Attachment 4

NAVAL TRAINING CENTER
REDEVELOPMENT PROJECT AREA
FISCAL CONSULTANT REPORT

December 4, 2006

FISCAL CONSULTANT REPORT
NAVAL TRAINING CENTER
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

The City of San Diego Redevelopment Agency (the "Agency") is considering the issuance of a request for proposals to obtain a bank line of credit for several of its project areas, including the Naval Training Center Redevelopment Area (the "Project Area") to be secured by tax increment revenues from each area. Bond proceeds will be used to finance projects as described herein. David Taussig & Associates, Inc. ("DTA") has prepared this Fiscal Consultant Report (the "Report") to project tax increment revenues generated by the increase in assessed value of real and personal property within the Project Area. 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. NAVAL TRAINING CENTER BACKGROUND

The Ordinance approving the Redevelopment Plan for the Project Area was adopted by the City Council of the City of San Diego in May of 1997 (accomplished by Ordinance No. 18405). The main purposes of establishing the Redevelopment Plan (the "Plan") were to eradicate blight and encourage new development in the Project Area. In accordance with this purpose, one main objective of the Plan includes the enhancement of positive characteristics of the neighborhoods in the Project Area.

Chapter 4.5 (Section 33492) of California Community Redevelopment Law (Health and Safety Code Section 33000 et. seq.) addresses the redevelopment of closed military bases. Pursuant to Section 33492.9 the county auditor is required to certify to the Director of Finance the date of the final day of the first fiscal year in which one hundred thousand dollars ($100,000) or more of the tax increment funds from the Project Area are paid to the Agency. The date, as certified by the San Diego County Auditor, that the Agency first received $100,000 or more from the NTC Project Area was June 30, 2003.

The Plan will remain in effect until thirty (30) years from June 30, 2003. Pursuant to subdivision (2)(A) of Section 33492.13(a) 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 June 30, 2003. Also, total bonded indebtedness of the Project Area to be repaid by the allocation of taxes to the Agency is not to exceed $56 million. In accordance with subdivision (4) of Section 33492.13(a) of the Health and Safety Code, the time limit for the receipt of tax increment revenues is forty-five (45) years. Please note that the Agency and the City of San Diego adopted Ordinance 0-19513 in July 2006 extending (i) the plan effectiveness deadline to 2035, (ii) repayment of indebtedness deadline to 2050, and (iii) tax increment receipt deadline by an additional year.

The Project Area is administered by the City Redevelopment Division of the City Planning and Community Investment Department. The Project Area encompasses 504 gross acres and is located 2.5 miles northwest of downtown San Diego. The area includes residential, non-residential, and institutional land uses. The District is bordered on the east by the United States Marine Corps Recruit Depot and San Diego International Airport, on the south by

Harbor Drive and the San Diego Bay, and on the north and west by Rosecrans Street and the Loma Portal and Midway communities.

B. HISTORY OF DISPOSITION AND DEVELOPMENT AGREEMENT

On June 26, 2000, the Agency entered into a Disposition and Development Agreement ("DDA") with McMillin-NTC, LLC (the "Master Developer") for the mixed use development of 361 acres within the Project Area. The total project value at buildout, including improvements, is expected to be approximately $850 million.

The Agency entered into a First Implementation Agreement with the Master Developer on May 9, 2002; a Second Implementation Agreement on May 21, 2002; and a Third Implementation Agreement on July 15, 2003. The site contains eight subdivision Final Maps for the 361 acres under development by the Master Developer. Pursuant to a Cooperation Agreement between the City and the Agency dated June 26, 2000, approximately 315 acres was sold by the City to the Agency for $8.3 million, which shall be deferred and payable solely as provided in the Terms of Payment described in the Cooperation Agreement.

As parcels of land were conveyed to the Master Developer from the Agency for development of improvements, the parties entered into Assignment and Assumption Agreements, whereby the rights and obligations as "Developer" were assigned to McMillin-NTC, LLC. According to the terms of the DDA, the Master Developer is responsible for the development of 349 residential units, construction of seven new office buildings totaling 380,000 square feet, the renovation of 495,000 square feet of education buildings, the rehabilitation of 325,000 square feet of buildings for mixed or commercial use, two or more hotels totaling 1,000 rooms, the rehabilitation of 26 buildings in the historic core, and development of a 46-acre park and waterfront esplanade.

To date, the 349 unit residential area has been completed and sold to individual private owners. The majority of the education area has been completed and occupied by charter schools. One 245,000 square feet building in the education area is currently undergoing renovation. Six office buildings are completed and occupied. In the mixed use/historic district, Trader Joe's is scheduled to open in January 2007. Other tenants will be open by June 2007 and include Postal Annex, Starbucks, Vons, Navy Federal Credit Union, Panera, and Sammy's Woodfired Pizza. Ace Hardware and Wine Steals will also lease buildings in the historic district. The west side hotel site will have a Hilton Homewood Suites and a Marriot Courtyard as well as several retail pads for Los Primos Mexican Restaurant, Oggi's Pizza, Subway, Starbucks, and Dinner Studio. The hotels are scheduled for completion by December 2007; the retail pad tenants are scheduled for completion in Spring 2007. Sail Ho Golf Course with a restaurant and pro shop re-opened to the public on September 30, 2006.

The east side hotel side is being used as a Park and Fly lot until the 650-room hotel development starts which is scheduled for January 2008 with completion scheduled by December 2009.

