Redevelopment Agency of the City of San Diego

ATTACHMENT 3
REDEVELOPMENT AGENCY, ANNUAL FINANCIAL REPORT FOR FISCAL YEAR ENDING JUNE 30, 2007

(REPORT ISSUED ON NOVEMBER 21, 2008)

Fiscal Year 2007

Redevelopment Agency of the City of San Diego

State of California

Annual Financial Report

Fiscal Year Ended June 30,2007

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Introductory Section

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November 21, 2008

Honorable Members of the Agency:

The Annual Financial Report on all projects of the Redevelopment Agency of the City of San Diego for the year ended June 30, 2007 is presented in accordance with the Community Redevelopment Law (§33,000 et seq., of the Health and Safety Code of the State of California).

All expenditures and revenues for these projects have been reported for in accordance with generally accepted accounting principles in the United States applicable to municipalities, and all financial transactions occurring during the year were made in accordance with the redevelopment laws of the State of California.

Respectfully submitted,

William R. Anderson Assistant Executive Director	Mary Lewis Chief Financial Officer	Gregory E. Levin Comptroller

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REDEVELOPMENT AGENCY OF THE CITY OF SAN DIEGO
ROSTER OF OFFICIALS
AS OF YEAR ENDED JUNE 30, 2007

BOARD OF DIRECTORS

Scott Peters
Chairperson

Board Members:

Kevin Faulconer
Toni Atkins
Tony Young
Brian Maienschein
Donna Frye
Jim Madaffer
Ben Hueso

OFFICIALS

Jerry Sanders
Executive Director

Jay M. Goldstone
Chief Operating Officer

James T. Waring *
Assistant Executive Director

Mary Lewis
Chief Financial Officer

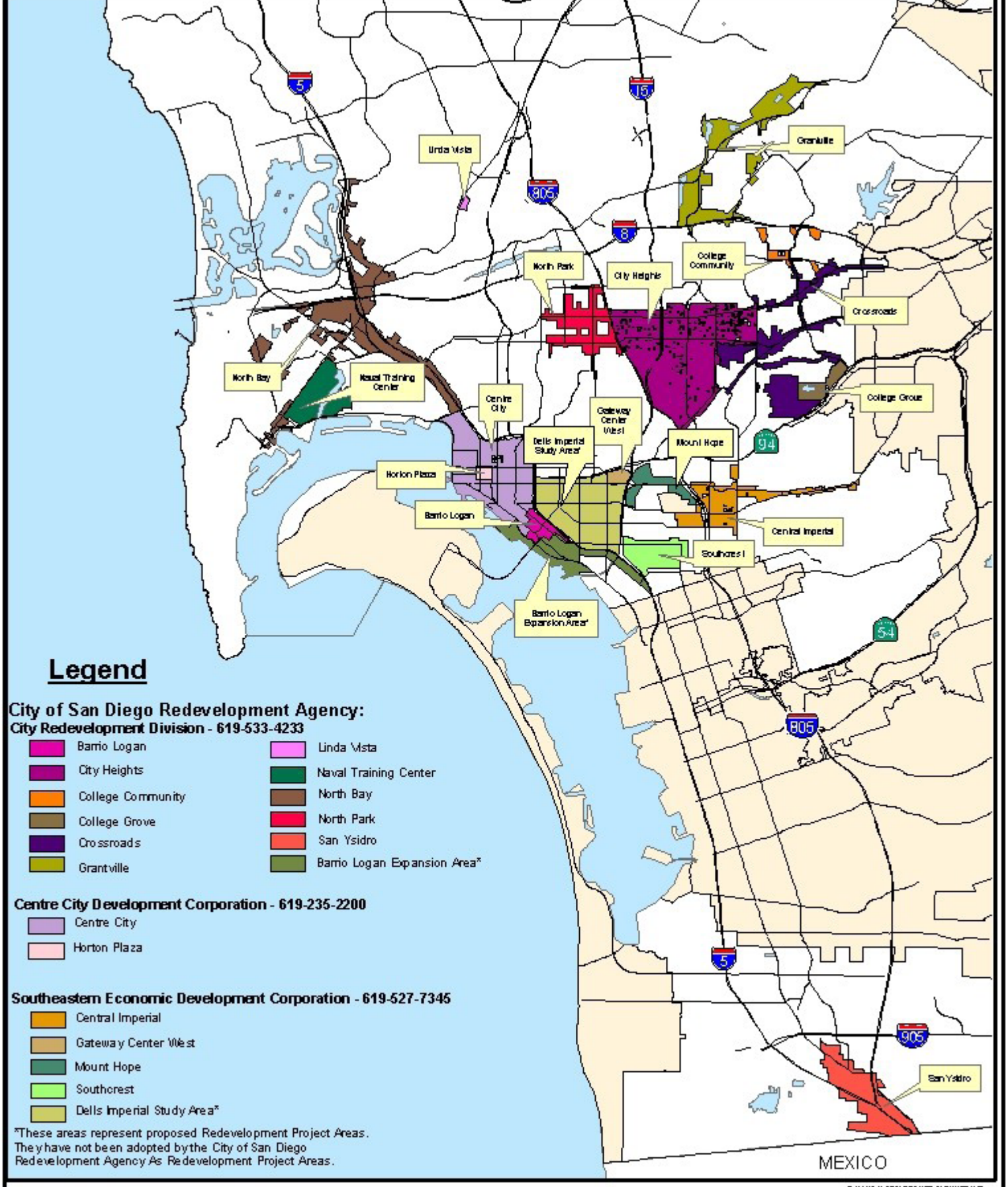
Greg Levin
Comptroller

Andrea Tevlin
Independent Budget Analyst

Elizabeth Maland
Secretary

Michael Aguirre
Agency Counsel

* Individual is no longer an employee of the City



CITY OF SAN DIEGO REDEVELOPMENT AGENCY
(619) 533-4233 WWW.SANDIEGO.GOV/REDEVELOPMENT-AGENCY

Financial Section

MACIAS GINI & O'CONNELL LLP
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

