.



PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

AUDIT TEAM

The audit team assembled consists of individuals who have extensive experience auditing governmental agencies and are familiar with municipal accounting. In addition, each team member's skill and experience developed working in other industries our firm serves can be applied to the individual requirements of the City of Moreno Valley.

The personnel assigned to the engagement team are as follows:

The engagement partner will be Mr. Robert J. Callanan, CPA. Mr. Callanan has over 25 years of experience with audits of local governments. He will be involved with all phases of the audit including (a) the planning phase of the audit to assess risks related to the audit (b) a final review of all the work papers and financial reports, and (c) attending any meetings with City's management and City council at the conclusion of the audit. He will be responsible for assuring that all work for the City is performed in a complete and timely manner.

Mr. Nitin P. Patel, CPA, will be the Technical Review Partner and will perform a quality review of all reports issued in connection with the audit. Mr. Patel has over 29 years of experience with audits of local governments. He will also consult on the accounting treatment of unusual transactions or audit issues.

Ms. Kassie Radermacher, CPA, will serve as the audit manager. Ms. Radermacher has over 10 years of experience with audits of local governments. She will be the primary contact for the City and related audits. She will (a) perform the initial review of the work papers including a review of the work completed related to internal controls, (b) supervise the completion of the financial reports and management letter and (c) assist in the audit of any complex or unusual audit areas.

The audit supervisor will be Mr. Joseph Ludin, CPA. Mr. Ludin has over 6 years of public accounting experience. He will be on-site supervising staff accountants and performing the fieldwork including performing tests of internal controls, substantive tests of account balances, and analytical tests. He will also draft the financial statements and various reports required for this engagement.

Resumes for the above partners and personnel are included at pages 9 through 12.

COMMITMENT RELATED TO PERSONNEL

We make a commitment to retain the same personnel on the City from year to year, except where such personnel leave the firm, or where the change is approved by the City. If a staff member is replaced, we make a commitment to replace that person with staff of at least equal experience.

NONDISCRIMINATION POLICY

Our firm has a policy to provide equal employment opportunities to all qualified persons without regard to race, color, age, sex, religion, national origin or handicap.



ROBERT J. CALLANAN, CPA**Position**

Engagement Partner

Education

Aquinas College, Grand Rapids, Michigan
 Bachelor of Arts, Business Administration, 1988
 Bachelor of Science, Accounting, 1988

Licensing

Certified Public Accountant in California since 1993

Professional Organizations

American Institute of Certified Public Accountants - Member
 California Society of Certified Public Accountants - Member
 California Society of Municipal Finance Officers (CSMFO) - Associate Member
 California Governmental Accounting and Auditing Committee Member

Range of Experience

Twenty-five years with the firm specializing in governmental audit, accounting and consulting services.

Two years of experience as Chief Financial Officer of a mortgage lending corporation.

Responsible for the firm's in-house governmental accounting and auditing training programs.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Mr. Callanan was the engagement partner on the following local government audits in 2014:

Cities:

Camarillo
 Campbell
 Del Mar
 Hawaiian Gardens
 Oxnard
 Pico Rivera
 Rancho Santa Margarita
 San Buenaventura

Special Districts:

Laguna Beach County Water District
 Pico Rivera Water Authority
 Pomona-Walnut-Rowland Joint Water
 Line Commission
 Rowland Water District
 Sunset Beach Sanitary District
 Surfside Colony Stormwater Protection District
 Surfside Community Services District
 Ventura Port District

Continuing Professional Education

Total hours were 202 in the last three years, of which 179 hours were for meeting the requirements of the Government Audit Standards.



NITIN P. PATEL, CPA**Position**

Technical Review Partner

Education

University of California at Irvine
 Bachelor of Arts in Economics
 California State University at Long Beach
 Masters of Accounting Program

Licensing

Certified Public Accountant in California since 1988

Professional Organizations

American Institute of Certified Public Accountants
 California Society of Certified Public Accountants
 California Society of Municipal Finance Officers (CSMFO) - Associate Member
 Governmental Accounting and Auditing Committee of Orange County - Committee Chairman (2001-2002)
 California Governmental Accounting and Auditing Committee Member

Range of Experience

Has been with the firm since 1986 with emphasis in governmental accounting and financial reporting and is responsible for firm's in-house governmental accounting and auditing training programs.

Experience includes supervision of over one hundred audits of governmental agencies including cities, successor agencies/redevelopment agencies, non-profit corporations, joint powers authorities and special districts.

CSMFO Report Reviewer for Award Program.

GFOA Report Reviewer for Award Program - Certificate of Achievement for Excellence in Financial Reporting.

Other experience includes providing consulting services for governmental agencies including special internal control reviews, cost allocation plans, cable television rate reviews, reviews of City Treasurer operations and transient occupancy tax reviews of city hotels/motels.

Mr. Patel was the engagement partner on the following local government audits in 2014:

Cities:

Alhambra
 Artesia
 Bellflower
 Burbank
 Colton
 Costa Mesa
 Cypress
 Gilroy
 Lake Forest
 Newport Beach
 Palm Desert
 Port Hueneme
 Rialto
 San Gabriel
 Stanton

Cities (Continued):

West Hollywood
 Westminster

Special Districts:

Chino Basin Desalter Authority
 Costa Mesa Sanitary District
 Cypress Recreation and Park District
 Inland Empire Regional Composting Authority
 Inland Empire Utilities Agency
 La Habra Heights County Water District
 La Puente Valley County Water District
 Orchard Dale Water District
 Rancho California Water District
 South Coast Water District
 Yorba Linda Water District

Continuing Professional Education

Total hours were 191 in the last three years, of which 168 hours were for meeting the requirements of the Government Audit Standards.



KASSIE RADERMACHER, CPA**Position**

Audit Manager

**Education**

West Virginia University

Masters of Professional Accountancy, 2005

Bachelor of Science, 2003

Licensing

Certified Public Accountant in California since 2010

Certified Public Accountant in Virginia since 2006

Professional Organizations

California Society of Certified Public Accountants (CSCPA)

Range of Experience

Ms. Radermacher has been with the firm since June 2009. Ms. Radermacher has performed all phases of local governmental audits including cities, successor agencies/redevelopment agencies, single audit of federal grants, special districts, compliance audits and agreed-upon procedures engagements. As an audit manager, she is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants and preparation of financial statements. Ms. Radermacher served as the Audit Manager on the following local government audits in 2014:

| | |
|--------------------------------|-------------------------------------------------|
| City of Artesia | La Puente Valley County Water District |
| City of Bellflower | Lake Elsinore & San Jacinto |
| City of Cypress | Watersheds Authority |
| City of Del Mar | Local Agency Formation Commission (LAFCO) - |
| City of Fountain Valley | Orange County |
| City of Lake Forest | Orchard Dale Water District |
| City of Newport Beach | Orange County Vector Control District |
| City of Rancho Santa Margarita | Pico Water District |
| City of Rialto | Santa Ana Watershed Project Authority |
| City of San Gabriel | Sunset Beach Sanitary District |
| City of Stanton | Surfside Colony Community Service District |
| | Surfside Colony Storm Water Protection District |
| | Yorba Linda Water District |

Prior to joining the firm, Ms. Radermacher was senior in-charge of compilations, reviews, single audits, and financial audits for non-profit and business clients with Rager, Lehman & Houck, P.C. in Frederick, MD. She was also responsible for educating and monitoring the staff.

Continuing Professional Education

Total hours were 193 in the last three years, of which 181 hours were for meeting the requirements of the Government Audit Standards.



JOSEPH LUDIN, CPA**Position**

Audit Supervisor

Education

California Polytechnic, San Luis Obispo, California
 Bachelor of Business Administration and Marketing, 2001

Licensing

Certified Public Accountant in California since June 2013

Range of Experience

Mr. Ludin has been with the firm since July 16, 2009. Mr. Ludin has performed all phases of local governmental audits including cities, successor agencies/redevelopment agencies, single audit of federal grants, special districts, compliance audits and agreed-upon procedures engagements. As an audit supervisor, he is involved with planning the audit, performing fieldwork for all aspects of the audit, supervising staff accountants and preparation of financial statements. Mr. Ludin served as the Audit Supervisor on the following local government audits in 2014:

| | |
|-------------------------|----------------------------------------------------|
| City of Camarillo | La Habra Heights County Water District |
| City of Costa Mesa | Midway City Sanitary District |
| City of Del Mar | Rancho California Water District |
| City of Fountain Valley | Surfside Colony Community |
| City of West Covina | Services District |
| City of West Hollywood | Surfside Colony Storm Water Protection District |

In recent years, Mr. Ludin has also been involved with the following governmental clients:

| | |
|--------------------------|--------------------------------|
| City of Avalon | City of Lake Elsinore |
| City of Downey | City of San Buenaventura |
| City of Goleta | City of Sanger |
| City of Huntington Beach | City of Westminster |
| City of Irvine | Sunset Beach Sanitary District |
| City of La Habra Heights | |

Continuing Professional Education

Total hours were 120 in the last three years, of which 112 hours were for meeting the requirements of the Government Audit Standards.



FIRM EXPERIENCE WITH GOVERNMENTAL ENTITIES

SIMILAR ENGAGEMENTS WITH OTHER MUNICIPAL ENTITIES

Your request for proposal called for a maximum of five similar engagements, ranked by total staff hours. These are set forth below:

| <u>City</u> | <u>Engagement Partner</u> | <u>Total Staff Hours</u> | <u>Scope of Work</u> |
|------------------|---------------------------|--------------------------|-----------------------------------------------------------------------------------|
| Oxnard | Callanan | 935 | City, other component units and Single Audits |
| Lancaster | Callanan | 805 | City and Single Audits; State Controller's Reports for City and Power Authority |
| San Buenaventura | Callanan | 770 | City, RDA Public Financing Authority and Single Audits; State Controller's Report |
| Camarillo | Callanan | 370 | City, RDA and Single Audits |
| Alhambra | Patel | 365 | City, RDA, Joint Powers Authority and Single Audits; State Controller's Report |

Certified audits were performed on the financial statements of all of these cities and their component units for the past year.

Client references for these cities are included below.

City of Oxnard
Mr. David Millican
Interim CFO (Consultant)
805-385-7475

City of Lancaster
Ms. Barbara Boswell
Finance Director
661-723-6035

City of San Buenaventura
Mr. Rudy Livingston
Assistant CFO
805-654-7859

City of Camarillo
Mr. Ronnie Campbell
Finance Director
805-388-5320

City of Alhambra
Mr. Paul Espinoza
Finance Director
626-570-5027

A complete list of similar engagements for the past five years is included in Attachment I of this proposal.

CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our clients over the past year. We are including the names and phone numbers of the city clients as presented in Attachment I of this proposal. We encourage you to contact any of these individuals and verify our level of service.



ENTERPRISE FUND EXPERIENCE

Most cities audited by our firm have a water utility enterprise fund. Noted below is a partial listing of other enterprise funds audited by our firm in recent years:

| <u>City</u> | <u>Enterprise</u> |
|---------------------|------------------------------------------------------------------------------------------------------------------------|
| Alhambra | Water, Sewer, Storm Drain, Sanitation, Golf Course |
| Avalon | Harbor, Sewer, Saltwater, Solidwaste, Hospital |
| Bellflower | Water |
| Beverly Hills | Water, Solidwaste, Wastewater, Stormwater |
| Burbank | Water Reclamation, Sewer, Golf, Electric Utility Water Utility, Refuse Collection and Disposal |
| Camarillo | Water, Sanitary, Solidwaste, Transit |
| Colton | Electric Utility, Water Utility, Wastewater Utility |
| Cypress | Sewer |
| Del Mar | Water, Wastewater, Cleanwater |
| Downey | Water, Sewer, Golf Course, Transit System |
| Fountain Valley | Water, Solidwaste |
| Gilroy | Water, Sewer |
| Hesperia | Water, Sewer |
| Lakewood | Water |
| Lancaster | Power Authority |
| Newport Beach | Water, Sewer |
| Oxnard | Water, Wastewater, Environmental Resource, Performing Arts and Convention Center, Housing Authority, Golf Course |
| Palm Desert | Golf Course |
| Pico Rivera | Water, Sports Arena, Golf |
| Port Hueneme | Water, Wastewater, Solidwaste, Housing |
| Rancho Palos Verdes | Water Quality Flood Protection |
| Rialto | Airport, Cemetery, Recreation, Wastewater, Water |
| San Buenaventura | Water, Sewer |
| Sanger | Water, Sewer, Disposal, Ambulance |
| Signal Hill | Water |
| Stanton | Sewer |
| Tustin | Water |
| West Covina | Simulator, Computer |
| West Hollywood | Sewer District, Sewer Charge, Solid Waste, Landscape District and Street Maintenance |
| Westminster | Water |

SINGLE AUDIT EXPERIENCE

We perform single audit services for most of our cities and special districts that receive federal funds as required by OMB Circular A-133. In recent years, Single Audits were performed for the following cities and special districts.

Cities:

| | |
|--------------------------|--------------------------------|
| City of Alhambra | City of Lakewood |
| City of Artesia | City of Lancaster |
| City of Bellflower | City of Newport Beach |
| City of Beverly Hills | City of Oxnard |
| City of Burbank | City of Palm Desert |
| City of Camarillo | City of Pico Rivera |
| City of Campbell | City of Port Hueneme |
| City of Colton | City of Rancho Palos Verdes |
| City of Costa Mesa | City of Rancho Santa Margarita |
| City of Cypress | City of Rialto |
| City of Del Mar | City of San Buenaventura |
| City of Downey | City of San Gabriel |
| City of Fountain Valley | City of Sanger |
| City of Gilroy | City of Signal Hill |
| City of Goleta | City of Stanton |
| City of Hawaiian Gardens | City of Tustin |
| City of Hesperia | City of West Covina |
| City of Highland | City of West Hollywood |
| City of La Habra Heights | City of Westminster |
| City of Lake Forest | |

Special Districts:

Inland Empire Utilities Agency
 Las Virgenes Municipal Water District
 Olivenhain Municipal Water District
 Rancho California Water District
 Valley Wide Recreation and Park District

EXPERIENCE WITH PREPARATION OF STATE-MANDATED REPORTS

We have experience with the preparation of various state-mandated reports, such as the State Controller's Report and the Annual Street Report. Specifically, with regard to cities, we have prepared the state mandated reports, in recent years, for the Cities of Alhambra, Avalon, Bellflower, Colton, Del Mar, Goleta, La Habra Heights, Lancaster, Pico Rivera, Rancho Palos Verdes, San Buenaventura, Sanger, Tustin and West Hollywood.



SPECIAL DISTRICTS

Noted below is a listing of special districts audited by our firm in recent years:

| | |
|---------------------------------------------------------|-------------------------------------------------|
| Borrego Water District | Olivenhain Municipal Water District |
| Chino Basin Desalter Authority | Orange County Vector Control District |
| Costa Mesa Sanitary District | Orchard Dale Water District |
| Cypress Recreation and Park District | Otay Water District |
| Downey Cemetery District | Padre Dam Municipal Water District |
| El Toro Water District | Rancho California Water District |
| Grossmont Healthcare District | Rowland Water District |
| Heber Public Utilities District | Santa Ana Watershed Project Authority |
| Inland Empire Regional Composting Authority | South Coast Water District |
| Inland Empire Utilities Agency | South County Regional Wastewater Authority |
| La Habra Heights County Water District | Sunset Beach Sanitary District |
| La Puente Valley County Water District | Surfside Colony Stormwater Drainage District |
| Laguna Beach County Water District | Surfside Community Services District |
| Lake Elsinore and San Jacinto Joint Powers Authority | Vallecitos Water District |
| Las Virgenes Municipal Water District | Valley Wide Recreation and Park District |
| Leucadia Wastewater District | Ventura Port District |
| Midway City Sanitary District | Yorba Linda Water District |

NONPROFIT CORPORATIONS AND JOINT POWER AUTHORITIES

Noted below is a partial listing of nonprofit corporations and joint power authorities audited by our firm over the past year. Some of these entities are "component units" which are combined into the basic financial statements of governmental organizations which exercise oversight responsibility.

| | |
|-----------------------------------------------------|------------------------------------------------------|
| Anaheim District of the Churches of the Nazarene | Pomona-Walnut-Rowland Joint Water Line Commission |
| Cal State L.A. Metrolink Authority | Public Cable Television Authority |
| California Transplant | The RARE Project |
| Casa de las Campanas | Trinity Youth Services |
| Casa Romantica Cultural Center | United Cerebral Palsy Association |
| Child Abuse Prevention Center | Valencia Heights Water Company |
| Palm Desert Recreational Facilities Corporation | Westview Services, Inc. 403(b) Plan |

SCOPE OF WORK, TIMING AND AUDIT APPROACH

ENTITIES TO BE INCLUDED IN AUDIT

City of Moreno Valley
 Moreno Valley Community Services District
 Successor Agency of Moreno Valley

REPORTS TO BE ISSUED AND DUE DATES

| | <u>Draft Due Dates</u> | <u>Final Due Dates</u> |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------|----------------------------|
| City of Moreno Valley: | | |
| Comprehensive Annual Financial Report | November 20 | December 11 |
| Management Letter | November 20 | December 11 |
| Audit Committee Letter | November 20 | December 11 |
| Report on Compliance with Article XIII B Appropriation Limit (GANN Limit) | November 20 | December 11 |
| Single Audit Reports: | December 4 | December 18 |
| <ul style="list-style-type: none"> • Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>. • Independent Auditors' Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by OMB Circular A-133 and on the Schedule of Expenditures of Federal Awards. | | |
| Child Care Program Audit Report | October 2 | October 9 |



AUDIT TIMING

Assuming that the City's books are closed and ready for examination and that all necessary schedules and documents are available for our use by September 30th each year, the suggested time schedule for the various phases of the audit would be approximately as follows:

| | <u>Completed By</u> |
|----------------------------------------------------------------------------------------------------------------------|---------------------|
| Entrance conference with key City staff. Discussion of any prior audit concerns and the performance of interim work. | May |
| Interim audit fieldwork and management review | April/May |
| Audit plan and list of schedules to be prepared by City staff | June |
| Final audit fieldwork and management review | September/October |
| Exit conference to summarize the results of the fieldwork and to review significant findings | October |
| Deliver draft copies of reports | See page 17 |
| Deliver Final Reports | See page 17 |

COMMITMENT TO DELIVER REPORTS ON A TIMELY BASIS

If all books and records, schedules and documents are made available to us by September 30th, we make a commitment to have audit team members available and to provide all reports by the due dates specified above.

AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS

We will audit the financial statements of the City and the component units noted on the preceding page. The financial statements of all entities where the City exercises oversight will be combined with the City's financial statements, in accordance with GASB requirements. Our audit will be in accordance with auditing standards generally accepted in the United States of America as set forth by the AICPA, and will include such auditing procedures as we consider necessary under the circumstances. We will apply certain limited procedures, which consist principally of inquiries of management regarding methods of measurement and presentation of required supplementary information. However, we do not audit such information and do not express an opinion on it. Any supplemental financial statements will be subjected to auditing procedures as we consider necessary in relation to the financial statements taken as a whole. The scope of our audit will not include any statistical information, and we will not express an opinion concerning it.



AUDITS TO BE IN ACCORDANCE WITH GAAS AND OTHER REQUIREMENTS (CONTINUED)

Our audits will conform with the guidelines set forth in the AICPA's Industry Audit Guide, Audits of State and Local Governmental Units. Also, each examination will comply with the standards for financial and compliance audits contained in the Government Auditing Standards, issued by the U.S. General Accounting Office, the provisions of the Single Audit Act and the provisions of the U.S. Office of Management and Budget (OMB) Circular A-133.

Also, we will perform an agreed-upon procedures review of the City's Gann Spending Limitation Computation as required by Section 1.5 of Article XIII B of the California Constitution. Our review will be performed in conformance with the provision of the "League of California Cities Uniform Guidelines".

AUDIT APPROACH

- Our audit approach is tailored to meet the technical requirements while maintaining professional skepticism without forgetting that we provide a service. The following aspects of our audit approach will add additional value to the audit services and minimize the amount of time spent by the City's staff in dealing with the audit.
- We will assign experienced staff auditors including the in-charge field auditor having at least 3 years of experience. For first year engagements, all other staff will have at least 1 year of experience. You will not spend time training our auditors.
- Whenever possible, we will use same format for audit supporting schedules used in prior years for the current year audit. This will reduce time spent by the City staff in dealing with the audit when a different audit firm is chosen.
- Throughout the year we are available as a resource to our clients in researching technical questions, dealing with new pronouncements, reviewing complex financial entries and helping with any other issues as they arise.
- The work papers will be reviewed by the manager or partner as field work is being completed to minimize additional questions after the fieldwork is completed.

Our firm uses a governmental audit program which will be modified to the City of Moreno Valley's operations to accommodate specific client circumstances. Our audit programs are organized by the financial statement approach and general procedures. The requirements by the Standards for assessing risk are utilized to modify the audit programs to focus on the higher risk areas of the financial statements.



AUDIT APPROACH (CONTINUED)

1. Audit Planning Procedures and Interim Fieldwork:

Gather information about the City and its environment, including internal control:

- Preaudit conference with the City to establish process of communication between the audit team and City staff.
- Establish scope of working and timing of fieldwork.
- Evaluate the design of internal controls that are relevant to the audit and determine whether the control, either individually or in combination is capable of effecting, preventing or detecting and correcting material misstatements.
- Determine that the controls have been implemented, that is, that the controls exist and that the City is using it.
- Specific areas to review include:
 - Accounts payable/cash disbursements
 - Accounts receivable/cash receipts
 - Payroll disbursements
 - Utility billing process
 - Investment compliance
 - Property and equipment
- Review of minutes of the City of Moreno Valley.
- Review of important contracts and debt agreements.

2. Final Audit Work:

During the final audit work, we will assess "risk" of material misstatement based on understanding of the City's audit environment, including its internal control, to identify account balances to audit that appear in the City's financial statements. Our work may include:

- Confirmation of cash and investments balances and testing of bank reconciliations.
- Confirm significant receivable balances or review subsequent cash receipts to verify receivable balance.
- Search for unrecorded liabilities.
- Testing of interfund balances and transfers.
- Test capital asset additions and depreciation expense.
- Confirm long-term debt balances and review the accounting treatment of debt issued or refunded.
- Test support for other significant assets or liabilities.
- Analytical procedures on balance sheet and revenue and expenditure accounts, to evaluate and explain unusual fluctuations from prior year balances or current year budgeted amounts.
- Review of attorney letters for significant legal matters affecting the City's financial position.

The audit workpapers will be reviewed by our management team as the work is being performed in the field so that at the conclusion of the fieldwork we are able to report any adjustments or findings. An exit conference will be held to review any significant adjustments or findings.

AUDIT APPROACH REDEVELOPMENT AGENCY/SUCCESSOR AGENCY

Recent legislation related to the dissolution of Redevelopment Agencies will impact our audit approach as detailed below.

Our procedures will include:

- Audit the balances reported for cash, investments, receivables, payables, capital assets and long term liabilities as of end of the year.
- Review the activity reported on ROPS.
- Review the activities of the Successor Agency to ensure compliance with AB 26, AB 1484 and other relevant legislation enacted.

APPROACH TO INTERNAL CONTROL

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Our understanding of the internal controls will be completed by completing narratives and checklists for various processes related to internal control. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to Government Auditing Standards.

As required by OMB Circular A-133, we will perform tests of controls over compliance to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with compliance requirements applicable to each major federal award program. However, our tests will be less in scope than would be necessary to render an opinion on those controls and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to OMB Circular A-133.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards, Government Auditing Standards, and OMB Circular A-133.



SINGLE AUDIT APPROACH

The single audit will be performed in accordance with all the requirements of the Single Audit Act Amendments of 1996, OMB Circular A-133 and Government Auditing Standards issued by the GAO (the "Yellow Book") for cities that expend greater than \$500,000 in federal awards in fiscal year 2014-2015 and greater than \$750,000 for fiscal year 2015-2016 and subsequent years.

- We will identify the Major and Nonmajor Federal Programs of the City through the risk-based approach required by OMB Circular A-133. This approach includes consideration of current and prior audit experience, oversight by Federal agencies and pass-through entities, and the inherent risk of the federal program.
- We will review all federal and industry-specific publications and guidance and inform the City of any recent changes.
- We will perform tests of controls to evaluate the effectiveness of the design and operation of controls that we consider relevant to preventing or detecting material noncompliance with applicable compliance requirements. If weaknesses in the internal controls are noted, we will modify our audit program as needed.
- Our audit will include tests of transactions related to major federal award programs for compliance with applicable compliance requirements and certain provisions of laws, regulations, contracts and grant agreements. Beginning in fiscal year 2015-2016, we will test compliance with the "Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards" (also known as the OMB Super Circular).
- Our procedures will consist of the applicable procedures described in the OMB Circular A-133 "Compliance Supplement" for the types of compliance requirements that could have a direct and material effect on each of the City's major programs. The purpose of those procedures will be to express an opinion on the City's compliance with requirements applicable to major programs in our report on compliance issued pursuant to OMB Circular A-133.
- We will assist the City in completing and filing the Data Collection Form.

DETERMINING LAWS AND REGULATIONS SUBJECT TO AUDIT

Under provisions of AICPA Auditing Standards, management of the City is responsible for identifying to its outside auditors any laws and regulations which would have a significant effect on the audit. This would include federal laws (such as federal grant regulations), State laws (such as permitted investments under the California Government Code) and local laws (such as restrictions on special revenues levied by the City). After our selection as auditors, we will consult with City officials regarding these matters, to determine what laws and regulations need to be evaluated in connection with our audit. If a City is not able to identify specific laws and regulations that effect it, we have references (California Government Code and Health and Safety Code) to the more common laws, rules and regulations in our standard audit programs for the usual activities of a California City or Successor Agency to the Redevelopment Agency which will assist us in identifying laws and regulations to review in the audit.



METHOD OF SAMPLING

Our approach is to utilize random sampling based in our testing of the internal control systems related to cash receipts, cash disbursements, payroll and utility billings. Based on a statistical conclusion used by the firm our sample sizes can range from 25 to 60 transactions for each system. A random sample selection allows each item in the population of an equal chance of being selected. In addition, for disbursements, we may select a stratified sample of all transactions over a specified dollar amount for review.

ANALYTICAL PROCEDURES

Analytical procedures are used in the planning and final stages of the audit. In the planning phase, we use analytical procedures to identify unusual financial transactions and comparing relationships to expected results. We compare current year information to the prior years for balance sheet items, revenues and expenditures. In addition, revenues and expenditures are compared to budgets to identify unexpected results. In the final stages of the audit, the financial statements are reviewed to identify expected relationships such as comparing debt paid to expenditures recorded on governmental funds, transfers between funds, depreciation expense, etc. For all significant relationships identified, explanations are obtained as to why the situation occurred and additional audit procedures are applied to resolve any concerns.

MANAGEMENT LETTERS

In connection with each audit, a complete review of internal controls will be made of all significant accounting procedures. Our firm uses an internal control questionnaire, computer systems questionnaire and narration to gain an understanding of the internal control process as part of our audit. We will identify weaknesses and after discussion with the appropriate City staff, we will submit a management letter which will identify weaknesses observed during these reviews and throughout the audit. The management letter will also assess the effect of the management letter comments on the financial reporting process and recommend steps towards eliminating the weaknesses.

POTENTIAL AUDIT PROBLEMS

We do not anticipate any significant potential audit problems. If any potential audit problems are identified, we will immediately discuss them with the City's management. Our approach is to coordinate the resolution of any problems with the City's management. Considering our experience with auditing governmental entities and resources, we expect minimal disruption to the City's management in resolving any identified audit problems.

RETENTION OF AND ACCESS TO AUDIT WORKPAPERS

In accordance with provisions of OMB Circular A-133, GAO requirements, and the California Board of Accountancy, our audit workpapers will be maintained for at least seven years after the date of the report. These workpapers will be made available as necessary to your cognizant audit agency (or its designee), to GAO representatives, or to any other federal or state agency needing access to the workpapers. Also, our firm will respond to any reasonable inquiries of successor auditors and we will allow any successor auditors to review our workpapers.



G.4.e

Attachment: WhiteNelsonDiehlEvans1 (2142 : PROFESSIONAL SERVICES AGREEMENT WITH

Packet Pg. 1096

OTHER PROFESSIONAL SERVICES

We will be available for any other professional assistance you require to research and answer accounting and reporting problems raised by the City, regardless of the time of year. Such assistance may include, but is not limited to, tax questions, the review of bond documents, cost allocation programs and employee benefit programs. We have provided several tax opinions to City audit clients for matters relating to deferred compensation, fringe benefits, stipends and allowances, and other issues. We also will keep the City informed of new developments affecting municipal finance and reporting, changes in grant rules and regulations, etc.

IRREGULARITIES AND ILLEGAL ACTS

We will make an immediate, written report of all irregularities, illegal acts or indications of illegal acts of which we become aware, to the following parties: the City Council of the City of Moreno Valley, the City Manager, the City Attorney and the Chief Financial Officer.

