

**NORTH PARK REDEVELOPMENT  
PROJECT AREA  
FISCAL CONSULTANT REPORT**

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**NORTH PARK REDEVELOPMENT PROJECT AREA**

Prepared for

**CITY OF SAN DIEGO**  
**REDEVELOPMENT AGENCY**  
600 "B" Street, Suite 400, MS 904  
San Diego, CA 92101  
(619) 533-5429

Prepared by

**DAVID TAUSSIG & ASSOCIATES, INC.**  
1301 Dove Street, Suite 600  
Newport Beach, CA 92660  
(949) 955-1500

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# **I. INTRODUCTION**

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The City of San Diego Redevelopment Agency (the “Agency”) is considering the issuance of a request for proposals (“RFP”) to obtain a bank line of credit for the North Park Redevelopment Project Area (the “Project Area”) to be secured by tax increment revenues. The line of credit will ultimately be repaid with a future bond issuance. David Taussig & Associates, Inc. (“DTA”) has prepared this Fiscal Consultant Report (the “Report”) which will be utilized during the RFP process to provide banks with information related to the Project Area. The Report will project tax increment revenues generated by the increase in assessed value of real and personal property within the Project Area. In addition, the Report describes the methodology and assumptions utilized in these projections, evaluating the historic and current taxable values, the projected values of new construction, the effects of pending assessment appeals, and the property tax collection and allocation procedures of the County of San Diego (the “County”).

## **A. NORTH PARK PROJECT AREA BACKGROUND**

The Ordinance approving the Redevelopment Plan for the Project Area was adopted by the City Council of the City of San Diego on March 4, 1997 (accomplished by Ordinance No. 0-18386). The main purpose of establishing the Redevelopment Plan (the “Plan”) was to eradicate blight in the Project Area. In accordance with this purpose, the objectives of the Plan included the enhancement of positive characteristics of the neighborhoods in the Project Area and promotion of new projects within the Project Area.

The Plan will remain in effect until thirty (30) years from the date of adoption. Pursuant to subdivision (a)(1) of Section 33333.2 of the Health and Safety Code, the time limit on the establishment of loans, advances, and bonded indebtedness to be funded through tax increment revenues is twenty (20) years from the adoption of the Plan. Also, total bonded indebtedness of the Project Area to be repaid by the allocation of taxes to the Agency is not to exceed \$93 million. In accordance with subdivision (a)(3) of Section 33333.2 of the Health and Safety Code, the time limit for the receipt of tax increment revenues is forty-five (45) years.

The Project Area is administered by the City Redevelopment Division of the Community and Economic Development Department. The Project Area encompasses 555 acres of land, located 5 miles from downtown San Diego and next to Balboa Park. Land uses in the Project Area include commercial, residential, retail, and light manufacturing. Historic preservation and enhancement of single family homes is key. The Project Area is bordered by Interstate 805 to the east, Park Boulevard to the west, Adams Avenue to the north, and Upas Street to the south.

## **B. NORTH PARK TAX ALLOCATION BONDS, SERIES 2000 AND 2003 PROJECTS**

In the year 2000, the Agency issued a joint tax allocation bond for the North Bay and North Park Redevelopment Project Areas in the amount of \$13,000,000 and \$7,000,000, respectively. Projects which were planned for financing from the bond proceeds for North Park included the following:

- Theatre Residential/North Park Theatre Restoration
- Western University Avenue
- 30<sup>th</sup> Street (North of Lincoln)
- Demo Block Project

In addition, in 2003, the Agency issued a tax allocation bond in the amount of \$12,505,000 secured by tax increment revenues from the Project Area to fund the following projects.

- Renaissance at North Park mixed-use development
- North Park Public Parking Garage
- North Park Public Parking Lot

### **C. LINE OF CREDIT**

The Agency is considering obtaining a line of credit in the amount of \$10,000,000 to be secured by tax increment revenues from the Project Area, to continue to fund Agency obligations related to the following projects:

- North Park Theatre Renovation
- North Park Public Parking Garage

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## **II. PROJECT TAXABLE VALUES**

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The County of San Diego Assessor (the “Assessor”) determines the assessed valuations of real and personal property. The secured roll is the Assessor’s roll, which contains real property for which taxes are secured by a lien on the property, and the unsecured roll contains business personal property, for which taxes are not secured by a lien. The County assigns values to each Assessor’s Parcel, which is listed in turn by an Assessor’s Parcel Number (“APN”). The Assessor releases the equalized Assessor’s roll on or prior to the first of July of each Fiscal Year. At this time, the Auditor Controller compiles the tax roll based on this information. The Auditor Controller assigns each APN to a Tax Rate Area (“TRA”), which is a geographic area containing Assessor’s Parcels with the same tax rates. The Project Area includes one TRA: 08-255. The Auditor Controller is responsible for combining the assessed values provided by the Assessor for all APNs within the Project Area, and releasing a report each July showing the secured and unsecured values for the current and base year as well as the incremental value for the entire Project Area.

### **A. HISTORIC TAXABLE VALUES**

DTA researched historic secured and unsecured taxable values in the Project Area for Fiscal Years 1999-2000 through 2005-2006. These values, which are based on information provided by the County of San Diego Auditor Controller are shown in Table 1. As listed in the table, the base year value for the Project Area is approximately \$424 million, and the total secured and unsecured value for the Project Area has risen from nearly \$461 million for Fiscal Year 1999-2000 to nearly \$832 million for Fiscal Year 2005-2006, an increase of approximately 81%.

### **B. CURRENT REAL AND PERSONAL PROPERTY VALUES**

DTA researched the Fiscal Year 2005-2006 equalized roll prepared by the County Assessor. As summarized in Table 1, the total secured assessed valuation for the Project Area for 2005-2006 is \$816 million. This represents an increase of approximately 17% from \$695 million; the total Project Area secured assessed valuation for 2004-2005.

Based on discussions with the County Auditor and Assessor, discrepancies in the total net assessed values are due to procedural differences in obtaining the data. For purposes of this analysis, we are using the Auditor’s assessed values to calculate the annual tax increment.

### **C. VALUES BY LAND USE TYPE**

The Project Area includes a combination of land uses based on an analysis of the Fiscal Year 2005-2006 Assessor’s roll. This allocation indicates that 75.24% of the Project Area valuation is residential (including 62.10% of multifamily residential land use) and 22.79% of the value is commercial property (of which 14.65% is office space). The breakdown by land use type is shown in Table 2.

#### **D. TEN MAJOR ASSESSEES**

Table 3 presents the top ten assessees from the Fiscal Year 2005-2006 equalized roll. The tables show the assessee name/owner, the number of assessor parcels under their ownership, the total net assessed valuation, and the percentage of the total project assessed value represented by that owner's property.

#### **E. PENDING AND RECENTLY RESOLVED ASSESSMENT APPEALS**

If a property owner believes that the valuation determined by the Assessor is in error, an appeal may be filed with the County Assessment Appeals Board during a period between July and September of each fiscal year. A resolved appeal may produce a reduction in the original contested value and a refund to the property owner. If the appeal is withdrawn, there is no change in the original value.