2175 N. California Boulevard, Suite 645
Walnut Creek, CA 94596
925.274.0190

515 S. Figueroa Street, Suite 325
Los Angeles, CA 90071
213.286.6400

402 West Broadway, Suite 400
San Diego, CA 92101
619.573.1112

Board of Directors
Redevelopment Agency of the
City of San Diego
San Diego, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2007, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency, as of June 30, 2007, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 21, 2008, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information on pages 16 through 27 and 64 through 66, are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining fund statements and schedules – nonmajor governmental funds and the supplemental information section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund statements and schedules – nonmajor governmental funds have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory and supplemental information sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

Macias Gini & O'Connell LLP

Certified Public Accountants

San Diego, California
November 21, 2008

Management’s Discussion and Analysis

MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)
(In Thousands)
June 30, 2007

As management of the City of San Diego (the "City"), we offer readers of the Redevelopment Agency (the "Agency") financial statements this narrative overview and analysis of the financial activities of the Agency for the fiscal year ended June 30, 2007.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required and other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the Agency's finances, in a manner similar to a private-sector business.

The Statement of Net Assets presents information on all of the Agency's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The Statement of Activities presents information showing changes in the Agency's net assets during the most recent fiscal year. All changes in net assets are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. The focus is on both gross and net cost of Agency functions, which are supported by general revenues. This Statement also displays functions of the Agency that are principally supported by taxes, private contributions, and intergovernmental revenues (governmental activities). The governmental activities of the Agency include General Government and Support and Neighborhood Services. The Agency does not engage in business-type activities.

The government-wide financial statements exclusively include the Agency (known as the Primary Government) with no legally separate, discretely presented component units. The government-wide financial statements can be found on pages 30-31 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All funds of the Agency are combined into the governmental funds category.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The Agency maintains individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the Centre City Low and Moderate Income Housing Special Revenue Fund, Centre City Other Special Revenue Fund, Centre City Debt Service Fund, Centre City Capital Projects Fund and the Horton Plaza Capital Projects Fund all of which are considered to be major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The basic governmental fund financial statements can be found on pages 32-36 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found beginning on page 38 of this report.

Other Information

As part of the required supplementary information provided in this report, a budget to actual comparison schedule of the Centre City Low and Moderate Income Housing Fund can be found on pages 64-66. In addition, combining fund statements and schedules for nonmajor governmental funds can be found beginning on page 68 of this report.

The "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*" can be found on page 94 of this report.

As part of supplementary information provided in this report, a schedule of changes to principal and interest due to the City for each project area can be found on page 106. In addition, assessed valuation information for each project area can be found beginning on page 108 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

SUMMARY OF NET ASSETS

	Governmental Activities		Dollar Increase	Percent Increase
	2007	2006	(Decrease)	(Decrease)
Current and Other Assets	$ 648,998	$ 584,791	$ 64,207	11%
Capital Assets	149,098	133,038	16,060	12%
Total Assets	798,096	717,829	80,267	11%
Current and Other Liabilities	34,269	37,363	(3,094)	-8%
Net Long-Term Debt	824,897	816,518	8,379	1%
Total Liabilities	859,166	853,881	5,285	1%
Net Assets				
Invested in Capital Assets, Net of Related Debt	67,822	64,190	3,632	6%
Restricted	82,244	69,242	13,002	19%
Unrestricted	(211,136)	(269,484)	58,348	-22%
Total Net Assets	$ (61,070)	$ (136,052)	$ 74,982	-55%

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets at June 30, 2007, by $61,070.

Of the Total Net Assets $67,822 represents the Agency's investment in capital assets, less any outstanding debt used to acquire these assets. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the Agency's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves are generally not used to liquidate these liabilities.

The Agency's Restricted Net Assets of $82,244 represent resources that are subject to external restrictions on how they may be used. Restricted Net Assets increased by $13,002 over the prior year, or about 19% primarily due to a net increase in resources available for Low and Moderate Income Housing.

There are several factors contributing to the Agency's deficit of $211,136 in Unrestricted Net Assets. First, the Agency typically borrows funds from the City when a project area does not generate sufficient tax increment to fund redevelopment activities in the area, mostly during the initial stages of a project area's life. At the point sufficient tax increment revenues are generated, the Agency issues long term debt, pledging future tax increment revenues for the repayment of these obligations. The investment of these long term debt proceeds in the project area allows additional tax increment revenues to be generated. In addition, the Agency has used long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. Another important factor contributing to this deficit is the fact that the Agency uses a majority of the borrowed funds for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. Finally, the Agency incurs interest expense associated with long term debt.

CHANGES IN NET ASSETS

	Governmental Activities		Dollar Increase	Percent Increase
	2007	2006	(Decrease)	(Decrease)
Revenues:				
Program Revenues				
Operating Grants and Contributions	$ 5,177	$ 7,195	$ (2,018)	-28%
Capital Grants and Contributions	7,248	15,673	(8,425)	-54%
General Revenues				
Property Taxes	149,833	125,661	24,172	19%
Grants and Contributions Not Restricted to Specific Programs	448	1,700	(1,252)	-74%
Revenue from Use of Money and Property	27,619	12,927	14,692	114%
Gain or Loss on Sale of Land Held for Resale	(1,796)	18,168	(19,964)	-110%
Loss on Retirement of Capital Assets	-	(8,172)	8,172	100%
Total Revenues	188,529	173,152	15,377	9%
Expenses:				
General Government and Support	38,937	54,960	(16,023)	-29%
Neighborhood Services	32,703	42,449	(9,746)	-23%
Interest on Long-Term Debt	41,907	33,130	8,777	26%
Total Expenses	113,547	130,539	(16,992)	-13%
Change in Net Assets	74,982	42,613	32,369	76%
Net Assets, July 1	(136,052)	(178,665)	42,613	-24%
Net Assets, June 30	$ (61,070)	$ (136,052)	$ 74,982	-55%

Governmental Activities

Governmental activities increased the Agency's net assets by $74,982 hereby accounting for 100% of the total increase in net assets during fiscal year 2007. Key elements of this increase are as follows:

- Capital Grants and Contributions decreased by $8,425 or about 54%. This was due in part to a year over year decrease of approximately $3,745 in revenue from private sources related to the Renaissance Hotel Project in the Centre City Project Area. In addition, a prior year one time payment of approximately $3,066 related to the Broadway Lofts Project in the Centre City Project Area, was made by the developer for changes in scope to the development agreement.

