

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

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NORTH BAY REDEVELOPMENT PROJECT AREA

Prepared for

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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 North Bay Redevelopment Project Area (the "Project Area") to be secured by tax increment revenues from each area. 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. NORTH BAY 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 in May of 1998 (accomplished by Ordinance No. 18516). 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.

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. Please note that the Agency and the City of San Diego adopted Ordinance 0-19514 in July 2006 extending (i) the plan effectiveness deadline to 2029, (ii) repayment of indebtedness deadline to 2044, 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 1,360 acres and is located 2 to 5 miles outside of downtown San Diego. The area includes light industrial, high technology, retail, entertainment, mixed use, and residential land uses. Interstates 5 and 805 border the Project Area, and other transportation systems include the San Diego International Airport, the San Diego harbor, including Mission Bay and San Diego Bay, and both light and heavy railways systems. The Naval Training Center Redevelopment Project Area is located nearby.

B. NORTH BAY TAX ALLOCATION BOND, SERIES 2000 PROJECTS

In 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.

All tax allocation bonds are secured by tax increment revenues from the respective Project Area, and the proceeds of the bond issuance were primarily utilized to contribute to the following projects:

- Morena Vista Transit Oriented Development
- Point Loma Library
- Peninsula YMCA Branch
- Veterans Village of San Diego

C. LINE OF CREDIT

The Agency is considering obtaining a bank line of credit to be secured by housing tax increment revenues from the Project Area to provide funds for affordable housing projects. The Agency expects to issue tax allocation bonds within two years to fully repay the line of credit.

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 includes two TRAs: 08-256 and 08-987. 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 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 \$686 million, and the total secured and unsecured value for the Project Area has risen from nearly \$782 million for Fiscal Year 1999-2000 to \$1.27 billion for Fiscal Year 2006-2007, an increase of approximately 63%. Please note that the base year value was adjusted from \$683 million to \$689 million in Fiscal Year 2002-2003. It is our understanding that 57 parcels were missed in the base year and were identified later in 2002 thus increasing the base value by \$6 million. In addition, the base value was adjusted again to \$685 million in Fiscal Year 2006-2007. The County removed three parcels from the base value calculation because it was determined that such parcels are not within the Project Area.

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 \$1.17 billion. This represents an increase of approximately 15.4% from \$1.01 billion; 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 22.21% of the Project Area

valuation is residential (including 18.37% of multifamily residential land use), 55.98% of the value is commercial property (of which 26.39% is office space and 7.22% is retail) and 21.60% is industrial. 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 fifteen appeals were filed. Five appeals were resolved with no change in value for Fiscal Year 2005-2006. The remaining ten appeals are pending and may have an impact in Fiscal Year 2006-2007.

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 2004-2005 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. Thus, for the ten pending appeals through Fiscal Year 2005-2006, we have assumed a total reduction of \$2,891,698 which represents 0.288% 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 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 2006-2007 tax rate used to calculate increment in the Project Area is \$1.00970 per \$100 of assessed value. Please note that TRA 08-987 has a total net value of only \$198,402. For purposes of projecting the FY 2006-2007 tax increment, we are using the rates for TRA 08-256 as mentioned above for all property in the Project Area. DTA assumes a secured tax rate of \$1.00 per \$100 after Fiscal Year 2006-2007 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 prior to Fiscal Year 2001-2002 due to the abovementioned procedure.

Unitary revenue for the Project Area received as of June 30, 2006 was \$2,925. 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 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 2030-2031 (the last year in which debt service payments are made on the Series 2000 Bonds).

Plan Years	Level 1	Level 2	Level 3
1 – End (FY 1999-2000 to FY 2030-31)	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 2030-31)	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 2030-31)	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 TAX ALLOCATION BONDS

The City of San Diego Redevelopment Agency issued Series 2000 Tax Allocation Bonds in the amount of \$13,000,000 for the North Bay Project Area. The first priority of the tax increment in the Project Area is to pay for annual debt service on the Series 2000 Bonds. As shown in Table 10, DTA has reduced the available annual tax increment by the annual debt service for the Series 2000 Bonds assuming that a portion of the 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 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 a commensurate amount of debt service on the Series 2000 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. 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.

I. COMPREHENSIVE AFFORDABLE HOUSING STRATEGY 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

Table 8 presents an analysis of the greatest changes in assessed value between years 2005-2006 and 2006-2007. 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
YMCA Peninsula Branch <i>Multi-Use Gymnasium</i>	The proposed expansion of the YMCA Peninsula Branch consists of the addition of a new 8,549 square foot Multi-Use Gymnasium. New restrooms and additional storage will also be developed and directly connected to the gymnasium structure. Project completion date is December 2007. The estimated project cost is approximately \$1.4 million.
YMCA Peninsula Branch <i>Two-Story Expansion</i>	A two-story building expansion is proposed for the YMCA Peninsula Branch location following the development of the Multi-Use Gymnasium. This expansion would increase the existing Fitness Center to 3,877 square feet, relocate administrative offices to the second level, add a new Teen Center, and improve the YMCA's main entrance and lobby. The project completion date is December 2008 with an estimated cost of \$2.1 million.
Stella at Five Points	The proposed Stella at Five Points project is a \$33 million for-sale condominium project with a total of 85 units, 14-one bedroom units and 74-two bedroom units. Thirteen units will be site-aside as affordable to families earning no more than 100 percent of the area medium income. The project will also provide new sidewalks, landscaping, shade producing trees, a large courtyard, and landscaped public open space. The project completion date is July 2007.
Morena Vista Mixed-Use	The Morena Vista project is a \$32 million mixed-use development being developed by City Link Investment. The project consists of 161 residential units including 16 affordable housing units (80% Area Medium Income), 18 lofts, 18,500 square feet of retail space, and additional parking that will be used as a Park and Ride facility for Trolley riders. The project is scheduled to be completed in Fall 2006.
Veteran's Village of San Diego	Veteran's Village of San Diego (VVSD) project is a \$31 million state-of-the-art veterans homeless facility. Once completed it will offer comprehensive services for over 300 homeless. Services include: counseling, substance abuse and medical treatment, temporary housing, job training and placement, and other services. The project is being built in three phases. Phase I, 112 transitional drug treatment beds, Counseling Center, and kitchen facilities, have been completed. Construction is expected to start mid-Summer on Phase II.