For the purposes of the analysis, DTA researched the pending and recently resolved assessment appeals to determine how tax refunds as a result of appeals might reduce the tax increment received by the Agency. Table 4 shows recent historical assessment appeals in the Project Area, providing the following information: Tax Rate Area, APN, Application Number, Owner/Applicant name, the status of the appeal, the result of the appeal, the hearing date, contested assessed value, the applicant's opinion of value, the proposed changed value, the impact of the changed values, and the fiscal year to which each appeal applies.

Please note that a Fiscal Year 2003-2004 appeal by the Vons Companies, one of the top ten assessees, was resolved in favor of the applicant. The assessed value was reduced by \$310,204, which represents 0.049% of the total Fiscal Year 2003-2004 Project Area assessed value.

There was one appeal which resulted in a refund for Fiscal Year 2004-2005. The amount of the reduction was determined to be \$62,840 which represents 0.009% of the total Fiscal Year 2004-2005 assessed value. Three other appeals were resolved with no change in value for Fiscal Year 2004-2005.

There are currently eight pending appeals which may have an impact for Fiscal Year 2005-2006. For appeals in which a stipulated value has not yet been set, the historical reduction percentage of appeals on assessments of similar values from Fiscal Year 2001-2002 through Fiscal Year 2004-2005 was calculated to determine the estimated effect of a successful appeal. Based on our research of past appeals, we have estimated a reduction of 10% of the contested assessed value for pending appeals. Therefore, the assumed impact of the pending appeal reductions applied to Fiscal Year 2005-2006 is \$164,100 which represents 0.019% of the total Fiscal Year 2005-2006 assessed value.

In addition, there were two resolved appeals which will reduce the assessed value for Fiscal Year 2005-2006. The amount of the reduction was determined to be \$165,000 which represents 0.020% of the total Fiscal Year 2005-2006 assessed value.

It is important to note that the actual reduction to tax increment for future years may be higher or lower for a number of different reasons, including filing of additional appeals in future years.

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### **III. PROJECT TAX INCREMENT REVENUE ALLOCATION**

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#### **A. TAX RATES**

Tax increment revenues in this analysis are calculated by applying the tax rate determined by the Auditor Controller to the annual incremental assessed value of the Project Area. The general ad valorem tax rate is \$1 per \$100 of assessed value. In addition to this rate, an override rate reflects the debt service for various agencies which have issued bonds in the Project area. Pursuant to Section 33670 (e) of the Health and Safety Code, approved on November 8, 1988, tax increment revenues cannot be calculated using property taxes generated from voter-approved bonded indebtedness on or following January 1, 1989. Table 5 shows the Fiscal Year 2005-2006 rates in the Project Area, separating the override amounts attributed to bonded indebtedness by participating agencies which excludes those that started levying a charge after January 1, 1989. Thus, the Fiscal Year 2005-2006 tax rate used to calculate increment in TRA 08-255 is \$1.0102 per \$100 of assessed value. DTA assumes a secured tax rate of \$1 per \$100 after Fiscal Year 2005-2006 as the override rates usually decline each year as values increase and bonded indebtedness is paid off over time.

#### **B. SUPPLEMENTAL TAXES, DELINQUENCIES, PENALTIES, INTEREST**

Supplemental property taxes are a result of change in ownership of property or new construction. They are based on the difference between the prior year value and the new value. Supplemental taxes can represent either a positive or negative impact to Project Area value. They are allocated to the Agency throughout the year and included in the ten increment payments prepared by the Auditor Controller. The history of supplemental tax receipts in the Project Area is shown in Table 6. To be conservative, future supplemental assessments are not projected.

Tax increment payments can also be adjusted due to roll corrections, delinquencies, penalties, and interest. The historical status of these adjustments is also shown in Table 6.

Property taxes on assessed valuations that are reduced due to later assessment appeals result in refunds for the taxes based on the original value. Refunds are allocated based on apportionment factors. Table 6 shows the historical refunds in the Project Area.

The historical percentage of tax receipts to the actual amount of taxes levied is shown in Table 7.

#### **C. UNITARY TAXES**

The State Board of Equalization (“SBE”) establishes the taxable value of real and personal property of utilities, and since Fiscal Year 1988-1989, the values have been assessed as a Countywide unit. There are several qualifications to the unitary revenue disbursement: a taxing agency is entitled to receive the same amount of revenue as the previous year as well as an increase of up to 2%, unless unitary revenues decrease below a level adequate to provide each taxing agency with the same share as the prior year. In this case, the unitary

revenues will be reduced pro rata to all agencies. The other component of unitary allocation is significant when the assessed valuation of unitary taxes increases by more than 2% in one year, in which case revenues are allocated according to the percentage that each taxing agency in the County receives for secured taxable values. As of 1988-1989, when the allocation procedures changed, it was determined that a taxing agency that was created after 1988-1989 was not entitled to receive unitary revenues. In the North Park Project Area, which was created in 1997, no unitary revenues had been received in prior years due to the abovementioned procedure.

Unitary revenue for the Project Area received as of June 30, 2005 was \$1,614. The Project Area received a proportion of the increased amount as it was entitled to receive a share of the revenues. Assuming that the unitary revenues will stay at a constant level in future years, DTA is conservatively estimating that the Project Area will continue to receive the same amount.

#### **D. ADMINISTRATIVE CHARGES**

Senate Bills 2557 and 1559 allow counties to determine property tax administrative charges to local agencies in the proportion that is attributable to their property tax administrative costs to the County. DTA has conservatively estimated the charge for future years to be 1.00% of gross incremental revenue. Tables 9 and 10 show the administrative charge as a deduction to the Project Area.

#### **E. LOW AND MODERATE INCOME HOUSING SET ASIDE**

In accordance with Community Redevelopment Law (Health and Safety Code, Section 33000 *et seq.*), the Agency is required to set aside 20% of all tax increment revenues into a low and moderate income housing fund. For the purposes of this analysis, DTA assumes that the Agency will continue to set aside 20% of the tax increment in order to improve, add to, or maintain the City of San Diego's supply of low and moderate income housing in future years. Table 10, which projects future tax increment revenues for the Project Area, indicates the amount set aside for low and moderate income housing each year as a separate line item.

#### **F. AB 1290 PAYMENTS TO AFFECTED TAXING ENTITIES**

Assembly Bill 1290 ("AB 1290") was effective as of January 1, 1994 and was significant in that it put an end to the ability of public agencies to enter into "pass through agreements." Instead, the amounts to be paid to the affected taxing agencies are automatically set at the statutory levels indicated in the table below. Fiscal Year 1999-2000 is considered to be Year 1. AB 1290 requires that payments be collected until the last fiscal year in which the agency receives tax increment. For purposes of this analysis, Table 10 shows the tax increment projections for the Project Area through Fiscal Year 2032-2033 (the last year in which debt service payments are made on the Series 2003 Bonds).

