



Southeastern
Economic
Development
Corporation

Memorandum

Date Issued: June 8, 2005 Report No. 05-008

Meeting of: June 14, 2005

To: Honorable Mayor and Members of the City Council
Chair and Members of the Redevelopment Agency

From: Carolyn Y. Smith, President

Subject: Approval of the Corporation's Proposed Fiscal Year 2005-06 Budget

Reference: None

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SUMMARY

Staff Recommendation – That the City Council of the City of San Diego (City Council) and Redevelopment Agency of the City of San Diego (Agency) approves the Southeastern Economic Development Corporation's (SEDC) Fiscal Year 2005-2006 budget (FY 05-06) in the amount of \$23,949,000.

Other Recommendations – At its meeting of May 25, 2005, the SEDC Board of Directors voted to recommend to the City Council and Agency approval of the SEDC FY05-06 budget.

Fiscal Impact – The adoption of SEDC's FY 05-06 budget will enable the Corporation to continue to implement the redevelopment activities within the SEDC Area of Influence.

BACKGROUND

Attached for your review and approval is SEDC's proposed budget for FY 05-06. The budget is comprised of 6 components: Administration, Capital Projects, Low and Moderate Income Housing, Economic Development, Long Term Debt and Continuing Appropriations.

DISCUSSION

The City of San Diego and the Redevelopment Agency of the City of San Diego are two separate and distinct entities. SEDC is a non-profit public benefit corporation responsible for the redevelopment of

southeastern San Diego. While our sources of revenue are separate from the City, the San Diego City Council sitting as the Redevelopment Agency is required to approve SEDC's budget.

1. ADMINISTRATIVE BUDGET

SEDC maintains 14 staff positions. The position of Manager of Projects and Development is budgeted but not funded. It is our staff who, with the assistance of various consultants, has produced the community enhancing projects enjoyed by southeastern residents. The net result of the development activity is an increase in our overall tax increment by 427% since 1994.

The FY 05-06 Administrative Budget represents 8% of the total budget of \$23.9 million. It should be noted that SEDC has maintained an administrative budget below 10% for the past eleven years. This year we have a net increase of 6.5% or \$119,300 in the FY05 administrative budget. The following is an explanation of the significant increases:

Personnel Expenses - The change in salaries and benefits is \$100,000 or 8.1%. This increase is within the limits established by the City. The specific breakdown is: \$39,600 (3.2%) for salaries and wages; \$27,000 (2.2%) in medical and other benefits and \$33,400 (2.7%) reserve for payments in lieu of vacation.

The in-lieu payments are authorized in SEDC's personnel policy that: (1) allows the accrual of no more than 300 hours of vacation annually; and (2) allows an employee to receive payment for accrued annual leave vacation hours under specific circumstances.

Non-Personnel Expenses - The net increase of \$22, 300 or 4.5% in Overhead Expenses is due primarily to increases in the following line items:

Photography & Blueprint - The increase of \$1,700 or 51.5% is the result of a one-time only printing of brochures which assist with community outreach and neighborhood enrichment, and first-time homebuyer workshops. It should be noted that from year to year cost in this category will fluctuate depending on the level and kind of activity being undertaken by the corporation

Travel - The increase of \$6,000 or 38.7% reflects additional travel related to staff training and development. The corporation provides training opportunities for all of its employees. It is not unusual given the regional nature (i.e., redevelopment related topics) of the training that staff members are required to travel.

Repair/Maint., Bldg & Equip. -- The increase of \$2,300 or 42.6% is a one-time expense.

Janitorial Services -- The increase of \$8,000, or 145.5%, is the result of changes in our suite maintenance. Initially, we attempted to utilize the company that is responsible for maintaining the balance of the building. We determined that we were not receiving the level of service required to maintain our office at the standard we require so. We elected to bid for new services and ultimately secured a maintenance company independent of the building's company.

Equip/Comp/Furniture Purchases - The increase of \$11,800 or 76.6% is the new fee schedule charged by San Diego Data Processing Corporation for installation and access to shared municipal information network.

2. CAPITAL PROJECT BUDGET

The Capital Project Budget for FY 05-06 is \$14.6 million. Expenditures in this category include Administration charges by the City of San Diego and general liability insurance of \$253,220. The capital project appropriations will be utilized to continue the implementation of specific projects and programs.

In FY 05-06 SEDC will continue to fund a full-time City Code Enforcement Officer who works exclusively within the SEDC Area of Influence. There has been significant progress made resolving minor cases and educating southeastern residents about the code enforcement process and the value of voluntary compliance.

3. LOW AND MODERATE INCOME HOUSING

SEDC has established a significant track record in the area of affordable housing. In FY 04-05, we completed Phase II of Southcrest Park Estates. The 62 single-family homes sold for less than \$300,000 in 2004. This price represented the lowest priced single-family detached housing in the county.

In 2003, the City approved the Inclusionary Housing Ordinance which requires a minimum of 10% affordable housing in all market rate residential development. All of the housing proposed or under construction in SEDC's Area of Influence will provide its affordable housing on site. The Legacy Walk development of 110 condominiums broke ground in February 2005. The developer included inclusionary units on site and has agreed to require the homes be sold to owner occupants.

In FY05-06, SEDC will highlight the Smart Growth strategies that are included in our goal of providing attainable housing. The implementation of the Imperial Avenue Corridor Master Plan, the Market Creek Pilot Village as well as the 6-10 residential projects currently under review are all included in our Smart Growth strategy.

The funds made available through the Agency's established housing collaborative have made it feasible for us to provide housing for individuals who are at 80% or below the area median income. In the past, this has been difficult due to the significant subsidy required.

In FY 05-06, SEDC will continue the First Time Homebuyer Workshops which over the past six years has assisted approximately 1,200 individuals in "How to Buy a Home".

4. ECONOMIC DEVELOPMENT

The economic development activities undertaken by SEDC have focused on assistance to local businesses. In FY 04-05, SEDC revised the Entrepreneur Academy to be more responsive to the business owner and those interested in starting a business. The new curriculum, instructors and funding partners have resulted in a well received, well attended program, with many participants seeking a follow-up program.

SEDC continues to maintain the employment statistics which track the number of southeastern residents being hired in projects that are a result of redevelopment. We are maintaining an average level of employment for southeastern residents employed through these projects of approximately 25-30%.

5. LONG TERM DEBT

The repayment of long-term debt in the form of City loans is as follows:

<u>Appropriations for Long Term Debt</u>	<u>FY 05-06 Total Appropriations</u>
<u>Project Area</u>	
Central Imperial	\$ 546,000
Gateway Center West	274,000
Mount Hope	1,289,000
Southcrest	<u>2,958,000</u>
Total Long Term Debt	<u>\$5,067,000</u>

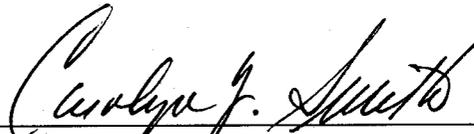
6. CONTINUING APPROPRIATIONS

This category includes land sale proceeds, bond proceeds, CDBG, debt service reserves and other City loans budgeted in FY 04-05 and carried over to FY 05-06 to fund continuing projects and special programs.

CONCLUSION

In FY 05-06, SEDC will work to complete many of the projects identified in the Implementation Plans that have been approved for our adopted redevelopment project areas.

The beginning of a new fiscal year does not signify the end of the housing crisis occurring throughout San Diego County. In response, we will continue our discussions within the community on the importance of providing a variety of housing opportunities. In addition, we will work to increase the financial resources of the corporation, and continue to promote the vibrant community of southeastern San Diego.



Submitted/Approved by
Carolyn Y. Smith
President

CYS:kk
Attachment

**Southeastern Economic Development Corporation
Program Summary by Entity
FY 2006
(In Thousands)**

Program Staffing	14.0
Administration	\$1,962 *
Capital Projects	14,623 **
Low/Mod Housing	2,297
Debt Service/Loan Repayment	5,067
Total	\$23,949

**Includes project management costs of \$90,916*

***Includes City Administration and insurance charges of \$253,220*

SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION
ADMINISTRATIVE BUDGET
FISCAL YEAR 2006

<u>Description</u>	<u>Current FY 2005</u>	<u>FY 2006</u>	<u>Budget Variance</u>	<u>%</u>
<u>SALARIES AND BENEFITS</u>				
Corporation Staff	\$ 990,000	\$ 1,063,000	\$ 73,000	7.4%
Benefits	248,000	275,000	27,000	10.9%
Subtotal Salaries	\$ 1,238,000	\$ 1,338,000	\$ 100,000	8.1%
<u>OVERHEAD</u>				
Office Space	\$ 183,200	\$ 189,000	\$ 5,800	3.2%
Equipment Rental	2,500	-	(2,500)	-100.0%
Equipment Lease	23,300	23,000	(300)	-1.3%
Leasehold Improvements	-	-	-	0.0%
Telephone	15,800	12,000	(3,800)	-24.1%
Utilities	12,000	15,000	3,000	25.0%
Moving expenses	-	-	-	100.0%
Photography & Blueprinting	3,300	5,000	1,700	51.5%
Reproduction	9,500	9,600	100	1.1%
Office Supplies	24,900	18,100	(6,800)	-27.3%
Postage	14,000	15,600	1,600	11.4%
Publications & Subs.	2,700	3,400	700	25.9%
Brochures & Printing	31,600	32,000	400	1.3%
Advertising	27,100	26,100	(1,000)	-3.7%
Business Expense	19,600	24,300	4,700	24.0%
Title & Fees	2,600	2,600	-	0.0%
Travel	15,500	21,500	6,000	38.7%
Membership Dues	5,100	5,400	300	5.9%
Conference, Training & Seminars	11,500	10,100	(1,400)	-12.2%
Tuition Reimbursement	6,900	6,800	(100)	-1.4%
Auto Expenses	5,400	5,400	-	0.0%
Mileage	3,100	3,600	500	16.1%
Parking	2,400	2,300	(100)	-4.2%
Promotions/Special Events	11,800	12,300	500	4.2%
Security	1,100	1,600	500	45.5%
Repair/Maint., Bldg & Equip.	5,400	7,700	2,300	42.6%
Liability Insurance	2,000	2,000	-	0.0%
Janitorial Services	5,500	13,500	8,000	145.5%
Messenger Service	2,900	3,600	700	24.1%
Payroll Processing	2,200	2,200	-	0.0%
Data Processing	24,300	14,000	(10,300)	-42.4%
Equip/Comp/Furniture Purchases	15,400	27,200	11,800	76.6%
Subtotal Overhead	\$ 492,600	\$ 514,900	\$ 22,300	4.5%
<u>CONSULTANTS</u>				
Legal Consultants	\$ 28,100	\$ 34,500	\$ 6,400	22.8%
Financial Consultants/Audits	11,000	11,000	-	0.0%
Other Contractual Serv	67,800	57,000	(10,800)	-15.9%
Director Fees	5,000	6,400	1,400	28.0%
Subtotal Consultants	\$ 111,900	\$ 108,900	\$ (3,000)	-2.7%
TOTAL OVERHEAD/CONSULTANTS	\$ 604,500	\$ 623,800	\$ 19,300	3.2%
TOTAL ADMINISTRATIVE BUDGET	\$ 1,842,500	\$ 1,961,800	\$ 119,300	6.5%

