

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: OCTOBER 31, 2007

SUBJECT: CASH FLOW PROJECTION – SEPTEMBER 2007

RECOMMENDATION

Accept the Cash Flow Projection for September 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 in investing Agency 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, that 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

SEPTEMBER 2007 ACTIVITY

The Agency's cash balance decreased by a net amount of \$6.6 million in September 2007, ending the month at \$34.5 million.

Cash receipts include \$227,000 in miscellaneous income, including \$86,000 in parking revenue and \$79,000 in rental income; a \$127,000 Federal grant from the Electronic Development Administration for the Electronic Transportation Development Center project; \$53,000 in supplemental assessment; and \$28,000 in interest income.

Cash disbursements were \$4.8 million for capital project expenditures; \$997,000 in general operating costs; \$951,000 for capital direct and indirect operating costs; \$310,000 in Letter of Credit/Fiscal Agent fees; and \$11,000 for the 20% housing set-aside fund.

The Cash Flow Projection only pertains to the Cash and Investments that are not restricted. The semi-annual debt service payments reported in the September Balance Sheet are not reflected in this cash flow report, as they were reported as disbursements at the time the Agency made a fund transfer to the bond's trustees.

Major capital project cash expenditures include \$1.7 million for the acquisition of 331 Terraine Street and 255 Bassett Street from CalTrans to complete the assembly of the North San Pedro Housing Project site; and \$500,000 paid to the Housing Trust of Santa Clara County for the Agency's contribution toward The First-Time Homebuyer Assistance Program.

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)

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	\$ 30,627	\$ 187,227	\$ 183,422	\$ 175,522	\$ 166,199	\$ 157,568	\$ 147,656	\$ 142,274	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,145	49,265	20,534	-	16,145	49,247	0	20,484	171,820
Supplemental Assessments	297	481	53	6	157	220	347	49	11	75	184	120	2,000
Interest Income	7	482	28	139	131	425	418	403	386	370	351	341	3,480
Bond Issue					219,000								219,000
Grant			127	700									827
Block 8 (Sale of Land)												13,960	13,960
Brandenburg- North San Pedro (Sale of Land)	-										7,730		7,730
Blake Hunt Venture Parcel I - Story & King						1,400							1,400
Imwalle- Sale of SW Corner of Story & King							1,600						1,600
Historic First Church of Chrst Scientist Building Sale						1,350							1,350
Profit & Revenue Sharing with Developers	190					100			50		25	500	865
101 San Fernando Refinance		550											550
Other	359	2,559	227	304	446	855	843	865	819	825	819	819	9,740
Total Cash Receipts	852	4,072	435	1,149	235,879	53,616	23,742	1,317	17,410	50,517	9,109	36,224	434,322
Cash Payments - Uses													
Capital Project Expenditures	8,121	4,402	4,774	3,209	3,209	3,872	8,323	3,209	5,860	6,523	7,186	15,137	73,823
Capital Direct Operating Costs	563	856	570	353	353	437	776	353	691	776	861	1,875	8,463
Capital Indirect Operating Costs	355	510	382	225	225	279	494	225	440	494	548	1,193	5,369
General Operating Costs	805	197	999	647	647	647	647	647	647	647	647	647	7,822
Transfer To Housing - 20% Tax Increment	-	96	11	-	3,260	9,897	4,176	10	3,231	9,864	37	4,192	34,774
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	13,041	39,588	16,705	39	12,924	39,458	148	16,767	138,671
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 108 Loan Interest/ Principal Payment	740			489			489			489			2,207
AB 1290 Pass-Through	-	-	-	-	-	-	-	424	-	-	-	-	424
Letters of Credit/ Fiscal Agent Fees	24	-	310	139	-	-	33	190	-	309	65	70	1,140
Arena Pass-Through												325	325
County Delegated (20% of Net Bond proceeds)	59				39,918								39,977
County Settlement	7,500												7,500
County Pass-through					16,379								16,379
County Administration Fee										1,870			1,870
Convention Center Bonds	-	10,121	-	-	-	-	-	3,861	-	-	-	-	13,982
Total Cash Payments	22,697	17,863	7,045	5,062	79,279	57,420	31,642	10,640	26,042	60,429	14,491	40,206	372,815
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(3,913)	156,600	(3,804)	(7,900)	(9,323)	(8,631)	(9,912)	(5,381)	(3,982)	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 30,627	\$ 187,227	\$ 183,422	\$ 175,522	\$ 166,199	\$ 157,568	\$ 147,656	\$ 142,274	\$ 138,292	

REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE

Cash Flow Projections for Fiscal Year 2007-2008

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

	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
CASH AND INVESTMENTS:													
Beginning Balance	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 31,027	\$ 187,928	\$ 184,024	\$ 176,025	\$ 166,604	\$ 157,873	\$ 148,361	\$ 142,881	
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,145	49,265	20,534	-	16,145	49,247	0	20,484	171,820
Supplemental Assessments	297	481	53	6	157	220	347	49	11	75	184	120	2,000
Interest Income	7	482	28	139	132	426	419	404	386	370	352	342	3,488
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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
101 San Fernando Refinance		550										550	550
Other	359	2,559	227	704	746	755	743	765	719	725	719	719	9,740
Total Cash Receipts	852	4,072	435	1,549	236,179	53,517	23,643	1,218	17,311	50,917	9,011	36,125	434,830
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Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 31,027	\$ 187,928	\$ 184,024	\$ 176,025	\$ 166,604	\$ 157,873	\$ 148,361	\$ 142,881	\$ 138,800	