C. Loan Agreement and Method of Financing

In July 2003, the Agency approved the Third Implementation Agreement to the DDA with the Master Developer which included provisions for the Agency to reimburse the Master Developer $8.5 million for the cost of Additional City-imposed Improvements, as defined in the DDA. The Agreement committed the project area's tax increment revenue for payment to the Developer for the cost of construction and installation of additional stormwater lines, potable water lines, and decorative streetlight improvements. Please note that the reimbursement to the Master Developer under this Third Implementation Agreement will be fully repaid with the future non-housing line of credit.

In May 2003, the Agency entered into a Rehabilitation Grant Agreement with the NTC Foundation to contribute $5.85 million to the rehabilitation of a portion of the buildings and exterior spaces in the Civic, Arts and Cultural Center.

In 2004, the City received a Section 108 loan from the United States Department of Housing and Urban Development ("HUD") in the amount of $5,910,000 to be paid by the Agency from NTC tax increment revenues. A Brownfields Economic Development Initiative ("BEDI") grant in the amount of $700,000 has been utilized to make the initial payments for the HUD Section 108 loan.

II. PROJECT TAXABLE VALUES

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 is consists of TRA 008-254. 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 2001-2002 through 2006-2007. 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 $0, and the total secured and unsecured value for the Project Area has risen from nearly $11 million for Fiscal Year 2002-2003 to $388 million for Fiscal Year 2006-2007, an increase of approximately 3,399%.

B. CURRENT REAL AND PERSONAL PROPERTY VALUES

DTA researched the Fiscal Year 2006-2007 equalized roll prepared by the County Assessor. As summarized in Table 1, the total secured assessed valuation for the Project Area for 2006-2007 is $385 million. This represents an increase of approximately 14% from $338 million; the total Project Area secured assessed valuation for 2005-2006.

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 project 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 2006-2007 Assessor's roll. This allocation indicates that 66.07% of the Project Area valuation is single-family residential, 28.62% of the value is commercial property (of which 14.71% is office space and 11.76% is vacant land), 1.43% is industrial, and 3.88% of the value is institutional and recreational property. 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 2006-2007 equalized roll. The table shows 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, the 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.

During Fiscal Year 2005-2006, a total of twenty-two appeals were filed. One appeal was resolved with no change in value for Fiscal Year 2005-2006. The remaining 21 appeals are pending and may have an impact in Fiscal Year 2006-2007. Please note that 19 parcels are owned by McMillin-NTC, LLC, one parcel is owned by McMillin-NTC 906, LLC, and one parcel is owned by McMillin-NTC 907, LLC, which are three of the top ten taxpayers as indicated in Table 3.

In addition, no appeals have been filed thus far during Fiscal Year 2006-2007.

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 2000-2001 through Fiscal Year 2002-2003 was calculated to determine the estimated effect of a successful appeal. Based on our research of past appeals, we have estimated a reduced value equal to 90% of the contested assessed value for pending appeals in which the applicant's opinion of value is greater than 70% of the contested value. For purposes of this analysis, we have assumed that appeals issued by McMillin-NTC, LLC were estimated to have a reduced value of 50% of the contested value. Please note that based on discussions with the County, we believe that these estimates are conservative. Thus, for the 21 pending appeals through Fiscal Year 2005-2006, we have assumed a total reduction of $17,415,551 which represents 5.10% 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.

III. PROJECT TAX INCREMENT REVENUE ALLOCATION

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 2006-2007 rate 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 2006-2007 tax rate used to calculate increment in the Project Area is $1.00970 per $100 of assessed value. DTA assumes a secured tax rate of $1.00 per $100 in the future 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 Bay Project Area, which was created in 1998, 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, 2006 was $1.27. 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 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 2003-2004 is considered to be Year 1. Table 10 shows the tax increment projections for the Project Area through 2037, which reflects the requirements of AB 1290.

Plan Years	Level 1	Level 2	Level 3
1 – End (FY 2003-2004 to FY 2036-37)	25% of the increment less the low and moderate income housing set aside (or 20% of the gross increment).		
11 – End (FY 2013-2014 to FY 2036-37)	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 2033-2034 to End)	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. 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. Senate Bill 1096, adopted in August 2004, required redevelopment agencies statewide to pay into ERAF an amount of $250 million for Fiscal Years 2004-2005 and 2005-2006. However, the State's Fiscal Year 2006-2007 budget did not include any ERAF shifts from local governments, including redevelopment agencies, nor are future State budgets expected to include further ERAF shifts.

H. COMPREHENSIVE AFFORDABLE HOUSING COLLABORATIVE

In August 2002, the Redevelopment Agency, Housing Authority and City Council approved a Comprehensive Affordable Housing Strategy, which included the concept of leveraging and aggregating the Redevelopment Agency's Low- and Moderate-Income Housing Funds (LMIHF) to create up to $55 million in affordable housing financing to fund the Affordable Housing Collaborative Program through a Notice of Funding Availability (NOFA). In January 2003, the Agency issued the NOFA to seek proposals to develop new affordable housing units within the City of San Diego. The City's Redevelopment Division, the Centre City Development Corporation (CCDC), the Southeastern Economic Development Corporation (SEDC) and the San Diego Housing Commission have been working together as the Affordable Housing Collaborative to implement projects submitted in response to the NOFA.