**SOUTHEASTERN ECONOMIC DEVELOPMENT CORPORATION
POSITION AND SALARY SCHEDULE
SUMMARY**

CORPORATION STAFF POSITION	BUDGETED POSITIONS		SALARY RANGE					
	FY 2005	FY 2006	FY 04-05		FY05-06			
President	1.0	1.0	\$130,000	to	\$160,000	\$130,000	to	\$160,000
Vice- President of Operation	1.0	1.0	95,000	to	115,000	95,000	to	115,000
Director of Corporate Communications	1.0	1.0	75,000	to	95,000	75,000	to	95,000
Director of Finance	1.0	1.0	75,000	to	95,000	75,000	to	95,000
Mgr of Projects/Development	1.0	1.0	75,000	to	95,000	75,000	to	95,000
Senior Accountant	1.0	1.0	55,000	to	71,000	55,000	to	71,000
Projects Coordinator	1.0	1.0	49,000	to	60,000	49,000	to	60,000
Executive Assistant	1.0	1.0	42,000	to	57,000	42,000	to	57,000
Assistant Projects Coordinator	1.0	1.0	40,000	to	52,000	42,000	to	52,000
Accounting Technician	1.0	1.0	38,000	to	48,000	38,000	to	48,000
Communications Coordinator	1.0	1.0	35,000	to	42,000	32,000	to	42,000
Administrative Support Coordinator	1.0	1.0	35,000	to	42,000	35,000	to	45,000
Research Coordinator	1.0	1.0	30,000	to	40,000	30,000	to	40,000
Receptionist	1.0	1.0	25,200	to	31,000	26,000	to	32,000
Total Positions	14.0	14.0						

Regular Salaries	\$907,000	\$980,000
Misc. Salaries & Wages	35,000	35,000
Allow. For Overtime/Bonus/Merit	<u>48,000</u>	<u>48,000</u>
Total Salaries & Wages	<u>\$990,000</u>	<u>\$1,063,000</u>

Southeastern Economic Development Corporation
Capital Projects
FY 2006
(In Thousands)

	Contin'g Approp.	FY 2006 Approp.	Proposed FY 2006
Central Imperial			
Central Imperial - General	278	997	1,275
Chollas Creek	2	0	2
Imperial Marketplace (North Creek)	0	460	460
Mt. View Community Center	0	0	0
Jacobs Foundation	0	0	0
Valencia Business Park (Potter Tract)	2,686	(119)	2,567
Subtotal Central Imperial	\$2,966	\$1,338	\$4,304
Dells/Imperial			
Study Area	0	0	0
Subtotal Dells/Imperial	\$0	\$0	\$0
Gateway Center West			
Gateway Center West - General	534	111	645
2.5 Acres - Acquisition & Development	507	28	535
Subtotal Gateway Center West	\$1,041	\$139	\$1,180
Mount Hope			
Mt. Hope - General	5,579	347	5,926
Mt. Hope - Public Imprvmnts - Phase II	0	224	224
Market Street Demonstration	972	12	984
Subtotal Mount Hope	\$6,551	\$583	\$7,134
Southcrest			
Southcrest - General	13	266	279
Linear Park	17	0	17
Alpha St - Res. Phase I & II	1,515	10	1,525
Subtotal Southcrest	\$1,545	\$276	\$1,821
Commercial Rehab./Entrepreneur Academy			
All Areas	171	0	171
Subtotal	\$171	\$0	\$171
Subtotal Capital Projects:	\$12,274	\$2,336	\$14,610
Special Projects			
Bridge Lights	13	0	13
Subtotal Special Projects	\$13	\$0	\$13
Grand Total:	\$12,287	\$2,336	\$14,623

**Southeastern Economic Development Corporation
FY 2006 Low and Moderate
Income Housing Activities
(In Thousands)**

Central Imperial

\$611

Tax increment funds will be set-aside for the purpose of creating and rehabilitating low and moderate income housing. Funding of the home-buyer assistance and housing rehabilitation programs will continue. In addition, the low/moderate housing developments located in the Central Imperial Redevelopment Project Area are eligible for funds made available through the Agency 's Notice of Funding Availability (NOFA) Collaboration. The following are housing projects funded in FY05-06: Lincoln Park Paseo, Hilltop and Euclid, Market Creek and Mar Vista Mixed Use.

Gateway Center West

\$286

Tax increment funds are set aside to create home ownership, rental and/or rehabilitation opportunities for low and moderate income residents.

Mount Hope

\$630

Tax increment funds are set aside for the purpose of creating and rehabilitating low and moderate income housing. As of June 30, 2000, the Redevelopment Agency/SEDC has committed approximately \$2.2 million of the 20% housing set-aside along with funds from the 1995 tax allocation bond to low and moderate housing activities. In FY04-05, included in the continuing appropriation, \$435,000 of the set-aside funds were used for street improvements for Phase II of the Southcrest Park Estates (62 for-sale units).

Southcrest

\$770

Tax increment funds are set aside for the purpose of creating or rehabilitating low and moderate income housing. In the fourth quarter of FY04-05, construction was completed on Phase II of Southcrest Park Estates (62 single-family homes).

Total Low/Mod Housing Activities

\$2,297

Southeastern Economic Development Corporation
Debt Service/Loan Repayment Expenditures
by Project Area
FY 2005 to FY 2006

	Estd Actual FY 2004	Current FY 2005	Budget FY 2006	Remaining Years
Central Imperial	\$2,296	\$611	\$546	\$29,866
Dells Imperial (Study)	0	0	0	0
Gateway Center West	331	272	274	23,851
Mount Hope	1,545	1,796	1,289	25,898
Southcrest	2,128	2,573	2,958	23,261
Total	\$6,300	\$5,252	\$5,067	\$102,876

Southeastern Economic Development Corporation
FY 2006 Expenditures
By Project Area
(Thousand)

	Capital Projects	Low/Mod Housing	Administration SEDC	Debt Service/ Loan Repay	Total
Central Imperial	4,304	611	1,332	546	6,793
Dells Imperial Study	0	0	0	0	0
Gateway Center West	1,180	286	0	274	1,740
Mount Hope	7,134	630	134	1,289	9,187
Southcrest	1,821	770	496	2,958	6,045
Commercial Rehab.	171	0	0	0	171
Bridge Lights	13	0	0	0	13
Total	\$14,623 *	\$2,297	\$1,962 *	\$5,067	\$23,949

** A total of \$253,220 in City Administration and insurance charges is included in the capital projects.
A total of \$90,916 in project management costs is included in SEDC administration*

Southeastern Economic Development Corporation
Gross Tax Increment
by Project Area
FY 2005 - FY 2006
(In Thousands)

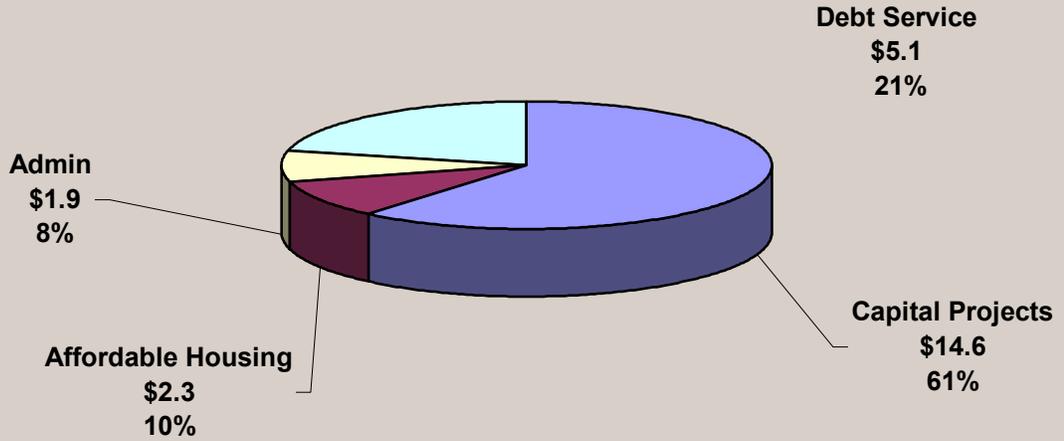
	Actual FY 2004	Current FY 2005	Budget FY 2006
Central Imperial	\$1,164	\$1,016	\$1,736
Gateway Center West	249	247	321
Mount Hope	1,061	1,214	1,109
Southcrest	825	1,077	1,126
Total	\$3,299	\$3,554	\$4,292