Point Loma Townhomes	<p>The proposed Point Loma Townhomes project, a \$15 million mixed-use project. As proposed, the project will include a total of 47-units; 30-3 bedroom/15-2 bedroom and 2-1 bedroom units. The project is located in the North Bay Redevelopment Project Area though the developer is not seeking Agency assistance. Developers are also including 23 boat slips, underground tandem parking and 3,700 square feet of retail. A community plan amendment was initiated due to a conflict in the current zoning which allows commercial/residential development and the land-use designation of industrial. The expected project completion date is 2008.</p>
Mission Brewery Villas	<p>Pacifica had proposed a project consisting of 89 residential units with 17 commercial condo units on the ground level. The project will be located at 1815 Hancock Street and will replace the parking lot that is currently on the site. Currently a Community Plan Amendment is in process and there is no expected completion date available.</p>
A-1 Self Storage Facility	<p>A new \$5.2 million A-1 Storage Facility is proposed at 3911 Pacific Highway. The project is near completion.</p>
The Brickworks	<p>Developers Maidhof Brothers have proposed tenant improvements to their retail business located at 1895 Hancock Street. Significant landscape upgrades will be provided on site and along the site's Hancock Street frontage. Plans are currently in process, no expected completion date available.</p>
Voltaire Mixed-Use	<p>PacWest Enterprises have proposed 7 townhomes and 1,900 square feet of ground floor retail at 4119 Voltaire Street. The estimated project cost is \$1.8 million. Plans are currently in process no expected completion date is available.</p>
Voltaire Village LLC	<p>Developer Michael Stevens has proposed mixed use development with 28 for-sale residential units and 6 commercial units providing 6,646 square feet of commercial retail space. The project will include 74 parking spaces along with traffic public improvements. Plans are currently in process and there is no expected completion date available.</p>
Russ Stout	<p>Developers Russ Stout and Associates, Inc. have proposed a 1,600 square-foot, one story restaurant, 800 square feet of retail use and 874 square feet of restaurant use. The development will also have outdoor seating and 14 parking spaces. The proposed project is located at 1221 Rosecrans and plans are currently in process. There is no expected completion date available.</p>
Morena Boulevard	<p>Latitude 33 has proposed a 190 condominium units on the 1600 block of Morena Boulevard. Currently a Community Plan Amendment is in process and an expected completion date is not available.</p>
Bayview Plaza	<p>C.W. Clark has proposed a mixed-use project at the corner of Clairemont Drive and Morena Boulevard. The proposed project includes 44 –two story townhomes over one floor of commercial space. A total of 84,000 square feet of commercial is planned at the site. The project is expected to be completed in 2008.</p>

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 2030-2031. 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. 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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**NORTH BAY REDEVELOPMENT PROJECT AREA
HISTORICAL TAX INCREMENT VALUES
TABLE 1**

	FY 1999-2000 Taxable Value	FY 2000-2001 Taxable Value	FY 2001-2002 Taxable Value	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	\$339,309,457	\$359,444,940	\$388,499,945	\$422,186,186	\$455,027,839	\$492,695,596	\$549,403,033	\$617,974,754
Improvement	387,587,747	414,643,601	433,846,989	454,410,462	450,603,186	475,547,876	499,381,696	591,629,188
Personal Property	18,453,184	18,514,715	14,611,286	10,659,625	8,126,429	7,704,716	7,570,499	7,024,412
Gross Value	745,350,388	792,603,256	836,958,220	887,256,273	913,757,454	975,948,188	1,056,355,228	1,216,628,354
Less Exemptions	(61,649,325)	(62,940,425)	(60,979,110)	(\$72,720,523)	(\$36,896,990)	(\$43,514,058)	(\$45,075,349)	(\$49,203,804)
Total Secured	683,701,063	729,662,831	775,979,110	814,535,750	876,860,464	932,434,130	1,011,279,879	1,167,424,550
Unsecured Values								
Land	0	0	0	0	0	0	0	0
Improvement	26,274,393	22,861,087	21,712,696	20,734,291	18,690,568	22,705,695	24,565,265	32,435,833
Personal Property	71,819,120	66,768,182	62,310,670	71,494,826	84,989,802	79,720,111	80,232,756	84,987,364
Gross Value	98,093,513	89,629,269	84,023,366	92,229,117	103,680,370	102,425,806	104,798,021	117,423,197
Less Exemptions	0	(7,945,189)	(6,529,813)	(3,176,857)	(5,768,851)	(5,824,787)	(8,003,146)	(11,657,703)
Total Unsecured	98,093,513	81,684,080	77,493,553	89,052,260	97,911,519	96,601,019	96,794,875	105,765,494
Total Secured and Unsecured	781,794,576	811,346,911	853,472,663	903,588,010	974,771,983	1,029,035,149	1,108,074,754	1,273,190,044
Percentage Change in Total Value	NA	3.78%	5.19%	5.87%	7.88%	5.57%	7.68%	14.90%
Base Year Value	683,472,024	683,472,024	683,472,024	689,090,229 [2]	689,090,229	689,090,229	689,090,229	685,571,701 [2]
Incremental Value	98,322,552	127,874,887	170,000,639	214,497,781	285,681,754	339,944,920	418,984,525	587,618,343
Percentage Change in Incremental Value	NA	30.06%	32.94%	26.17%	33.19%	18.99%	23.25%	40.25%