SEGMENTATION OF THE AUDIT HOURS, BY PARTNER AND STAFF LEVEL

| Description of Services | Partners | Manager | Supervisory | | | Total |
|------------------------------------------------------------|-----------|-----------|-------------|------------|-----------|------------|
| | | | Staff | Staff | Clerical | |
| City Audit and Related Reports, including CAFR Preparation | 23 | 50 | 108 | 227 | 16 | 424 |
| GANN Limit Review Report | 1 | 1 | 3 | - | - | 5 |
| CSD Audit and Special Reports | 2 | 4 | - | 24 | 2 | 32 |
| Child Care Grant Audit and Related Reports | 4 | 8 | 16 | 32 | 2 | 62 |
| Single Audit and Related Reports | 3 | 6 | 12 | 37 | 2 | 60 |
| Total Hours | 33 | 69 | 139 | 320 | 22 | 583 |
| Optional Services | | | | | | |
| State Controller's Reports (City and CSD) | - | 2 | - | 40 | - | 42 |

SEGMENTATION OF THE AUDIT HOURS, BY PHASES OF THE AUDIT

| | Partners | Manager | Supervisory | | | Total |
|----------------------------|-----------|-----------|-------------|------------|-----------|------------|
| | | | Staff | Staff | Clerical | |
| Planning | 4 | 8 | 12 | 16 | - | 40 |
| Interim Fieldwork | 8 | 16 | 36 | 100 | - | 160 |
| Final Fieldwork and Review | 21 | 45 | 91 | 204 | 22 | 383 |
| Total Hours | 33 | 69 | 139 | 320 | 22 | 583 |

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DISCUSSION OF RELEVANT ACCOUNTING ISSUES

GASB STATEMENT NO. 68

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, is effective for periods beginning after June 15, 2014. This Statement improves the accounting and financial reporting by state and local governments for pension plans. This Statement replaces the requirements of GASB Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, and GASB Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. Note disclosures and required supplementary information requirements about pensions are also addressed.

GASB STATEMENT NO. 69

GASB Statement No. 69, Government Combinations and Disposals of Government Operations, is effective for government combinations and disposals of government operations occurring in financial reporting periods beginning after December 15, 2013. This Statement establishes accounting and financial reporting standards related to government combinations and disposals of government operations. The term, *government combinations*, includes mergers, acquisitions, and transfers of operations.

GASB STATEMENT NO. 71

GASB Statement No. 71, Pension Transition for Contributions Made Subsequent to the Measurement Date, an amendment of GASB Statement No. 68 are required to be applied simultaneously with the provisions of Statement 68. The requirements of the Statement will eliminate the source of a potential understatement of restated beginning net position and expense in the first year implementation of Statement 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.

IMPLEMENTATION OF GASB STATEMENT NO. 68

Our firm has been involved with providing guidance and assistance to our clients in the implementation of GASB 68. Our partners are members of the State Governmental Accounting Auditing Committee which has collaborated with the CCMA in the development of a CCMA white paper that will provide California-specific guidance for the implementation of GASB 68.

Over the past year, we have provided the following guidance:

- Presented a GASB 68 update at a monthly CSMFO meeting
- Consulted with GASB 68 for specific guidance for employers in regards to establishing separate trusts and the impact of these trusts on the financial statements of the governmental client
- Provided communications to our clients on CALPERS efforts to provide GASB 68 information

For the 2015 audit, we will provide to each client the following guidance:

- Provide assistance in the preparation of the restatement that will recognize the cumulative effect of the retroactive application of GASB 68 to the beginning net position balances as of July 1, 2014.
- Provide guidance in the preparation of any journal entries required for the implementation of GASB 68.
- If applicable, consult with the local agency on the allocation of the GASB 68 liability to proprietary and the private-purpose trust fund.
- We will assist in how to identify the information needed for meeting the requirements of GASB 68 from CALPERS actuarial reports.
- We will inform the local agencies their responsibility in reviewing the census data submitted to CALPERS which is the basis for the GASB 68 liability.
- Provide the local agency of an example note and Required Supplementary Information
- We will perform census data tests required for defined benefit plans.

WORK REQUIRED BY CITY STAFF

Our fixed annual fees contemplate that conditions satisfactory to the normal progress and completion of the examination will be encountered and that City accounting personnel will furnish the agreed-upon assistance in connection with the audit. However, if unusual circumstances are encountered which make it necessary for us to do additional work, we shall report such conditions to the responsible City officials and provide the City with an estimate of the additional accounting fees involved.

Noted below is a listing of work required by City staff to assist in the audit.

1. Technical assistance in familiarizing our staff with:
 - The flow of information through the various departments and accounting systems.
 - Reports generated by your accounting system.
 - The system of internal controls.
 - Controls established to monitor compliance with federal grants.
2. Preparation of trial balances for all funds, after posting of all year end journal entries.
3. Preparation of schedules supporting all major balance sheet accounts, and selected revenue and expenditure accounts.
4. Typing of all confirmation requests.
5. Pulling and refiling of all supporting documents required for audit verification.
6. Assistance with the preparation of the CAFR and footnotes, including:
 - a. Preparation of the introductory section, including the transmittal letter, the management's discussion and analysis, and the statistical section for the CAFR.
 - b. Preparation of the combining statements for inclusion in the CAFR.

CONSULTING SERVICES DEPARTMENT

OVERVIEW OF SERVICES PROVIDED

White Nelson Diehl Evans LLP offers a wide range of consulting services to governmental agencies. This section of our proposal summarizes the primary types of services provided by the firm.

The firm's Director of Consulting Services is Mr. William S. Morgan, CPA. Mr. Morgan has over thirty years of experience in providing accounting, auditing and consulting services to California cities, counties, successor agencies/redevelopment agencies, water districts, special districts, joint power authorities and nonprofit corporations. Many of the firm's consulting projects are planned, supervised and reviewed by Mr. Morgan.

Our firm provides the following types of services:

- Governmental Tax Consulting
- Performance and Operational Studies
- Redevelopment Consulting Services
- Reviews of City Treasurer Operations
- Cable Television and Broadband Consulting Services
- Reviews of Solid Waste Haulers and Assistance With Trash Rate Negotiations
- Litigation Support and Dispute Resolution Services
- Fraud Investigations
- Hotel/Motel Transient Occupancy Tax Reviews
- Business License Operation Reviews

With regard to these engagements, we would intend to perform limited procedures reviews in connection with each assignment, in accordance with the AICPA's attestation standards. Under the provisions of the attestation standards, the City would designate what specific procedures it wishes to have performed. We would then perform those procedures and report on our findings. This type of engagement would not constitute a certified audit in accordance with auditing standards generally accepted in the United States of America. Such special services are not part of our standard fee arrangements and would be subject to a separate fee quotation.



ATTACHMENT I
CURRENT CITY CLIENT REFERENCES
AND
LISTS OF CITY AND SPECIAL DISTRICT ENGAGEMENTS
PERFORMED IN THE LAST 5 YEARS

CURRENT CITY CLIENT REFERENCES

One means of judging the high quality of our auditing and accounting services would be contact with some of our existing clients. We are including the names and phone numbers of our city clients over the past year. We encourage you to contact any of these individuals.

City of Alhambra
Mr. Paul Espinoza
Finance Director
(626) 570-5027

City of Artesia
Ms. Justine Menzel
Deputy City Manager
(562) 865-6249

City of Bellflower
Mr. Tae Rhee
Director of Finance
(562) 804-1424

City of Beverly Hills
Mr. Don Rhoads
Finance Director
(310) 285-2429

City of Burbank
Mr. Dino Balos
Accounting Manager
(818) 238-5518

City of Camarillo
Mr. Ronnie Campbell
Finance Director
(805) 388-5320

City of Campbell
Mr. Jesse Takahashi
Finance Director
(408) 866-2113

City of Colton
Ms. Anita Agramonte
Finance Director
(909) 370-5039

City of Costa Mesa
Ms. Colleen O'Donoghue
Assistant Finance Director
(714) 754-5421

City of Cypress
Mr. Matt Burton
Director of Finance and
Administrative Services
(714) 229-6718

City of Del Mar
Ms. Teresa McBroome
Director of Finance/Treasurer
(858) 755-9354

City of Fountain Valley
Mr. David Cain
Finance Director/Treasurer
(714) 593-4501

City of Gilroy
Ms. Christina Turner
Finance Director
(408) 846-0750

City of Goleta
Ms. Genie Wilson
Finance Director
(805) 961-7527

City of Hawaiian Gardens
Ms. Susan Hartman
Interim Finance Director
(562) 420-2641

City of Hesperia
Mr. Brian Johnson
Director of
Administrative Services
(760) 947-1442

City of Highland
Mr. Chuck Dantuono
Director of Administrative
Services
(909) 864-6861

City of Lake Forest
Mr. Keith Neves
Director of Finance
(949) 461-3400

City of Lancaster
Ms. Barbara Boswell
Finance Director
(661) 723-6035

City of Newport Beach
Mr. Dan Matusiewicz
Director of Finance
(949) 644-3126

City of Oxnard
Mr. David Millican
Interim CFO (Consultant)
(805) 385-7475

City of Palm Desert
Mr. Paul Gibson
Director of Finance
(760) 346-0611

City of Pico Rivera
Mr. Kambiz Borhani
Senior Finance Manager
(562) 801-4395

City of Port Hueneme
Mr. Robert Bravo
Finance Director
(805) 986-6506

City of Rancho Santa Margarita
Ms. Stefanie Turner
Finance Director
(949) 635-1812

City of Rialto
Mr. George Harris, II
Director of Administrative
and Community Services
(909) 421-7219

City of San Buenaventura
Mr. Rudy Livingston
Assistant Chief Financial
Officer
(805) 654-7859

City of San Gabriel
Mr. Thomas Marston
Director of Finance
(626) 308-2812

City of Sanger
Ms. Debby Sultan
Administrative Services
Director
(559) 876-6300

City of Stanton
Mr. Stephen Parker
Administrative Services
Director
(714) 379-9222

City of Tustin
Ms. Pamela Arends-King
Finance Director
(714) 573-3061

City of West Covina
Mr. Dennis Swink
Finance Director
(626) 939-8449

City of West Hollywood
Ms. Lorena Quijano
Accounting Services Manager
(323) 848-6513

City of Westminster
Ms. Sherry Johnson
Accounting Manager
(714) 898-3311

LIST OF CITY ENGAGEMENTS

We have listed below the cities which were under contract with us during the past five fiscal years.

| City | Period of Service | | Scope of Work |
|------------------------|-------------------|---------|-----------------------------------------------------------|
| | From | To | |
| Alhambra | 2005 | Present | CA, RDA, SA, SCR |
| Artesia | 2012 | Present | CA, RDA, SA |
| Avalon | 2006 | 2012 | CA, RDA, OCU, SCR |
| Bellflower | 2013 | Present | CA, SA, SCR, Financing Authority, Public Facilities Corp. |
| Beverly Hills | 2012 | Present | CA, SA |
| Buena Park | 2004 | 2010 | CA, RDA, SA, OCU, SCR |
| Burbank | 2013 | Present | CA, AQMD, SA, Water & Utility Enterprise Fund |
| Camarillo | 2012 | Present | CA, RDA, SA |
| Campbell | 2013 | Present | CA, SA, T, Solid Waste Management Authority |
| Colton | 2014 | Present | CA, SA, SCR, Child Care Program |
| Costa Mesa | 2012 | Present | CA, RDA, PFA, SA, Housing Authority |
| Cypress | 2012 | Present | CA, RDA, RA, SA |
| Del Mar | 2014 | Present | CA, SA, SCR |
| Downey | 1987 | 2013 | CA, RDA, AQMD, PFA, SA, OCU |
| Fountain Valley | 2013 | Present | CA, SA, Housing Authority, Financing Authority |
| Fullerton | 2004 | 2010 | CA, RDA, AQMD, SA, SCR, Cost Allocations |
| Gilroy | 2013 | Present | CA, SA |
| Goleta | 2013 | Present | CA, SA, SCR, SR |
| Hawaiian Gardens | 2012 | Present | CA, RDA, PFA, SA |
| Hesperia | 1997 | Present | CA, RDA, SA |
| Highland | 2012 | Present | CA, SA |
| Irvine | 2000 | 2010 | CA, RDA, AQMD, PP, SA, OCU |
| La Habra Heights | 2008 | 2013 | CA, SA, SCR |
| Lake Elsinore | 2005 | 2012 | CA, RDA, PFA, RA, SA |
| Lake Forest | 2011 | Present | CA, RDA, SA, Housing Authority |
| Lakewood | 1974 | 2013 | CA, RDA, SA |
| Lancaster | 2013 | Present | CA, SA, SCR - City, SCR - Power Authority |
| Los Alamitos | 2008 | 2010 | CA, SA (when required) |
| Newport Beach | 2011 | Present | CA, SA |
| Oxnard | 2013 | Present | CA, SA, OCU |
| Palm Desert | 2008 | Present | CA, RDA, SA, Housing Authority |
| Pico Rivera | 2012 | Present | CA, PFA, SA, SCR, Water Authority |
| Port Hueneme | 2012 | Present | CA, SA, Housing Authority, Surplus Property Authority |
| Rancho Palos Verdes | 2008 | 2012 | CA, RDA, PI, SA, SCR, SR |
| Rancho Santa Margarita | 2012 | Present | CA, SA |
| Rialto | 2013 | Present | CA, SA |
| San Buenaventura | 2011 | Present | CA, RDA, PFA, SA, SCR |
| San Fernando | 2007 | 2011 | CA, RDA, SA |
| San Gabriel | 2013 | Present | CA, SA |
| San Juan Capistrano | 2005 | 2010 | CA, RDA, SA, Community Housing Corp. |
| Sanger | 2011 | Present | CA, RDA, PFA, SA, SCR |
| Signal Hill | 1962 | 2013 | CA, RDA, SA |
| Stanton | 2012 | Present | CA, RDA, SA |
| Tustin | 2011 | Present | CA, RDA, SA, SCR |
| West Covina | 2011 | Present | CA, RDA, AQMD, SA |
| West Hollywood | 2014 | Present | CA, SA, SCR |
| Westminster | 1997 | Present | CA, RDA, AQMD, SA |

Legend:

AQMD - Air Quality Management District Audit

CA - City Audit

OCU - Other Component Unit Audits

PFA - Public Financing Authority

PI - Public Improvement

PP - Pension Plans

RA - Recreation Authority

RDA - Former Redevelopment Agency Audit

SA - Single Audit

SCR - State Controllers' Reports

SR - Street Report

T - Transportation

Substantially all of the above engagements were performed through the firm's Irvine office.

LIST OF SPECIAL DISTRICT ENGAGEMENTS

We have listed below the special districts which were under contract with us during the past five fiscal years.

| Client Name | Period of Service | |
|------------------------------------------------------|-------------------|---------|
| | From | To |
| Borrego Water District | 2006 | 2013 |
| Chino Basin Desalter Authority | 2011 | Present |
| Costa Mesa Sanitary District | 2005 | Present |
| Cypress Recreation and Park District | 2012 | Present |
| Downey Cemetery District | 1987 | 2013 |
| El Toro Water District | 2008 | 2013 |
| Grossmont Healthcare District | 2011 | Present |
| Heber Public Utilities District | 2014 | Present |
| Inland Empire Regional Composting Authority | 2011 | Present |
| Inland Empire Utilities Agency | 2011 | Present |
| La Habra Heights County Water District | 2002 | Present |
| La Puente Valley County Water District | 1986 | Present |
| Laguna Beach County Water District | 2002 | Present |
| Lake Elsinore and San Jacinto Joint Powers Authority | 2013 | Present |
| Las Virgenes Municipal Water District | 2007 | 2013 |
| Leucadia Wastewater District | 2010 | Present |
| Midway City Sanitary District | 2012 | Present |
| Municipal Water District of Orange County | 2007 | 2011 |
| Olivenhain Municipal Water District | 2009 | Present |
| Orange County Vector Control District | 2013 | Present |
| Orange County Water District | 2006 | 2010 |
| Orchard Dale Water District | 2012 | Present |
| Otay Water District | 2009 | 2013 |
| Padre Dam Municipal Water District | 2009 | Present |
| Puente Basin Water Agency | 2005 | 2011 |
| Rancho California Water District | 2012 | Present |
| Rowland Water District | 2007 | Present |
| Santa Ana Watershed Project Authority | 2013 | Present |
| South Coast Water District | 2011 | Present |
| South County Regional Wastewater Authority | 2013 | Present |
| Sunset Beach Sanitary District | 1986 | Present |
| Surfside Colony Stormwater Drainage District | 2010 | Present |
| Surfside Community Services District | 2010 | Present |
| Vallecitos Water District | 2010 | Present |
| Valley Wide Recreation and Park District | 1986 | Present |
| Ventura Port District | 2011 | Present |
| Walnut Valley Water District | 2002 | 2011 |
| Yorba Linda Water District | 2008 | Present |

Substantially all of the above engagements were performed through the firm's Irvine office.

ATTACHMENT II
RESULTS OF OUTSIDE QUALITY REVIEW

**Heidenreich & Heidenreich, CPAs, PLLC**

10201 S. 51st Street, Suite #170
Phoenix, AZ 85044
(480)704-6301 fax 785-4619

System Review Report

August 3, 2012

To the Owners of
White Nelson Diehl Evans, LLP
and the Peer Review Committee of the CA Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP (the firm) in effect for the year ended March 31, 2012. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of White Nelson Diehl Evans, LLP in effect for the year ended March 31, 2012, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. White Nelson Diehl Evans, LLP has received a peer review rating of *pass*.

Heidenreich & Heidenreich

Heidenreich & Heidenreich, CPAs, PLLC

ATTACHMENT III
NON-COLLUSION AFFIDAVIT
(RFP EXHIBIT B)

ATTACHMENT IV
VEDNOR INFORMATION
(RFP EXHIBIT C)

R.F.P 2015-001

EXHIBIT C
VENDOR INFORMATION

PROPOSERS COMPANY INFORMATION (print or type)

Company

Name: White Nelson Diehl Evans LLP

Owner / Manager Name:

Robert J. Callanan, Partner

Mailing Address:

2875 Michelle Drive, Suite 300

City: Irvine State: California

Zip: 92606

Remit To Address (if different from PO mailing address)

City: _____ State: _____

Zip: _____

Web

Site: www.wndecpa.com

Phone Number:

714-978-1300

Fax Number:

714-978-7893

E-mail Address:

rcallanan@wndecpa.com

Incorporated? (circle one) YES or **NO** Federal Tax I.D. # or Social #

FEIN: 33-0686301

How many years of relevant experience within the scope of this RFP? Over 80 years

REFERENCES

| | |
|-----------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name: City of Lancaster Contact Person: Ms. Barbara Boswell Phone: 661-723-6035 | Web Site: www.cityoflancasterca.org e-mail address: bboswell@cityoflancasterca.org |
| Company Name: City of Camarillo Contact Person: Mr. Ronnie Campbell Phone 805-388-5320 | Web Site: www.ci.camarillo.ca.us e-mail address: rcampbell@ci.camarillo.ca.us |
| Company Name: City of Alhambra Contact Person: Mr. Paul Espinoza Phone: 626-570-5027 | Web Site: www.cityofalhambra.org e-mail address: pespinoza@cityofalhambra.org |

I certify that the information given above is accurate and complete; that the Terms and Conditions as issued by the City of Moreno Valley with this Request for Proposal have been fully read, understood, and accepted in total; and that I am a duly authorized agent for quoting purposes for the company named above.

Robert J. Callanan

Robert J. Callanan
(Print Quoting Persons Name)
(Quoting Persons Signature)

(Date) April 9, 2015

Partner

(Title)

**SEALED DOLLAR COST PROPOSAL
FOR THE CITY OF MORENO VALLEY
FOR PROFESSIONAL AUDITING SERVICES
RFP 2015-001**

FOR THE THREE YEARS ENDING JUNE 30, 2017

**(WITH AN OPTION FOR EACH OF THE TWO YEARS
ENDING JUNE 30, 2018 AND JUNE 30, 2019)**



Submitted by:





April 9, 2015

Mr. Richard Teichert
Chief Financial Officer/City Treasurer
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

Dear Mr. Teichert:

At your request, we have submitted our statement of qualifications under a separate cover.

The following information is included herein:

1. Audit Work Multi-Year Cost Proposal.
2. Schedules of Fees and Services for the Audit of the Fiscal Year 2014-15 Financial Statements and Optional Services.
3. Schedule of Billing Rates for Supplemental Services.

By signing below, I am certifying to you that I am entitled to represent the firm, empowered to submit this bid, and authorized to sign a contract with the City. Please contact us if there are any questions regarding the fees or hourly rates quoted herein.

Very truly yours,

WHITE NELSON DIEHL EVANS LLP

Robert J. Callanan, CPA
Engagement Partner

G.4.e

Attachment: WhiteNelsonDieH Evans1 (2142 : PROFESSIONAL SERVICES AGREEMENT WITH

Packet Pg. 1114

CITY OF MORENO VALLEY

AUDIT WORK MULTI-YEAR COST PROPOSAL

Our maximum fees for the five years ending June 30, 2019 will be as follows:

| Description of Services | Fiscal Year | | | | |
|---------------------------------------------------------------|------------------|------------------|------------------|------------------|------------------|
| | 2014-15 | 2015-16 | 2016-17 | Option Periods | |
| | | | | 2017-18 | 2018-19 |
| City Audit and Related Reports, including CAFR Preparation | \$ 45,530 | \$ 45,530 | \$ 46,440 | \$ 47,370 | \$ 48,320 |
| GANN Limit Review Report | 685 | 685 | 700 | 715 | 730 |
| CSD Audit and Special Reports | 3,350 | 3,350 | 3,420 | 3,485 | 3,555 |
| Child Care Grant Audit and Related Reports | 6,790 | 6,790 | 6,925 | 7,065 | 7,205 |
| Single Audit and Related Reports (1) | 6,300 | 6,300 | 6,425 | 6,555 | 6,685 |
| Total for Fiscal Year | \$ 62,655 | \$ 62,655 | \$ 63,910 | \$ 65,190 | \$ 66,495 |
| Optional Services | | | | | |
| State Controller's Reports (City and CSD) | \$ 3,900 | \$ 3,900 | \$ 3,980 | \$ 4,060 | \$ 4,140 |

(1) This fee contemplates auditing up to three major programs. Additional major programs will be audited for an additional cost of \$1,500 each.


 WHITE NELSON DIEH EVANS LLP
 Certified Public Accountants & Chartered Accountants

2

CITY OF MORENO VALLE

**SCHEDULE OF FEES AND SERVICES FOR THE
FISCAL YEAR 2014-15 FINANCIAL STATEMENTS**

| | <u>Hours</u> | | <u>Quoted Hourly Rates</u> | | |
|--------------------------------------------------------------------|--------------|---|------------------------------------|---|------------------|
| Partners | 33 | x | \$ 220 | = | \$ 7,260 |
| Manager | 69 | x | 150 | = | 10,350 |
| Supervisory Staff | 139 | x | 105 | = | 14,595 |
| Staff | 320 | x | 90 | = | 28,800 |
| Clerical | 22 | x | 75 | = | 1,650 |
| Subtotal | <u>583</u> | | | | <u>62,655</u> |
| Out-of Pocket Expenses: | | | | | |
| Meals and lodging | | | | | - |
| Transportation | | | | | - |
| Total all - inclusive maximum price for the fiscal year 2014-15 | | | | | <u>\$ 62,655</u> |

**SCHEDULE OF FEES AND SERVICES FOR THE
FISCAL YEAR 2014-15 OPTIONAL SERVICES**

| | <u>Hours</u> | | <u>Quoted Hourly Rates</u> | | |
|--------------------------------------------------------------------|--------------|---|------------------------------------|---|-----------------|
| Partners | - | x | \$ 220 | = | \$ - |
| Manager | 2 | x | 150 | = | 300 |
| Supervisory Staff | - | x | 105 | = | - |
| Staff | 40 | x | 90 | = | 3,600 |
| Clerical | - | x | 75 | = | - |
| Subtotal | <u>42</u> | | | | <u>3,900</u> |
| Out-of Pocket Expenses: | | | | | |
| Meals and lodging | | | | | - |
| Transportation | | | | | - |
| Total all - inclusive maximum price for the fiscal year 2014-15 | | | | | <u>\$ 3,900</u> |



CITY OF MORENO VALLEY

SCHEDULE OF BILLING RATES FOR SUPPLEMENTAL SERVICES

If the City wishes us to perform consulting or other services outside the scope of the services described herein, a separate written request from the City will be required. Our hourly rates for these services during each year under the basic contract will be as follows:

| Position | Fiscal Year | | | | |
|-------------------|-------------|---------|---------|----------------|---------|
| | 2014-15 | 2015-16 | 2016-17 | Option Periods | |
| | | | | 2017-18 | 2018-19 |
| Partners | \$ 220 | \$ 220 | \$ 224 | \$ 229 | \$ 233 |
| Managers | 150 | 150 | 153 | 156 | 159 |
| Supervisory Staff | 105 | 105 | 107 | 109 | 111 |
| Staff | 90 | 90 | 92 | 94 | 96 |
| Clerical | 75 | 75 | 77 | 78 | 80 |



CITY OF MORENO VALLEY
RFP No. 2015-001
Proposal for Professional Auditing Services
for the Years Ending June 30, 2015,
2016, 2017, 2018 and 2019

Submitted by:

VAVRINEK, TRINE, DAY & CO., LLP
P.O. Box 20439
6370 Magnolia Ave, Suite 330
Riverside, CA 92516
Tel: (951) 367-3000, Fax: (951) 367-3010

Contact:

Roger E. Alfaro, Partner – email ralfaro@vtdcpa.com
Phillip M. White, Partner – email pwhite@vtdcpa.com

April 9, 2015



**VAVRINEK, TRINE, DAY
& COMPANY, LLP**
Certified Public Accountants



April 9, 2015

Mr. Richard Teichert
City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92552

Dear Mr. Teichert:

We are pleased to respond to the Request for Proposal to provide audit services for the City of Moreno Valley (City). We have addressed each of the specifications, as included in your Request for Proposal. We feel that Vavrinek, Trine, Day & Co., LLP (VTD) is the best selection for the City. This proposal demonstrates our capability and commitment to serve.

VTD provides governmental auditing services to over 300 governmental agencies. We currently provide auditing services to numerous governments including *cities and successor agencies*, public financing authorities, counties and special districts throughout California. We understand the requirements, as described in the Request for Proposal and understand that the City desires a timely audit conducted in a professional manner. We are committed to perform our work within the City's timelines and to meet all of the requirements as specified in the Request for Proposal.

We have an extremely low percentage of key employee turnover and we are confident that we will provide the City with consistent staff over the contract period. We are committed to the City and believe that our audit team is the best selection for the City.

VTD has devoted a substantial amount of time and resources developing our governmental audit practice. Our governmental clients are provided with efficient and timely audits. Our expertise in this industry has positioned us to be one of the leading firms in governmental auditing throughout California. This investment of time and resources includes:

- Providing in excess of 80 hours per year of governmental continuing professional education (CPE) to our staff working on governmental audits.
- Participating in national sessions lead by the AICPA, OMB, GAO, and OIG relating to all areas of governmental auditing.
- Investing a significant amount of time in developing our understanding of new audit requirements.
- Providing several training sessions to industry groups and clients regarding new GASB pronouncements and single audit reporting requirements including GASB 68, *Accounting and Financial Reporting for Pensions*.
- We retain key staff; as a result, we are able to provide our clients with unmatched staffing consistency and well trained personnel.
- Researching new professional pronouncements so that we are at the leading edge in preparing our clients to respond to all new requirements.
- Devoting resources to a strict quality control program including the funding of a quality control department.

VTD places within the top 100 public accounting firms in the United States. We employ over 200 professionals in our nine offices located in California and Arizona. Our offices are located in **Riverside**, Rancho Cucamonga (firm's headquarters), Laguna Hills, Sacramento, San Diego, Pleasanton, Palo Alto, Fresno and Phoenix.

VTD has a **local Riverside County presence** to ensure our clients are served with the highest level of service. Our focus on client service and commitment to quality has made VTD the firm of choice for local governments. Our staff in the Riverside and Rancho Cucamonga offices will have the responsibility in servicing the City.

Quality service begins with professionals who anticipate issues, listen to your needs, and deliver what they promise. Our successful delivery of audit services to the City depends on the people chosen to execute our audit plan. The team we have organized has extensive experience working with local governments, cities, and Successor Agencies.

We believe that this client service team will provide the most efficient and cost-effective service to the City and are committed to providing effective audits, quality management letters, and proactive advice to deal with issues facing the City.

Partner and manager involvement is also a key to the audit's success. Your partner and engagement manager will spend time on-site during the audit and will meet with management and the City Council as necessary to ensure communication lines remain open, that any outstanding issues are resolved timely, and that all needs are met.

We believe that our references will show that we are the best selection for the City. The choice of an audit firm should be primarily based upon several factors including but not limited to:

- Staff retention
- Technical Experience - Proactively addressing industry changes at the Federal, State, and local levels
- Adherence to a strict quality control program

VTD is an Equal Opportunity Employer. This proposal will remain valid for 90 days from the date of submittal.

We hope that as you read through this proposal, you recognize the philosophy of our firm which is to provide each of our clients with exceptional service, experienced staff, and an audit approach that will fit your needs. Our dedication to quality, professional standards and service is unmatched in the industry.

