

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: MAY 3, 2007

SUBJECT: CASH FLOW PROJECTION – MARCH 2007

RECOMMENDATION

Accept the Cash Flow Projection for March 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 of the fiscal year. For the purpose of guiding City's Finance Treasury investments, the earlier months of the projection provide the most pertinent information.

ANALYSIS

MARCH 2007 ACTIVITY

The Agency's cash balance decreased by a net amount of \$7.0 million in March 2007, ending the month at \$51.1 million.

Cash receipts include \$15.0 million in tax increment; \$2.0 million in Brownfields Economic Development Initiative (BEDI) grant from the US Department of Housing and Urban Development; \$105,000 in rent revenue; \$90,000 in loan collections; \$55,000 in interest income; \$35,000 in supplemental assessment; and \$46,000 in miscellaneous revenue.

Cash disbursements were \$12.1 million transfer to bond trustee (fiscal agent) for debt service, \$5.0 million for capital project expenditures; \$3.0 million for the 20% housing set-aside fund; \$2.2 million for the repayment of ERAF loan; \$1.5 million for capital direct and indirect operating costs; \$417,000 for AB 1290 payment to taxing jurisdictions; and \$121,000 in general operating costs.

Major capital project cash expenditures include \$2.8 million transferred to the City for capital improvements (\$1.4 million for Trimble/101 Interchange and Charcot Avenue Overcrossing Project, \$1.1 million for the North San Jose Transportation Infrastructure Design, and \$246,000 for streetscapes); \$564,000 paid to Emergency Housing Consortium for the Our House Youth Shelter at 3rd and William Streets; \$180,000 paid to Calstate Construction for the SNI-Starbird Teen Center Project; and \$117,000 paid to Fountain Alley, LLC for OPA/Unreinforced Masonry Grant.

COORDINATION

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


HARRY S. MAVROGENES
Executive Director

Attachment

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	\$ 58,085	\$ 51,117	\$ 59,315	\$ 61,921	
Cash Receipts - Sources													
Tax Increment	-	-	-	-	14,995	45,757	19,072	-	14,995	45,740	-	19,025	\$ 159,584
Supplemental Assessment	-	229	104	5	200	306	400	98	35	126	229	168	1,899
Interest Income	31	98	99	230	825	146	1	890	55	205	207	227	3,014
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)	-	-	-	-	-	-	-	7,865	-	-	-	-	7,865
Park Townsend Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	500	500
Returned from Debt Service	180	-	-	-	-	-	-	-	-	9,000	16,204	14,902	40,286
GI Forum Loan Repayment	-	-	-	-	-	-	-	-	-	2,475	-	-	2,475
Other	1,144	430	1,167	218	388	669	347	935	241	36	25	25	5,623
Total Cash Receipts	1,355	18,891	1,370	453	93,324	46,878	19,819	9,787	17,326	57,581	16,665	34,847	318,296
Cash Payments - Uses													
Capital Project Expenditures	5,637	2,235	2,697	2,170	2,420	2,990	5,517	2,085	4,966	5,085	5,624	17,100	58,525
Capital Direct Operating Costs	262	562	741	514	494	534	559	545	985	882	985	953	8,016
Capital Indirect Operating Costs	234	379	386	325	388	329	365	324	480	617	597	657	5,081
General Operating Costs	470	1,065	183	134	77	1,561	883	531	121	483	467	875	6,851
Transfer To Housing - 20% Tax Increment	15	-	66	1	3,039	9,213	3,894	20	3,006	9,173	46	3,839	32,311
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	11,355	41,205	15,822	-	12,074	30,593	6,282	-	117,332
Transfer To Fiscal Agent for Debt Service (US Bank)	-	-	-	-	-	2,700	-	-	-	-	-	-	2,700
CSJ-4th St. Garage Bond	-	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	-	-	-	-	-	-	-	-	417	-	-	-	417
Letters of Credit/ Fiscal Agent Fees	-	-	-	145	-	-	29	169	-	274	57	62	737
Arena Pass-Through	-	-	-	-	-	-	-	-	-	-	-	325	325
County Payment	-	-	-	-	27,455	-	-	-	-	-	-	-	27,455
County Administration Fee	-	-	-	-	-	-	-	-	-	1,781	-	-	1,781
Convention Center Bond	-	9,674	-	-	-	-	-	3,964	-	-	-	-	13,638
Total Cash Payments	7,145	15,597	4,073	3,784	47,475	58,530	27,559	9,320	24,294	49,383	14,059	23,812	\$ 285,029.15
Monthly Activity - Net	(5,790)	3,294	(2,704)	(3,331)	45,849	(11,652)	(7,740)	468	(6,968)	8,198	2,606	11,036	
Ending Balance	\$ 33,900	\$ 37,194	\$ 34,490	\$ 31,160	\$ 77,009	\$ 65,357	\$ 57,618	\$ 58,085	\$ 51,117	\$ 59,315	\$ 61,921	\$ 72,956	

CASH & INVESTMENT WITH THE CITY

<u>PER CITY TREASURY (For Investment Purposes)</u>	ACTUAL					FORECAST		
	<u>Nov-06</u>	<u>Dec-06</u>	<u>Jan-07</u>	<u>Feb-07</u>	<u>Mar-07</u>	<u>Apr-07</u>	<u>May-07</u>	<u>Jun-07</u>
Bond Money -								
Tax-exempt # 53 (Fund 77)	63,490	36,094	36,107	36,107	36,582	34,590	32,590	32,590
Interest	59	13	-	475	8			
Less: Drawdown	(27,455)	-	-	-	(2,000)	(2,000)	-	
Total Tax-exempt Money	36,094	36,107	36,107	36,582	34,590	32,590	32,590	32,590
Taxable # 52 (Fund 78)	13,425	13,425	13,425	13,425	13,425	9,425	9,425	9,425
Interest				177	17			
Less: Drawdown					(4,000)			
Total Taxable Money	13,425	13,425	13,425	13,425	9,425	9,425	9,425	9,425
Total Bond Money	49,519	49,532	49,532	50,007	44,015	42,015	42,015	42,015
Operating Fund (City Pool)	27,490	15,825	8,086	8,078	7,102	17,300	19,906	30,941
Ending Balance	77,009	65,357	57,618	58,085	51,117	59,315	61,921	72,956

PER AGENCY

Bond Money -								
Tax-exempt # 53 (Fund 77)	63,490	63,549	63,562	63,562	64,037	41,470	41,470	41,470
Interest	59	13		475	9	-	-	-
Less: Drawdown					(22,576)			
Total Tax-exempt Money	63,549	63,562	63,562	64,037	41,470	41,470	41,470	41,470
Taxable # 52 (Fund 78)	13,425	13,425	13,425	13,425	13,602	-	-	-
Interest				177	17			
Less: Drawdown					(13,619)			
Total Taxable Money	13,425	13,425	13,425	13,602	-	-	-	-
Total Bond Money	76,974	76,987	76,987	77,639	41,470	41,470	41,470	41,470
Operating Fund (City Pool)	35	(11,630)	(19,369)	(19,554)	9,647	17,845	20,451	31,486
Ending Balance	77,009	65,357	57,618	58,085	51,117	59,315	61,921	72,956