The Comprehensive Affordable Housing Strategy (RA-02-17) identified a five-year (1999-2004) affordable housing goal of 2,185 units. This goal was 10% of the estimated five-year affordable housing need. The $55 million NOFA was released in January 2003 in order to meet that goal. In June 2003 and July 2004, the Agency issued housing bonds for the Horton Plaza and Centre City Redevelopment Project Areas, respectively, to provide a $40 million contribution from the CCDC-administered project areas. The City's Redevelopment Division committed to providing the remaining $15 million. In December 2003, the Agency issued housing bonds for the City Heights Project Area which provided $2 million towards this $15 million commitment. On April 4, 2006, the Agency approved an affordable housing subsidy of $5.245 million for the CentrePoint project in the Crossroads Project Area, which was credited toward the Redevelopment Division's commitment, leaving a remaining Redevelopment Division commitment of $7.8 million to the Affordable Housing Collaborative Program. The Veterans Village Phase II project in the North Bay Project Area is seeking approximately $4 million. If approved, the approximate $4 million LMIHF contribution from North Bay would reduce the remainder of the Division's unfunded commitment to $3.8 million under the initial $55 million.

To date, approximately $48 million of the original $55 million NOFA has been approved for expenditure by the Agency to create 720 affordable units and there remains an additional $41 million in requested subsidies in the pipeline. The demand for affordable housing funding exceeds the original $55 million Program funding by $34 million.

On July 25, 2006, the Redevelopment Agency authorized the issuance of a Request for Proposals to secure a bank line of credit in an estimated amount of $35 million to provide funding for an Affordable Housing Collaborative Opportunity Fund. In addition, the Agency approved the treatment of the low- and moderate-income housing set-aside funds from the Redevelopment Division's project areas as a revenue pool for an Affordable Housing Collaborative Opportunity Fund.

IV. PROJECT TAX INCREMENT PROJECTIONS

A. New Development

DTA has researched new developments occurring in the Project Area. Table 8 presents an analysis of the greatest changes in assessed value between years 2005-2006 and 2006-2007. From 2005-2006 to 2006-2007, the value of the parcels owned by the Developer increased by more than 15.41%. Review of the City of San Diego's building permit records indicated that prior to March 1, 2006, building permits and/or agency certificates of completion had been issued for 349 residential units and 348,726 square feet of non-residential property within the Project Area. 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 new development within the Project Area.

B. Tax Increment Projections

Table 9 summarizes the Fiscal Year 2006-2007 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 2036-2037. DTA has estimated the future tax increment based on the Project Area assessed valuation for Fiscal Year 2006-2007, 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. Also, the assumed impact of the pending appeals for FY 2005-2006 as shown in Table 4 is included. 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 2006-2007. 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 the gross revenue for Fiscal Year 2006-2007 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.

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NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
HISTORICAL TAX INCREMENT VALUES [1]
TABLE 1

	FY 2001-2002 Taxable Value [2]	FY 2002-2003 Taxable Value	FY 2003-2004 Taxable Value	FY 2004-2005 Taxable Value	FY 2005-2006 Taxable Value	FY 2006-2007 Taxable Value
Secured/State Values						
Land	0	$11,090,000	$75,289,623	$103,538,887	$181,535,185	$226,118,963
Improvement	0	0	25,076,273	106,197,843	172,114,802	165,164,734
Personal Property	0	0	0	0	404,315	408,225
Gross Value	0	11,090,000	100,365,896	209,736,730	354,054,302	391,691,922
Less Exemptions	0	0	0	($13,384,540)	($16,504,227)	($7,051,107)
Total Secured	**0**	**11,090,000**	**100,365,896**	**196,352,190**	**337,550,075**	**384,640,815**
Unsecured Values						
Land	0	0	0	0	0	0
Improvement	0	0	0	0	12,832	293,173
Personal Property	0	8,158	480,646	540,989	2,213,218	6,501,106
Gross Value	0	8,158	480,646	540,989	2,226,050	6,794,279
Less Exemptions	0	0	0	0	(1,715,190)	(3,158,265)
Total Unsecured	**0**	**8,158**	**480,646**	**540,989**	**510,860**	**3,636,014**
Total Secured and Unsecured	**0**	**11,098,158**	**100,846,542**	**196,893,179**	**338,060,935**	**388,276,829**
Percentage Change in Total Value	0	NA	808.68%	95.24%	71.70%	14.85%
Base Year Value [3]	**0**	**0**	**0**	**0**	**0**	**0**
Incremental Value	**0**	**11,098,158**	**100,846,542**	**196,893,179**	**338,060,935**	**388,276,829**
Percentage Change in Incremental Value	N/A	0%	808.68%	95.24%	71.70%	14.85%

[1] Based on information provided by the County of San Diego Auditor/Controller.
[2] No tax increment was collected during FY 2001-2002.
[3] Base value is $0.
Note: Based on discussions with the County Auditor and Assessor, discrepancies in the total net assessed values are due to procedura differences in obtaining the data.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
FY 2006-07 ASSESSED VALUE BY LAND USE
TABLE 2