- Property Tax revenues increased by $24,172 or approximately 19%. This was mostly due to an increase in the assessed valuation of properties in the various project areas. The Centre City Project Area showed the largest increase of $15,211, or approximately 19% over the prior year. The increase is mostly attributed to completion of new construction in the East Village neighborhood. In addition, tax increment increased by approximately $2,612 in the North Bay Project Area, $1,485 in the Crossroads Project Area and $1,415 in the City Heights Project Area.

- Revenue from the use of Money and Property increased by $14,692 or approximately 114%. This was due in part to increased interest earnings of approximately $5,477 related to the investment of the Centre City 2006 bond proceeds received at the end of Fiscal Year 2006. In addition, higher tax increment revenue received in the current year increased the average daily cash balances in the redevelopment funds contributing to greater interest earnings.

- Gain on the Sale of Land Held for Resale decreased by $19,964 mostly due to prior year gains realized on the sale of property in the Centre City Project Area.

- Loss on Retirement of Capital Assets decreased by $8,172 due to a loss on the conveyance of Centre City Project Area land to the City of San Diego incurred in the prior year. No property was conveyed to the City in the current year.

- General Government and Support expense decreased by $16,023 or approximately 29%. This was attributed in part to the repayment of funds by the Agency to the Port of San Diego totaling $16,837 in the prior year. These funds had been received by the Agency for the acquisition of the Tailgate Park property under a Purchase and Sale Agreement with the Port. The agreement however, did not materialize.

- Neighborhood Services expense decreased by $9,746 or approximately 23%. This was mostly due to the write-down of the value of property held for resale in the College Community, City Heights and Centre City Project Areas recorded in the prior year. The amount of write-downs varies from year to year depending on real estate market conditions and disposition and development agreements entered into in a given fiscal year.

- Interest on long term debt expense increased by $8,777 or approximately 26%. This was due in part to interest expense of $5,841 associated with the Centre City 2006 tax allocation bonds issued at the end of the prior fiscal year. In addition, interest on outstanding City loans increased by approximately $2,657 due to a 2% increase in the variable interest rate.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

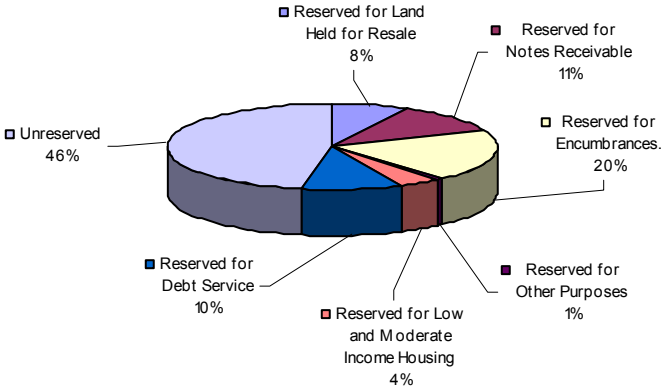
As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

All of the Agency's funds are governmental funds, the focus of which is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, unreserved fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of June 30, 2007, the Agency's governmental funds reported combined ending fund balances of $631,858. Approximately 46% or $296,547 of the combined fund balances constitutes unreserved fund balance, which is available for spending at the Agency's discretion. The remaining amount of $335,311 is reserved to indicate that it is not available for new spending because it has already been committed (1) to liquidate contracts and purchase orders of the period, (2) to pay debt service, (3) to increase low to moderate income housing or (4) for a variety of other restricted purposes.

Composition of Agency Fund Balances



The Agency's fund balances increased by $66,689 or about 12% over the prior year. The increase is attributed to tax increment revenue growth of approximately $24,172, increased interest revenue of $14,402 and other financing sources of $20,503. The following table shows a breakdown of year over year changes in tax increment revenue for each project area.

CHANGES IN TAX INCREMENT

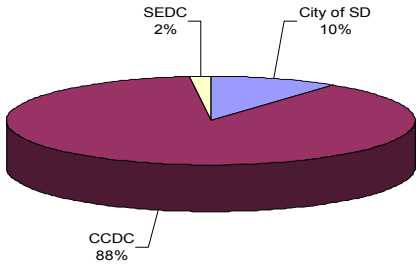
	Tax Increment 2007	Tax Increment 2006	Dollar Increase (Decrease)	Percent Increase (Decrease)
Barrio Logan	$ 534	$ 369	$ 165	45%
Central Imperial	2,124	1,929	195	10%
Centre City	95,850	80,639	15,211	19%
City Heights	12,731	11,316	1,415	13%
College Community	730	735	(5)	-1%
College Grove	674	716	(42)	-6%
Crossroads	3,786	2,301	1,485	65%
Gateway Center West	279	282	(3)	-1%
Grantville*	-	-	-	0%
Horton Plaza	8,534	7,580	954	13%
Linda Vista	89	89	-	0%
Mount Hope	1,445	1,300	145	11%
Naval Training Center	4,120	3,907	213	5%
North Bay	7,251	4,639	2,612	56%
North Park	5,887	4,915	972	20%
San Ysidro	3,773	3,272	501	15%
Southcrest	2,026	1,672	354	21%
	$ 149,833	$ 125,661	$ 24,172	19%

* Gross Tax Increment revenue for the Grantville Project Area in the amount of $447 was deposited in the Agency and County Joint Account per agreement dated February 14, 2007, pending settlement of the Granville Action Validation lawsuit.

Of the total tax increment revenue received by a project area, 80% is allocated for redevelopment activities and 20% for affordable housing projects. Project areas in which the Agency has pledged tax increment revenue to repay either housing or redevelopment debt use these allocations to satisfy the Agency's debt obligations. In addition, tax increment revenue is distributed to other governmental entities, from the redevelopment activities 80% allocation, based on formulas established by California Redevelopment Law or by tax sharing agreements.

