



Memorandum

TO: HONORABLE MAYOR, CITY
COUNCIL AND AGENCY BOARD

FROM: Harry S. Mavrogenes
Executive Director

SUBJECT: SEE BELOW

DATE: June 11, 2008

COUNCIL DISTRICT: City-Wide

**SUBJECT: FY 2008-2009 APPROPRIATIONS RESOLUTIONS, AMENDMENTS TO
THE FY 2007-2008 ADOPTED BUDGET AND GRAFFITI REMOVAL
PROGRAM FINDINGS**

RECOMMENDATIONS

It is recommended that the Redevelopment Agency Board adopt resolutions:

- (a) Approving amendments to the FY 2007-08 Adopted Budget to reflect various modifications to the FY 2007-08 Revenue resolution, Capital Budget, and amending the FY 2007-08 Agency appropriation resolution, detailed on Attachment A; and,
- (b) Approving amendments to FY 2008-09 Proposed Budget, detailed on Attachment B; and,
- (c) Adopting the FY 2008-09 Revenue and Appropriations Resolutions for the Operating and Capital Budgets detailed on Attachment C, and authorizing the Executive Director to rebudget FY 2007-08 Operating and Capital remaining appropriation balances for on-going projects/programs previously approved by the Agency Board; detailed on Attachment C and D; and,
- (d) Making certain determinations regarding the expenditure of Agency funds to eradicate graffiti.

BACKGROUND

On May 1, 2008, the Redevelopment Agency released the Agency's Proposed FY 2008-2009 Operating and Capital/Program Budgets. The Proposed FY 2008-2009 Capital Budget contains unspent funds from the current fiscal year and limited funding to ensure that Agency projects and programs remain on schedule until August, when Agency's FY 2008-2009 Capital Budget for the remainder of fiscal year is brought forward. On June 17, 2008, the Redevelopment Agency Board approved the Agency's Proposed FY 2008-2009 Operating and Capital Budgets.

HONORABLE MAYOR, CITY COUNCIL
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June 11, 2008
Agency FY 08-09 Budget Actions

Proposed FY 2008-09 Budget:

The Mayor's March Budget Message, which was approved by the Redevelopment Agency Board on March 18, 2008, defers the proposed Redevelopment Capital Improvement Program until August, after the County Assessor has provided information on current year assessment rolls.

The proposed budget provides necessary funding for ongoing operating costs and contractual commitments, such as leases, debt service payments and obligations to the City and County. The budget also carries over the estimated remaining funds as of June 30, 2008, to the new fiscal year.

ANALYSIS

The recommended revisions are described in this memorandum while the attachments outline the proposed appropriation adjustments.

FY 2007-2008 BUDGET REVISIONS:

REVENUE:

FY 07-08 Revenue will be adjusted downward in the net amount of \$17,642,911 based on the following:

1. North San Pedro (Sale of Agency Land): Deferral of \$7.7 million due to the delayed sale of land. (Proceeds from this sale are expected to be recorded in FY 2009-10).
2. Block 8 (Sale of Agency Land): Deferral of \$13.9 million due to the delayed sale of land. (Proceeds from this sale are expected to be recorded in FY 2009-10).
3. Sale of Agency Land along GRP: Reduced \$1 million for FY 07-08 miscellaneous revenue.
4. Story & King – Imwalle (Sale of Agency Land): Proceeds from this sale (\$1.6 million) are expected to be received in FY 08-09.
5. Historic First Church of Christ Scientist Building (Sale of Agency Land): Deferral of \$1.4 million due to the delayed sale of land. (Proceeds from this sale are expected to be recorded in FY 2008-09.)
6. Environmental Protection Agency (EPA) Grant of \$700,000 for water and sewer support for the North San Pedro Housing Project is expected to be received in the next five years at \$140,000 each year.
7. Block 1 – Fairmont Hotel Revenue Sharing: Increased \$5.1 million to reflect the payment from Fairmont Hotel Revenue Sharing, based on the Operation, Ownership and Participation Agreement between Fairmont Hotel and the Agency.
8. Starbird Teen Center Grant Reimbursement: Increased \$900,000 for FY 07-08 miscellaneous revenue.
9. Other miscellaneous revenue increased \$2.6 million from various sources.

