

CITY OF MORENO VALLEY, CALIFORNIA
COMMUNITY FACILITIES DISTRICT NO. 3

CONTINUING DISCLOSURE REPORT
FOR FISCAL YEAR 2012/13
THESE BONDS HAVE BEEN FULLY REDEEMED



Report Date:
March 2014

Prepared by:
FINANCIAL AND MANAGEMENT SERVICES DEPARTMENT
SPECIAL DISTRICTS DIVISION

LIST OF PARTICIPANTS

Community Facilities District No. 3 (Auto Mall Refinancing) Special Tax Bonds, Series 2000

City Contacts

Richard Teichert
Financial and Management Services Director
14177 Frederick Street
P. O. Box 88005
Moreno Valley, CA 92552-0805
951-413-3021
richardt@moval.org

Candace E. Cassel
Special Districts Division Manager
14331 Frederick Street, Suite 2
P.O. Box 88005
Moreno Valley, CA 92552-0805
951-413-3480
candacec@moval.org

Bond Counsel

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

Underwriter

Bill Huck
Stifel Nicolaus & Company, Inc.
(formerly Stone & Youngberg LLC)
12544 High Bluff Dr., Suite 190
San Diego, CA 92130
1-877-892-9461
bhuck@syllc.com

Financial Arbitrage Administration

Anne C. Pelej
Willdan Financial Services
27368 Via Industria, Suite 110
Temecula, CA 92590
951-587-3500
apelej@willdan.com

Trustee/Dissemination Agent

Dania D. Samai
Wells Fargo
Corporate Trust Services
707 Wilshire Blvd., 17th Floor
Los Angeles, CA 90017
213-614-3328
danial.d.samai@wellsfargo.com

I. INTRODUCTION

A. DESCRIPTION OF PROCEEDINGS

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

Community Facilities District No. 2 of the City of Moreno Valley ("CFD No. 2") was formed in 1989 to finance the acquisition of certain public facilities (water, sewer, street, landscaping, storm drain and utility system improvements) and all necessary work. CFD No. 2 consisted of approximately 58 taxable acres and included Eucalyptus Avenue (Hickory Avenue), Moreno Beach Drive, and other streets.

On March 7, 2000, the City approved the formation of Community Facilities District No. 3 ("CFD No. 3" or "District") and the issuance of bonds to refinance the existing CFD No. 2 debt. On April 5, 2000, the City issued the Moreno Valley (Auto Mall Refinancing) Special Tax Bonds, Series 2000 ("Bonds") in the amount of \$8,075,000. The Bonds are secured by Special Tax revenues and certain Available Project Property Tax Increment.

The Community Redevelopment Agency of the City of Moreno Valley ("Agency") and the Moreno Valley Auto Mall ("Participant") entered into the Participation Agreement, as amended on January 25, 2000. Under the Participation Agreement, the Agency would contribute Available Project Property Tax Increment to reduce the annual Special Taxes. Additionally, the Agency may also make available certain Project Sales Tax revenues for the reimbursement of Special Taxes paid by certain properties.

In June of 2011, the California Legislature approved trailer bills AB 1x 26 and AB 1x 27 to dissolve redevelopment agencies. On January 10, 2012, the Moreno Valley City Council adopted Resolution No. 2012-04, which names the City of Moreno Valley as the Successor Agency to the Community Redevelopment Agency of Moreno Valley ("Agency") for the purpose of discharging the obligations of the former RDA.

In accordance with the terms of the Owner Participation Agreement and Resolution No. 2012-04, the parcels within the CFD may receive a contribution of tax increment from the Agency contingent upon receiving final authorization from the State of California Department of Finance. The individual tax increment generated from each parcel is used as a credit for that specific parcel's portion of the Special Tax.

For further information concerning the City, Agency, District, Participation Agreement or the Bonds, reference is made to the Official Statement of the Bonds.

Table 1 provides a summary of pertinent proceedings.