Thank you for providing us the opportunity to present our proposal. Should you have any questions, please feel free to contact Roger Alfaro, Partner, or Phillip White, Partner, who are authorized to make representations on behalf of the firm at (951) 367-3000, email at ralfaro@vtcdcpa.com or pwhite@vtcdcpa.com.

Very truly yours,



Vavrinek, Trine, Day & Co., LLP
Roger Alfaro
Partner



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Section 1 – Firm's Qualifications and Experience

1. Vavrinek, Trine, Day & Co., LLP meets the independence standards of the GAO

Vavrinek, Trine, Day & Co., LLP (VTD) is independent of the City of Moreno Valley (City) and its component units as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's *Government Auditing Standards*.

2. Licensed Certified Public Accountant Affirmation

VTD is licensed to practice public accounting in the State of California and has complied with all applicable California State Board of Accountancy requirements. In addition, all of the key professional staff that will be assigned to the audit are also licensed to practice in the State of California and have complied with all applicable State Board of Accountancy standards.

A copy of our most recent peer review has been included in Appendix A of the proposal. This quality control review included a review of specific government engagements.

3. Firm's Qualifications

Vavrinek, Trine, Day & Co., LLP – VTD

VTD was established in 1948. Our firm offers a full range of services for several different lines of businesses throughout California. Proudly, our governmental practice is key to our firm's success. VTD has experienced a solid 67 years of growth and commitment to client service. With over 30 partners and over 200 professional staff, VTD is one of California's top CPA firms.

VTD is ranked within the “top 100” CPA firm in the United States with a significant percentage of our practice devoted to the governmental audit and consulting practice. VTD is a leader in providing audit, consulting and tax services to various industries including but not limited to large municipal and regional governments, banking institutions, manufacturing and retail enterprises, and not for profit corporations. As governmental auditing is our primary practice, we do not use governmental clients to fill our down time. Our governmental audit and governmental consulting practices provide a year-round client base for VTD.

VTD is organized into industry practice groups. In today's regulatory environment it is necessary to specialize in specific industry practice areas so that our clients are provided with the highest quality service. In order to accomplish this we have structured our firm with the following industry practice groups:

- | | | |
|------------------------------|------------------|---------------------------------|
| ❖ State and Local Government | ❖ Healthcare | ❖ Tax Compliance |
| ❖ K-12 School Districts | ❖ Not-for-Profit | ❖ Private/ Commercial Companies |
| ❖ Higher Education | ❖ SEC/PCAOB | ❖ Financial Services |

Our offices are located in Riverside, Rancho Cucamonga, Sacramento, San Diego, Pleasanton, Palo Alto, Fresno, and Laguna Hills and Phoenix, AZ. In order to provide the City with the highest level of service, our staff in the Riverside and Rancho Cucamonga offices will have the responsibility in servicing the City of Moreno Valley. Additionally, within our State and Local Government practice group, we have a consulting division that will have the responsibility of completing your State Controller's Office reports for the City of Moreno Valley and the Moreno Valley Community Services District.

Section 1 – Firm's Qualifications and Experience

3. Firm's Qualifications, (Continued)

Professional Associations

We are members of the American Institute of Certified Public Accountants (AICPA), the California Society of Certified Public Accountants (CalCPA), and we have registered with the Public Companies Accounting Oversight Board (PCAOB). In addition, our firm is a member of the AICPA's Governmental Audit Quality Center. Several of the firm's partners serve on several Audit and Accounting subcommittees for CalCPA.

We are active members in the Governmental Finance Officers Association (GFOA) and attend training seminars provided by GFOA. Several of our partners serve on the GFOA CAFR Special Review Committee. We are also active members of the California Society of Municipal Finance Officers (CSMFO).

Riverside and Rancho Cucamonga Office

Our Riverside and Rancho Cucamonga Offices, with over 120 professionals, will have the responsibility of serving the City. This will enable us to meet all of the requirements within a timely and professional manner. The Riverside and Rancho Cucamonga offices consist of the following governmental audit personnel, experienced in audits of cities, Successor Agencies, public utilities, public financing authorities, Single Audits, counties and special districts: partners, managers, supervisors, seniors, and professional staff.

All staff that will be assigned to serve the City of Moreno Valley will be full-time VTD employees. We will not use part-time employees or sub contractors for your audit. The proposal is neither a joint venture nor a consortium.

The ranges of activities performed by our firm include:

- ❖ *Governmental auditing and consulting* – VTD currently provides services to more than 300 governmental agencies throughout California, including but not limited to the City of Huntington Beach, City of Temecula, City of Whittier, City of Rancho Mirage, City of Palmdale, City of Glendale, City of Rancho Palos Verdes and City of Sacramento.
- ❖ *Financial Institutions* – VTD currently provides auditing services to more than 70 independent banks throughout California. Our financial institutional clients have assets ranging from \$50 million to in excess of \$3 billion dollars.
- ❖ *Private/Commercial Companies* – VTD currently provides auditing services to many commercial companies in California, Nevada, and Arizona.
- ❖ *Tax Compliance* – Our commitment to our clients includes offering professional tax preparation and planning services. Each of our offices has tax partners with a complete tax practice to meet the needs of our clients.
- ❖ *Not-for-Profit* – VTD provides services to over one hundred not-for-profit entities.
- ❖ *Healthcare* – VTD provides auditing services to large governmental and not-for-profit healthcare providers, including Arrowhead Regional Medical Center, Ventura County Medical Center, and Verdugo Hills Hospital.

Section 1 – Firm's Qualifications and Experience

3. Firm's Qualifications, (Continued)

Quality Control and Peer Review

Our firm has a program of quality control to ensure that our engagements meet the standards of the AICPA and Yellow Book, including qualifications, independence, due professional care, and quality control. VTD has a full-time Quality Control Partner delegated the responsibility of implementing and monitoring the firm's quality control policies and procedures. VTD also has a quality control committee that meets regularly to discuss emerging issues and new professional pronouncements, which are then communicated to our professional staff to ensure the firm has a working knowledge of professional standards.

We have undergone voluntary, independent, external quality reviews (peer reviews). We received our most recent peer review in 2011 at which time we received an unqualified opinion regarding our audit and accounting practice.

A copy of the report is included in Appendix A of this proposal. As part of our peer review, governmental engagements including Single Audits were reviewed.

We also undergo periodic inspections by the PCAOB.

We ensure that our professional staff obtains the required continuing professional education. As part of VTD's quality control program, all members of the firm, including our governmental sector team, must complete a minimum of 80 hours of continuing professional education every two years. Additionally, our professionals devoted to audits of governmental entities are required to obtain 24 hours directly related to government audits. We provide our staff in-house training, as well as provide access to external CPE conferences and updates. Additionally, our firm requires each professional staff to attend eight hours of Single Audit training and eight hours of fraud risk training.

There have been no Federal or State desk or field reviews within the past three (3) years. Additionally, there have been no disciplinary action taken against the firm by State regulatory bodies or professional organizations in the past three (3) years.

Section 1 – Firm's Qualifications and Experience

4. List of Municipal Clients

VTD has extensive experience in providing audits and other services to local governments. A summary of governmental clients that we have served include:

CITIES

City of Agoura Hills
City of Alameda
City of Arroyo Grande
City of Brentwood
City of Chico
City of Concord
City of Dana Point
City of Davis
City of Desert Hot Springs
City of Fairfield
City of Folsom
City of Foster City
City of Glendale
City of Gonzales
City of Grand Terrace
City of Greenfield
City of Huntington Park
City of Huntington Beach
City of La Palma
City of Laguna Beach
City of Laguna Niguel
City of Lake Forest
City of Los Altos
City of Manhattan Beach
City of Monte Sereno
City of Palmdale
City of Paramount
City of Placentia
City of Pleasanton
City of Rancho Palos Verdes
City of Rancho Mirage
City of Rohnert Park
City of Sacramento
City of San Jacinto
City of San Leandro
City of San Ramon
City of Santa Clara
City of Saratoga
City of South Gate
City of South Lake Tahoe
City of Suisun City
City of Temecula
City of Walnut Creek
City of Whittier

TRANSIENT OCCUPANCY TAX AUPS

City of Walnut Creek
City of Lake Forest
City of Escondido
City of San Rafael
City of Burbank

COUNTY GOVERNMENTS

County of Orange
County of Placer
County of Riverside
County of Sacramento
County of San Bernardino
County of San Diego
County of Sonoma
County of Ventura
County of Yolo

OTHER SPECIAL DISTRICTS

Chino Valley Independent Fire District
C-IV JPA
Clarksburg Fire Protection District
CONFIRE (911 Emergency Communications)
East Bay Regional Parks and Recreation District
Los Gatos Saratoga Recreation Department
Madison Fire Protection District
Springlake Fire Protection District
Ventura County Air Pollution Control District
YECA (911 Emergency Communications)
San Joaquin Regional Rail Commission
City of Fairfield Housing Authority
City of Palmdale Housing Authority

BOND FINANCING

City of Folsom Public Financing Authority
County of Riverside Asset Leasing Corporation
City of Rohnert Park Financing Authority
Sacramento County Public Financing Authority
Sacramento County Tobacco Securitization Corporation
San Bernardino County Public Financing Authority
Tobacco Securitization Authority of Northern California
Inland Empire Public Facilities Corporation
Palmdale Financing Authority
Palmdale Civic Authority

POWER AGENCIES

Alameda Municipal Power
Glendale Water and Power
Marin Energy Authority
Silicon Valley Power (City of Santa Clara)

WATER AGENCIES

Beaumont Cherry Valley Water District
Elsinore Valley Municipal Water District
Helix Water District
Montara Water and Sanitary District
Monterey Regional Water Pollution Control Agency
Municipal Water District of Orange County
Orange County Water District
Sacramento County Water Agency
Santa Clara Water District
Suisun-Solano Water Authority
Yucaipa Valley Water District

SEWER & SANITATION AGENCIES

Alameda County Waste Management Authority
Bayshore Sanitary District
Central Contra Costa Sanitary District
Central Marin Sanitation Agency
Cupertino Sanitary District
Delta Diablo Sanitation District
East Bay Discharge Authority
Fairfield-Suisun Sanitary District
Knights Landing Community Services District
Madison Community Services District
Orange County Waste & Recycling
Oro Loma Sanitary District
Riverside County Waste Management
Ross Valley Sanitation District
Sacramento Area Sewer District
Sacramento Regional County Sanitation District
Union Sanitary District
Vallejo Sanitation and Flood Control District
West Bay Sanitary District
West Valley Sanitation District

Section 1 – Firm's Qualifications and Experience

5. Our Experience

VTD's Government Practice Group has professionals that are fully devoted to audits similar to the City.

As we have noted, VTD has significant experience auditing municipal and special purpose governments. The key components to our success include consistency of properly trained staff, assignment of staff with experience, timely communication in all aspects of the audit, planning, and understanding how to structure each audit to ensure efficiencies are achieved.

We understand the City desires an audit firm that provides consistency with staff. VTD's philosophy is to staff each of our audits with consistent staff in order to provide the most effective and efficient audit for our clients. This commitment will continue for the City's audit throughout the term of the audit contract.

Each of the key auditors chosen to participate with the City of Moreno Valley audit has worked with similar cities.

The City will not have to train our audit team.

VTD staff also attends State and national training sessions, such as the annual AICPA National Governmental Accounting and Auditing Update, so that all of the key staff assigned to the City's audit understands both local as well as national trends and issues.

VTD also has partners who are members of the California Society of Certified Public Accountants State Governmental Audit and Accounting Committee and the California Society of Certified Public Accountants State Accounting Principles and Auditing Standards Committee.

Our commitment to client service

VTD will not add clients that cannot be properly served. We have managed our growth to ensure that new clients receive experienced staff and quality audits and to ensure that existing clients do not experience a decline in service when new clients are added. To accomplish this, VTD will only propose on clients when key staff has been trained, possess on the job experience to act as the in-charge auditor, and when staffing levels allow for the addition of the new work. We are extremely confident that all of our references will note that their service level has not diminished over the life of the contract.

Conducting Single Audits

VTD performs more than 250 Single Audits annually within its governmental practice. This places us within the top 10 nationally.

Our Single Audits range from the minimum \$500,000 to over \$900 million in federal expenditures. VTD has invested a significant amount of time in developing our understanding of new audit requirements. We regularly present to industry groups on new auditing, reporting and compliance requirements, including the Institute of Internal Audits, State Association of County Auditors, and the County's Accounting and Reporting Managers conferences. As noted previously, each of our professional staff that conduct Single Audits are required to attend 8 hours of continuing professional education specifically for Single Audit

Section 1 – Firm's Qualifications and Experience

6. Assisting local governmental units in obtaining the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting."

Many our clients participate in the Government Finance Officers Association (GFOA) "Certificate of Achievement for Excellence in Financial Reporting" program. VTD has demonstrated that we can meet our client's expectations in regards to a quality product within GFOA requirements, and we have also proven that we can meet or exceed all timelines established by our clients.

VTD also have partners in the government practice group that are members of the California Society of CPAs Governmental Accounting and Auditing Committee.

7. Commitment to Diversity

Vavrinek, Trine, Day & Co., LLP is an equal opportunity employer. Our staff represents a range of cultural and ethnic backgrounds that provide for a world-view. The diversity of our workforce helps to improve our employee satisfaction, productivity, and the retention of our staff. Our firm provides opportunities for advancement to all staff demonstrating the skill, ability, and desire to succeed and advance their professional career with us.

8. Paperless Environment

VTD's paperless audit process is multifaceted from the beginning to the end. We utilize the following audit software to promote paperless working papers:

- CCH ProSystem Portal Solution (secure web based file exchange)
- CCH ProSystem Engagement (workpaper management)
- CCH ProSystem Trial Balance
- CCH ProSystem Knowledge Tools

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

1. Engagement Team

The engagement team for the proposed audit services will include:

- ❖ **Roger Alfaro, CPA, Partner** – Mr. Alfaro will have the overall responsibility for the audit, and will lead the audit team to ensure that the City audit requirements are fulfilled.
- ❖ **Phil White, CPA, Partner** – Mr. White will assist with the overall responsibility for the audit and coordinate the execution of the audit plan.
- ❖ **David Showalter, CPA, Partner** – Mr. Showalter will serve as quality assurance partner for the City’s audit engagement. He will work with the team to review the progress of the audit, assist in resolving technical issues and review reports and deliverables for overall quality.
- ❖ **James Ramsey, CPA, Manager** – Mr. Ramsey will serve as the audit project manager and will be responsible for the day-to-day management and delivery of services to the City. The audit project manager is responsible for planning the audit and assuring that the design of audit plan dictate the audit procedures we believe are necessary to accomplish the objectives of the audit. The audit project manager will work closely with the City to ensure issues are identified and addressed and that the delivery of services to the City is timely.
- ❖ **Stephanie Sarian, CPA, Supervisor** – Ms. Sarian will have the responsibility of the daily audit work, supervision of staff and execution of the audit plan for the City.
- ❖ **Seniors and Staff to be assigned**

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes

Mr. Roger Alfaro, CPA
Partner

Experience

Mr. Alfaro has been conducting audits of governmental entities for over 16 years. His experience includes cities, counties, redevelopment/successor agencies, financing authorities, public utilities, transit authorities and single audits. Mr. Alfaro has conducted single audits and the audits of basic financial statements for numerous local governments whose assets exceed \$1 billion. His single audit experience includes the major federal program audits of transit agencies, cities and counties including; HUD, DOJ, Federal Transit Formula/Capital grants, Highway Planning and Construction and airport improvement grants including the following:

| COUNTIES | CITIES | UTILITIES/JPA/SPECIAL DISTRICTS |
|----------------------------|-----------------------------|----------------------------------------------------|
| County of Orange | City of Agoura Hills | Alameda County Transportation Improvement District |
| County of Riverside | City of Burbank | Alameda County Transportation District |
| County of Sacramento | City of Camarillo | Arrowhead Regional Medical Center |
| County of San Diego | City of Glendale | Chino Valley Independent Fire District |
| County of San Bernardino | City of Gonzales | Glendale Water and Power |
| County of Sonoma | City of Laguna Niguel | John Wayne Airport |
| County of Ventura | City of Modesto | Orange County Transportation Authority |
| | City of Paramount | Riverside County Waste Management |
| FIRST 5 COMMISSIONS | City of Rancho Mirage | Sacramento International Airport |
| First 5 Riverside | City of Rancho Palos Verdes | San Bernardino Associated Governments |
| First 5 Contra Costa | City of Temecula | San Mateo County Transit District |
| First 5 Los Angeles | City of Whittier | Santa Clara Valley Transportation Authority |
| First 5 Orange County | City of Huntington Beach | Tri-City Mental Health |
| | | Ventura County Air Pollution Control District |
| | | Ventura County Transportation Commission |
| | | Yucaipa Valley Water District |

Mr. Alfaro has advised and assisted many clients with disclosure and financial reporting requirements pursuant to the GFOA certificate program.

Area of Specialization

Governmental Audits of Cities, Counties, Redevelopment/Successor Agencies, Public Utilities, Transportation Agencies, Special Districts, and Non-profits

Professional Affiliations

American Institute of Certified Public Accountants
 California Society of Certified Public Accountants
 California Society of Municipal Finance Officers
 GFOA Certificate Program Special Review Committee

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Mr. Roger Alfaro, CPA
Partner, (Continued)

Education

Bachelor of Science - Business Administration
 California State University, San Bernardino, California

Recent Continuing Education

- Audit Risk Assessment
- GASB 67
- GASB 68
- COSO
- OMB A-133 Updates
- AICPA National Update, Governmental Accounting and Auditing Conference
- Fraud in Local Governments
- Revised Yellow Book Standards
- Auditing Municipal Debt

Mr. Phil White, CPA
Partner

Experience

Mr. White has been conducting audits of cities, large regional and special purpose governmental entities for over 10 years. His experience includes cities, redevelopment agencies, transit agencies, counties, public utilities, and single audits.

Mr. White has provided audit services for various municipalities conducting single audits and audits of comprehensive annual financial reports including, but not limited to:

CITIES

City of Glendale
 City of Agoura Hills
 City of Rancho Palos Verdes
 City of Folsom
 City of Greenfield
 City of Temecula
 City of Huntington Park
 City of Lake Forest
 City of Palmdale
 City of Paramount
 City of Piedmont
 City of Rancho Mirage
 City of La Palma
 City of Dana Point

OTHER AGENCIES

Inland Empire Public Facilities Corporation
 San Bernardino County Public Financing Authority
 Tri-City Mental Health
 Palmdale Civic Authority
Palmdale Financing Authority
Western Riverside Council of Governments
 Western Riverside County Regional Conservation Authority
 Chino Valley Fire District
 South Bay Regional Communication Authority

UTILITIES

Beaumont - Cherry Water District
 Glendale Water and Power
 Helix Water District
 Municipal Water District of Orange County
 Yucaipa Valley Water District

COUNTIES

County of Orange
County of Riverside
 County of San Bernardino
 County of Sacramento
 County of Ventura

TRANSIT AGENCIES

Orange County Transportation Authority
 San Bernardino Associated Governments
 San Bernardino Associated Governments
 - TDA Claimants
 Santa Clara Valley Transportation Authority
 Omnitrans
 Mountain Area Regional Transit Authority

Mr. White has also provided training to our staff through in-house conferences to ensure consistency and knowledge throughout the entire team providing services to our clients. Mr. White also provides audit and accounting updates for many of his governmental clients and industry groups.

Mr. White participates as a CAFR reviewer within the GFOA Certificate Program Special Review Committee.

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

**Mr. Phil White, CPA
Partner, (Continued)**

Area of Specialization

Governmental Audits of Cities, Redevelopment Agencies, Counties, Public Utilities,
Transit Agencies, Special Districts
Non-profits
OMB A-133 Single Audits

Professional Affiliations

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
California Society of Municipal Finance Officers
Government Finance Officers Association Special Review Committee

Education

Bachelor of Science - Finance
San Francisco State University, San Francisco, California

Recent Continuing Education

- Audit Risk Assessment
- GASB 67
- GASB 68
- Revised Yellow Book Standards
- OMB A-133 Updates
- COSO
- Fraud in Local Governments
- Auditing Municipal Debt

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Mr. David Showalter, CPA
Partner

Experience

Mr. Showalter has been conducting audits of cities, large regional and special purpose governmental entities for over 14 years. His experience includes cities, redevelopment agencies, housing authorities, counties, financing authorities, public utilities, including electric and water utilities, and single audits.

Mr. Showalter has provided audit services for various municipalities conducting single audits and audits of comprehensive annual financial reports including, but not limited to:

CITIES

City of Chico
 City of Concord
 City of Covina
 City of Davis
 City of Fairfield
 City of Folsom
 City of Glendale
 City of Lake Forest
 City of Malibu
 City of Palmdale
 City of South Lake Tahoe
 City of Walnut Creek

COUNTY GOVERNMENTS

County of Orange
 County of Riverside ✓
 County of Sacramento
 County of San Bernardino
 County of Yolo

OTHER SPECIAL DISTRICTS

Sacramento Area Council of Governments
 Yolo Emergency Communications Agency
 San Joaquin Regional Rail Commission

BOND FINANCING

County of Riverside Asset Leasing Corporation
 San Bernardino County Financing Authority

POWER AGENCIES

Alameda Municipal Power
 Glendale Water and Power

WATER AGENCIES

Sacramento County Water Agency
 Elsinore Valley Municipal Water District

SEWER & SANITATION AGENCIES

Orange County Waste and Recycling
 Sacramento Area Sewer District
 Sacramento County Solid Waste
 Sacramento Regional County Sanitation District

Mr. Showalter has also provided training to our staff through in-house conferences to ensure consistency and knowledge throughout the entire team providing services to our clients. Mr. Showalter also provides audit and accounting updates for many of his governmental clients and industry groups.

Prior to VTD, Mr. Showalter worked for a "Big 4 Accounting Firm" providing professional services to municipalities, not for profit organizations, higher education and other local governments. In addition, Mr. Showalter provided various attestation services to manufacturing, retail and service industries including Securities and Exchange Commission (SEC) reporting.

Mr. Showalter participates as a CAFR reviewer within the GFOA Certificate Program Special Review Committee.

Mr. Showalter assisted many of his larger governmental clients navigate the implementation of GASB 53, *Accounting and Financial Reporting for Derivatives*, and also assisted many of his larger governmental clients to navigate through the implementation of GASB 54, as well as RDA dissolution.

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Mr. David Showalter, CPA
Partner, (Continued)

Area of Specialization

Governmental Audits of Cities, Redevelopment Agencies, Counties, Public Utilities,
Transportation Agencies, Special Districts
Hospitals
Non-profits
OMB A-133 Single Audits

Professional Affiliations

American Institute of Certified Public Accountants
California Society of Certified Public Accountants
California Society of Municipal Finance Officers
Healthcare Financial Management Association
Government Finance Officers Association Special Review Committee

Education

Bachelor of Science - Business Administration
California State University, San Bernardino, California

Recent Continuing Education

Various courses offered by the American Institute of Certified Public Accountants
California Society of CPAs and In-House Courses
Governmental Financial Reporting Standards and Practices
Healthcare Audit and Accounting Updates
Audit Risk Assessment
Fraud Risk Assessment
Yellow Book: Government Auditing Standards
Municipal Accounting
Single Audit
Redevelopment Agencies AB 1X26 Implementation

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Mr. James Ramsey, CPA Audit Manager

Experience

Mr. Ramsey has been with Vavrinek, Trine, Day & Co., LLP since mid 2012. Mr. Ramsey has been conducting audits of cities, large regional and special purpose governmental entities for near four (4) years and has worked within municipal government for over seven (7) years. Some of the his clients served are:

CITIES

City of Alameda
City of Dana Point
City of Huntington Beach
City of La Palma
City of Laguna Beach
City of Temecula
City of Whittier
City of Palmdale

OTHER AGENCIES

Palmdale Housing Authority
Palmdale Civic Authority
Palmdale Public Financing Authority
First 5 San Bernardino
First 5 Orange County
California Statewide Automated Welfare System Consortium
Inland Empire Public Facilities Corporation
San Bernardino County Public Financing Authority

TRANSIT AGENCIES

San Bernardino Associated Governments
- TDA Claimants
Mountain Area Regional Transit Authority
Morongo Basin Transit Authority
Valley Transportation Services
Victor Valley Transit Authority
City of Barstow Transit
Ventura County Transportation Commission

COUNTIES

County of Sonoma
County of San Bernardino
County of Ventura

UTILITIES

Elsinore Valley Municipal Water District
Municipal Water District of Orange County
Yucaipa Valley Water District
Helix Water District

Mr. Ramsey has also provided training to our staff through in-house conferences to ensure consistency and knowledge throughout the entire team providing services to our clients. Mr. Ramsey also provides audit and accounting updates for many of his governmental clients and industry groups. Mr. Ramsey is also the in-house trainer for report writing for municipal clients.

Area of Specialization

Cities and successor agencies

Counties

Public Utilities

Transportation Agencies

Other Special Districts

Non-profits

OMB A-133 Single Audits

GFOA "Certificate of Achievement for Excellence in Financial Reporting"

Professional Affiliations

American Institute of Certified Public Accountants

California Society of Certified Public Accountants (CalCPA)

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Mr. James Ramsey, CPA Audit Manager, (Continued)

Education

Bachelor of Science in Accounting
California State University, San Bernardino

Masters of Science in Accountancy
California State University, San Bernardino

Training

- Governmental Financial Reporting Standards and Practices
- Yellow Book Government Auditing Standards
- Single Audits updates – including Super Circular
- Internal control documentation and testing
- Accounting and Auditing Updates, including the new clarity standards

Ms. Stephanie Sarian, CPA Audit Supervisor

Experience

Ms. Sarian has been with Vavrinek, Trine, Day & Co., LLP since July 2010. Her experience in audits includes serving governmental agencies including but not limited to cities, counties and special districts. Some of the clients served are:

CITIES

City of Agoura Hills
City of Paramount
City of Palmdale
City of Rancho Palos Verdes
City of Laguna Niguel

COUNTIES

County of Ventura
County of San Bernardino
County of Orange
County of Sacramento

OTHER AGENCIES

First 5 Orange County
First 5 Los Angeles
Jurupa Community Services District
Eastern Municipal Water District
Sacramento County Area Flood Control Agency
Ventura County Air Pollution Control District
Western Riverside County Regional Conservation Authority
Helix Water District

TRANSIT AGENCIES

San Bernardino Associated Governments
Orange County Transportation Authority

Experience in conducting single audits and audits of the general purpose financial statements for state or large local governments

Ms. Sarian has conducted single audits and audits of basic financial statements for local governments. Responsibilities include documenting and testing internal controls and compliance.

Section 2 – Partner, Supervisory and Staff Qualifications and Experience

2. Organization Resumes, (Continued)

Ms. Stephanie Sarian, CPA
Audit Supervisor, (Continued)

Experience in performing audits of enterprise funds or component units controlled by state or large local governmental units

In addition, her experience includes serving on the audits of Jurupa Community Services District, Western Riverside County Regional Conservation Authority, Orange County Transportation Authority, Sacramento County Area Flood Control Agency, Children and Families Commission of Orange County and Children and Families Commission of Los Angeles.

Training

- Government Fraud Training
- Yellow Book Standards
- Single Audits
- Internal control documentation and testing
- Accounting and Auditing Updates

Education

Bachelor of Science in Accounting
University of Redlands

3. Commitment to Consistent and Quality Staff

We understand the City desires an audit firm that provides consistency with staff. VTD's philosophy is to staff each of our audits with consistent staff in order to provide the most effective and efficient audit for our clients. VTD staff also attend national training sessions, such as the annual AICPA National Governmental Accounting and Auditing Update, so that all of the key staff assigned to the City's audit understands both local as well as national trends and issues. The key personnel will be available to the extent proposed for the duration of the project. No person designated as "key" to the engagement shall be removed or replaced without concurrence of the City.

Section 3 – Similar Engagement with Other Government Entities

1. Descriptions of work performed for other agencies with similar services

VTD has provided similar audit services for several other jurisdictions similar to that which is requested by the City of Moreno Valley.

City of Sacramento
City of Whittier
City of Rancho Mirage
City of Glendale
City of Huntington Beach

City of Sacramento

Mr. Dennis Kauffman, Finance Operations Manager

915 I Street, 5th Floor
Sacramento, CA 95814
(916) 808-5843

Scope of Work

Comprehensive Annual Financial Report – GFOA Award
OMB A-133 Single Audit
Sacramento City Employees Retirement System
Sacramento Convention and Visitors Bureau
GANN Limit Agreed Upon Procedures

Hours: Approximately 1,900
Most recent audit: June 30, 2014
Engagement Partner: David Showalter

City of Whittier

Ms. Monica Lo, Accounting Manager

13230 Penn Street
Whittier, CA 90602
(562) 567-9810

Scope of Work

Comprehensive Annual Financial Report – GFOA Award; VTD drafts CAFR
OMB A-133 Single Audit
Whittier Utility Authority Financial Statements
Wildlife Corridor Financial Statements
GANN Limit Agreed-Upon Procedures

Hours: Approximately 600
Most recent audit: June 30, 2014
Engagement Partner: Roger Alfaro

Section 3 – Similar Engagement with Other Government Entities

1. Descriptions of work performed for other agencies with similar services, (Continued)

City of Rancho Mirage

Mr. Isaiah Hagerman, Director of Finance
69-825 Highway 111
Rancho Mirage, CA 92270
(760) 324-4511

Scope of Work

Comprehensive Annual Financial Report – GFOA Award; VTD drafts CAFR
OMB A-133 Single Audit
Rancho Mirage Public Library Foundation
GANN Limit Agreed Upon Procedures

Hours: Approximately 450
Most recent audit: June 30, 2014
Engagement Partner: Roger Alfaro

City of Glendale

Ms. Lily Fang, Finance Director
141 N. Glendale Avenue
Glendale, CA 91206
(818) 548-2085

Scope of Work

Comprehensive Annual Financial Report – GFOA Award
OMB A-133 Single Audit
✓ Glendale Water and Power
GANN Limit Agreed Upon Procedures

Hours: Approximately 900
Most recent audit: June 30, 2014
Engagement partner: David Showalter

why?