Land Use [1]	No. of Parcels/Units [1]	Secured Total Net Assessed Value [2]	Percent of Net Assessed Value
Residential Property (land use codes 07 through 19)			
Vacant Residential	0	$0	0.00%
Single Family Residential	349	$235,571,169	66.07%
US Navy Housing Complex [3]	500	$0	0.00%
Multi-Family Residential	0	$0	0.00%
Miscellaneous	0	$0	0.00%
Subtotal	849	$235,571,169	66.07%
Commercial Property (land use codes 20 through 39)			
Office Space	18	$52,452,662	14.71%
Retail	3	$6,856,216	1.92%
Vacant Land	29	$41,936,749	11.76%
Other Uses	1	$816,000	0.23%
Subtotal	51	102,061,627	28.62%
Industrial Property (land use codes 40 through 49)			
Vacant Land	0	$0	0.00%
Factory/Manufacturing	6	$5,081,373	1.43%
Warehouse/Processing/Storage	0	$0	0.00%
Automotive Garages	0	$0	0.00%
Miscellaneous	0	$0	0.00%
Subtotal	6	$5,081,373	1.43%
Farm / Rural Land (land use codes 50 through 65)	0	$0	0.00%
Institutional Property (land use codes 70 through 79)	6	$9,140,027	2.56%
Recreational Property (land use codes 80 through 84)	3	$4,700,418	1.32%
Miscellaneous Use (land use codes 85 through 89 and 00)	1	$1	0.00%
Total	**916**	**$356,554,615**	**100.00%**

[1] Includes only parcels with a net assessed value greater than $0.
[2] Based on final FY 2006-07 Assessor's Roll. Land use codes provided by the County Assessor.
[3] Based on FY 2006-07 Assessor's Roll, APN 760-217-2200 is coded as "Public Property" and has $0 Assessed Value.
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.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
FY 2006-07 TOP ASSESSEES
TABLE 3

Owner	Land Use	No. of Parcels	Total Net Assessed Value [1]	Percent of Project Value
McMillin-NTC LLC	Vacant Commercial	62	$74,101,300	20.78%
McMillin-NTC 903/904 LLC	Office Space	1	$12,790,329	3.59%
CDC Small Business Finance Corp	Office Space	1	$9,441,345	2.65%
McMillin-NTC 901 LLC	Office Space	2	$7,852,200	2.20%
McMillin-NTC 905 LLC	Office Space	1	$7,029,000	1.97%
McMillin Liberty Station Investors LLC	Single Family Residential	3	$3,510,636	0.98%
McMillin-NTC 906 LLC	Office Space	1	$3,278,405	0.92%
McMillin-NTC 907 LLC	Office Space	1	$2,913,523	0.82%
Historical Rehab LLC	Office Space	1	$2,422,500	0.68%
Bocaya Victor B & Zenaida F	Single Family Residential	2	$1,765,322	0.50%
All other owners	NA	393	$231,450,055	64.91%
Grand Total	**NA**	**468**	**$356,554,615**	**100.00%**

TOTAL NET ASSESSED VALUE OF TOP 5 OWNERS:	**$104,185,174**
TOTAL NET ASSESSED VALUE OF TOP 10 OWNERS:	**$123,339,238**
TOTAL TAX INCREMENT VALUE:	**$356,554,615**
PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL NET VALUE:	**29.22%**
PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL TAX INCREMENT VALUE:	**29.22%**
PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL NET VALUE:	**34.59%**
PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL TAX INCREMENT VALUE:	**34.59%**

[1] Based on final FY 2006-07 Assessor's Roll. Includes values for TRA 008-254.

NAVAI TRAINING CENTER 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	Impact/Value Change
FY 2005-06 APPEALS								
008254	0501125	SCHWEER, MARILYN	Resolved	07-Sep-06	$603,424	$502,849	$603,424	$0
008254	0501363	MCMILLIN NTC LLC	Pending	No Date Set [2]	$9,099,539	$1	$4,549,770	($4,549,770)
008254	0501364	MCMILLIN NTC LLC	Pending	No Date Set [2]	$266,310	$1	$133,155	($133,155)
008254	0501365	MCMILLIN NTC LLC	Pending	No Date Set [2]	$3,950,000	$1	$1,975,000	($1,975,000)
008254	0501366	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,697,466	$1	$848,733	($848,733)
008254	0501367	MCMILLIN NTC LLC	Pending	No Date Set [2]	$580,900	$1	$290,450	($290,450)
008254	0501368	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,941,786	$1	$970,893	($970,893)
008254	0501369	MCMILLIN NTC LLC	Pending	No Date Set [2]	$582,234	$1	$291,117	($291,117)
008254	0501370	MCMILLIN NTC LLC	Pending	No Date Set [2]	$582,234	$1	$291,117	($291,117)
008254	0501371	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,758,400	$1	$879,200	($879,200)
008254	0501372	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,381,600	$1	$690,800	($690,800)
008254	0501373	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,554,300	$1	$777,150	($777,150)
008254	0501374	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,679,900	$1	$839,950	($839,950)
008254	0501375	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,184,234	$1	$592,117	($592,117)
008254	0501376	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,215,382	$1	$607,691	($607,691)
008254	0501377	MCMILLIN NTC LLC	Pending	No Date Set [2]	$2,659,889	$1	$1,329,945	($1,329,945)
008254	0501378	MCMILLIN NTC LLC	Pending	No Date Set [2]	$642,253	$1	$321,127	($321,127)
008254	0501379	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,239,148	$1	$619,574	($619,574)
008254	0501380	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,127,288	$1	$563,644	($563,644)
008254	0501381	MCMILLIN NTC LLC	Pending	No Date Set [2]	$1,129,854	$1	$564,927	($564,927)
008254	0502329	MCMILLIN NTC 906 LLC	Pending	No Date Set [3]	$1,378,405	$1,000,000	$1,240,565	($137,841)
008254	0502330	MCMILLIN NTC 907 LLC	Pending	No Date Set [3]	$1,413,523	$1,000,000	$1,272,171	($141,352)
							Estimated Value Reduction:	**($17,415,551)**