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

[2] The base value was adjusted in FY 2002-2003 and again in FY 2006-2007.

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 BAY REDEVELOPMENT PROJECT AREA
FY 2006-2007 ASSESSED VALUE BY LAND USE
TABLE 2**

Land Use [1]	No. of Parcels [1]	Secured Total Net Assessed Value [2]	Percent of Net Assessed Value
Residential Property (land use codes 07 through 19)			
Vacant Residential	21	\$2,040,492	0.18%
Single Family Residential	166	\$41,133,094	3.56%
Multi-Family Residential	675	\$212,392,259	18.37%
Miscellaneous	3	\$1,229,393	0.11%
Subtotal	865	\$256,795,238	22.21%
Commercial Property (land use codes 20 through 39)			
Office Space	420	\$305,121,477	26.39%
Retail	69	\$83,449,357	7.22%
Vacant Land	43	\$17,690,967	1.53%
Other Uses	152	\$240,850,425	20.83%
Subtotal	684	\$647,112,226	55.98%
Industrial Property (land use codes 40 through 49)			
Vacant Land	41	\$8,048,345	0.70%
Factory/Manufacturing	55	\$41,444,405	3.59%
Warehouse/Processing/Storage	139	\$176,074,204	15.23%
Automotive Garages	33	\$18,686,875	1.62%
Miscellaneous	5	\$5,439,704	0.47%
Subtotal	273	\$249,693,533	21.60%
Farm / Rural Land (land use codes 50 through 65)	0	\$0	0.00%
Institutional Property (land use codes 70 through 79)	1	\$526,847	0.05%
Recreational Property (land use codes 80 through 84)	2	\$1,596,823	0.14%
Miscellaneous Use (land use codes 88 through 90 and 00)	3	\$316,540	0.03%
Total	1,828	\$1,156,041,207	100.00%

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

[2] Based on final FY 2006-2007 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 BAY REDEVELOPMENT PROJECT AREA
FY 2006-2007 TOP TEN ASSESSEES
TABLE 3**

Owner	Land Use	No. of Parcels	Total Net Assessed Value [1]	Percent of Project Value
MB Hotel Ventures LLC	Hotel/Motel	7	\$34,789,000	3.01%
Newport Taft Inc	Hotel/Motel	1	\$22,325,000	1.93%
Sports Arena Village LTD	Community Shopping Center	1	\$19,155,872	1.66%
Lennar Homes of California Inc	Rest Home/Convalescent Hospital	2	\$19,020,048	1.65%
Ess Prisa LLC	Industrial Storage - Bulk	1	\$18,633,210	1.61%
Zehenni Anthony V TR	Garage/Parking Lot/Used Car Lot	1	\$17,055,407	1.48%
Terminal Freight Handling Co	Industrial/Warehouse	1	\$15,300,000	1.32%
Morena Vista LLC	Commercial/Office Space	1	\$14,950,000	1.29%
Webb Investments LLC	Garage/Parking Lot/Used Car Lot	13	\$13,026,754	1.13%
TPG Sherman LLC	Commercial/Office Space	1	\$12,893,331	1.12%
All other owners	NA	2,067	\$968,892,585	83.81%
Grand Total	NA	2,096	\$1,156,041,207	100.00%

TOTAL NET ASSESSED VALUE OF TOP 5 OWNERS:

\$113,923,130

TOTAL NET ASSESSED VALUE OF TOP 10 OWNERS:

\$187,148,622

TOTAL TAX INCREMENT VALUE:

\$587,618,343

PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL NET VALUE:

9.85%

PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL TAX INCREMENT VALUE:

19.39%

PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL NET VALUE:

16.19%

PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL TAX INCREMENT VALUE:

31.85%

[1] Based on final FY 2006-2007 Assessor's Roll. Includes values for TRAs 008-256 and 008-987.

