



## Report to City Council

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**TO:** Mayor and City Council

**FROM:** Dena Heald, Chief Financial Officer/City Treasurer

**AGENDA DATE:** June 17, 2025

**TITLE:** LOAN AGREEMENT BETWEEN THE CITY OF MORENO VALLEY FACILITIES REPLACEMENT RESERVE FUND AND THE CITY OF MORENO VALLEY PUBLIC ART DEVELOPMENT IMPACT FEE FUND (RESO. NO. 2025-XX) (REPORT OF: FINANCIAL & MANAGEMENT SERVICES) (ALL DISTRICTS)

**TITLE SUMMARY:** Adopt a Resolution Authorizing a Loan Agreement with the City of Moreno Valley Facilities Replacement Reserve Fund and the Public Art Development Impact Fee Fund

**DISTRICT:** All Districts

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### Recommendation(s)

That the City Council:

1. Adopt Resolution No. 2025-\_\_\_\_, a Resolution of the City Council of the City of Moreno Valley, California, authorizing a loan agreement between the City of Moreno Valley Facilities Replacement Reserve Fund and the Public Art Development Impact Fee Fund (herein the "Public Art DIF").

### SUMMARY

Staff recommends the City Council adopt the proposed Resolution approving an interfund transfer Loan Agreement between the City of Moreno Valley Facilities Replacement Reserve Fund and Public Art DIF Fund in the amount of \$10,000,000.

## **DISCUSSION**

On January 7, 2025, City Council authorized an interfund transfer loan from the Facilities Replacement Fund to the Public Art DIF Fund for construction costs related to the creation of an Immersive Museum. The authorized loan amount was \$10,000,000.

The Resolution would authorize an interfund transfer Loan Agreement from the City's Facilities Replacement Reserve Funds (7330) to the Public Art DIF Fund (2916) in the amount of \$10,000,000. This will also allow for budget appropriation to the Facility Construction Fund (3000) to assist with the insufficient fund balance needed for the Immersive Museum project.

The City Council has approved the levy of a fee to mitigate the impacts of new development on various public facilities pursuant to the California Mitigation Fee Act. These fees are collected and recorded in separate funds pending the allocation of available funds for capital projects or to replay interfund loan transfer advancements.

The Loan Agreement would establish the action to repay the Facilities Replacement Reserve Fund with future revenue collected in the Public Art DIF Fund (2916). The term of the Loan Agreement will remain in effect until the balance of the loan is extinguished and repaid in full. The loan repayment will occur as DIF revenues are received and available.

## **ALTERNATIVES**

1. Adopt proposed resolution approving the Loan Agreement authorizing an interfund transfer from the Facilities Replacement Reserve Fund to the Public Art DIF Fund (\$10,000,000). *Staff recommends this alternative because this authorizes the recordation of the loan amounts to address current cash balances in this fund and allows the City to remain in compliance with Generally Accepted Accounting Principles.*
2. Do not adopt proposed resolution approving the Loan Agreement and provide staff with other directions. *Staff does not recommend this alternative because it will not address the current cash balance in this fund and the City's financial statements may not comply with Generally Accepted Accounting Principles.*

## **FISCAL IMPACT**

The total loan amount of \$10,000,000 received from the Facilities Replacement Reserve Fund (7330) to the Public Art DIF Fund (2916) will fund the Immersive Museum project.

| Description                               | Fund | GL Account No.          | Type<br>(Rev/ Exp) | FY24/25<br>Budget | Proposed<br>Adjustments | FY 24/25<br>Amended<br>Budget |
|---|------|-------------------------|--------------------|-------------------|-------------------------|-------------------------------|
| Transfer to: DIF –<br>Facility Const Fund | 2916 | 2916-99-95-92916-903000 | Exp                | \$0               | \$10,000,000            | \$10,000,000                  |
| Transfer In: from DIF-<br>Public Art      | 3000 | 3000-99-99-93000-802916 | Rev                | \$0               | \$10,000,000            | \$10,000,000                  |

As the Development Impact Fee revenues are received, they will be applied to the remaining loan balance to reduce the outstanding loan amount for this fund. There is no impact to the General Fund.

### **NOTIFICATION**

Publication of the agenda

### **PREPARATION OF STAFF REPORT**

Prepared By:  
Felicia London  
Deputy Finance Director

Department Head Approval:  
Dena Heald  
Chief Financial Officer/City Treasurer

### **CITY COUNCIL GOALS**

None

### **CITY COUNCIL STRATEGIC PRIORITIES**

1. Economic Development
2. Public Safety
3. Library
4. Infrastructure
5. Beautification, Community Engagement, and Quality of Life
6. Youth Programs

## Report Approval Details

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|----------------------|--|
| Document Title:      | STAFFREPORT_FMS_IMMERSIVE MUSEUM DIF<br>LOAN.docx                |
| Attachments:         | - Resolution 2025-____.docx<br>- Exhibit A - Loan Agreement.docx |
| Final Approval Date: | Jun 10, 2025   |

This report and all of its attachments were approved and signed as outlined below:

Natalia Lopez

Dena Heald

Launa Jimenez

Brian Mohan

Patty Rodriguez