The Agency's seventeen project areas are managed by three distinct administrative units, the Centre City Development Corporation (CCDC), the Southeastern Economic Development Corporation (SEDC) and the Redevelopment Division of the City of San Diego. The following chart illustrates the percentage of the Agency's fund balances managed by each of the three administrative units

Percentage of Agency Combined Fund Balances
By Administrative Unit

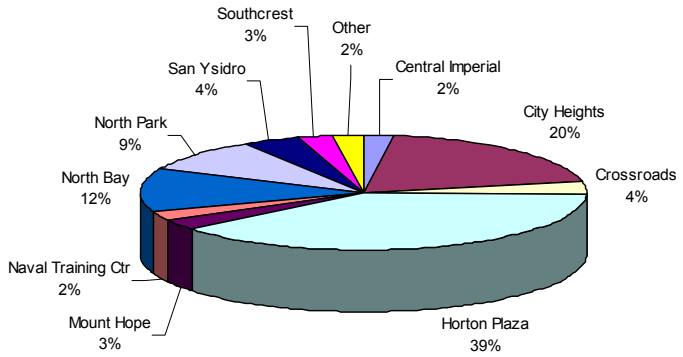


The CCDC administers the two project areas with the largest share of the Agency's combined fund balances. As of June 30, 2007 project areas administered by the CCDC, accounted for $557,141 or about 88% of the Agency's combined fund balances. The Centre City and Horton Plaza project areas accounted for 81% and 7% of the Agency's combined fund balances, respectively. All of the Centre City Project Area funds and the Horton Plaza Capital Projects fund are considered major funds.

The SEDC administers four of the Agency's seventeen project areas which, as of the end of fiscal year 2007, accounted for $10,517, or about, 2%, of the Agency's combined fund balances. The Redevelopment Division of the City of San Diego administers the remaining eleven project areas which account for $64,200, or about 10%, of the Agency's combined fund balances. None of the funds in the project areas administered by the SEDC or the Redevelopment Division of the City of San Diego are considered major funds.

The following chart reflects the composition of the Agency's fund balances for non-major funds and the Horton Plaza Capital Project major fund grouped by each of the project areas.

Percentage of Agency Combined Fund Balances
Excluding Centre City Project Area Funds



Major Governmental Funds

Centre City Low and Moderate Income Housing Special Revenue Fund. The Centre City Low and Moderate Income Housing Special Revenue Fund is used to account for costs associated with increasing, improving, or preserving the community's supply of low and moderate income housing in the Centre City Project Area. The primary source of revenue for this fund is the 20% tax increment revenue allocation required by redevelopment law. The fund balance at June 30, 2007 was $124,498, which is an increase of $6,514, or about 6% over the prior year. Most of the increase is attributed to tax increment revenue growth.

Centre City Other Special Revenue Fund. The Centre City Other Special Revenue Fund is used to account for revenues such as tax increment and parking revenue. The expenditures recorded in this fund are primarily for tax sharing payments under agreements with other governmental agencies. This fund also accounts for transfers to the Centre City Capital Projects Fund and Centre City Debt Service Fund. The fund balance at June 30, 2007 amounted to $120,563 which is an increase of $35,553 or about 42%, over the prior year. The increase is primarily attributed to the receipt of tax increment and interest revenue offset by transfers to fund redevelopment activities and satisfy debt service obligations.

Centre City Debt Service Fund. The Centre City Debt Service Fund is used to record debt-related activity such as debt service payments, investment activity for bond reserves held with a fiscal agent, and bond

issuance costs associated with the Centre City Project Area. At the end of the fiscal year, the Centre City Debt Service Fund had a total balance of $49,047, of which, $48,941, or more than 99%, is reserved for debt service. The fund balance increased by $4,701 over the prior year primarily due to transfers of tax increment revenue in anticipation of debt service payments.

Centre City Capital Projects Fund. The Centre City Capital Projects Fund is used to account for expenditures related to redevelopment activities in the Centre City Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. This fund also accounts for the receipt of bond proceeds and transfers of tax increment from the Centre City Special Revenue Fund. The fund balance at June 30, 2007 amounted to $216,819 which is an increase of $9,405 or about 4% over the prior year. The increase is attributed in part to interest earnings of approximately $5,477 on proceeds from the Centre City Bonds Series 2006A. In addition, the reclassification of property in the Centre City project area from capital assets to land held for resale resulted in a recovery of previously expensed costs, increasing fund balance by $5,982.

Horton Plaza Capital Projects Fund. The Horton Plaza Capital Projects Fund is used to account for expenditures related to redevelopment activities in the Horton Plaza Project Area, with the use of such funding sources as tax increment, bond proceeds, and developer contributions. This fund also accounts for the receipt of bond proceeds and transfers of tax increment from the Horton Plaza Special Revenue Fund. The fund balance at June 30, 2007 amounted to $6,645 which is decrease of $8,138 or about 55% over the prior year. Most of the decrease is attributed to costs associated with the rehabilitation of the Balboa Theatre.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

Capital assets of governmental funds are capitalized at the government-wide level and not at the fund level. Differences between the fund and government-wide statements reporting for these governmental assets will be explained in both the reconciliation and the accompanying notes to the financial statements.

REDEVELOPMENT AGENCY
CAPITAL ASSETS, NET OF ACCUMULATED DEPRECIATION

	2007	2006
Land	$ 90,647	$ 86,685
Construction in Progress	20,115	7,085
Structures and Improvements	38,207	39,107
Equipment	129	161
Total	$ 149,098	$ 133,038

The Agency's investment in capital assets, net of accumulated depreciation, for governmental activities for the year ended June 30, 2007, amounts to $149,098, representing an overall increase in the Agency's investment in capital assets of $16,060 or about 12%, over the previous year. Of the total increase, $5,753 is associated with the purchase of land for the 13th and Broadway Fire Station in the Centre City Project Area; $4,131 is associated with the construction of the North Park Theatre; and $13,029 is associated with the rehabilitation of the Balboa Theatre in the Horton Plaza Project Area. These increases were partially off-set by depreciation expense of $1,050. Also, in the current fiscal year, a change in the intended use of a property in the Centre City project area resulted in a reclassification from capital assets to land held for resale, decreasing capital assets by $5,982. In addition, preliminary land acquisition costs, which had been capitalized in prior years, were expensed due to the fact that the acquisition did not materialize. This contributed to a capital asset decrease of $3.