Plan Years	Level 1	Level 2	Level 3
1 – End (FY 1999-2000 to FY 2032-33)	25% of the increment less the low and moderate income housing set aside (or 20% of the gross increment).		
11 – End (FY 2009-2010 to FY 2032-33)	Same as Above PLUS	Using the assessed value in Year 10 as a first adjusted base year assessed value, 21% of the increment less the low and moderate income housing set aside (or 16.8% of the gross increment).	
31 – End (FY 2029-2030 to FY 2032-33)	Same as Above PLUS	Same as Above PLUS	Using the assessed value in Year 30 as a first adjusted base year assessed value, 14% of the increment less the low and moderate income housing set aside (or 11.2% of the gross increment).

#### **G. SERIES 2000 AND 2003 TAX ALLOCATION BONDS**

The City of San Diego Redevelopment Agency issued Series 2000 Tax Allocation Bonds and Series 2003 Tax Allocation Bonds in the amount of \$7,000,000 and \$12,505,000, respectively, for the North Park Project Area. The first priority of the tax increment in the Project Area is to pay for annual debt service on the Series 2000 and Series 2003 Bonds. As shown in Table 10, DTA has reduced the projected annual tax increment by the annual debt service for the Series 2000 and Series 2003 Bonds assuming that a portion of the Series 2000 and Series 2003 debt service is paid from the Low/Moderate Income Housing Fund. Housing set-aside funds may only be pledged to the repayment of bonds to the extent proceeds of such bonds are expended on qualifying housing purposes. Since a portion of the proceeds of the Series 2000 and Series 2003 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the applicable Housing Set-Aside Tax Revenues are pledged to pay 20% of debt service on the Series 2000 Bonds and Series 2003 Bonds.

## **H. EDUCATIONAL REVENUE AUGMENTATION FUND (“ERAF”)**

In connection with its approval of the budget for Fiscal Years 1992-1993 through 1994-1995, the State Legislature enacted legislation which reallocated funds from redevelopment agencies to school districts by shifting a portion of each agency's tax increment, net of amounts due to other taxing agencies, to school districts for such fiscal years for deposit to ERAF. The amount required to be paid by a redevelopment agency under such legislation was apportioned among all of its redevelopment project areas on a collective basis, and was not allocated separately to individual project areas. However, faced with a projected multi-billion dollar budget gap for Fiscal Year 2002-2003, the State Legislature adopted as urgency legislation, AB 1768 requiring redevelopment agencies to pay into ERAF in Fiscal Year 2002-2003 an aggregate amount of \$75 million. Most recently, Senate Bill 1096 was adopted in August 2004 requiring redevelopment agencies to pay into ERAF an aggregate amount of \$250 million for each of the following two Fiscal Years 2005-2006 and 2006-2007.

The Agency was notified that its ERAF allocation for FY 2005-2006 totals \$5,394,679. Of that amount, \$200,489 is payable from the North Park Redevelopment Project Area. In Table 10, the current annual amount has been included as an estimate for future years. However, we cannot predict what the State Legislature will require the Agency to deposit into ERAF in future years.

## IV. PROJECT TAX INCREMENT PROJECTIONS

### A. NEW DEVELOPMENT

Table 8 presents an analysis of the greatest changes in assessed value between years 2004-2005 and 2005-2006. In addition, the table below summarizes new development that is expected to increase assessed values within the Project Area in the future. For purposes of this analysis, however, we have conservatively assumed that there will not be any increase in assessed values for future years as a result of such new development within the Project Area.

Project	Description
North Park Theatre	A cornerstone of the community since 1928, the North Park Theatre has been rehabilitated and is once again a live performance venue, which reopened in October 2005. The renovation included interior restoration and expansion, retail and office space, and a new theatre entrance and marquee. Total cost for the theatre project was approximately <b>\$12 million</b> .
Renaissance at North Park	The Renaissance at North Park is a <b>\$32 million</b> mixed-use development. The project will provide 110 units of affordable housing, with additional components consisting of commercial, parking and community facilities. The project is expected to be completed in mid-2006.
La Boheme	Western Pacific Housing, an affiliate of D.R. Horton, Inc. will be developing a <b>\$62 million</b> , 224 residential condominium project located south of Lincoln Avenue between 30th Street and Ohio Street. This project will also include 15,600 square feet of ground-level commercial space. Additionally, 45 of the residential units will be available for purchase by moderate-income households. The project is expected to be completed in fall of 2006.
North Park Public Garage	This <b>\$14 million</b> North Park Public Parking Garage is a mixed-use facility that is a project of the City of San Diego Redevelopment Agency and Arnold "Bud" Fischer. The project features 388 parking spaces on five levels; nearly 15,000 square feet of retail space; a convenient location in the heart of North Park; and supports the success of the North Park Theatre Redevelopment Project. The facility will be completed in January 2006.

In addition, according to information provided by the County of San Diego Assessor's office, the Agency has acquired one parcel previously valued at \$825,685 from Harris Investment Company. The Harris Investment Company property is the site of the North Park public (surface) parking lot, which is adjacent to the North Park Theatre. The Agency purchased the property and cleared it of structures, so that it could be used for parking while the North Park Theatre parking structure was under construction. It is being considered for future development as a park and/or public space.

### B. TAX INCREMENT PROJECTIONS

Table 9 summarizes the Fiscal Year 2005-2006 assessed values and details how the net tax increment is calculated. Table 10 projects the tax increment to be generated by the Project through Fiscal Year 2032-2033. DTA has estimated the future tax increment based on the

Project Area assessed valuation for Fiscal Year 2005-2006, utilizing the assumptions stated herein regarding current adjustments to the increment. The projections are based on the assumption that the value of real property will increase at an inflation rate of 2% per year. This real property value is added to the value of other property, which includes secured and unsecured personal property within the Project Area less unsecured exemptions for Fiscal Year 2005-2006. This value is assumed to remain constant throughout the subsequent years. The incremental value is the difference between the total value and the base year value, and the tax rate used in the calculation of gross revenue for Fiscal Year 2005-2006 is the actual tax rate. This is assumed to decrease in subsequent years. Unitary revenue and administrative charges result in adjustments to the net tax increment, for which the assumptions were discussed previously. The set aside for low and moderate income housing and the AB 1290 pass through are shown as separate line items.

