

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: SEPTEMBER 11, 2007

SUBJECT: CASH FLOW PROJECTION – JULY 2007

RECOMMENDATION

Accept the Cash Flow Projection for July 2007.

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. 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

JULY 2007 ACTIVITY

The Agency's cash balance decreased by a net amount of \$21.8 million in July 2007, ending the month at \$54.1 million.

Cash receipts include \$297,000 in supplemental assessments and \$549,000 in miscellaneous income. Included are \$190,000 from Barry Swenson Builders for Historic Tax Credits associated with the Letitia Building Rehabilitation Project and \$120,000 of rental income and parking revenues. \$7,000 in interest income rounds out the current month sources of income.

Cash disbursements were \$8.1 million for capital project expenditures; \$7.5 million County settlement payment; \$4.5 million transfer to bond trustee (fiscal agent) for debt service on variable rate bonds; \$917,000 for capital direct and indirect operating costs; \$805,000 in general operating costs; \$740,000 for interest and principal payment for Department of Housing and Urban Development Loans (HUD 108); \$59,000 for the 20% housing set-aside fund; and \$24,000 Letter of Credit/ Fiscal Agent Fees.

Major capital project cash expenditures include \$5.7 million for purchase of 115 Autumn Street and 510 West San Fernando Street for potential future development; and \$283,000 paid to Bijan Bakery for Tenant Improvement Assistance.

COORDINATION

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



HARRY S. MAVROGENES
Executive Director

Attachment

Cash Flow Rpt

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2007-2008

(\$ in Thousands)

CASH AND INVESTMENTS:	ACTUAL	FORCAST											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	75,973 *	54,129	36,061	32,085	28,135	224,370	202,763	194,202	184,521	175,191	164,959	158,757	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,145	49,265	20,534	-	16,145	49,247	0	20,484	171,820
Supplemental Assessments	297	214	82	5	184	268	394	76	10	105	214	150	2,000
Interest Income	7	175	141	134	127	495	454	438	420	403	383	372	3,548
Bond Issue					219,000								219,000
Grant				700									700
Block 8 Sale of Land												13,960	13,960
Brandenburg- North San Pedro (Sale of Land)	-										7,730		7,730
Blake Hunt Venture Parcel 1 - Story & King						1,400							1,400
Imwalle- Sale of SW Corner of Story & King							1,600						1,600
Historic First Church of Christ Scientist Building Sale						1,350							1,350
Mexican Heritage Grant reimbursement										500			500
Profit & Revenue Sharing with Developers	190					100			50		25	500	865
Surplus returned from bond trustee													-
101 San Fernando Refinance			628										628
Other	359	247	463	329	224	380	201	528	142	28	22	22	2,945
Total Cash Receipts	852	637	1,314	1,169	235,679	53,258	23,183	1,042	16,767	50,283	8,375	35,488	428,046
Cash Payments - Uses													
Capital Project Expenditures	8,121	5,207	3,881	3,218	3,218	3,881	8,332	3,218	5,870	6,532	7,195	15,148	73,824
Capital Direct Operating Costs	563	641	472	388	388	472	811	388	726	811	895	1,910	8,463
Capital Indirect Operating Costs	355	407	299	246	246	299	514	246	461	514	569	1,213	5,369
General Operating Costs	805	638	638	638	638	638	638	638	638	638	638	638	7,822
Transfer To Housing - 20% Tax Increment	-	-	-	-	3,266	9,907	4,186	15	3,231	9,870	43	4,198	34,715
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	13,063	39,627	16,743	61	12,924	39,482	172	16,791	138,861
Transfer To Fiscal Agent for Debt Service (US Bank)	4,530	-	-	-	-	2,700					5,000		12,230
CSJ-4th St. Garage Bonds		1,682						1,682					3,364
State of CA - ERAF Loan Repayment		-	-	-	2,247	-	-		2,248	-	-	-	4,495
HUD I08 Loan Interest/ Principal Payment	740			489			489			489			2,207
AB 1290 Pass-Through	-	-	-	-	-	-	-	424	-	-	-	-	424
Letters of Credit/ Fiscal Agent Fees	24	-	-	139	-	-	33	190	-	309	65	70	830
Arca Pass-Through												325	325
County Delegated (20% of Net Bond proceeds)	59					17,341				1,870			17,400
County Settlement	7,500												7,500
County Pass-through					16,379								16,379
County Administration Fee													1,870
Convention Center Bonds	-	10,129	-	-	-	-	-	3,861	-	-	-	-	13,990
Total Cash Payments	22,697	18,704	5,291	5,118	39,444	74,865	31,745	10,723	26,097	60,515	14,577	40,294	350,068
Monthly Activity - Net	(21,844)	(18,067)	(3,977)	(3,949)	196,235	(21,607)	(8,562)	(9,681)	(9,330)	(10,232)	(6,202)	(4,806)	
Ending Balance	\$ 54,129	\$ 36,061	\$ 32,085	\$ 28,135	\$ 224,370	\$ 202,763	\$ 194,202	\$ 184,521	\$ 175,191	\$ 164,959	\$ 158,757	\$ 153,951	

*Subject to change based on result of final audited financials