

Annual Report
Fiscal Year 2015-2016

City of Irvine
Community Facilities District
No. 2013-3
(Great Park)

October 24, 2016

Public Finance
Public Private Partnerships
Urban Economics
Clean Energy Bonds

Newport Beach
San Francisco
San Jose
Riverside
Dallas, Texas

ANNUAL REPORT – GOVERNMENT CODE SECTION 53343.1

In accordance with the requirements of Government Code Section 53343.1:

A community facilities district formed after January 1, 1992, shall prepare, if requested by a person who resides in or owns property in the district, within 120 days after the last day of each fiscal year, a separate document titled an "Annual Report." The district may charge a fee for the report not exceeding the actual costs of preparing the report. The report shall include the following information for the fiscal year:

(a) The amount of special taxes collected for the year.

| IMPROVEMENT AREA | FISCAL YEAR 2015-2016 SPECIAL TAX COLLECTION |
|-------------------------|---|
| IMPROVEMENT AREA NO. 1 | \$4,696,156 |
| IMPROVEMENT AREA NO. 2 | \$6,992,743 |
| IMPROVEMENT AREA NO. 3 | \$0 |
| IMPROVEMENT AREA NO. 4 | \$1,297,598 |
| IMPROVEMENT AREA NO. 5 | \$550,000 |
| IMPROVEMENT AREA NO. 6 | \$0 |
| IMPROVEMENT AREA NO. 7 | \$0 |
| IMPROVEMENT AREA NO. 8 | \$0 |

(b) The amount of other moneys collected for the year and their source, including interest earned.

| IMPROVEMENT AREA | FISCAL YEAR 2015-2016 OTHER AMOUNTS COLLECTED | FISCAL YEAR 2015-2016 INTEREST EARNED AS OF JUNE 30, 2016 |
|-------------------------|--|--|
| IMPROVEMENT AREA NO. 1 | \$16,768 ^[1] | \$102,591 |
| IMPROVEMENT AREA NO. 2 | \$0 | \$460 |
| IMPROVEMENT AREA NO. 3 | \$0 | \$0 |
| IMPROVEMENT AREA NO. 4 | \$173 | \$451 |
| IMPROVEMENT AREA NO. 5 | \$0 | \$22,929 |
| IMPROVEMENT AREA NO. 6 | \$0 | \$577 |
| IMPROVEMENT AREA NO. 7 | \$0 | \$639 |
| IMPROVEMENT AREA NO. 8 | \$0 | \$1,083 |

[1] An amount of \$16,768 Delinquencies-Penalty-Late fee received from the County of Orange as of June 30, 2016.

(c) The amount of moneys expended for the year.

| IMPROVEMENT AREA NO. 1 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|--|---|
| Facilities, Including Property | \$60,322,726 |
| Cost of Bond Indebtedness | \$3,706,400 |
| Cost of Collecting the Special Tax | \$14,451 |
| Other Administrative and Overhead Costs | \$30,708 |
| Transfer to Great Park Fund for Services | \$503,326 |
| Total | \$64,577,611 |

| IMPROVEMENT AREA NO. 2 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|--|---|
| Cost of Collecting the Special Tax | \$21,035 |
| Other Administrative and Overhead Costs | \$5,760 |
| Transfer to Great Park Fund for Services | \$6,941,743 |
| Total | \$6,968,538 |

| IMPROVEMENT AREA NO. 3 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|--|---|
| Cost of Collecting the Special Tax | \$0 |
| Other Administrative and Overhead Costs | \$0 |
| Transfer to Great Park Fund for Services | \$0 |
| Total | \$0 |

| IMPROVEMENT AREA NO. 4 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|--|---|
| Cost of Collecting the Special Tax | \$4,112 |
| Other Administrative and Overhead Costs | \$15,752 |
| Transfer to Great Park Fund for Services | \$1,245,214 |
| Cost of Issuance | \$65,150 |
| Total | \$1,330,228 |

| IMPROVEMENT AREA NO. 5 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|--|---|
| Cost of Collecting the Special Tax | \$1,652 |
| Other Administrative and Overhead Costs | \$12,866 |
| Transfer to Great Park Fund for Services | \$500,000 |
| Total | \$514,518 |

| IMPROVEMENT AREA NO. 6 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|---|---|
| Other Administrative and Overhead Costs | \$1,354 |
| District Formation | \$16,830 |
| Total | \$18,184 |

| IMPROVEMENT AREA NO. 7 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|---|---|
| Other Administrative and Overhead Costs | \$1,354 |
| District Formation | \$22,199 |
| Total | \$23,553 |

| IMPROVEMENT AREA NO. 8 | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 |
|---|---|
| Other Administrative and Overhead Costs | \$21,192 |
| District Formation | \$39,022 |
| Total | \$60,214 |

(d) A summary of the amount of moneys expended for the following:

Improvement Area No. 1 (As of June 30, 2016)