Additional information about the Agency's capital assets can be found in the accompanying notes to the financial statements (see Note 4).

HIGHLIGHTS OF FISCAL YEAR 2007 CAPITAL IMPROVEMENT ACTIVITIES

Governmental Activities

Barrio Logan Redevelopment Project Area

- Entered into a Disposition and Development Agreement (DDA) with La Entrada Housing Investors for the development of the La Entrada Family Apartments project, which shall consist of 85 affordable rental units.
- Continued negotiations under an Exclusive Negotiation Agreement (ENA) with the AMCAL Multi-Housing, Inc. for the development of the Los Vientos Project, which will consist of 89 affordable rental units.

Central Imperial Redevelopment Project Area

- Began construction of the 8,000 square foot Navy Federal Credit Union in the Imperial Marketplace Retail Center.
- Began construction of two industrial buildings of approximately 30,000 square feet located on a two acre site on Market Street and 54th Street.

Centre City Redevelopment Project Area

- Completed 13 residential projects containing 2,097 residential units and 232,000 square feet of commercial space developed in conjunction with the projects.
- Completed 7 projects containing 1,246 units located in the East Village District of the project area in close proximity to the newly developed Ballpark.
- Completed 46 affordable units outside the project area with the assistance of the Centre City Low and Moderate Income Housing funds.
- Entered into a Disposition and Development Agreement and began construction of a 275 unit affordable housing development in the East Village District of the Centre City project area.
- Entered into an Owner Participation Agreement securing long-term affordability covenants on 50 single room occupancy units with a $1.6 million contribution for the rehabilitation of the historic hotel located in the Core District of downtown San Diego.
- Completed construction of a total of 548,000 square feet of commercial space.
- Entered into a negotiation agreement for the development of a 55,000 square foot block owned by the Agency.
- Acquired a 19,000 square foot site to develop a new fire station to service the growth in downtown.
- Initiated the preliminary planning process for another fire station on a site previously acquired by the Agency.

City Heights Redevelopment Project Area

- Completed 26 rehabilitation projects through the Rehabilitation Loan Program funded with City Heights redevelopment funds.
- Entered into an Exclusive Negotiation Agreement with City Heights Paseo L.L.C. for the development of a mixed-use project in the City Heights Redevelopment Project Area.
- Purchased a commercial building at 4108-4122 University Avenue for the purpose of redeveloping the site in conjunction with the adjacent vacant lot.
- Completed the Talmadge Senior Village Project, consisting of 80 affordable units for senior citizens.
- Broke ground for the City Heights Square Senior Housing project, which includes 150 affordable apartments and on-site support services.
- Broke ground for the Auburn Park project for the 69-unit multi-family residential development including market-rate and affordable units.

College Community Redevelopment Project Area

- Provided technical assistance to developers for projects within the project area for the Plaza Lindo Paseo, Wesley Mixed-Use Student Housing and Campus Ministry, and the 55th Street Student Housing projects.
- Participated in the San Diego State University (SDSU) Master Plan amendment process and associated environmental review process.
- Continued negotiations with San Diego State University related to the proposed Disposition and Development Agreement for the Paseo mixed use project.

College Grove Project Area

- Provided Low and Moderate Income Housing funds to the Crossroads Project Area to implement the Housing Enhancement Loan Program (HELP).
- Entered into a Cooperation Agreement with the City of San Diego to provide $2 million for a portion of planned improvements to the North Chollas Community Park.

Crossroads Redevelopment Project Area

- Applied for a California Department of Transportation grant to prepare a transportation concept plan for El Cajon Boulevard.

Gateway Redevelopment Project Area

- Began construction of an approximately 32,000 square foot office building. Completion is scheduled for fiscal year ending June, 30, 2008.

Grantville Redevelopment Project Area

- Continued initial implementation of the newly adopted Grantville Redevelopment Plan.

Horton Plaza Redevelopment Project Area

- Continued the rehabilitation of the historic Balboa Theatre. The $26 million restoration efforts include the installation of the rigging sytems, repair of the exterior plaster, ornamental painting of the audience chamber, ornate and gilded plaster grillwork in the ceiling and the rehabilitation of two waterfalls on either side of the stage, which will again be operational. The restoration includes decreasing the number of seats from 1,500 to 1,300.
- Approved the funding to support the update of the Barrio Logan Community Plan. The funding, not to exceed $1.5 million, will be used to support changes and upgrades to a community that interfaces directly with downtown. The new plan will be developed by the staff of the City of San Diego, City Planning and Community Investment.

Mount Hope Redevelopment Project Area

- Initiated preparation of the Phase II Street Improvements project in the Mount Hope Redevelopment Project Area, which are proposed to include extension of the existing landscaped medians on Market Street and installation of street lights. Construction is scheduled for Fiscal Year 2008.

Naval Trainings Center (NTC) Redevelopment Project Area

- The San Diego Youth and Community Services completed their 8 unit apartment complex on 35th Street for youth who have aged out of the foster care system. The Agency provided over one million dollars of NTC low and moderate income housing funds toward the purchase price of the property.
- The 350 room hotel complex is under construction for the Hilton Homewood Suites and Courtyard by Marriott.
- Phase I Construction of the NTC Park was completed in June 2007.
- Continued the elimination of blight including remediation of lead based paint and asbestos.

North Bay Redevelopment Project Area

- Completed the construction of the Morena Vista Transit Oriented Mixed Use Project, a 184 housing units project.
- Completed the construction of Veterans Village of San Diego (VVSD) Phase I, which provides 112 transitional housing treatment beds for homeless veterans.
- Started construction for Stella at Five Points Project for 85 residential condominiums including 13 affordable condominiums for families earning 100% AMI.
- The Agency approved the first implementation agreement for the site improvement assistance to the Peninsula Branch YMCA.
- Completed the Old Town Transit Center Queue Jump Project.

North Park Redevelopment Project Area

- Continued construction of 224 condominiums, including 45 units of affordable to median income households.
- Continued construction of 94 rental apartments for very low-income seniors, 14 town homes for purchase by moderate-income households, and 6,000 square feet of commercial space.
- Marketed the North Park Project Area as a viable place to start and expand businesses.