NORTH BAY 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 2005-2006 APPEALS								
008256	0500052	RL KARCHER ENTERPRISES, INC. TAX DEPT	Resolved	29-Sep-05	\$223,114	\$95,083	\$223,114	\$0
008256	0500724	THE COPLEY PRESS INC	Pending	14-Sep-06 [2]	\$7,500,000	\$3,850,000	\$6,750,000	(\$750,000)
008256	0500828	MACIE REVOCABLE LIVING TRUST	Resolved	16-Mar-06	\$19,338	\$9,000	\$19,338	\$0
008256	0500932	NOBEL, MAHIN	Pending	14-Sep-06 [2]	\$8,313,000	\$4,987,000	\$7,481,700	(\$831,300)
008256	0501226	BUDGET RENT A CAR SYS INC	Pending	No Date Set [2]	\$1,255,021	\$800,000	\$1,129,519	(\$125,502)
008256	0501227	BUDGET RENT A CAR SYS INC	Pending	No Date Set [2]	\$2,041,504	\$1,000,000	\$1,837,354	(\$204,150)
008256	0501460	HARBOR HOTEL ASSOCIATES LLC	Resolved	02-Aug-06	\$2,714,421	\$1,060,000	\$2,714,421	\$0
008256	0501466	WELLS FARGO CO	Pending	No Date Set [2]	\$487,747	\$243,874	\$438,972	(\$48,775)
008256	0501468	WELLS FARGO CO	Pending	No Date Set [2]	\$121,933	\$60,967	\$109,740	(\$12,193)
008256	0501496	WELLS FARGO CO	Pending	No Date Set [2]	\$121,933	\$60,000	\$109,740	(\$12,193)
008256	0501548	BERRY WAJEEH TRUST	Resolved	30-Mar-06	\$2,626,221	\$1,607,000	\$2,626,221	\$0
008256	0501758	MERVYN'S LLC	Pending	14-Sep-06 [2]	\$885,142	\$347,340	\$796,628	(\$88,514)
008256	0501770	SEARS ROEBUCK & CO	Resolved	30-Mar-06	\$2,804,069	\$280,406	\$2,804,069	\$0
008256	0501996	BURRELL PROF LABS/PHOTIC	Pending	14-Sep-06 [2]	\$290,700	\$0	\$261,630	(\$29,070)
008256	0502334	E-Z 8 MOTELS INC.	Pending	No Date Set [2]	\$7,900,000	\$2,002,799	\$7,110,000	(\$790,000)
							Estimated Value Reduction	(\$2,891,698)

[1] Highlighted items indicate resolved appeals.

[2] At the time of this analysis, these appeals had not been resolved. Thus, DTA has conservatively assumed these appeals resolved in favor of the property owner at a rate of 90% of the contested value, based on historic assessment appeals data.

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

Participating Agencies [1]	FY 2005-2006 Rates for TRA 008-256 [3]	FY 2006-2007 Rates for TRA 008-256 [3]	FY 2005-2006 Rates for TRA 008-987 [4]	FY 2006-2007 Rates for TRA 008-987 [4]
City of San Diego Zoological Exhibit	1.00000%	1.00000%	1.00000%	1.00000%
San Diego Unified Lease/Purchase	0.00500%	0.00500%	0.00500%	0.00500%
Metropolitan Water District	0.00000%	0.00000%	0.00000%	0.00000%
County Water Authority	0.00520%	0.00470%	0.00000%	0.00000%
Subtotal	0.00000%	0.00000%	0.00000%	0.00000%
Subtotal	1.01020%	1.00970%	1.00500%	1.00500%
Non-Participating Agencies [2]				
San Diego City Public Safety	0.00145%	0.00124%	0.00145%	0.00124%
San Diego Unified Bond Series 1999A	0.00974%	0.00799%	0.00974%	0.00799%
San Diego Unified Bond Series 2000B	0.00785%	0.00667%	0.00785%	0.00667%
San Diego Unified Bond Series 2001C	0.00899%	0.00763%	0.00899%	0.00763%
San Diego Unified Bond Series 2002D	0.01272%	0.00990%	0.01272%	0.00990%
San Diego Unified Bond Series 2003E	0.02138%	0.01733%	0.02138%	0.01733%
San Diego Unified Bond Series 1998F	0.01522%	0.00791%	0.01522%	0.00791%
San Diego Unified Bond Series 1998G	0.00000%	0.01406%	0.00000%	0.01406%
San Diego Community College Bond 2003A	0.01630%	0.01272%	0.01630%	0.01272%
San Diego Community College Bond 2003B	0.00865%	0.00510%	0.00865%	0.00510%
Subtotal	0.10230%	0.09055%	0.10230%	0.09055%
Grand Total	1.11250%	1.10025%	1.10730%	1.09555%

[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.

[4] Please note that TRA 008-987 has a total net value of only \$198,402. For purposes of projecting the FY 06-07 tax increment, we are using the rates for TRA 008-256.

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

Year	Supplemental Roll	Roll Corrections	Refunds/ Adjustments	Delinquencies/ Penalties	Total Adjustments
1999-2000	\$58,772.40	(\$3,618.62)	(\$3,636.23)	\$0.00	\$51,517.55
2000-2001	\$266,734.35	(\$361.35)	(\$24,239.95)	\$19,764.17	\$261,897.22
2001-2002	\$315,126.24	(\$3,029.85)	(\$31,824.99)	\$24,910.25	\$305,181.65
2002-2003	\$40,986.26	\$8,170.82	(\$23,310.51)	\$31,072.88	\$56,919.45
2003-2004	\$355,265.67	(\$1,581.70)	(\$31,097.20)	\$41,468.00	\$364,054.77
2004-2005	\$503,892.13	(\$3,996.50)	(\$43,172.25)	\$42,227.52	\$498,950.90
2005-2006	\$503,354.23	\$1,972.61	(\$75,496.37)	\$58,723.14	\$488,553.61

