

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

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

A. NORTH PARK PROJECT AREA BACKGROUND

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

The Plan will remain in effect until thirty (30) years from the date of adoption. Pursuant to subdivision (a)(1) of Section 33333.2 of the Health and Safety Code, the time limit on the establishment of loans, advances, and bonded indebtedness to be funded through tax increment revenues is twenty (20) years from the adoption of the Plan. Also, total bonded indebtedness of the Project Area to be repaid by the allocation of taxes to the Agency is not to exceed \$53 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 0-19515 in July 2006 extending (i) the plan effectiveness deadline to 2028, (ii) repayment of indebtedness deadline to 2043, 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 555 acres of land, located 5 miles from downtown San Diego and next to Balboa Park. Land uses in the Project Area include commercial, residential, retail, and light manufacturing. Historic preservation and enhancement of single family homes is key. The Project Area is bordered by Interstate 805 to the east, Park Boulevard to the west, Adams Avenue to the north, and Upas Street to the south.

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

In 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. In

addition, in 2003, the Agency issued tax allocation bonds in the amount of \$12,505,000 for the North Park Redevelopment Project Area. All tax allocation bonds are secured by tax increment revenues from the Project Area, and the proceeds from both issuances were primarily utilized to fund the following projects:

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

C. LINE OF CREDIT

In September 2006, the Agency and the City Council authorized a \$10,000,000 line of credit with Bank of America secured by non-housing tax increment revenues from the Project Area. The line of credit is non-revolving, has a term of two-years, and requires quarterly interest payments. The line of credit was issued on October 31, 2006, with quarterly interest payments to begin in January 2007. The Agency expects to issue tax allocation bonds within the two-year period 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 one TRA: 08-255. The Auditor Controller is responsible for combining the assessed values provided by the Assessor for all APNs within the Project Area, and releasing a report each July showing the secured and unsecured values for the current and base year as well as the incremental value for the entire Project Area.

A. HISTORIC TAXABLE VALUES

DTA researched historic secured and unsecured taxable values in the Project Area for Fiscal Years 1999-2000 through 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 approximately \$424 million, and the total secured and unsecured value for the Project Area has risen from nearly \$461 million for Fiscal Year 1999-2000 to nearly \$956 million for Fiscal Year 2006-2007, an increase of approximately 108%.

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 \$939 million. This represents an increase of approximately 15% from \$816 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 calculate the annual tax increment.

C. VALUES BY LAND USE TYPE

The Project Area includes a combination of land uses based on an analysis of the Fiscal Year 2006-2007 Assessor's roll. This allocation indicates that 74.26% of the Project Area valuation is residential (including 61.74% of multifamily residential land use) and 23.80% of the value is commercial property (of which 15.55% is office space). The breakdown by land use type is shown in Table 2.

D. TEN MAJOR ASSESSEES

Table 3 presents the top ten assessees from the Fiscal Year 2006-2007 equalized roll. The tables show the assessee name/owner, the number of assessor parcels under their ownership, the total net assessed valuation, and the percentage of the total project assessed value represented by that owner's property.

E. PENDING AND RECENTLY RESOLVED ASSESSMENT APPEALS

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

For the purposes of the analysis, DTA researched the pending and recently resolved assessment appeals to determine how tax refunds as a result of appeals might reduce the tax increment received by the Agency. Table 4 shows recent historical assessment appeals in the Project Area, providing the following information: Tax Rate Area, APN, Application Number, Owner/Applicant name, the status of the appeal, the result of the appeal, the hearing date, 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 thirteen appeals were filed. Nine appeals were resolved with no change in value for Fiscal Year 2005-2006. The remaining four appeals are pending and may have an impact in Fiscal Year 2006-2007.

Thus far, during Fiscal Year 2006-2007, a total of two appeals were filed. Both appeals are pending as of August 31, 2006 and may have an impact in 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 2001-2002 through Fiscal Year 2004-2005 was calculated to determine the estimated effect of a successful appeal. Based on our research of past appeals, we have estimated a reduced value equal to 90% of the contested assessed value for pending appeals. Thus, for the four pending appeals through Fiscal Year 2005-2006, we have assumed a total reduction of \$256,245 which represents 0.0308% of the total Fiscal Year 2005-2006 assessed value.

In addition, there are two pending appeals which may reduce the assessed value for Fiscal Year 2006-2007. The amount of the reduction was estimated to be \$127,825 which represents 0.0134% of the total Fiscal Year 2006-2007 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 TRA 08-255 is \$1.00970 per \$100 of assessed value. DTA assumes a secured tax rate of \$1 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 Park Project Area, which was created in 1997, no unitary revenues had been received in prior years due to the abovementioned procedure.