Table 1: Summary of Proceedings

Community Facilities District No. 2		
Document	Number	Date
Resolution of Intention	89-19	March 28, 1989
Resolution of Formation	89-46	May 9, 1989
Resolution of Bond Issuance	89-47	May 9, 1989

Community Facilities District No. 3		
Document	Number	Date
Resolution of Intention	2000-08	January 25, 2000
Resolution of Formation	2000-23	March 7, 2000
Resolution of Bond Issuance	2000-27	March 7, 2000

Community Facilities District No. 3 Bonds		
Date of Bond Issue (Dated Date)		April 5, 2000
Date of Bond Maturity		September 1, 2030
Amount of Bond Issue		\$8,075,000
Bond Rating		Not Rated

Table 2: CFD No. 3 CUSIP

Year	CUSIP *
2030	616903 AV2

* Committee on Uniform Security Identification Procedures ("CUSIP")

II. FINANCIAL AND OPERATING INFORMATION

A. FINANCIAL INFORMATION

The City's audited financial statements for the period ended June 30, 2013, are filed separately with the Electronic Municipal Market Access ("EMMA") service provided by the Municipal Securities Rulemaking Board (www.emma.msrb.org) and are hereby incorporated by reference into this report. The audited financial statements are available for review through the City's Financial & Management Services Department and on the City's website at www.moval.org. The City's audited financial statements are provided solely to comply with the Continuing Disclosure Agreement.

B. PRINCIPAL AMOUNT OUTSTANDING

A bond call was performed on September 1, 2011, in the amount of \$910,000 plus redemption fees. On September 1, 2012, a bond call was performed in the amount of \$285,000 plus redemption fees. On September 1, 2013, a bond call was performed in the amount of \$105,000 plus redemption fees. **This bond call paid in full the District Bonds** and was based upon an optional redemption at the redemption price equal to the principal amount of the outstanding bonds plus accrued interest thereon to the redemption date without premium (the "Redemption Price") which could be paid from any source of funds. Funds were received in the amount of \$39,580.29, which allowed for the optional redemption of the bonds.

C. FUND BALANCES

Table 3: Fund Balances

Fund / Account	Balance as of October 31, 2013
Revenue Fund	\$ -
Bond Service Fund:	
Principal Account	-
Interest Account	-
Reserve Fund	-
Rebate Fund	-
Redemption Fund	-
Costs of Issuance Fund	-
Administrative Expense Fund	-

D. DELINQUENCIES

For Fiscal Year (FY) 2012/13 the Special Tax for the District was \$75,878. There are no outstanding delinquencies for FY 2012/13 or prior years.

E. RATE AND METHOD OF APPORTIONMENT

There have been no changes to the CFD No. 3 Rate and Method of Apportionment of Special Tax approved or submitted to the qualified electors for approval prior to the date of this report.

F. PREPAYMENTS

On September 1, 2013, a bond call was performed in the amount of \$105,000 plus redemption fees. This bond call paid in full the District Bonds and was based upon an optional redemption at the redemption price equal to the principal amount of the outstanding bonds plus accrued interest thereon to the redemption date without premium (the "Redemption Price") which could be paid from any source of funds. Funds were received in the amount of \$39,580.29, which allowed for the optional redemption of the bonds. There have been no prepayments of the special tax obligation for any parcels within the District.

G. SPECIAL TAX LEVY

There was no Special Tax levy for Fiscal Year (FY) 2013/14. In accordance with Section 53330.5 of the California Government Code, a special tax may be levied by a community facilities district only so long as it is needed to pay the principal and interest on debt incurred by the community facilities district. The final bond call on the District was performed on September 1, 2013. City Council approved dissolution of the District on February 25, 2014 per Resolution No. 2014-15. The Notice of Cessation was filed with the County of Riverside as of March 10, 2014.

H. SIGNIFICANT EVENTS

Unless noted below, the City is currently unaware of any of the following material events pertaining to the Bonds:

- (1) Principal and interest payment delinquencies;
- (2) An event of default under the Bond Indenture, other than as described in (1) above;
- (3) Unscheduled draws on the Reserve Fund reflecting financial difficulties;
- (4) Unscheduled draws on any credit enhancements securing the Bonds reflecting financial difficulties;
- (5) Any change in the provider of any letter of credit or any municipal bond insurance policy securing the Bonds or any failure by the providers of such letters of credit or municipal bond insurance policies to perform on the letter of credit or municipal bond insurance policy;
- (6) Adverse tax opinions or events adversely affecting the tax-exempt status of the Bonds;

- (7) Modifications to the rights of Bond Owners;
- (8) Unscheduled redemption of any Bond;
 - A bond redemption occurred on September 1, 2013, in the amount of \$105,000.00 plus redemption fees.
- (9) Defeasances;
- (10) Any release, substitution, or sale of property securing repayment of the Bonds;
and,
- (11) Rating changes.