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

**NORTH BAY 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	2005 2006
I. Reported Assessed Value							
Total Project Value [1]	\$781,794,576	\$811,346,911	\$853,472,663	\$903,588,010	\$974,771,983	\$1,029,035,149	\$1,108,074,754
Less Base Value	683,472,024	683,472,024	683,472,024	689,090,229	689,090,229	689,090,229	689,090,229
Incremental Value	98,322,552	127,874,887	170,000,639	214,497,781	285,681,754	339,944,920	418,984,525
Tax Rate [2]	1.11065%	1.11046%	1.10928%	1.10820%	1.01177%	1.01080%	1.01020%
II. Gross Tax Increment	1,092,019	1,419,999	1,885,783	2,377,064	2,890,442	3,436,163	4,232,582
Unitary Revenue	0	0	2,051	1,952	2,872	2,908	2,925
County Administrative Expenses	(10,197)	(5,138)	(12,907)	(20,149)	(26,101)	(27,998)	(36,410)
Total Computed Levy	1,081,822	1,414,862	1,874,927	2,358,867	2,867,213	3,411,072	4,199,097
III. Total Receipts	933,195	1,656,437	2,135,793	2,546,150	3,218,779	3,857,335	4,613,034
% Difference of Computed Levy	86.26%	117.07%	113.91%	107.94%	112.26%	113.08%	109.86%

[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 008-256.

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

Current Assessee	FY 2005-2006 Secured Net Assessed Value	FY 2006-2007 Secured Net Assessed Value	Difference	Percent Change
MB Hotel Ventures LLC	\$10,435,432	\$40,464,000	\$30,028,568	287.76%
Morena Vista LLC	0	14,950,000	14,950,000	NA
Terminal Freight Handling Co	2,804,069	15,300,000	12,495,931	445.64%
Newport Taft Inc	10,183,120	22,325,000	12,141,880	119.24%
Webb Investments	2,349,763	13,026,754	10,676,991	454.39%
EZ 8 Motels Inc	1,963,528	8,058,000	6,094,472	310.38%
ESS Prisa LLC	12,720,816	18,633,210	5,912,394	46.48%
Constellation Property Group	1,929,620	4,080,000	2,150,380	111.44%
Laubro No 1 LLC	2,420,793	4,400,000	1,979,207	81.76%
4891 PCH LLC	1,986,129	3,881,100	1,894,971	95.41%
Others	953,069,717	1,010,923,143	57,853,426	6.07%
Total	999,862,987	1,156,041,207	156,178,220	15.62%
1786 Assessments Gain in Value	959,372,865	1,118,706,613	159,333,748	16.61%
247 Assessments with no change in Value	2,850,000	2,850,000	0	0.00%
23 Assessments With Reduced Value	27,752,045	21,138,830	(6,613,215)	-23.83%
40 New Parcels [1]	NA	13,345,764	13,345,764	NA
79 Superseded Parcels [2]	9,888,077	NA	(9,888,077)	NA
Total	\$999,862,987	\$1,156,041,207	\$156,178,220	15.62%

[1] New parcels for FY 2006-2007.

[2] FY 2005-2006 assessor parcels that did not have matching FY 2006-2007 parcel numbers.

**NORTH BAY REDEVELOPMENT PROJECT AREA
FY 2006-2007 TAX INCREMENT REVENUE ESTIMATE
TABLE 9**

	FY 2006-2007 Taxable Value	Base Taxable Value	Incremental Taxable Value
Secured/State Values			
Land	\$617,974,754	\$311,545,667	\$306,429,087
Improvement	\$591,629,188	343,529,577	248,099,611
Personal Property	\$7,024,412	17,411,733	(10,387,321)
Gross Value	1,216,628,354	672,486,977	544,141,377
Less Exemptions	(49,203,804)	(63,278,307)	14,074,503
Total Secured	1,167,424,550	609,208,670	558,215,880
Unsecured Values			
Land	0	0	0
Improvement	32,435,833	22,651,109	9,784,724
Personal Property	84,987,364	53,711,922	31,275,442
Gross Value	117,423,197	76,363,031	41,060,166
Less Exemptions	(11,657,703)	0	(11,657,703)
Total Unsecured	105,765,494	76,363,031	29,402,463
Total Secured and Unsecured	1,273,190,044	685,571,701	587,618,343
Estimated Valuation Adjustments			
Assessment Appeal Valuation Reductions:			(\$2,891,698)
Adjusted Incremental Secured and Unsecured			\$584,726,645
Gross Increment Revenue @	1.00970% [2]		\$5,903,985
Unitary Revenue [3]			\$2,925
Supplemental Roll [4]			\$0
Offsets to Gross Estimated Revenue			
Administrative Expenses [5]			(\$59,040)
Net Tax Increment Revenue			\$5,847,870
Low/Moderate Income Housing Set-Aside Revenue			(\$1,169,574)
Taxing Agencies Pass Throughs (AB 1290)			(\$1,169,574)
Non-Housing Tax Increment Revenue			\$3,508,722
Housing Tax Increment Revenue			\$1,169,574
Tax Revenue Available for Debt Service			\$4,678,296
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]			(\$680,083)
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [6]			(\$220,296)
Available Non-Housing Tax Increment Revenue [7]			\$2,828,639
Available Housing Tax Increment Revenue [8]			\$949,278

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

[2] For purposes of this analysis we are using the FY 2005-2006 rate for TRA 008-256. Please note that TRA 008-987 has a total net value of only \$198,402.

[3] Based on information for FY 2005-2006 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] Since a portion of the proceeds of the Series 2000 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 a commensurate amount of debt service on the Series

[7] Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 annual debt service.

[8] Annual Housing Tax Increment Revenue less housing portion of Series 2000 annual debt service.