Unitary revenue for the Project Area received as of June 30, 2006 was \$1,623. The Project Area received a proportion of the increased amount as it was entitled to receive a share of the revenues. Assuming that the unitary revenues will stay at a constant level in future years, DTA is conservatively estimating that the Project Area will continue to receive the same amount.

D. ADMINISTRATIVE CHARGES

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

E. LOW AND MODERATE INCOME HOUSING SET ASIDE

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

F. AB 1290 PAYMENTS TO AFFECTED TAXING ENTITIES

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

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

G. SERIES 2000 AND 2003 TAX ALLOCATION BONDS

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

H. EDUCATIONAL REVENUE AUGMENTATION FUND (“ERAF”)

In connection with its approval of the budget for Fiscal Years 1992-1993 through 1994-1995, the State Legislature enacted legislation which reallocated funds from redevelopment agencies to school districts by shifting a portion of each agency's tax increment, net of amounts due to other taxing agencies, to school districts for such fiscal years for deposit to ERAF. The amount required to be paid by a redevelopment agency under such legislation was apportioned among all of its redevelopment project areas on a collective basis, and was not allocated separately to individual project areas. However, faced with a projected multi-billion dollar budget gap for Fiscal Year 2002-2003, the State Legislature adopted as urgency legislation, AB 1768 requiring redevelopment agencies to pay into ERAF in Fiscal Year 2002-2003 an aggregate amount of \$75 million. 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 and 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
North Park Theatre	A cornerstone of the community since 1928, the North Park Theatre has been rehabilitated and is once again a live performance venue, which reopened in October 2005. The renovation included interior restoration and expansion, retail and office space, and a new theatre entrance and marquee. Total cost for the theatre project was approximately \$12 million .
North Park Public Garage	This \$14 million North Park Public Parking Garage is a mixed-use facility that is a project of the City of San Diego Redevelopment Agency and Arnold "Bud" Fischer. The project features 388 parking spaces on five levels; nearly 15,000 square feet of retail space; a convenient location in the heart of North Park; and supports the success of the North Park Theatre Redevelopment Project. The facility was completed in January 2006.
North Park Public Parking Lot	The Redevelopment Agency purchased the property located immediately behind the North Park Theatre, cleared it of structures, and improved it for use as a public parking lot during construction of the Parking Garage. The lot is being considered for future development as a park and/or public space.
Renaissance at North Park	The Renaissance at North Park is a \$32 million mixed-use development. The project will provide 110 units of affordable housing, with additional components consisting of commercial, parking and community facilities. The project is expected to be completed in mid-2006.
La Boheme	Western Pacific Housing, an affiliate of D.R. Horton, Inc. will be developing a \$62 million , 224 residential condominium project located south of Lincoln Avenue between 30th Street and Ohio Street. This project will also include 15,600 square feet of ground-level commercial space. Additionally, 45 of the residential units will be available for purchase by moderate-income households. The project is expected to be completed in fall of 2006.
Boulevard at North Park	A pedestrian-oriented mixed-use project of 173 dwelling units, 7 ground-level live/work units, and 4,292 square feet of retail space. The 1.54-acre project site is located on the north side of El Cajon Boulevard between Florida Street on the west and Alabama Street on the east. The estimated project value is \$68 million .
District Three Flagship Library / Mixed Use	The Redevelopment Agency is working with the City of San Diego and private interests to develop a new 25,000-square-foot branch library within the North Park Project Area. The contemplated project would incorporate a mix of uses including affordable and market-rate housing, retail and public uses on a site of approximately 1.0 to 1.25 acres. The estimated project cost exceeds \$80 million .