City of Huntington Beach

Mr. Dahle Bulosan, Accounting Manager
2000 Main Street
Huntington Beach, CA 92648
(714) 536-5227

Scope of Work

Comprehensive Annual Financial Report – GFOA Award
Single Audit

Hours: Approximately 450
Most recent audit: September 30, 2014
Engagement partner: Roger Alfaro

Section 3 – Similar Engagement with Other Government Entities

2. Lost Clients and Pending Litigation

We have fulfilled our contractual obligations for all clients. There is no pending litigation related to our governmental practice.

Section 4 – Specific Audit Approach

1. Complete Work Plan/Project Description

Overview of the Audits

As required by the request for proposal our audit plan covers the engagements for:

- Audit of the City's Comprehensive Annual Financial Report (CAFR)
- GANN Limit (Appropriations Limit) Agreed Upon Procedures
- Audit of Moreno Valley Community Services District and related reports
- Child Care Program Report
- Single Audit Report
- City and Community Services District State Controller's Reports (optional)

The audits will be conducted in accordance with generally accepted auditing standards issued by the American Institute of Certified Public Accountants (AICPA), *Government Auditing Standards* published by the Comptroller General of the United States, and the requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133.

Proposed segmentation of the engagement by staff

| | Pre-Audit Planning | Interim Audit | Final Audit | Total |
|------------------|-----------------------|------------------|----------------|------------|
| Partner | 2 | 26 | 47 | 75 |
| Manager | 7 | 37 | 61 | 105 |
| Supervisor | 9 | 67 | 116 | 192 |
| Senior | - | 46 | 86 | 132 |
| Staff | - | 27 | 128 | 155 |
| Paraprofessional | 1 | 7 | 14 | 21 |
| Total | 19 | 210 | 451 | 680 |

Level of staff and number of hours assigned to each segment

| | Partner | Manager | Supervisor | Senior | Staff | Clerical | Total |
|---------------------------------------------------------------------------|-----------|------------|------------|------------|------------|-----------|------------|
| 1. City Audit and Related Reports | 54 | 80 | 144 | 120 | 80 | 16 | 494 |
| 2. GANN Limit AUP | 1 | 1 | - | - | 3 | 1 | 6 |
| 3. Moreno Valley Community Services District Audit and Related Reports | 2 | 4 | 8 | - | 8 | 1 | 23 |
| 4. Child Care Program Audit | 8 | 12 | 24 | - | 16 | 1 | 61 |
| 5. Single Audit (Assuming 2 major programs) | 4 | 8 | 16 | - | 24 | 1 | 53 |
| 6. State Controller's Reports | 6 | - | - | 12 | 24 | 1 | 43 |
| Totals | 75 | 105 | 192 | 132 | 155 | 21 | 680 |

Audit Hours by Area

| | Pre-Audit Planning | Interim Audit | Final Audit | Total |
|---------------------------------------------------------------------------|-----------------------|------------------|----------------|------------|
| 1. City Audit and Related Reports | 12 | 190 | 292 | 494 |
| 2. GANN Limit AUP | - | 1 | 5 | 6 |
| 3. Moreno Valley Community Services District Audit and Related Reports | 1 | 8 | 14 | 23 |
| 4. Child Care Program Audit | 3 | 1 | 57 | 61 |
| 5. Single Audit (Assuming 2 major programs) | 2 | 1 | 50 | 53 |
| 6. State Controller's Reports | - | 1 | 42 | 43 |
| Totals | 18 | 202 | 460 | 680 |

Section 4 – Specific Audit Approach

2. Our Proposed Audit Approach/Plan

Our engagement approach for the City audit has well-detailed goals by which the engagement partner can measure progress. Our audit plan includes frequent contacts between the partner and the engagement team to assure that objectives are attained according to the audit schedules and that problems are communicated and dealt with on a timely basis. Our engagement approach benefits from our long-accumulated experience during which our firm has identified key areas of financial and accounting concern in the audit process. More importantly, the approach provides for a complete reassessment of the management and control environment in each year's audit and thus is capable of responding to changes and will ensure that deadlines are met in issuing the annual financial statements.

The key characteristics of our engagement approach are:

- *Knowledge of similar entities.* This experience enables us to perform a more efficient audit and identify key audit risks.
- *Cost-effectiveness.* Our experienced auditors low percentage of turnover reduce your cost
- *Timeliness.* We take deadlines, both yours and ours, seriously.
- *Partner-manager involvement.* Deciding on audit strategies requires seasoned judgment. Our partners and managers have been heavily and continuously involved in governmental audits. Furthermore, you will be able to consult with senior team members whenever needed throughout the year. We are available during the year for any additional consultation that may arise and specified in the request for proposal.

Project Management – Overall Audits

Staff auditors will be assigned to various elements of the audit throughout the fieldwork stages. Our staff auditors work 100% on governmental audit. The management of the audits will be undertaken by these personnel who each have worked on similar audits.

Our audit plan for each of the fiscal years involves six (6) stages for each audit. These stages are:

- Stage 1, Planning
- Stage 2, Risk Assessment
- Stage 3, Preparation of the overall audit plan
- Stage 4, Conducting the Interim Audit
- Stage 5, Conducting the Final Audit
- Stage 6, Reporting

Stage 1, Planning

VTD will meet with key staff to plan the audit services for the year. These meetings will discuss all audit issues and the proposed interim work plan. During this phase, we will accomplish:

- ❖ Identifying the key personnel and contacts in the Finance Department and other departments.
- ❖ Identify the City's significant classes of transactions and business processes.
- ❖ Obtain an understanding of audit risk areas.
- ❖ Developing an understanding of unusual transactions or events that have occurred during the fiscal year.
- ❖ Formalizing logistics.
- ❖ Finalizing the timeframes for interim fieldwork.

Section 4 – Specific Audit Approach

2. Our Proposed Audit Plan, (Continued)

VTD has planned the following engagement timeline in order to meet the City’s audit needs:

| Audit Milestones | 1. City Audit and Related Reports | 2. GANN Tunit AUP | 3. Moreno Valley Community Services District Audit and Related Reports | 4. Child Care Program Audit | 5. Single Audit (Assuming 2 major programs) | 6. State Controller's Reports (optional) |
|--------------------------------------------|-----------------------------------|-------------------|------------------------------------------------------------------------|-----------------------------|---------------------------------------------|------------------------------------------|
| Planning Meeting (Stage 1) ⁽¹⁾ | April | * | * | * | * | * |
| Planning (Stage 2 and 3) ⁽¹⁾ | April / May | * | * | * | * | * |
| Interim Fieldwork (Stage 4) ⁽¹⁾ | April / May | * | * | * | * | * |
| Fiscal Year-End Work (End) (Stage 5) | September | * | * | * | * | September |
| Deliver Draft Auditors' Report (Stage 6) | October | * | * | * | * | October |
| Deliver Final Reports | November | * | * | October | November | October |

(1) - These dates reflect a normal year. Based on the timing of the Request for Proposal, these dates may be different for the initial audit period.
 * Follows CAFR Timing

Stage 2. Risk Assessment

Based upon the information obtained in the planning meetings VTD will perform a risk assessment as required by Statements on Auditing Standards (SAS) to be used in the preparation of the overall audit plan. As part of this risk assessment we will perform the following:

1. Obtain an understanding of the entity and its environment and its risks and material compliance requirements. VTD will refer to the City’s prior year financial statements, annual budget document, municipal code and other relevant documentation to assist with our understanding of the City’s business environment and risks. VTD will also conduct inquiry with key individuals within the City who are responsible for executing the City’s strategic plan.
2. Obtain an understanding of the entity’s internal controls. VTD will refer to the City’s organizational charts, budget, written policies and procedures financial accounting systems to assist with our understanding of internal controls. VTD will also perform inquiry, observation, inspection and walk-throughs of key internal controls to ensure these key controls are properly designed and implemented.
3. Preliminary analytical review, determination of preliminary materiality levels.
4. Analysis of know misstatements, if any.
5. Consideration of risk of material misstatement at the individual account balance, class of transactions and disclosure level.
6. Assessing the risks of material misstatement at both the financial statement and relevant assertion levels.
7. Assess the risk of material noncompliance with laws and regulations that have a direct and material effect on the financial statements.

Section 4 – Specific Audit Approach

2. Our Proposed Audit Plan, (Continued)

Stage 3, Preparation of the overall audit plan

Once the planning and risk assessment process are complete an overall audit plan will be prepared. The plan will specify each audit task, staffing assignments, timelines, and due dates. The plan will also break down the work assignments between interim and final audit timelines. The audit plan will include the transaction cycles which have been selected for internal control testing and those for which only the detailed walk through will be performed.

Once the audit plan has been completed the prepared by client (PBC) requirements and the responsibilities of the auditor document will be prepared. The document listing will be detailed by specific task and will include the due dates and names of the persons responsible for each task.

We will also prepare the preliminary materiality guidelines, the audit programs, including consideration of:

- ❖ Identification of areas where special audit considerations are necessary.
- ❖ Design of further audit procedures to reduce risk if considered necessary.
- ❖ The development of expectations for analytical procedures, timelines, and assignment of all audit responsibilities.

Once these tasks have been completed we will meet with the City to ensure that all dates and requirements have been met and to schedule the interim and final work with the various departments and agencies of the City.

Stage 4, the Interim Audit

Our interim fieldwork dates will normally occur during the April/May timeframe. The specific weeks will be determined during the planning meeting and preparation of the audit plan process. Our interim work will include the following:

We will obtain an understanding of the City's internal control structure starting with:

1. Defining the City's objectives and strategies and related business risks.
2. Obtaining an understanding of the City's internal control environment (tone at the top):
 - Communication and enforcement of integrity and ethical values
 - Commitment to competence
 - Participation of those charged with governance
 - Management's philosophy and operation style
 - Organizational structure
 - Assignment of authority and responsibility
 - Human resource policies and practices
3. The City's risk assessment process.
4. Internal control communication process.
5. Internal control monitoring process.
6. Any industry, regulatory or other factors.

Section 4 – Specific Audit Approach

2. Our Proposed Audit Plan, (Continued)

Stage 4, the Interim Audit, (Continued)

This understanding will be accomplished through the use of:

1. Inquiry of management and others within the City.
2. Observation and inspection.
3. Review of external information from rating agencies, and other external sources.

We will also obtain an understanding of the design and implementation of the financial reporting system to understand the follow of information for:

1. Each class of transactions that is significant to the financial statements.
2. The procedures within both automated and manual systems, by which those transactions are initiated, authorized, recorded, processed, and reported in the financial statements.
3. The related accounting records, whether in electronic or manual supporting information, and specific accounts in the financial statements involved in initiating, authorizing, recording, processing and reporting transactions.
4. How the information systems captures events and conditions other than classes of transactions that are significant to the financial statements.
5. The financial reporting process used to prepare the City's financial statements, including significant accounting estimates and disclosures.

Our focus will also involve:

- ❖ Understanding and documenting the financial reporting process.
- ❖ Documenting information systems and related computerized data processing controls.
- ❖ Identifying the flow of information and internal control involved in various key processes including, investment management, procurement, disbursements, payroll, treasury operations, debt/capital management, cash receipts and utility billing. To accomplish these tasks we will use client accounting manuals, inquiry, observation, checklists and internal control questionnaires. During the interim timeframe each of the significant internal control systems will be evaluated to obtain sufficient knowledge of the design and implementation of key controls and to determine if a test of controls will result in audit efficiencies or reduce the risk of material misstatement.
- ❖ Planning of the Single Audit including conducting inquiries, reviewing documentation and determining major programs. In addition, in order to assist the City in achieving its Single Audit reporting timeline, we will begin conducting fieldwork for those federal programs identified as major as a result of our preliminary risk assessment.
 - Identifying laws and regulations that are applicable to the City and its component units. To accomplish these tasks we will use client documents, inquiry, observation, checklists and internal control questionnaires.
 - Providing the parameters required to commence analyzing financial fluctuations in the operating results of the City.
 - Formulating audit procedures and related audit programs that will be used during the final segment of the audit process.
 - We will use statistical sampling to assist with our testing of the City's internal controls over financial reporting and compliance.
 - **Sample sizes can range between 20 and 60, contingent upon the risk of material misstatement or risk of material noncompliance for a particular audit area, compliance requirement or objective.**

Section 4 – Specific Audit Approach

2. Our Proposed Audit Plan, (Continued)

Testing the effectiveness of internal controls will be accomplished for the significant internal controls systems for which we plan to place reliance to reduce the risk a material misstatement. To gain efficiencies our control testing will be structured so that it can be used for each of the audits we will perform, with exception to the single audits.

Stage 5, the Final Audit

We will commence our final fieldwork as soon as the City has sufficiently closed their accounting records. We expect final fieldwork to take place during September.

During this phase, we will perform substantive audit procedures on the year-end statement of net assets and fund balances, revenue and expenditure/expense accounts. We will use a variety of audit procedures which may include outside confirmations, statistical sampling, and detailed testing of schedules, analytical review, inquiry, and observation.

Stage 6, the Reporting Phase

At the end of the audit process we will meet with key staff to cover the following:

- ❖ Discuss improvements for subsequent years audit plan,
- ❖ Meet with the Finance Sub-Committee to present the results of the audit,
- ❖ Communicate with those charged with governance.

Communication and Management letters

We do not believe in surprises. Although the reporting phase involves a recap of the process we will be in constant communication regarding the each aspect of the audit throughout the entire process. You will not have any surprises at the end of the audit.

The results of our understanding of internal control serve as a basis for our recommendations to management. We also consider any weaknesses noted during our substantive testing and other audit procedures. Upon completion of the audit, the findings and recommendations we consider to be of value to you are summarized and presented as management comments.

We will meet with management to discuss these comments prior to finalizing the letter to ensure that our management letter will contain no surprises. The purpose of our management comments is to direct your attention to:

- ❖ Significant deficiencies and material weaknesses (if any) identified during the course of the audit. Auditing Standards require written communication to management and those charged with governance, of significant deficiencies or material weaknesses, identified during the audit.
- ❖ Other matters that we believe to be of potential benefit to the management of the City, such as recommendations for operational or administrative efficiency, or for improving existing internal controls.

In our view, management letters can serve the City on two distinct levels. The first is when we, the auditors, determine that there are material deficiencies in internal controls. These should be communicated at once to the highest level of management so that corrective action can be taken. The other level is the more routine operational improvement and control enhancement comments which are communicated to management on a timely basis such that appropriate action can be taken.

Section 5 – Anticipated Potential Audit Problems

1. Identification of Potential Audit Issues

We do not anticipate problems within the audit. However, if audit issues are encountered, our process would include meeting with the City's management to develop the appropriate response, and identify any special assistance that will be requested from the City.

We have however identified the following areas that we believe will present challenges to the City in the upcoming contract years where we believe that we can be of assistance.

2. Governmental Accounting Standards Board No. 68

The City will be required to implement GASB No. 68 – *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27* in Fiscal Year 2015. This implementation will require the City to enhance its pension reporting to the new level required by the GASB Standard. The new standard will also require the City to record the Net Pension Liability calculated as the Market Value of Assets less the Total Pension Liability and record this on the face of any full accrual financial statements.

VTD has also been working through the California Society of Certified Public Accountants in interpreting the Pension Reporting standard and carefully following and commenting on AICPA guidelines that are in development on procedures to audit the actuarial information used to develop the Pension Disclosures.

3. Single Audit and OMB Compliance

In December 2013, the U.S. Office of Management and Budget (OMB) issued *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Grant Guidance or Guidance). The Uniform Grant Guidance supersedes and streamlines requirements from eight different grant circulars into one set of guidance contained in Title 2 of the Code of Federal Regulations (CFR) (see Subtitle A, Chapter II, Part 200) as follows:

- ❖ Subpart A, covered in this *GAQC Alert*, contains acronyms and definitions used throughout the Guidance
- ❖ Subpart B, covered in this *GAQC Alert*, discusses general provisions including the purpose of the Guidance, its applicability, and effective date.
- ❖ Subpart C, covered in this *GAQC Alert*, covers administrative requirements directed primarily at federal agencies including pre-award activities and requirements for the contents of federal awards; and
- ❖ Subpart D, covered in this *GAQC Alert*, includes many of the administrative requirements that will be areas of focus for your clients including procurement, internal control, and subrecipient monitoring.
- ❖ Subpart E, to be included in a future *GAQC Alert*, includes reforms to the Cost Principles previously found in Circulars A-21, A-87, and A-122; and
- ❖ Subpart F, to be included in a future *GAQC Alert*, includes the reforms to single audit requirements which were previously found in Circulars A-133 and A-50.

Non-federal entities, including the City, will need to implement the new administrative requirements and Cost Principles for all new federal awards and to additional funding to existing awards (referred to as funding increments) **made after December 26, 2014.**

The audit requirements in Subpart F related to Single Audits will be effective for **fiscal years beginning on or after December 26, 2014.** Therefore, auditees subject to a single audit with **December 31, 2015, year ends** will be required to undergo the first single audits conducted under the Uniform Grant Guidance. For the City of Moreno Valley, the single audit changes will be first effective beginning with the FYE June 30, 2016.

VTD can provide technical assistance with the implementation of the new cost principles and assist with the new single audit requirements.

Appendix A

Our most recent peer review:

YANARI WATSON MCGAUGHEY P.C.

DALE M. YANARI (1947-2004) ♦ RANDY S. WATSON ♦ G. LANCE MCGAUGHEY
FINANCIAL CONSULTANTS/CERTIFIED PUBLIC ACCOUNTANTS

System Review Report

May 25, 2012

To the Partners of
Vavrinek, Trine, Day & Co., LLP
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP (the firm) applicable to non-SEC issuers in effect for the year ended December 31, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Vavrinek, Trine, Day & Co., LLP applicable to non-SEC issuers in effect for the year ended December 31, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Vavrinek, Trine, Day & Co., LLP has received a peer review rating of *pass*.

Yanari Watson McGaughey P.C.
Yanari Watson McGaughey P.C.

9250 EAST COSTILLA AVENUE, SUITE 450
GREENWOOD VILLAGE, COLORADO 80112-3647
(303) 792-3020
FAX (303) 792-5153
web site: www.ywmcpa.com

Appendix B

See following pages for required Exhibits to the RFP

- **Exhibit B – Non-Collusion Affidavit**
- **Exhibit C – Vendor Information**

EXHIBIT B
NON-COLLUSION AFFIDAVIT

ATTACH NOTARY CERTIFICATES HERE

STATE OF CALIFORNIA)
) SS
COUNTY OF San Bernardino)

(NAME) Roger Alfaro, affiant being first duly sworn, deposes and says:

That he or she is a Partner of
(sole owner, partner or other proper title)
Vavrinek, Trine, Day & Co., LLP the party making the foregoing Proposal
(Contractor)

that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company associations, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Proposer Name: Vavrinek, Trine, Day & Co., LLP

Proposer Address: P.O. Box 20439 (6370 Magnolia Ave., Suite 330) Riverside, CA 92516

Telephone No.: (951) 367-3000

 Partner
(Signature of Proposer) (Title)

R F P 2015-001

EXHIBIT C
VENDOR INFORMATION

2007. PROPOSERS COMPANY INFORMATION (print or type)

Company

Name: Vavrinek, Trine, Day & Co., LLP

Owner / Manager Name:

Roger Alfaro, Partner

Mailing Address:

P.O. Box 20439 (6370 Magnolia Ave., Suite 330)

City: Riverside State: CA

Zip: 92516

Remit To Address (if different from PO mailing address)

City: _____ State: _____

Zip: _____

Web

Site: www.vtdcpa.com

Phone Number:

(951) 367-3000

Fax Number:

(951) 367-3010

E-mail Address:

ralfaro@vtdcpa.com

Incorporated? (circle one) YES or NO Federal Tax I.D. # or Social # 95-2648289

How many years of relevant experience within the scope of this RFP? 60+

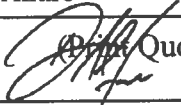
2007. REFERENCES

| | |
|--------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Company Name: City of Glendale Contact Person: Ms. Lily Fang, Finance Director Phone: (818) 548-2085 | Web Site: www.ci.glendale.ca.us e-mail address: LFang@ci.glendale.ca.us |
| Company Name: City of Whittier Contact Person: Ms. Monica Lo, Accounting Manager Phone (562) 567-9810 | Web Site: www.cityofwhittier.org e-mail address: mlo@cityofwhittier.org |
| Company Name: City of Rancho Mirage Contact Person: Mr. Isaiah Hagerman, Director of Finance Phone: (760) 324-4511 | Web Site: www.ranchoirageca.gov e-mail address: isaiahh@RanchoMirageCA.gov |

Additional references provided, beginning on page 19 of the proposal.

I certify that the information given above is accurate and complete; that the Terms and Conditions as issued by the City of Moreno Valley with this Request for Proposal have been fully read, understood, and accepted in total; and that **I am a duly authorized agent for quoting purposes for the company named above.**

Roger Alfaro



(Quoting Persons Name)

(Quoting Persons Signature)

04/09/15

(Date)

Partner

(Title)



VAVRINEK, TRINE, DAY
& COMPANY, LLP
Certified Public Accountants

City of Moreno Valley
Proposal to Provide Independent Audit Services

April 27, 2015

The VTD Audit Team

| | |
|----------------------------------------|------------------------------------|
| Roger Alfaro, CPA | Audit Partner |
| Phil White, CPA | Audit Partner |
| Joe Aguilar | Consulting Services Partner |
| James Ramsey, CPA | Manager |
| Stephanie Sarian, CPA | Supervisor |
| Other Senior and Staff Auditors | |



What sets us apart

Top 100 Nationally Ranked Accounting Firm - *Depth of Experiences*

Federal Compliance – within top firms nationally conducting single audits

▪ Top 5 by number of audits and top 10 by federal dollars audited nationally

Quality is our emphasis

Commitment to governmental organizations – over 50 auditors

Founded in 1948

▪ 8 offices throughout California

Paperless audit process

Soft work for E-Fil - IDEA



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

Experience

- Over 300 Governmental Entities
- Implementation of GASB pronouncements
- Specialization with OMB Circular A-133
- Attendance at National and Local Training
- Participation on CALCPA Audit and Accounting Committee



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

Quality is our Emphasis

- Partner involvement
- Full-time partner and staff solely dedicated to quality control function
- Pricing does not impact quality
- Consistency of staff from year-to-year
- Annual updates to technical requirements, pronouncements, and standards
- Peer review

*Wilk
Throy*

Risk Based Approach



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

Our Audit Approach

- Risk based
- Internal controls
- Key audit areas
- Use of audit software (data mining) ✓
- Common sense approach to the audit



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

Effective Communication

- Planning meeting – outlining expectations ✓
- Discussions with those charged with governance
- Direct contact / interviews with key members of management and subject matter experts
- Formal status meetings and communications *Informal*
- Issuance of financial statements
- Findings – No surprises
- Presentation to those charged with governance



Vavrinek, Trine, Day & Co., LLP
Certified Public Accountants

***Proposal for Professional
Auditing Services to***

CITY OF MORENO VALLEY

RFP 2015-001

***For the fiscal years ending June 30, 2015, 2016 and 2017
(With a possible two year extension)***

Submitted by:

ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS

735 E. CARNEGIE DRIVE, SUITE 100
SAN BERNARDINO, CALIFORNIA 92408
PHONE: (909) 889-0871
FAX: (909) 889-5361

April 9, 2015

CONTACT: SCOTT MANNO, PARTNER
smanno@ramscpa.net

ALTERNATE CONTACT PERSON: TERRY SHEA, PARTNER
tshea@ramscpa.net



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
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April 9, 2015

City of Moreno Valley
14177 Frederick Street
Moreno Valley, CA 92553

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Bradferd A. Welebir, CPA, MBA

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Gardenya Duran, CPA
Juan Romero, CPA
Ivan Gonzales, CPA, MSA
Brianna Pascoe, CPA

I am pleased to respond, on behalf of Rogers, Anderson, Malody & Scott, LLP, (RAMS) to your request for proposals regarding professional auditing services. Our goal for the past 67 years has been to provide honest, accurate, objective results to all of our clients, including not-for-profit organizations such as yours. Our success in this effort is witnessed by both the growth of our firm and the list of long-term clients who trust us.

At RAMS, we are committed to achieving the highest quality audit possible. We understand the complexity of performing governmental audits and that's why we have a dedicated team of auditors that possess the specialized knowledge and experience to help ensure compliance and changes in regulations that may impact your audit. We plan and execute our audits in a way that maximizes audit efficiency and quality and provides you the highest quality services.

We are aware that the City has other proposals to consider. We believe that RAMS would be the appropriate choice for the audit engagement for the following reasons, which are provided in more detail in our proposal. Our firm:

- Has an established reputation in the governmental and not-for-profit accounting and auditing community for providing excellent, timely service and high quality reporting to our clients.
- Provides auditing services to over 50 governmental entities and not-for-profit organizations, including over 20 cities, most of which have enterprise activities.
- Understands the audit process, as a whole, can be a stressful experience for you and your staff; we understand that you will have other commitments and your regular workloads during the audit period. We make every effort to ensure the audit process, from the interim field work to the preparation of the required financial reports, will be as trouble-free as possible for you and your staff. We accomplish this through comprehensive planning of the audit and utilizing our staff in the most efficient and effective manner.

MEMBERS

American Institute of
Certified Public Accountants

*PCPS The AICPA Alliance
for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

- Has audit team members that are personable and easy to work with. Through open and responsive communication with all parties involved in the audit process, we work to have the most efficient audit possible by minimizing operational distractions of your staff, while maximizing quality service and products.
- Provides extensive training and continuing education to all of our audit staff through a combined use of in-house instruction and third-party providers. Our audit team members are experienced with and receive regular training in performing Single Audits in accordance with Federal OMB Circulars A-21 and A-133.
- Is committed to helping you meet all reporting/auditing deadlines, resolving any issues encountered during your audit (e.g., accounting or auditing, new pronouncements, etc.), and providing you with quality audit services.
- Has an extensive quality control review process to ensure your financial reports meet the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, *each report is also examined by 2 partners and 2 professional proofreaders.*
- Has assisted many of our clients with the preparation of their Comprehensive Annual Financial Reports, and all of our clients that have submitted their reports for the Government Finance Officers Association (GFOA) or California Society of Municipal Finance Officers (CSMFO) awards have received the awards. Our participation as a GFOA reviewer also indirectly benefits our clients in the quality review process.
- Is a full service firm, with specialists in auditing, reviews and compilations, tax planning and preparation, as well as business consulting. The diverse experience and accessibility of the professionals in these areas help us to provide a comprehensive approach to a wide variety of needs.
- Believes that our fee estimate and arrangement provides a fair and reasonable cost, commensurate with the experience of the audit team members, to perform the annual audit services for the City.

We understand the scope of the work to be performed, auditing standards to be followed, and the reports to be issued, as described in the City's *Request for Proposal*. We also are committed to performing the required work within agreed upon time frames.

Mr. Shea (license #45615) and Mr. Manno (license #80428), Partners, are authorized to act on behalf of Rogers, Anderson, Malody & Scott, LLP. We can be reached at: 735 E. Carnegie Drive, Suite 100, San Bernardino, CA 92408, (909) 889-0871, tshea@ramscca.net or smanno@ramscca.net. Please contact us if you have any questions regarding this proposal.

Thank you for the opportunity to present our proposal qualifications and to serve as independent auditors to the City of Moreno Valley. We look forward to having a long and mutually beneficial relationship with the City.

Respectfully yours,

ROGERS, ANDERSON, MALODY & SCOTT, LLP



Scott W. Manno, CPA, CGMA
Partner

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Independence and License to practice in California

Independence

Rogers, Anderson, Malody & Scott, LLP is independent of the City of Moreno Valley, the Successor Agency to the City of Moreno Valley and the Moreno Valley Community Services District, and any component units, as defined by general standard number two of the generally accepted auditing standards.

We are also independent of the City of Moreno Valley, and any component units, as defined by the second general standard for government auditing in the U.S. Government Accountability Office's *Government Auditing Standards* (2011).