- (1) Facilities, including property. - \$60,322,726
- (2) Services. - \$503,326 was transferred to the Great Park Fund for Services
- (3) The costs of bonded indebtedness. - \$3,706,400
- (4) The costs of collecting the special tax under Section 53340. - \$14,451
- (5) Other administrative and overhead costs. - \$30,708

Improvement Area No. 2 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. - \$6,941,743 was transferred to the Great Park Fund for Services
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$21,035
- (5) Other administrative and overhead costs. - \$5,760

Improvement Area No. 3 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. – N/A
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$0
- (5) Other administrative and overhead costs. - \$0

Improvement Area No. 4 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. - \$1,245,214 was transferred to the Great Park Fund for Services
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$4,112
- (5) Other administrative and overhead costs. - \$15,752

Improvement Area No. 5 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. - \$500,000 was transferred to the Great Park Fund for Services
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$1,652
- (5) Other administrative and overhead costs. - \$12,866

Improvement Area No. 6 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. – N/A
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$0
- (5) Other administrative and overhead costs. - \$1,354

Improvement Area No. 7 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. – N/A
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$0
- (5) Other administrative and overhead costs. - \$1,354

Improvement Area No. 8 (As of June 30, 2016)

- (1) Facilities, including property. - \$0
- (2) Services. – N/A
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$0
- (5) Other administrative and overhead costs. - \$21,192

(e) For moneys expended for facilities, including property, an identification of the categories of each type of facility funded with amounts expended in each category, including the total percentage of the cost of each type of facility that was funded with bond proceeds or special taxes.

| CATEGORY | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 | PERCENTAGE FUNDED WITH BOND PROCEEDS | PERCENTAGE FUNDED WITH SPECIAL TAXES |
|---|--|--|--|
| Street and Storm Drain | \$25,667,152 | 100% | 0% |
| Crushing and Preparing of Base Material | \$7,352,916 | 100% | 0% |
| Agua Chinon Drainage | \$3,695,999 | 100% | 0% |
| Bee Canyon Storm Drain | \$4,420,465 | 100% | 0% |
| Hike and Bike Trails | \$799,729 | 100% | 0% |
| Traffic Signals | \$225,225 | 100% | 0% |
| Streetscape/Landscape | \$4,050,849 | 100% | 0% |
| Great Park Improvements | \$7,412,369 | 100% | 0% |
| Wildlife Corridor | \$3,583 | 100% | 0% |
| Wet Utilities | \$2,332,693 | 100% | 0% |
| Water Quality | \$4,352,645 | 100% | 0% |
| Utility Underground | \$9,101 | 100% | 0% |
| Total | \$60,322,726 | N/A | N/A |

(f) For moneys expended for services, an identification of the categories of each type of service funded with amounts expended in each category, including the total percentage of the cost of each type of service that was funded with bond proceeds or special taxes.

| IMPROVEMENT AREA | FISCAL YEAR 2015-2016 EXPENDITURES AS OF JUNE 30, 2016 | PERCENTAGE FUNDED WITH BOND PROCEEDS | PERCENTAGE FUNDED WITH SPECIAL TAXES |
|-------------------------|---|---|---|
| IMPROVEMENT AREA NO. 1 | \$503,326 | 0% | 100% |
| IMPROVEMENT AREA NO. 2 | \$6,941,743 | 0% | 100% |
| IMPROVEMENT AREA NO. 3 | \$0 | 0% | 0% |
| IMPROVEMENT AREA NO. 4 | \$1,245,214 | 0% | 100% |
| IMPROVEMENT AREA NO. 5 | \$500,000 | 0% | 100% |
| IMPROVEMENT AREA NO. 6 | \$0 | 0% | 0% |
| IMPROVEMENT AREA NO. 7 | \$0 | 0% | 0% |
| IMPROVEMENT AREA NO. 8 | \$0 | 0% | 0% |

In accordance with the Amended and Restated Development Agreement, dated December 27, 2010, by and among the City, the Heritage Fields El Toro, LLC and the Irvine Redevelopment Agency, as it may be further amended, Special Tax revenues collected for services are transferred to the Great Park Fund, to be used for services related to the operations and maintenance of the Orange County Great Park.

(g) For moneys expended for other administrative costs, an identification of each of these costs.

| IMPROVEMENT AREA NO. 1 | FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 |
|---|--|
| Contract Services | \$24,123 |
| City Administration | \$6,585 |
| Total Other Administrative Costs | \$30,708 |

| IMPROVEMENT AREA NO. 2 | FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 |
|---|--|
| Contract Services | \$5,106 |
| City Administration | \$654 |
| Total Other Administrative Costs | \$5,760 |

| IMPROVEMENT AREA NO. 3 | FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 |
|---|--|
| Contract Services | \$0 |
| City Administration | \$0 |
| Total Other Administrative Costs | \$0 |

| FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 | |
|--|-----------------|
| IMPROVEMENT AREA NO. 4 | |
| Contract Services | \$14,461 |
| City Administration | \$1,291 |
| Total Other Administrative Costs | \$15,752 |

| FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 | |
|--|-----------------|
| IMPROVEMENT AREA NO. 5 | |
| Contract Services | \$11,926 |
| City Administration | \$940 |
| Total Other Administrative Costs | \$12,866 |

| FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 | |
|--|----------------|
| IMPROVEMENT AREA NO. 6 | |
| Contract Services | \$0 |
| City Administration | \$1,354 |
| Total Other Administrative Costs | \$1,354 |

| FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 | |
|--|----------------|
| IMPROVEMENT AREA NO. 7 | |
| Contract Services | \$0 |
| City Administration | \$1,354 |
| Total Other Administrative Costs | \$1,354 |

| FISCAL YEAR 2015-2016 ADMINISTRATION EXPENSES AS OF JUNE 30, 2016 | |
|--|-----------------|
| IMPROVEMENT AREA NO. 8 | |
| Contract Services | \$19,712 |
| City Administration | \$1,480 |
| Total Other Administrative Costs | \$21,192 |

(h) The annual report shall contain references to the relevant sections of the resolution of formation of the district so that interested persons may confirm that bond proceeds and special taxes are being used for authorized purposes. The annual report shall be made available to the public upon request.

The type of public facilities proposed to be eligible for funding by CFD No. 2013-3, as identified in the resolution establishing CFD No. 2013-3 (the "Resolution of Formation"), shall consist of those items listed below (the "Facilities").

It is intended that CFD No. 2013-3 and each improvement area will be eligible to finance all or any portion of the facilities described in Section 53313.5 of the Act, to be owned and operated by the City or by another

public agency, that shall be constructed, whether or not acquired in their completed states, pursuant to the plans and specifications approved by the City or by another public agency. Facilities authorized to be financed by CFD No. 2013-3 and each improvement area include, but are not limited to, all of the following:

1. Street, road, and parkway improvements, including, but not limited to, right of way acquisition, grading, paving, curb and gutter, median, sidewalks, access ramps, trails, removal and undergrounding of utilities, signing, striping, grinding, traffic control, and seal.
2. Traffic signals.
3. Storm drain improvements, including, but not limited to, mainlines, laterals, catch basins, junction structures, manholes, and local depressions.
4. Sewer improvements, including, but not limited to, laterals, monitoring manholes, manholes, pavement, and striping.
5. Domestic and recycled water facilities, including, but not limited to, water mains, stubs, valves, air vac, blow off, fittings, fire hydrant assembly, thrust blocks, cap, and striping.
6. Water improvements and water features.
7. Parks, park facilities, and parkways.
8. Dry utilities, to be owned by public utilities, including, but not limited to, telephone, electric, gas, relocation of lines, undergrounding, trenching, shading, conduit risers, pullboxes, vaults, and hand holes.
9. Landscaping, amenities, irrigation systems, and plantings.
10. Bridge, thoroughfare, and railway improvements, including, but not limited to, rails, grading, abutments, access ramps, lighting, drainage, utility crossings, sidewalks, trails and right of way acquisition.
11. Water quality treatment systems.
12. Wildlife corridors, including, but not limited to, mass excavations, demolition, and fire service mains and appurtenances.
13. Open space improvements.
14. Runway demolition
15. Property acquisition.

The Facilities shall include the costs of design and engineering, surveys or reports, the cost of traffic-related environmental mitigation and any required landscaping and irrigation, soils testing, permits, plan check and inspection fees, insurance, construction management, and any other costs or appurtenances related to any of the foregoing, as set forth in the Acquisition Agreement, dated March 26, 2013, by and between Heritage Fields El Toro, LLC and the City, on behalf of itself and CFD No. 2013-3, which Acquisition Agreement is consistent, as to the categories of costs, facilities, and services to be acquired, with (i) the Amended and Restated Development Agreement, dated December 27, 2010, by and among the City, the Heritage Fields El Toro, LLC and the Irvine Redevelopment Agency, as it may be further amended, and (ii) the Amended and Restated Master Implementation Agreement, dated December 27, 2010, by and between the City and the Heritage Fields El Toro, LLC, as it may be further amended.

CFD No. 2013-3 may also finance any of the following:

1. Bond related expenses, including underwriter's discount, appraisal and absorption study costs, reserve fund, capitalized interest, financial advisor fees and expenses, bond and disclosure counsel fees and expenses, and all other incidental expenses.
2. Administrative fees of the City and the bond trustee or fiscal agent related to CFD No. 2013-3 and any bonds, including but not in any way limited to the cost of a consultant to assist the City with the inspection and coordination of construction of the Facilities.
3. Reimbursement of costs related to the formation of CFD No. 2013-3 advanced by the City, any landowner

in CFD No. 2013-3, or any party related to any of the foregoing, as well as reimbursement of any costs advanced by the City, any landowner in CFD No. 2013-3 or any party related to any of the foregoing, for facilities, fees, or other purposes or costs of CFD No. 2013-3.

It is intended that CFD No. 2013-3 and each improvement area will be eligible to finance all or any portion of the services described in Section 53313 of the Act (collectively, the “Services”).