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 2032-2033. 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 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 PARK 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 Values								
Land	\$206,156,479	\$218,285,289	\$238,556,524	\$259,396,504	\$289,602,435	\$328,786,859	\$416,522,646	\$488,002,024
Improvement	246,403,657	266,157,900	288,113,383	311,674,761	339,121,972	377,598,097	411,121,443	464,133,877
Personal Property	1,311,398	1,845,740	1,498,222	139,969	129,455	1,034,585	1,345,318	1,263,082
Gross Value	453,871,534	486,288,929	528,168,129	571,211,234	628,853,862	707,419,541	828,989,407	953,398,983
Less Exemptions	(8,912,365)	(9,775,238)	(9,690,960)	(10,735,089)	(11,674,496)	(12,535,963)	(13,282,156)	(14,545,386)
Total Secured	444,959,169	476,513,691	518,477,169	560,476,145	617,179,366	694,883,578	815,707,251	938,853,597
Unsecured Values								
Land	0	0	0	0	0	0	0	0
Improvement	6,058,451	5,994,277	5,261,490	5,454,610	7,915,990	5,973,344	5,822,960	5,848,373
Personal Property	9,764,052	10,219,519	10,093,737	10,325,188	12,351,410	11,613,698	11,144,665	12,097,153
Gross Value	15,822,503	16,213,796	15,355,227	15,779,798	20,267,400	17,587,042	16,967,625	17,945,526
Less Exemptions	0	(304,679)	(445,836)	(114,762)	(675,494)	(701,121)	(655,788)	(656,536)
Total Unsecured	15,822,503	15,909,117	14,909,389	15,665,036	19,591,906	16,885,921	16,311,837	17,288,990
Total Secured and Unsecured	460,781,672	492,422,808	533,386,558	576,141,181	636,771,272	711,769,499	832,019,088	956,142,587
Percentage Change in Total Value	NA	6.87%	8.32%	8.02%	10.52%	11.78%	16.89%	14.92%
Base Year Value	423,551,030							
Incremental Value	37,230,642	68,871,778	109,835,528	152,590,151	213,220,242	288,218,469	408,468,058	532,591,557
Percentage Change in Incremental Value	NA	84.99%	59.48%	38.93%	39.73%	35.17%	41.72%	30.39%

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

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

**NORTH PARK REDEVELOPMENT PROJECT AREA
FY 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	15	\$1,942,592	0.21%
Single Family Residential	559	\$114,805,927	12.30%
Multi-Family Residential	1,781	\$576,154,426	61.74%
Miscellaneous	1	\$120	0.00%
Subtotal	2,356	\$692,903,065	74.26%
Commercial Property (land use codes 20 through 39)			
Office Space	360	\$145,119,426	15.55%
Retail	48	\$41,397,267	4.44%
Vacant Land	26	\$4,567,958	0.49%
Other Uses	58	\$30,988,092	3.32%
Subtotal	492	222,072,743	23.80%
Industrial Property (land use codes 40 through 49)	24	\$7,110,238	0.76%
Farm / Rural Land (land use codes 50 through 65)	0	\$0	0.00%
Institutional Property (land use codes 70 through 79)	11	\$8,676,043	0.93%
Recreational Property (land use codes 80 through 84)	3	\$506,677	0.05%
Miscellaneous Use (land use codes 88 through 89 and 00)	12	\$1,857,599	0.20%
Total	2,898	\$933,126,365	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 PARK 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
Western Pacific Housing Inc	Commercial/Office Space	2	\$15,626,999	1.67%
Hampstead Lafayette Hotel LLC	Hotel/Motel	1	\$11,478,207	1.23%
Palisade Gardens LLC	Commercial/Office Space	1	\$7,000,000	0.75%
North Park Theatre LLC	Theater	1	\$6,352,400	0.68%
Vons Companies Inc	Commercial/Grocery Store	1	\$5,972,208	0.64%
Ventas Realty LP	Hospital	1	\$5,534,768	0.59%
Courtyard Villas LLC	Multi-Family Residential	1	\$5,200,000	0.56%
Warner Charles E	Multi-Family Residential	1	\$4,172,255	0.45%
PAD Properties Group LP	Multi-Family Residential	8	\$3,801,403	0.41%
Carter Reese No 12 LP	Multi-Family Residential	20	\$3,792,548	0.41%
All other owners	NA	2,919	\$864,195,577	92.61%
Grand Total	NA	2,956	\$933,126,365	100.00%

TOTAL NET ASSESSED VALUE OF TOP 5 OWNERS:	\$46,429,814
TOTAL NET ASSESSED VALUE OF TOP 10 OWNERS:	\$68,930,788
TOTAL TAX INCREMENT VALUE:	\$532,591,557

PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL NET VALUE:	4.98%
PERCENTAGE OF ASSESSED VALUES FOR TOP 5 OWNERS TO TOTAL TAX INCREMENT VALUE:	8.72%

PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL NET VALUE:	7.39%
PERCENTAGE OF ASSESSED VALUES FOR TOP 10 OWNERS TO TOTAL TAX INCREMENT VALUE:	12.94%

[1] Based on final FY 2006-2007 Assessor's Roll. Includes values for TRA 008-255.