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CAPITAL EXPENDITURES:

1. Tech Museum of Innovation (+\$100,000): Reallocate from Park Center Streetscape project line in the Park Center Redevelopment Area.
2. Park Center Streetscape (-\$100,000): Reallocate to Tech Museum of Innovation project line in the Park Center Redevelopment Area.

REBUDGETS:

The timing of expenditures and encumbrances for many of the Agency's projects and programs occurs in multiple fiscal years which results in remaining appropriation balances at the end of a fiscal year. Both Operating and Capital remaining appropriation balances need to be carried forward into the new fiscal year to ensure that Agency projects and programs remain on schedule.

The proposed action recommends that the Agency Board authorize the Executive Director to rebudget remaining appropriation balances from FY 2007-08 into FY 2008-09. The FY 2008-09 appropriations include rebudget amounts as of March 31, 2008. These amounts will be adjusted accordingly to reflect the June 30, 2008, appropriation balances following the conclusion of the Agency's FY 2007-08 year-end audits. These steps will ensure that total project budgets remain consistent with amounts previously approved by the Agency Board without a funding disruption between fiscal years.

Revisions to Proposed FY 08-09 Budget:

CAPITAL EXPENDITURES:

Staff recommends the following changes to the Proposed FY 08-09 Budget:

1. S. First Street Streetscape (+\$240,000): To proceed with streetscape construction in front of 500 South First Street.
2. BEA Systems (-\$3,612,000): Agreement to bring the software company downtown has been terminated.
3. Downtown Business Improvement Pool (-\$315,000): Reallocate fund to new project line 505 South Market Street (OPA).
4. Downtown Major Tenant Fund (-\$515,000): Reallocate \$315,000 to new project line 505 South Market Street (OPA) and \$200,000 to Downtown Mixed Use Projects.

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5. 505 South Market Street (OPA) (+\$630,000): New project line in merged area. The rehabilitation of the building at 505 South Market Street to accommodate the relocation of BCA Architects Corporate headquarters to Downtown San Jose.
6. Building Use Intensification (-\$1,000,000): Reallocate to Downtown Mixed Use Projects line in Merged Area.
7. Downtown Mixed Use Projects (+\$1,430,000): \$1,200,000 for Sixth Amendment to Disposition and Development Agreement and corresponding implementing documents with the Globe at 2nd and Santa Clara, Agency Assistance to the Retail Tenant Improvement Allowance fund in consideration for a Retail Operation and Participation Agreement providing for the repayment of the additional Agency Assistance and for operating covenants for Lucky Strike Lanes. \$230,000 will pay the Developer to install a Closed Circuit Television system with cameras and related monitoring equipment; and install an emergency phone system.
8. Central Place Parking Garage (+\$270,000): New project line in the San Antonio Redevelopment Area. Funding for design, fabrication and installation of pedestrian, vehicular, and informational way-finding signage; parking office equipment and furniture; and parking garage equipment and supplies including mechanical sweeper/scrubber.
9. City Planning Code Enforcement Services (+\$86,000): Mayor directed Redevelopment Agency allocate one-time funding to implement a proactive approach to Code Enforcement, in coordination with the Police and Fire Departments, to ensure that nightclubs and bars are in compliance with existing Conditional Use Permit requirements.

GRAFFITI REMOVAL FINDINGS:

The Agency allocates funding in its Merged Area Impact – Property Management line item, as well as various NBD and other line items to remove graffiti within project areas. To spend Agency funds for this purpose, the Agency Board must make a finding that, because of the magnitude and severity of the graffiti within the project areas, this action is necessary to effectuate the purposes of the Redevelopment Plan and to assist with elimination of blight.

During the fiscal year, this program removed 9,726 posters & stickers, abated 13,490 graffiti tags and cleaned 253,080 linear feet of sidewalk.

PUBLIC IMPROVEMENT PROJECTS:

The Board traditionally adopts a resolution making certain determinations regarding the expenditure of tax increment on public projects when it adopts the annual budget. Since no new capital projects are being proposed at this time, those determinations are not required. When the revised budget is brought forward in August those determinations will be included, if necessary.

HONORABLE MAYOR, CITY COUNCIL
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PUBLIC OUTREACH/INTEREST

The proposed action does not meet any of the criteria for added outreach efforts. It will be posted on the Agency's website and made available for public review in the Agency's public lobby area.

