



Memorandum

TO: CITY COUNCIL/REDEVELOPMENT AGENCY BOARD **FROM:** Mayor Chuck Reed

SUBJECT: MAYOR'S BUDGET MESSAGE **DATE:** October 15, 2010
FISCAL YEAR 2010-2011
REDEVELOPMENT AGENCY
CAPITAL AND OPERATING BUDGET

Approved: *Chuck Reed* Date: 10/15/10

RECOMMENDATION

That the Redevelopment Agency Board and the City Council jointly approve the proposed Fiscal Year 2010-2011 Redevelopment Agency Capital and Operating Budget and Three-Year Spending Plan, as amended in this Budget Message.

Due to the uncertain nature of these economic times, I am recommending a cautious approach with:

- A phased capital improvement plan;
- A new mid-year budget review in February 2011; and
- Restrictions on the Agency Executive Director's signature authority.

INTRODUCTION

I present my Fiscal Year 2010-2011 Mayor's Redevelopment Agency Capital and Operating Budget Message for consideration by the Redevelopment Agency Board. The Agency is proposing a one-year Capital and Operating Budget and a Three-Year Spending Plan.

The San José Redevelopment Agency has for many decades provided unique and specialized programs. The results are stunning when you study the before and after aerials of the Project Areas. It has also been a fast and responsive government agency, fueling economic growth and supporting our neighborhoods. These are however challenging times for the Agency. It has laid off valuable employees over the past year, and drastically reduced its Capital and Operations Program over the next three years. There's significant debt to be paid back. There's a SERAF loan payment that must be paid. City support services need to be restored. To achieve everything we want will require substantial revenue growth over the next 10 years. We need to work together to solve our problems and respond to the challenges ahead. We need to keep our

sights clearly on the Agency's ability to eliminate blight and influence economic growth to create jobs and increase tax increment.

There are some positive signs in the Silicon Valley economy and real estate market that we must take advantage of now to grow the local economy and reinforce our position as the Capital of Silicon Valley and the world's leading center of innovation. Some signals of modest improvement in the economy, and prospects for recovery are being reported by the local development community, including the fact that:

- Venture Capital investment in the Silicon Valley in Quarter 2, 2010 was \$2.9 billion, up from \$1.57 billion in Quarter 1
- The Silicon Valley unemployment rate is 11.2%, down from 12.4% in January 2010
- Corporate users are more confident and more new tenants are entering the market
- Tenant demand for quality buildings and leasing activity has increased
- Notable R&D lease transactions in San José during the second quarter were Supermicro (166,800sf), Hospira (78,119sf) and Silicon Quest (76,319sf)
- Notable Office lease transactions in San José during the second quarter were Atheros (185,338sf), NTT America (28,930sf), Verifone (25,253sf) and NY Life Insurance (21,915sf)

Nineteen million square feet of a total existing 94 million square feet of R&D, office, industrial and warehouse space currently is available for lease in San José. In the past nine months, our STI program has helped expedite permits for 22 companies including Harmonics, Atheros, Silicon Quest, Spectrum Semiconductors and BD Biosciences. Staff is currently engaged in facilitating the permit process of several other companies like Samsung, F5 Networks and TriQuint Semiconductors. Landing more of these kinds of expansion projects in San José would be most impactful.

REDEVELOPMENT AGENCY OVERVIEW

The Redevelopment Agency's investments over time have significantly improved the lives of our residents and the environment in which our businesses and corporations operate in San José.

The Agency's Historic Capital Cost Report as of June 30, 2010 shows us that the Agency has invested a total of just over \$3.1 billion in the past three decades. A breakdown by category of expenditures shows that the Agency has pursued a comprehensive program to revitalize our Downtown, neighborhoods and industrial areas. A few of the expenditures by category are highlighted below and give us an overview of the Agency's past priorities.

