

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

MEMORANDUM

TO: PUBLIC SAFETY, FINANCE AND STRATEGIC SUPPORT COMMITTEE	FROM: HARRY S. MAVROGENES EXECUTIVE DIRECTOR
SUBJECT: SEE BELOW	DATE: JANUARY 3, 2008

SUBJECT: CASH FLOW PROJECTION – NOVEMBER 2007

RECOMMENDATION

Acceptance of the Cash Flow Projection for November 2007 by the Public Safety, Finance and Strategic Support Committee

BACKGROUND

The attached Cash Flow Projection is a forecast of expected cash receipts and payments for FY 2007-2008. This document is also used by the City's Finance Treasury Division to facilitate its investment decisions in investing the Agency's money sent to the City's Cash and Investment Pool. These projections are subject to change due to internal and external circumstances, such as changing economic conditions, which may affect revenues and/or expenditures.

The figures in the Cash Flow Projection can be expected to differ from the figures in the Adopted Budget. For example, the total on the Capital Projects Expenditure line item in the Cash Flow Projection will not equal the total of the Capital Expenditures in the Adopted Budget. These figures differ because the capital budget primarily tracks encumbrances (commitments) rather than cash payments. The budget shows the full amount of a contract in the year awarded while the Cash Flow Projection shows payments made over the life of the contract. This difference is especially pronounced in the Redevelopment Agency, where many projects extend beyond a single fiscal year.

In addition, the figures in the actual columns of the Cash Flow Projection differ from the financial statements due to the method of recognizing revenues and expenditures. The actual figures reported in the Cash Flow Projections are actual cash transactions, whereas the financial statements are based on accrual method of accounting whereby revenues and expenditures are recognized when earned and incurred regardless of timing of receipts and disbursements.

The Cash Flow Projection covers a period of one fiscal year. Because much of the information is dependent upon timing of contract awards, bond issues, and other unscheduled events, the projection is subject to change, particularly in the later months of the fiscal year. For the purpose of guiding the City's Treasury Division on investments, the earlier months of the projection provide the most pertinent information.

ANALYSIS

NOVEMBER 2007 ACTIVITY

The Agency's cash balance increased by a net amount of \$140.7 million in November 2007, ending the month at \$169.8 million.

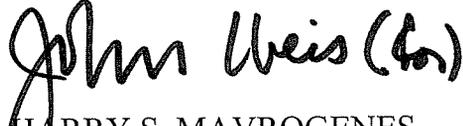
Cash receipts include \$200 million in bond proceeds, \$17 million in tax increment; \$1.4 million loan repayment from Blake Hunt Ventures for the Sale of the P1 parcel on Story & King Roads; \$1.2 million in miscellaneous income which includes a \$900,000 transfer from the City for a grant it received from the State Department of Parks and Recreation for the Starbird Teen Center; \$357,000 in interest income; and \$228,000 in supplemental assessments.

Cash disbursements include \$40 million County Delegated Payment which is 20% of the Agency's 2007 Tax Allocation bond proceeds; \$14.7 million County Pass Through payment for FY 2006-07; \$14.1 million transfer to fiscal agent for debt service; \$3.4 million for the 20% Housing set-aside fund; \$3.3 million for capital project expenditures; \$2.2 million ERAF loan payment; \$912,000 for capital direct and indirect operating costs; \$748,000 in general operating costs; and \$341,000 San Jose Arena pass-through payment.

Major capital project cash expenditures include \$546,000 for the Our House Youth Shelter at 3rd and William Street.

COORDINATION

This report has been coordinated with the Agency's General Counsel.


HARRY S. MAVROGENES
Executive Director

Attachment

Cash Flow Rpt

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2007-2008

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

	ACTUAL						FORECAST						Total
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	
CASH AND INVESTMENTS:													
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 169,547	\$ 160,192	\$ 151,011	\$ 143,872	\$ 134,799	\$ 121,834	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,957	49,103	20,372	-	15,983	49,085	0	20,320	171,820
Supplemental Assessments	297	481	53	74	228	201	328	30	3	56	151	98	2,000
Interest Income	7	482	28	980	357	392	392	374	357	344	327	303	4,343
Bond Issue (Net)					200,000								200,000
Grant			127							700			827
Blake Hunt Venture Parcel 1 - Story & King					1,400								1,400
Historic First Church of Christ Scientist Building Sale	190			500		100			1,350		25	500	1,365
Profit & Revenue Sharing with Developers						1,994							1,994
New Century Commons Note Payoff													550
101 San Fernando Refinance	359	2,559	227	618	1,189	4,761	551	573	527	528	527	527	12,946
Other	852	4,072	435	2,172	220,131	56,552	21,643	977	18,270	50,713	1,030	21,748	398,595
Total Cash Receipts													
Cash Payments - Uses													
Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	3,536	7,987	2,873	5,524	6,187	6,850	14,799	73,475
Capital Direct Operating Costs	563	856	570	542	532	385	723	300	639	723	808	1,822	8,463
Capital Indirect Operating Costs	355	510	382	399	380	232	447	179	393	447	502	1,144	5,369
General Operating Costs	805	197	999	734	748	620	620	620	620	620	620	618	7,820
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	9,861	4,140	6	3,197	9,828	30	4,155	34,730
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	14,097	39,444	16,560	24	12,788	39,313	121	16,618	138,966
Transfer To Fiscal Agent for Debt Service (US Bank)	4,530	1,682	-	-	-	2,700	-	1,682	-	-	5,000	-	12,230
CSJ-4th St. Garage Bonds													3,364
State of CA - ERAF Loan Repayment	740	-	-	489	2,247	-	-	-	2,248	-	-	-	4,495
HUD 108 Loan Interest/ Principal Payment	-	-	-	-	-	-	489	-	-	489	-	-	2,207
AB 1290 Pass-Through	-	-	-	-	-	-	-	424	-	-	-	-	424
Letters of Credit/ Fiscal Agent Fees	24	-	310	31	4	-	33	190	-	309	65	70	1,035
Arena Pass-Through					341								341
County Delegated (20% of Net Bond proceeds)	59				40,000								40,059
County Settlement	7,500												7,500
County Pass-through					14,695								14,695
County Administration Fee										1,870			1,870
Convention Center Bonds		10,121						3,861					13,982
Total Cash Payments	22,697	17,863	7,045	7,629	79,442	56,777	30,999	10,158	25,409	59,786	13,995	39,226	371,025
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(5,457)	140,689	(225)	(9,356)	(9,181)	(7,139)	(9,073)	(12,965)	(17,479)	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 169,547	\$ 160,192	\$ 151,011	\$ 143,872	\$ 134,799	\$ 121,834	\$ 104,355	