[1] Highlited 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 a a rate of 50% of the contested value.
[3] For any appeals that have not been resolved at this time DTA has conservatively assumed the appeal resolved in favor of the property owner a a rate of 90% of the contested value, based on historic assessment appeals data.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
SUMMARY OF PARTICIPATING AND NON-PARTICIPATING AGENCIES
TABLE 5

Participating Agencies [1]	FY 2005-06 Rates for TRA 008-254 [3]	FY 2006-07 Rates for TRA 008-254 [3]
	1.00000%	1.00000%
City of San Diego Zoological Exhibit	0.00500%	0.00500%
Metropolitan Water District	0.00520%	0.00470%
Subtotal	1.01020%	1.00970%
Non-Participating Agencies [2]		
San Diego City Public Safety	0.00145%	0.00124%
San Diego Unified Bond Series 1999A	0.00974%	0.00799%
San Diego Unified Bond Series 2000B	0.00785%	0.00667%
San Diego Unified Bond Series 2001C	0.00899%	0.00763%
San Diego Unified Bond Series 2002D	0.01272%	0.00990%
San Diego Unified Bond Series 2003E	0.02138%	0.01733%
San Diego Unified Bond Series 1998F	0.01522%	0.00791%
San Diego Unified Bond Series 1998G	0.00000%	0.01406%
San Diego Community College Bond 2003A	0.01630%	0.01272%
San Diego Community College Bond 2003B	0.00865%	0.00510%
Subtotal	0.10230%	0.09055%
Grand Total	**1.11250%**	**1.10025%**

[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.

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NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
ALLOCATION ADJUSTMENTS [1]
TABLE 6

Year	Supplemental Roll	Roll Corrections	Refunds/ Adjustments	Delinquencies/ Penalties	Total Adjustments
1999-2000	$0.00	($1.91)	($0.19)	$0.00	($2.10)
2000-2001	$0.00	$13.76	($2.13)	$8.98	$20.61
2001-2002	$0.00	$0	$0	$0	$0
2002-2003	$390,960.83	($682.47)	($19,585.66)	$8.97	$370,701.67
2003-2004	$495,844.65	($7,129.41)	($29,656.12)	$1,842.20	$460,901.32
2004-2005	$788,655.55	($5,998.14)	($45,648.09)	$14,696.95	$751,706.27
2005-2006	$833,901.08	($9,200.68)	($300,778.03)	$33,907.09	$557,829.46

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

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
HISTORIC RECEIPTS TO LEVY ANALYSIS
TABLE 7

Fiscal Year Ending:	2002 2003	2003 2004	2004 2005	2005 2006
I. Reported Assessed Value				
Total Project Value [1]	$11,098,158	$100,846,542	196,893,179	338,060,935
Less Base Value	0	0	0	0
Incremental Value	11,098,158	100,846,542	196,893,179	338,060,935
Tax Rate [2]	1.01670%	1.11000%	1.01080%	1.01020%
II. Gross Tax Increment	112,835	1,119,397	1,990,196	3,415,092
Unitary Revenue	0.62	1.24	1.26	1.27
County Administrative Expenses	0	4,580	13,374	29,167
Total Computed Levy	112,836	1,123,978	2,003,571	3,444,259
III. Total Receipts	489,977	1,465,190	2,698,119	3,886,310
% Difference of Computed Levy	434.24%	130.36%	134.67%	112.83%

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

[2] Based on rates for TRA 008-254.

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NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
LARGEST CHANGES IN SEC[illegible]ED ASSESSED VAL[illegible]
TABLE 8

C[illegible]	[illegible] N[illegible]	[illegible] N[illegible]	D[illegible]	P[illegible]C[illegible]
McMillin NTC LLC Leased from the City of San Diego Redevelopment Agen	31,270,597	46,900,251	15,629,654	49.98%
McMillin-NTC LLC	15,764,601	27,201,049	11,436,448	72.55%
McMillin NTC 901 LLC	2,110,000	7,852,200	5,742,200	272.14%
McMillin NTC 903/904 LLC	9,099,539	12,790,329	3,690,790	40.56%
McMillin NTC 905 LLC	3,950,000	7,029,000	3,079,000	77.95%
McMillin NTC 906 LLC	582,234	3,278,405	2,696,171	463.07%
McMillin NTC 907 LLC	582,234	2,913,523	2,331,289	400.40%
Others	273,011,270	248,589,858	(24,421,412)	-8.95%
Total	336,370,475	356,554,615	20,184,140	6.00%
377 Assessments Gain in Value	257,232,636	326,821,265	69,588,629	27.05%
55 Assessments with no change in Value [1]	0	0	0	0.00%
4 Assessments with Reduced Value	2,495,554	861,658	(1,633,896)	-65.47%
1 Parcel Acquired by US Navy	55,841,970	0	(55,841,970)	-100.00%
1 Parcel Acquired by San Diego Rock Church	4,002,644	0	(4,002,644)	-100.00%
35 New Parcels [2]	NA	28,871,692	28,871,692	NA
12 Superceded Parcels [3]	16,797,671	NA	(16,797,671)	NA
T[illegible]	[illegible]5	[illegible]	[illegible]%	

[1] A total of 55 parcels had a Net Assessed Value of $0.
[2] New parcels for FY 2006-07.
[3] FY 2005-06 assessor parcels that did not have matching FY 2006-07 parcel numbers.

