

**Annual Report**  
**Fiscal Year 2014-2015**

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

October 27, 2015

Public Finance  
Public Private Partnerships  
Urban Economics  
Clean Energy Bonds

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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 2014-2015<br>SPECIAL TAX COLLECTION |
|------------------------|---|
| IMPROVEMENT AREA NO. 1 | \$4,304,077                                     |
| IMPROVEMENT AREA NO. 2 | \$4,623,360                                     |
| IMPROVEMENT AREA NO. 4 | \$0   |
| IMPROVEMENT AREA NO. 5 | \$0   |

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

| IMPROVEMENT AREA         | FISCAL YEAR<br>2014-2015<br>BOND PROCEEDS | FISCAL YEAR 2014-2015<br>OTHER AMOUNTS<br>COLLECTED | FISCAL YEAR 2014-2015<br>INTEREST EARNED<br>AS OF JUNE 30, 2015 |
|--------------------------|---|---|---|
| IMPROVEMENT AREA NO. 1   | \$77,496,858 <sup>[1]</sup>               | \$21,866 <sup>[2]</sup>                             | \$20,037  |
| IMPROVEMENT AREA NO. 2   | \$0                                       | \$0   | \$95  |
| IMPROVEMENT AREA NO. 4   | \$0                                       | \$0   | (\$108)   |
| IMPROVEMENT AREA NO. 5   | \$0                                       | \$26,214,236 <sup>[3]</sup>                         | \$8,977   |
| CFD NO. 2013-3 – GENERAL | \$0                                       | \$482,028 <sup>[4]</sup>                            | \$392   |

<sup>[1]</sup> Includes bond premium and remaining cost of issuance transferred to the project fund.

<sup>[2]</sup> Additional special taxes received from the County of Orange as of July 31, 2015.

<sup>[3]</sup> Prepayment of special taxes received from property owner.

<sup>[4]</sup> Deposit received from developer to cover cost of formation.

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

| IMPROVEMENT AREA NO. 1                  | FISCAL YEAR 2014-2015<br>EXPENDITURES<br>AS OF JUNE 30, 2015 |
|---|--|
| Facilities, Including Property          | \$20,157,475   |
| Cost of Bond Indebtedness               | \$1,838,794  |
| Cost of Collecting the Special Tax      | \$12,912   |
| Other Administrative and Overhead Costs | \$72,951   |
| Cost of Issuance <sup>[1]</sup>         | \$1,353,745  |
| District Formation <sup>[2]</sup>       | \$1,316,372  |
| <b>Total</b>                            | <b>\$24,752,249</b>  |

<sup>[1]</sup> Includes underwriter's discount.

<sup>[2]</sup> Costs incurred prior to the formation of CFD No. 2013-3.

| <b>IMPROVEMENT AREA NO. 2</b>                   | <b>FISCAL YEAR 2014-2015<br/>EXPENDITURES<br/>AS OF JUNE 30, 2015</b> |
|---|---|
| Other Administrative and Overhead Costs         | \$7,656   |
| Cost of Collecting the Special Tax              | \$13,870  |
| Transfer to Great Park Corporation for Services | \$4,573,360   |
| <b>Total</b>                                    | <b>\$4,594,886</b>  |

| <b>IMPROVEMENT AREA NO. 4</b>           | <b>FISCAL YEAR 2014-2015<br/>EXPENDITURES<br/>AS OF JUNE 30, 2015</b> |
|---|---|
| Other Administrative and Overhead Costs | \$5,258   |
| District Formation                      | \$82,751  |
| <b>Total</b>                            | <b>\$88,009</b>   |

| <b>IMPROVEMENT AREA NO. 5</b>           | <b>FISCAL YEAR 2014-2015<br/>EXPENDITURES<br/>AS OF JUNE 30, 2015</b> |
|---|---|
| Other Administrative and Overhead Costs | \$9,478   |
| District Formation                      | \$96,471  |
| <b>Total</b>                            | <b>\$105,949</b>  |

| <b>IMPROVEMENT AREA NO. 6</b> | <b>FISCAL YEAR 2014-2015<br/>EXPENDITURES<br/>AS OF JUNE 30, 2015</b> |
|-------------------------------|---|
| District Formation            | \$13,357  |
| <b>Total</b>                  | <b>\$13,357</b>   |

| <b>IMPROVEMENT AREA NO. 7</b> | <b>FISCAL YEAR 2014-2015<br/>EXPENDITURES<br/>AS OF JUNE 30, 2015</b> |
|-------------------------------|---|
| District Formation            | \$11,170  |
| <b>Total</b>                  | <b>\$11,170</b>   |

| CFD NO. 2013-3 GENERAL ACCOUNT <sup>[1]</sup> | FISCAL YEAR 2014-2015<br>EXPENDITURES<br>AS OF JUNE 30, 2015 |
|---|--|
| Other Administrative and Overhead Costs       | \$339  |
| <b>Total</b>                                  | <b>\$339</b>   |

[1]Account created prior to the formation of the CFD No. 2013-3.