San Ysidro Redevelopment Project Area

- Entered into an Owner Participation Agreement (OPA) with SYEP Associates for the development of the El Pedregal Family Apartments, a 45 unit affordable housing project.
- Entered into an Owner Participation Agreement (OPA) with the Chelsea Investment Corporation for the development of the Verbena Project, an 80 unit affordable housing project.
- Entered into an Exclusive Negotiation Agreement (ENA) with Ito, Girard, & Associates for the Casas Ochoa Project.
- The Redevelopment Agency approved an Exclusive Negotiating Agreement in May 2004, which has been extended by way of three ENA extension letters, allowing for continued negotiations for the San Ysidro Pilot Village Project.

Southcrest Redevelopment Project Area

- SEDC began coordination of the design and permit processing of two resource-efficient, sustainable residential units on the property located directly across from the Cesar Chavez Elementary School.
- Began the process for expansion of the SEDC Area of Influence to incorporate additional territory adjacent to the existing Area of Influence.

Long-Term Debt

At June 30, 2007, the Agency long-term debt totaled $822,670. Of this amount, $29,310 is secured by specified revenue sources (revenue bonds) and $502,804 is comprised of tax allocation bonds. The remainder of the Agency's debt represents contracts payable, notes payable, and loans payable.

REDEVELOPMENT AGENCY
OUTSTANDING DEBT

	2007	2006
Revenue Bonds	$ 29,310	$ 30,200
Tax Allocation Bonds	502,804	514,845
Contracts Payable	2,615	2,615
Notes Payable	16,855	15,594
Loans Payable	136,254	130,089
Accrued Interest Payable	134,832	124,065
Total	$ 822,670	$ 817,408

In the current fiscal year, the Agency's loans payable increased by $6,165. The increase was due in part to a draw of $8,530 from a Bank of America line of credit, secured by tax increment revenue generated by the North Park Project Area. Of the total amount drawn, $5,574 was used to satisfy a developer loan obligation and $1,739 to fund activities in the project area. In addition, the Agency received note proceeds totaling $2,180 from Price Charities to fund activities in the City Heights Project Area.

Additionally, the Agency received $3,672 in loan proceeds from the City. Of the total, $3,538 was funded by a Housing and Urban Development Section 108 loan issued by the Federal government to the City for the purpose of rehabilitating historical buildings in the Naval Training Center Project Area. Also, Community Development Block Grant funds of $99 were loaned for activities in the Central Imperial Project Area and $34 for activities in the Grantville Project Area. Outstanding accrued interest payable on loans and notes from the City increased by $11,538. Detailed information on changes to loans and interest payable to the City, by project area, can be found on page 108 of this report.

Additional information about the Agency's long-term debt can be found in the accompanying notes to the financial statements (see Note 5).

REQUESTS FOR INFORMATION

This financial report was designed to provide a general overview of the Agency's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the City Comptroller, 202 C Street, San Diego, CA 92101 or e-mailed to the City Comptroller at comptroller@sandiego.gov. This financial report is also available on the City's website at www.sandiego.gov, under the Office of the City Comptroller.

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Basic Financial Statements

STATEMENT OF NET ASSETS
June 30, 2007
(In Thousands)

	Governmental Activities
ASSETS	
Cash or Equity in Pooled Cash and Investments	$ 321,402
Cash and Investments with Fiscal Agent	63,133
Investments at Fair Value	129,165
Receivables:	
Taxes - Net	3,695
Notes and Contracts	69,013
Accrued Interest	3,298
Working Capital Advances:	
Centre City Development Corporation	1,200
Southeastern Economic Development Corporation	295
City of San Diego	623
Land Held for Resale	48,124
Prepaid and Reimbursable Items and Deposits	1,159
Deferred Charges	7,891
Capital Assets - Non-Depreciable	110,762
Capital Assets - Depreciable	38,336
TOTAL ASSETS	$ 798,096
LIABILITIES	
Accounts Payable	$ 6,339
Interest Accrued on Long-Term Debt	10,704
Sundry Trust Liabilities	2,910
Long-Term Liabilities Due Within One Year	14,316
Long-Term Liabilities Due After One Year:	
Contracts Payable	2,615
Developer Notes Payable	8,555
City Note Payable	8,300
City Loans Payable	119,417
Developer Loans Payable	16,812
Net Bonds Payable	523,351
Accreted Interest Payable on Bonds	11,015
Accrued Interest Payable on City Notes	4,058
Accrued Interest Payable on City Loans	130,774
TOTAL LIABILITIES	859,166
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	67,822
Restricted for:	
Low and Moderate Housing	82,244
Unrestricted	(211,136)
TOTAL NET ASSETS	$ (61,070)

The accompanying notes are an integral part of the financial statements.

STATEMENT OF ACTIVITIES
Year Ended June 30, 2007
(In Thousands)

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net Revenue (Expenses) and Changes in Net Assets: Total Governmental Activities
Primary Government:				
Governmental Activities:				
General Government and Support	$ 38,937	$ -	$ -	$ (38,937)
Neighborhood Services	32,703	5,040	7,248	(20,415)
Interest on Long-Term Debt	41,907	137	-	(41,770)
TOTAL GOVERNMENTAL ACTIVITIES	$ 113,547	$ 5,177	$ 7,248	(101,122)
General Revenue and Transfers:				
Property Taxes				149,833
Grants and Contributions Not Restricted to Specific Programs				448
Revenue from Use of Money and Property				27,619
Loss on Sale of Land Held for Resale				(1,796)
TOTAL GENERAL REVENUES AND TRANSFERS				176,104
CHANGE IN NET ASSETS				74,982
Net Assets at Beginning of Year				(136,052)
NET ASSETS AT END OF YEAR				$ (61,070)

The accompanying notes are an integral part of the financial statements.