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NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
FY 2006-07 TAX INCREMENT REVENUE ESTIMATE
TABLE 9

	FY 2006-07 Taxable Value	Base Taxable Value	Incremental Taxable Value
Secured/State Values			
Land	$226,118,963	$0	$226,118,963
Improvement	165,164,734	0	165,164,734
Personal Property	408,225	0	408,225
Gross Value	391,691,922	0	391,691,922
Less Exemptions	(7,051,107)	0	(7,051,107)
Total Secured	**384,640,815**	**0**	**384,640,815**
Unsecured Values			
Land	0	0	0
Improvement	293,173	0	293,173
Personal Property	6,501,106	0	6,501,106
Gross Value	6,794,279	0	6,794,279
Less Exemptions	(3,158,265)	0	(3,158,265)
Total Unsecured	**3,636,014**	**0**	**3,636,014**
Total Secured and Unsecured	**388,276,829**	**0**	**388,276,829**

Estimated Valuation Adjustments		
Assessment Appeal Valuation Reductions:		($17,415,551)
Adjusted Incremental Secured and Unsecured		$370,861,278
Gross Increment Revenue @	1.00970% [2]	$3,744,586
Unitary Revenue [3]		$1.27
Supplemental Roll [4]		$0
Offsets to Gross Estimated Revenue		
Administrative Expenses [5]		($37,446)
Net Tax Increment Revenue		$3,707,142
Low/Moderate Income Housing Set-Aside Revenue		($741,428)
Taxing Agencies Pass Throughs (AB 1290)		($741,428)
Non-Housing Tax Increment Revenue		**$2,224,285**
Available Housing Tax Increment Revenue		741,428
Tax Revenue Available for Debt Service		**$2,965,713**
Section 108 HUD Consolidated Loan [6]		($513,687)
BEDI Grant [7]		$0
Available Non-Housing Tax Increment Revenue [8]		**$1,710,599**

[1] Based on information provided by the County of San Diego Auditor/Controller.
[2] Based on the FY 2006-07 rate for TRA 008-254.
[3] Based on information for FY 2005-06 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] City obtained a $5.9 million, Section 108 loan from HUD for rehabilitation. Represents payments in 2/07 and 8/07.
[7] The City received a BEDI grant in the amount of $700,000, which was utilized to make the first four debt service payments on the Section 108 HUD Loan.
[8] Annual tax increment less annual debt service.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE PROJECTION
TABLE 10

Fiscal Year Ending:	2006 2007	2007 2008	2008 2009	2009 2010	2010 2011	2011 2012	**YEAR 10** 2012 2013	2013 2014	2014 2015
Real Property @ 2.0% [1]	$384,525,763	$374,452,416	$381,941,464	$389,580,294	$397,371,899	$405,319,337	$413,425,724	$421,694,239	$430,128,123
Anticipated Value	0	0	0	0	0	0	0	0	0
Assumed Appeals Impact	(17,415,551)	0	0	0	0	0	0	0	0
Total Real Property	367,110,212	374,452,416	381,941,464	389,580,294	397,371,899	405,319,337	413,425,724	421,694,239	430,128,123
Total Other Property [2]	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066
Total Value	**370,861,278**	**378,203,482**	**385,692,530**	**393,331,360**	**401,122,965**	**409,070,403**	**417,176,790**	**425,445,305**	**433,879,189**
Incremental Value Over Base of: [3] $0	370,861,278	378,203,482	385,692,530	393,331,360	401,122,965	409,070,403	417,176,790	425,445,305	433,879,189
Gross Revenue [4]	3,744,586	3,782,035	3,856,925	3,933,314	4,011,230	4,090,704	4,171,768	4,254,453	4,338,792
Unitary Revenue	1	1	1	1	1	1	1	1	1
Adjustments to Gross Revenue									
Supplemental Roll	0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [5]	(37,446)	(37,820)	(38,569)	(39,333)	(40,112)	(40,907)	(41,718)	(42,545)	(43,388)
Net Tax Increment Revenue	3,707,142	3,744,216	3,818,357	3,893,982	3,971,119	4,049,798	4,130,051	4,211,910	4,295,405
Low/Moderate Income Housing Set-Aside Revenue	(741,428)	(748,843)	(763,671)	(778,796)	(794,224)	(809,960)	(826,010)	(842,382)	(859,081)
Taxing Agencies Pass Through (AB 1290) [6]	(741,428)	(748,843)	(763,671)	(778,796)	(794,224)	(809,960)	(826,010)	(856,134)	(886,860)
Non-Housing Tax Increment Revenue	**2,224,285**	**2,246,529**	**2,291,014**	**2,336,389**	**2,382,671**	**2,429,879**	**2,478,031**	**2,513,394**	**2,549,464**
Available Housing Tax Increment Revenue	741,428	748,843	763,671	778,796	794,224	809,960	826,010	842,382	859,081
Tax Revenue Available for Debt Service	**2,965,713**	**2,995,373**	**3,054,686**	**3,115,185**	**3,176,895**	**3,239,839**	**3,304,041**	**3,355,776**	**3,408,545**
Section 108 HUD Consolidated Loan [7]	(513,687)	(513,229)	(512,709)	(512,162)	(512,651)	(513,107)	(512,558)	(514,096)	(513,564)
BEDI Grant [8]	0	0	0	0	0	0	0	0	0
Available Non-Housing Tax Increment Revenue [9]	**1,710,599**	**1,733,300**	**1,778,305**	**1,824,227**	**1,870,020**	**1,916,772**	**1,965,472**	**1,999,297**	**2,035,899**