Net Tax Increment for Capital Projects
FY 2006
(Thousand)

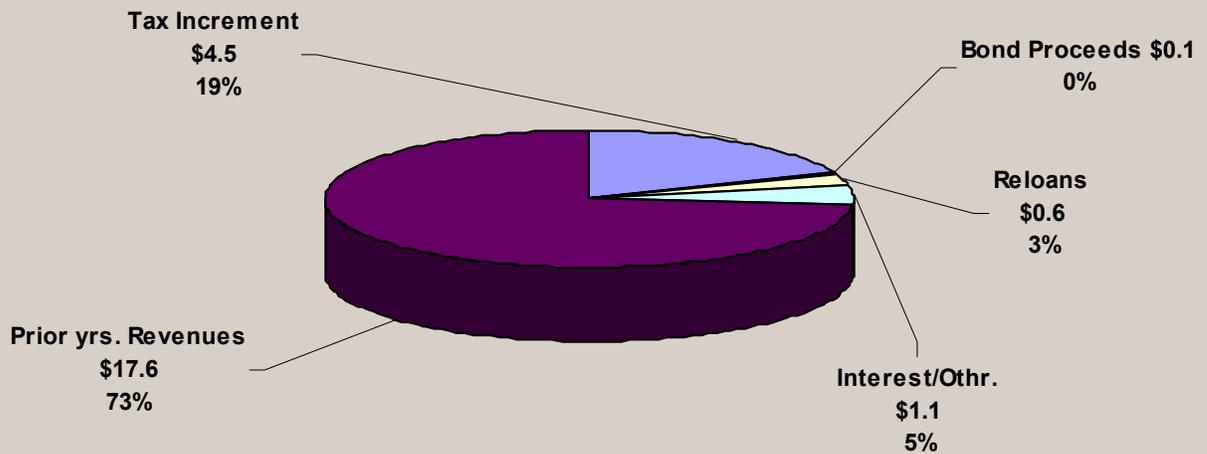
Gross Tax Increment	(1)	\$4,292
Less:		
Housing Set-aside (Net of DS)		566
Tax-sharing Agreements and ERAF		543
County Service Fee		33
Debt Service		1,457
Total Deductions		\$2,599
Net Tax Increment		\$1,693

(1) Excludes interest earnings

**Southeastern Economic Development Corporation
Fiscal Year 2006 Expenditure Summary - \$23.9
(In Millions)**



**Southeastern Economic Development Corporation
Fiscal Year 2006 Revenue Summary - \$23.9
(In Millions)**



Southeastern Economic Development Corporation
Revenue and Expenditures
FY 2005 to FY 2006
(In Thousands)

	Est'd Actual FY 2004	Current FY 2005	Budget FY 2006
Revenue:			
Tax Increment	\$3,299	\$3,554	\$4,471 *
Bond Proceeds	126	547	46
Re loans	135	1,094	605 *
Interest/Rent/Misc	338	130	991
Developer Proceeds	1,249	71	90 *
City Loans	0	0	153 *
Other	6,598	18,172	17,593
Total Revenue	\$11,745	\$23,568	\$23,949
Expenditures:			
Capital Projects	1,400	\$14,571	\$14,623
Low/Mod Housing	500	1,902	2,297
Administration	1,943	1,843	1,962
Debt Service/Loan Repayment	6,300	3,628	3,444
Total Expenditures	\$10,143	\$21,944	\$22,326
Carryover	\$1,602	\$1,624	\$1,623

**Includes prior year's appropriation adjustment.*

**Summary of Central Imperial Redevelopment Area
Revenue and Expenditures
(In Thousands)**

	Total FY2006
Revenue	
Tax Increment	\$ 1,915 *
Bond Proceeds	23
Re loans	605
Interest/Rent/Misc.	797
Developer Proceeds	0
City Loans	53
Other	3,400
Total Revenue	\$6,793
Expenditures	
Admin/Legal/Planning	\$ 3,197
Real Estate Acquisition	225
Public Improv./Engineering	1,609
Rehab/Property Mgt/Other	1,762
Total Expenditures	\$6,793



Additional Information

Central Imperial Expenditures by Objective

Capital Projects	\$4,304
Low/Mod Housing	611
Administration	1,332
Debt Service/Loan Repayment	546
Total Expenditures	\$6,793

Statutory and contractual obligations dictate the use of portions of tax increment, as shown below, which reduces the amount available for projects

Gross Tax Increment	(1)	\$1,736
Less:		
Housing Set-Aside		294
Tax-sharing Agreements		298
County Fee		15
Debt Service/Loan Repayment		264
Subtotal Deductions		\$871
Net Tax Increment		\$865

* Includes prior year adjustment as applicable.

(1) Excludes interest earnings

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98770

DESCRIPTION/ACTIVITIES: Central Imperial Redevelopment Project Area – the project area is approximately 580 acres. The goals and objectives of this redevelopment plan encourage activities that will result in the development of commercial and retail, rehabilitate, construct and preserve a variety of housing and create employment opportunities.

The Central Imperial Project Area has several under-utilized sites that have been redeveloped with uses that respond to the goals of the redevelopment plan. In FY 02-03, the Agency completed the extensive infrastructure improvements necessary to make a 40-acre site ready for development. The center, anchored by Home Depot, continues to be leased by national tenants. In FY 03-04, the office component to the center added approximately 60,000 sq. ft. of office space to the area. Market Creek Plaza is anchored by Food-4-Less and includes several small businesses. In FY 03-04 the City of San Diego designated the balance of the site as one of the City's Pilot Urban Villages. This designation changes the retail use to one that includes a mixed-use concept.

The Valencia Business Park as well as a two-acre site located on Market Street at 54th Street offers employment generating land that is centrally located. The Agency completed the necessary public improvements for Valencia Business Park in FY 02-03. The vertical construction of the Encanto Post Office began in June 2004 and was completed in November 2004. In FY 05-06, SEDC will secure a developer who can develop the approximately 65,000 sq. ft. that can be constructed on Lots 2-7 of the business park.

In FY 05-06, the Fifth Amendment to the Central Imperial Redevelopment Plan will be processed along with several rezones and Community Plan Amendments. The residential developments planned for the next 3-5 years along with the new development proposals along the Imperial Avenue Corridor require a comprehensive approach to reviewing future development of the area. The Program Environmental Impact Report being development as part of the Fifth Amendment to the Central Imperial Plan will provide the comprehensive review.

In FY 04-05, \$1,094,003 of CDBG funds was re-loaned from the Mount Hope and Southcrest Redevelopment Project Areas to augment the Central Imperial Redevelopment projects (\$255,000 is appropriated for Fund No. 98770).

In FY 05-06, \$600,000 of developer proceeds will be re-loaned from the Southcrest Redevelopment Project Area to augment the Central Imperial Redevelopment project (Fund No. 98770).

(Budget detail table continued on page 13)

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98770

Budget detail table

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 1,519	Tax Increment	\$ -	\$ 1,120	\$ 1,120
44	Bond Proceeds	-	-	-
2,915	Re loans	-	600	600
65	Interes/Rent/Other	-	194	194
1,827	Developer Proceeds	-	-	-
2,174	City Loans	-	-	-
-	Other Agencies	-	-	-
640	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	-	278	278
<u>\$ 9,184</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 2,192</u>	<u>\$ 2,192</u>
EXPENDITURE				
\$ 5,067	Admin/Legal/Planning	\$ (3)	\$ 1,986	\$ 1,983
1,744	Real Estate Acquisition	-	-	-
81	Public Improv/Engineering	3	34	37
2,014	Rehab/Property Mgt/Other	-	172	172
<u>\$ 8,906</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 2,192</u>	<u>\$ 2,192</u>
<u>\$ 278</u>	Continuing to Next Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMEPRIAL FUND 98780 (CIP 52-677.0)

DESCRIPTION/ACTIVITIES: Imperial Marketplace (formerly known as North Creek) – Located south of Imperial Avenue generally between 40th and 45th Streets, this 30-acre site is the location of an approximately 300,000 square foot retail/office complex anchored by Home Depot. The site was added to the Central Imperial Redevelopment Project Area as a part of the Second Amendment to the Redevelopment Plan. A Disposition and Development Agreement was approved in FY 98-99 and construction started in the third quarter of FY 99-00. This development required several sources of financing. On March 30, 1999, Resolution No. R-291447 was adopted by the Council of the City of San Diego amending the FY 99 CIP budget to add CIP 52-677.0, Imperial Avenue/Ocean View Boulevard Street Improvements. The expenditures in the amount not to exceed \$300,000 in FY 98-99 (TransNet Funds), \$2,123,963 in FY 99-00 (TransNet Funds) and \$1,576,037 in SANDAG issued commercial paper backed by TransNet Funds were approved.

In FY 01-02 the Agency received \$2,629,939 in developer contributions for the development of on-site improvements. There was \$4,000,000 of TransNet funds budgeted for all off-site improvements. The Agency appropriated \$1,000,000 of bond proceeds. The total expenditure for street improvements (CIP 52-677.0) is \$9.9 million as of March 2005.

In FY 02-03 a reloan of \$678,082 was included from the FY 01-02 tax allocation bond issuance to augment the street improvements.