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

Tax Rate Area	Appeal ID #	Applicant Name	Result [1]	Hearing Date	Assessed Value	Applicant Opinion of Value	Resolved / Pending Value [2]	Impact/Value Change
FY 2005-06 APPEALS								
008255	0500040	KARCHER	Resolved	29-Sep-05	\$141,360	\$51,287	\$141,360	\$0
008255	0500084	NEAL, DARREN	Resolved	08-Dec-05	\$335,000	\$150,000	\$335,000	\$0
008255	0500304	HOLLYWOOD ENTERTAINMENT CORP	Resolved	26-Jan-06	\$71,000	\$35,500	\$71,000	\$0
008255	0500305	HOLLYWOOD ENTERTAINMENT CORP	Resolved	26-Jan-06	\$61,000	\$30,500	\$61,000	\$0
008255	0500306	HOLLYWOOD ENTERTAINMENT CORP	Resolved	26-Jan-06	\$68,000	\$34,000	\$68,000	\$0
008255	0500307	HOLLYWOOD ENTERTAINMENT CORP	Resolved	26-Jan-06	\$26,000	\$13,000	\$26,000	\$0
008255	0500748	HOLLYWOOD ENTERTAINMENT CORP	Resolved	03-Nov-05	\$194,293	\$169,848	\$194,293	\$0
008255	0501382	SUNSET TEMPLE INC	Resolved	14-Sep-06	\$1,039,041	\$650,000	\$1,039,041	\$0
008255	0501508	ORSATT, WALTER	Pending	No Date Set [2]	\$544,000	\$250,000	\$489,600	(\$54,400)
008255	0501951	MCELROY, OLIVER	Pending	No Date Set [2]	\$588,449	\$542,164	\$529,604	(\$58,845)
008255	0501961	MISSISSIPPI AVE LLC	Resolved	16-Feb-06	\$280,000	\$0	\$280,000	\$0
008255	0502017	MISSISSIPPI AVE LLC	Pending	No Date Set [2]	\$280,000	\$61,762	\$252,000	(\$28,000)
008255	0502451	PIPITONE, CHARLES	Pending	No Date Set [2]	\$1,150,000	\$857,923	\$1,035,000	(\$115,000)
							Estimated Value Reduction	(\$256,245)
FY 2006-07 APPEALS								
008255	0600170	COLLINS, KEVIN	Pending	No Date Set [2]	\$900,848	\$883,186	\$810,763	(\$90,085)
008255	0600177	DIBELLA, RUDOLPH	Pending	No Date Set [2]	\$377,400	\$370,000	\$339,660	(\$37,740)
							Estimated Value Reduction	(\$127,825)

[1] Highlighted items indicate resolved appeals.

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

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

Participating Agencies [1]	FY 2005-2006 Rates for TRA 008-255 [3]	FY 2006-2007 Rates for TRA 008-255 [3]
City of San Diego Zoological Exhibit	1.00000%	1.00000%
San Diego Unified Lease/Purchase	0.00500%	0.00500%
San Diego Unified Lease/Purchase	0.00000%	0.00000%
Metropolitan Water District	0.00520%	0.00470%
County Water Authority	0.00000%	0.00000%
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.

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

Year	Supplemental Roll	Roll Corrections	Refunds/ Adjustments	Delinquencies/ Penalties	Total Adjustments
1999-2000	\$46,633.44	(\$1,868.98)	(\$3,490.97)	\$0.00	\$41,273.49
2000-2001	\$170,136.31	(\$950.85)	(\$13,697.20)	\$8,955.08	\$164,443.34
2001-2002	\$320,938.79	(\$1,003.23)	(\$23,780.95)	\$14,699.25	\$310,853.86
2002-2003	\$413,173.87	(\$472.29)	(\$26,975.47)	\$22,058.01	\$407,784.12
2003-2004	\$494,959.35	(\$3,523.79)	(\$34,303.64)	\$28,167.79	\$485,299.71
2004-2005	\$902,383.85	(\$5,005.48)	(\$65,139.81)	\$31,547.38	\$863,785.94
2005-2006	\$886,859.28	(\$748.33)	(\$67,563.06)	\$50,106.41	\$868,654.30

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

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

Fiscal Year Ending:	1999 2000	2000 2001	2001 2002	2002 2003	2003 2004	2004 2005	2005 2006
I. Reported Assessed Value							
Total Project Value [1]	\$460,781,672	\$492,422,808	\$533,386,558	\$576,141,181	\$636,771,272	\$711,769,499	\$832,019,088
Less Base Value	423,551,030	423,551,030	423,551,030	423,551,030	423,551,030	423,551,030	423,551,030
Incremental Value	37,230,642	68,871,778	109,835,528	152,590,151	213,220,242	288,218,469	408,468,058
Tax Rate	1.11065%	1.11046%	1.10928%	1.01820%	1.01177%	1.11827%	1.11250%
II. Gross Tax Increment							
Unitary Revenue	413,502	764,794	1,218,384	1,553,673	2,157,298	3,223,061	4,544,207
County Administrative Expenses	0	0	1,138	1,083	1,594	1,614	1,623
	(4,504)	(5,138)	(7,012)	(12,326)	(14,551)	(22,748)	(35,460)
Total Computed Levy	408,998	759,656	1,212,510	1,542,431	2,144,341	3,201,927	4,510,370
III. Total Receipts							
% Difference of Computed Levy	445,221	912,867	1,498,177	2,078,180	2,610,446	3,711,294	4,889,797
	108.86%	120.17%	123.56%	134.73%	121.74%	115.91%	108.41%