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

Fiscal Year Ending:	2008		2007		2009		2010		2011		2012		2013		2014		2015		2016		2017			
	2008	2007	2008	2007	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	
Real Property @ 2.0% [1]	\$1,192,835,971	\$1,213,743,158	\$1,238,016,022	\$1,262,778,382	\$1,289,033,950	\$1,313,794,629	\$1,340,070,521	\$1,366,871,932	\$1,394,209,370	\$1,422,093,558	\$1,450,535,429	\$1,479,577,300	\$1,509,234,171	\$1,539,514,042	\$1,570,417,913	\$1,601,943,784	\$1,634,107,655	\$1,666,915,526	\$1,700,377,397	\$1,734,499,268	\$1,769,281,139	\$1,804,727,010	\$1,840,848,881	\$1,877,640,752
Anticipated Value	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
Assumed Appeals Impact	(2,891,689)	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	1,189,944,273	1,213,743,158	1,238,016,022	1,262,778,382	1,289,033,950	1,313,794,629	1,340,070,521	1,366,871,932	1,394,209,370	1,422,093,558	1,450,535,429	1,479,577,300	1,509,234,171	1,539,514,042	1,570,417,913	1,601,943,784	1,634,107,655	1,666,915,526	1,700,377,397	1,734,499,268	1,769,281,139	1,804,727,010	1,840,848,881	
Total Other Property	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	
Total Value	1,270,298,346	1,294,097,231	1,318,370,095	1,343,132,455	1,369,388,023	1,394,148,702	1,418,424,594	1,443,226,005	1,468,563,443	1,493,447,631	1,518,889,502	1,544,931,373	1,571,585,244	1,598,868,115	1,626,781,986	1,655,335,857	1,684,539,728	1,714,303,600	1,744,737,471	1,775,841,342	1,807,615,213	1,840,059,084	1,873,172,955	1,906,956,826
Incremental Value Over Base of:	\$685,571,701	[3]																						
Gross Revenue [4]	5,903,985	6,085,255	6,328,004	6,576,608	6,828,163	7,085,770	7,346,529	7,616,543	7,899,917	8,188,291	8,481,665	8,780,039	9,083,413	9,391,787	9,705,161	10,024,535	10,348,909	10,678,283	11,012,657	11,352,031	11,696,405	12,045,779	12,399,153	
Unitary Revenue	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	
Adjustments to Gross Revenue																								
Supplemental Roll																								
Property Tax Administrative Fee [5]	(59,040)		(63,280)	(67,520)	(71,760)	(76,000)	(80,240)	(84,480)	(88,720)	(92,960)	(97,200)	(101,440)	(105,680)	(109,920)	(114,160)	(118,400)	(122,640)	(126,880)	(131,120)	(135,360)	(139,600)	(143,840)	(148,080)	
Net Tax Increment Revenue	5,844,945	6,022,328	6,264,724	6,512,778	6,764,403	7,017,770	7,277,969	7,543,303	7,813,943	8,089,997	8,371,517	8,658,597	8,951,337	9,249,737	9,553,937	9,864,137	10,180,437	10,502,937	10,831,737	11,166,937	11,508,837	11,857,537	12,212,137	
Low/Moderate Income Housing Set-Aside Revenue	(1,169,574)	(1,205,466)	(1,253,530)	(1,302,555)	(1,352,561)	(1,403,567)	(1,455,594)	(1,508,661)	(1,562,789)	(1,617,999)	(1,674,314)	(1,731,754)	(1,790,329)	(1,850,050)	(1,910,937)	(1,973,002)	(2,036,256)	(2,100,709)	(2,166,372)	(2,233,255)	(2,301,378)	(2,380,751)	(2,461,394)	
Taxing Agencies Pass Through (AB 1280) [6]	(1,169,574)	(1,205,466)	(1,253,530)	(1,302,555)	(1,352,561)	(1,403,567)	(1,455,594)	(1,508,661)	(1,562,789)	(1,617,999)	(1,674,314)	(1,731,754)	(1,790,329)	(1,850,050)	(1,910,937)	(1,973,002)	(2,036,256)	(2,100,709)	(2,166,372)	(2,233,255)	(2,301,378)	(2,380,751)	(2,461,394)	
Non-Housing Tax Increment Revenue	3,505,722	3,616,397	3,760,589	3,866,484	3,974,497	4,084,671	4,197,047	4,311,672	4,428,568	4,547,844	4,669,484	4,793,597	4,920,297	5,049,697	5,181,897	5,316,997	5,455,197	5,596,597	5,741,297	5,889,397	6,040,997	6,196,297	6,355,297	
Available Housing Tax Increment Revenue	1,169,574	1,205,466	1,253,530	1,302,555	1,352,561	1,403,567	1,455,594	1,508,661	1,562,789	1,617,999	1,674,314	1,731,754	1,790,329	1,850,050	1,910,937	1,973,002	2,036,256	2,100,709	2,166,372	2,233,255	2,301,378	2,380,751		
Tax Revenue Available for Debt Service	4,875,296	4,821,862	5,014,119	5,169,040	5,327,059	5,488,238	5,652,941	5,820,332	5,991,377	6,166,843	6,346,998	6,531,997	6,721,997	6,917,097	7,117,297	7,322,497	7,532,697	7,747,897	7,968,097	8,193,297	8,423,497	8,658,697	8,898,897	
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [7]	(690,083)	(678,485)	(681,461)	(682,661)	(683,111)	(683,789)	(684,621)	(685,649)	(686,849)	(688,221)	(689,766)	(691,486)	(693,381)	(695,451)	(697,696)	(700,126)	(702,841)	(705,841)	(709,126)	(712,696)	(716,541)	(720,666)	(725,071)	
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [7]	(220,296)	(220,494)	(220,518)	(221,333)	(221,893)	(222,160)	(222,208)	(222,855)	(223,397)	(224,031)	(224,759)	(225,482)	(226,201)	(226,916)	(227,627)	(228,334)	(229,037)	(229,736)	(230,431)	(231,122)	(231,809)	(232,492)	(233,171)	
Available Non-Housing Tax Increment Revenue [8]	2,825,939	2,927,911	3,076,128	3,183,823	3,291,386	3,400,881	3,510,428	3,621,123	3,732,097	3,843,376	3,954,991	4,067,942	4,182,221	4,297,926	4,415,057	4,533,604	4,653,577	4,774,976	4,897,801	5,022,052	5,147,729	5,274,842	5,403,391	
Available Housing Tax Increment Revenue [9]	646,278	694,972	1,033,012	1,061,223	1,130,679	1,182,408	1,233,386	1,285,706	1,339,392	1,394,459	1,450,906	1,508,734	1,567,952	1,628,560	1,690,559	1,754,049	1,819,130	1,885,801	1,954,062	2,023,913	2,105,454	2,188,685	2,273,606	