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2007
(In Thousands)

	Centre City		
	Special Revenue		Debt Service
	Low-Mod	Other	
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 58,670	$ 117,714	$ 20
Cash and Investments with Fiscal Agent	-	-	48,941
Investments at Fair Value	-	-	-
Receivables:			
Taxes	432	1,755	-
Notes and Contracts	40,313	-	-
Interest	602	1,094	86
From Other Funds	-	-	-
Working Capital Advances:			
Centre City Development Corporation	-	-	-
Southeastern Economic Development Corporation	-	-	-
City of San Diego	-	-	-
Land Held for Resale	24,673	-	-
Prepaid Items and Deposits	-	-	-
TOTAL ASSETS	$ 124,690	$ 120,563	$ 49,047
LIABILITIES			
Accounts Payable	$ 100	$ -	$ -
Due to Other Funds	-	-	-
Sundry Trust Liability	92	-	-
TOTAL LIABILITIES	192	-	-
FUND BALANCES			
Reserved for Land Held for Resale	24,673	-	-
Reserved for Notes Receivable	40,313	-	-
Reserved for Encumbrances	39,406	-	-
Reserved for Prepaid Items and Deposits	-	-	-
Reserved for Working Capital Advances	-	-	-
Reserved for Low and Moderate Income Housing	20,106	-	-
Reserved for Debt Service	-	-	48,941
Unreserved:			
Reported in Special Revenue Funds:			
Designated for Debt Service	-	119,302	-
Designated for Subsequent Years' Expenditures	-	1,261	-
Undesignated	-	-	-
Reported in Debt Service Funds:			
Designated for Debt Service	-	-	106
Reported in Capital Projects Funds:			
Designated for Subsequent Years' Expenditures	-	-	-
Undesignated	-	-	-
TOTAL FUND BALANCES	124,498	120,563	49,047
TOTAL LIABILITIES AND FUND BALANCES	$ 124,690	$ 120,563	$ 49,047

The accompanying notes are an integral part of the financial statements.

Centre City Capital Projects	Horton Plaza Capital Projects	Other Governmental Funds	Total Governmental Funds
$ 72,099	$ 5,392	$ 67,507	$ 321,402
-	-	14,192	63,133
123,257	2,112	3,796	129,165
-	-	1,508	3,695
5,086	-	23,614	69,013
778	52	686	3,298
-	-	36	36
925	275	-	1,200
-	-	295	295
-	-	623	623
18,489	-	4,962	48,124
-	-	1,159	1,159
$ 220,634	$ 7,831	$ 118,378	$ 641,143
$ 1,393	$ 1,161	$ 3,685	$ 6,339
-	-	36	36
2,422	25	371	2,910
3,815	1,186	4,092	9,285
18,489	-	4,962	48,124
5,086	-	23,614	69,013
47,490	8,890	29,031	124,817
-	-	1,159	1,159
925	275	918	2,118
-	-	6,851	26,957
-	-	14,182	63,123
	-		
-	-	36,897	156,199
-	-	8,567	9,828
-	-	(11,459)	(11,459)
-	-	11	117
143,287	-	2,778	146,065
1,542	(2,520)	(3,225)	(4,203)
216,819	6,645	114,286	631,858
$ 220,634	$ 7,831	$ 118,378	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital Assets used in governmental activities are not financial resources and therefore are not reported in the funds.	149,098
Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds.	7,891
Some liabilities are not due and payable in the current period and therefore are not reported in the funds.	(849,917)
Net Assets of Governmental Activities	$ (61,070)

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
Year Ended June 30, 2007
(In Thousands)

	Centre City		
	Special Revenue		Debt Service
	Low-Mod	Other	
REVENUES			
Tax Increments	$ 19,170	$ 76,680	$ -
Interest	3,504	4,976	2,178
Rents	139	-	-
Private Sources	5	-	-
City Participation	10	2,480	-
Other Revenue	17	-	20
TOTAL REVENUES	22,845	84,136	2,198
EXPENDITURES			
Administration	954	584	-
Legal	106	-	-
Plans and Surveys	186	-	-
Acquisition Expense	11	-	-
Real Estate/Fixture Purchases	755	-	-
Property Management	46	-	-
Relocation	36	-	-
Rehabilitation	1,677	-	-
Site Clearance	181	-	-
Project Improvements	6,808	-	-
Promotions and Marketing	34	-	-
Program Management	1,252	-	-
Housing Subsidies	15	-	-
Tax Sharing Payments	-	11,214	-
City Capital Outlay	-	-	-
Debt Service:			
Principal	-	-	10,050
Interest	-	-	19,408
TOTAL EXPENDITURES	12,061	11,798	29,458
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	10,784	72,338	(27,260)
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	-	-	24,827
Transfers from Other Funds	1,165	-	7,916
Transfers from Bond Proceeds	-	-	-
Transfers to Other Funds	(5,435)	(36,785)	(782)
Proceeds from Developer Loans, Notes and Contracts	-	-	-
Loans from the City of San Diego	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,270)	(36,785)	31,961
NET CHANGE IN FUND BALANCES	6,514	35,553	4,701
FUND BALANCES AT JULY 1, 2006	117,984	85,010	44,346
FUND BALANCES AT JUNE 30, 2007	$ 124,498	$ 120,563	$ 49,047

The accompanying notes are an integral part of the financial statements.

Centre City Capital Projects	Horton Plaza Capital Projects	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 53,983	$ 149,833
10,584	659	3,987	25,888
1,346	-	246	1,731
5,888	1,960	331	8,184
1,751	-	-	4,241
6,350	-	43	6,430
25,919	2,619	58,590	196,307
6,655	593	6,185	14,971
1,159	17	762	2,044
1,601	13	956	2,756
61	-	156	228
4,642	119	2,128	7,644
602	57	418	1,123
24	-	69	129
220	11,381	635	13,913
-	-	-	181
9,495	-	13,548	29,851
81	-	-	115
1,068	545	99	2,964
-	-	918	933
-	-	7,218	18,432
-	-	1,264	1,264
	-		
-	-	9,976	20,026
-	-	7,977	27,385
25,608	12,725	52,309	143,959
311	(10,106)	6,281	52,348
9,478	1,968	19,749	56,022
782	-	8,583	18,446
-	-	198	198
(1,166)	-	(30,498)	(74,666)
-	-	10,849	10,849
-	-	3,672	3,672
9,094	1,968	12,553	14,521
9,405	(8,138)	18,834	66,869
207,414	14,783	95,452	564,989
$ 216,819	$ 6,645	$ 114,286	$ 631,858

