



January 16, 2026

Via Email and U.S. Mail

Matt Ilbak
Chief Executive Officer
IGP Business Group
22500 Town Circle, Suite 1206
Moreno Valley, CA 92553

Re: Unsolicited Proposal Regarding Moreno Valley City Hall Facility at Moreno Valley Mall

Dear Matt Ilbak:

We (City Manager and City Attorney) are writing in response to your unsolicited December 14, 2025, correspondence (“Proposal”) offering to design, build and finance a new Moreno Valley City Hall facility within an existing parking lot at the Moreno Valley Mall (“Mall”). The Proposal provides that the City of Moreno Valley (“City”) will lease the facility for an unspecified amount for an undetermined term, with the City acquiring fee simple title at the end of the lease term for \$1. Interestingly, it has been reported that Mall ownership has spoken with several Moreno Valley City Councilmembers who have expressed interest in the terms of the Proposal, yet none have confirmed to staff that they have had any such discussions with anyone associated with the Mall about the Proposal.

Notwithstanding the above, before considering any alternative proposals, a multitude of issues need to be resolved. First and foremost are the conditions of the Mall, which pose significant public safety concerns. For instance, prior to the City obtaining access to the City’s leased premises, various fire protection systems were demolished, removed, or modified without prior approval by the Moreno Valley Fire Department. In fact, the Fire Department was not even notified of any plans to demolish, remove, or modify these very critical fire protection systems, which include basic life-saving devices such as fire alarms and fire sprinklers. It is also our understanding that the same has occurred in the spaces adjacent to the City’s leased premises, which continue to lack these basic life-safety devices. Moreover, certain inspections, testing, and maintenance reports for other basic life-safety systems such as the facility’s smoke control system, emergency egress lighting, and emergency generators have yet to be provided. Other fire-related safety issues include 16 unresolved Fire Code violations related to the Mall shell and 38 Fire Code violations related to individual tenant spaces. In addition to the multitude of unresolved issues related to the fire protection systems described above, the violations include unpermitted high-piled storage in and along interior walk aisles, which hinder and/or prevent safe access and evacuation during a fire emergency.

In light of these pending unresolved public safety concerns, the Fire Marshal had to implement a Fire Watch to continually monitor potential fire hazards associated with any construction activities at the Mall. The Fire Watch commenced on March 20, 2025, and will remain in place until the aforementioned public safety concerns associated with the lack of basic life-saving devices are resolved in a manner approved by the Fire Marshal and all unpermitted storage is removed, ensuring safe access by emergency personnel and evacuation during a fire emergency. Bottom line is that until the life-saving devices are properly installed with the proper inspections and permits, no certificates of occupancy may be issued for tenant spaces within the former Sears building. As you surely know, a certificate of occupancy is needed in order to open the tenant spaces for public access.

In the meantime, please be advised that the Fire Marshal has further remedies available to ensure compliance via the issuance of Stop Work Notices and Notices to Vacate.

There are also a host of property maintenance violations related to both the exterior areas and interior spaces of the Mall. For example, the parking lot consists of severely cracked pavement and curbing, and inadequate striping of parking spaces and traffic lanes. Incidentally, while there was some restriping of the ADA parking spaces, the restriping was done without the required City inspections or building permits, which are required to ensure the ADA parking spaces are properly striped pursuant to applicable local, state, and federal regulations. Other exterior issues include, but are not limited to, inadequate landscaping, such as dead and missing plants, and damaged and inoperable automatic irrigation systems. To resolve these landscaping issues, new landscape and irrigation plans must be submitted to the City for review and approval, all appropriate inspections must be conducted, and all required permits must be obtained. Although a meeting regarding outstanding landscape plan corrections was recently held between City staff, Mall ownership and their landscape consultant, until these maintenance issues are resolved, the City retains the right to pursue all available remedies against the Mall, including without limitation, issuing notices of public nuisance and additional citations, along with imposing additional fines and seeking recovery of all City abatement costs, including attorney's fees.

In addition to the inadequate landscaping situation, please be advised that until the violations of insufficient exterior lighting and graffiti resulting from deferred and/or neglected maintenance are resolved, the City retains the right to pursue all available remedies against the Mall, including without limitation, issuing notices of public nuisance and additional citations, along with imposing additional fines and seeking recovery of all City abatement costs, including attorney's fees. Please note that the resolution of the exterior lighting issues will likely require lighting plan check applications, lighting inspections, and building permits. As such, you are encouraged to contact the City's Building and Safety Division for specifics.