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2006-2007. Each subsequent year the value is projected to be the same as the previous year.
 [2] Includes secured and unsecured personal property value in the Project less unsecured exemptions for FY 2006-2007. We have assumed the value to remain constant for each subsequent year.
 [3] Base value was adjusted from \$885,472,024 to \$889,090,229 beginning in FY 2002-2003. In FY 2006-2007, the base value was adjusted again to \$885,571,701.
 [4] The weight of 1.00070% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2007-2008 to the end of the projection.
 [5] The weight of 1.00070% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2007-2008 to the end of the projection.
 [6] Based on 20% of "Gross Revenue" (before debt service) through FY 2031-2032. In addition, 16.8% of Gross Revenue is included from FY 2009-2030 through FY 2031-2032 using Year 10 as a base value and 11.2% of Gross Revenue is included from FY 2029-2030 through FY 2030-2031 using Year 30 as a base value.
 [7] Since a portion of the proceeds of the Series 2000 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the Annual Housing Tax Increment Revenue less housing tax revenues are pledged to pay a commensurate amount of debt service on the Series 2000 Bonds.
 [8] Annual Non-Housing Tax Increment Revenue less housing tax revenues.
 [9] Annual Housing Tax Increment Revenue less housing tax revenues.

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

Fiscal Year Ending:	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028
Real Property @ 2.0% [1]	\$1,479,546,137	\$1,509,137,060	\$1,539,319,801	\$1,570,106,197	\$1,601,508,321	\$1,633,538,488	\$1,666,209,258	\$1,699,533,443	\$1,733,524,112	\$1,768,194,594	\$1,803,558,486	\$1,839,912,559
Anticipated Value Assumed/ Appeals Impact	0	0	0	0	0	0	0	0	0	0	0	0
Total Real Property	1,479,546,137	1,509,137,060	1,539,319,801	1,570,106,197	1,601,508,321	1,633,538,488	1,666,209,258	1,699,533,443	1,733,524,112	1,768,194,594	1,803,558,486	1,839,912,559
Total Other Property [2]	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073	80,354,073
Total Value	1,559,900,210	1,589,491,133	1,619,673,874	1,650,460,270	1,681,862,394	1,713,892,561	1,746,563,331	1,779,887,516	1,813,878,185	1,848,548,667	1,883,912,559	1,919,340,858
Incremental Value Over Base of:	\$685,571,701	[3]										
Gross Revenue [4]	8,743,285	9,039,164	9,341,022	9,646,886	9,962,807	10,283,209	10,609,916	10,943,158	11,283,065	11,629,770	11,983,409	12,345,292
Unitary Revenue	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925	2,925
Adjustments to Gross Revenue	0	0	0	0	0	0	0	0	0	0	0	0
Supplemental Roll	(87,433)	(90,392)	(93,410)	(96,489)	(99,629)	(102,832)	(106,099)	(109,432)	(112,831)	(116,298)	(120,834)	(125,443)
Property Tax Administrative Fee [5]	8,656,777	8,951,727	9,250,536	9,555,322	9,866,203	10,183,301	10,506,742	10,836,652	11,173,159	11,516,387	11,866,499	12,224,855
Net Tax Increment Revenue	(1,731,755)	(1,790,345)	(1,850,107)	(1,911,064)	(1,973,241)	(2,036,660)	(2,101,348)	(2,167,330)	(2,234,632)	(2,303,279)	(2,373,300)	(2,443,707)
Low/Moderate Income Housing Set-Aside Revenue	(2,135,465)	(2,241,271)	(2,351,232)	(2,463,393)	(2,577,798)	(2,694,490)	(2,813,516)	(2,934,923)	(3,058,758)	(3,185,069)	(3,313,907)	(3,444,284)
Taxing Agencies Pass Through (AB 1290) [6]	4,793,557	4,920,111	5,049,197	5,180,864	5,315,165	5,452,151	5,591,878	5,734,398	5,879,770	6,028,048	6,179,293	6,333,516
Non-Housing Tax Increment Revenue	1,731,755	1,790,345	1,850,107	1,911,064	1,973,241	2,036,660	2,101,348	2,167,330	2,234,632	2,303,279	2,373,300	2,443,707
Available Housing Tax Increment Revenue	6,825,312	6,710,457	6,899,304	7,091,928	7,288,405	7,488,812	7,693,228	7,901,729	8,114,402	8,331,328	8,552,993	8,779,316
Tax Revenue Available for Debt Service	(600,982)	(600,208)	(603,256)	(606,981)	(611,345)	(616,359)	(621,994)	(628,339)	(635,284)	(642,829)	(650,974)	(659,719)
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [7]	(222,002)	(223,560)	(224,063)	(225,163)	(226,739)	(228,909)	(231,671)	(235,024)	(238,976)	(243,531)	(248,696)	(254,471)
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [7]	4,102,989	4,229,902	4,359,941	4,485,843	4,620,919	4,766,978	4,923,106	5,089,394	5,255,842	5,432,521	5,619,616	5,817,247
Available Non-Housing Tax Increment Revenue [8]	1,506,183	1,566,785	1,626,045	1,685,902	1,744,502	1,812,752	1,880,533	1,947,865	2,014,826	2,081,527	2,148,017	2,214,300
Available Housing Tax Increment Revenue [9]	1,506,183	1,566,785	1,626,045	1,685,902	1,744,502	1,812,752	1,880,533	1,947,865	2,014,826	2,081,527	2,148,017	2,214,300