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

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

Current Assessee	FY 2005-2006 Secured Net Assessed Value	FY 2006-2007 Secured Net Assessed Value	Difference	Percent Change
North Park Theatre LLC	\$1,620,000	\$6,352,400	\$4,732,400	292.12%
Palisade Gardens LLC	3,550,408	7,000,000	3,449,592	97.16%
SEC North Park LLC	710,924	3,366,000	2,655,076	373.47%
Amprop North Park LLC	1,596,872	4,212,000	2,615,128	163.77%
Courtyard Villas LLC	3,285,453	5,200,000	1,914,547	58.27%
Walzem Trust	1,844,603	3,281,491	1,436,888	77.90%
4165 Mississippi Street	541,259	1,975,000	1,433,741	264.89%
Warner Charles E	2,857,355	4,172,255	1,314,900	46.02%
4641 Ohio LLC	375,413	1,581,000	1,205,587	321.14%
4222 44th St LLC	1,551,513	2,742,000	1,190,487	76.73%
Others	791,129,049	893,244,219	102,115,170	12.91%
	809,062,849	933,126,365	124,063,516	15.33%
2,759 Assessments Gain in Value	\$767,539,028	\$873,475,393	\$105,936,365	13.80%
51 Assessments with no change in Value [1]	932,660	932,660	0	0.00%
53 Assessments With Reduced Value [2]	26,716,729	22,791,551	(3,925,178)	-14.69%
93 New Parcels [3]	NA	35,926,761	35,926,761	NA
19 Superseded Parcels [4]	13,874,432	NA	(13,874,432)	NA
Total	\$809,062,849	\$933,126,365	\$124,063,516	15.33%

[1] Please note, 49 parcels are considered exempt by the County of San Diego and do not have an assessed value.

[2] Values based on the closed Assessor's roll for each fiscal year. Based on discussions with the County, however, values may have been subsequently revised after the roll had closed. Therefore, several parcels may actually have had smaller FY 2005-2006 values resulting in no decline in value to FY 2006-2007.

[3] New parcels for FY 2006-2007.

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

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

	FY 2006-2007 Taxable Value	Base Taxable Value	Incremental Taxable Value
Secured Values			
Land	\$488,002,024	\$196,484,726	\$291,517,298
Improvement	\$464,133,877	222,640,198	241,493,679
Personal Property	\$1,263,082	2,523,329	(1,260,247)
Gross Value	953,398,983	421,648,253	531,750,730
Less Exemptions	(\$14,545,386)	(8,911,306)	(5,634,080)
Total Secured	938,853,597	412,736,947	526,116,650
Unsecured Values			
Land	0	0	0
Improvement	5,848,373	4,348,700	1,499,673
Personal Property	12,097,153	6,465,383	5,631,770
Gross Value	17,945,526	10,814,083	7,131,443
Less Exemptions	(656,536)	0	(656,536)
Total Unsecured	17,288,990	10,814,083	6,474,907
Total Secured and Unsecured	956,142,587	423,551,030	532,591,557
Estimated Valuation Adjustments			
Assessment Appeal Valuation Reductions:			(\$384,070)
Adjusted Incremental Secured and Unsecured			\$532,207,487
Gross Increment Revenue @	1.00970% [2]		\$5,373,699
Unitary Revenue [3]			\$1,623
Supplemental Roll [4]			\$0
Offsets to Gross Estimated Revenue			
Administrative Expenses [5]			(\$53,737)
Net Tax Increment Revenue			\$5,321,585
Low/Moderate Income Housing Set-Aside Revenue			(\$1,064,317)
Taxing Agencies Pass Throughs (AB 1290)			(\$1,064,317)
Non-Housing Tax Revenue			\$3,192,951
Available Housing Tax Increment Revenue			\$1,064,317
Tax Revenue Available for Debt Service			\$4,257,268
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]			(\$364,021)
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [6]			(\$119,324)
Series 2003 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]			(\$669,470)
Series 2003 Tax Allocation Bonds Annual Debt Service (Housing) [6]			(\$136,713)
Available Non-Housing Tax Increment Revenue [7]			\$2,159,460
Available Housing Tax Increment Revenue [8]			\$808,280

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

[2] The actual tax rate of 1.00970% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2007-2008 to the end of the projection.