### **C. LIMITATIONS**

This Report contains a projection of tax increment revenues to be received by the Agency. The report is based on estimates, assumptions and other information developed from DTA's research and telephone discussions with County staff, as well as our understanding of County tax procedures. The sources of information and basis of the estimates are stated herein. While we believe that the sources of information are reliable, DTA does not express an opinion or any other form of assurance on the accuracy of such information. In addition, since the analyses contained herein are based on legislation and County procedures, which are inherently subject to uncertainty and variation depending on evolving events and policy changes, DTA cannot represent them as results that will definitely be achieved. Some assumptions inevitably will not materialize and unanticipated events and circumstances may occur; therefore, the actual results achieved may vary from the projections.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
HISTORICAL TAX INCREMENT VALUES  
TABLE 1**

	<b>FY 1999-2000 Taxable Value</b>	<b>FY 2000-2001 Taxable Value</b>	<b>FY 2001-2002 Taxable Value</b>	<b>FY 2002-2003 Taxable Value</b>	<b>FY 2003-2004 Taxable Value</b>	<b>FY 2004-2005 Taxable Value</b>	<b>FY 2005-2006 Taxable Value</b>
<b>Secured Values</b>							
Land	\$206,156,479	\$218,285,289	\$238,556,524	\$259,396,504	\$289,602,435	\$328,786,859	\$416,522,646
Improvement	246,403,657	266,157,900	288,113,383	311,674,761	339,121,972	377,598,097	411,121,443
Personal Property	1,311,398	1,845,740	1,498,222	139,969	129,455	1,034,585	1,345,318
Gross Value	453,871,534	486,288,929	528,168,129	571,211,234	628,853,862	707,419,541	828,989,407
Less Exemptions	(8,912,365)	(9,775,238)	(9,690,960)	(10,735,089)	(11,674,496)	(12,535,963)	(13,282,156)
<b>Total Secured</b>	<b>444,959,169</b>	<b>476,513,691</b>	<b>518,477,169</b>	<b>560,476,145</b>	<b>617,179,366</b>	<b>694,883,578</b>	<b>815,707,251</b>
<b>Unsecured Values</b>							
Land	0	0	0	0	0	0	0
Improvement	6,058,451	5,994,277	5,261,490	5,454,610	7,915,990	5,973,344	5,822,960
Personal Property	9,764,052	10,219,519	10,093,737	10,325,188	12,351,410	11,613,698	11,144,665
Gross Value	15,822,503	16,213,796	15,355,227	15,779,798	20,267,400	17,587,042	16,967,625
Less Exemptions	0	(304,679)	(445,838)	(114,762)	(675,494)	(701,121)	(655,788)
<b>Total Unsecured</b>	<b>15,822,503</b>	<b>15,909,117</b>	<b>14,909,389</b>	<b>15,665,036</b>	<b>19,591,906</b>	<b>16,885,921</b>	<b>16,311,837</b>
<b>Total Secured and Unsecured</b>	<b>460,781,672</b>	<b>492,422,808</b>	<b>533,386,558</b>	<b>576,141,181</b>	<b>636,771,272</b>	<b>711,769,499</b>	<b>832,019,088</b>
Percentage Change in Total Value	NA	6.87%	8.32%	8.02%	10.52%	11.78%	16.89%
<b>Base Year Value</b>	<b>423,551,030</b>						
<b>Incremental Value</b>	<b>37,230,642</b>	<b>68,871,778</b>	<b>109,835,528</b>	<b>152,590,151</b>	<b>213,220,242</b>	<b>288,218,469</b>	<b>408,468,058</b>
Percentage Change in Incremental Value	NA	84.99%	59.48%	38.93%	39.73%	35.17%	41.72%

[1] Based on information provided by the County of San Diego Auditor/Controller.

Note: Based on discussions with the County Auditor and Assessor, discrepancies in the total net assessed values are due to procedural differences in obtaining the data.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
FY 2005-2006 ASSESSED VALUE BY LAND USE  
TABLE 2**

<b>Land Use [1]</b>	<b>No. of Parcels [1]</b>	<b>Secured Total Net Assessed Value [2]</b>	<b>Percent of Net Assessed Value</b>
<b>Residential Property (land use codes 07 through 19)</b>			
Vacant Residential	17	\$2,495,242	0.31%
Single Family Residential	561	\$103,740,009	12.82%
Multi-Family Residential	1,700	\$502,392,923	62.10%
Miscellaneous	2	\$107,118	0.01%
<b>Subtotal</b>	<b>2,280</b>	<b>\$608,735,292</b>	<b>75.24%</b>
<b>Commercial Property (land use codes 20 through 39)</b>			
Office Space	380	\$118,524,043	14.65%
Retail	64	\$54,221,070	6.70%
Vacant Land	24	\$4,701,921	0.58%
Other Uses	30	\$6,911,949	0.85%
<b>Subtotal</b>	<b>498</b>	<b>184,358,983</b>	<b>22.79%</b>
Industrial Property (land use codes 40 through 49)	23	\$6,248,734	0.77%
Farm / Rural Land (land use codes 50 through 65)	0	\$0	0.00%
Institutional Property (land use codes 70 through 79)	11	\$7,395,151	0.91%
Recreational Property (land use codes 80 through 84)	3	\$496,744	0.06%
Miscellaneous Use (land use codes 88 through 89 and 00)	12	\$1,827,945	0.23%
<b>Total</b>	<b>2,827</b>	<b>\$809,062,849</b>	<b>100.00%</b>

[1] Includes only parcels with a net assessed value greater than \$0.

[2] Based on final FY 2005-2006 Assessor's Roll. Land use codes provided by the County Assessor.

Note: Based on discussions with the County Auditor and Assessor, discrepancies in the total net assessed values are due to procedural differences in obtaining the data.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
FY 2005-2006 TOP TEN ASSESSEES  
TABLE 3**

<b>Owner</b>	<b>Land Use</b>	<b>No. of Parcels</b>	<b>Total Net Assessed Value [1]</b>	<b>Percent of Project Value</b>
Hampstead Lafayette Hotel LLC	Hotel/Motel Property	1	\$11,854,208	1.47%
Vons Companies Inc.	Commercial/Grocery Store	1	\$5,682,562	0.70%
Ventas Realty LP	Hospital	1	\$5,426,244	0.67%
4655 Ohio LLC	Multi-Family Residential	1	\$4,350,000	0.54%
Western Pacific Housing Inc.	Commercial/Grocery Store	1	\$3,850,000	0.48%
PAD Properties Group LP	Multi-Family Residential	8	\$3,726,871	0.46%
G & M Associates	Commercial/Office Space	1	\$3,550,408	0.44%
Covington, Darlene	Commercial/Office Space	1	\$3,309,761	0.41%
MC Versailles LLC	Multi-Family Residential	1	\$3,285,453	0.41%
Lusti Madison LP	Multi-Family Residential	2	\$3,143,104	0.39%
All other owners	NA	2,809	\$760,884,238	94.05%
<b>Grand Total</b>	<b>NA</b>	<b>2,827</b>	<b>\$809,062,849</b>	<b>100.00%</b>
<b>TOTAL NET ASSESSED VALUE OF TOP 5 OWNERS:</b>			<b>\$31,163,014</b>	
<b>TOTAL TAX INCREMENT VALUE:</b>			<b>\$288,218,469</b>	
<b>PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL NET VALUE:</b>			<b>3.85%</b>	
<b>PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL TAX INCREMENT VALUE:</b>			<b>10.81%</b>	

[1] Based on final FY 2005-2006 Assessor's Roll. Includes values for TRA 008-255.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
ASSESSMENT APPEALS  
TABLE 4**

