

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 7, 2008

SUBJECT: CASH FLOW PROJECTION – JANUARY 2008

RECOMMENDATION

Accept the Cash Flow Projection for January 2008.

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

JANUARY 2008 ACTIVITY

The Agency's cash balance decreased by a net amount of \$44.7 million in January 2008 and ended the month at \$159.5 million.

Cash receipts include \$17.2 million in tax increment; \$5.6 million in supplemental assessments; \$1.1 million in interest income; \$1.0 million grant from Packard Humanities Institute for the restoration and expansion of the California Theatre; and \$511,000 in miscellaneous revenue.

Cash disbursements include \$53.3 million transferred to fiscal agent for debt service; \$9.7 million for capital project expenditures; \$4.6 million for the 20% Housing set-aside fund; \$1.0 million for capital direct and indirect operating costs; \$762,000 in general operating costs; \$448,000 for interest payment on Department of Housing and Urban Development Loans (HUD 108); and \$335,000 for letters of credit/ fiscal agent fees.

Major capital project cash expenditures include \$4.0 million transferred to the City of San Jose for City Capital Improvements; \$2.47 million payment to Swinerton Builders, Inc. per Settlement Agreement related to the California Theatre; \$1.0 million payment to Nanosolar, Inc. per Reimbursement Agreement for assistance with acquisition of capital equipment installed at Nanosolar's industrial and manufacturing headquarters facility in the Edenvale Redevelopment Project Area; and \$755,000 payment to First American Title Insurance Company for the acquisition of real property located at 102 S. Montgomery Street for future development. Note that the difference between this report and the accompanying Capital Cost Report is \$100,000 previously deposited (May 2007) with the title company.

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 2007-2008

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

	FORECAST												
	ACTUAL						FORECAST						
	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
CASH AND INVESTMENTS:													
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,225	\$ 159,510	\$ 148,306	\$ 149,835	\$ 145,502	\$ 118,244	
Cash Receipts - Sources													
Tax Increments	297	481	53	74	228	550	5,635	30	3	6	101	48	7,506
Supplemental Assessments	7	482	28	980	357	97	1,090	266	247	230	243	197	4,243
Interest Income					200,000								200,000
Bond Issue (Net)									8,000	4,055		43,718	55,773
Return from bond trustee			127			197	1,000			700			2,024
Grant					1,400								1,400
Blake Hunt Venture Parcel 1 - Story & King									1,350				1,350
Historic First Church of Christ Scientist Building Sale	190			500		4,991			50		25	500	6,256
Profit & Revenue Sharing with Developers						2,000							2,000
New Century Commons Note Payoff													550
101 San Fernando Refinance	359	550	227	618	1,189	282	511	627	580	581	580	582	8,695
Other	852	4,072	435	2,172	220,131	59,838	25,405	923	28,374	53,755	949	64,710	461,617
Total Cash Receipts													
Cash Payments - Uses													
Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	4,101	9,697	2,219	4,870	5,533	6,196	14,146	72,484
Capital Direct Operating Costs	563	856	570	542	532	584	557	294	632	717	801	1,815	8,463
Capital Indirect Operating Costs	355	510	382	399	380	400	481	138	353	407	461	1,104	5,369
General Operating Costs	805	197	999	734	748	601	762	595	595	595	595	592	7,817
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	10,454	4,561	6	3,629	9,634	20	4,014	35,831
Transfer To Fiscal Agent for Debt Service (Union Bank)	4,530	-	-	-	14,097	6,965	53,277	24	14,518	38,536	81	16,055	143,553
Transfer To Fiscal Agent for Debt Service (US Bank)	-	10,121	-	-	-	2,275	-	3,861	-	-	-	-	13,982
Convention Center Bonds (US Bank)	-	1,682	-	-	-	-	-	1,682	-	-	-	-	3,364
CSJ-4th St. Garage Bonds (Wells Fargo)	-	-	-	-	2,247	-	-	-	2,248	-	-	-	4,495
State of CA - ERAF Loan Repayment	740	-	-	489	-	-	448	424	-	489	-	-	2,166
HUD 108 Loan Interest/ Principal Payment	-	-	-	-	-	-	-	190	-	-	-	65	424
AB 1290 Pass-Through	24	-	310	31	4	6	335	6	-	309	65	70	1,343
Letters of Credit/ Fiscal Agent Fees	-	-	-	-	341	-	-	-	-	-	-	-	341
Arena Pass-Through	59	-	-	-	40,000	-	-	-	-	-	-	-	40,059
County Delegated (20% of Net Bond proceeds)	7,500	-	-	-	14,695	-	-	2,694	-	-	14,988	-	32,377
County Settlement	-	-	-	-	-	-	-	-	-	-	-	-	1,870
County Pass-through	-	-	-	-	-	-	-	-	-	-	-	-	-
County Administration Fee	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Cash Payments	22,697	17,863	7,045	7,629	79,442	25,386	70,120	12,127	26,845	58,088	28,208	37,795	393,243
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(5,457)	140,689	34,453	(44,715)	(11,204)	1,529	(4,333)	(27,259)	26,915	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,225	\$ 159,510	\$ 148,306	\$ 149,835	\$ 145,502	\$ 118,244	\$ 145,159	