[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 and Series 2003 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the applicable Housing Set-Aside Tax Revenues are pledged to pay a commensurate amount of the debt service on the Series 2000 Bonds and Series 2003 Bonds.

[7] Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 and Series 2003 annual debt service.

[8] Annual Housing Tax Increment Revenue less housing portion of Series 2000 and Series 2003 annual debt service.

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

	2006		2007		2008		2009		2010		2011		2012		2013		2014		2015		
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Fiscal Year Ending:																					
Real Property @ 2.0% [1]	\$943,438,888	\$961,915,915	\$981,154,233	\$1,000,777,318	\$1,020,792,864	\$1,041,208,721	\$1,062,032,896	\$1,083,273,554	\$1,104,939,025	\$1,127,032,896	\$1,149,127,318	\$1,171,222,840	\$1,193,318,362	\$1,215,413,884	\$1,237,509,406	\$1,259,604,928	\$1,281,700,450	\$1,303,795,972	\$1,325,891,494	\$1,347,987,016	\$1,370,082,538
Assumed Appeals Impact	(384,070)																				
Total Real Property	943,054,818	961,915,915	981,154,233	1,000,777,318	1,020,792,864	1,041,208,721	1,062,032,896	1,083,273,554	1,104,939,025	1,127,032,896	1,149,127,318	1,171,222,840	1,193,318,362	1,215,413,884	1,237,509,406	1,259,604,928	1,281,700,450	1,303,795,972	1,325,891,494	1,347,987,016	1,370,082,538
Total Other Property [2]	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699
Total Value	955,758,517	974,619,614	993,857,932	1,013,481,017	1,033,496,563	1,053,912,420	1,074,736,595	1,095,977,253	1,117,642,724	1,139,739,595	1,161,836,463	1,183,933,331	1,206,030,200	1,228,127,068	1,250,223,937	1,272,320,805	1,294,417,673	1,316,514,541	1,338,611,409	1,360,708,277	1,382,805,145
Incremental Value Over Base of:	\$423,551,030																				
Gross Revenue [3]	5,373,699	5,510,666	5,703,069	5,899,300	6,099,455	6,303,614	6,511,856	6,724,262	6,940,917	7,162,772	7,384,627	7,606,482	7,828,337	8,050,192	8,272,047	8,493,902	8,715,757	8,937,612	9,159,467	9,381,322	9,603,177
Unitary Revenue	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623
Adjustments to Gross Revenue																					
Supplemental Roll	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Property Tax Administrative Fee [4]	(53,737)	(55,107)	(57,031)	(58,993)	(60,995)	(63,036)	(65,119)	(67,243)	(69,409)	(71,617)	(73,866)	(76,156)	(78,487)	(80,859)	(83,272)	(85,726)	(88,221)	(90,757)	(93,334)	(95,952)	(98,611)
Net Tax Increment Revenue	5,320,962	5,455,559	5,645,038	5,840,307	6,040,084	6,242,201	6,448,360	6,658,643	6,873,131	7,091,735	7,313,449	7,538,263	7,766,177	7,997,191	8,231,305	8,469,529	8,711,862	8,958,305	9,208,857	9,463,519	9,722,290
Low/Moderate Income Housing Set-Aside Revenue	(1,064,317)	(1,091,440)	(1,129,532)	(1,168,386)	(1,208,017)	(1,248,440)	(1,289,672)	(1,331,729)	(1,374,626)	(1,418,373)	(1,462,970)	(1,508,417)	(1,554,714)	(1,601,861)	(1,650,858)	(1,700,705)	(1,751,402)	(1,802,949)	(1,855,346)	(1,908,593)	(1,962,690)
Taxing Agencies Pass Through (AB 1290) [5]	(1,064,317)	(1,091,440)	(1,129,532)	(1,168,386)	(1,208,017)	(1,248,440)	(1,289,672)	(1,331,729)	(1,374,626)	(1,418,373)	(1,462,970)	(1,508,417)	(1,554,714)	(1,601,861)	(1,650,858)	(1,700,705)	(1,751,402)	(1,802,949)	(1,855,346)	(1,908,593)	(1,962,690)
Non-Housing Tax Increment Revenue	3,192,951	3,274,321	3,388,597	3,472,521	3,558,123	3,645,438	3,734,499	3,825,341	3,918,000	4,012,595	4,109,122	4,207,691	4,308,304	4,410,971	4,515,794	4,622,773	4,731,908	4,843,200	4,955,649	5,070,256	5,187,020
Available Housing Tax Increment Revenue	1,064,317	1,091,440	1,129,532	1,168,386	1,208,017	1,248,440	1,289,672	1,331,729	1,374,626	1,418,373	1,462,970	1,508,417	1,554,714	1,601,861	1,650,858	1,700,705	1,751,402	1,802,949	1,855,346	1,908,593	
Tax Revenue Available for Debt Service	4,257,268	4,365,762	4,518,129	4,640,907	4,766,140	4,893,878	5,024,171	5,157,069	5,292,626	5,431,023	5,572,251	5,716,364	5,863,355	6,013,244	6,166,031	6,321,818	6,480,615	6,642,412	6,807,209	6,975,006	7,145,803
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]	(364,021)	(364,569)	(366,816)	(368,816)	(369,215)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)	(369,286)
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [6]	(119,324)	(117,806)	(119,272)	(118,562)	(118,786)	(118,875)	(118,825)	(118,750)	(118,661)	(118,568)	(118,471)	(118,370)	(118,265)	(118,156)	(118,043)	(117,926)	(117,805)	(117,680)	(117,551)	(117,418)	(117,281)
Series 2003 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]	(669,470)	(672,113)	(670,013)	(671,063)	(671,161)	(671,244)	(671,311)	(671,363)	(671,400)	(671,432)	(671,459)	(671,481)	(671,498)	(671,510)	(671,517)	(671,520)	(671,520)	(671,517)	(671,510)	(671,500)	(671,487)
Series 2003 Tax Allocation Bonds Annual Debt Service (Housing) [6]	(136,713)	(137,594)	(136,894)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)	(137,277)
Available Non-Housing Tax Increment Revenue [7]	\$2,159,460	\$2,237,849	\$2,351,768	\$2,435,819	\$2,518,748	\$2,613,327	\$2,718,197	\$2,833,171	\$2,958,145	\$3,093,119	\$3,238,093	\$3,393,067	\$3,558,041	\$3,733,015	\$3,918,000	\$4,113,015	\$4,318,040	\$4,533,065	\$4,758,090	\$4,993,115	\$5,238,140
Available Housing Tax Increment Revenue [8]	\$608,280	\$636,040	\$673,387	\$712,580	\$753,615	\$796,500	\$841,229	\$887,844	\$936,319	\$986,644	\$1,038,819	\$1,092,844	\$1,148,719	\$1,206,444	\$1,266,019	\$1,327,444	\$1,390,719	\$1,455,844	\$1,522,819	\$1,591,644	\$1,662,319