Category of Expenditure	Total Amount Expended
20% Housing Program	\$606,589,242
80% Housing Program	\$286,343,924
Neighborhood District Program	\$310,436,884
SNI Area	\$103,507,273
Story/King: Tropicana	\$53,109,173
Mexican Heritage Plaza	\$37,730,837

Youth Center/Biblioteca	\$16,319,066
Streetscapes	\$21,082,826
Miraido	\$13,090,126
Façade Improvement Program	\$11,188,062
Pala Youth Center	\$ 6,867,214
East San José Branch Library	\$ 3,100,000
Industrial Improvements	\$190,698,242
Convention Center	\$172,827,225
Convention Center Phase I	\$ 17,119,092
Joint Library	\$155,000,695
Arena	\$140,674,298
Theaters	\$136,815,651
Parking Facilities	\$125,535,495
Highways (Routes 85 and 87)	\$111,678,967
Hotels	\$109,190,567
Guadalupe River Park	\$ 89,676,827
Sidewalks and Streetscapes (Downtown & NBDs)	\$ 88,789,576
Museums	\$ 85,211,066
Downtown Office Development	\$ 73,340,364
Historic Preservation	\$ 39,836,167
Retail	\$ 52,784,819
Storefront Improvements (Downtown)	\$ 8,632,029
City Infrastructure	\$ 72,004,369
Parks	\$ 15,824,780
Public Art	\$ 12,564,448
Miscellaneous Public Improvements	\$109,461,866
City Improvements/B.E.S.T. Program	\$ 53,822,554
Civic Plaza	\$ 75,555,161

This table clearly shows that our investments over the past thirty years have been heavily weighted towards supplying a quality housing stock, strengthening our neighborhoods, and on positioning Downtown as an urban cultural and entertainment center. In addition to its capital program expenditures, since 2000-2001 the Agency has also made payments to the City for services provided and debt service obligations in the amount of \$278 million. Furthermore, approximately \$291 million was paid to the County for pass-through, delegated payments, settlement agreements, and administrative fees.

An analysis of tax increment growth by Project Area also provides us with an important data set. As you know, tax increment is generated only in 16 of the 21 Project Areas. A study of the tax increment growth in three time periods and the total as of June 2010 is provided below. The table below highlights the tax increments generated in each Project Area.

Project Area	FY 77-78	FY 97-98	FY 09-10	Total as of 6/10
Edenvale	6,172,162	13,655,449	23,642,816	445,733,460
Rincon	2,596,160	67,189,425	140,100,298	2,139,190,150
Olinder	312,172	1,496,438	2,458,427	38,949,898
Monterey Corridor		2,677	2,556,191	21,677,079
Julian-Stockton		2,900,371	7,245,022	81,223,332
Downtown	1,086,026	8,495,150	26,406,606	303,539,970
Total	10,146,520	93,739,510	202,409,360	3,030,313,894

According to this table it is apparent that almost 90% of tax increment is generated by the five industrial areas. Reinvesting and focusing our efforts on strengthening these industrial areas and other revenue and job generating areas is of vital importance in the years ahead. While the Agency's role has revolved around the elimination of physical and economic blight, the Project Areas have also generated significant value to the City's General Fund and house approximately 28% of city-wide jobs, or a total of 114,000 jobs in the industrial areas, downtown, and neighborhood business districts/clusters.

I have called for prioritizing our actions around projects and programs that influence and positively impact the City's General Fund and the Agency's ability to generate tax increment. The Economic Strategy approved earlier this year prioritizes the focus of staff efforts on generating jobs and the retention and attraction of driving industry companies. Every new driving industry job can generate between 3-8 indirect jobs. Focusing on tax revenue and job-generating development activities in our industrial areas, downtown, neighborhood business districts, and clusters must continue to be our highest priority. Some examples of incentives given to driving industry corporations to locate in San José were \$39.8 million to Adobe Systems and \$6 million towards mitigating traffic impacts of the Cisco Zanker Road campus. These companies have of course over time grown to be on our list of Top 10 Largest Employers and Top 10 Tax Increment Generators. Dollars spent wisely on job and revenue generating private development projects could in time result in more funds being directed towards affordable housing, infrastructure, renovation of the Convention Center, and other important activities that support the needs of our neighborhoods.

The Agency budget proposes investing approximately \$14 million towards attracting and retaining small businesses and large corporations, and for purposes of land banking for a baseball stadium or a mixed use development in the Diridon Area. In the wake of this great recession, deep economic uncertainty, and fiscal crisis, I believe it is necessary to reshape our commitments and establish the way forward for the Agency. We have to focus on a new growth model in a way that lasting value is achieved. The priority has to be projects that generate the highest returns to the Agency and City. For example, a privately built and operated baseball stadium will transform under-utilized parcels adjacent to the Downtown area and generate millions of dollars of revenue every year for the City and Agency. It is estimated that both the City and Agency could each receive \$1.6 million in new revenues annually and Santa Clara County stands to gain over \$940,000 annually in economic benefits of an operating ballpark.