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2005-06. 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 2006-07. We have assumed this value to remain constant for each subsequent year.
[3] No base value exists as of September 2005.
[4] The actual tax rate of 1.00970% is used for FY 2006-07.
[5] Estimated at 1.00 percent of gross revenue for the Project Area.
[6] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2036-37. In addition, 16.8% of Gross Revenue is included from FY 2013-14 through 2036-37 using Year 10 as a base value and 11.2% of Gross Revenue is included beginning FY 2033-2034 using Year 30 as a base value.
[7] City obtained a $5.9 million, Section 108 loan from HUD for rehabilitation.
[8] The City received a BEDI grant in the amount of $700,000, which was utilized to make the first four debt service payments on the Section 108 HUD Loan.
[9] Annual tax increment less annual debt service.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE PROJECTION
TABLE 10

Fiscal Year Ending:		2015 2016	2016 2017	2017 2018	2018 2019	2019 2020	2020 2021	2021 2022	2022 2023	2023 2024
Real Property @ 2.0% [1]		$438,730,686	$447,505,300	$456,455,406	$465,584,514	$474,896,204	$484,394,128	$494,082,011	$503,963,651	$514,042,924
Anticipated Value		0	0	0	0	0	0	0	0	0
Assumed Appeals Impact		0	0	0	0	0	0	0	0	0
Total Real Property		438,730,686	447,505,300	456,455,406	465,584,514	474,896,204	484,394,128	494,082,011	503,963,651	514,042,924
Total Other Property [2]		3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066
Total Value		**442,481,752**	**451,256,366**	**460,206,472**	**469,335,580**	**478,647,270**	**488,145,194**	**497,833,077**	**507,714,717**	**517,793,990**
Incremental Value Over Base of: [3]	$0	442,481,752	451,256,366	460,206,472	469,335,580	478,647,270	488,145,194	497,833,077	507,714,717	517,793,990
Gross Revenue [4]		4,424,818	4,512,564	4,602,065	4,693,356	4,786,473	4,881,452	4,978,331	5,077,147	5,177,940
Unitary Revenue		1	1	1	1	1	1	1	1	1
Adjustments to Gross Revenue										
Supplemental Roll		0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [5]		(44,248)	(45,126)	(46,021)	(46,934)	(47,865)	(48,815)	(49,783)	(50,771)	(51,779)
Net Tax Increment Revenue		4,380,571	4,467,439	4,556,045	4,646,424	4,738,609	4,832,639	4,928,549	5,026,377	5,126,162
Low/Moderate Income Housing Set-Aside Revenue		(876,114)	(893,488)	(911,209)	(929,285)	(947,722)	(966,528)	(985,710)	(1,005,275)	(1,025,232)
Taxing Agencies Pass Through (AB 1290) [6]		(918,201)	(950,169)	(982,776)	(1,016,035)	(1,049,960)	(1,084,562)	(1,119,857)	(1,155,858)	(1,192,579)
Non-Housing Tax Increment Revenue		**2,586,255**	**2,623,782**	**2,662,060**	**2,701,104**	**2,740,928**	**2,781,549**	**2,822,982**	**2,865,244**	**2,908,351**
Available Housing Tax Increment Revenue		876,114	893,488	911,209	929,285	947,722	966,528	985,710	1,005,275	1,025,232
Tax Revenue Available for Debt Service		**3,462,369**	**3,517,270**	**3,573,269**	**3,630,388**	**3,688,650**	**3,748,076**	**3,808,691**	**3,870,519**	**3,933,583**
Section 108 HUD Consolidated Loan [7]		(513,806)	(511,818)	(513,651)	(513,055)	(513,088)	(511,720)	(511,887)	(513,431)	(514,149)
BEDI Grant [8]		0	0	0	0	0	0	0	0	0
Available Non-Housing Tax Increment Revenue [9]		**2,072,449**	**2,111,964**	**2,148,410**	**2,188,049**	**2,227,840**	**2,269,829**	**2,311,094**	**2,351,812**	**2,394,202**

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2005-06. 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 2006-07. We have assumed this value to remain constant for each subsequent year.
[3] No base value exists as of September 2005.
[4] The actual tax rate of 1.00970% is used for FY 2006-07.
[5] Estimated at 1.00 percent of gross revenue for the Project Area.
[6] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2036-37. In addition, 16.8% of Gross Revenue is included from FY 2013-14 through 2036-37 using Year 10 as a base value and 11.2% of Gross Revenue is included beginning FY 2033-2034 using Year 30 as a base value.
[7] City obtained a $5.9 million, Section 108 loan from HUD for rehabilitation.
[8] The City received a BEDI grant in the amount of $700,000, which was utilized to make the first four debt service payments on the Section 108 HUD Loan.
[9] Annual tax increment less annual debt service.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE PROJECTION
TABLE 10