In the FY 04-05, Fund No. 98780 included a \$140,000 reloan from the Mount Hope Redevelopment Project Area to augment this project. Approval of the public improvements and bond release by the City of San Diego is scheduled to take place during the fourth quarter of FY 04-05.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 325	Tax Increment	\$ -	\$ 33	\$ 33
807	Bond Proceeds	-	10	10
5,606	Reloans	-	5	5
9	Interest/Rent/Other	-	449	449
2,789	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
318	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	(47)	47	-
<u>\$ 9,854</u>	TOTAL REVENUES	<u>\$ (47)</u>	<u>\$ 544</u>	<u>\$ 497</u>
EXPENDITURE				
\$ 2,724	Admin/Legal/Planning	\$ 45	\$ 160	\$ 205
1,194	Real Estate Acquisition	-	-	-
680	Public Improv/Engineering	(124)	-	(124)
5,256	Rehab/Property Mgt/Other	32	384	416
<u>\$ 9,854</u>	TOTAL EXPENDITURES	<u>\$ (47)</u>	<u>\$ 544</u>	<u>\$ 497</u>
\$ -	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUNDS 98779/987702/87705

DESCRIPTION/ACTIVITIES: The Valencia Business Park – This project is located within the Central Imperial Redevelopment Project Area. It consists of 14.7 gross acres and is bound by the San Diego Trolley line to the north, 54th Street to the west and Imperial Avenue to the south. The site is currently zoned light industrial (I-1). The construction of public improvements for the site began in FY 01-02 and were completed in FY 03-04. The site was located within the 100-year flood plain and is located immediately adjacent to Las Chollas Creek. The Agency completed all initial infrastructure improvements including elevating the site out of the flood plain, expanding the capacity of Las Chollas Creek and installing all related utilities, sidewalk curb and gutter and the street. In FY 02-03, a reloan from the Mt. Hope Project Area combined with FY 01-02 tax allocation bond proceeds were utilized to complete the necessary improvements.

Construction of the Encanto Post Office, a 25,000 square foot facility that serves the 92114 zip code was completed in the second quarter of FY 04-05. Approximately 65,000 square feet of light industrial will be built on the balance of the site.

Included in FY 04-05, was \$699,003 of loan repayment from the Southcrest Redevelopment Project Area to augment this project.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 270	Tax Increment	\$ -	\$ 6	\$ 6
1,729	Bond Proceeds	-	-	-
2,768	Reloans	-	-	-
17	Interes/Rent/Other	-	10	10
2,715	Developer Proceeds	-	-	-
2,497	City Loans	-	-	-
-	Other Agencies	-	-	-
681	Trans FM Other Project	-	-	-
-	Prior Years	2,286	400	2,686
<u>\$ 10,677</u>	TOTAL REVENUES	<u>\$ 2,286</u>	<u>\$ 416</u>	<u>\$ 2,702</u>
EXPENDITURE				
\$ 2,110	Admin/Legal/Planning	\$ 247	\$ 145	\$ 392
241	Real Estate Acquisition	-	220	220
4,827	Public Improv/Engineering	1,539	10	1,549
813	Rehab/Property Mgt/Other	500	41	541
<u>\$ 7,991</u>	TOTAL EXPENDITURES	<u>\$ 2,286</u>	<u>\$ 416</u>	<u>\$ 2,702</u>
\$ 2,686	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98783

DESCRIPTION/ACTIVITIES: Las Chollas Creek – This project includes that portion of Las Chollas Creek (Creek) that lies generally south of Imperial Avenue, west of 45th Street and north of Ocean View Boulevard across the street from the Educational Cultural Complex, adjacent to the Imperial Marketplace property. The Creek and the land surrounding it are dedicated open space. This project expanded the capacity of the Creek and incorporated a passive trail adjacent to the Creek that provides the community access. The redevelopment of this segment of the Creek is a model for improvements that have been identified in the City of San Diego Las Chollas Creek Enhancement Plan.

The Creek improvements had a secondary benefit to the eight homeowners located immediately south of the Creek. They are no longer required to carry flood insurance because the area was elevated out of the 100-year flood plain as documented in the August 2004 Letter of Map Revision (LOMR) issued by the Federal Emergency Management Agency (FEMA).

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$	- Tax Increment	\$	-	\$ -
	- Bond Proceeds		-	-
	- Reloans		-	-
	- Interes/Rent/Other		-	-
	- Developer Proceeds		-	-
820	City Loans		-	-
	- Other Agencies		-	-
	- Trans FM/(TO) Other Project		-	-
	- Prior Years		2	2
<u>\$</u>	<u>820</u> TOTAL REVENUES	<u>\$</u>	<u>2</u>	<u>\$ -</u>
	EXPENDITURE			
\$	346 Admin/Legal/Planning	\$	-	\$ -
	- Real Estate Acquisition		-	-
	461 Public Improv/Engineering		-	-
	11 Rehab/Property Mgt/Other		2	2
<u>\$</u>	<u>818</u> TOTAL EXPENDITURES	<u>\$</u>	<u>2</u>	<u>\$ -</u>
\$	2 Continuing to Next Year	\$	-	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 987771

DESCRIPTION/ACTIVITIES: Market Creek Plaza – In FY 01-02, the Redevelopment Agency approved an Owner Participation Agreement (OPA) with the Jacobs Center for NonProfit Innovation (Developer). The project is located on the property formerly known as the Langley site, which is on Euclid Avenue, south of Market Street and is divided by Las Chollas Creek. It is one of the seventeen properties removed as part of the First Amendment to the Central Imperial Redevelopment Plan in 1995. In FY 00-01 SEDC amended the Central Imperial Redevelopment Plan to expand the project area to include this site.

The Developer is currently completing the eastern portion of the center consisting of approximately 142,000 square feet, which is anchored by the Food-4-Less Supermarket. A food court for local entrepreneurs as well as general commercial and specialty shops has been created by this development. The western portion of the site is planned for development as part of the Village Center at Euclid and Market and has been designated as one of the City of San Diego's Pilot Village demonstration projects. The Pilot Village concept reduces the amount of retail and increases the amount of housing in and around the Euclid Avenue and Market Street corridors.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ -	Tax Increment	\$ -	\$ -	\$ -
-	Bond Proceeds	-	-	-
-	Re loans	-	-	-
86	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	-	-	-
<u>\$ 86</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
	EXPENDITURE			
\$ 85	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
<u>1</u>	Rehab/Property Mgt/Other	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 86</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL LOW AND MODERATE INCOME HOUSING FUND 98775

DESCRIPTION/ACTIVITIES: Low and Moderate Income Housing – Tax increment funds will be set-aside for the purpose of creating and rehabilitating low and moderate income housing. Funding of the home-buyer assistance and housing rehabilitation programs will continue. In addition, the low/moderate housing developments located in the Central Imperial Redevelopment Project Area are eligible for funds made available through the Agency's Notice of Funding Availability (NOFA) Collaboration.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 581	Tax Increment	\$ -	\$ 274	\$ 274
165	Bond Proceeds	-	-	-
-	Re loans	-	-	-
116	Interes/Rent/Other	-	82	82
-	Developer Proceeds	-	-	-
53	City Loans	-	-	-
-	Other Agencies	-	-	-
32	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	127	-	127
<u>\$ 947</u>	TOTAL REVENUES	<u>\$ 127</u>	<u>\$ 356</u>	<u>\$ 483</u>
EXPENDITURE				
\$ 567	Admin/Legal/Planning	\$ 106	\$ 178	\$ 284
-	Real Estate Acquisition	-	-	-
26	Public Improv/Engineering	2	125	127
227	Rehab/Property Mgt/Other	19	53	72
<u>\$ 820</u>	TOTAL EXPENDITURES	<u>\$ 127</u>	<u>\$ 356</u>	<u>\$ 483</u>
\$ 127	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98772

DESCRIPTION/ACTIVITIES: Lincoln Park Paseo - A residential development of up to 48 for-sale condos and row-homes on a 1.16 acre site located at 50th and Imperial Avenue, within the Lincoln Park neighborhood and the Central Imperial Redevelopment Project Area. The Agency is scheduled to enter into an Owner Participation Agreement with the development entity interested in developing the site in FY 05-06.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ -	Tax Increment	\$ -	\$ 57	\$ 57
-	Developer Proceeds	-	-	-
-	Re loans	-	-	-
-	Interes/Rent/Other	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	-	-	-
<u>\$ -</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 57</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ 55	\$ 55
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
-	Rehab/Property Mgt/Other	-	2	2
<u>\$ -</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 57</u>	<u>\$ 57</u>
\$ -	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98786

DESCRIPTION/ACTIVITIES: Hilltop and Euclid Housing – In FY 03-04, the SEDC Board of Directors approved an Exclusive Negotiating Agreement (ENA) with Barone Galasso & Associates (Developer) for the development of approximately 170 residential units for the property located on Euclid Avenue, north of Hilltop Drive, in the Chollas View Neighborhood, within the Central Imperial Redevelopment Project Area (Site). The largely vacant 9.43 acre site is zoned for single-family residential development (SF 5000) in the adopted Southeast San Diego Community Plan and the Central Imperial Redevelopment Plan.