OTHER CHALLENGES WE FACE

Tax Increment Projections

It is hard to accurately predict the future especially when it comes to the generation of future tax increment. The Agency's tax increment revenue for Fiscal Year 2010-2011 declined by approximately \$16 million or 7.89% to \$184 million from \$200 million received in the prior fiscal year.

For year 2 the Agency's consultant Spectrum Economics projects a decline of .6%, however, the Agency Executive Director is recommending we plan for a 2% decline in year 2. In year 3, the Agency Executive Director anticipates private development projects coming online and market conditions improving, and recommends planning for a 3.4% increase. Nonetheless, we must proceed cautiously and make adjustments as necessary when warranted. I recommend a phased Capital Improvement Program and a mid-year review in February 2011 to assess the Agency's status and projections and make adjustments as necessary. The details of the phased Capital Improvement Program and the mid-year check-in are outlined later in this Budget Message.

For the benefit of Agency Board discussion, I have requested the Agency Executive Director to estimate tax increment growth for Fiscal Year 2013-2014 (year 4) and Fiscal Year 2014-2015 (year 5) in order to meet all of the Agency's obligations with no capital or operation expenditures and only limited land sales. See Attachment B.

JP Morgan Letter of Credit

Approximately five percent of the Agency's debt portfolio is variable rate bonds. These bonds provide the lowest cost debt financing available to the Agency first issued in 1996 and are scheduled to mature in 2033; the current balance is \$96 million. The bond agencies require that the Redevelopment Agency have a letter of credit by a reputable bank. Since inception, JP Morgan has provided the letter of credit. Since the onset of the global financial crisis in 2008, JP Morgan and other banks have restricted credit and increased their fees.

Despite a quadrupling of the letter of credit fees and limiting the term of their letter of credit to one year, the bonds continue to enjoy all-in costs of less than two percent. However, JP Morgan's term sheet this year includes a required liquidity reserve from real estate sale proceeds, which is equal to one year's annual debt service or approximately \$5 million. I direct the Agency Executive Director to make the attached amendments to the 2010-2011 Capital and Operating Budget and Three-Year Spending Plan to meet the JP Morgan requirements (Attachment A - Balance Sheet) and return to the Board with a Revised Merged Area Source and Use of Funds Summary before the November 2 adoption of the Agency's Capital Budget.

County Pass-Through Payments/SNI Tax Increment

The County has for years been receiving millions of funds from the Redevelopment Agency in pass-through and other payments. One of our obligations is to the County. However, payments to the County are subordinate to other obligations. Given the Redevelopment Agency's

challenges and other obligations, the County will not be receiving pass-through payments in the near future and the Agency budget reflects this.

However, we are hopeful that the County may be willing to consider an agreement to receive tax increment from the SNI areas. This has the potential of generating millions of additional revenue to the Agency and the County. The Agency Executive Director is directed to continue negotiations with the County on the development of this initiative. We also need to be prepared to pay \$500,000 per year to the County if no agreement can be reached on the SNI areas. Before an agreement is made to receive tax increment from the SNI areas, we will have a discussion on potential General Fund impacts.

State of California – Redevelopment Agency Raid and the California Redevelopment Association (CRA) Lawsuit

In May 2010, the State raided our Redevelopment Agency of \$62 million to balance the State's budget. The State is expected to take an additional \$12.8 million in May 2011. If the Redevelopment Agency does not make the payment, it faces a "death penalty" which will result in the Agency suspending all operations and paying existing obligations instead. This may possibly include funding for affordable housing and other capital projects.

In response to this raid, the California Redevelopment Association has filed a lawsuit to challenge the State's budget actions. A superior court judge in May upheld the State's right to these redevelopment funds. The CRA is appealing this decision and we hope to have a ruling on this appeal before the second payment is due to the State.

The City Manager is directed to review and recommend the appropriate funding sources for the \$13 million loan to the Agency to make the payment in May 2011.

Monitoring of the Agency Financial Situation

As seen in the attached five-year source and use statement, the liabilities of the Agency currently surpass the revenues of the Agency in each year of the budget. This is due to the highly leveraged debt and reduction of assessed values in the redevelopment areas. The use of fund balance and the selling of Agency assets to sustain operations should be a temporary practice until the economy recovers. We must continue to be cautious in our spending.

There is a real possibility that tax increment generated in the redevelopment areas could be lower than currently projected. We are aware that for every 1% drop in tax increment, Agency funding could go down by approximately \$1.5 million.