Fiscal Year Ending:		2033 2034	2034 2035	2035 2036	2036 2037
Real Property @ 2.0% [1]		$626,615,456	$639,147,765	$651,930,720	$664,969,335
Anticipated Value		0	0	0	0
Assumed Appeals Impact		0	0	0	0
Total Real Property		626,615,456	639,147,765	651,930,720	664,969,335
Total Other Property [2]		3,751,066	3,751,066	3,751,066	3,751,066
Total Value		**630,366,522**	**642,898,831**	**655,681,786**	**668,720,401**
Incremental Value Over Base of: [3]	$0	630,366,522	642,898,831	655,681,786	668,720,401
Gross Revenue [4]		6,303,665	6,428,988	6,556,818	6,687,204
Unitary Revenue		1	1	1	1
Adjustments to Gross Revenue					
Supplemental Roll		0	0	0	0
Property Tax Administrative Fee [5]		(63,037)	(64,290)	(65,568)	(66,872)
Net Tax Increment Revenue		6,240,630	6,364,700	6,491,251	6,620,333
Low/Moderate Income Housing Set-Aside Revenue		(1,248,126)	(1,272,940)	(1,298,250)	(1,324,067)
Taxing Agencies Pass Through (AB 1290) [6]		(1,616,326)	(1,675,880)	(1,736,625)	(1,798,584)
Non-Housing Tax Increment Revenue		**3,376,177**	**3,415,880**	**3,456,376**	**3,497,682**
Available Housing Tax Increment Revenue		1,248,126	1,272,940	1,298,250	1,324,067
Tax Revenue Available for Debt Service		**4,624,303**	**4,688,820**	**4,754,626**	**4,821,749**
Section 108 HUD Consolidated Loan [7]		0	0	0	0
BEDI Grant [8]		0	0	0	0
Available Non-Housing Tax Increment Revenue [9]		**3,376,177**	**3,415,880**	**3,456,376**	**3,497,682**

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2005-06. 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 2006-07. We have assumed this value to remain constant for each subsequent year.
[3] No base value exists as of September 2005.
[4] The actual tax rate of 1.00970% is used for FY 2006-07.
[5] Estimated at 1.00 percent of gross revenue for the Project Area.
[6] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2036-37. In addition, 16.8% of Gross Revenue is included from FY 2013-14 through 2036-37 using Year 10 as a base value and 11.2% of Gross Revenue is included beginning FY 2033-2034 using Year 30 as a base value.
[7] City obtained a $5.9 million, Section 108 loan from HUD for rehabilitation.
[8] The City received a BEDI grant in the amount of $700,000, which was utilized to make the first four debt service payments on the Section 108 HUD Loan.
[9] Annual tax increment less annual debt service.

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT AREA
TAX INCREMENT REVENUE PROJECTION
TABLE 10

Fiscal Year Ending:		**2024 2025**	**2025 2026**	**2026 2027**	**2027 2028**	**2028 2029**	**2029 2030**	**2030 2031**	**2031 2032**	****YEAR 30** 2032 2033**
Real Property @ 2.0% [1]		$524,323,782	$534,810,258	$545,506,463	$556,416,592	$567,544,924	$578,895,823	$590,473,739	$602,283,214	$614,328,878
Anticipated Value		0	0	0	0	0	0	0	0	0
Assumed Appeals Impact		0	0	0	0	0	0	0	0	0
Total Real Property		524,323,782	534,810,258	545,506,463	556,416,592	567,544,924	578,895,823	590,473,739	602,283,214	614,328,878
Total Other Property [2]		3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066	3,751,066
Total Value		**528,074,848**	**538,561,324**	**549,257,529**	**560,167,658**	**571,295,990**	**582,646,889**	**594,224,805**	**606,034,280**	**618,079,944**
Incremental Value Over Base of: [3]	$0	528,074,848	538,561,324	549,257,529	560,167,658	571,295,990	582,646,889	594,224,805	606,034,280	618,079,944
Gross Revenue [4]		5,280,748	5,385,613	5,492,575	5,601,677	5,712,960	5,826,469	5,942,248	6,060,343	6,180,799
Unitary Revenue		1	1	1	1	1	1	1	1	1
Adjustments to Gross Revenue										
Supplemental Roll		0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [5]		(52,807)	(53,856)	(54,926)	(56,017)	(57,130)	(58,265)	(59,422)	(60,603)	(61,808)
Net Tax Increment Revenue		5,227,942	5,331,758	5,437,651	5,545,661	5,655,832	5,768,205	5,882,827	5,999,741	6,118,993
Low/Moderate Income Housing Set-Aside Revenue		(1,045,588)	(1,066,352)	(1,087,530)	(1,109,132)	(1,131,166)	(1,153,641)	(1,176,565)	(1,199,948)	(1,223,799)
Taxing Agencies Pass Through (AB 1290) [6]		(1,230,034)	(1,268,238)	(1,307,207)	(1,346,955)	(1,387,497)	(1,428,851)	(1,471,032)	(1,514,056)	(1,557,941)
Non-Housing Tax Increment Revenue		**2,952,320**	**2,997,168**	**3,042,914**	**3,089,574**	**3,137,168**	**3,185,713**	**3,235,230**	**3,285,737**	**3,337,254**
Available Housing Tax Increment Revenue		1,045,588	1,066,352	1,087,530	1,109,132	1,131,166	1,153,641	1,176,565	1,199,948	1,223,799
Tax Revenue Available for Debt Service		**3,997,908**	**4,063,520**	**4,130,444**	**4,198,706**	**4,268,334**	**4,339,355**	**4,411,795**	**4,485,685**	**4,561,052**
Section 108 HUD Consolidated Loan [7]		0	0	0	0	0	0	0	0	0
BEDI Grant [8]		0	0	0	0	0	0	0	0	0
Available Non-Housing Tax Increment Revenue [9]		**2,952,320**	**2,997,168**	**3,042,914**	**3,089,574**	**3,137,168**	**3,185,713**	**3,235,230**	**3,285,737**	**3,337,254**

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