- Criterion 1:** Requires Council action on the use of public funds equal to \$1 million or greater.
- Criterion 2:** Adoption of a new or revised policy that may have implications for public health, safety, quality of life, or financial/economic vitality of the City.
- Criterion 3:** Consideration of proposed changes to service delivery, programs, or staffing that may have impacts to community services and have been identified by staff, the Board or Council, or a community group that requires special outreach.

COORDINATION

This item has been coordinated with the City Manager's Budget Office and the Agency's General Counsel.


HARRY S. MAVROGENES
Executive Director

Attachments

Attachment

FY2007-08 BUDGET ADJUSTMENT

Agency's Business Unit Number	Project	Adopted Budget FY 2007-08	Net Change	Revised Adopted Budget FY 2007-08	
<u>SOURCE OF FUNDS</u>					
	OTHER/MISCELLANEOUS REVENUE	FY07-08	39,523,607	-17,642,911 *	21,880,696
<u>USE OF FUNDS</u>					
Park Center Redevelopment Area (Fund: 050)					
0500483	Tech Museum of Innovation	FY07-08	63,343	+100,000	163,343
0500906	Park Center Streetscape	FY07-08	100,000	-100,000	0
CAPITAL RESERVE			-17,642,911		

*Year end adjustment

ATTACHMENT B

FY2008-09 BUDGET ADJUSTMENT

Agency's Business Unit Number	Project	Proposed Budget FY 2008-09	Net Change	Revised Proposed Budget FY 2008-09	
USE OF FUNDS					
Merged Redevelopment Area (Fund: 090)					
0900867	South First Street Streetscape	FY08-09	76,737	+240,000	316,737
N/A	BEA System	FY08-09	3,612,000	-3,612,000	0
0900844	Downtown Business Improvement Pool	FY08-09	1,466,538	-515,000	951,538
0900938	Downtown Major Tenant Fund	FY08-09	1,400,000	-315,000	1,085,000
0900935	505 South Market Street (OPA)	FY08-09	0	+630,000	630,000
0900729	Downtown Mixed Use Projects	FY08-09	191,169	+1,430,000	1,621,169
0900887	Building Use Intensification	FY08-09	1,000,000	-1,000,000	0
0900856	Planning Code Enforcement Services	FY08-09	1,153,832	+86,000	1,239,832
San Antonio Redevelopment Area (Fund: 073)					
0730940	Block 3: Central Place Parking Garage	FY08-09	0	+270,000	270,000
CAPITAL RESERVE			+2,786,000		

FY 2008-2009
MERGED AREA REVENUE SUMMARY

<u>REVENUES:</u>		<u>Proposed</u> <u>FY 2008-2009</u>
Tax Increment	\$	190,551,579
Supplemental Assessments		2,000,000
Bond Proceeds		70,000,000
Interest Earnings		4,977,240
Other/Miscellaneous		18,545,894
TOTAL REVENUE	\$	<u><u>286,074,713</u></u>

FY 2008-2009
REDEVELOPMENT OPERATING FUNDS

		Proposed
		<u>FY 2008-2009</u>
Operating Expenditures:		
Personal Services	\$	3,953,490
Non-Personal Services/Capital Equipment		276,917
City Support Services		1,775,949
Mayor/Board		<u>2,146,332</u>
TOTAL OPERATING FUND	\$	<u><u>8,152,688</u></u>

FY 2008-2009
REDEVELOPMENT CAPITAL FUNDS

	Proposed
Capital Project Appropriations:	<u>FY 2008-2009</u>
Almaden Gateway	\$ 7,613,430
Century Center	541,345
Civic Plaza	109,019
Guadalupe/Auzerais	316,396
Edenvale	6,258,452
Julian Stockton	1,326,632
Market Gateway	1,150,486
Merged Area Impact	56,941,099
Neighborhood Investment Program	14,150,778
Strong Neighborhoods Initiative	47,005,590
Park Center	15,773,707
Rincon de Los Esteros	8,844,819
San Antonio	498,313
Total Capital Project Appropriation	\$ <u><u>160,530,066</u></u>
Capital Project Operating Expenditures:	
Direct Cost:	
Personal Services	\$ 8,382,295
Non-Personal Services	203,380
Sub-total Direct Cost	\$ <u>8,585,675</u>
Indirect Cost:	
Personal Services	\$ 3,233,954
Non-Personal Services	2,252,988
Capital Outlay/Equipment	50,000
Sub-total Indirect Cost	\$ <u>5,536,942</u>
Total Capital Project Operating Expenditures	\$ <u><u>14,122,617</u></u>
Total Capital Budget	\$ <u><u>174,652,683</u></u>