For these reasons, the Agency Executive Director is directed to:

- Update the Agency Board monthly on the fiscal condition of the Agency;
- Report to the Agency Board on the status of all projections, assumptions, and uncertainties at a mid-year budget review in February 2011; and
- Discuss issues of concern to the City with the City Manager on a regular basis and bring to the Council's attention as appropriate.

The purpose of the monthly updates is to ensure that the Board remains up to date on the financial health of the Agency. At mid-year, if needed, the Board could require the Agency Executive Director to further contract the capital program, operating expenditures or both if the financial condition of the Agency warrants this response.

Phased Capital Improvement Program

The challenges facing the Agency have been mentioned previously in this Budget Message and we should remain cognizant of the fluidity in the tax increment projections. Until the Agency's mid-year budget review in February 2011, I recommend limiting the Executive Director's spending authority on new capital items to no more than \$50,000 per project unless approved by the Agency Board for projects that generate tax increment, General Fund revenues, and jobs. For items previously appropriated, the Executive Director's approval authority will remain at \$250,000.

The Agency Executive Director shall also:

- Provide a list of projects that may require the expenditure of funds prior to the mid-year budget review on/or before October 26, 2010.
- Explore opportunities to renegotiate any contracts above and beyond the \$5 million in encumbrance savings the Agency was able to generate last year.

INVESTMENTS

1. **ACE Charter School:** The construction of ACE Charter School is a Mayfair SNI NAC top ten priority project. I recommend advancing \$950,000 currently allocated in year three to year one of the Agency's Capital Budget. The Agency may start negotiations for contract with ACE Charter School for this purpose. I recommend that no Agency funds be allowed to be spent until Redevelopment Agency Board Approval and until such time as ACE Charter School secures the remaining financing of approximately \$4.3 million to complete the project. In the event there is a material change to the Agency's fiscal situation, the Agency Board shall make its best determination on how to proceed with this project.
2. **ChooseSanJose:** The Mayor's Public Information Office is leading a multi-departmental initiative to develop ChooseSanJose – an outreach effort that highlights the competitive advantages of doing business in San José. The ChooseSanJose website is expected to be launched in late October 2010. The Agency Executive Director is directed to assist the Mayor's PIO to develop a 6-month outreach campaign to position the Special Tenant Improvement Program and our commitment to expediting the permit process for driving industry companies that grow and relocate in North San José, Edenvale and Downtown. This campaign may include radio, online advertising, and should leverage existing resources such as the free advertisements available at public facilities such as the airport.

3. **Foreign Trade Zones:** The City Manager and Agency Executive Director are directed to develop a work scope regarding the establishment of Foreign Trade Zones in North San José and Edenvale as appropriate, and to return to the Council/Board in January 2011 with a plan and recommendations for implementation.
4. **Civic Auditorium:** The Agency Executive Director is directed to return to the Agency Board for approval to facilitate the full completion of the Civic Auditorium to make it a state of the art performing and entertainment venue. Upgrades to the concession program, and the creation of three new concession areas is required to complete the project.

AGENCY OBLIGATIONS AND REIMBURSED CITY SERVICES

Over the past decade, the Redevelopment Agency has transferred over \$112 million to the City of San José in funding for the Mayor and the Board, City support services, overhead, and rent. All of this funding goes into the General Fund and if analyzed in greater detail, the Agency has reimbursed the City for three different types of expenses.

The first area of reimbursement is for nondiscretionary expenses, such as rent at City Hall. The second area of reimbursement is for a direct service to the Agency itself. For example, the Agency reimburses the City for General Counsel staffing. The General Counsel of the Redevelopment Agency is concurrent members of the City Attorney's Office. Another example would be the civil service administration positions of the Agency, like the Agency Executive Director. In both examples, without the strategic support service provided, the Agency would not be able to function.

For these two types of services, the Agency Executive Director and the City Manager are directed to work with my office to determine the appropriate amount of unavoidable expenses and General Fund reimbursed direct service for the 2011-2012 Fiscal Year.

Finally, the third area of reimbursement is for services that benefit the City of San José and have significant impact on redevelopment areas. For example, the Agency has picked up the cost of City of San José Code Enforcement Inspectors in redevelopment areas.

In previous years, when tax increment in redevelopment areas averaged 8-9% growth, the Agency had the capacity to fund these types of City services. Now, due to the current state of the economy, the Agency can no longer fund additional City services.