Tax Rate Area	Appeal ID #	Applicant Name	Result [1]	Hearing Date	Assessed Value	Applicant Opinion of Value	Resolved / Pending Value [2]	Impact/Value Change	Fiscal Year Appeal Applies to
<b>FY 2003-2004 APPEALS</b>									
008255	02-045737	THE VONS COMPANIES #2355	Resolved	24-Apr-03	\$1,531,759	\$550,000	\$1,221,555	(\$310,204)	2003-04
								<b>Estimated Value Reduction</b>	<b>(\$310,204)</b>
<b>FY 2004-2005 APPEALS</b>									
008255	401301	JAMIE FINANCIAL	Pending	TBD	\$581,863	\$350,000	\$523,677	(\$58,186)	2004-05
008255	401719	WESTWOOD FINANCIAL	Resolved	30-Jun-05	\$1,782,446	\$891,223	\$1,782,446	\$0	2004-05
008255	302347	ALFONSON	Resolved	21-Oct-04	\$243,062	\$146,126	\$243,062	\$0	2004-05
008255	302395	SELL, CHRISTOPHER	Resolved	07-Oct-04	\$900,000	\$382,034	\$900,000	\$0	2004-05
008255	302609	MORTENSEN, KARL	Resolved	21-Oct-04	\$223,559	\$180,000	\$160,719	(\$62,840)	2004-05
								<b>Estimated Value Reduction</b>	<b>(\$121,026)</b>
<b>FY 2005-2006 APPEALS</b>									
008255	402336	GALSTIAN, ATOM	Pending	TBD	\$468,643	\$600,000	\$421,779	(\$46,864)	2005-2006
008255	402421	BARBER, GEORGIA	Resolved	01-Sept-2005	\$1,075,000	\$971,500	\$965,000	(\$110,000)	2005-2006
008255	402421	BARBER, GEORGIA	Resolved	01-Sept-2005	\$765,000	\$703,500	\$710,000	(\$55,000)	2005-2006
008255	402501	DIBELLA, TR	Pending	TBD	\$470,000	\$350,000	\$423,000	(\$47,000)	2005-2006
008255	500040	KARCHER	Pending	TBD	\$141,360	\$51,287	\$127,224	(\$14,136)	2005-2006
008255	500084	NEAL, DARREN	Pending	TBD	\$335,000	\$150,000	\$301,500	(\$33,500)	2005-2006
008255	500304	ENTERTAINMENT	Pending	TBD	\$71,000	\$35,500	\$63,900	(\$7,100)	2005-2006
008255	500305	ENTERTAINMENT	Pending	TBD	\$61,000	\$30,500	\$54,900	(\$6,100)	2005-2006
008255	500306	ENTERTAINMENT	Pending	TBD	\$68,000	\$34,000	\$61,200	(\$6,800)	2005-2006
008255	500307	ENTERTAINMENT	Pending	TBD	\$26,000	\$13,000	\$23,400	(\$2,600)	2005-2006
								<b>Estimated Value Reduction</b>	<b>(\$329,100)</b>

[1] Highlighted items indicate resolved appeals.

[2] For any appeals that have not been resolved at this time DTA has conservatively assumed the appeal resolved in favor of the property owner at a rate of 90% of the contested value, based on historic assessment appeals data.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
SUMMARY OF PARTICIPATING AND NON-PARTICIPATING AGENCIES  
TABLE 5**

<b>Participating Agencies [1]</b>	<b>FY 2004-2005 Rates for TRA 008-255 [3]</b>	<b>FY 2005-2006 Rates for TRA 008-255 [3]</b>
	1.00000%	1.00000%
City of San Diego Zoological Exhibit	0.00500%	0.00500%
San Diego Unified Lease/Purchase	0.00000%	0.00000%
Metropolitan Water District	0.00580%	0.00520%
County Water Authority	0.00000%	0.00000%
Subtotal	1.01080%	1.01020%
<b>Non-Participating Agencies [2]</b>		
San Diego City Public Safety	0.00170%	0.00145%
San Diego Unified Bond Series 1999A	0.00854%	0.00974%
San Diego Unified Bond Series 2000B	0.01302%	0.00785%
San Diego Unified Bond Series 2001C	0.01529%	0.00899%
San Diego Unified Bond Series 2002D	0.02268%	0.01272%
San Diego Unified Bond Series 2003E	0.02723%	0.02138%
San Diego Unified Bond Series 1998F	0.00000%	0.01522%
San Diego Community College Bond 2003A	0.01901%	0.01630%
San Diego Community College Bond 2003B	0.00000%	0.00865%
Subtotal	0.10747%	0.10230%
<b>Grand Total</b>	<b>1.11827%</b>	<b>1.11250%</b>

[1] Agencies that began levying an annual charge before January 1, 1989.

[2] Agencies that have been levying an annual charge after January 1, 1989.

[3] Tax rates based on information provided by the San Diego County Auditor/Controller.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
ALLOCATION ADJUSTMENTS [1]  
TABLE 6**

<b>Year</b>	<b>Supplemental Roll</b>	<b>Roll Corrections</b>	<b>Refunds/ Adjustments</b>	<b>Delinquencie s/Penalties</b>	<b>Total Adjustments</b>
1999-2000	\$46,633.44	(\$1,868.98)	(\$3,490.97)	\$0.00	\$41,273.49
2000-2001	\$170,136.31	(\$950.85)	(\$13,697.20)	\$8,955.08	\$164,443.34
2001-2002	\$320,938.79	(\$1,003.23)	(\$23,780.95)	\$14,699.25	\$310,853.86
2002-2003	\$413,173.87	(\$472.29)	(\$26,975.47)	\$22,058.01	\$407,784.12
2003-2004	\$494,959.35	(\$3,523.79)	(\$34,303.64)	\$28,167.79	\$485,299.71
2004-2005	\$902,383.85	(\$5,005.48)	(\$65,139.81)	\$31,547.38	\$863,785.94

[1] Based on information in the Agency Trust Fund Summary, prepared by the Auditor-Controller

**NORTH PARK REDEVELOPMENT PROJECT AREA  
HISTORIC RECEIPTS TO LEVY ANALYSIS  
TABLE 7**

Fiscal Year Ending:	1999 2000	2000 2001	2001 2002	2002 2003	2003 2004	2004 2005
<b>I. Reported Assessed Value</b>						
Total Project Value [1]	\$460,781,672	\$492,422,808	\$533,386,558	\$576,141,181	\$636,771,272	\$711,769,499
Less Base Value	423,551,030	423,551,030	423,551,030	423,551,030	423,551,030	423,551,030
Incremental Value	37,230,642	68,871,778	109,835,528	152,590,151	213,220,242	288,218,469
Tax Rate	1.11065%	1.11046%	1.10928%	1.01820%	1.01177%	1.01080%
<b>II. Gross Tax Increment</b>	413,502	764,794	1,218,384	1,553,673	2,157,298	2,913,312
Unitary Revenue	0	0	1,138	1,083	1,594	1,614
County Administrative Expenses	(4,504)	(5,138)	(7,012)	(12,326)	(14,551)	(22,748)
Total Computed Levy	408,998	759,656	1,212,510	1,542,431	2,144,341	2,892,178
<b>III. Total Receipts</b>	445,221	912,867	1,498,177	2,078,180	2,610,446	3,711,294
% Difference of Computed Levy	108.86%	120.17%	123.56%	134.73%	121.74%	128.32%