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2006-2007. Each subsequent year is assumed to be 2.0%.

[2] Includes secured and unsecured personal property value in the Project less unsecured exemptions for FY 2006-2007. We have assumed this value to remain constant for each subsequent year.

[3] The actual tax rate of 1.00970% is used for FY 2006-2007. A 1.00% tax rate is used from FY 2007-2008 to the end of the projection.

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

[5] Based on 20% of "Gross Revenue" (plus unitary revenue and less admin.) through FY 2002-2003. In addition, 16.8% of Gross Revenue is included from FY 2009-2010 through FY 2002-2003. The amount included is based on 11.2% of Gross Revenue included from FY 2009-2010 as an alternative to the 16.8% of Gross Revenue included from FY 2009-2010 through FY 2002-2003 using "Year 30" as a base value.

[6] Since a portion of the proceeds of the Series 2000 and Series 2003 Bonds were used to satisfy the 20% set-aside requirements in the Project Area, the applicable Housing Set-Aside Tax Revenues are pledged to pay a commensurate amount of the Series 2000 Bonds and Series 2003 Bonds.

[7] Annual Housing Tax Increment Revenue less non-housing portion of Series 2000 and Series 2003 annual debt service.

[8] Annual Housing Tax Increment Revenue less housing portion of Series 2000 and Series 2003 annual debt service.

