

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: MARCH 1, 2007

SUBJECT: CASH FLOW PROJECTION – JANUARY 2007

RECOMMENDATION

Accept the Cash Flow Projection for January 2007

BACKGROUND

The attached Cash Flow Projection is a forecast of expected cash receipts and payments for FY 2006-2007. This document is also used by the City's Finance Treasury Division to facilitate its investment decisions. 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. For the purpose of guiding City's Finance Treasury investments, the earlier months of the projection provide the most pertinent information.

ANALYSIS

JANUARY 2007 ACTIVITY

The Agency's cash balance decreased by a net amount of \$7.7 million in January 2007, ending the month at \$57.6 million.

Cash receipts include \$19.1 million in Tax Increment; \$400,000 in supplemental assessments; \$347,000 in miscellaneous income; and \$1,000 in interest income.

Cash disbursements were \$15.8 million transfer to fiscal agent for debt service; \$5.5 million for capital project expenditures; \$3.9 million for the 20% Housing set-aside fund; \$924,000 for capital direct and indirect operating costs; \$883,000 in general operating costs; \$491,000 for HUD 108 Loan Interest payment; and \$29,000 Letter of Credit/ Fiscal Agent Fees.

Major capital project cash expenditures include \$3.0 million transferred to the City for City Capital Improvements and \$500,000 final payment to Adobe Systems as On-Site parking contribution of the Phase II Acquisition, Disposition and Development Agreement.

COORDINATION

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


HARRY S. MAVROGENES
Executive Director

Attachment

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2006-2007

(\$ in Thousands)

CASH AND INVESTMENTS:	ACTUAL							FORECAST					Total
	Jul-06	Aug-06	Sep-06	Oct-06	Nov-06	Dec-06	Jan-07	Feb-07	Mar-07	Apr-07	May-07	Jun-07	
Beginning Balance	\$ 39,690	\$ 33,900	\$ 37,194	\$ 34,490	\$ 31,160	\$ 77,009	\$ 65,357	\$ 57,618	55,096	48,187	\$ 45,010	\$ 56,940	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	14,995	45,757	19,072	42	15,646	45,729	42	18,963	160,246
Supplemental Assessments		229	104	5	200	306	400	114	133	122	225	164	2,000
Interest Income	31	98	99	230	825	146	1	231	211	194	175	191	2,431
Bond Issue					76,916								76,916
HUD 108 - King & Story		18,134											18,134
HUD BEDI - King & Story									2,000				2,000
Sale of Property (Dimension)								7,600					7,600
Park Townsend Revenue Sharing												500	500
Surplus returned from Debt Service	180										25,450		25,630
GI Forum Loan Repayment								2,474					2,474
Other	1,144	430	1,167	218	388	669	347	64	25	36	25	25	4,536
Total Cash Receipts	1,355	18,891	1,370	453	93,324	46,878	19,819	10,524	18,015	46,080	25,916	19,843	302,468
Cash Payments - Uses													
Capital Project Expenditures	5,637	2,235	2,697	2,170	2,420	2,990	5,517	4,811	4,190	5,085	5,624	17,100	60,475
Capital Direct Operating Costs	262	562	741	514	494	534	559	789	1,091	821	924	892	8,182
Capital Indirect Operating Costs	234	379	386	325	388	329	365	510	592	570	551	611	5,239
General Operating Costs	470	1,065	183	134	77	1,561	883	489	620	494	478	886	7,339
Transfer To Housing - 20% Tax Increment	15		66	1	3,039	9,213	3,894	31	3,156	9,170	53	3,825	32,464
Transfer To Fiscal Agent for Debt Service (Union Bank)	-				11,355	41,205	15,822	124	12,623	30,582	6,313		118,024
Transfer To Fiscal Agent for Debt Service (US Bank)						2,700							2,700
CSJ-4th St. Garage Bonds		1,682						1,682					3,364
State of CA - ERAF Loan Repayment	-				2,245				2,245				4,490
HUD 108 Loan Interest/ Principal Payment	527			495			491			495			2,007
AB 1290 Pass-Through	-							400					400
Letters of Credit/ Fiscal Agent Fees				145			29	226	83	260	43	48	834
Arena Pass-Through									325			325	650
County Payment	-				27,455								27,455
County Administration Fee	-									1,781			1,781
Convention Center Bonds		9,674						3,984					13,658
Total Cash Payments	7,145	15,597	4,073	3,784	47,475	58,530	27,559	13,045	24,924	49,257	13,986	23,687	289,062
Monthly Activity - Net	(5,790)	3,294	(2,704)	(3,331)	45,849	(11,652)	(7,740)	(2,522)	(6,909)	(3,177)	11,931	(3,844)	
Ending Balance	\$ 33,900	\$ 37,194	\$ 34,490	\$ 31,160	\$ 77,009	\$ 65,357	\$ 57,618	\$ 55,096	\$ 48,187	\$ 45,010	\$ 56,940	\$ 53,096	