[1] Based on total secured and unsecured value for the Project provided by the San Diego County Auditor/Controller.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
LARGEST CHANGES IN SECURED ASSESSED VALUE  
TABLE 8**

<b>Current Assessee</b>	<b>FY 2004-2005 Secured Net Assessed Value</b>	<b>FY 2005-2006 Secured Net Assessed Value</b>	<b>Difference</b>	<b>Percent Change</b>
Hampstead Lafayette Hotel LLC	\$5,273,658	\$11,854,208	\$6,580,550	124.78%
4655 Ohio LLC	569,058	4,350,000	3,780,942	664.42%
4544-4552 Hamilton Street LLC	514,097	2,702,000	2,187,903	425.58%
Western Pacific Housing Inc.	1,675,414	3,850,000	2,174,586	129.79%
Scott W. Smith	468,472	2,250,000	1,781,528	380.28%
North Park Theatre LLC [1]	0	1,620,000	1,620,000	0.00%
85% MA Betty T Living Trust 03-14-01, Et. al.	1,077,032	2,595,000	1,517,968	140.94%
Hass G T Limited Partnership	830,095	2,203,200	1,373,105	165.42%
Continental Grand LLC	1,454,660	2,800,000	1,345,340	92.48%
4120 Kansas LLC	1,208,199	2,445,960	1,237,761	102.45%
Others	656,589,703	772,392,481	115,802,778	17.64%
	669,660,388	809,062,849	139,402,461	20.82%
2,639 Assessments Gain in Value	\$653,851,124	\$755,381,884	\$101,530,760	15.53%
51 Assessments with no change in Value [2]	0	0	0	0.00%
71 Assessments With Reduced Value [3]	14,983,579	13,577,854	(1,405,725)	-9.38%
1 Parcel Acquired by San Diego Redevelopment Agency	825,685	0	(825,685)	-100.00%
120 New Parcels [4]	NA	40,103,111	40,103,111	NA
30 Superceded Parcels [5]	19,383,790	NA	(19,383,790)	NA
<b>Total</b>	<b>\$689,044,178</b>	<b>\$809,062,849</b>	<b>\$120,018,671</b>	<b>17.42%</b>

[1] This parcel was owned by the City of San Diego Redevelopment Agency in FY 2004-05 and had a Net Assessed Value of \$0.

[2] All 51 parcels are considered exempt by the County of San Diego and do not have an assessed value.

[3] Values based on the closed Assessor's roll for each fiscal year. Based on discussions with the County, however, values may have been subsequently revised after the roll had closed. Therefore, several parcels may actually have had smaller FY 04-05 values resulting in no decline in value to FY 05-06. DTA is currently researching.

[4] New parcels for FY 2005-2006.

[5] FY 2004-2005 assessor parcels that did not have matching FY 2005-2006 parcel numbers.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
FY 2005-2006 TAX INCREMENT REVENUE ESTIMATE  
TABLE 9**

	<b>FY 2005-2006 Taxable Value</b>	<b>Base Taxable Value</b>	<b>Incremental Taxable Value</b>
<b>Secured Values</b>			
Land	\$416,522,646	\$196,484,726	\$220,037,920
Improvement	\$411,121,443	222,640,198	188,481,245
Personal Property	\$1,345,318	2,523,329	(1,178,011)
Gross Value	828,989,407	421,648,253	407,341,154
Less Exemptions	(\$13,282,156)	(8,911,306)	(4,370,850)
<b>Total Secured</b>	<b>815,707,251</b>	<b>412,736,947</b>	<b>402,970,304</b>
<b>Unsecured Values</b>			
Land	0	0	0
Improvement	5,822,960	4,348,700	1,474,260
Personal Property	11,144,665	6,465,383	4,679,282
Gross Value	16,967,625	10,814,083	6,153,542
Less Exemptions	(655,788)	0	(655,788)
<b>Total Unsecured</b>	<b>16,311,837</b>	<b>10,814,083</b>	<b>5,497,754</b>
<b>Total Secured and Unsecured</b>	<b>832,019,088</b>	<b>423,551,030</b>	<b>408,468,058</b>
Estimated Valuation Adjustments			
Assessment Appeal Valuation Reductions:			(\$329,100)
Adjusted Incremental Secured and Unsecured			\$408,138,958
Gross Increment Revenue @	1.01020% [2]		\$4,123,020
Unitary Revenue [3]			\$1,614
Supplemental Roll [4]			\$0
Offsets to Gross Estimated Revenue			
Administrative Expenses [5]			(\$41,230)
Net Tax Increment Revenue			\$4,083,403
Low/Moderate Income Housing Set-Aside Revenue			(\$816,681)
Taxing Agencies Pass Throughs (AB 1290)			(\$816,681)
Payments to Educational Revenue Augmentation Fund (ERAF) [6]			(\$200,489)
<b>Non-Housing Tax Revenue</b>			<b>\$2,249,553</b>
Available Housing Tax Increment Revenue			\$816,681
<b>Tax Revenue Available for Debt Service</b>			<b>\$3,066,234</b>
Series 2000 Tax Allocation Bonds Annual Debt Service			(\$476,558)
Series 2003 Tax Allocation Bonds Annual Debt Service			(\$811,733)
<b>Net Tax Revenue Available for New Debt Service</b>			<b>\$1,777,944</b>

[1] Based on information provided by the County of San Diego Auditor/Controller.

[2] Based on FY 2005-2006 rate for TRA 008-255.

[3] Based on information for FY 2004-2005 provided by the County of San Diego Auditor/Controller.

[4] For purposes of this analysis, we have conservatively assumed that the supplemental roll will not add additional revenue

[5] Estimated at 1.00% of the gross revenue for the Project Area.

[6] Based on actual amount to be transferred to ERAF in 2005.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
TAX INCREMENT REVENUE PROJECTION  
TABLE 10**