[1] Includes secured and unsecured land and improvement value in the Project less secured tax year is assumed to increase by 2.0%.
 [2] Includes secured and unsecured personal property value in the Project less unsecured even value to remain constant for each subsequent year.
 [3] Includes secured and unsecured personal property value in the Project less unsecured even value to remain constant for each subsequent year.
 [4] The actual tax rate of 1.0970% is used for FY 2008-2007. A 1.00% tax rate is used from FY 2008 through FY 2009-2008 using Year 30 as a base value.
 [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 2031-2030 through FY 2009-2010 through FY 2031-2032 using Year 10 as a base value and 11.2 percent of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2031-2030 through FY 2009-2010 through FY 2031-2032 using Year 30 as a base value.
 [7] The actual tax rate of 1.0970% is used for FY 2008-2007. A 1.00% tax rate is used from FY 2008 through FY 2009-2008 using Year 30 as a base value.
 [8] Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 annual debt service.
 [9] Annual Housing Tax Increment Revenue less housing portion of Series 2000 annual debt service.

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

Fiscal Year Ending:	**YEAR 30**		2030	
	2028	2030	2030	2031
Real Property @ 2.0% [1]	\$1,839,629,655	\$1,876,422,249	\$1,913,950,693	
Anticipated Value	0	0	0	0
Assumed Appeals Impact	0	0	0	0
Total Real Property	1,839,629,655	1,876,422,249	1,913,950,693	
Total Other Property [2]	80,354,073	80,354,073	80,354,073	
Total Value	1,919,983,728	1,956,776,322	1,994,304,766	
Incremental Value Over Base of:	\$685,571,701 [3]	1,271,204,621	1,308,733,065	
Gross Revenue [4]	12,344,120	12,712,046	13,087,331	
Utility Revenue	2,925	2,825	2,925	
Adjustments to Gross Revenue				
Supplemental Roll	0	0	0	0
Property Tax Administrative Fee [5]	(123,441)	(127,120)	(130,873)	
Net Tax Increment Revenue	12,223,604	12,587,851	12,959,382	
Low/Moderate Income Housing Set-Aside Revenue	(2,444,721)	(2,517,570)	(2,591,876)	
Taxing Agencies Pass Through (AB 1290) [6]	(3,445,321)	(3,620,160)	(3,798,495)	
Non-Housing Tax Increment Revenue	6,333,562	6,450,121	6,569,011	
Available Housing Tax Increment Revenue	2,444,721	2,517,570	2,591,876	
Tax Revenue Available for Debt Service	8,778,283	8,967,691	9,160,887	
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [7]	(700,376)	(696,659)	0	
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [7]	(224,205)	(224,455)	0	
Available Non-Housing Tax Increment Revenue [8]	5,853,702	5,753,483	6,569,011	
Available Housing Tax Increment Revenue [9]	2,220,516	2,253,115	2,591,876	

[1] Includes secured and unsecured land and improvement value in the Project less secured tax increment revenue less 2.0% net of secured property value in the Project less unsecured even value to remain constant for each subsequent year.
 [2] Base value was adjusted from \$888,472,024 to \$889,090,229 beginning in FY 2002-2003, in addition to \$885,571,701.
 [3] The actual tax rate of 1.009701% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2008 through FY 2030-2031 using Year 30 as a base value.
 [4] Since a portion of the proceeds of the Series 2000 Bonds were used to satisfy the 20% set-aside applicable Housing Set-Aside Tax Revenues are pledged to pay a commensurate amount of Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 annual debt service.
 [5] Annual Housing Tax Increment Revenue less housing portion of Series 2000 annual debt service.
 [6] Includes secured and unsecured land and improvement value in the Project less secured tax increment revenue less 2.0% net of secured property value in the Project less unsecured even value to remain constant for each subsequent year.
 [7] Base value was adjusted from \$888,472,024 to \$889,090,229 beginning in FY 2002-2003, in addition to \$885,571,701.
 [8] The actual tax rate of 1.009701% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2008 through FY 2030-2031 using Year 30 as a base value.
 [9] Since a portion of the proceeds of the Series 2000 Bonds were used to satisfy the 20% set-aside applicable Housing Set-Aside Tax Revenues are pledged to pay a commensurate amount of Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 annual debt service.