The Developer is proposing to develop the Site with 120 affordable multi-family rental units and 50 market rate single-family, for-sale attached units. In the first quarter of FY 04-05, the City Council and Agency approved the use of up to \$4 million dollars from the Agency's Notice of Funding Availability (NOFA) fund for the acquisition of the Site for the purpose of developing affordable housing. SEDC on behalf of the Agency has acquired the parcels (approximately 7.5 acres) and is in the process of purchasing the remaining parcels. During FY 05-06, acquisition of the balance of the Site, relocation of the existing tenants and demolition of the existing homes will be completed. The Agency will also enter into a Disposition and Development Agreement with the Developer to build the new housing.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 28	Tax Increment	\$ -	\$ 61	\$ 61
	Bond Proceeds	-	-	-
2	Developer Proceeds	-	-	-
-	Re loans	-	-	-
-	Interes/Rent/Other	-	50	50
	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	1	-	1
<u>\$ 30</u>	TOTAL REVENUES	<u>\$ 1</u>	<u>\$ 111</u>	<u>\$ 112</u>
EXPENDITURE				
\$ 29	Admin/Legal/Planning	\$ 1	\$ 88	\$ 89
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	20	20
-	Rehab/Property Mgt/Other	-	3	3
<u>\$ 29</u>	TOTAL EXPENDITURES	<u>\$ 1</u>	<u>\$ 111</u>	<u>\$ 112</u>
\$ 1	Continuing to Next Year	\$ -	\$ ()	\$ ()

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL FUND 98788

DESCRIPTION/ACTIVITIES: Mar Vista Mixed Use – In FY 03-04, Tyler-Smith Communities (Developer), proposed a mixed use project for the vacant 7.08 acre site located at 47th and Market Streets (Site). The Site is currently zoned light industrial and requires a rezone to provide for mixed-uses. The new zone would allow for residential, commercial and light industrial uses to be developed on the site.

The proposed development also requires an amendment to the Central Imperial Redevelopment Plan to reflect the proposed Community Plan Amendment and zone change.

The residential component of this project would produce approximately 135 large family for-sale condominiums that would be above 23,000 sq. ft. of commercial/retail uses and 43,000 sq. ft. of light industrial space. The inclusionary units (10 percent) for low/moderate incomes will be constructed on site.

The proposed project requires the Developer to enter into an Owner Participation Agreement with the Agency.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 14	Tax Increment	\$ -	\$ 109	\$ 109
39	Bond Proceeds	-	-	-
-	Developer Proceeds	-	-	-
-	Re loans	-	-	-
-	Interes/Rent/Other	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	20	-	20
<u>\$ 53</u>	TOTAL REVENUES	<u>\$ 20</u>	<u>\$ 109</u>	<u>\$ 129</u>
	EXPENDITURE			
\$ 30	Admin/Legal/Planning	\$ 20	\$ 100	\$ 120
-	Real Estate Acquisition	-	5	5
-	Public Improv/Engineering	-	-	-
3	Rehab/Property Mgt/Other	-	4	4
<u>\$ 33</u>	TOTAL EXPENDITURES	<u>\$ 20</u>	<u>\$ 109</u>	<u>\$ 129</u>
\$ 20	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**CENTRAL IMPERIAL TAX ALLOCATION BONDS – (SERIES 2000, TAX EXEMPT)
FUND 99034/990333**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – In FY 99-00, the Agency/SEDC issued tax allocation bonds to finance a major portion of its project budget. This budget provides for the estimated debt service on the Series 2000 Bonds. In FY 05-06, the debt service payment will total \$263,475.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ -	Tax Increment	\$ -	\$ 211	\$ 211
221	Bond Proceeds	-	(12)	(12)
-	Re loans	-	-	-
286	Interes/Rent/Other	-	12	12
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
1,100	Trans FM/(TO) Other Project	-	53	53
-	Prior Years	-	197	197
<u>\$ 1,607</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 461</u>	<u>\$ 461</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
1,410	Rehab/Property Mgt/Other	-	263	263
<u>\$ 1,410</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 263</u>	<u>\$ 263</u>
\$ 197	Bond Reserve Requirements	\$ -	\$ 198	\$ 198

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

CENTRAL IMPERIAL SPECIAL DEBT SERVICE FUND 98782

DESCRIPTION/ACTIVITIES: Special Debt Service – On August 15, 1995, the Agency purchased a 9-acre site located at 49th Street and Imperial Avenue from the City of San Diego. A Loan Agreement in the amount of \$960,502 was signed with final payment due no later than June 30, 2026. On June 27, 1997, a Memorandum of Understanding (MOU) was executed between the City of San Diego (City) and the Redevelopment Agency canceling the loan agreement dated August 15, 1995. In exchange for canceling the Agency debt, the Agency agreed to convey 8.5-acres of Agency owned property to the City of San Diego for the development of a park in the Southcrest Redevelopment Project Area (252 Corridor) and provide up to \$554,000 for a portion of the park construction.

In FY 02-03, the site was conveyed to the City along with \$500,000. The park planning began in FY 03-04. In FY 04-05, construction for the park began and is scheduled for completion in FY 05-06.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ -	Tax Increment	\$ -	\$ -	\$ -
-	Bond Proceeds	-	-	-
-	Re loans	-	-	-
-	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
372	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	85	-	85
<u>\$ 372</u>	TOTAL REVENUES	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 85</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
287	Rehab/Property Mgt/Other	85	-	85
<u>\$ 287</u>	TOTAL EXPENDITURES	<u>\$ 85</u>	<u>\$ -</u>	<u>\$ 85</u>
\$ 85	Continuing to Next Year	\$ -	\$ -	\$ -

**Summary of Dells/Imperial Study Area
Revenue and Expenditures
(In Thousands)**

	Total FY 2006
Revenue	
Tax Increment	\$0
Re loans	0
Interest/Rent/Misc.	0
Developer Proceeds	0
City Loans	0
Other	0
Total Revenue	\$0

Expenditures	
Admin/Legal/Planning	0
Real Estate Acquisition	0
Public Improv./Engineering	0
Rehab/Property Mgt/Other	0
Total Expenditures	\$0

Additional Information

Dells/Imperial Expenditures by Objective

Capital Projects	\$0
Low/Mod Housing	0
Administration	0
Debt Service/Loan Repayment	0
Total Expenditures	\$0

Statutory and contractual obligations dictate the use of portions of tax increment, as shown below, which reduces the amount available for projects

Gross Tax Increment	(1)	\$0
Less:		
Housing Set-Aside		0
Tax-sharing Agreements		0
Debt Service/Loan Repayment		0
Subtotal Deductions		\$0
Net Tax Increment		\$0

(1) Excludes interest earnings

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

DELLS/IMPERIAL FUND 98630

DESCRIPTION/ACTIVITIES: The Dells/Imperial Study Area. The Dells/Imperial Redevelopment Study Area consists of approximately 960 gross acres. The area includes two designated historic districts (Sherman Heights and Grant Hill). There have been periodic enhancements throughout the area such as street lights and street trees. This area will remain a study area in FY 05-06. Projects in the area are reviewed for compliance with the Southeast Planned District Ordinance (PDO).

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ -	Tax Increment	\$ -	\$ -	\$ -
-	Bond Proceeds	-	-	-
723	Re loans	-	-	-
-	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	-	-	-
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\$ 723	TOTAL REVENUES	\$ -	\$ -	\$ -
	EXPENDITURE			
\$ 626	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
97	Rehab/Property Mgt/Other	-	-	-
<hr/>		<hr/>	<hr/>	<hr/>
\$ 723	TOTAL EXPENDITURES	\$ -	\$ -	\$ -
\$ -	Continuing to Next Year	\$ -	\$ -	\$ -

**Summary of Gateway Center West Redevelopment Area
Revenue and Expenditures
(In Thousands)**

	Total FY 2006
Revenue	
Tax Increment	\$321 *
Bond Proceeds	0
Re loans	0
Interest/Rent/Misc.	0
Developer Proceeds	0
City Loans	0
Other	1,419
Total Revenue	\$1,740
Expenditures	
Admin/Legal/Planning	\$604
Real Estate Acquisition	0
Public Improv./Engineering	156
Rehab/Property Mgt/Other	980
Total Expenditures	\$1,740



Additional Information

Gateway Center West Expenditures by Objective

Capital Projects	\$1,180
Low/Mod Housing	286
Administration	0
Debt Service/Loan Repayment	274
Total Expenditures	\$1,740

Statutory and contractual obligations dictate the use of portions of tax increment, as shown below, which reduces the amount available for projects

Gross Tax Increment	(1)	\$321
Less:		
Housing Set-Aside		34
Tax-sharing Agreements and ERAF		25
County Fee		6
Debt Service/Loan Repayment		149
Subtotal Deductions		\$214
Net Tax Increment		\$107

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

GATEWAY CENTER WEST FUND 98350

DESCRIPTION/ACTIVITIES: Gateway Center West Redevelopment Project Area – SEDC's Gateway Center West Redevelopment Project Area was originally known as the Dells Redevelopment Project Area when it was adopted in 1976. The project area encompasses approximately 59-acres in an area designated for industrial use. It is bound on the west by 32nd Street, by Highway 15 to the east, to the south by Market Street and to the north by Martin Luther King, Jr. Freeway (Highway 94).

Beginning in December of 1984, seven businesses have been built on Agency-owned property. The newest business to located is Padre Janitorial completing construction in 2002. The Redevelopment Agency/SEDC will continue to acquire additional property in an effort to assemble sites large enough to attract additional employment generating businesses.

In FY 05/06, San Diego Gas & Electric will begin the improvements to their 18-acre site as outlined in the Owner Participation Agreement with the Agency. Specifically, SDG&E will construct an approximately 32,000 sq. ft. office building and modify the outdoor equipment area.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 1,560	Tax Increment	\$ -	\$ 111	\$ 111
87	Bond Proceeds	-	-	-
-	Re loans	-	-	-
65	Interes/Rent/Other	-	-	-
320	Developer Proceeds	-	-	-
7,637	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	534	-	534
<u>\$ 9,669</u>	TOTAL REVENUES	<u>\$ 534</u>	<u>\$ 111</u>	<u>\$ 645</u>
EXPENDITURE				
\$ 3,531	Admin/Legal/Planning	\$ 478	\$ 31	\$ 509
3,019	Real Estate Acquisition	-	-	-
1,565	Public Improv/Engineering	38	80	118
1,020	Rehab/Property Mgt/Other	18	-	18
<u>\$ 9,135</u>	TOTAL EXPENDITURES	<u>\$ 534</u>	<u>\$ 111</u>	<u>\$ 645</u>
\$ 534	Continuing to Next Year	\$	-	-

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

GATEWAY CENTER WEST FUND 983501

DESCRIPTION/ACTIVITIES: Land Acquisition and Assembly – This activity consists of the Redevelopment Agency/SEDC acquiring additional property to assemble and develop 2.5 acres to facilitate additional businesses wanting to locate in the Gateway Center West Industrial Park.

