

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: AUGUST 2, 2007

SUBJECT: CASH FLOW PROJECTION – JUNE 2007 (Preliminary)

RECOMMENDATION

Accept the Redevelopment Agency's Cash Flow Projection for June 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 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 the 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 the 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 Finance Treasury investments, the earlier months of the projection provide the most pertinent information.

ANALYSIS

JUNE 2007 ACTIVITY

The Agency's cash balance increased by a net amount of \$17.4 million in June 2007, ending the month at \$75.9 million.

Cash receipts include \$19.0 million in tax increment; \$6.1 million return of tax increment money from the bond trustee for the Merged Area Tax Allocation Bonds; \$2.4 million in miscellaneous revenue; \$158,000 in interest income; and \$118,000 in supplemental assessment.

Cash disbursements were \$5.0 million for capital project expenditures; \$3.8 million for the 20% housing set-aside fund; \$942,000 for capital direct and indirect operating costs; \$715,000 in general operating costs; and \$4,000 in Letter of Credit/Fiscal Agent Fees.

Major capital project cash expenditures include \$1.1 million transferred to the City for Personnel Services related to the Strong Neighborhoods Initiative; \$885,000 for the Fountain Alley Owner Participation Agreement; and \$830,000 for the settlement agreement with West Hotel Partners (San Jose Hilton Hotel).

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 for Fiscal Year 2006-2007

(\$ in Thousands)

CASH AND INVESTMENTS:	ACTUAL											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	\$ 61,689	\$ 58,541	
Cash Receipts - Sources													
Tax Increment	-	-	-	-	14,995	45,757	19,072	-	14,995	45,724	-	19,029	\$ 159,572
Supplemental Assessment	-	229	104	5	200	306	400	98	35	19	362	118	1,875
Interest Income	31	98	99	230	825	146	1	890	55	70	26	158	2,628
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 (Mesa/360 Residences)	-	-	-	-	-	-	-	7,865	-	-	-	-	7,865
Park Townsend Revenue Sharing	-	-	-	-	-	-	-	-	-	-	-	-	-
Returned from Bond Trustee	180	-	-	-	-	-	-	-	-	9,000	10,258	6,140	25,578
GI Forum Loan Repayment	-	-	-	-	-	-	-	-	-	2,475	-	-	2,475
Other	1,144	430	1,167	218	388	669	347	935	241	698	260	2,443	8,939
Total Cash Receipts	1,355	18,891	1,370	453	93,324	46,878	19,819	9,787	17,326	57,986	10,906	27,887	305,982
Cash Payments - Uses													
Capital Project Expenditures	5,637	2,235	2,697	2,170	2,420	2,990	5,517	2,085	4,966	4,946	4,912	4,965	45,539
Capital Direct Operating Costs	262	562	741	514	494	534	559	545	985	610	528	570	6,904
Capital Indirect Operating Costs	234	379	386	325	388	329	365	324	480	239	216	372	4,036
General Operating Costs	470	1,065	183	134	77	1,561	883	531	121	1,438	457	715	7,635
Transfer To Housing - 20% Tax Increment	15	-	66	1	3,039	9,213	3,894	20	3,006	9,149	72	3,829	32,304
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	11,355	41,205	15,822	-	12,074	30,532	6,090	-	117,079
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	-	-	474	-	-	1,986
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	417	-	-	-	417
Letters of Credit/ Fiscal Agent Fees	-	-	-	145	-	-	29	169	-	26	40	4	413
Arena Pass-Through	-	-	-	-	-	-	-	-	-	-	-	-	-
County Payment	-	-	-	-	27,455	-	-	-	-	-	-	-	27,455
County Administration Fee	-	-	-	-	-	-	-	-	-	-	1,739	-	1,739
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	47,414	14,054	10,455	\$ 269,699
Monthly Activity - Net	(5,790)	3,294	(2,704)	(3,331)	45,849	(11,652)	(7,740)	468	(6,968)	10,572	(3,148)	17,432	
Ending Balance	\$ 33,900	\$ 37,194	\$ 34,490	\$ 31,160	\$ 77,009	\$ 65,357	\$ 57,618	\$ 58,085	\$ 51,117	\$ 61,689	\$ 58,541	\$ 75,973	