

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: DECEMBER 6, 2007

SUBJECT: CASH FLOW PROJECTION – OCTOBER 2007

RECOMMENDATION

Accept the Cash Flow Projection for October 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 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 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

OCTOBER 2007 ACTIVITY

The Agency's cash balance decreased by a net amount of \$5.5 million in October 2007, ending the month at \$29.1 million.

Cash receipts include \$980,000 in interest income; \$500,000 in revenue distribution from the Fairmont Hotel; \$243,000 loan repayment from Jacek and Ann Rosicki for loan made under the Retail, Entertainment and Arts Loan Assistance Program; \$375,000 in miscellaneous income; and \$74,000 in supplemental assessments.

Cash disbursements include \$5.4 million for capital project expenditures; \$941,000 for capital direct and indirect operating costs; \$734,000 in general operating costs; \$489,000 for interest payment on Department of Housing and Urban Development Loans (HUD 108); \$31,000 in Letter of Credit/ Fiscal Agent fees; and \$15,000 for the 20% housing set-aside fund.

Major capital project cash expenditures include \$1.7 million payment to Cousins San Jose Market Center, LLC for the Owner Participation Agreement to bring a grocery store to the San Jose MarketCenter shopping center; \$779,000 transferred to the City for the Keyes Street/ Greater Gardner Pedestrian Streetlight Project; and \$500,000 transferred to the City for the Roosevelt Skate Park.

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

DRAFT

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	\$ 29,083	\$ 184,837	\$ 180,370	\$ 172,506	\$ 163,219	\$ 154,623	\$ 144,742	\$ 139,397	
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	74	228	201	328	30	3	56	151	98	2,000
Interest Income	7	482	28	980	128	420	412	397	380	364	346	336	4,281
Bond Issue (Net)					200,000								200,000
2003 Bond Reserved Withdrawal					12,055								12,055
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 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
Profit & Revenue Sharing with Developers	190			500		100			50		25	500	1,365
New Century Commons Note Payoff					1,994								1,994
101 San Fernando Refinance		550											550
Other	359	2,559	227	618	1,219	563	551	573	527	528	527	527	8,778
Total Cash Receipts	852	4,072	435	2,172	233,169	52,600	23,425	1,000	17,105	50,195	8,779	35,904	429,710
Cash Payments - Uses													
Capital Project Expenditures	8,121	4,402	4,774	5,418	2,932	3,595	8,046	2,932	5,583	6,246	6,909	14,860	73,816
Capital Direct Operating Costs	563	856	570	542	329	414	752	329	668	752	837	1,851	8,463
Capital Indirect Operating Costs	355	510	382	399	204	257	472	204	418	472	527	1,171	5,369
General Operating Costs	805	197	999	734	636	636	636	636	636	636	636	635	7,821
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,275	9,893	4,172	6	3,230	9,861	30	4,187	34,776
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	13,098	39,573	16,690	24	12,918	39,443	121	16,750	138,617
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	31	-	-	33	190	-	309	65	70	1,031
Arena Pass-Through												325	325
County Delegated (20% of Net Bond proceeds)	59				40,000								40,059
County Settlement	7,500												7,500
County Pass-through					14,695								14,695
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	7,629	77,415	57,068	31,290	10,287	25,700	60,077	14,124	39,849	371,043
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(5,457)	155,754	(4,467)	(7,864)	(9,287)	(8,595)	(9,881)	(5,345)	(3,945)	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 184,837	\$ 180,370	\$ 172,506	\$ 163,219	\$ 154,623	\$ 144,742	\$ 139,397	\$ 135,452	