In FY 05/06, SEDC will complete negotiations on a small Agency-owned parcel located at 33rd Street, that upon completion will provide up to 10,000 sq. ft. for a small local business.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 59	Tax Increment	\$ -	\$ 28	\$ 28
910	Bond Proceeds	-	-	-
105	Re loans	-	-	-
27	Interes/Rent/Other	-	-	-
105	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	507	-	507
<u>\$ 1,206</u>	TOTAL REVENUES	<u>\$ 507</u>	<u>\$ 28</u>	<u>\$ 535</u>
EXPENDITURE				
\$ 464	Admin/Legal/Planning	\$ 62	\$ -	\$ 62
164	Real Estate Acquisition	-	-	-
17	Public Improv/Engineering	5	-	5
54	Rehab/Property Mgt/Other	440	28	468
<u>\$ 699</u>	TOTAL EXPENDITURES	<u>\$ 507</u>	<u>\$ 28</u>	<u>\$ 535</u>
\$ 507	Continuing to Next Year	\$ -	\$ -	-

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

GATEWAY CENTER WEST LOW AND MODERATE INCOME HOUSING FUND 983512

DESCRIPTION/ACTIVITIES: Low and Moderate Income Housing – Tax increment funds are set aside to create home ownership, rental and/or rehabilitation opportunities for low and moderate income residents.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 958	Tax Increment	\$ -	\$ 63	\$ 63
265	Bond Proceeds	-	-	-
-	Re loans	-	-	-
252	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	223	-	223
<u>\$ 1,475</u>	TOTAL REVENUES	<u>\$ 223</u>	<u>\$ 63</u>	<u>\$ 286</u>
EXPENDITURE				
\$ 362	Admin/Legal/Planning	\$ 33	\$ -	\$ 33
124	Real Estate Acquisition	-	-	-
151	Public Improv/Engineering	-	33	33
615	Rehab/Property Mgt/Other	190	30	220
<u>\$ 1,252</u>	TOTAL EXPENDITURES	<u>\$ 223</u>	<u>\$ 63</u>	<u>\$ 286</u>
\$ 223	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**GATEWAY CENTER WEST TAX ALLOCATION BONDS – SERIES 1995 (TAXABLE)
FUNDS 983507/983510**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – In FY 95-96, the Agency/SEDC issued tax allocation bonds to finance a major portion of its project budgets. The budget provides for the estimated debt service on the Series 1995 Bonds. In FY 05-06 the estimated debt service payment with principal and interest is \$149,028.

Cumulative Prior Yrs		Contin'g Approp	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 1,541	Tax Increment	\$ -	\$ 119	\$ 119
173	Bond Proceeds	-	-	-
-	Re loans	-	-	-
75	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	30	30
-	Prior Years	-	121	121
<u>\$ 1,789</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 270</u>	<u>\$ 270</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	-	-
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
1,668	Rehab/Property Mgt/Other	-	149	149
<u>\$ 1,668</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 149</u>	<u>\$ 149</u>
\$ 121	Bond Reserve Requirements	\$ -	\$ 121	\$ 121

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

GATEWAY CENTER WEST LOAN REPAYMENTS FUND 98351

DESCRIPTION/ACTIVITIES: Loan Repayment – City, HUD Section 108 and CDBG funds have been loaned to the Agency for public improvements and acquisition in the Gateway Center West Project Area. Included in FY 01-02, the Agency appropriated \$400,000 to repay a portion of the CDBG loans owed to the City. The repayment of \$400,000 was borrowed back by the Agency to augment the Project Budget for activities being undertaken in the Southcrest Redevelopment Project Area.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 809	Tax Increment	\$ -	\$ -	\$ -
-	Bond Proceeds	-	-	-
-	Re loans	-	-	-
298	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
702	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	4	-	4
<u>\$ 1,809</u>	TOTAL REVENUES	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>
EXPENDITURE				
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
1,805	Rehab/Property Mgt/Other	4	-	4
<u>\$ 1,805</u>	TOTAL EXPENDITURES	<u>\$ 4</u>	<u>\$ -</u>	<u>\$ 4</u>
<u>\$ 4</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Summary of Mount Hope Redevelopment Area
Revenue and Expenditures
(In Thousands)**

	Total FY 2006
Revenue	
Tax Increment	\$1,109 *
Bond Proceeds	1
Re loans	0
Interest/Rent/Misc.	121
Developer Proceeds	0
City Loans	100
Other	7,856
Total Revenue	\$9,187
Expenditures	
Admin/Legal/Planning	\$988
Real Estate Acquisition	1,276
Public Improv./Engineering	1,776
Rehab/Property Mgt/Other	5,147
Total Expenditures	\$9,187



Additional Information

Mount Hope Expenditures by Objective

Capital Projects	\$7,134
Low/Mod Housing	630
Administration	134
Debt Service/Loan Repayment	1,289
Total Expenditures	\$9,187

Statutory and contractual obligations dictate the use of portions of tax increment, as shown below, which reduces the amount available for projects

Gross Tax Increment	(1)	\$1,109
Less:		
Housing Set-Aside (Net of D/S)		99
Tax-sharing Agreements and ERAF		107
County Fee		6
Debt Service/Loan Repayment		613
Subtotal Deductions		\$825
Net Tax Increment		\$284

(1) Excludes interest earnings

* Includes prior year adjustment as applicable

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

MOUNT HOPE FUND 98360

DESCRIPTION/ACTIVITIES: The Mount Hope Redevelopment Project Area – The Mount Hope Redevelopment Project was adopted in 1982 and consists of approximately 210 gross acres. The project area is located to the north and south of Market Street between Interstate 805 (I-805) and Interstate 15 (I-15). Located within the redevelopment project area is the 66-acre Gateway Center East business park which is bound by I-15, Martin Luther King, Jr. Freeway, Boundary and Market Streets. Gateway Center East is home to approximately 1,400 employees and 33 businesses including Wallace Commercial Press, Costco and Quality Cabinets and Life Deck.

In FY 01-02, tax allocation bonds were secured by the Redevelopment Agency/SEDC to provide additional public improvements in the project area and provide for additional property acquisition along the Market Street Corridor. In addition, Section 108 financing has been approved by HUD for additional public improvements that will be installed in FY 05-06.

CUMULATIVE PRIOR YRS		CONTING APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 5,821	Tax Increment	\$ -	\$ 364	\$ 364
2,521	Bond Proceeds	-	-	-
1,045	Re loans	-	-	-
3,167	Interest/Rent/Other	-	83	83
4,535	Developer Proceeds	-	-	-
7,862	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	5,579	-	5,579
<u>\$ 24,951</u>	TOTAL REVENUES	<u>\$ 5,579</u>	<u>\$ 447</u>	<u>\$ 6,026</u>
EXPENDITURE				
\$ 6,900	Admin/Legal/Planning	\$ 488	\$ 411	\$ 899
1,299	Real Estate Acquisition	1,276	-	1,276
5,791	Public Improv/Engineering	1,422	-	1,422
5,382	Rehab/Property Mgt/Other	2,393	36	2,429
<u>\$ 19,372</u>	TOTAL EXPENDITURES	<u>\$ 5,579</u>	<u>\$ 447</u>	<u>\$ 6,026</u>
\$ 5,579	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

MOUNT HOPE FUND 983616

DESCRIPTION/ACTIVITIES: Market Street Demonstration Project – The demonstration block is currently one block with the opportunity to expand beyond the block in the future. The Redevelopment Agency/SEDC has acquired two-thirds of one block north and two-thirds of another block south of Market Street. The site is the former location of the San Diego Urban League, which with the assistance of SEDC relocated into the Gateway Center East Business Park. In FY 04/05, SEDC met with the community to update the planning concepts originally agreed upon in the Urban Design Study prepared in the mid 90's.

In FY 05-06, the Redevelopment Agency/SEDC will continue to acquire property and identify a development team interested in developing along the Market Street Corridor.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 339	Tax Increment	\$ -	\$ 33	\$ 33
2,734	Bond Proceeds	-	-	-
-	Re loans	-	-	-
1,307	Interes/Rent/Other	-	3	3
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	972	-	972
<u>\$ 4,380</u>	TOTAL REVENUES	<u>\$ 972</u>	<u>\$ 36</u>	<u>\$ 1,008</u>
EXPENDITURE				
\$ 537	Admin/Legal/Planning	\$ 12	\$ 33	\$ 45
1,531	Real Estate Acquisition	-	-	-
8	Public Improv/Engineering	170	-	170
1,332	Rehab/Property Mgt/Other	790	3	793
<u>\$ 3,408</u>	TOTAL EXPENDITURES	<u>\$ 972</u>	<u>\$ 36</u>	<u>\$ 1,008</u>
\$ 972	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

MOUNT HOPE FUND 9836XX

DESCRIPTION/ACTIVITIES: Public Improvements – Phase II - Street improvements in the Mount Hope Redevelopment Project Area will include replacement of curb, gutter and sidewalk on a portion of 36th Street, trench patching of a portion of Morrison Street, and installation of street lights in the mid-block of five streets crossing Market Street.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$	-	\$	\$	\$
	-	-	-	-
	-	-	-	-
	-	-	-	-
	-	-	100	100
	-	-	-	-
	-	-	124	124
	-	-	-	-
\$	-	\$	\$ 224	\$ 224
	EXPENDITURE			
\$	-	\$	\$	\$
	-	-	-	-
	-	-	224	224
	-	-	-	-
\$	-	\$	\$ 224	\$ 224
\$	-	\$	\$	\$
	-	-	-	-

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

MOUNT HOPE LOW AND MODERATE INCOME HOUSING FUND 98362

DESCRIPTION/ACTIVITIES: Low and Moderate Income Housing – Tax increment funds are set aside for the purpose of creating and rehabilitating low and moderate income housing. As of June 30, 2000, the Redevelopment Agency/SEDC has committed approximately \$2.2 million of the 20% housing set-aside and of the 1995 tax allocation bond to low and moderate housing activities. In FY 04-05 the continuing appropriation included, \$435,000 of the set-aside funds that were used for street improvements for Phase II of the Southcrest Park Estates (62 for-sale units).