License to practice in California

Rogers, Anderson, Malody & Scott, LLP is licensed to practice in the State of California. The key professional staff, which includes the partners, managers, and supervisors, are all certified public accountants licensed to practice in the State of California.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience

About our firm

Rogers, Anderson, Malody & Scott, LLP was founded in 1948 and is located at 735 E. Carnegie Drive, Suite 100, San Bernardino, California. We are one of the oldest CPA firms in Southern California, with over 67 years of public practice experience, specializing in governmental agency and not-for-profit organization auditing, accounting and management advisory services. Over *fifteen thousand hours per year* are devoted to this area of our practice, which includes cities, redevelopment agencies, water districts, other special districts, not-for-profit corporations and joint power authorities.

Our firm has a total staff of thirty-one people, which includes sixteen certified public accountants. The staff consists of five partners, one director, one manager, ten supervisors/senior accountants, ten staff accountants and four support staff. The audit staff consists of twenty members who devote over 80% of their time to municipal/not-for-profit engagements.

The engagement team assigned to the City's engagement will consist of the following full-time staff: two audit partners, one audit director, one audit senior and four staff auditors. All personnel are located in our San Bernardino office.

We understand that organizations desire that its auditors have a thorough understanding of the complex accounting and compliance issues confronting entities such as yours. Our firm has a long history of governmental/not-for-profit accounting and auditing. Over the years, we have gained valuable experience, acquired in-depth knowledge, and obtained the technical expertise needed for governmental/not-for-profit accounting and auditing.

Our firm is committed to providing our clients with the highest quality service at the most reasonable fee. The professionals assigned to the City's financial audit have each made providing quality service their priority.

Single audit experience

Most of our city clients, and some of our other governmental and not-for-profit clients, have been subject to an audit in accordance with OMB Circular A-133. We also have experience in auditing American Recovery and Reinvestment Act (ARRA) grants. We recently performed single audits for the following entities:

| | |
|-----------------------------|-------------------------------------------------------|
| City of Capitola | City of La Mesa |
| City of Chino | City of Mission Viejo |
| City of Goleta | City of Redondo Beach |
| City of Norco | City of Twentynine Palms |
| City of Fillmore | Community Action Partnership of San Bernardino County |
| City of Rosemead | University Enterprises Corporation at CSUSB |
| City of San Juan Capistrano | Western Municipal Water District |
| City of La Verne | |

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Housing Authority and Successor Agency experience

For the fiscal years ended June 30, 2013 and 2014 the firm audited the following Housing Authorities and Successor Agencies for the following Cities:

| | |
|----------------------|-----------------------------|
| City of Capitola | City of San Juan Capistrano |
| City of Chino | City of La Verne |
| City of Poway | City of San Jacinto |
| City of Norco | City of Twentynine Palms |
| City of Fillmore | City of La Mesa |
| City of El Cajon | City of Rosemead |
| Town of Yucca Valley | City of Mission Viejo |
| City of San Marcos | City of Redondo Beach |
| City of Moorpark | City of Sierra Madre |

The firm also performed the Due Diligence Reviews Agreed-Upon Procedures for fourteen Successor Agencies.

CAFR preparation

We have extensive experience in the preparation of Comprehensive Annual Financial Reports (CAFR). For the fiscal year ended June 30, 2013, our staff prepared over 15 CAFR's, and each entity received the Certificate of Achievement for Excellence in Financial Reporting from the GFOA. For the fiscal year ended June 30, 2014, again, our staff prepared over 15 CAFR's for our clients for their submittal to the GFOA. In addition, we have helped many cities and special districts develop their first year's report for submittal. The audit partner on the engagement is also a technical reviewer for the GFOA CAFR award program.

Governmental Audit Quality Center

As a member of the American Institute of CPAs *Governmental Audit Quality Center*, we are committed to adhering to the highest quality standards by voluntarily agreeing to the Center membership requirements, which include designating a partner responsible for the quality of our governmental and not-for-profit audit practice, establishing quality control programs, performing annual internal inspection procedures, and making our peer review report findings publicly available. At RAMS, our goal is to continue to enhance our quality initiatives within our governmental and not-for-profit audit practice to deliver the highest quality audit services possible.

In addition, the Governmental Audit Quality Center provides access to comprehensive resources that will assist us in further enhancing the quality of your audit. The Center membership will provide us timely information on a variety of technical, legislative and regulatory subjects that we can in turn apply to your audit to help ensure compliance with the appropriate standards and changes in regulations.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

Our team of auditor specialists stays current in this highly technical practice area by adhering to the continuing professional education requirements of *Government Auditing Standards* and attending various continuing education programs including the annual AICPA National Governmental Accounting and Auditing Update Conference, the AICPA National Not-for-Profit Industry Conference, the Governmental Audit Quality Center Annual Webcast Update and other relevant seminars and by reviewing monthly publications from the American AICPA, the GFOA, and various other resources.

Range of services

Our firm provides various other services in addition to auditing services to governmental and not-for-profit entities, including:

- Finance director and accounting support services
- Study and evaluation of financial condition and fiscal policies
- Transient Occupancy Tax Agreed Upon Procedures
- Financial projections
- Franchise (refuse, cable) Agreed Upon Procedures
- Accounting policies and procedures
- Cost control and cost allocation plans
- Capital improvement program procedures and policies
- Cash management studies
- Financing and public bond offering assistance
- Franchise agreement assistance (ambulance, cable, television, refuse, etc.)

In addition, the firm provides accounting, auditing, attest and consulting services to for profit and not-for-profit entities. We also provide tax preparation and tax consulting services to individuals, corporations and partnerships.

Quality control

We have an extensive quality control review process to ensure your audit meets the highest standards. In addition to the preparation of financial reports by the engagement team and review by the engagement manager, each report is also examined by the engagement partner and the technical review partner, and is proofread by two professional staff. Our firm is a member of the AICPA's Governmental Audit Quality Center (GAQC) and the AICPA's Private Company Practice Section (PCPS). We perform an in-house peer review over our audit and attest engagements annually, and receive an independent external peer review every three years.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Firm qualifications and experience (continued)

External quality control examinations

As a member of the AICPA Private Companies Practice Section, our firm has participated in "Peer Review" since 1993 and has been examined every three years since that date. Throughout our participation in this program, the firm has received unqualified opinions from the peer reviewers. A copy of our most recent external quality control review dated May 31, 2012 for the year ended November 30, 2011 (Attachment A) is attached. The latest review included reviews of specific governmental and not-for-profit entities.

The firm is not aware of any federal or state desk reviews or field reviews of its audits during the last three years.

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience

The quality of service you receive is dependent on the capabilities of the individuals assigned to the engagement, and the manner in which those personnel resources are organized to efficiently focus their abilities on providing you with the requested audit services.

Our engagement team will provide significant experience coupled with an extensive, practical understanding of governmental and not-for-profit accounting and auditing. These professionals are highly trained and knowledgeable and have a thorough understanding of the environment in which governmental and not-for-profit entities operate.

Partner and supervisory staff involvement

All partners and supervisory staff are working professionals and are actively and continually involved in all aspects of their engagements. We believe that partner and supervisory staff involvement in all areas of the audit is a key aspect of the overall audit process. This involvement includes being on-site for interim and year-end field work, thus facilitating a proper, efficient and effective audit, with minimal disruption of your staff. In addition, the time spent on-site by the partners and supervisory staff ensures they gain an understanding of the entire organization's accounting processes and procedures. This understanding will enable them to evaluate and develop opportunities for efficiency as well as offer practical and functional advice for improving your accounting processes and procedures.

Continuity of audit staff is a principal concern with our firm. Therefore, we plan to provide staff continuity from year to year, which is in the best interest of the organization and our firm. Continuity ensures an orderly, efficient, and less disruptive audit experience. Since we cannot guarantee staff will remain with us, principal supervisory and management staff, including engagement partners, managers, other supervisory staff, and specialists, may be changed if those personnel leave the firm or are promoted.

In summary, we want to emphasize the credentials of the professionals who will be directly responsible for the quality of service that you will receive. Additionally, our audit team has another attribute that is very important, even though it is intangible -- the professionals assigned to the audits have previously worked together as a multi-disciplined team, thus ensuring a smooth, efficient and effective audit. We are committed to allocating the necessary resources to ensure that we provide continuity of personnel throughout the term of our relationship with the City.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience (continued)

Continuing professional education

All professionals at our firm participate in continuing professional education (CPE) programs, which are sponsored by various organizations including the Government Finance Officers Association, the American Institute of Certified Public Accountants, the California State Society of Certified Public Accountants, the California Society of Municipal Finance Officers and the City of Government Accountants. Participation in these programs helps us to ensure that our clients are serviced with the best trained and most proficient government and not-for-profit auditors and accountants available. In addition, we provide in-house training taught by our partners and senior level staff using published resources.

In accordance with our firm's Quality Control document and *Government Auditing Standards (GAS)*, all staff members who work on audits subject to GAS are required to complete CPE in accordance with GAS standards.

Assigned personnel

It is our goal to provide the City with capable, competent, and personable individuals who offer an extensive background, not only in governmental and not-for-profit accounting and auditing, but also in general business practices. We offer practical solutions, as well as provide technical support. This enables you to stay at the forefront of governmental and not-for-profit accounting and provides you with the support you need in dealing with the complex issues confronting entities such as yours.

In addition, our engagement team has the managerial and supervisory experience to provide the City with a comprehensive audit of the highest quality, while still focusing on personal service. The resumes of the key engagement personnel assigned to the audit are presented near the end of this proposal. The following individuals will be assigned to the engagement for the entire contract period:

Scott Manno, – CPA, CGMA – Engagement Partner

Scott Manno, CPA, CGMA is a municipal audit partner with the firm and will be the engagement partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Manno has been in public accounting for 20 years serving local governments such as yours. As the engagement partner, he will be responsible for overall engagement quality, as well as ensuring that the engagement is performed in the most effective and efficient manner. He will review all work-papers prepared during the engagement, in addition to all required reports.

Mr. Manno has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: Town of Yucca Valley, Elsinore Valley Municipal Water District, Rincon del Diablo Municipal Water District, City of Lake Elsinore, City of Ontario, the Ventura Regional Sanitary District, the City of Norco, Big Bear Area Regional Wastewater Authority, Western Municipal Water district, Vista Irrigation District, Helix Water District and the City of Twentynine Palms.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience (continued)

Currently Mr. Manno currently serves as a technical reviewer for the GFOA CAFR Award program and from 1997 to 2000 he served as a technical reviewer under the CSMFO award program. Since 2010, Mr. Manno has been serving as a technical volunteer on the California Special Districts Association Audit Committee and is now a member of the Associations fiscal committee providing accounting and fiscal program guidance.

In addition, he is part of the California State Society of Certified Public Accountants Governmental Accounting and Auditing Committee which meets periodically to discuss current events, pronouncements, etc. including the upcoming implementation of GASB 68.

Terry Shea, CPA – Quality Control Partner

Terry Shea, CPA, will be the quality control partner. He is licensed to practice as a certified public accountant in the State of California. Mr. Shea has been in public accounting for 34 years serving local governments such as yours. As the quality control partner, he will be responsible for engagement quality and will review all required reports.

Mr. Shea has assisted the following cities in their endeavors to obtain the CSMFO and/or GFOA awards for outstanding financial reporting: City of Goleta, City of Mission Viejo, City of Norco, City of Redondo Beach, the Ventura Regional Sanitary District and the City of Twentynine Palms. He currently serves as the Contract Finance Director for one Riverside County city and one Los Angeles County city.

With such a vast and varied experience Mr. Shea has the technical knowledge to provide unparalleled technical support to the City and, if needed, the engagement team.

Brad A. Welebir, CPA, MBA – Director

Brad A. Welebir, CPA, is a manager with the firm. He is licensed to practice as a certified public accountant in the State of California. Mr. Welebir has over nine years of public accounting experience. He has provided accounting, auditing, and consulting services for municipalities, special districts, water agencies, and various nonprofit organizations. He will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, he will also be responsible for the preparation of any required reports.

Yiann E. Fang, CPA, Senior Accountant

Yiann E. Fang, CPA, is a senior accountant with the firm. She is licensed to practice as a certified public accountant in the State of California. Ms. Fang has over four years of public accounting experience. She has provided accounting, auditing, and consulting services for municipalities, school districts, water agencies, and various nonprofit organizations. She will be responsible for planning the audit, supervising the staff assigned to the engagement, and performing reviews of all work-papers prepared for the engagement. In addition, she will also be responsible for the preparation of any required reports.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Partner, supervisory and staff qualifications and experience (continued)

Gardenya Duran, CPA, Senior Accountant

Gardenya Duran, CPA, CGMA, is a senior accountant with the firm. She is licensed to practice as a certified public accountant in the State of California. Mrs. Duran has five years of public accounting experience. She has provided accounting and auditing services for municipalities, special districts, water agencies, and various nonprofit organizations. As a senior accountant, she will be responsible for examining general ledger accounts, verifying revenues and expenditures, preparing work-papers, supervising any staff accountants and assisting in the preparation of any required reports.

We will make every effort to staff the same junior-level staff to the engagement on an annual basis. The quality of the junior-level staff will be maintained over the term of the agreement by assigning properly trained and supervised junior-level staff. All staff accountants receive 80 hours of continuing education directly related to governmental accounting and auditing every two years.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Similar engagements with other governmental entities

Similar engagements with other governmental entities

1. **Entity:** **CITY OF EL CAJON**
Scope of work: Financial Audit/CAFR*/Successor Agency
Date: Years ending June 30, 2008 through 2014
Engagement partner: Mr. Scott Manno/Terry Shea
Total hours: Approximately 400 hours each year
Contact person: Ms. Holly Reed-Falk, Finance Manager, (619) 441-1763

2. **Entity:** **CITY OF REDONDO BEACH**
Scope of work: Financial Audit/Single Audit/CAFR*/Successor Agency
Date: Years ending June 30, 2012 through 2014
Engagement partner: Mr. Terry P. Shea
Total hours: Approximately 500 hours each year
Contact person: Mr. Craig Koehler, Finance Director, (310) 937-6629

3. **Entity:** **CITY OF CHINO**
Scope of work: Financial Audit/Single Audit/CAFR*/Successor Agency
Date: Years ending June 30, 2011 through 2014
Engagement partner: Mr. Scott Manno
Total hours: Approximately 450 hours each year
Contact person: Ms. Caryl Wheeler, Accounting Manager, (909) 334-3262

4. **Entity:** **CITY OF MISSION VIEJO**
Scope of Work: Financial Audit/CAFR*/Successor Agency
Date: Years ending June 30, 2012 through 2014
Engagement partner: Mr. Terry Shea
Total hours: Approximately 425 hours each year
Contact Person: Mr. Cheryl Dyas, Director of Administrative Services,
(949) 470-3059

5. **Entity:** **TOWN OF YUCCA VALLEY**
Scope of work: Financial Audit/CAFR*/Successor Agency
Date: Years ending June 30, 2008 through 2014
Engagement partner: Mr. Scott Manno
Total hours: Approximately 350 hours each year
Contact person: Mr. Curtis Yakimow, City Manager, (760) 369-7207

* = received GFOA award.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Lost clients and pending litigation

Lost clients ✓

- 1. Entity: **CITY OF NORCO** 12-13-14s
Contact person: Ms. Olivia Hoyt, Accounting Manager, (951) 270-5611
- 2. Entity: **CITY OF DANA POINT** Mud
Contact person: Mr. Mike Killebrew, Assistant City Manager, (949) 248-3524
- 3. Entity: **CITY OF LEMON GROVE** Rotation
Contact person: Ms. Cathleen Till, Finance Director, (619) 825-3803
- 4. Entity: **SAN GORGONIO PASS WATER AGENCY** Rotation
Contact Person: Mr. Tom Todd, Jr., Finance Manager, (951) 845-2577
- 5. Entity: **CITY OF GRAND TERRACE** Rotation
Contact Person: Ms. Carol Jacobs, City Manager, (909) 430-2240

The clients were lost either due to mandatory auditor rotation or through the bidding process.

Pending litigation

The firm **has never** had any disciplinary action taken or pending against it with state regulatory bodies or professional organizations, nor has it ever had any pending or settled litigation, civil or criminal investigations. Our firm does not have a record of substandard work.

*The former
Control Review*

*Expenses
&
Invoices*

*NO spec. for Audit Tools:
Audit Contracts*

*Best Practice - guidance for
By Issue
Recommendations*

Pro Active Practice

*Look @ all transactions - Don't just rely on analytical
Audit Committee*

*Per Audit - Concerns
Controls in IT for Duplicate
information -*

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach)

Specific audit strategy

The following is a summary of the audit team's approach for the City's engagement. The audit will be divided into the following phases:

Interim phase – planning, pre-audit administration and internal control testing

During this phase of the audit, our principal objectives will be as follows:

- ✓ Discuss the dates of the interim and year-end field work.
- ✓ Perform risk assessment procedures by completing the following procedures:
 - Obtain an understanding of the City and its environment, including its internal control, sufficient to plan the audit.
 - Evaluate the design and effectiveness of the City's internal controls and determine whether they have been implemented.
 - Perform walkthrough of all significant transaction classes.
 - Perform tests of controls, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Meet with the City's staff in order to determine convenient dates in which we can begin our audit, and to discuss the assistance to be provided by the City's staff.
- Review and evaluate the City's accounting and reporting processes by reviewing the prior year's audit work-papers, any City-prepared documents such as budgets, in-house financial reports, policies and procedures manuals, minutes of board meetings, etc., and by using various analytical procedures. Analytical procedures will enhance our understanding of the City and will help us identify areas that may need further assessment and additional testing.
- Review and retain copies of any pertinent local, state and federal statutes, regulations, or charters that apply to the City. We will also review and retain copies of any agreements or contractual obligations (e.g., debt and grant documents, lease agreements, revenue agreements, etc.).
- Evaluate the design of controls that are relevant to the audit by obtaining a thorough understanding of the City's internal controls over financial reporting and compliance by documenting key internal control components, utilizing questionnaires, walkthroughs, inquiring of the City's personnel, and observing and reviewing key supporting documentation (a more thorough explanation of this process is discussed later in the technical proposal).
- Hold brainstorming sessions with engagement team members to discuss the susceptibility of the City's financial statements to material misstatement and fraud.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

- Review and analyze supporting data and determine what reliance will be placed on internal controls and assess control risk.
- Test controls, if control risk is assessed below the maximum, by selecting a sample of transactions within the audit area being tested and reviewing supporting documentation, and evaluating the completeness of the documentation tested, as well as the adequacy of support and approvals as they appear on the support.
- Document and review with management, any findings noted during the testing of internal controls and provide a preliminary management letter that will include our recommendations for improving any weaknesses in operations noted during our internal control analysis and tests of controls. The letter will also include suggestions for improving the efficiency of the City's operations.

This phase of the engagement for the audit will take approximately 155 hours (based on City, GANN, CSD and Child Care audit hours) and be performed by the director, senior/supervisor accountant and three to four staff accountants with direct supervision by the audit partner.

Year-end phase I – substantive testing

During this phase of the audit, our principal objectives will be as follows:

- ✓ Assess the risk of material misstatement at the financial statement level and specific assertions.
- ✓ Design overall responses to assessed risks and further audit procedures.
- ✓ Perform substantive tests, as needed, and complete the audit.
- ✓ Evaluate audit findings, if applicable.

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether our testing supports the assessed level of risk initially assigned at the financial statement level and at the assertion level.
- Identify significant risks.
- Develop a detailed audit plan.
- Design substantive tests of account balances, modified specifically for the City's operations and assessed level of risk. Substantive procedures could, depending on our risk assessment, consist of the following:
 - Confirmation of cash and investment balances
 - Testing of cash and investment reconciliations
 - Testing GASB 40 disclosures
 - Testing for compliance with the City's investment policy

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

- Testing of interest income allocations to the various funds
- Analytical review and subsequent receipt testing of significant receivables
- Evaluate if receivables are valued properly and perform tests of balances in conjunction with the testing of revenues
- Testing of significant inventory and other asset accounts
- Testing of additions and deletions to capital assets, including CIP accounts
- Perform a search for unrecorded liabilities
- Testing of significant liability and accrued liability accounts
- Evaluate the support for compensated absences
- Review the valuation of claims and judgments
- Testing of long-term debt balances and debt covenants
- Analytical review of interest expense
- Testing of net position (net asset) classifications
- Testing of revenues through either analytical procedures and/or detailed testing
- Testing of expenses through either analytical procedures and/or detailed testing
- Payroll testing for compliance with approved salary schedules
- Examination of interfund transfers and testing of transfers out of restricted funds
- Review the minutes of the board meetings
- Review significant contracts, debt issuances, leases and other agreements
- Review of subsequent events after year end (through the completion of our audit)
- Testing for significant commitments to be disclosed in the financial statements
- Confirm with legal counsel any significant legal matters affecting the City's financial position

The above list is not all-inclusive.

This phase of the engagement will take approximately 329 and be performed by the manager, senior accountant and two staff accountants with direct supervision by the audit partner.

Year-end phase II – reporting/audit conclusion

During this phase of the audit, our principal objectives will be as follows:

- ✓ Evaluate whether the financial statements, taken as a whole, are free from material misstatement.
- ✓ Form an opinion and issue the audit reports.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

In order to achieve the desired objectives of this phase of the audit, we will:

- Determine whether, based on our substantive testing and other procedures, the financial statements, taken as a whole, are free of material misstatement. This will provide the basis for our opinion.
- Review of all audit work-papers by the engagement partner and manager to ensure that the audit was performed in accordance with the required standards (GAAS, GAGAS, etc.).
- Prepare drafts of all required reports by the agreed-upon dates.
- Conduct an independent review of the financial statement draft by the firm's technical review partner.
- Issue all reports by the agreed-upon dates.

This phase of the engagement will take approximately 100 hours and be performed by the audit manager, senior and one staff accountant with direct supervision by the audit partner. In addition, the quality control partner will perform a quality control review of the financial statements.

The above procedures are a general list of procedures to be performed. After our initial review of the City and our detailed risk assessment, we will customize the engagement and gear it towards the needs of the City and the audit itself. In doing so, we will determine which procedures to perform relative to our risk assessment. All of our audits are customized to each entity, helping to ensure a complete, effective, and efficient audit.

Our firm is dedicated to performing a timely audit engagement. Prior to the start of the audit, we will meet with City staff and decide on adequate timeframes, agreed upon by both the City and us, for the performance of the audit and the release of the financial statements. *We will dedicate the necessary resources to meet any agree upon time frames.*

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

Understanding of internal control

Our approach to obtaining an understanding of the City's internal control over financial reporting will be performed in accordance with professional standards as promulgated by the American Institute of Certified Public Accountants -- our understanding will include the *Control Environment*, *Risk Assessment*, *Control Activities*, *Information and Communication*, and *Monitoring*. Our approach is as follows:

Control Environment. Through inquiry of the City's personnel, prompted by questionnaires, personal knowledge, and review of the minutes of the City's board meetings, we will obtain an understanding of management's and the City Council's attitudes, awareness and actions concerning the control environment, focusing on the substance of the controls rather than their form.

Risk Assessment. Through inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the City's risk assessment process to understand how management considers risks relevant to financial reporting objectives and decides upon actions to address those risks. This will include understanding how management identifies risks, estimates the significance of these risks, assesses the likelihood of their occurrence, and relates them to financial reporting.

Control Activities. Certain control procedures will be documented during our analysis of the control environment and the accounting system. However, many specific control procedures will still need to be documented that will focus primarily on the City's major transaction cycles. As mentioned above, we will test the City's control procedures on which we intend to rely for safeguarding assets from unauthorized use or disposition and detecting/preventing unauthorized transactions. Any flow charts, organizational charts and any other manuals, programs, and financial and management information systems will be analyzed during this process.

Information and Communication. Through inquiry of the City's personnel, we will identify the major types of transactions engaged in by the City. We will become familiar with the treatment of those transactions, including how the transactions are initiated, the related accounting records, and the manner of processing the transactions. Finally, we will obtain an understanding of the City's financial reporting process used to prepare financial reports, including the approaches used in making accounting estimates and disclosures.

Monitoring. Through the inquiry of the City's personnel and the use of questionnaires, we will obtain sufficient knowledge of the major types of activities the City uses to monitor internal control over financial reporting. We will also determine how those activities are used to initiate corrective actions.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

Sample sizes

Our sample sizes will be determined in accordance with the AICPA's *Audit and Accounting Guide, Audit Sampling*, and will be selected using professional judgment as permitted by SAS No. 111: *Amendment to Statement on Auditing Standards No. 39, Audit Sampling*. Our methods are designed to provide the most audit coverage without expending excess time. Our sample sizes will depend upon our preliminary assessment of control risk, as well as our planned substantive testing and analytical procedures.

Approach in drawing samples for compliance testing

Our approach to be taken in drawing audit samples for purposes of tests of compliance will depend on the number of transactions, the amounts of financial assistance provided (as applicable), and the City's internal controls over the respective programs. We will select samples that will provide sufficient evidence of the City's compliance with the laws and regulations that will have a material effect on compliance with laws and regulations.

Computer technology in the audit

Our firm has adopted a paperless audit approach. Using our engagement software, all audit team members are linked to each other using a local router which enables them to share information at an almost real-time speed. In addition, once your trial balances and financial statements are entered into our software, we are able to observe your statements in the field allowing us to notice any variances and address them at your office. With this in mind, we would prefer all audit information in an electronic format, particularly trial balances and general ledgers. If electronic formatting is not available, all audit teams have portable scanners and printers while on location during fieldwork. In addition, we can access our accounting and auditing resources through either a wireless or wired internet connection. We link the CAFR schedules directly to our audit software trial balances, and as result, we can provide the City with fund financial statements almost immediately after importing the trial balances. Additionally, journal entries are easy to post to the CAFR schedules and the risk of data entry error is minimized. We can provide the City with our audited trial balances which show the coding of the CAFR schedules for ease of review for City staff. These reports show each account coded to a specific CAFR line item as well as journal entries posted during the audit.

EDP software

It is our intent to audit *around* the City's computer system. However, if we determine that it would be more efficient and cost effective to audit *through* the City's system, we will apply the necessary procedures after discussing the matter with the City.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

Analytical procedures

We will utilize analytical review procedures throughout our audit of the City. During the *interim* phase of our audit, we will compare current and prior year unadjusted balances to determine areas that may need additional analysis; we will also compare current year actual amounts to the City's annual budget. During the *final* phase of our audit, we will perform procedures similar to those mentioned above, as well as compare certain financial ratios for current and prior years. We will also conduct certain "reasonableness" tests. Finally, after we have completed our field work, we will compare current and prior year audited balances, keeping in mind expected relationships obtained from our knowledge of the City and various other entities.

Approach in determining applicable laws and regulations

We understand the importance of laws and regulations in planning an audit of a local government or not-for-profit entity. As part of our audit process, our audit team will obtain an understanding of the laws and regulations that will have a direct and material effect on the City's financial statements. In determining which laws and regulations are applicable to the City's financial statement audit, we will consult the following sources:

- ◆ AICPA Audit and Accounting Guide, *Audits of State and Local Governments*
- ◆ The Division of Local Government Fiscal Affairs Minimum Audit Requirements
- ◆ US Government Accountability Office's *Government Auditing Standards* (The Yellow Book), 2011 Revision
- ◆ Applicable contracts/grants of the City of Moreno Valley
- ◆ The Single Audit Act Amendments of 1996
- ◆ Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*
- ◆ OMB Circular A-87, *Cost Principles for State and Local Governments*
- ◆ OMB's Circular A-133, *Compliance Supplement*

After consulting the applicable sources, we will design our audit to provide reasonable assurance of detecting material instances of noncompliance.

Approach in communicating changes to the CAFR during the review process

Typically, we communicate any changes to the CAFR via email or phone call. In addition to these methods, we have also used our client portal system to upload and download fully marked CAFR's with changes for review.

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Specific audit strategy (audit approach) (continued)

Evaluation of internal controls and management letter comments

During our audit, we will consider the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Our consideration of internal control is not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. There are three classifications of internal control deficiencies. We will work carefully with your staff to ensure the correct classification of any identified internal control deficiencies. The three classifications are as follows:

- *Control deficiency* – a minor internal control deficiency that can be communicated either verbally or in writing to management.
- *Significant deficiency* – a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance, and must be communicated in writing.
- *Material weakness* – a deficiency, or a combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis, and must be communicated in writing to those charged with governance.

When we prepare internal control recommendations, we obtain a thorough understanding of the specific circumstances surrounding the finding, and discuss the matters with management prior to drafting the letter. We work with your staff to ensure that the recommendation is reasonable and practical to implement.

Approach to identify and schedule audit due dates

During the interim portion of the engagement, we will meet with senior finance personnel to discuss due dates for all reports, including when drafts will be due to you and when your comments/changes will be due back to us. We prefer a quick turnaround, thus ensuring all deadlines are met. We are flexible in our scheduling and will try to accommodate your needs.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Identification of anticipated potential audit problems

Identification of anticipated potential audit problems

One potential problem could be the implementation of GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – and amendment of GASB Statement No. 27*. Based on information provided by CalPERS, we are expecting them to provide all of the information needed, at a fee to each entity, to implement the new GASB. No one is yet to receive the information, so we are currently waiting for a final sample of the accounting actuarial to be provided by CalPERS (draft samples have been reviewed by us).

Our firm has several members attending various meetings of the California Society of CPA's Government Accounting and Auditing Committee allows us to keep abreast of the latest developments in implementing the new standard. We will be able to provide sample disclosures as well as schedules for tracking the various deferred inflows and outflows required under the statement while assisting in financial statement preparation.