As part of the 2011-2012 budget process, the City Manager and Agency Executive Director shall work with my office to reassess the appropriate funding level for all discretionary programs previously reimbursed by the Agency. If possible, the City Manager should include corresponding General Fund expenditure reductions in the Proposed Budget to avoid increasing the General Fund shortfall forecasted for 2011-2012.

There were also three Budget Documents related to evaluating the consolidation of Agency and City functions such as Human Resources, Finance, Communications, Clerk, Economic Development and Housing. All of these proposals merit analysis and should be evaluated by the

Executive Director, the City Manager, and a representative of my office and brought back to the City Council for review and consideration early in the next budget process. Consolidations that increase costs and/or results in a loss of efficiency for services provided to residents should be avoided. The focus must be on saving money.

San José B.E.S.T.

San José B.E.S.T. (Bringing Everyone's Strengths Together) is a research based funding process which manages resources to qualified service providers that provide programs that target gang impacted youth and their families. The B.E.S.T. Program aims at supporting services that develop skills and competencies resulting in a healthy and thriving youth and family life. The B.E.S.T. Program provides funding for city-provided direct intervention services to targeted participants through the SSCI (Safe Schools Campus Initiative) and Clean Slate Programs, as well as provides funding to various community-based organizations that provide direct intervention services. The services B.E.S.T offers are vital to helping keep at-risk youth engaged in a productive life. The City Manager is directed to identify funding and service level recommendations for this program as part of the 2011-2012 Fiscal Year budget process.

Strong Neighborhoods Initiative (SNI)

The Strong Neighborhoods Initiative has become a national model for how cities and redevelopment agencies can partner with residents to improve the quality of life in neighborhoods. In September 2010, the Agency gave a progress report on the five-year SNI Implementation Plan. The report explained a number of the successes, which included rehabilitations, acquisitions, and public improvement projects where neighborhoods are preserving and reclaiming their historic beauty through housing rehabilitation programs and façade improvements. The projects totaled \$35 million in expended Redevelopment funds from July 2007 through December 2009. The report also explained some major changes that have been implemented due to the current economic recession. Two of the changes included:

- \$30 million in Redevelopment funds budgeted for Strong Neighborhoods being moved out to future years, leaving \$1.4 million in new capital funding this fiscal year.
- Redevelopment and City funding for City services supporting Strong Neighborhoods, including organizers, code enforcement, housing rehabilitation, and traffic calming being significantly reduced.

In addition, the Strong Neighborhoods Business Plan has been updated to include and focus on these four key goals:

- Removing Barriers to neighborhood action across the City
- Stabilizing neighborhoods in crisis
- Mobilizing neighborhood action city-wide
- Connecting resources to priorities

The City Manager is directed to identify funding and service level recommendations for this program as part of the 2011-2012 Fiscal Year budget process.

City Attorney's Office

The Redevelopment Agency General Counsel is a part of the City Attorney's Office. Annually, the Agency pays the City an agreed upon staffing level for General Counsel. Due to the budget shortfall and reduced capital program, the Agency believes it needs less staffing and service from the City Attorney's Office.

In June of 2010, the Agency Executive Director and the City Attorney reached an agreement on transition costs to keep General Counsel funding whole for an additional three months. Now, a new agreement has been reached to reduce the General Counsel staffing level by the same percentage as the staffing reductions previously enacted at the Agency.

In response to the reduced Agency payment for service, the City Attorney has requested certain current vacant positions remain one-time and not ongoing actions. I agree but this cost-saving strategy should be reevaluated during next year's budget process with the Mayor's Office. Furthermore, the City Attorney cannot have the General Fund pick up the cost of any services provided to and previously reimbursed by the Agency.

CONCLUSION

In September 2010, I hosted fifteen local developers and brokers for a "reality check" of Silicon Valley real estate trends. Shortly thereafter, the City Manager, Executive Director, and City Attorney, in conjunction with the Mayor's Office, assembled the Job and Revenue Generation Team comprising of staff from the Agency, the City's Office of Economic Development, Public Works, Planning, Building and Code Enforcement, Housing, and Transportation, to actively engage with several self-financed local and national developers who are eager to break ground on new private development projects.

Over a billion dollars could be invested in San José by these developers. This could significantly and positively impact tax increment revenue generation for the Agency. Moreover, the commencement of all of these projects will create much needed jobs for our local contractors, sub-contractors, and residents. This kind of collaboration between the Agency and City departments are applauded and will continue to add value to our economic development efforts in the future.

The three decade long Agency investment program has undoubtedly raised the status of San José as a leading American city. I am urging my fellow Council colleagues to continue to give the Agency direction to focus on projects and programs that spur jobs, increase tax revenues, and induce economic growth.