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

Fiscal Year Ending:	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	
Real Property @ 2.0% [1]	\$1,127,037,805	\$1,149,578,561	\$1,172,570,132	\$1,196,021,535	\$1,219,941,966	\$1,244,340,805	\$1,269,227,621	\$1,294,612,174	\$1,320,504,417	\$1,346,914,505	
Assumed Appeals Impact	0	0	0	0	0	0	0	0	0	0	
Total Real Property	1,127,037,805	1,149,578,561	1,172,570,132	1,196,021,535	1,219,941,966	1,244,340,805	1,269,227,621	1,294,612,174	1,320,504,417	1,346,914,505	
Total Other Property [2]	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	12,703,699	
Total Value	1,139,741,504	1,162,282,260	1,185,273,831	1,208,725,234	1,232,645,665	1,257,044,504	1,281,931,320	1,307,315,873	1,333,208,116	1,359,618,204	
Incremental Value Over Base of:	\$423,551,030										
Gross Revenue [3]	7,161,905	7,387,312	7,617,228	7,851,742	8,090,946	8,334,935	8,583,803	8,837,648	9,096,571	9,360,672	
Unitary Revenue	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	1,623	
Adjustments to Gross Revenue											
Supplemental Roll											
Property Tax Administrative Fee [4]	(71,619)	(73,873)	(76,172)	(78,517)	(80,909)	(83,349)	(85,838)	(88,376)	(90,966)	(93,607)	
Net Tax Increment Revenue	7,090,286	7,313,439	7,541,056	7,773,225	8,010,037	8,251,586	8,497,965	8,756,272	9,004,605	9,267,065	
Low/Moderate Income Housing Set-Aside Revenue	(1,418,382)	(1,463,012)	(1,508,536)	(1,554,970)	(1,602,332)	(1,650,642)	(1,699,918)	(1,750,179)	(1,801,446)	(1,853,738)	
Taxing Agencies Pass Through (AB 1290) [5]	(1,661,015)	(1,743,136)	(1,826,899)	(1,912,337)	(1,999,484)	(2,088,374)	(2,179,041)	(2,271,522)	(2,365,853)	(2,462,070)	
Non-Housing Tax Increment Revenue	4,012,512	4,106,914	4,207,244	4,307,541	4,409,844	4,514,193	4,620,629	4,729,194	4,839,930	4,952,881	
Available Housing Tax Increment Revenue	1,418,382	1,463,012	1,508,536	1,554,970	1,602,332	1,650,642	1,699,918	1,750,179	1,801,446	1,853,738	
Tax Revenue Available for Debt Service	5,430,894	5,571,927	5,715,780	5,862,511	6,012,176	6,164,835	6,320,547	6,479,373	6,641,376	6,806,618	
Series 2000 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]	(371,198)	(369,824)	(372,914)	(375,179)	(376,595)	(376,138)	(374,630)	(373,473)	(373,372)	(374,661)	
Series 2000 Tax Allocation Bonds Annual Debt Service (Housing) [6]	(120,667)	(120,911)	(120,941)	(120,751)	(120,335)	(120,687)	(120,675)	(120,427)	(120,943)	(120,164)	
Series 2003 Tax Allocation Bonds Annual Debt Service (Non-Housing) [6]	(664,417)	(664,117)	(663,187)	(666,377)	(662,002)	(661,702)	(664,252)	(661,927)	(662,452)	(661,448)	
Series 2003 Tax Allocation Bonds Annual Debt Service (Housing) [6]	(135,028)	(134,928)	(134,618)	(135,348)	(134,223)	(134,123)	(134,973)	(134,196)	(134,373)	(134,039)	
Available Non-Housing Tax Increment Revenue [7]	\$2,976,897	\$3,074,974	\$3,171,144	\$3,266,966	\$3,371,248	\$3,476,354	\$3,581,748	\$3,689,794	\$3,804,706	\$3,916,791	
Available Housing Tax Increment Revenue [8]	\$1,152,686	\$1,207,173	\$1,252,976	\$1,298,670	\$1,347,774	\$1,395,831	\$1,444,269	\$1,495,554	\$1,546,129	\$1,599,556	

[1] Includes secured and unsecured land and improvement value in the Project less secured exemptions for FY 2006-2007. 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 2006-2007. We have assumed this value to remain constant for each subsequent year.

[3] The actual rate of 1.03970% is used for FY 2006-2007. A 1.00% tax rate is used for FY 2008 and subsequent years for the Project Area.

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

[5] Based on 20% of "Gross Revenue" (plus utility revenue and less admin.) through FY 2032-2033. In addition, 16.8% of Gross Revenue is included from FY 2009-2010 through FY 2032-2033 using Year 10 as a base value and 11.2% of Gross Revenue is included from FY 2026-2030 through FY 2032-2033 using Year 30 as a base value.

[6] The amount of the proceeds of the Series 2000 and Series 2003 Bonds was used to satisfy the 20% set-aside requirements in the Project Area. The Housing Set-Aside Tax Revenues are pledged to pay a commensurate amount of debt service on the Series 2000 Bonds and Series 2003 Bonds.

[7] Annual Non-Housing Tax Increment Revenue less non-housing portion of Series 2000 and Series 2003 annual debt service.

[8] Annual Housing Tax Increment Revenue less housing portion of Series 2000 and Series 2003 annual debt service.