Once it is clear what will be supplied by CalPERS, we will be able to form a plan, meet with City staff to discuss our plan so the City staff can obtain a clear understanding of the issues, and then assist City staff with the implementation of the statement.

CITY OF MORENO VALLEY
PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel

Scott W. Manno, CPA, CGMA
Engagement Partner

Professional experience

Mr. Manno began his career with Thomas, Bigbie and Smith in 1995. He spent six years with the firm primarily working on audits of municipalities, special districts and redevelopment agencies as well as various non-profit organizations. He joined Rogers, Anderson, Malody & Scott, LLP in July 2001.

Education / licenses

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California
Chartered Global Management Accountant – American Institute of Certified Public Accountants

Related professional experience

Governmental agencies that Mr. Manno has served include the following (*includes enterprise fund accounting):

- | | |
|------------------------|------------------------------|
| City of Fillmore* | City of Twentynine Palms |
| City of Chino* | City of Goleta |
| Town of Yucca Valley* | City of Grand Terrace* |
| City of Sierra Madre* | City of Norco* |
| City of Calimesa | City of Mission Viejo* |
| City of San Jacinto* | City of La Mesa* |
| City of La Verne* | City of Lemon Grove |
| City of Lake Elsinore* | City of San Juan Capistrano* |

Mr. Manno has completed approximately 132 hours of continuing professional education courses over the past two years of which the following select courses are relevant to this engagement:

- ◆ Association of Certified Fraud Examiners, *How to Detect and Prevent Financial Statement Fraud*
- ◆ American Institute of Certified Public Accountants, *Frequent Frauds in Government*
- ◆ American Institute of Certified Public Accountants, *Governmental Accounting and Reporting*

Professional affiliations

Mr. Manno is a member of the following organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Association of Certified Fraud Examiners (ACFE)
- ◆ Association of Government Accountants (AGA)
- ◆ California Special Districts Association (CSDA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Terry P. Shea, CPA **Quality Control Partner**

Professional experience

Mr. Shea began his career with Thomas, Byrne and Smith in 1981. He spent six years with the firm primarily working on audits of municipalities, special districts, redevelopment and other governmental agencies. He joined Rogers, Anderson, Malody & Scott, LLP in 1987 where he has completed governmental audits including municipalities and provided financial consulting services for various cities.

Education / licenses

Bachelor of Arts degree from California State University, Fullerton
Certified Public Accountant – State of California

Related professional experience

Governmental and not-for-profit entities that Mr. Shea has served include the following (*includes enterprise fund accounting):

| | | | |
|-----------------------------|------|----------------------------|------------------------------------|
| City of La Mesa* | | City of Loma Linda* | City of Riverside* |
| City of Grand Terrace* | 2011 | City of Palm Desert | City of El Cajon* |
| City of Twentynine Palms | | City of San Jacinto* | Town of Yucca Valley |
| City of Corona* | ↓ | City of San Bernardino* | City of Indian Wells |
| City of Norco* | ↓ | City of San Bernardino EDA | University Enterprise Corporation |
| City of Indio* | | Crestline-Lake Arrowhead | at CSUSB |
| Ventura Regional Sanitation | | Water Agency | Philanthropic City at CSUSB |
| District | | City of Goleta | Associated Students, Inc. at CSUSB |
| City of Fontana* | | City of Mission Viejo* | Santos Manuel Student Union |

Mr. Shea served as the Interim Finance Director for the City of Perris from July 1998 to October 2001. He currently serves as the Contract Finance Director for two Riverside County cities and one Los Angeles County city.

Continuing professional education

Mr. Shea has completed approximately 80 hours of continuing professional education courses in the past three years, of which, the following select courses are relevant to this engagement:

- ◆ AICPA – *Cities in Governmental Accounting*
- ◆ AICPA – *Governmental and Not-for Profit Conference*
- ◆ CSCPA – *Governmental Auditing Skills*
- ◆ Thomson Reuters – *Audits of State and Local Governments*

Professional affiliations

Mr. Shea is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Brad A. Welebir, CPA, MBA, Audit Director

Professional Experience

Mr. Welebir joined Rogers, Anderson, Malody & Scott, LLP in January 2004. He works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, he began his career with Sam's Club, where he was the operations manager. He then worked for La Sierra Academy as an accountant.

Education

Masters of Business Administration – Accounting Emphasis from California State University, Fullerton in June 2003
Bachelor of Arts in Business Administration from La Sierra University in 1996
Certified Public Accountant – State of California

Related Professional Experience

Organizations that Mr. Welebir has served include the following (*includes enterprise fund accounting):

| | |
|----------------------------------------|--------------------------------------|
| City of Mission Viejo* | Rossmoor Community Services District |
| City of San Juan Capistrano* | City of Redondo Beach* |
| Town of Yucca Valley* | ✓ City of San Bernardino* |
| City of La Verne* | City of Norco* |
| Helendale Community Services District* | City of Moorpark |
| City of Grand Terrace* | City of Chino* |

Continuing Professional Education

Mr. Welebir has completed 81 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional Affiliations

Mr. Welebir is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Yiann E. Fang, CPA **Senior Accountant**

Professional Experience

Ms. Fang joined Rogers, Anderson, Malody & Scott, LLP in June 2013. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations. Prior to joining our firm, she previously worked as a senior accountant at a regional CPA firm in the State of Oregon.

Education

Bachelor of Science in Accountancy from Northern Arizona University in 2010
Certified Public Accountant – State of California
Certified Public Accountant – State of Oregon

Related Professional Experience

Organizations that Ms. Fang has served include the following:

| | |
|---------------------------|------------------------------|
| City of Redondo Beach, CA | City of Pendleton, OR |
| City of Loma Linda, CA | City of Sisters, OR |
| City of Norco, CA | City of Madras, OR |
| City of Grand Terrace, CA | City of Milton Freewater, OR |
| City of Chino, CA | City of Fairview, OR |
| City of Redmond, OR | City of The Dalles, OR |

Continuing Professional Education

Ms. Fang has completed 80 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional Affiliations

Ms. Fang is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)

CITY OF MORENO VALLEY

PROPOSAL FOR PROFESSIONAL AUDITING SERVICES

Resumes of key engagement personnel (continued)

Gardenya Duran, CPA, CGMA **Senior Accountant**

Professional Experience

Mrs. Duran joined Rogers, Anderson, Malody & Scott, and LLP in June 2010. She works primarily on audits of governmental agencies, small to mid-sized businesses, and nonprofit organizations.

Education

Bachelor of Science degree from California State University, San Bernardino
Certified Public Accountant – State of California

Related Professional Experience

Governmental agencies that Mrs. Duran has served include the following – (*includes enterprise fund accounting):

| | |
|----------------------------|-------------------------------------------------|
| City of Goleta | City of Capitola |
| City of La Mesa* | City of Redondo Beach* |
| City of Eastvale | City of Norco* |
| City of San Jacinto* | City of Chino* |
| City of Grand Terrace | Western Municipal Water District* |
| Vista Irrigation District* | San Bernardino Valley Municipal Water District* |

Continuing Professional Education

Mrs. Duran has completed 80 hours of continuing professional education courses in the past two years of which the following select courses are relevant to this engagement:

- ◆ Thomson Reuters, *Audits of State and Local Governments*
- ◆ American Institute of Certified Public Accountants, *Foundations in Governmental Accounting*
- ◆ California Society of CPAs Education Foundation, *Governmental Accounting and Auditing Update*
- ◆ American Institute of Certified Public Accountants, *Applying A-133 to Nonprofit and Governmental Organizations*

Professional Affiliations

Mrs. Duran is a member of the following professional organizations:

- ◆ American Institute of Certified Public Accountants (AICPA)
- ◆ California Society of Certified Public Accountants (CSCPA)
- ◆ Government Finance Officers Association (GFOA)
- ◆ California Society of Municipal Finance Officers (CSMFO)

System Review Report

May 31, 2012

To the Owners of
Rogers, Anderson, Malody & Scott, LLP
and the Peer Review Committee of the
California Society of Certified Public Accountants

We have reviewed the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** (the firm) in effect for the year ended November 30, 2011. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a *System Review* are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of **Rogers, Anderson, Malody & Scott, LLP** in effect for the year ended November 30, 2011, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. **Rogers, Anderson, Malody & Scott, LLP** has received a peer review rating of *pass*.

Timpson Garcia, LLP

Attachment B

CURRENT CLIENTS

| <u>Government Client</u> | <u>Years Served</u> | | <u>CSMFO/ GFOA</u> | <u>Successor Agency</u> | <u>Housing Authority</u> |
|--------------------------------------|---------------------|-------------|------------------------|-----------------------------|------------------------------|
| | | | <u>Awards</u> | | |
| City of Norco | 06/30/04 | to 06/30/14 | Yes | Yes | No |
| City of El Cajon | 06/30/07 | to 06/30/14 | Yes | Yes | Yes |
| City of Fillmore | 06/30/08 | to 06/30/14 | | Yes | Yes |
| Town of Yucca Valley | 06/30/08 | to 06/30/14 | Yes | Yes | Yes |
| City of San Juan Capistrano | 06/30/11 | to 06/30/14 | Yes | Yes | Yes |
| City of La Verne | 06/30/11 | to 06/30/14 | Yes | Yes | Yes |
| City of San Jacinto | 06/30/11 | to 06/30/14 | | Yes | Yes |
| City of Twentynine Palms | 06/30/11 | to 06/30/14 | Yes | Yes | Yes |
| City of Chino | 06/30/11 | to 06/30/14 | Yes | Yes | Yes |
| City of La Mesa | 06/30/11 | to 06/30/14 | | Yes | Yes |
| City of Rosemead | 06/30/11 | to 06/30/14 | Yes | Yes | Yes |
| City of Moorpark | 06/30/12 | to 06/30/14 | Yes | Yes | Yes |
| City of Mission Viejo | 06/30/12 | to 06/30/14 | Yes | Yes | Yes |
| City of Capitola | 06/30/12 | to 06/30/14 | Yes | Yes | Yes |
| City of Redondo Beach | 06/30/12 | to 06/30/14 | Yes | Yes | Yes |
| City of Loma Linda | 06/30/13 | to 06/30/14 | Yes | Yes | Yes |
| City of Sierra Madre | 06/30/12 | to 06/30/14 | | Yes | Yes |
| Crestline Village Water District | 04/30/96 | to 04/30/14 | | | |
| Crestline-Lake Arrowhead Water | 06/30/98 | to 06/30/14 | | | |
| San Bdo Valley Muni Water Dist | 06/30/04 | to 06/30/14 | | | |
| Ventura Regional Sanitation District | 06/30/07 | to 06/30/14 | Yes | | |
| Saticoy Sanitary District | 06/30/07 | to 06/30/14 | | | |
| Helendale CSD | 06/30/10 | to 06/30/14 | | | |
| Pine Cove Water District | 06/30/10 | to 06/30/14 | | | |
| Western Municipal Water District | 06/30/11 | to 06/30/14 | Yes | | |
| WRCRWA | 06/30/11 | to 06/30/14 | | | |
| Vista Irrigation District | 06/30/11 | to 06/30/14 | Yes | | |
| Idyllwild Water District | 06/30/11 | to 06/30/14 | | | |
| Helix Water District | 06/30/12 | to 06/30/14 | Yes | | |
| 29 Palms Water District | 06/30/12 | to 06/30/14 | | | |
| Big Bear Area Regional Wastewater | 06/30/12 | to 06/30/14 | Yes | | |
| Inland Empire Resource Cons Dist | 06/30/04 | to 06/30/14 | | | |
| Rossmoor CSD | 06/30/05 | to 06/30/14 | | | |
| Rim of the World Park & Rec Dist | 06/30/06 | to 06/30/14 | | | |
| Ventura County Regional Energy | 06/30/07 | to 06/30/14 | | | |
| Heartlands Communications Fac Auth | 06/30/07 | to 06/30/14 | | | |
| Heartlands Fire Training Auth | 06/30/07 | to 06/30/14 | | | |
| Santa Ana Watershed Assoc | 12/31/09 | to 12/31/13 | | | |

Attachment B

| | | | |
|------------------------------------|----------|----|----------|
| SB Fire Training Authority | 06/30/10 | to | 06/30/14 |
| Capistrano Bay CSD | 06/30/13 | to | 06/30/14 |
| Ventura County Public Fin Auth | 06/30/12 | to | 06/30/14 |
| CSUSB - Student Union | 06/30/05 | to | 06/30/14 |
| CSUSB - Associated Students Incorp | 06/30/10 | to | 06/30/14 |
| CSUSB - Philanthropic Foundation | 06/30/11 | to | 06/30/14 |
| CSUSB - University Enterprise Corp | 06/30/11 | to | 06/30/14 |

Attachment C

NON-COLLUSION AFFIDAVIT

Scott W. Manno is Partner of
(sole owners, partner, or other proper title)

Rogers, Anderson, Malody & Scott, LLP the party making the foregoing Proposal
(Contractor)

that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company associations, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Proposer Name: Scott W. Manno

Proposer Address: 735 E. Carnegie Drive, Suite 100

San Bernardino, CA 92408

Telephone No.: 909-889-0871


(Signature of Proposer)

4-7-15
(Title)

VENDOR INFORMATION

PROPOSER COMPANY INFORMATION (print or type)

Company Name: Rogers, Anderson, Malody & Scott, LLP

Owner/Manager Name: Scott W. Manno

Mailing Address: 735 E. Carnegie Drive, Suite 100

City: San Bernardino State: California
Zip: 92408

Remit To Address (if different from PO mailing address)
N/A

City: _____ State: _____
Zip: _____

Web Site: www.ramscpa.net

Phone Number: 909-889-0871

Fax Number: 909-889-5361

E-mail Address: Smanno@ramscpa.net

Incorporated? (circle one) YES or NO Federal Tax I.D.# or Social #
LLP 95-2663285

How many years of relevant experience within the scope of this RFP? 50+

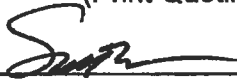
REFERENCES

| | |
|------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------|
| <p><i>Company Name:</i> City of El Cajon</p> <p><i>Contract Person:</i> Ms. Holly Reed-Falk Finance Manager</p> <p><i>Phone:</i> (619) 441-1763</p> | <p><i>Web Site:</i> www.ci.el-cajon.ca.us</p> <p><i>e-mail address:</i> HRFalk@cityofelcajon.us</p> |
| <p><i>Company Name:</i> City of Redondo Beach</p> <p><i>Contract Person:</i> Mr. Craig Koehler Finance Manager</p> <p><i>Phone:</i> (310) 937-6629</p> | <p><i>Web Site:</i> www.redondo.org</p> <p><i>e-mail address:</i> Craig.Koehler@redondo.org</p> |
| <p><i>Company Name:</i> Town of Yucca Valley</p> <p><i>Contract Person:</i> Mr. Curtis Yakimow City Manager</p> <p><i>Phone:</i> (760) 369-7207</p> | <p><i>Web Site:</i> www.yucca-valley.org</p> <p><i>e-mail address:</i> cyakimow@yucca-valley.org</p> |

I certify that the information given above is accurate and complete; that the Terms and Conditions as issued by the City of Moreno Valley with this Request for Proposal have been fully read, understood, and accepted in total; and that **I am a duly authorized agent for quoting purposes for the company named above.**

Scott W. Manno

(Print Quoting Persons Name)



(Quoting Persons Signature)

4-7-15

(Date)

Partner

(Title)

City of Moreno Valley
Proposal for professional auditing services
RFP 2015-001

Sealed Dollar Cost Bid

Rogers, Anderson, Malody & Scott, LLP
Certified Public Accountants
735 E. Carnegie Drive, Suite 100
San Bernardino, CA 92408

Certification: Scott W. Manno, CPA, CGMA is authorized to represent the firm, empowered to submit the bid, and authorized to sign a contract with the City.

The total all-inclusive maximum price for the audits shall not exceed the following:

Section I

AUDIT WORK MULTI-YEAR COST PROPOSAL

| Service | Engagement contract years | | | | Option years | |
|----------------------------------------------------|---------------------------|------------|------------|------------|--------------|-----------|
| | FY 2014/15 | FY 2015/16 | FY 2016/17 | FY 2017/18 | FY 2018/19 | |
| City audit and related reports* | \$ 50,120 | \$ 50,120 | \$ 51,300 | \$ 51,300 | \$ 51,300 | \$ 53,980 |
| GANN limit AUP report | 630 | 630 | 645 | 645 | 645 | 675 |
| CSD audit and special reports | 2,165 | 2,165 | 2,235 | 2,235 | 2,235 | 2,350 |
| Child Care Grant audit and related reports | 6,990 | 6,990 | 7,215 | 7,215 | 7,215 | 7,600 |
| Single Audit and related reports (if applicable)** | 3,490 | 3,490 | 3,630 | 3,630 | 3,630 | 3,830 |
| All Inclusive Maximum Price | \$ 63,395 | \$ 63,395 | \$ 65,025 | \$ 65,025 | \$ 65,025 | \$ 68,435 |

* = Includes Successor Agency audit work.

** = first major program, each additional major program is \$2,500.

| State Controller's report (City and CSD) | Optional | | |
|------------------------------------------|----------|----------|----------|
| | \$ 3,965 | \$ 3,965 | \$ 3,965 |
| | \$ 4,085 | \$ 4,085 | \$ 4,085 |

SCHEDULE OF FEES AND SERVICES FOR THE AUDIT OF THE FY 2014-15 FINANCIAL STATEMENTS

| | # of hours | Hourly rate | Total cost |
|---------------------------------------------------------|------------|-------------|------------|
| Partners | 39 | \$ 235 | \$ 9,165 |
| Managers | 47 | 160 | 7,520 |
| Senior auditor | 184 | 115 | 21,160 |
| Staff auditor | 365 | 70 | 25,550 |
| Clerical | - | - | - |
| Sub-total | 635 | | 63,395 |
| Out of pocket expenses | | | - |
| Total all-inclusive maximum price for the 2014-15 audit | | | \$ 63,395 |

Section II SCHEDULE OF BILLING RATES FOR SUPPLEMENTAL SERVICES

| | |
|----------------|--------|
| Partners | \$ 235 |
| Managers | 160 |
| Senior auditor | 115 |
| Staff auditor | 70 |
| Other | - |

G.4.g

Attachment: RogersAndersonMalodyScottLLP (2142 : PROFESSIONAL SERVICES AGREEMENT WITH

Packet Pg. 1201

City of Moreno Valley
 Schedule of professional fees and expenses
 For the fiscal year ended June 30, 2015

| | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Amount</u> |
|-------------------|-------------------|--------------------------------------|------------------------------------|---------------|
| Partner | 39 | \$ 245 | \$ 235 | \$ 9,165 |
| Manager | 47 | 180 | 160 | 7,520 |
| Supervisory staff | 184 | 125 | 115 | 21,160 |
| Staff | 365 | 80 | 70 | 25,550 |
| Other: | <u>-</u> | - | - | <u>-</u> |
| Total | <u>635</u> | | | 63,395 |

Out-of-pocket expenses

Total all-inclusive maximum price for 2015 audit



\$ 63,395

City of Moreno Valley
Schedule of professional fees and expenses
For the fiscal year ended June 30, 2016

| | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Amount</u> |
|--------------------------------------------------|-------------------|--------------------------------------|------------------------------------|-------------------------|
| Partner | 39 | \$ 245 | \$ 235 | \$ 9,165 |
| Manager | 47 | 180 | 160 | 7,520 |
| Supervisory staff | 184 | 125 | 115 | 21,160 |
| Staff | 365 | 80 | 70 | 25,550 |
| Other: | <u>-</u> | - | - | <u>-</u> |
| Total | <u><u>635</u></u> | | | 63,395 |
| Out-of-pocket expenses | | | | <u>-</u> |
| Total all-inclusive maximum price for 2016 audit | | | | <u><u>\$ 63,395</u></u> |

City of Moreno Valley
 Schedule of professional fees and expenses
 For the fiscal year ended June 30, 2017

| | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Amount</u> |
|--------------------------------------------------|--------------|--------------------------------------|------------------------------------|------------------|
| Partner | 39 | \$ 250 | \$ 230 | \$ 8,970 |
| Manager | 47 | 185 | 160 | 7,520 |
| Supervisory staff | 184 | 135 | 115 | 21,160 |
| Staff | 365 | 85 | 75 | 27,375 |
| Other: | <u>-</u> | - | - | <u>-</u> |
| Total | <u>635</u> | | | 65,025 |
| Out-of-pocket expenses | | | | <u>-</u> |
| Total all-inclusive maximum price for 2017 audit | | | | <u>\$ 65,025</u> |

City of Moreno Valley
 Schedule of professional fees and expenses
 For the fiscal year ended June 30, 2018

| | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Amount</u> |
|--------------------------------------------------|-------------------|--------------------------------------|------------------------------------|-------------------------|
| Partner | 39 | \$ 250 | \$ 230 | \$ 8,970 |
| Manager | 47 | 185 | 160 | 7,520 |
| Supervisory staff | 184 | 135 | 115 | 21,160 |
| Staff | 365 | 85 | 75 | 27,375 |
| Other: | <u>-</u> | - | - | <u>-</u> |
| Total | <u><u>635</u></u> | | | 65,025 |
| Out-of-pocket expenses | | | | <u>-</u> |
| Total all-inclusive maximum price for 2018 audit | | | | <u><u>\$ 65,025</u></u> |

City of Moreno Valley
 Schedule of professional fees and expenses
 For the fiscal year ended June 30, 2019

| | <u>Hours</u> | <u>Standard Hourly Rates</u> | <u>Quoted Hourly Rates</u> | <u>Amount</u> |
|---------------------------------------------------------|--------------|--------------------------------------|------------------------------------|------------------|
| Partner | 39 | \$ 250 | \$ 235 | \$ 9,165 |
| Manager | 47 | 185 | 170 | 7,990 |
| Supervisory staff | 184 | 135 | 120 | 22,080 |
| Staff | 365 | 85 | 80 | 29,200 |
| Other: | - | - | - | - |
| Total | <u>635</u> | | | 68,435 |
| Out-of-pocket expenses | | | | <u>-</u> |
| Total all-inclusive maximum price for 2019 audit | | | | <u>\$ 68,435</u> |

TECHNICAL PROPOSAL OF INDEPENDENT AUDIT SERVICES
TO THE
CITY OF MORENO VALLEY, CALIFORNIA
(R.F.P. 2015-001)

Submitted by:

MAYER HOFFMAN McCANN P.C.
2301 DUPONT DR., SUITE 200
IRVINE, CALIFORNIA 92612

March 31, 2015

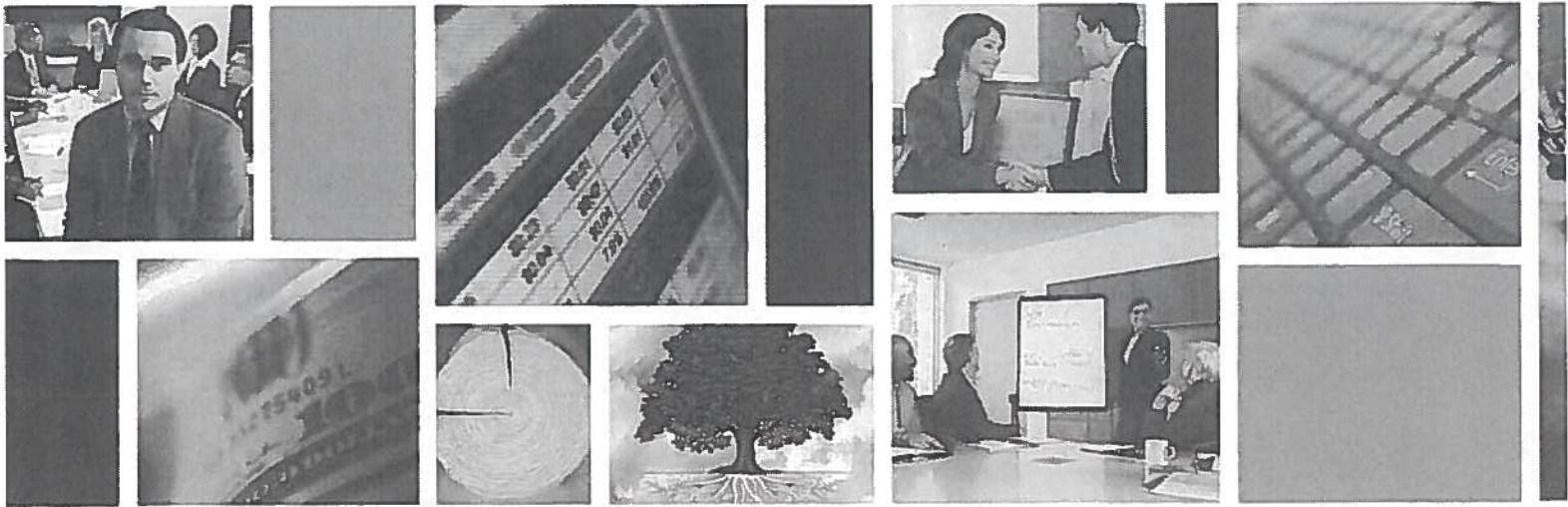
CONTACT PERSON – JENNIFER FARR, SHAREHOLDER
PHONE NO: (949) 474-2020
DIRECT NO: (949) 783-1740
FACSIMILE NO: (949) 263-5520
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MAYER HOFFMAN McCANN P.C.
CALIFORNIA LICENSE NO. CORP 5091

MAYER HOFFMAN McCANN P.C.
FEDERAL IDENTIFICATION NO. 43-1947695



our roots
run deep



Prepared exclusively for:

**CITY OF MORENO VALLEY
CALIFORNIA**

(Technical Proposal)

PROPOSAL OF AUDIT SERVICES

TO THE

CITY OF MORENO VALLEY

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APPENDIX

Mayer Hoffman McCann P.C. Peer Review Report

Accounting Today's 2014 Top 100 Firms

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Vendor Information



March 31, 2015

City of Moreno Valley
Richard Teichert, Chief Financial Officer
14177 Frederick Street
Moreno Valley, CA 92552

Mayer Hoffman McCann P.C. is pleased to respond to your request to serve as the independent auditors for the City of Moreno Valley for the fiscal years ending June 30, 2015 through 2017, with an option to extend the contact for two subsequent fiscal years.

We are aware that while the City of Moreno Valley has solicited numerous proposals, Mayer Hoffman McCann P.C. (MHM) would be your best selection for the following reasons which are set forth in greater detail in our proposal:

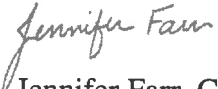
- Mayer Hoffman McCann P.C. is a national CPA firm. In California, Mayer Hoffman McCann P.C. has offices in San Jose, Los Angeles, Oxnard, Bakersfield, Irvine, and San Diego. More than 400 accounting and audit professionals serve clients from the California offices.
- MHM takes a proactive leadership role in local government accounting and auditing issues. We serve on the Government Accounting and Audit Committee of the Cal CPA Society. MHM audits approximately 60 California municipal clients and are experts in issues of successor agency accounting and single audit compliance.
- We believe our electronic trial balance software and IDEA software gives us a strategic advantage over our competitors. We have the ability to upload your detailed trial balance and map it to your financial statements. This allows us to create our own audit lead schedules, perform analytical reviews, perform ratio analysis and evaluate the data in other ways. We are also excited about our new secure client portal, the HUB, used to safely and efficiently share electronic information during the audit.
- We utilize IDEA data mining software to evaluate anomalies in your accounting data. This helps focus our auditors' attention on potential errors in the accounting records and transactions that could be more susceptible to fraud.
- In addition to providing extensive local government and other audit and information technology training for our staff, Mayer Hoffman McCann provides an annual Governmental Accounting Standards Board (GASB) Technical Update each spring for our clients. Our commitment to training our clients benefits you by ensuring you are received accurate and timely information that impact budgeting and financial reporting.
- We understand the scope of work to be performed, as described further in our Audit Approach Section and we are committed to perform the work in the required timeframe specified in the request for proposal and summarized in the Audit Approach Section.
- MHM.'s audit team of Jennifer Farr, Engagement Partner, Ken Al-Imam, Technical Review Partner, Dean Votava, Engagement Manager, and Tim Lu, Senior, have a proven track record in serving California cities, redevelopment agencies, and special districts.

- Ms. Jennifer Farr, Partner and Mr. Ken Al-Imam, Partner are authorized shareholders of Mayer Hoffman and are authorized to bind our Firm in contractual matters with the City of Moreno Valley. Ms. Farr and Mr. Al-Imam are also authorized to make representations for the Firm to the City of Moreno Valley. MHM is independent with respect to the City of Moreno Valley and is an Equal Opportunity Employer.

Mayer Hoffman McCann P.C. thanks the City of Moreno Valley for the opportunity to present our proposal qualifications and for the opportunity to be appointed as your independent auditors. Our proposal remains a firm and irrevocable offer for 60 days. I look forward to you contacting me so that I may answer further any questions which you may have. You may contact me at (949) 783-1740.

Very truly yours,

MAYER HOFFMAN McCANN P.C.