COORDINATION

This memorandum was coordinated with the Agency Executive Director, City Manager, and City Attorney/General Counsel.

2010-2011 Balance Sheet

Additions	Source of Funds	
Line of Credit Liquidity Reserve	AB1290 Payment Adjustment	\$2,000,000
County Agreement	Land Banking for Future Development	\$474,000
	Hoffman Via Monte	\$400,000
	NBD - Façade Improvements	\$400,000
	Misc Public Improvements	\$325,000
	Real Estate and Relocation Services	\$225,000
	Block 8 - Fairmont Annex Retail Improvements	\$200,000
	Emerging Technologies Fund	\$200,000
	Façade Improvement Program	\$200,000
	Job Creation Fund	\$165,000
	Edenvale Emerging Technologies Fund	\$164,000
	Small Business Development Chambers	\$125,000
	BioCenter: Equipment Acquisitions and Tenant Improvements	\$100,000
	Industrial Work Program Implementation	\$100,000
	Retail Strategy	\$100,000
	NBD Program Operations	\$70,000
	1st Act Programs	\$50,000
	Litigation Services/Reserves	\$50,000
	Public Education and Outreach	\$50,000
	SNI - Outreach and Training	\$50,000
	Assessor	\$32,000
	West Evergreen	\$20,000
Total Additions	Total Sources	\$5,500,000

Total Additions **\$5,500,000**

ACE Charter School **\$950,000 (Moved from Year 3 to Year 1)**

\$5,500,000

THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE
ESTIMATE OF TI GROWTH REQUIRED IN FY2013-14 AND FY2014-15 IN ORDER TO MEET ALL OBLIGATIONS
(with No Capital and Operating Expenditures and Limited Land Sale)

		Year 4	Year 5
		FY 2013-14	FY 2014-15
SOURCE OF FUNDS			
1	TI Growth Rate	4.50%	7.00%
2	Beginning Fund Balance	\$ 1,429,840	6,071,759
3	Tax Increment	195,188,495	208,851,690
4	Supplemental Assessments	3,000,000	3,000,000
5	Bond Proceeds	0	60,000,000
6	SERAF Loan from City	0	0
7	Trust Account Interest	597,104	613,090
8	Redevelopment Fund Interest	1,161,629	2,706,241
9	City Parking Revenue Fund Reimbursement	0	0
10	Other/Miscellaneous	16,278,969	19,291,007
11			
12	TOTAL SOURCE OF FUNDS	\$ 217,656,038	300,533,786
13			
14	USE OF FUNDS		
15			
16	Financing/Other Costs:		
17	Tax Alloca., Var. Bond; HUD Debt Service	\$ 139,698,500	143,803,882
18	City SERAF Loan Repayment	0	72,888,200
19	Parking Fund Loan Payment	0	6,800,000
20	ERAF Loan Payment	4,487,744	4,490,412
21	20% Housing Set Aside	39,637,699	42,370,338
22	ERAF Payment	0	0
23	AB1290 Pass-Through Payments	3,303,722	3,534,983
24	Downtown Housing Reserve	0	0
25	4th St. Parking Garage Bond - Debt Service	3,400,000	3,400,000
26	Convention Center Bond Debt Service	15,324,250	15,304,000
27	Total Financing/Other Costs:	\$ 205,851,915	292,591,815
28			
29	Capital Expenditures:		
30	Strengthen Neighborhoods	\$ 0	0
31	Strong Neighborhoods Initiative	0	0
32	Develop, Preserve Housing	0	0
33	Build Public Facilities	0	0
34	Economic Development	0	0
35	Total Capital Expenditures	\$ 0	0

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ESTIMATE OF TI GROWTH REQUIRED IN FY2013-14 AND FY2014-15 IN ORDER TO MEET ALL OBLIGATIONS
(with No Capital and Operating Expenditures and Limited Land Sale)

	Year 4	Year 5
	FY 2013-14	FY 2014-15
36	USE OF FUNDS	
37	Operating Expenditures	
38	\$	0
39	0	0
40	0	0
41	0	0
42	\$	0
43	Obligated Payments:	
44	\$	435,177
45	1,988,000	1,903,100
46	355,000	355,000
47	0	0
48	2,464,187	2,587,396
49	0	0
50	0	0
51	500,000	500,000
52	\$	5,780,673
53		
54	\$	298,372,488
55		
56		
57	\$	2,161,299