Fiscal Year Ending:	<b>**YEAR 10**</b>								
	<b>2005 2006</b>	<b>2006 2007</b>	<b>2007 2008</b>	<b>2008 2009</b>	<b>2009 2010</b>	<b>2010 2011</b>	<b>2011 2012</b>	<b>2012 2013</b>	<b>2013 2014</b>
Real Property @ 2.0% [1]	\$820,184,893	\$836,252,909	\$852,977,967	\$870,037,526	\$887,438,277	\$905,187,042	\$923,290,783	\$941,756,599	\$960,591,731
Assumed Appeals Impact	(329,100)	0	0	0	0	0	0	0	0
Total Real Property	819,855,793	836,252,909	852,977,967	870,037,526	887,438,277	905,187,042	923,290,783	941,756,599	960,591,731
Total Other Property [2]	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195
<b>Total Value</b>	<b>831,689,988</b>	<b>848,087,104</b>	<b>864,812,162</b>	<b>881,871,721</b>	<b>899,272,472</b>	<b>917,021,237</b>	<b>935,124,978</b>	<b>953,590,794</b>	<b>972,425,926</b>
Incremental Value Over Base of:	\$423,551,030	408,138,958	424,536,074	441,261,132	458,320,691	475,721,442	493,470,207	511,573,948	530,039,764
Gross Revenue [3]	4,123,020	4,245,361	4,412,611	4,583,207	4,757,214	4,934,702	5,115,739	5,300,398	5,488,749
Unitary Revenue	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614
Adjustments to Gross Revenue									
Supplemental Roll	0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [4]	(41,230)	(42,454)	(44,126)	(45,832)	(47,572)	(49,347)	(51,157)	(53,004)	(54,887)
Net Tax Increment Revenue	4,083,403	4,204,521	4,370,099	4,538,988	4,711,256	4,886,969	5,066,196	5,249,007	5,435,475
Low/Moderate Income Housing Set-Aside Revenue	(816,681)	(840,904)	(874,020)	(907,798)	(942,251)	(977,394)	(1,013,239)	(1,049,801)	(1,087,095)
Taxing Agencies Pass Through (AB 1290) [5]	(816,681)	(840,904)	(874,020)	(907,798)	(971,192)	(1,035,854)	(1,101,810)	(1,169,085)	(1,237,705)
Payments to Educational Revenue Augmentation Fund (ERAF) [6]	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)
<b>Non-Housing Tax Increment Revenue</b>	<b>2,249,553</b>	<b>2,322,223</b>	<b>2,421,570</b>	<b>2,522,904</b>	<b>2,597,324</b>	<b>2,673,232</b>	<b>2,750,658</b>	<b>2,829,632</b>	<b>2,910,186</b>
Available Housing Tax Increment Revenue	816,681	840,904	874,020	907,798	942,251	977,394	1,013,239	1,049,801	1,087,095
<b>Tax Revenue Available for Debt Service</b>	<b>3,066,234</b>	<b>3,163,128</b>	<b>3,295,590</b>	<b>3,430,702</b>	<b>3,539,575</b>	<b>3,650,625</b>	<b>3,763,897</b>	<b>3,879,434</b>	<b>3,997,281</b>
Series 2000 Tax Allocation Bonds Annual Debt Service [7]	(476,558)	(471,157)	(480,355)	(479,226)	(482,643)	(480,600)	(483,080)	(479,835)	(481,448)
Series 2003 Tax Allocation Bonds Annual Debt Service [7]	(811,733)	(806,183)	(809,708)	(806,908)	(808,308)	(808,438)	(802,658)	(805,845)	(803,005)
<b>Net Tax Revenue Available for New Debt Service</b>	<b>1,777,944</b>	<b>1,885,789</b>	<b>2,005,528</b>	<b>2,144,568</b>	<b>2,248,625</b>	<b>2,361,588</b>	<b>2,478,159</b>	<b>2,593,754</b>	<b>2,712,829</b>

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2005-2006. Each subsequent year is assumed to increase by 2.0%.

[2] Includes secured and unsecured personal property value in the Project less unsecured exemptions for FY 2005-2006. We have assumed this value to remain constant for each subsequent year.

[3] The actual tax rate of 1.01020% is used for FY 2005-2006. A 1.00% tax rate is used from FY 2006-2007 to the end of the projection.

[4] Estimated at 1.00 percent of gross revenue for the Project Area.

[5] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2032-2033. In addition, 16.8% of Gross Revenue is included from FY 2009-2010 through FY 2032-2033 using Year 10 as a base value and 11.2% of Gross Revenue is included from FY 2029-2030 through FY 2032-2033 using Year 30 as a base value.

[6] Based on actual amount to be transferred to ERAF in 2005. The current annual amount has been included as an estimate for future years. However, we cannot predict what the State Legislature will require the Agency to deposit into ERAF in future years.

[7] Housing set-aside funds may only be pledged to the repayment of bonds to the extent proceeds of such bonds are expended on qualifying housing purposes. Since a portion of the proceeds of the Series 2000 and 2003 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the applicable Housing Set-Aside Tax Revenues are pledged to pay 20% of debt service on the Series 2000 and 2003 Bonds.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
TAX INCREMENT REVENUE PROJECTION  
TABLE 10**

<b>Fiscal Year Ending:</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>
	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	
Real Property @ 2.0% [1]	\$979,803,565	\$999,399,637	\$1,019,387,629	\$1,039,775,382	\$1,060,570,889	\$1,081,782,307	\$1,103,417,953	\$1,125,486,312	\$1,147,996,039	\$1,170,955,959	
Assumed Appeals Impact	0	0	0	0	0	0	0	0	0	0	
<b>Total Real Property</b>	<b>979,803,565</b>	<b>999,399,637</b>	<b>1,019,387,629</b>	<b>1,039,775,382</b>	<b>1,060,570,889</b>	<b>1,081,782,307</b>	<b>1,103,417,953</b>	<b>1,125,486,312</b>	<b>1,147,996,039</b>	<b>1,170,955,959</b>	
Total Other Property [2]	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	
<b>Total Value</b>	<b>991,637,760</b>	<b>1,011,233,832</b>	<b>1,031,221,824</b>	<b>1,051,609,577</b>	<b>1,072,405,084</b>	<b>1,093,616,502</b>	<b>1,115,252,148</b>	<b>1,137,320,507</b>	<b>1,159,830,234</b>	<b>1,182,790,154</b>	
Incremental Value Over Base of:	\$423,551,030	568,086,730	587,682,802	607,670,794	628,058,547	648,854,054	670,065,472	691,701,118	713,769,477	736,279,204	759,239,124
Gross Revenue [3]	5,680,867	5,876,828	6,076,708	6,280,585	6,488,541	6,700,655	6,917,011	7,137,695	7,362,792	7,592,391	
Unitary Revenue	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	
Adjustments to Gross Revenue											
Supplemental Roll	0	0	0	0	0	0	0	0	0	0	
Property Tax Administrative Fee [4]	(56,809)	(58,768)	(60,767)	(62,806)	(64,885)	(67,007)	(69,170)	(71,377)	(73,628)	(75,924)	
<b>Net Tax Increment Revenue</b>	<b>5,625,672</b>	<b>5,819,673</b>	<b>6,017,554</b>	<b>6,219,393</b>	<b>6,425,269</b>	<b>6,635,262</b>	<b>6,849,455</b>	<b>7,067,931</b>	<b>7,290,778</b>	<b>7,518,081</b>	
Low/Moderate Income Housing Set-Aside Revenue	(1,125,134)	(1,163,935)	(1,203,511)	(1,243,879)	(1,285,054)	(1,327,052)	(1,369,891)	(1,413,586)	(1,458,156)	(1,503,616)	
Taxing Agencies Pass Through (AB 1290) [5]	(1,307,697)	(1,379,090)	(1,451,910)	(1,526,187)	(1,601,949)	(1,679,226)	(1,758,049)	(1,838,449)	(1,920,456)	(2,004,104)	
Payments to Educational Revenue Augmentation Fund (ERAF) [6]	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	
<b>Non-Housing Tax Increment Revenue</b>	<b>2,992,351</b>	<b>3,076,160</b>	<b>3,161,645</b>	<b>3,248,839</b>	<b>3,337,777</b>	<b>3,428,494</b>	<b>3,521,025</b>	<b>3,615,407</b>	<b>3,711,677</b>	<b>3,809,872</b>	
Available Housing Tax Increment Revenue	1,125,134	1,163,935	1,203,511	1,243,879	1,285,054	1,327,052	1,369,891	1,413,586	1,458,156	1,503,616	
<b>Tax Revenue Available for Debt Service</b>	<b>4,117,486</b>	<b>4,240,095</b>	<b>4,365,155</b>	<b>4,492,718</b>	<b>4,622,831</b>	<b>4,755,547</b>	<b>4,890,916</b>	<b>5,028,994</b>	<b>5,169,833</b>	<b>5,313,488</b>	
Series 2000 Tax Allocation Bonds Annual Debt Service [7]	(482,175)	(487,115)	(486,300)	(484,795)	(487,392)	(488,930)	(489,377)	(488,365)	(481,603)	(488,588)	
Series 2003 Tax Allocation Bonds Annual Debt Service [7]	(799,005)	(799,445)	(799,045)	(797,805)	(800,725)	(796,225)	(795,825)	(799,225)	(796,125)	(796,825)	
<b>Net Tax Revenue Available for New Debt Service</b>	<b>2,836,306</b>	<b>2,953,535</b>	<b>3,079,810</b>	<b>3,210,118</b>	<b>3,334,714</b>	<b>3,470,392</b>	<b>3,605,715</b>	<b>3,741,404</b>	<b>3,892,105</b>	<b>4,028,076</b>	