Regarding the interior issues, in addition to the fire safety concerns, the Mall is not fully illuminated, notwithstanding the fact that Mall ownership commenced replacing existing light fixtures with LED fixtures without proper inspections and without any required building permits. In addition, the interior flooring remains in very poor condition due to cracked tiles. Fortunately, no permits would be required to replace the interior flooring, but it needs to be done not only for aesthetic purposes but also to prevent trip-and-fall situations. The operation of the Mall's escalators also remain intermittent, indicating that some more repair work may be necessary to ensure their safe use by the public.

There have also been several instances of construction taking place without proper inspections and building permits. This includes the unpermitted construction associated with the Robert Garcia Boxing Academy, Spaces, and the Skyzone Trampoline Park. In each of these instances, the Building and Safety Division had to issue stop-work orders to ensure that any construction is performed pursuant to all applicable Building Code standards and specifications to ensure the protection of public safety.

In light of the above issues, the City's Community Enhancement and Neighborhood Services Division has issued 88 code violation citations since 2019. These violations include unpermitted construction, the lack of required certificates of occupancy, deteriorated parking areas due to cracked pavement and curbing, inadequate and incomplete parking and lane striping, insufficient parking lot lighting, accumulation of trash and debris, inadequate landscape maintenance made evident by the many dead and missing plants and damaged curbing, graffiti, lack of appropriate business licenses, along with a multitude of Fire Code violations. Currently, outstanding (unpaid) fines and inspection fees amount to \$206,768.00, which we understand City staff reduced from approximately \$350,000 in good faith reliance on yours and your team's assurances that the violations would be resolved in an expeditious and diligent manner.

I have also been informed that the Mall is delinquent in its payment of Law Enforcement Services in the amount of \$465,858.76, which it owes pursuant to the 1991 Original Conditions of Approval, which requires reimbursement for City-provided on-site law enforcement services. It is critical that this delinquency be resolved

as soon as possible so that the City does not have to resort to any collection proceedings.

Please be further advised that there has been a history of complications associated with the processing of numerous special events, including the Magical Christmas Variety Show (Food Truck and Holiday Festival with Circus and Ice-Skating Rink), Circus Caballero, Christmas Festival, and the Robert Garcia Boxing Academy Youth Foundation Event. With these special events, there have been recurring issues such as the lack of payment of certain fees, failure to submit required documentation, late application filings, lack of owner consent, failure to make identified corrections, and lack of appropriate approvals by the Police and Fire Departments, as well as improper installation of temporary structures which required the immediate attention of the Building and Safety Division to ensure their structural integrity for safe public accessibility.

Finally, it appears that there have been numerous unjustified delays in completing the necessary work for the Moreno Valley Museum and Art Space. For instance, the Mall's contractor has failed to fully remove outdated fire sprinkler equipment as required, which required the City's contractor to send in a team to remediate the situation so that construction could continue. The City also had to assume responsibility for the design and construction of a new, larger electrical room because the existing electrical switchgear was insufficient to serve the Sears building and its tenants. The City also had to design and construct a new exterior door and path of travel to comply with applicable accessibility requirements – work that should have been anticipated and completed by the “property owner.” Moreover, staff has reported that within the Sears building, the closure of the hole left by the removal of the escalator was completed in an unsafe manner with the Mall's contractor utilizing old warped steel beams removed from another portion of the building. Staff also reported that the contractor did not obtain proper inspections for various items related to the work, including but not limited to the welding. In addition, the Mall's contractor entered the City's leased premises without the City's knowledge or permission to install a sewer line without the proper inspections and permits, causing unnecessary disruption, confusion, and delay in the use of the City's leased premises. In addition, although a certain HVAC unit was identified for relocation pending approved plans, the Mall's contractor removed the unit from the roof and placed it on the ground for months in advance of its anticipated time for relocation, without obtaining a building permit or providing prior notification to the City (as a tenant). This HVAC unit remained unsecured and unattended, and recent photos show evidence of tampering, with tools attached, refrigerant drained, and exposed copper indicating attempted dismantling. This unauthorized and unpermitted removal, as well as the removal of associated curbing, has altered the installation conditions and expanded the scope of work required for Mall ownership to reinstall the HVAC unit, contributing to further delays. The City is also genuinely concerned that it may have to reinstall the units to ensure they are operational at the time the Museum is scheduled to open.

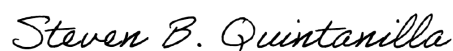
In light of the foregoing, it is apparent that we are far from considering any Proposals to alter any material terms or conditions of the current Lease agreement.

Should you wish to discuss this matter, please contact me via email at brianm@moval.org

Regards,



Brian Mohan
City Manager



Steven B. Quintanilla
City Attorney