Jennifer Farr, CPA
Shareholder

INDEPENDENCE

Mayer Hoffman McCann P.C. is independent with respect to the City of Moreno Valley and all component units as defined by generally accepted auditing standards/the U.S. General Accounting Office's *Government Auditing Standards*. MHM has no professional relationships with the City of Moreno Valley in the past five years.

LICENSE TO PRACTICE IN CALIFORNIA

Mayer Hoffman McCann P.C. and all assigned key professional staff are licensed to practice in California.

QUALITY CONTROL

Mayer Hoffman McCann P.C. is a National CPA Firm and ranked among the top 10 Accounting Service Providers in the country. MHM adheres to the strict quality control measures and high professional standards of the Public Company Accounting Oversight Board (PCAOB), the American Institute of Certified Public Accountants (AICPA), and the California State Board of Accountancy (as well as other states when applicable). Our Firm is a member of the AICPA's Center for Public Company's Audit firms, Employee Benefit Plan Audit Quality Center, Governmental Audit Quality Center and the AICPA's Private Company Practice Section (PCPS).

As a member of the Private Companies Practice Section and PCAOB our audit procedures and working papers are regularly examined by another CPA firm in the firm-on-firm peer review program. The most recent Peer Review performed did cover the governmental auditing practice of this office. In addition, all aspects of the firm's quality control practices have been reviewed, including the firm's commitment to extensive training programs. In every member firm, each member of the professional staff must enroll in continuous professional education courses. Each is required to take at least 120 hours of classes over a three-year period. Courses cover a wide spectrum of professional and technical subjects, and include Fraud Auditing, Professional Ethics and Governmental Accounting and Auditing topics to help the practitioner maintain his/her professional expertise.

For over the thirty years of our service to local governments, there have been no regulatory or legal actions against the firm's Irvine office with the exception of one engagement (the firm's financial statement audit of the City of Bell in 2009). A copy of Mayer Hoffman McCann P.C.'s firm wide Quality Control Review report is included in this proposal.



our business
is growing **YOURS**

MAYER HOFFMAN MCCANN P.C. – QUALIFICATIONS AND EXPERIENCE

Mayer Hoffman McCann P.C. is a National CPA Firm. The firm is independently owned and operated through its 275 shareholders. The firm began in Kansas City, Missouri in 1954. After years of steady growth the Firm expanded into a National Practice. Mayer Hoffman McCann P.C. currently operates from 35 offices throughout the United States and is licensed in all 50 States. Mayer Hoffman McCann P.C. is closely aligned with CBIZ (NYSE:CBZ). The 275 shareholders in 35 Mayer Hoffman McCann P.C. offices direct the resources of approximately 2000 Accounting and Audit professionals who services the attest clients of Mayer Hoffman McCann P.C.

The Western Region Office of Mayer Hoffman McCann P.C. work closely together in servicing clients and sharing professional resources among offices. Those offices locations are as follows:

- Irvine California (Government services headquarters)
- Irvine, California (SEC services headquarters)
- Los Angeles, California
- Bakersfield, California
- Oxnard, California
- San Diego, California
- San Jose, California
- Salt Lake City, Utah
- Phoenix, Arizona
- Tucson, Arizona

The Western Region offices have more than 425 professional accounting and audit personnel available to the 56 shareholders of Mayer Hoffman McCann P.C. in the ten Western Region offices.

MHM plans to provide the audit services to the City of Moreno Valley from full-time staff operating out of our Irvine office. The Irvine office joined MHM on January 1, 2006. This office is the former CPA practice of Conrad and Associates, L.L.P., a 35 year old CPA firm which has been nationally and locally recognized for its expertise in governmental accounting and auditing. The Irvine office is the technical and practice unit designated within MHM for governmental expertise and training for MHM on a national level. A breakdown of the Irvine Office's government audit personnel by classification is as follows:

| Classification | Number of Employees |
|---------------------------------|---------------------|
| Shareholders/Partners | 4 |
| Senior Managers | 3 |
| Managers | 7 |
| Seniors and Supervising Seniors | 14 |
| Staff | 9 |
| Administrative support | 3 |
| Total personnel | 40 |

*Construct on not
Project Dependent?*

CAPABILITIES IN GENERAL CONSULTING AND COMPLIANCE AUDITING

In addition to our annual auditing services, we have assisted our clients by performing both attest services and various management advisory and other accounting services, including:

- * Investment Portfolio reviews and policy on derivative use
- * Reviews of water billing systems
- * Special fraud audits
- * Special hotel-motel bed tax audits
- * Other gross receipts audits (cable television franchise fees, excavation tax, etc.)
- * Contractual agreement compliance audits
- * Review of central purchasing systems
- * Review of warehouse controls and inventory systems
- * Review of operations in City Treasurers' Office
- * Reviews of cash controls in parks and recreation departments
- * Review of investment policies and modifications thereto
- * Special EDP reviews
- * Review of permitting process within city building departments
- * Analysis of investment yields
- * Assistance in presentations to city councils
- * Assistance in setting up special accounting systems for redevelopment agencies
- * Assistance to Bond underwriters in providing "comfort letters" on debt issues of municipalities
- * Consultations regarding the maximizing of tax increment revenue for redevelopment agencies
- * Organizational review of finance departments
- * Tax advice regarding deferred compensation, employee benefits, use of city vehicles, etc.
- * Review of financial forecasts
- * Assistance in cash reconciliation problems

SIMILAR ENGAGEMENTS WITH OTHER GOVERNMENT ENTITIES

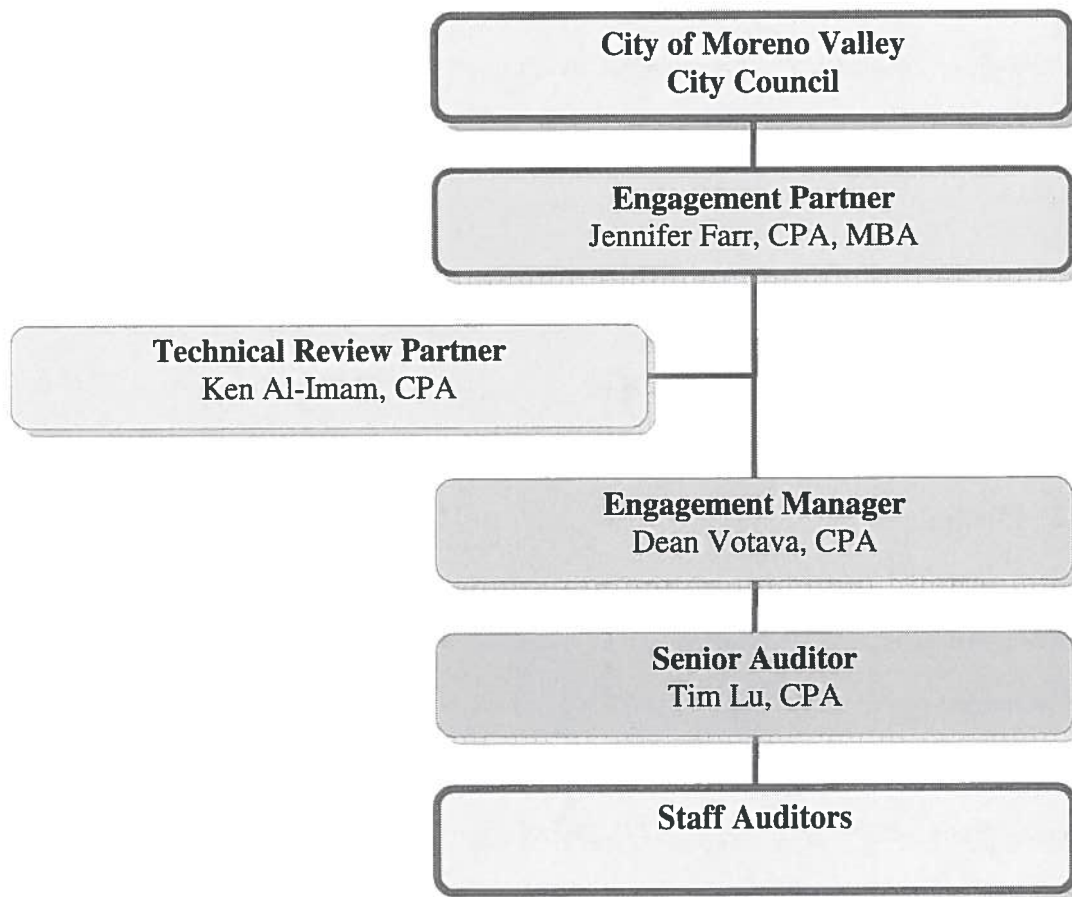
The Irvine office of Mayer Hoffman McCann P.C. recently performed the annual audit for the following client references.

| <u>Name of Client/Contact</u> | <u>Shareholder/ Manager</u> | <u>Approximate Annual Budget</u> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------------------------------|
| 1. City of Commerce Josh Brooks Assistant Finance Director (323) 722-4508 joshb@ci.commerce.ca.us | Farr/Foster <i>10 yrs</i> | \$80 million |
| <i>Annual audit services from 2006-2013. Commerce City Council approved a new five year contract starting in 2011.</i> | | |
| 2. San Diego Association of Govts Lisa Kondrat-Dauphin (619) 669-1942 lko@sandag.org | Farr/Votava | \$500 million |
| <i>Annual audit services from 2010-2013. SANDAG approved a new three year contract in 2013.</i> | | |
| 3. City of Victorville Adele Mosher Chief Financial Officer (760) 955-5056 amosher@ci.victorville.ca.us | Al-Imam/Ball | \$240 million |
| <i>Annual audit services from 2009-2014.</i> | | |
| 4. Eastern Municipal Water District Debby Cherney Assistant General Manager (951) 928-3777 cherneyd@emwd.org | Farr/Ball <i>Renewed</i> | \$300 million |
| <i>Annual audit services from 2002-2010, 2012-2013. Board approved a new multi-year contract in 2012.</i> | | |
| 5. City of Fontana Dawn Brooks Accounting Manager (909) 350-7611 dbrooks@fontana.org | Farr/Votava <i>5 yr Contract</i> | \$75 million |
| <i>New client in 2014</i> | | |

PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE

The successful outcome of any audit requires personnel with the managerial and technical skills to perform the work required. The engagement team who will serve the City of Moreno Valley have served together as a team of professionals on numerous financial audit examinations of local government entities, including complex governmental agencies.

We believe that efficient administrative management and supervision of the audits is an extremely critical factor in achieving the desired results for the City Council of the City of Moreno Valley. In that regard, our proposal organizational structure for providing independent auditing services is as follows:



Resumes of key audit team members are included on the following pages. We are committed to providing the same audit team on subsequent audits for all key audit team members.

**JENNIFER FARR, CPA, MBA
ENGAGEMENT SHAREHOLDER**

California CPA Certificate No. 76292, October 1998

ROLE ON PROJECT

Ms. Farr will serve as the Engagement Shareholder on this project. She will oversee the project to ensure all required deadlines are met, provide technical assistance to the audit teams, and review the final reports before they are released. Ms. Farr is a Certified Public Accountant with over 17 years experience in local government auditing. Ms. Farr is a frequent speaker on matters pertaining to technical issues and new GASB pronouncements. Ms. Farr is also responsible for the firm-wide training for the Government Services Division of MHM in the area of local governmental accounting and auditing and is the Attest Practice Leader of the Irvine office.



PROFESSIONAL EXPERIENCE

- 17 years - Mayer Hoffman McCann P.C.
- 1 ½ Years - Ronald Blue and Co.

PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants
- California Society of Certified Public Accountants
- California Society of Municipal Finance Officers
- GFOA CAFR Reviewer

EDUCATION

- Bachelor of Arts - Business Administration/Accounting (*California State University, Fullerton*)
- Bachelor of Arts - English (*California State University, Fullerton*)
- Masters of Business Administration (*California State University, Fullerton*)

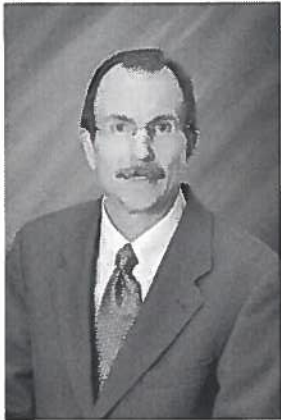
AUDITS OF CALIFORNIA CITIES

- | | |
|-----------------------|-------------------------|
| City of Avalon | City of Benicia |
| City of Burbank | City of Campbell |
| City of Commerce | City of Culver City |
| City of Fontana | City of Fountain Valley |
| City of Garden Grove | City of Hayward |
| City of Half Moon Bay | City of Highland |
| City of Indian Wells | City of La Quinta |
| City of Mission Viejo | City of National City |
| City of Orange | City of Palm Springs |
| ✓City of Pasadena | City of Rosemead |
| ✓City of San Bruno | City of Santee |
| City of Upland | City of Walnut Creek |
| City of Whittier | City of West Covina |

SB 341

ROLE ON PROJECT

Mr. Al-Imam will serve as the Technical Review Shareholder on the engagement. Mr. Al-Imam is an active member and past president of CCMA (California Committee on Municipal Accounting). He has made presentations in public hearings before the Governmental Accounting Standards Board (GASB) and has been part of the committee contributing to the past two GASB implementation guides.



| |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><u>PROFESSIONAL EXPERIENCE</u></p> <ul style="list-style-type: none"> • 30 Years - Mayer Hoffman McCann P.C. <i>(formerly Conrad & Associates LLP)</i> |
| <p><u>EDUCATION</u></p> <ul style="list-style-type: none"> • Bachelor of Arts - Business Administration (Accounting) <i>California State University, Fullerton</i> |
| <p><u>PROFESSIONAL AFFILIATIONS</u></p> <ul style="list-style-type: none"> • American Institute of Certified Public Accountants • California Society of Certified Public Accountants • California Society of Municipal Finance Officers • Governmental Accounting and Auditing Committee of the Long Beach/Orange County Chapter of Cal-Society of CPA's |

AUDITS OF CALIFORNIA CITIES

- | | |
|-------------------------|-----------------------|
| City of Torrance | City of Newport Beach |
| City of Pasadena | City of La Quinta |
| ✓ City of Moreno Valley | City of Laguna Hills |
| City of Upland | City of Santa Ana |
| City of Laguna Beach | City of Downey |
| City of Buena Park | City of Norwalk |
| Town of Yucca Valley | City of Hemet |
| City of Carson | City of San Gabriel |
| City of El Cajon | City of Gilroy |
| City of Rialto | City of Santee |
| City of Rancho Mirage | City of Whittier |
| City of Carlsbad | City of La Puente |
| City of San Marcos | City of Orange |
| City of La Verne | City of Palm Springs |
| City of Escondido | City of Burbank |
| City of Lake Forest | City of Indian Wells |

**DEAN VOTAVA, CPA
ENGAGEMENT MANAGER**

California CPA Certificate No. 64413, May 1993



ROLE ON PROJECT

Dean Votava is a Senior Manager with MHM and will serve as the Engagement Manager on this audit. Mr. Votava has 25 years of local government auditing experience. He will develop and implement the audit plan and conduct reviews of all working papers prepared by the Senior and Staff Auditors. He will discuss with the Finance personnel the audit and accounting issues that arise during the course of the audit.

EMPLOYMENT HISTORY

Mayer Hoffman McCann P.C. (Irvine, California): 1987 to present.

EDUCATION

Bachelor of Business Administration – Accounting
University of North Dakota, Grand Forks

RELEVANT EXPERIENCE

Audits of California Cities

Mr. Votava has managed numerous financial statement audits, redevelopment agency audits and OMB Circular A-133 Single Audits for a number of significant local government entities. Some of the more significant audit engagements managed by Mr. Votava include the following:

- | | |
|--------------------------|----------------------|
| ▪ City of Santa Ana | ▪ City of Hesperia |
| ▪ City of Palm Springs | ▪ City of Norwalk |
| ▪ City of West Covina | ▪ City of Carlsbad |
| ▪ City of Upland | ▪ City of Indio |
| ▪ City of Whittier | ▪ City of Gilroy |
| ▪ City of Pomona | ▪ City of Costa Mesa |
| ▪ City of La Puente | ▪ City of South Gate |
| ▪ City of San Bernardino | ▪ City of El Segundo |

Audits of Special Districts and Authorities

Mr. Votava has managed the annual financial audits of the following special districts and authorities:

- | | |
|----------------------------------------------|-------------------------------------------|
| ▪ Orange County Water District | ▪ Carlsbad Public Improvement Corporation |
| ▪ Los Angeles Park and Open Space District | ▪ Pomona Financing Authority |
| ▪ Palm Springs Public Facilities Corporation | ▪ Costa Mesa Sanitary District |
| ▪ Palm Springs Financing Authority | ▪ Carlsbad Parking Authority |
| ▪ Norwalk Financing Authority | ▪ Indio Public Financing Authority |
| ▪ Norwalk Housing Authority | ▪ Hawaiian Gardens Housing Authority |
| ▪ Carlsbad Housing Authority | ▪ Santa Ana Housing Authority |
| ▪ South Gate Housing Authority | ▪ Imperial Valley Housing Authority |
| ▪ Baldwin Park Housing Authority | ▪ Pomona Housing Authority |
| ▪ San Bernardino County Housing Authority | ▪ Ventura Area Housing Authority |
| ▪ Oxnard Housing Authority | ▪ Fresno Housing Authority |

ROLE ON PROJECT

Tim Lu is a Senior Associate with MHM and will serve as the Senior Auditor on this audit. He will conduct the day to day fieldwork, supervise all staff auditors on the engagement, and will assist the City in preparing the Comprehensive Annual Financial Report. His experience has encompassed financial and compliance audits of governmental and non-profit engagements, which have been performed in accordance with "Government Auditing Standards" which have all included a review of the entity's internal control and financial management system.

EMPLOYMENT HISTORY

Mayer Hoffman McCann P.C.: since July 2012

EDUCATION

Bachelor of Science Degree in Accounting, Azusa Pacific University

RELEVANT EXPERIENCE

AUDITS OF CALIFORNIA CITIES (including Single Audits)

City of Victorville
City of Carlsbad
City of Torrance
City of Inglewood
City of El Segundo
City of Villa Park
City of Upland
City of Avalon

AUDITS OF SPECIAL PURPOSE GOVERNMENTS (including Single Audits)

Special Inspector General for Afghanistan Reconstruction (SIGAR)
Irvine Ranch Water District
San Bernardino Water District
San Diego Unified Port District
Fresno Housing Authority
Salton Sea Authority
Hass Avocado Board
South Orange County Wastewater Authority
San Diego Pooled Insurance Program Authority (SANDPIPA)

TRAINING

All individuals assigned to the City of Moreno Valley audit will have 40 hours of government specific CPE every year, which is in excess of the required 24 hours for audits of governmental agencies. **All members of the engagement team are current on their government CPE requirements.** The following is a listing of continuing professional education for the past five years for the key engagement team members that is relevant to Government audits:

| <u>Dates</u> | <u>CPE Class</u> | <u>Attended by</u> | | | |
|--------------|----------------------------------------------|--------------------|----------------|---------------|-----------|
| | | <u>Farr</u> | <u>Al-Imam</u> | <u>Votava</u> | <u>Lu</u> |
| Jan 2009 | 2009 Local government audit training I | X | X | | |
| Feb 2009 | CSMFO annual conference | X | X | X | |
| May 2009 | 2009 GASB update | X | X | X | |
| July 2009 | 2009 Local government audit training II | X | X | X | |
| Jan 2010 | Fraud training | | X | X | |
| Jan 2010 | Accounting and auditing issues of nonprofits | | X | X | |
| Jan 2010 | 2010 Local government audit training I | | X | X | |
| Feb 2010 | CSMFO annual conference | | X | X | |
| June 2010 | GASB Update | X | X | X | |
| July 2010 | 2010 Local government audit training II | X | X | X | |
| Jan 2011 | Accounting and audit update | X | X | X | |
| Jan 2011 | Fraud training | X | | | |
| Feb 2011 | CSMFO annual conference | X | X | | |
| April 2011 | 2011 Local government audit training I | X | X | X | |
| July 2011 | 2011 Local government audit training II | X | X | X | |
| July 2011 | CBIZ MHM Annual Conference | X | X | | |
| Feb 2012 | 2012 Local government audit training I | X | X | X | |
| Feb 2012 | CSMFO annual conference | X | X | X | |
| June 2012 | GASB Update | X | X | X | |
| July 2012 | CBIZ MHM Annual Conference | X | X | | |
| July 2012 | 2012 Local government audit training II | X | X | X | X |
| 2012 | Fraud and Ethics training | X | X | X | X |
| Dec 2012 | Accounting and audit update | X | X | X | X |
| Feb 2013 | CSMFO annual conference | | X | | |
| April 2013 | 2013 Local government audit training I | X | X | X | X |
| May 2013 | GASB Update | X | X | X | X |
| July 2013 | 2013 Local government audit training II | X | X | X | X |
| Dec 2013 | Accounting and auditing update | X | X | X | X |
| Feb 2014 | CSMFO annual conference | X | X | X | |
| May 2014 | GASB Update | X | X | X | X |
| July 2014 | 2014 Local government audit training | X | X | X | X |

SCOPE OF WORK

Our understanding of the objectives and scope of the work to be performed is based upon your request for proposal.

Based upon the foregoing we understand the objectives and scope of work to be as follows:

1. We will perform an audit examination of the financial statements of the City of Moreno Valley and its component units for the fiscal years ending June 30, 2015 to 2017, with an option to extend the contract for two one-year periods. Our examination will be conducted in accordance with generally accepted auditing standards, State Controller audit guidelines, the AICPA Audit and Accounting Guide, *Audits of State and Local Government Units*, and the *Government Auditing Standards* issued by the Comptroller General of the United States. We will prepare the financial section of the financial statements. The City will prepare *management discussion and analysis*, the *introductory section* and the *statistical section* of the report. We will ensure that the CAFR is prepared in conformity with the most recent edition of the GAAFR, the GAAFR Update, and subsequent GASB pronouncements. The City will be responsible for producing bound copies of the final CAFR.
2. We will perform a "Single Audit" of the City of Moreno Valley in accordance with the *Single Audit Act Amendments of 1996* (Public Law 104-156) and OMB Circular A-133 entitled *Audits of States, Local Governments, and Non-Profits Organizations*. Our single audit will cover all federal grants received by the City and its component units either as a primary or secondary recipient for fiscal year ended June 30, 2015 and subsequent years. The City will provide to the Auditors the Schedule of Federal Financial Assistance encompassing all direct and pass-through federal funds received by the City and component units. We will render our reports on the single audit in accordance with the single audit requirements. We will also prepare the Data Collection Form and process the electronic filing of the report.
3. We will perform an audit examination of the financial statements of the City of Moreno Valley, Community Services District for the fiscal year ended June 30, 2015 and subsequent years. Our examination will be conducted in accordance with generally accepted auditing standards, State Controller audit guidelines, the AICPA Audit and Accounting Guide, *Audits of State and Local Government Units*, and the *Government Auditing Standards* issued by the Comptroller General of the United States.
4. We will perform a financial and compliance audit on the City of Moreno Valley's General Child Development Program. Our tests and report format will be in accordance with the contract from the California Department of Education (CDE).
5. We will perform agreed-upon-procedures over the City's appropriation limit (GANN Limit).
6. We will prepare a letter to the City Council reporting matters dealing with internal control that meet the threshold of being a *significant deficiency* or *material weakness*, as defined by SAS No. 115. We will immediately report any irregularities or illegal acts that come to our attention to the City Manager, City Attorney and Finance Director.
7. We will meet with the City Council or a committee of City Council to discuss the results of the audit, as requested by the City.
8. We desire to keep its local government clients abreast of new developments affecting local government finance. We will also advise City staff of new accounting developments during the interim/planning stage of each year's audit. We plan on providing additional client training to our clients in our annual client training conference with respect to new GASB pronouncements.

9. Finally, we perceive the scope of our work as being advisors to the City of Moreno Valley regarding generally accepted accounting principles. Throughout the year, the Finance Director and other finance personnel of the City will have access to Ms. Farr, Engagement Partner, Mr. Al-Imam, and Mr. Votava to seek advice in the application of generally accepted accounting principles, the establishment and segregation of funds, advice regarding debt issuance, financial statement preparation and content and other matters relating to the City.

IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

Over the term of the contract, the Organization will be required to implement the following accounting standards. Part of our service to you includes consulting on these new auditing standards. A sampling of significant new GASB pronouncements planned or proposed for local governments are listed below (**already implemented Statements are not listed**):

Implementation of GASB No. 68

Our firm has been very involved in the development of guidance with respect to GASB Statement No. 68 and in providing assistance to our clients to prepare for implementation:

As a key member of the California Committee on Municipal Accounting (CCMA), Ken Al-Imam has had a leadership role in the development of a CCMA white paper that will provide California-specific guidance for the implementation of GASB 68. Ken Al-Imam also serves on a sub-committee of CCMA that is coordinating with CalPERS the information that each employer will need (for those employers that have plans that are part of the CalPERS system).

For the past two years, in our firm's annual GASB Update, we have provided detailed information regarding GASB 68 and its impacts on local governments. In preparation for the 2015 audit, we will provide to each client the following training:

- How to allocate the GASB 68 liability and related expense to the governmental activities of the government-wide financial statements, each proprietary fund, and each private-purpose trust fund.
- Assistance in the preparation of the prior period adjustment that will recognize the cumulative effect of the retroactive application of GASB 68 to beginning net position balances as of July 1, 2014.
- Assistance in the preparation of all journal entries necessary to properly reflect GASB 68 into the accounting records of that local agency.
- We will give detailed practical direction to each client to assist them in their performance of the reviews that are required to be applied to the employee census data that forms the basis for their GASB 68 liability [We have already tasked one of our clients with this process as a test case to ensure that we will be able to give very detailed direction to our clients in a manner that will not be overly burdensome.]
- Prior to June 30, 2015, we will perform all of the census data tests that are required by the AICPA to be performed by the audit firm for each employer.
- We will provide an example note and RSI to each client.
- We will show each client how to access from actuarial reports the amounts that will be used in the notes and RSI of their financial statements.

- We will provide each client with additional guidance for any enhanced or supplemental retirement benefits that are offered to their employees.

For the 2015 fiscal year, each retirement system is required to engage the system's audit firm to apply certain auditing procedures to the system as a whole in order for employer audit firms to be able to issue unmodified opinions on employer financial statements. We will advise our clients on their options should the retirement system used by that client be delayed in meeting this requirement.

CalPERS expects to be able to complete its audit responsibilities and to provide to employers the information that will be needed for employer financial statements by June 2015. Our plan to address any unanticipated delays in the CalPERS time line will be to maintain our scheduled time frame for the performance of your audit, including preparation of the financial statements and the provision of drafts to you for your review (complete except for any pending information from CalPERS). Once CalPERS has completed its audit responsibilities and provided all information necessary for the issuance of an unmodified opinion on your financial statements, we will at that point reflect in your financial statements the information provided by CalPERS and release your financial statements in final form.

GASB Statement No. 72 *Fair Value Measurement and Application*

The Standard defines fair value and describes how fair value should be measured, what assets and liabilities should be measured at fair value, and what information about fair value should be disclosed in the notes to the financial statements. We believe the standard will likely only apply to your investment disclosures. The standard will be effective for your June 30, 2016 financial statements.

GASB Project to Consider Requiring Financial Projections in Financial Statements (RSI)

The GASB issued a preliminary views document to consider requiring that state and local governments present five-year projections of cash inflows, cash outflows, and financial obligations that would accompany their financial statements as *required supplementary information*.

METHODOLOGY

The audit approach of Mayer Hoffman McCann P.C. is unique with regard to the following:

- Our firm is sensitive to the priorities and work requirements of our clients. We work around the schedules of our clients when scheduling segments of the audit or requesting documentation in order to minimize disruption in the Finance Department.
- Whenever possible, we use accounting support already prepared by the Finance Department in order to avoid duplication or unnecessary requests for audit supporting schedules.
- Because of our firm's expertise in local governmental auditing, our staff are trained and familiar with local government accounting. You will spend no time in training our personnel.
- Throughout the year we are a resource to our clients in providing accounting advice, researching technical questions, dealing with tax problems, and helping with other problems as they arise.

TRANSITION PLANNING

Changing auditors can be time consuming for City staff. We strive to make the transition to MHM a seamless process. The following are some of the strategies we use create an effortless transition:

- We will review the prior auditors coding of the City's trial balance for CAFR preparation. We will input the prior year trial balance into our audit software and regenerate the prior year CAFR schedules to ensure our coding is accurate.
- When reviewing prior auditor workpapers, we will request copies of permanent file documents from the prior auditor so the City doesn't have to spend time copying these documents for us.
- We will review the audit request list and documents provided to your auditor last year. We can generally use the same request list with minor modifications. We normally find that over time the request list provided by the prior auditors grows unnecessarily. We can typically streamline some of the requests that take substantial staff time.
- We will review the confirmations provided to your auditor last year and simply mark up last year's confirmations instead of providing you with MHM templates.
- We will review the prior year CAFR during interim and suggest changes, if necessary, at that time instead of waiting until final to discuss potential changes.
- MHM does not use checklists to document internal controls. Instead, we plan to sit down with City staff involved in the major transaction processes and document controls through a walk through and inquiry process. We find that this process reduces the amount of City staff time and results in a more complete understanding of the City's internal controls.