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Almaden Gateway Redevelopment Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Almaden Gateway Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 Potential Downtown Parking Acquisition \$	7,613,430	0760891
TOTAL ALMADEN GATEWAY \$	<u>7,613,430</u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Century Center Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Century Center Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 Fountain Alley Parking Lot	\$ 30,821	0650757
2 Fountain Alley Pedestrian Enhancements	510,524	0650912
 TOTAL CENTURY CENTER	 \$ <u>541,345</u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Civic Plaza Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Civic Plaza Redevelopment Project:

	<u>Proposed</u> <u>FY 2008-2009</u>	<u>Business</u> <u>Unit</u>
1 Civic Plaza Land Acquisition	\$ 19,019	0550563
2 Demolition of Agency-owned Buildings	90,000	0550932
 TOTAL CIVIC PLAZA	 \$ <u>109,019</u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Guadalupe/Auzerais Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Guadalupe/Auzerais Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 CDM - Improvements	316,396	0670858
TOTAL GUADALUPE/AUZERAIS	\$ <u><u>316,396</u></u>	

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Edenvale Redevelopment Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Edenvale Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 BioCenter: Initial Build Out	1,863,723	0660764
2 BioCenter: Equipment Acquisitions and Tenant Improvements	487,654	0660865
3 BioCenter: First Floor Expansion	2,500,000	0660913
4 BioCenter Lease	439,932	0660914
5 IDT Lease	149,000	0660864
6 Assessment District/Interchange Improvements	153,143	0660520
7 Edenvale Emerging Technologies Fund	665,000	0660892
 TOTAL EDENVALE	 \$ <u><u>6,258,452</u></u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Julian/Stockton Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Julian/Stockton Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 Fallon House Improvements	291,870	0680768
2 North San Pedro Proposed Housing/Brandenburg	441,487	0680756
3 Demolition of Westinghouse Warehouse Building and Parking Lot Development	593,275	0680916
TOTAL JULIAN/STOCKTON	\$ <u><u>1,326,632</u></u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Market Gateway Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Market Gateway Redevelopment Project:

		<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 California Theatre - Opera San Jose	\$	1,150,486	0690078
TOTAL MARKET GATEWAY	\$	<u>1,150,486</u>	

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Neighborhood Investment Program Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Neighborhood Investment Program Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 Alum Rock - Mexican Heritage Corp.	666,618	0750849
2 Alum Rock - Fire Station #2	2,700,000	0750930
3 Alum Rock - Alum Rock Village Enhancements	300,000	0750933
4 East Santa Clara - Mixed Used Opportunities	100,000	0750611
5 Story Road - King & Story Implemenation	1,329,819	0750480
6 The Alameda - Parking Solution	500,000	0750925
7 The Alameda - Historic Pillar Project	50,000	0750929
8 Japantown - Pulic Facilities	13,990	0750846
9 Japantown - Public Improvements	781,631	0750893
10 Japantown - Corporation Yard Planning & Development	1,750,199	0750688
11 Japantown - Parking Lot Lease	50,900	0750905
12 Japantown - Nishioka Site Acquisition	1,400,000	0750926
13 NBD - Façade Improvements	1,463,154	0750477
14 NBD - Program Operations	379,523	0750691
15 NBD - Implementation & Opportunity Sites	1,007,281	0750737
16 Union/Camden	189,846	0750775
17 Monterey/Roeder	787,276	0750776
18 NBD - Landscape Improvements	93,950	0750852
19 Neighborhood Business Clusters	586,591	0750538
 TOTAL NEIGHBORHOOD INVESTMENT PROGRAM	 \$ <u>14,150,778</u>	

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Strong Neighborhoods Initiative.**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Strong Neighborhoods Initiative Redevelopment Project:

	Proposed FY 2008-2009	Business Unit
1 SNI - 13th Street	\$ 2,282,405	0560797
2 SNI - Five Wounds/Brookwood Terrace	1,429,151	0560798
3 SNI - Delmas Park	350,529	0560799
4 SNI - East Valley/680 Communities	57,992	0560800
5 SNI - Edenvale/Great Oaks	6,357,910	0560801
6 SNI - Greater Gardner	341,592	0560802
7 SNI - Hoffman/Via Monte	2,830,283	0560803
8 SNI - Union/Curtner	500,770	0560804
9 SNI - University	213,749	0560805
10 SNI - Washington	804,134	0560806
11 SNI - West Evergreen	379,493	0560807
12 SNI - Winchester	4,579,992	0560808
13 SNI - Attractive Neighborhood	1,469,849	0560809
14 SNI - Outreach and Training	46,358	0560811
15 SNI - Blackford	1,275,927	0560826
16 SNI - Burbank/Del Monte	4,670,352	0560827
17 SNI - K.O.N.A.	866,343	0560828
18 SNI - Market/Almaden	1,130,018	0560829
19 SNI - Mayfair	1,533,828	0560830
20 SNI - Spartan/Keyes	3,553,033	0560831
21 SNI - Tully/Senter	5,435,392	0560832
22 SNI - Strong Neighborhoods Project Area Committee Planning	13,842	0560833
23 SNI - Gateway East	768,870	0560835
24 City Manager Office - SNI (11 FTE + 25% O/H)	2,410,612	0560853
25 SNI - City Attorney Code Enforcement	855,495	0560854
26 Strong Neighborhoods Initiative Reserve	2,106,476	0560651
27 SNI - Multi Family Housing Rehabilitation Pilot	375,025	0560882
28 SNI - Playground Improvements	366,170	0560894
TOTAL STRONG NEIGHBORHOODS INITIATIVE	\$ 47,005,590	

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Park Center Redevelopment Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Park Center Redevelopment Project:

	<u>Proposed</u>	<u>Business</u>
	<u>FY 2008-2009</u>	<u>Unit</u>
1 Center for Performing Arts Improvements	\$ 1,539,000	0500875
2 Tech Museum of Innovation	701,225	0500483
3 Civic Auditorium	13,029,287	0500874
4 Adobe: Water Monitoring	4,195	0500890
5 Tech - Leonardo da Vinci Exhibit	500,000	0500931
 TOTAL PARK CENTER	 \$ <u><u>15,773,707</u></u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - Rincon De Los Esteros Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the Rincon De Los Esteros Redevelopment Project:

	<u>Proposed</u>	<u>Business</u>
	<u>FY 2008-2009</u>	<u>Unit</u>
1 Rincon - Vision North San Jose	\$ 444,819	0710876
2 Industrial Development Opportunities	900,000	0710927
3 Rincon - Park and Infrastructure Improvements	7,500,000	0710934
 TOTAL RINCON DE LOS ESTEROS	 \$ <u>8,844,819</u>	

REDEVELOPMENT CAPITAL FUNDS

Redevelopment Capital Fund - San Antonio Plaza Redevelopment Project

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for fiscal year 2008-2009, for the San Antonio Plaza Redevelopment Project:

	<u>Proposed FY 2008-2009</u>	<u>Business Unit</u>
1 Fairmont Annex Retail	28,313	0730745
2 Block 2: Remediation	200,000	0730928
3 Block 3: Central Place Parking Garage	270,000	0730940
 TOTAL SAN ANTONIO PLAZA	 \$ <u><u>498,313</u></u>	

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Merged Area Impact Program Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for FY 2008-2009, for the Merged Redevelopment Project:

