

## 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: FEBRUARY 11, 2008

SUBJECT: CASH FLOW PROJECTION – DECEMBER 2007

RECOMMENDATION

Acceptance of the Cash Flow Projection for December 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 provide the most pertinent information.

### ANALYSIS

#### DECEMBER 2007 ACTIVITY

The Agency's cash balance increased by a net amount of \$34.5 million in December 2007, ending the month at \$204.2 million.

Cash receipts include \$51.7 million in tax increment; \$5.0 million in revenue distribution from the Fairmont Hotel; \$2.0 million loan repayment from the New Century Commons Project (40 S. Second St); \$550,000 in supplemental assessments; \$282,000 in miscellaneous income; \$197,000 in Grant Revenue from the State Department of Parks and Recreation for the Japantown project; and \$97,000 in interest income.

Cash disbursements include \$10.4 million for the 20% Housing set-aside fund; \$9.2 million transferred to fiscal agent for debt service; \$4.1 million for capital project expenditures; \$984,000 for capital direct and indirect operating costs; \$601,000 in general operating costs; and \$6,000 for letters of credit/ fiscal agent fees.

Major capital project cash expenditures include \$1.1 million for the acquisition of real property located at 92 S. Montgomery Street for future development.

### 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	
<b>CASH AND INVESTMENTS:</b>													
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,225	\$ 162,766	\$ 153,786	\$ 146,847	\$ 137,975	\$ 125,211	
<b>Cash Receipts - Sources</b>													
Tax Increments	-	-	-	-	16,957	51,720	19,718	-	15,328	48,430	0	19,666	171,820
Supplemental Assessments	297	481	53	74	228	550	1,572	30	3	6	101	48	3,443
Interest Income	7	482	28	980	357	97	457	379	362	349	333	309	4,141
Bond Issue (Net)					200,000								200,000
Grant			127			197	1,000			700			2,024
Blake Hunt Venture Parcel 1 - Story & King					1,400								1,400
Historic First Church of Christ Scientist Building Sale Profit & Revenue Sharing with Developers	190			500		4,991			1,350		25	500	6,256
New Century Commons Note Payoff						2,000							2,000
101 San Fernando Refinance		550											550
Other	359	2,559	227	618	1,189	282	605	627	580	581	580	582	8,788
<b>Total Cash Receipts</b>	<b>852</b>	<b>4,072</b>	<b>435</b>	<b>2,172</b>	<b>220,131</b>	<b>59,838</b>	<b>23,351</b>	<b>1,036</b>	<b>17,674</b>	<b>50,067</b>	<b>1,039</b>	<b>21,104</b>	<b>401,772</b>
<b>Cash Payments - Uses</b>													
Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	4,101	6,855	2,788	5,439	6,102	6,765	14,715	72,484
Capital Direct Operating Costs	563	856	570	542	532	584	690	267	606	690	775	1,788	8,463
Capital Indirect Operating Costs	355	510	382	399	380	400	419	151	365	419	474	1,116	5,369
General Operating Costs	805	197	999	734	748	601	624	624	624	624	624	621	7,824
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	10,454	4,258	6	3,066	9,687	20	4,014	35,019
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	14,097	6,965	51,443	24	12,265	38,749	81	16,055	139,679
Transfer To Fiscal Agent for Debt Service (US Bank)	4,530					2,275					5,000		11,805
CSJ-4th St. Garage Bonds		1,682						1,682					3,364
State of CA - ERAF Loan Repayment					2,247				2,248				4,495
HUD 108 Loan Interest/ Principal Payment	740			489			489			489			2,207
AB 1290 Pass-Through								424					424
Letters of Credit/ Fiscal Agent Fees	24		310	31	4	6	33	190		309	65	70	1,041
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
<b>Total Cash Payments</b>	<b>22,697</b>	<b>17,863</b>	<b>7,045</b>	<b>7,629</b>	<b>79,442</b>	<b>25,386</b>	<b>64,810</b>	<b>10,016</b>	<b>24,613</b>	<b>58,939</b>	<b>13,803</b>	<b>38,379</b>	<b>370,621</b>
<b>Monthly Activity - Net</b>	<b>(21,844)</b>	<b>(13,791)</b>	<b>(6,609)</b>	<b>(5,457)</b>	<b>140,689</b>	<b>34,453</b>	<b>(41,459)</b>	<b>(8,980)</b>	<b>(6,939)</b>	<b>(8,872)</b>	<b>(12,764)</b>	<b>(17,274)</b>	
<b>Ending Balance</b>	<b>\$ 54,941</b>	<b>\$ 41,149</b>	<b>\$ 34,540</b>	<b>\$ 29,083</b>	<b>\$ 169,772</b>	<b>\$ 204,225</b>	<b>\$ 162,766</b>	<b>\$ 153,786</b>	<b>\$ 146,847</b>	<b>\$ 137,975</b>	<b>\$ 125,211</b>	<b>\$ 107,937</b>	

