

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 14, 2008

SUBJECT: CASH FLOW PROJECTION – JUNE 2008

RECOMMENDATION

Accept the Cash Flow Projection for June 2008.

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

JUNE 2008 ACTIVITY

The Agency's cash balance increased by a net amount of \$8.8 million in June 2008, ending the month at \$156.6 million.

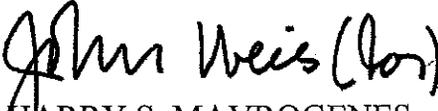
Cash receipts include \$23.3 million returned from bond trustee; \$22.2 million in tax increment and supplemental assessments; \$697,000 in miscellaneous income which includes \$300,000 reimbursement from the City of San Jose for Civic Plaza Land Acquisition; and \$33,000 in interest income.

Cash disbursements include \$17.4 million transferred to fiscal agent for future debt service; \$13.7 million for capital project expenditures; \$4.3 million for the 20% Housing set-aside fund; \$1.0 million for capital direct and indirect operating costs; and \$803,000 in general operating costs.

Major capital project cash expenditures include \$6.0 million for the acquisition of property located at 645 Park Avenue (KNTV); \$1.8 million paid to Berg & Berg Enterprises for reimbursement of leasehold improvement costs related to the BioCenter; \$1.1 million operating costs associated with capital projects for the City Manager's Office- SNI Team; \$500,000 grant paid to the Tech Museum to assist in the construction, staging, and promotion of the Leonardo da Vinci Exhibit; and \$500,000 paid to Nanosolar for assistance in equipment acquisition.

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

Cash and Investment - Unrestricted

(Dollars Expressed in Thousands)

ACTUAL

CASH AND INVESTMENTS:

	Jul-07	Aug-07	Sep-07	Oct-07	Nov-07	Dec-07	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Total
	\$ 76,785	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,281	\$ 159,566	\$ 145,111	\$ 139,001	\$ 151,315	\$ 147,686	
Beginning Balance													
Cash Receipts - Sources													
Tax Increments	-	-	-	-	16,957	51,720	21,232	-	16,957	51,687	-	21,209	179,762
Supplemental Assessments	297	481	53	74	228	550	1,572	15	98	363	1,081	960	5,771
Interest Income	7	482	28	980	357	97	1,090	114	11	1,546	768	33	5,513
Bond Issue (Net)	-	-	-	-	200,000	-	-	-	-	-	-	-	200,000
Return from bond trustee	-	-	-	-	-	-	-	-	-	-	-	-	44,320
Grant	-	-	127	-	-	197	1,000	13	-	13,812	7,231	23,277	1,337
Blake Hunt Venture Parcel 1 - Story & King	-	-	-	-	1,400	-	-	-	-	-	-	-	1,400
Profit & Revenue Sharing with Developers	190	-	-	500	-	4,991	-	-	-	-	-	-	5,681
New Century Commons Note Payoff	-	-	-	-	-	2,000	-	-	-	-	-	-	2,000
101 San Fernando Refinance	-	550	-	-	-	-	-	-	-	-	-	-	550
Other	359	2,559	227	618	1,189	282	511	1,150	933	409	339	697	9,272
Total Cash Receipts	852	4,072	435	2,172	220,131	59,838	25,405	1,292	17,999	67,818	9,419	46,176	453,608

Cash Payments - Uses

Capital Project Expenditures	8,121	4,402	4,774	5,418	3,006	4,045	9,697	5,428	3,200	6,213	3,132	13,710	71,145
Capital Direct Operating Costs	563	856	570	542	532	584	557	855	550	555	657	618	7,439
Capital Indirect Operating Costs	355	510	382	399	380	400	481	482	444	430	430	423	5,115
General Operating Costs	805	197	999	734	748	601	762	748	674	622	499	802	8,192
Transfer To Housing - 20% Tax Increment	-	96	11	15	3,391	10,454	4,561	3	3,411	10,337	216	4,349	36,844
Transfer To Fiscal Agent for Debt Service (Union Bank)	-	-	-	-	14,097	6,965	53,277	-	13,577	34,561	8,096	17,394	147,967
Transfer To Fiscal Agent for Debt Service (US Bank)	4,530	-	-	-	-	2,275	-	-	-	-	-	-	6,805
Convention Center Bonds (US Bank)	-	10,121	-	-	-	-	-	3,841	-	-	-	-	13,962
CSI-4th St. Garage Bonds (Wells Fargo)	-	1,682	-	-	-	-	-	1,682	-	-	-	-	3,363
State of CA - ERAF Loan Repayment	-	-	-	-	2,247	-	-	-	2,247	-	-	-	4,495
HUD 108 Loan Interest/ Principal Payment	740	-	-	489	-	-	448	-	-	274	-	-	1,951
AB 1290 Pass-Through	-	-	-	-	-	-	-	-	-	-	-	-	469
Letters of Credit/ Fiscal Agent Fees	24	-	310	31	4	6	335	15	6	162	18	-	910
Arena Pass-Through	-	-	-	-	341	-	-	-	-	-	-	-	341
County Delegated (20% of Net Bond proceeds)	59	-	-	-	40,000	-	-	-	-	-	-	-	40,059
County Settlement	7,500	-	-	-	-	-	-	-	-	-	-	-	7,500
County Pass-through	-	-	-	-	14,695	-	-	2,694	-	-	-	-	17,389
County Administration Fee	-	-	-	-	-	-	-	-	-	-	-	-	1,883
Total Cash Payments	22,697	17,863	7,045	7,629	79,442	25,329	70,120	15,746	24,109	55,504	13,048	37,296	375,827
Monthly Activity - Net	(21,844)	(13,791)	(6,609)	(5,457)	140,689	34,509	(44,715)	(14,455)	(6,110)	12,314	(3,629)	8,880	
Ending Balance	\$ 54,941	\$ 41,149	\$ 34,540	\$ 29,083	\$ 169,772	\$ 204,281	\$ 159,566	\$ 145,111	\$ 139,001	\$ 151,315	\$ 147,686	\$ 156,566	