	<u>Proposed</u> <u>FY 2008-2009</u>	<u>Business</u> <u>Unit</u>
1 San Jose Downtown Association	\$ 400,000	0900087
2 Façade Improvement Program	1,483,968	0900089
3 Misc. Public Improvements	921,399	0900168
4 Seasonal Street Banners	80,000	0900214
5 Automatic Public Toilets	411,837	0900284
6 Software Development Forum - Lease	217,979	0900364
7 GRP Improvements	2,411,334	0900393
8 City Improvements	4,358,000	0900395
9 Software and Environmental Business Clusters - Lease	576,755	0900408
10 Assessor	207,748	0900454
11 US Market Access Center - Lease	394,699	0900489
12 Retail Strategy	2,055,893	0900506
13 Entrepreneur Center Lease	310,840	0900655
14 Public Property Management	818,328	0900676
15 Asset Management	400,095	0900677
16 Transportation Planning	45,500	0900680
17 Development RFQ	161,845	0900683
18 Downtown Signage	158,000	0900698
19 Downtown for the Holidays	105,000	0900721
20 Downtown Mixed Use Projects	1,621,169	0900729
21 Downtown Project Feasibility Studies	208,573	0900730
22 Child Care Development Fund	1,546,572	0900779
23 Public Space Program	125,000	0900787
24 Mixed Use Project Area Environment Control	178,226	0900792
25 4th Street Garage Marketing and Tenant Improvements	552,855	0900793
26 OEA Audit Services	124,393	0900837
27 Litigation Services	800,366	0900838
28 Real Estate and Relocation Services	90,554	0900839
29 Downtown Business Improvement Pool	951,568	0900844
30 Convention Center Improvements	5,612	0900848
31 Transit Mall Lighting	2,619,297	0900850
32 Downtown Ice Rink	242,011	0900851

REDEVELOPMENT CAPITAL FUNDS**Redevelopment Capital Fund - Merged Area Impact Program Project**

Each of the following sums of money is hereby appropriated to the Redevelopment Capital Fund for each of the following designated line items, for FY 2008-2009, for the Merged Redevelopment Project:

	Proposed FY 2008-2009	Business Unit
33 Land Banking for Future Development	7,051,272	0900855
34 Planning Code Enforcement Services	1,239,832	0900856
35 Enhanced Graffiti Abatement	1,000,000	0900866
36 South First Street Streetscape	316,737	0900867
37 Downtown Streetscape	604,250	0900870
38 Competitive Art Capital Fund	103,500	0900879
39 Project Support Studies	224,820	0900888
40 City Auditor Services	100,792	0900889
41 Parking Lot Development/Improvements	1,239,000	0900895
42 Theatre Improvements	194,778	0900896
43 Autumn Street Infrastructure Funding Plan	2,000,000	0900898
44 Vietnamese-American Community Center	1,600,000	0900899
45 African-American Community Center Feasibility Study	200,000	0900900
46 Convention Center Expansion Phase I	6,737,249	0900903
47 1st ACT Small Wonders Program	1,648,363	0900910
48 Industrial Work Program Implementation	1,023,761	0900918
49 Electronic Transportation Development Center	281,329	0900919
50 Industrial FIP Program	500,000	0900920
51 Silicon Valley Neighborhood Housing Services	125,000	0900921
52 Vietnamese Heritage Gardens	100,000	0900922
53 St. James Park Improvements	1,000,000	0900923
54 Permanent Major Outdoor Event Site	200,000	0900924
55 505 South Market Street (OPA)	630,000	0900935
56 Public Education and Outreach	500,000	0900936
57 Arena Employee Parking	150,000	0900937
58 Downtown Major Tenant Fund	1,085,000	0900938
59 Clean Tech Jobs Investment Fund	2,500,000	0900939
TOTAL MERGED AREA IMPACT PROGRAM	\$ <u>56,941,099</u>	

REDEVELOPMENT FINANCING/NON-PROJECT COSTS

Financing/Non-Project Costs: Each of the following sums of money is hereby appropriated to the Redevelopment Merged Area Fund to each of the following items, for fiscal year 2008-2009, for financing, and non-project costs:

	Proposed
Financing/Non-Project Costs:	<u>FY 2008-2009</u>
Debt Service	\$ 121,345,473
ERAF Loan Payment	4,493,998
Housing Requirement	38,510,316
AB1290 Pass-Through	465,510
Convention Center Bond Payment	14,329,688
County Pass-Through Agreement Payment	19,444,292
County Agreement Delegated Funds	14,000,000
County Settlement Payment	7,500,000
Fiscal Agent Fees	175,500
Letter of Credit Fees	650,300
County Tax Collection Fees	1,917,378
Arena Pass-Through	325,000
CSJ Financing Authority (4th St. Garage)	<u>3,400,000</u>
TOTAL FINANCING/NON-PROJECT COSTS	\$ <u><u>226,557,455</u></u>