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 2,776	Tax Increment	\$ -	\$ 222	\$ 222
1,110	Bond Proceeds	-	1	1
-	Re loans	-	-	-
672	Interes/Rent/Other	-	35	35
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	382	-	382
<u>\$ 4,558</u>	TOTAL REVENUES	<u>\$ 382</u>	<u>\$ 258</u>	<u>\$ 640</u>
EXPENDITURE				
\$ 808	Admin/Legal/Planning	\$ 22	\$ 22	\$ 44
81	Real Estate Acquisition	-	-	-
1,307	Public Improv/Engineering	184	-	184
1,980	Rehab/Property Mgt/Other	176	236	412
<u>\$ 4,176</u>	TOTAL EXPENDITURES	<u>\$ 382</u>	<u>\$ 258</u>	<u>\$ 640</u>
\$ 382	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**MOUNT HOPE TAX ALLOCATION BONDS (SERIES A FY 2002 TAX EXEMPT)
FUND 983650**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – The Agency/SEDC issued tax allocation bonds to finance a major portion of the project budgets. This budget provides for debt service. In FY 05-06 the debt service interest payment is \$153,000.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 606	Tax Increment	\$ -	\$ 122	\$ 122
294	Bond Proceeds	-	-	-
-	Re loans	-	-	-
13	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	31	31
-	Prior Years	-	-	-
\$ 913	TOTAL REVENUES	\$ -	\$ 153	\$ 153
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
913	Rehab/Property Mgt/Other	-	153	153
\$ 913	TOTAL EXPENDITURES	\$ -	\$ 153	\$ 153
\$ -	Bond Reserve Requirements	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**MOUNT HOPE TAX ALLOCATION BONDS (SERIES A – TAX EXEMPT & B TAXABLE 1995)
FUNDS 983607/983610/983627/983630**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – The Agency/SEDC issued tax allocation bonds to finance a major portion of the project budgets. This budget provides for the estimate for debt service. In FY 05-06 the debt service payment of interest and principal is \$92,827.50 for Series A 1995 Tax Exempt Bonds and \$367,200 for Series B 1995 Taxable Bonds.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 4,214	Tax Increment	\$ -	\$ 368	\$ 368
789	Bond Proceeds	-	-	-
-	Re loans	-	-	-
271	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	92	92
-	Prior Years	-	497	497
<u>\$ 5,274</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 957</u>	<u>\$ 957</u>
EXPENDITURE				
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
4,777	Rehab/Property Mgt/Other	-	460	460
<u>\$ 4,777</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 460</u>	<u>\$ 460</u>
\$ 497	Bond Reserve Requirements	\$ -	\$ 497	\$ 497

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

MOUNT HOPE LOAN REPAYMENTS FUND 98361

DESCRIPTION/ACTIVITIES: Loan Repayments – A combination of City, Community Development Block Grant (CDBG) and HUD Section 108 funds were used for public improvements and acquisition in the Mount Hope Redevelopment Project Area. In FY 02-03, \$2,559,456 was borrowed back to fund the Southcrest (\$850,000) and Central Imperial (\$1,709,456) Redevelopment Project Areas.

Included in FY 04-05, \$395,000 will be borrowed back to fund the Central Imperial Redevelopment Project Area.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 1,730	Tax Increment	\$ -	\$ -	\$ -
3,829	Bond Proceeds	-	-	-
-	Re loans	-	-	-
297	Interes/Rent/Other	-	-	-
4,858	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	179	-	179
<u>\$ 10,714</u>	TOTAL REVENUES	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 179</u>
EXPENDITURE				
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
10,535	Rehab/Property Mgt/Other	179	-	179
<u>\$ 10,535</u>	TOTAL EXPENDITURES	<u>\$ 179</u>	<u>\$ -</u>	<u>\$ 179</u>
\$ 179	Continuing to Next Year	\$ -	\$ -	\$ -

**Summary of Southcrest Redevelopment Area
Revenue and Expenditures
(In Thousands)**

	Total FY 2006
Revenue	
Tax Increment	\$1,126 *
Bond Proceeds	22
Re loans	0
Interest/Rent/Misc.	73
Developer Proceeds	90
City Loans	0
Other	4,734
Total Revenue	\$6,045
Expenditures	
Admin/Legal/Planning	891
Real Estate Acquisition	0
Public Improv./Engineering	1,065
Rehab/Property Mgt/Other	4,089
Total Expenditures	\$6,045



Additional Information

Southcrest Expenditures by Objective

Capital Projects	\$1,821
Low/Mod Housing	770
Administration	496
Debt Service/Loan Repayment/Bond Reserves	2,958
Total Expenditures	\$6,045

Statutory and contractual obligations dictate the use of portions of tax increment, as shown below, which reduces the amount available for projects

Gross Tax Increment	\$1,126
Less:	
Housing Set-Aside	139
Tax-sharing Agreements and ERAF	113
County Fee	6
Debt Service/Loan Repayment	431
Subtotal Deductions	\$689
Net Tax Increment	\$437

(1) Excludes interest earnings

* Includes prior year adjustment.

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

SOUTHCREST FUND 98330

DESCRIPTION/ACTIVITIES: The Southcrest Redevelopment Project Area – The Southcrest Project Area was adopted in 1986. The project area consists of approximately 301 acres. The area is bound on the west by Highway 15 and Interstate 5, 44th Street to the east, south by Gamma Street and Vesta Streets and to the north by Logan Avenue. The initial focus of the redevelopment plan has been the redevelopment of the 66 acre parcel known as the 252 Corridor, a rescinded freeway designed to link Interstates 5 and 805.

As a result of redevelopment, the corridor now includes Southcrest Park Plaza, Phases I and II of Southcrest Park Estates (99 homes completed in 04/05), the Cesar Chavez Elementary School and a neighborhood park. The City of San Diego began the community park design in FY 03-04, and actual construction in FY 04-05. The park is scheduled to be opened in FY 05-06.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 2,197	Tax Increment	\$ -	\$ 502	\$ 502
4,753	Bond Proceeds	-	-	-
1,334	Re loans	-	-	-
169	Interes/Rent/Other	-	(35)	(35)
301	Developer Proceeds	-	90	90
2,122	City Loans	-	-	-
-	Other Agencies	-	-	-
661	Trans FM Other Project	-	101	101
-	Prior Years	13	-	13
<u>\$ 11,537</u>	TOTAL REVENUES	<u>\$ 13</u>	<u>\$ 658</u>	<u>\$ 671</u>
EXPENDITURE				
\$ 5,008	Admin/Legal/Planning	\$ 21	\$ 596	\$ 617
3,347	Real Estate Acquisition	-	-	-
206	Public Improv/Engineering	(5)	7	2
2,963	Rehab/Property Mgt/Other	(3)	55	52
<u>\$ 11,524</u>	TOTAL EXPENDITURES	<u>\$ 13</u>	<u>\$ 658</u>	<u>\$ 671</u>
\$ 13	Continuing to Next Year	-	-	-

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

SOUTHCREST FUND 98335

DESCRIPTION/ACTIVITIES: Community Park – The Redevelopment Agency/SEDC has provided a 8.5 acre site to be developed as a community park within the 252 Corridor. The community worked with the City of San Diego (City) to create the park design. The site was conveyed to the City in the third quarter of FY 02-03. The funding for this project is included in the continuing appropriations (CDBG reloan in the amount of \$554,000).

In FY 03, \$445,000 of CDBG was reprogrammed and transferred to Fund 98330/97171. A reloan of \$500,000 from the FY 02 tax allocation bond issuance (Mount Hope Project Area) was included in FY 02-03. SEDC transferred the \$500,000 to the City to assist with the design/construction of the park. This fund will be closed in FY 05-06.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ -	Tax Increment	\$ -		\$ -
28	Bond Proceeds	-	-	-
609	Reloans	-	-	-
-	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	17	-	17
<u>\$ 637</u>	TOTAL REVENUES	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 17</u>
EXPENDITURE				
\$ 79	Admin/Legal/Planning	\$ 17	\$ -	\$ 17
4	Real Estate Acquisition	-	-	-
37	Public Improv/Engineering	-	-	-
500	Rehab/Property Mgt/Other	-	-	-
<u>\$ 620</u>	TOTAL EXPENDITURES	<u>\$ 17</u>	<u>\$ -</u>	<u>\$ 17</u>
\$ 17	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

SOUTHCREST FUND 983302

DESCRIPTION/ACTIVITIES: Alpha Street Construction Phase II (36th Street through 38th Street) The Redevelopment Agency/SEDC completed the construction of Alpha Street concurrently with the development of Phase II residential (62 homes). The \$2.2 million allocation for the public improvements includes the following funds: \$1.8 million from bond proceeds, land sale proceeds and CDBG reloan; and \$435,000 from Mount Hope Housing Trust Fund.