BENEFITS OF MHM AUDIT SOFTWARE

Caseware

Mayer Hoffman McCann P.C. utilizes Caseware audit software for the electronic organization of workpapers. We have the ability to accept audit documentation in either hard copy or electronic format. Caseware allows us the ability to import trial balances that can be provided in either excel or a text document. Some of the benefits of using Caseware trial balance software are as follows:

- We can create our own lead sheets (for example, a schedule Due to/Due from other funds). This limits the amount of time City staff spends creating audit schedules.
- We can link CAFR schedules directly to the Caseware trial balances. As a result, we can provide the City with fund financial statements almost immediately after receiving the trial balance from the City. Additionally, journal entries are easy to post to the CAFR schedules and the risk of data entry error is minimized.
- We can provide the City with reports showing the coding of the CAFR schedules for ease of review by City staff. These reports show each account coded to a specific CAFR line item as well as journal entries that are posted during the audit.
- Our software automatically generates analytical review reports by account number for ease of analyzing significant fluctuations between fiscal years.
- Creating color PDF's of final reports is a seamless process for our audit staff.
- We can provide the City with draft audit reports soon after audit fieldwork is completed.

Data Mining

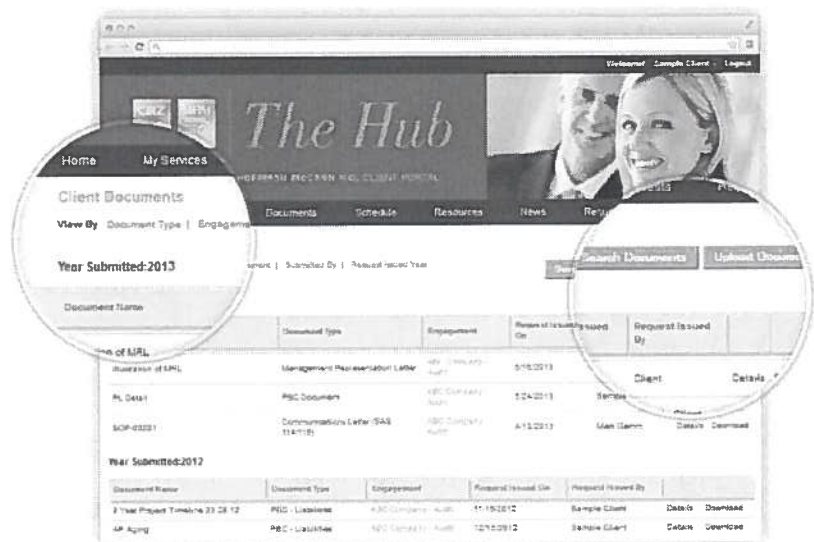
We plan to utilize our data mining software, IDEA, which will take source data from your accounting system and scan the data for anomalies such as duplicate invoices and checks written on non-payroll processing or cash disbursement processing days. See additional information about IDEA in the Key Audit Procedures section below.

The Hub

The Hub is a secure, online service management tool that simplifies the entire process of your financial service engagements with us. The Hub minimizes the inefficiencies typically associated with gathering documents, keeping schedules and managing workload among your team. It also streamlines communications with your Client Service team, thereby freeing up your valuable time.

Benefits of The Hub Include:

- View the progress/status of your engagements.
- Stay up-to-date with calendars, reminders, due dates and recent activity related to your engagements.
- Disperse audit preparation and other engagement related workload within your organization. You determine who can access what information.
- Access the same accounting guidance we utilize, directly from The Hub, at a significant discount.
- Easily submit and track requested documents at your convenience – just drag from your computer and drop onto The Hub.
- At a glance, access current engagement open items across any or all of your engagements.



Securely search for and access your financial documents such as contracts, financial statements, tax returns and Prepared-by-Client documents

INTERNAL CONTROLS AND MANAGEMENT LETTER COMMENTS

During the interim audit for the year ended June 30, 2015, we plan to evaluate internal controls over the following primary transaction areas:

- Cash Receipting at City Hall
- Investment Management
- Infrastructure and Capitalization of Assets
- Purchasing
- Accounts Payable and Cash Disbursements Cycle
- Payroll Cycle/Human Resources
- Information Systems

In future years, we plan to follow up on changes in the above internal control areas and begin to evaluate additional internal control areas based on risks identified by City Finance Staff, the City Manager, and City Council. Some examples of additional areas we review are as follows:

- Cash receipting at offsite locations:
 - Parks and recreation locations
 - Police department
 - Parking
 - Library
 - Senior center
 - Community center
 - Other offsite locations
- Petty cash
- Credit card or Purchasing cards
- Administration of loan programs
- Internal service fund allocations and overhead cost reimbursements
- Debt compliance monitoring procedures

There are three categories of internal control recommendations. We work carefully with City staff to ensure our classification of indentified weaknesses is correct. The categories are as follows:

- **Control deficiency** – these are minor internal control weaknesses that can be communicated either verbally to City Finance management or in writing, if preferred.
- **Significant deficiency** – these internal control weaknesses must be communicated in writing.
- **Material weakness** – these internal control weaknesses must be communicated in writing.

When formulating internal control recommendations, we obtain a thorough understanding of the specific circumstances at your City in order to provide a tailored, practical recommendation. We understand that there is commonly more than one acceptable way to correct an internal control weakness. We work with City staff to ensure the recommendation is practical to implement.

SPECIFIC AUDIT APPROACH

Following our appointment as auditors of the City, Ms. Farr, Engagement Shareholder, and Mr. Votava, Engagement Manager, will meet with the Finance Director and other key Finance Department staff for the purpose of planning the audit of the City. Ms. Farr will also communicate with City Council/Audit Committee during the planning stages of the audit in accordance with SAS 114. In addition to establishing an effective and efficient communication link with City personnel, the following will be accomplished:

- Dates for audit field work of the various audit examinations will be finalized.
- Arrangements will be made with City personnel for the typing of confirmation requests.
- We will determine a materiality level for the financial statements
- We will perform a risk assessment of the City of Moreno Valley
- Review minutes of the City Council
- We will perform tests of investment compliance
- We will test and confirm pledged collateral and ensure it is in line with the City's investment policy
- Review important contracts and agreements. We will ensure these agreements have been properly recorded under Government accounting standards.
- Testing of purchase orders and contract management.
- Performing testing of cash disbursements to determine adherence to policies and internal controls
- We will perform an IT risk assessment of the City's information systems used by the Finance Department.
- Performing test of payroll transactions to ensure amounts paid agree to personnel action forms and that there are no unusual compensation practices
- Performing required compliance and internal control testing relating to the federal grant programs of the City

In September (after the final closing of the books and preparation of final trial balances by City personnel), we will commence performing our *year-end substantive audit*. Our final examination will include tests which we deem necessary, including:

- Confirmation of cash and investment balances.
- Testing of bank reconciliations.
- Testing of GASB 40 investment disclosures.

- Testing of allocations of interest income to the various funds.
- Examination of support and subsequent receipt (if any) of significant receivable balances.
- Analytical review of receivable balances
- Testing of interfund borrowings.
- Examination of interfund transfers and testing of transfers out of restricted funds.
- Performing a search for unrecorded liabilities.
- Testing of significant accrued liability accounts.
- Testing of long term debt balances and debt covenants.
- External verifications of bond compliance through the Electronic Municipal Market Access (EMMA) database.
- Analytical review of interest expense.
- Consideration of support for compensated absences.
- Testing of actuarial valuations related to OPEB obligations.
- Testing of actuarial valuations related to pension obligations and new disclosures under GASB 68.
- Examination of the valuation of claims and judgments.
- Testing of additions and deletions to capital assets, including infrastructure.
- Analysis of construction in process balances.
- Testing of support for other significant assets and liabilities of the City.
- Testing for the proper establishment of fund balance restricted, committed, and assigned balances.
- Review of significant events after year end (through the completion of our audit).
- Review of attorney letters for significant legal matters affecting the City's financial position.
- Testing of revenues and expenditures and lesser significant asset and liability balances through analytical procedures and other substantive procedures as necessary.
- In cases where there are sensitive public policy issues, we modify planning materiality in those areas to perform more extensive auditing procedures
- Procedures with respect to the risk of management override of internal controls
- We will incorporate an element of unpredictability every year that will focus on an audit area that is not typically considered a high or significant risk area such as petty cash, credit card purchases, new vendors, travel expenses, etc.

- We will utilize our data mining software IDEA to further analyze areas of audit focus. We have a list of over 500 ways to use IDEA in an audit including searching for duplicate or voided checks, cross-referencing vendor address with employee addresses, detecting accounting transactions recorded on the weekend, reviewing journal entry postings for unauthorized individuals. The IDEA software identifies specific transactions for the auditors to review for potential fraud or error.

The aforementioned tests are only a few of the tests performed during the examination and by no means is it meant to be all inclusive. During the audit, Ms. Farr and Mr. Votava will meet with finance staff to review our audit findings, any adjusting journal entries, and pending audit issues.

SUCCESSOR AGENCY AUDIT APPROACH

Recent legislation related to Redevelopment Agencies will have an impact on our approach to auditing Redevelopment Agency transactions during the audit contract. For the year ended June 30, 2015, we will perform the following procedures:

- Review activities of the successor agency to ensure they are in compliance with state laws and regulations.
- Compare expenditures to approved amounts in the ROPS.
- Audit the cash, investments, receivables, payables, and long-term liabilities, using similar procedures noted above.
- Perform analytical procedures of the revenues and expenses of the successor agency.
- Review communications from the California Department of Finance to determine account balances and disclosures are accurate
- Advise the City on a continued basis regarding interpretations of legislation and the impact on the Successor Agencies.

SINGLE AUDIT PROCEDURES

As a part of our Single Audit for the years in which the entity expends greater than \$500,000 in federal funding, we would supplement our approach with the following procedures in performing the single audit. This threshold will be changing to \$750,000 due to recent changes in the Federal Regulations.

- Review all pertinent federal and AICPA publications including recent changes and updates.
- Perform a major program determination based on federal expenditures during the audit period and the results of the last two single audits. This evaluation will involve consideration of the complexity of the program, prior audit findings, changes in personnel, the competency of personnel, the extent to which sub-recipients are used, the extent of overview and monitoring by granting agencies, the extent of recent changes in program requirements, the newness of the program, the size of the program, and the inherent risk of the program.
- Perform an online search for American Recovery Act Grants that have been awarded to the District.
- Identify and obtain the major program compliance supplements and all up to date grant compliance guidance available from the federal granting agency or other sources.
- Review internal controls for each of the 14 applicable compliance areas for each major program

- Select a sample of transactions to test for each of the 14 applicable compliance areas.
- Test the entity’s indirect cost rate, if applicable.
- Review monitoring reports for noncompliance and follow up on the resolution of the noncompliance, if any.
- Prepare the single audit report and data collection form.

IDENTIFICATION OF ANTICIPATED POTENTIAL AUDIT PROBLEMS

We do not anticipate any potential audit problems with the exception of the timing of the information from CalPERS for the GASB 68 implementation. If CalPERS is delayed in sending the required information to California Cities, it could impact the timing of the finalization of the audit. However, our approach is to complete the audit during the normal expected timeframe and audit the CalPERS information as soon as it becomes available.

PROPOSED TIMING OF THE AUDIT FOR FY 14/15

| | |
|-------------------------------------------------|---------------------------|
| Interim audit request list | After contract approval |
| Planning meeting | Early June |
| Interim audit | June 8-12 |
| Interim progress meeting | June 12 |
| Confirmations and final request list | June 12 |
| Final fieldwork | September 28 - October 16 |
| Exit meeting | Week of October 12 |
| Draft of CAFR and other reports | October 30 |
| Final CAFR and other reports | No later than November 20 |
| Meeting with City Council or Audit Committee | As scheduled by City |

The above schedules are subject to the review and approval of City staff and can easily be modified to meet your needs.



CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

System Review Report

To the Shareholders of Mayer Hoffman McCann P.C.
and the AICPA National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Mayer Hoffman McCann P.C. (the Firm), applicable to engagements not subject to PCAOB permanent inspection, in effect for the year ended April 30, 2014. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The Firm is responsible for designing a system of quality control and complying with it to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the Firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under the *Government Auditing Standards*; audits of employee benefit plans, and examinations of service organizations [SOC 1SM and SOC 2SM engagements].

In our opinion, the system of quality control for the accounting and auditing practice of Mayer Hoffman McCann P.C., applicable to engagements not subject to PCAOB permanent inspection, in effect for the year April 30, 2014, has been suitably designed and complied with to provide the Firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Mayer Hoffman McCann P.C. has received a peer review rating of *pass*.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Milwaukee, WI
September 4, 2014



An independent member of Nexia International

Attachment: MayerHoffman McCannPC (2142 : PROFESSIONAL SERVICES AGREEMENT WITH VASQUEZ

THE 2014 accountingTODAY TOP 100 FIRMS

| RANK | Firm | Headquarters | Chief executive | Year end | REVENUE | | Off-ices | PERSONNEL | | | FEE SPLIT (in percent) | | | | | | |
|------|------------------------------------------|-------------------|---------------------------------|----------|-----------|--------|----------|-----------|--------|----------------|---------------------------|-------------|--------|-----|-----|-----|-------|
| | | | | | \$ mn. | % chg. | | Part-ners | % chg. | Profes-sionals | % chg. | Total emps. | % chg. | A&A | Tax | MAS | Other |
| 1 | 1 Deloitte \$ | New York City | Joe Echevarria | May | 13,894.00 | 6.33 | 104 | 3,039 | 3.05 | 47,050 | 8.68 | 60,951 | 7.26 | 31 | 18 | 46 | 5 |
| 2 | 2 PwC \$ | New York City | Robert Moritz | June | 11,041.00 | 8.70 | 72 | 2,581 | 4.32 | 30,508 | 7.10 | 39,158 | 6.34 | 41 | 28 | 31 | 0 |
| 3 | 3 Ernst & Young \$ | New York City | Steve Howe | June | 9,100.00 | 10.98 | 80 | 2,600 | 4.00 | 23,200 | 5.45 | 30,900 | 4.39 | 37 | 30 | 26 | 7 |
| 4 | 4 KPMG \$ ¹ | New York City | John Veihmeyer | Sept | 6,140.00 | 6.73 | 90 | 1,767 | -0.45 | 18,131 | 1.81 | 24,618 | 0.96 | 37 | 27 | 36 | 0 |
| 5 | 5 McGladrey | Chicago | Joe Adams | April | 1,366.59 | 6.26 | 75 | 617 | -0.32 | 4,810 | 4.86 | 6,723 | 3.02 | 42 | 36 | 21 | 1 |
| 6 | 6 Grant Thornton | Chicago | Stephen Chipman | Dec | 1,302.83 | 4.61 | 56 | 523 | 2.75 | 4,668 | 4.64 | 6,438 | 3.60 | 42 | 29 | 29 | 0 |
| 7 | 7 BDO | Chicago | Wayne Berson | June | 683.00 | 10.52 | 49 | 305 | 14.23 | 2,339 | 21.89 | 3,248 | 17.21 | 60 | 30 | 10 | 0 |
| 8 | 9 Crowe Horwath | Chicago | Charles Allen | Dec | 664.62 | 11.68 | 28 | 255 | -2.67 | 2,244 | 20.65 | 3,006 | 15.48 | 28 | 22 | 35 | 15 |
| 9 | 10 CliftonLarsonAllen ² | Minneapolis | Gordy Viere | Dec | 563.55 | -0.78 | 29 | 233 | -5.28 | 3,112 | 30.70 | 3,660 | 13.56 | 41 | 34 | 9 | 16 |
| 10 | 11 CohnReznick | New York City | Thomas Marino / Kenneth Baggett | Jan | 508.00 | 4.10 | 24 | 274 | -2.14 | 1,716 | 14.94 | 2,521 | 8.95 | 52 | 33 | 6 | 9 |
| 11 | 8 CBIZ/Mayer Hoffman McCann ³ | Cleveland | Chris Spurio / Bill Hancock | Dec | 478.50 | -22.20 | 100 | 426 | 2.65 | 1,676 | -3.40 | 2,862 | -28.63 | 30 | 35 | 35 | 0 |
| 12 | 12 BKD | Springfield, Mo. | Theodore Dickman | May | 418.40 | 4.00 | 32 | 237 | -3.27 | 1,381 | 8.83 | 2,013 | 5.67 | 49 | 31 | 20 | 0 |
| 13 | 14 Plante Moran | Southfield, Mich. | Gordon Krater | June | 411.32 | 24.27 | 19 | 256 | 18.52 | 1,317 | 24.72 | 1,947 | 21.69 | 41 | 26 | 33 | 0 |
| 14 | 13 Moss Adams | Seattle | Chris Schmidt | Dec | 403.00 | 17.15 | 22 | 263 | 9.58 | 1,340 | 16.22 | 2,072 | 16.93 | 45 | 38 | 17 | 0 |
| 15 | 16 Marcum | New York City | Jeffrey Weiner | Dec | 350.10 | 27.08 | 17 | 160 | 26.98 | 844 | 47.04 | 1,300 | 43.81 | 45 | 36 | 7 | 12 |
| 16 | 15 Dixon Hughes Goodman | Charlotte, N.C. | Ken Hughes | Dec | 310.00 | 1.97 | 26 | 178 | 2.89 | 1,129 | 1.35 | 1,661 | 1.65 | 36 | 35 | 29 | 0 |
| 17 | 17 Baker Tilly Virchow Krause | Chicago | Timothy Christen | May | 301.30 | 16.33 | 11 | 112 | 17.89 | 1,323 | 12.50 | 1,569 | 12.96 | 38 | 30 | 30 | 2 |
| 18 | 18 EisnerAmper | New York City | Charles Weinstein | Jan | 276.90 | 7.79 | 9 | 177 | 2.31 | 976 | 5.29 | 1,185 | 3.58 | 56 | 35 | 9 | 0 |
| 19 | 19 Rothstein Kass | Roseland, N.J. | Steven Kass / Howard Altman | Dec | 202.00 | 6.88 | 8 | 76 | -1.30 | 780 | -2.74 | 1,002 | -1.18 | 60 | 35 | 5 | 0 |
| 20 | 20 UHY Advisors Inc. ⁴ | Chicago | Rick Stein / Anthony Frabotta | Dec | 192.87 | 2.48 | 15 | 104 | -1.89 | 716 | 19.73 | 1,009 | 10.03 | 31 | 45 | 23 | 1 |
| 21 | 22 Eide Bailly | Fargo, N.D. | Dave Stende | April | 170.50 | 7.77 | 22 | 101 | 10.99 | 942 | 6.80 | 1,311 | 6.59 | 43 | 40 | 9 | 8 |
| 22 | 23 Wipfl ^{1*} | Milwaukee | Rick Dreher | May | 162.50 | 7.12 | 22 | 142 | -4.05 | 893 | 14.93 | 1,227 | 9.75 | 34 | 29 | 37 | 0 |
| 23 | 28 Carr, Riggs & Ingram | Enterprise, Ala. | William Carr | Sept | 161.31 | 44.89 | 20 | 125 | 25.00 | 657 | 37.74 | 924 | 29.41 | 43 | 39 | 18 | 0 |
| 24 | 21 ParenteBeard | Philadelphia | Robert Ciaruffoli | Dec | 158.00 | -6.51 | 18 | 116 | -12.12 | 544 | -13.65 | 861 | -11.96 | 53 | 31 | 16 | 0 |
| 25 | 25 Citrin Cooperman & Co. | New York City | Joel Cooperman | Dec | 143.00 | 14.40 | 5 | 120 | 13.21 | 302 | 3.78 | 503 | 8.41 | 47 | 37 | 8 | 8 |

Key and notes: Last year's rankings have been revised based on 2012 revenue provided by firms. Some firms' rankings will therefore differ from those reported last year.

* Firm estimate or projection † Accounting Today estimate § Gross revenue NA Not available/applicable NR Not ranked

1 KPMG's office figure comprises business offices, as opposed to every physical location. 2 Figures reflect sale of health care regulatory and compliance group 3 Estimate based on trailing 12 months to Sept. 30, 2013; figures reflect the sale of the medical practice management practice. Office figures are for CBIZ, MHM has 33 offices. 4 UHY Advisors and UHY LLP are affiliated through an alternative practice structure.

EXHIBIT B
NON-COLLUSION AFFIDAVIT

ATTACH NOTARY CERTIFICATES HERE

STATE OF CALIFORNIA)
) SS
COUNTY OF Orange)

(NAME) Jennifer Farr, affiant being first duly sworn, deposes and says:

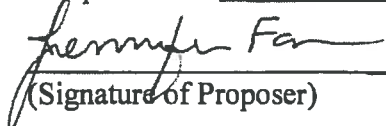
That he or she is Shareholder of
(sole owner, partner or other proper title)
Mayer Hoffman McCann P.C. the party making the foregoing Proposal
(Contractor)

that the bid is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the bid is genuine and not collusive or sham; that the bidder has not directly or indirectly induced or solicited any other bidder to put in a false or sham bid, and has not directly or indirectly colluded, conspired, connived, or agreed with any bidder or anyone else to put in a sham bid, or that anyone shall refrain from bidding; that the bidder has not in any manner, directly or indirectly sought by agreement, communication, or conference with anyone to fix the bid price of the bidder or any other bidder, or to fix any overhead, profit, or cost element of the bid price, or of that of any other bidder, or to secure any advantage against the public body awarding the Contract of anyone interested in the proposed Contract; that all statements contained in the bid are true; and, further, that the bidder has not, directly or indirectly, submitted his or her bid price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, or paid, and will not pay, any fee to any corporation, partnership, company associations, organization, bid depository, or to any member or agent thereof to effectuate a collusive or sham bid (Public Contract Code Section 7106).

Proposer Name: Mayer Hoffman McCann P.C.

Proposer Address: 2301 Dupont Drive, Suite 200
Irvine, CA 92612

Telephone No.: 949-783-1740


(Signature of Proposer)

Shareholder
(Title)

R.F.P 2015-001

EXHIBIT C
VENDOR INFORMATION

2007. **PROPOSERS COMPANY INFORMATION (print or type)**

Company

Name: Mayer Hoffman McCann P.C.

Owner / Manager Name:
Jennifer Farr

Mailing Address:
2301 Dupont Drive, Suite 200

City: Irvine State: CA
Zip: 92612

Remit To Address (if different from PO mailing address)

City: _____ State: _____
Zip: _____

Web

Site: www.mhmcpa.com

Phone Number:
949-783-1740

Fax Number:
949-263-5520

E-mail Address:
JFarr@cbiz.com

Incorporated? (circle one) YES or NO Federal Tax I.D. # or Social # 43-1947695

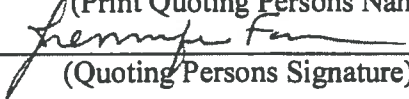
How many years of relevant experience within the scope of this RFP? Over 30

2007. REFERENCES

| | |
|--------------------------------------------------------------|------------------------------|
| Company Name: See page 6 of RFP Contact Person: Phone: | Web Site: e-mail address: |
| Company Name: Contact Person: Phone: | Web Site: e-mail address: |
| Company Name: Contact Person: Phone: | Web Site: e-mail address: |

I certify that the information given above is accurate and complete; that the Terms and Conditions as issued by the City of Moreno Valley with this Request for Proposal have been fully read, understood, and accepted in total; and that **I am a duly authorized agent for quoting purposes for the company named above.**

Jennifer Farr

(Print Quoting Persons Name)

(Quoting Persons Signature)

3/31/2015

(Date)

Shareholder

(Title)

***COST PROPOSAL OF INDEPENDENT AUDIT SERVICES
TO THE
CITY OF MORENO VALLEY, CALIFORNIA
(R.F.P. 2015-001)***

Submitted by:

**MAYER HOFFMAN McCANN P.C.
2301 DUPONT DR., SUITE 200
IRVINE, CALIFORNIA 92612**

March 31, 2015

**CONTACT PERSON – JENNIFER FARR, SHAREHOLDER
PHONE NO: (949) 474-2020
DIRECT NO: (949) 783-1740
FACSIMILE NO: (949) 263-5520
EMAIL: jfarr@cbiz.com
WEBSITE: www.mhm-pc.com**

**MAYER HOFFMAN McCANN P.C.
CALIFORNIA LICENSE NO. CORP 5091**

**MAYER HOFFMAN McCANN P.C.
FEDERAL IDENTIFICATION NO. 43-1947695**



March 31, 2015

City of Moreno Valley
Richard Teichert, Chief Financial Officer
14177 Frederick Street
Moreno Valley, CA 92552

Enclosed please find the schedules requested in your RFP with respect to our Cost Proposal to provide services to the City of Moreno Valley. The schedules present our all-inclusive maximum price for the fiscal years ending June 30, 2015, 2016, 2017, 2018 and 2019 as set forth in the accompanying schedules, incorporated by reference herein.

I certify that I am entitled to represent the firm, empowered to submit the proposal, and authorized to sign a contract with the City of Moreno Valley.

The total all-inclusive maximum price for each year is shown below, including any out-of-pocket expenses.

| <u>Year</u> | <u>Total Fee</u> |
|-------------|------------------|
| 2015 | \$66,000 |
| 2016 | \$66,000 |
| 2017 | \$66,000 |
| 2018 | \$67,400 |
| 2019 | \$68,800 |

Very truly yours,

MAYER HOFFMAN McCANN P.C.

Jennifer Farr, CPA
Shareholder

SUMMARY SCHEDULE OF PROFESSIONAL FEES AND EXPENSES

Our fixed fee pricing contemplates up to two major programs for the single audit. A price adjustment of \$2,500 will be made for each additional major program. We will progress bill the City for the above services as the engagement hours are expended. Any special projects, extra work, accounting assistance, or additional assignments will be performed at the standard hourly rates indicated in the Cost Proposal Summary on the following page.

Our fees contemplate conditions satisfactory for the performance of the audit, including the City providing at the start of the audit, trial balances reflecting all year end adjustments, necessary subsidiary schedules supporting asset and liability balances, all necessary reconciliations in agreement with general ledger balances, and customary supporting analyses and schedules. If assistance is needed in preparing year end journal entries or resolving reconciliation issues, we would perform the same at the hourly rates indicated in this cost proposal.

If there are changes in the scope of the audit (added enterprise activity, additional component units, new audit or accounting requirements, etc.), we would discuss these changes with the City and the effect of these changes on the professional audit hours and costs of the engagement.

CITY OF MORENO VALLEY
RFP VAG 14/15-05
PROFESSIONAL AUDIT SERVICES

COST PROPOSAL SUMMARY

Section I

AUIT WORK MULTI-YEAR COST PROPOSAL

| | ENGAGEMENT CONTRACT YEARS | | | OPTIONAL YEARS | |
|--------------------------------------------|---------------------------|------------------|------------------|------------------|------------------|
| | FY 2014-15 | FY 2015-16 | FY 2016-17 | FY 2017-18 | FY 2018-19 |
| CITY AUDIT AND RELATED REPORTS | \$ 51,400 | \$ 51,400 | \$ 51,400 | \$ 52,400 | \$ 53,400 |
| GANN LIMIT REVIEW REPORT | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 |
| CSD AUDIT AND SPECIAL REPORTS | \$ 3,000 | \$ 3,000 | \$ 3,000 | \$ 3,100 | \$ 3,200 |
| CHILD CARE GRANT AUDIT AND RELATED REPORTS | \$ 7,500 | \$ 7,500 | \$ 7,500 | \$ 7,700 | \$ 7,900 |
| SINGLE AUDIT AND RELATED REPORTS* | \$ 3,500 | \$ 3,500 | \$ 3,500 | \$ 3,600 | \$ 3,700 |
| TOTAL ALL-INCLUSIVE MAXIMUM PRICE | \$ 66,000 | \$ 66,000 | \$ 66,000 | \$ 67,400 | \$ 68,800 |
| Optional | | | | | |
| STATE CONTROLLERS REPORTS (CITY AND CSD) | \$ 4,000 | \$ 4,000 | \$ 4,000 | \$ 4,200 | \$ 4,200 |

* Single Audit fee includes up to two major programs. Additional major programs can be added for \$2,500 per additional program.

SCHEDULES OF FEES AND SERVICES FOR THE AUDIT OF THE FY 2014-15 FINANCIAL STATEMENTS

| | # of Hours | Hourly Rate | Total Cost |
|----------------------------------------------------------------|------------|-------------|------------------|
| Shareholders (Partners) | 60 | \$ 160 | \$ 9,600 |
| Manager | 100 | \$ 120 | \$ 12,000 |
| Senior Auditor | 300 | \$ 100 | \$ 30,000 |
| Staff Auditor | 180 | \$ 80 | \$ 14,400 |
| Clerical | - | \$ - | \$ - |
| Sub-total | 640 | | \$ 66,000 |
| Out of Pocket Expenses | | | \$ - |
| Total all-inclusive maximum price for the 2014-15 audit | | | \$ 66,000 |

Section II

SCHEDULE OF BILLING RATES FOR SUPPLEMENTAL SERVICES

| | Hourly Rate |
|-------------------------|-------------|
| Shareholders (Partners) | \$ 180 |
| Manager | \$ 130 |
| Senior Auditor | \$ 110 |
| Staff Auditor | \$ 95 |
| Clerical | \$ - |