Adopted this _____ day of _____

20 _____, by the following vote:

AYES:

Noes:

ABSENT:

Chairperson: Chuck Reed

ATTEST:

Harry Mavrogenes, Secretary

**REDEVELOPMENT AGENCY
MERGED AREA SOURCE AND USE OF FUNDS SUMMARY**

<u>SOURCE OF FUNDS</u>		<u>FY2006-07 Actual</u>	<u>FY07-08 Estimated</u>	<u>FY 2008-09 Proposed</u>
Beginning Fund Balance	\$	48,629,528	49,678,870	150,158,622
Tax Increment		159,570,817	179,765,641	190,551,579 (1)
Suppl. Assessments		2,247,760	3,600,000	2,000,000
Bond Proceeds		81,300,000	212,930,000	70,000,000 (2)
Trust Account Interest		2,533,366	1,573,742	1,034,880
Redevelopment Fund Interest		4,356,121	7,370,788	3,942,360
Other/Miscellaneous		18,558,620	21,880,696	18,545,894
TOTAL SOURCE OF FUNDS	\$	317,196,212	476,799,737	436,233,335
 <u>USE OF FUNDS</u>				
Financing/Other Costs:				
Debt Service	\$	109,425,698	111,212,485	121,345,473
ERAF Loan Payment		4,490,414	4,494,844	4,493,998
20% Housing Set Aside		32,363,715	36,673,128	38,510,316 (3)
Convention Center Bond Payment		13,664,288	13,989,688	14,329,688
Total Financing/Other Costs:		159,944,115	166,370,145	178,679,474
 Capital Expenditures:				
Strengthen Neighborhoods	\$	2,558,425	4,562,951	16,776,300
Strong Neighborhoods Initiative		10,056,917	9,542,023	47,005,589
Develop Preserve Housing		2,263,880	4,682,619	566,487
Build Public Facilities		19,646,700	19,955,447	67,963,045
Create Jobs and Expand Businesses		18,443,137	27,733,308	28,218,643
County Settlement Payment		0	7,500,000	7,500,000 (4)
County Delegated Funds		15,383,101	40,000,000	14,000,000 (5)
Total Capital Expenditures	\$	68,352,161	113,976,348	182,030,063

**REDEVELOPMENT AGENCY
MERGED AREA SOURCE AND USE OF FUNDS SUMMARY**

<u>SOURCE OF FUNDS</u>	<u>FY2006-07 Actual</u>	<u>FY07-08 Estimated</u>	<u>FY 2008-09 Proposed</u>
Operating Expenditures			
Personnel	\$ 2,449,571	3,949,800	3,953,490
Non - Personnel/Capital Equipment	149,209	298,050	276,917
City Support Services	1,671,408	1,783,944	1,775,949
Mayor/Board	1,594,900	2,080,893	2,146,332
Capital Project Direct Operating Cost	7,721,856	8,109,854	8,585,675
Capital Project Indirect Operating Cost	4,660,280	5,381,039	5,536,942
Total Operating Expenditures	\$ 18,247,224	21,603,580	22,275,305
Obligated Payments:			
Fiscal Agent Fees	\$ 155,898	165,500	175,500
Letter of Credit Fees	475,545	664,850	650,300
County Tax Collection Fees	1,739,119	1,826,075	1,917,378
Arena Pass-Through	335,254	325,000	325,000
AB1290 Pass-Through	210,046	424,000	465,510
CSJ Financing Authority (Parking Garage)	3,363,054	3,363,054	3,400,000
County Agreement Payment	14,694,926	17,922,564	19,444,292
Total Obligated Payments	\$ 20,973,842	24,691,042	26,377,980
TOTAL USE OF FUNDS	\$ 267,517,342	326,641,115	409,362,822
Capital Reserves (Ending Fund Balance)	\$ 49,678,870	150,158,622	26,870,513

(1) Estimated. A better estimate will be available as of July 5, 2008, when County Assessor releases the tax roll.

(2) Bond proceeds based on gross tax increment; it is assumed that Tax Increment cap would have to be increased to issue bonds beyond FY2008-09.

(3) These funds are transferred to the Housing Department.

(4) Settlement payment for 2006 County lawsuit.

(5) 20% of the net proceeds of the projected bond sale.