Construction began in the fourth quarter of FY 02-03 and was completed in the fourth quarter of FY 04-05. As a re-loan to Central Imperial Project Area, \$600,000 will be transferred to Fund No. 98331 in FY 05-06

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 385	Tax Increment	\$ -	\$ 56	\$ 56
3,538	Bond Proceeds	-	-	-
692	Re loans	-	-	-
222	Interes/Rent/Other	-	10	10
2,720	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
227	Trans FM/ Other Project	-	-	-
-	Prior Years	1,515	-	1,515
<u>\$ 7,784</u>	TOTAL REVENUES	<u>\$ 1,515</u>	<u>\$ 66</u>	<u>\$ 1,581</u>
EXPENDITURE				
\$ 1,718	Admin/Legal/Planning	\$ 54	\$ 54	\$ 108
205	Real Estate Acquisition	-	-	-
2,931	Public Improv/Engineering	1,333	(691)	642
1,415	Rehab/Property Mgt/Other	128	703	831
<u>\$ 6,269</u>	TOTAL EXPENDITURES	<u>\$ 1,515</u>	<u>\$ 66</u>	<u>\$ 1,581</u>
\$ 1,515	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

SOUTHCREST LOW AND MODERATE INCOME HOUSING FUND 98332

DESCRIPTION/ACTIVITIES: Low and Moderate Income Housing – Tax increment funds are set aside for the purpose of creating or rehabilitating low and moderate income housing.

In FY 02-03, \$10,982 of the Southcrest Housing Trust Fund continuing appropriation was designated for the Phase II residential development (Phase III Public Improvements). In FY 03-04, \$130,000 was identified for the housing rehabilitation program and \$240,000 is encumbered in Mount Hope Low/Mod Housing Fund for first-time homebuyers' assistance for Southcrest Park Estates.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 1,540	Tax Increment	\$ -	\$ 223	\$ 223
1,002	Bond Proceeds	-	22	22
-	Re loans	-	-	-
473	Interest/Rent/Other	-	98	98
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	475	-	475
\$ 3,015	TOTAL REVENUES	\$ 475	\$ 343	\$ 818
	EXPENDITURE			
\$821	Admin/Legal/Planning	\$83	\$83	\$166
-	Real Estate Acquisition	-	-	-
480	Public Improv/Engineering	280	141	421
1,239	Rehab/Property Mgt/Other	112	119	231
\$ 2,540	TOTAL EXPENDITURES	\$ 475	\$ 343	\$ 818
\$ 475	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**SOUTHCREST TAX ALLOCATION BONDS (SERIES 1995, TAX EXEMPT)
FUNDS 983307/983310**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – In FY 95-96, the Agency/SEDC issued tax allocation bonds to finance a major portion of the projects budget. This budget provides for an estimated amount for debt service. During FY 97-98, \$515,000 of bonds was called. In FY 05-06 a debt service payment was made in the amount of \$275,228.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 2,882	Tax Increment	\$ -	\$ 220	\$ 220
293	Bond Proceeds	-	-	-
-	Re loans	-	-	-
297	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
-	Trans FM/(TO) Other Project	-	55	55
-	Prior Years	-	150	150
<u>\$ 3,472</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 425</u>	<u>\$ 425</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
3,322	Rehab/Property Mgt/Other	-	275	275
<u>\$ 3,322</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 275</u>	<u>\$ 275</u>
\$ 150	Bond Reserve Requirements	\$ -	\$ 150	\$ 150

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**SOUTHCREST TAX ALLOCATION BONDS (SERIES 2000, TAX EXEMPT)
FUNDS 99036/990361**

DESCRIPTION/ACTIVITIES: Tax Allocation Bonds – In FY 99-00, the Agency/SEDC issued tax allocation bonds to finance a major portion of the project budget. This budget provides for a debt service payment. In FY 05-06 a debt service payment will be paid in the amount of \$155,730.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
	REVENUE			
\$ 608	Tax Increment	\$ -	\$ 125	\$ 125
159	Bond Proceeds	-	-	-
-	Re loans	-	-	-
135	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
34	Trans FM/(TO) Other Project	-	31	31
-	Prior Years	-	158	158
<u>\$ 936</u>	TOTAL REVENUES	<u>\$ -</u>	<u>\$ 314</u>	<u>\$ 314</u>
	EXPENDITURE			
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
778	Rehab/Property Mgt/Other	-	156	156
<u>\$ 778</u>	TOTAL EXPENDITURES	<u>\$ -</u>	<u>\$ 156</u>	<u>\$ 156</u>
\$ 158	Bond Reserve Requirements	\$ -	\$ 158	\$ 158

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

SOUTHCREST LOAN REPAYMENTS FUND 98331/98334

DESCRIPTION/ACTIVITIES: Loan Repayment – The Agency/SEDC purchased the 252 Corridor right-of-way with an initial payment of \$1,005,200. The Agency/SEDC signed a Promissory Note for \$2,344,800 at 10.5% annual interest rate and assigned the debt to SEDC. The Agency entered into a Memorandum of Understanding with the City of National City that required a payment of \$3,750,000 to mitigate traffic problems as a result of the 252 Highway Project being rescinded. The CALTRANS Promissory Note was fully paid by SEDC in FY 91-92.

In FY 03-04, \$240,000 was included to fund the outstanding balance due to National City. This represents the final payment and interest of \$3,750,000.

In FY 04-05, \$699,003 was appropriated to fund for the re-loan to the Central Imperial Project Area.

\$600,000 will be re-loaned to Central Imperial Project Area for project costs augmentation in FY 05-06.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 733	Tax Increment	\$ -	\$ -	\$ -
747	Bond Proceeds	-	-	-
1,106	Re loans	-	-	-
39	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
926	City Loans	-	-	-
-	Other Agencies	-	-	-
5,089	Trans FM Other Project	-	600	600
-	Prior Years	1,619	-	1,619
<u>\$ 8,640</u>	TOTAL REVENUES	<u>\$ 1,619</u>	<u>\$ 600</u>	<u>\$ 2,219</u>
EXPENDITURE				
\$ -	Admin/Legal/Planning	\$ -	\$ -	\$ -
-	Real Estate Acquisition	-	-	-
-	Public Improv/Engineering	-	-	-
7,021	Rehab/Property Mgt/Other	1,619	600	2,219
<u>\$ 7,021</u>	TOTAL EXPENDITURES	<u>\$ 1,619</u>	<u>\$ 600</u>	<u>\$ 2,219</u>
\$ 1,619	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

**COMMERCIAL REHABILITATION PROGRAM AND ENTREPRENEUR ACADEMY
FUNDS 98360/98770/983352/983503/983619/987703**

DESCRIPTION/ACTIVITIES: Commercial Rehabilitation Program – This program is designed to provide financial assistance to eligible business owners and commercial property owners to upgrade the appearance of buildings in order to stimulate additional economic activity in southeastern San Diego.

The Entrepreneur Academy is a technical assistance program composed of eight (8) workshops including a Banker’s Series and an intensive Training Series, which focus on providing resources and skills to the small business owner. The marketing of the program is targeted at individuals and businesses located in the SEDC Area of Influence. The ultimate goal of the program is to provide existing businesses with needed technical assistance and to encourage the development of new businesses.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$ 85	Tax Increment	\$ -	\$ -	\$ -
-	Bond Proceeds	-	-	-
226	Re loans	-	-	-
4	Interes/Rent/Other	-	-	-
-	Developer Proceeds	-	-	-
-	City Loans	-	-	-
-	Other Agencies	-	-	-
199	Trans FM/(TO) Other Project	-	-	-
-	Prior Years	171	-	171
<u>\$ 514</u>	TOTAL REVENUES	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 171</u>
EXPENDITURE				
\$ 216	Admin/Legal/Planning	\$ 42	\$ -	\$ 42
-	Real Estate Acquisition	-	-	-
1	Public Improv/Engineering	-	-	-
126	Rehab/Property Mgt/Other	129	-	129
<u>\$ 343</u>	TOTAL EXPENDITURES	<u>\$ 171</u>	<u>\$ -</u>	<u>\$ 171</u>
\$ 171	Continuing to Next Year	\$ -	\$ -	\$ -

**FISCAL YEAR 2005-06
REDEVELOPMENT AGENCY PROGRAM BUDGET
(In Thousands)**

BRIDGE/TREE LIGHTS – SPECIAL PROJECT

DESCRIPTION/ACTIVITIES: Holiday Lights Over Interstate 805 and the Martin L. King, Jr. Freeway – This a decorative lighting project along Interstate 805 and the Martin L. King, Jr. Freeway (State Route 94). The lights are hung on overpasses traversing the Central Imperial, Mount Hope and Southcrest Redevelopment Project Areas. The Holiday Bridge Lights have been a positive display in the Fourth Council District for over eight years and provides a continuous display that is linked with the lights to the north displayed in the Third Council District.

CUMULATIVE PRIOR YRS		CONTIN'G APPROP	FY 2006 APPROP	TOTAL FY 2006
REVENUE				
\$	-		\$	\$
	Tax Increment	\$	-	-
	Bond Proceeds		-	-
	Re loans		-	-
	Interes/Rent/Other		-	-
	Developer Proceeds		-	-
	City Loans		-	-
	Other Agencies		-	-
155	Trans FM/(TO) Other Project		-	-
	Prior Years	13	-	13
<u>\$</u>	<u>155</u>	<u>\$</u>	<u>13</u>	<u>\$</u>
	TOTAL REVENUES		\$	\$
		13	-	13
EXPENDITURE				
\$	5		\$	\$
	Admin/Legal/Planning	\$	-	-
	Real Estate Acquisition		-	-
	Public Improv/Engineering		-	-
137	Rehab/Property Mgt/Other	13	-	13
<u>\$</u>	<u>142</u>	<u>\$</u>	<u>13</u>	<u>\$</u>
	TOTAL EXPENDITURES		\$	\$
		13	-	13
\$	13		\$	\$
	Continuing to Next Year	\$	-	-