

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: APRIL 8, 2008

SUBJECT: CASH FLOW PROJECTION – FEBRUARY 2008

RECOMMENDATION

Accept the Cash Flow Projection for February 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 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

FEBRUARY 2008 ACTIVITY

The Agency's cash balance decreased by a net amount of \$14.5 million in February 2008, ending the month at \$145.1 million.

Cash receipts include \$1.2 million in miscellaneous revenue which includes \$289,000 received from the Fairmont Garage for 2007 revenue; \$114,000 in interest income earned on pooled funds; \$15,000 in supplemental assessments; and \$13,000 grant from Economic Development Administration for the Electronic Transportation Development Center project.

Cash disbursements include \$5.4 million for capital project expenditures; \$3.8 million for debt service on the Convention Center Bonds; \$2.7 million for the Mid-Year South Rincon Pass-through payment to the County; 1.7 million for debt service on the 4th Street Garage Bonds; \$1.3 million for capital direct and indirect operating costs; \$748,000 in general operating costs; \$15,000 for letters of credit/fiscal agent fees; and \$3,000 for the 20% Housing set-aside fund.

Major capital project cash expenditures include \$695,000 paid to Mission West Properties, LP for the San Jose BioCenter's rent for the period of September 2006 to March 2008.

COORDINATION

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



HARRY S. MAVROGENES
Executive Director

Attachment

(Dollars Expressed in Thousands)

CASH AND INVESTMENTS:	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	
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,225	\$ 159,510	\$ 145,055	\$ 137,735	\$ 137,044	\$ 110,707	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,957	51,720	21,232	-	18,144	48,163	0	19,666	175,883
Supplemental Assessments	297	481	53	74	228	550	1,572	15	3	6	101	48	3,427
Interest Income	7	482	28	980	357	97	1,090	114	242	230	228	185	4,039
Bond Issue (Net)					200,000								200,000
Return from bond trustee												43,718	43,718
Grant			127			197	1,000	13		700			2,037
Blake Hunt Venture Parcel 1 - Story & King					1,400								1,400
Profit & Revenue Sharing with Developers	190			500		4,991			50		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	511	1,150	450	450	449	451	8,695
Total Cash Receipts	852	4,072	435	2,172	220,131	59,838	25,405	1,292	18,888	49,550	804	64,567	448,007
Cash Payments - Uses													
Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	4,101	9,697	5,428	4,068	4,731	5,394	13,344	72,484
Capital Direct Operating Costs	563	856	570	542	532	584	557	855	492	576	661	1,675	8,463
Capital Indirect Operating Costs	355	510	382	399	380	400	481	482	267	321	375	1,018	5,369
General Operating Costs	805	197	999	734	748	601	762	748	563	558	558	555	7,827
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	10,454	4,561	3	3,629	9,634	20	4,014	35,828
Transfer To Fiscal Agent for Debt Service (Uni	-	-	-	-	14,097	6,965	53,277		14,518	31,754	81	16,055	136,747
Transfer To Fiscal Agent for Debt Service (US	4,530					2,275					5,000		11,805
Convention Center Bonds (US Bank)	-	10,121	-	-	-	-	-	3,841	-	-	-	-	13,962
CSJ-4th St. Garage Bonds (Wells Fargo)	-	1,682	-	-	-	-	-	1,682	-	-	-	-	3,363
State of CA - ERAF Loan Repayment	-	-	-	-	2,247	-	-	-	2,248	-	-	-	4,495
HUD 108 Loan Interest/ Principal Payment	740	-	-	489	-	-	448	-	-	489	-	-	2,166
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	424	-	-	-	424
Letters of Credit/ Fiscal Agent Fees	24	-	310	31	4	6	335	15	-	309	65	70	1,168
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			2,694			14,988		32,377
County Administration Fee									1,870				1,870
Total Cash Payments	22,697	17,863	7,045	7,629	79,442	25,386	70,120	15,746	26,208	50,241	27,142	36,729	386,247
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(5,457)	140,689	34,453	(44,715)	(14,455)	(7,320)	(691)	(26,338)	27,838	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,225	\$ 159,510	\$ 145,055	\$ 137,735	\$ 137,044	\$ 110,707	\$ 138,545	