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2005-2006. Each subsequent year is assumed to increase by 2.0%.

[2] Includes secured and unsecured personal property value in the Project less unsecured exemptions for FY 2005-2006. We have assumed this value to remain constant for each subsequent year.

[3] The actual tax rate of 1.01020% is used for FY 2005-2006. A 1.00% tax rate is used from FY 2006-2007 to the end of the projection.

[4] Estimated at 1.00 percent of gross revenue for the Project Area.

[5] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2032-2033. In addition, 16.8% of Gross Revenue is included from FY 2009-2010 through FY 2032-2033 using Year 10 as a base value and 11.2% of Gross Revenue is included from FY 2029-2030 through FY 2032-2033 using Year 30 as a base value.

[6] Based on actual amount to be transferred to ERAF in 2005. The current annual amount has been included as an estimate for future years. However, we cannot predict what the State Legislature will require the Agency to deposit into ERAF in future years.

[7] Housing set-aside funds may only be pledged to the repayment of bonds to the extent proceeds of such bonds are expended on qualifying housing purposes. Since a portion of the proceeds of the Series 2000 and 2003 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the applicable Housing Set-Aside Tax Revenues are pledged to pay 20% of debt service on the Series 2000 and 2003 Bonds.

**NORTH PARK REDEVELOPMENT PROJECT AREA  
TAX INCREMENT REVENUE PROJECTION  
TABLE 10**

Fiscal Year Ending:	2024	2025	2026	2027	**YEAR 30**		2029	2030	2031	2032	2033
	2025	2026	2027	2028	2028	2029	2030	2031	2032	2033	2033
Real Property @ 2.0% [1]	\$1,194,375,079	\$1,218,262,580	\$1,242,627,832	\$1,267,480,388	\$1,292,829,996	\$1,318,686,596	\$1,345,060,328	\$1,371,961,535	\$1,399,400,765		
Assumed Appeals Impact	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	1,194,375,079	1,218,262,580	1,242,627,832	1,267,480,388	1,292,829,996	1,318,686,596	1,345,060,328	1,371,961,535	1,399,400,765		
Total Other Property [2]	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195	11,834,195
<b>Total Value</b>	<b>1,206,209,274</b>	<b>1,230,096,775</b>	<b>1,254,462,027</b>	<b>1,279,314,583</b>	<b>1,304,664,191</b>	<b>1,330,520,791</b>	<b>1,356,894,523</b>	<b>1,383,795,730</b>	<b>1,411,234,960</b>		
Incremental Value Over Base of:	\$423,551,030	782,658,244	806,545,745	830,910,997	855,763,553	881,113,161	906,969,761	933,343,493	960,244,700	987,683,930	
Gross Revenue [3]	7,826,582	8,065,457	8,309,110	8,557,636	8,811,132	9,069,698	9,333,435	9,602,447	9,876,839		
Unitary Revenue	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614	1,614
Adjustments to Gross Revenue											
Supplemental Roll	0	0	0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [4]	(78,266)	(80,655)	(83,091)	(85,576)	(88,111)	(90,697)	(93,334)	(96,024)	(98,768)		
Net Tax Increment Revenue	7,749,930	7,986,416	8,227,632	8,473,673	8,724,634	8,980,614	9,241,714	9,508,036	9,779,685		
Low/Moderate Income Housing Set-Aside Revenue	(1,549,986)	(1,597,283)	(1,645,526)	(1,694,735)	(1,744,927)	(1,796,123)	(1,848,343)	(1,901,607)	(1,955,937)		
Taxing Agencies Pass Through (AB 1290) [5]	(2,089,424)	(2,176,451)	(2,265,219)	(2,355,762)	(2,448,115)	(2,570,986)	(2,696,314)	(2,824,148)	(2,954,540)		
Payments to Educational Revenue Augmentation Fund (ERAF) [6]	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)	(200,489)		
<b>Non-Housing Tax Increment Revenue</b>	<b>3,910,031</b>	<b>4,012,193</b>	<b>4,116,398</b>	<b>4,222,688</b>	<b>4,331,103</b>	<b>4,413,017</b>	<b>4,496,569</b>	<b>4,581,792</b>	<b>4,668,719</b>		
Available Housing Tax Increment Revenue	1,549,986	1,597,283	1,645,526	1,694,735	1,744,927	1,796,123	1,848,343	1,901,607	1,955,937		
<b>Tax Revenue Available for Debt Service</b>	<b>5,460,017</b>	<b>5,609,476</b>	<b>5,761,925</b>	<b>5,917,422</b>	<b>6,076,030</b>	<b>6,209,139</b>	<b>6,344,911</b>	<b>6,483,399</b>	<b>6,624,656</b>		
Series 2000 Tax Allocation Bonds Annual Debt Service [7]	(483,580)	(474,510)	(488,133)	(475,415)	(486,375)	(475,858)	(473,855)	0	0		
Series 2003 Tax Allocation Bonds Annual Debt Service [7]	(795,488)	(797,619)	(792,913)	(793,081)	(792,431)	(795,594)	(1,297,331)	(1,292,488)	(1,295,206)		
<b>Net Tax Revenue Available for New Debt Service</b>	<b>4,180,949</b>	<b>4,337,348</b>	<b>4,480,880</b>	<b>4,648,927</b>	<b>4,797,223</b>	<b>4,937,688</b>	<b>4,573,725</b>	<b>5,190,911</b>	<b>5,329,450</b>		

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