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

Improvement Area No. 1 (As of June 30, 2015)

- (1) Facilities, including property. - \$20,157,475
- (2) Services. - \$0
- (3) The costs of bonded indebtedness. - \$1,838,794
- (4) The costs of collecting the special tax under Section 53340. - \$12,912
- (5) Other administrative and overhead costs. - \$72,951

Improvement Area No. 2 (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$4,573,360 was transferred to the Great Park Corporation for Services
- (3) The costs of bonded indebtedness. - \$0
- (4) The costs of collecting the special tax under Section 53340. - \$13,870
- (5) Other administrative and overhead costs. - \$7,656

Improvement Area No. 4 (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$0
- (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. - \$5,258

Improvement Area No. 5 (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$0
- (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. - \$9,478

Improvement Area No. 6 (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$0
- (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. 7 (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$0
- (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

CFD No. 2013-3 General Account (As of June 30, 2015)

- (1) Facilities, including property. - \$0
- (2) Services. - \$0
- (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. - \$339

*(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 2014-2015<br>EXPENDITURES<br>AS OF JUNE 30, 2015 | PERCENTAGE<br>FUNDED WITH<br>BOND PROCEEDS | PERCENTAGE<br>FUNDED WITH<br>SPECIAL TAXES |
|---|--|--|--|
| Street and Storm Drain                  | \$10,089,180   | 100%                                       | 0%   |
| Crushing and Preparing of Base Material | \$846,578  | 100%                                       | 0%   |
| Agua Chino Drainage                     | \$2,484,314  | 100%                                       | 0%   |
| Bee Canyon Storm Drain                  | \$2,398,892  | 100%                                       | 0%   |
| Traffic Signals                         | \$1,274,635  | 100%                                       | 0%   |
| Streetscape/Landscape                   | \$2,627,765  | 100%                                       | 0%   |
| Wet Utilities                           | \$411,408  | 100%                                       | 0%   |
| Water Quality                           | \$24,703   | 100%                                       | 0%   |
| <b>Total</b>                            | <b>\$20,157,475</b>  | <b>N/A</b>                                 | <b>N/A</b>                                 |

*(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 2014-2015<br>EXPENDITURES<br>AS OF JUNE 30, 2015 | PERCENTAGE<br>FUNDED WITH<br>BOND PROCEEDS | PERCENTAGE<br>FUNDED WITH<br>SPECIAL TAXES |
|------------------------|--|--|--|
| IMPROVEMENT AREA NO. 1 | \$0  | 0%   | 0%   |
| IMPROVEMENT AREA NO. 2 | \$4,573,360  | 0%   | 100%                                       |
| IMPROVEMENT AREA NO. 4 | \$0  | 0%   | 0%   |
| IMPROVEMENT AREA NO. 5 | \$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 Corporation, 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 2014-2015<br>ADMINISTRATION EXPENSES<br>AS OF JUNE 30, 2015 |
|---|---|
| Contract Services                       | \$39,111  |
| City Administration                     | \$33,840  |
| <b>Total Other Administrative Costs</b> | <b>\$72,951</b>   |

| <b>IMPROVEMENT AREA NO. 2</b>           | <b>FISCAL YEAR 2014-2015<br/>ADMINISTRATION EXPENSES<br/>AS OF JUNE 30, 2015</b> |
|---|--|
| Contract Services                       | \$7,600  |
| City Administration                     | \$56   |
| <b>Total Other Administrative Costs</b> | <b>\$7,656</b>   |

| <b>IMPROVEMENT AREA NO. 4</b>           | <b>FISCAL YEAR 2014-2015<br/>ADMINISTRATION EXPENSES<br/>AS OF JUNE 30, 2015</b> |
|---|--|
| Contract Services                       | \$3,747  |
| City Administration                     | \$1,511  |
| <b>Total Other Administrative Costs</b> | <b>\$5,258</b>   |

| <b>IMPROVEMENT AREA NO. 5</b>           | <b>FISCAL YEAR 2014-2015<br/>ADMINISTRATION EXPENSES<br/>AS OF JUNE 30, 2015</b> |
|---|--|
| Contract Services                       | \$8,959  |
| City Administration                     | \$519  |
| <b>Total Other Administrative Costs</b> | <b>\$9,478</b>   |

| <b>CFD NO. 2013-3 GENERAL ACCOUNT</b>   | <b>FISCAL YEAR 2014-2015<br/>ADMINISTRATION EXPENSES<br/>AS OF JUNE 30, 2015</b> |
|---|--|
| Contract Services                       | \$339  |
| <b>Total Other Administrative Costs</b> | <b>\$339</b>   |

***(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").