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
Year Ended June 30, 2007
(In Thousands)

Net change in fund balances - total governmental funds (page 35)	$	66,869
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.		22,045
Governmental funds report the value of capital assets reclassified as fund assets as other revenue. Such reclassifications have no effect on net assets. In addition, the Statement of Activities reports losses arising from the retirement of existing capital assets. The effect of this transaction is to decrease net assets but has no effect on fund balances because it does not consume current financial resources of governmental funds.		(5,985)
In the governmental funds, some cash advances from developers, for the acquisition of properties, are recognized as revenue at the time the funds are advanced by the developer. In the Statement of Activities, these advances are recognized as revenue at the time they are credited against the purchase of land from the Agency.		1,480
The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any affect on net assets. Also, govermental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are differed and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.		3,709
Some expenses reported in the Statement of Activities do not require the use of current financial resources (i.e. interest on long-term debt, amortization of bond premiums and discounts), and therefore are not accrued as expenses in governmental funds.		(13,136)
Change in net assets of governmental activities (page 31)	$	74,982

The accompanying notes are an integral part of the financial statements.

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NOTES TO THE BASIC FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2007

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (In Thousands)

The financial statements of the Redevelopment Agency of the City of San Diego ("Agency") have been prepared in conformity with generally accepted accounting principles ("GAAP") as applicable to government units. The Governmental Accounting Standards Board ("GASB") is responsible for establishing GAAP for state and local governments through its pronouncements. The significant accounting principles and policies utilized by the Agency are described below.

a. Scope of Financial Reporting Entity

The Agency was established by the City of San Diego Council in 1958 for the purpose of providing a method to revitalize deteriorated and blighted areas within designated areas of the City of San Diego ("City"). The Agency began functioning in 1969 pursuant to the Community Redevelopment Law of California as codified in the State of California Health and Safety Code.

Under GASB Statement No. 14, the Agency is considered a component unit of the City. The Agency's basic financial statements, which are presented as a blended component unit in the basic financial statements of the City, present an aggregation of funds associated with 17 redevelopment project areas. The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, Inc. ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department.

CCDC and SEDC are non-profit corporations organized by the City to administer certain redevelopment projects (CCDC in downtown San Diego and SEDC in Southeast San Diego) as well as to provide redevelopment advisory services to the Agency. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC and SEDC for all eligible costs (as defined) incurred in connection with such activities. Neither the financial position nor the transactions of CCDC and SEDC are included as part of the financial statements. However, reimbursements to CCDC and SEDC for services provided to the Agency result in administrative charges that are included in the financial statements as Agency costs.

The City Council, acting in accordance with the City Charter, the City's Municipal Code and applicable state laws, appoints the members of the Board of Directors of CCDC and SEDC and acts as the Agency's Board of Directors.

b. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

All funds presented in the fund financial statements are governmental funds. Major governmental funds are reported as separate columns in the fund financial statements.

The Agency reports the following major funds:

Centre City Low and Moderate Income Housing Fund – The Centre City Low and Moderate Income Housing Fund is a Special Revenue Fund used to account for 20 percent of the tax increment revenue generated from the Centre City Redevelopment Project Area and the costs associated with the Agency's effort to increase and improve the community's supply of affordable housing for persons and families of low and moderate income in this area.

Centre City Other Special Revenue Fund – The Centre City Other Special Revenue Fund is used to account for specific revenue sources related to the Centre City Redevelopment Project Area such as tax increment revenue and parking revenue. This fund also accounts for transfers to the Centre City Capital Projects Fund, the Centre City Debt Service Fund and payments to Other Taxing Entities.

Centre City Debt Service Fund – The Centre City Debt Service Fund is used to account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs of the Centre City Redevelopment Project Area.

Centre City Capital Projects Fund – The Centre City Capital Projects Fund is used to account for the receipt of bond proceeds, costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements in the Centre City Redevelopment Project Area.

Horton Plaza Capital Projects Fund – The Horton Plaza Capital Projects Fund is used to account for the receipt of bond proceeds, costs associated with the acquisition of land held for resale, construction of major capital facilities, development and improvement of infrastructure and other public improvements in the Horton Plaza Redevelopment Project Area

Additionally, the Agency reports the following other governmental fund types:

Special Revenue Funds – Special revenue funds are used to account for proceeds of specific revenue sources (other than those for major capital projects) that are legally restricted to expenditures for specified purposes.

Debt Service Funds – Debt service funds are used to account for the accumulation of resources for, and the payment of, governmental activities long-term debt principal, interest, and related costs.

Capital Projects Funds – Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities.

All non-major governmental funds are accounted for and reported similarly to major governmental funds.

c. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Amounts reported as program revenues include (1) operating grants and contributions and (2) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures are recognized when the related fund liability is incurred except for principal and interest of general long-term debt which are recognized when due.

Revenues which are considered susceptible to accrual include tax increments, rents, interest and grants, provided they are received within 60 days from the end of the fiscal year. Revenue from private sources, City participation, and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received.

d. Tax Increment Revenue

Tax Increment Revenues represent taxes collected in the Agency's redevelopment project areas from the excess of taxes levied and collected over that amount which was levied and collected in the base year (the inception year of redevelopment project areas) property tax assessment along with a provision for inflation.

The County of San Diego (the "County") assesses, bills, and collects property taxes on behalf of numerous special districts and incorporated cities, including the Redevelopment Agency of the City of San Diego. The Agency's collections of current year's taxes are received through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1 and are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. Since the passage of California's Proposition 13, beginning with fiscal year ended 1979 general property taxes are based either on a flat 1% rate applied to the 1975-76 full value of the property or on 1% of the sales price of any property sold or of the cost of any new construction after the 1975-76 valuation. Taxable values of properties (exclusive of increases related to sales and new construction) can rise a maximum of 2% per year. The Proposition 13 limitation on general property taxes does not apply to taxes levied to pay the debt service on any indebtedness approved by the voters prior to June 6, 1978 (the date of passage of Proposition 13).

Property owners of the City can appeal the assessment of their property to the County Assessment Appeals Board. Property taxable values may be reduced as a result of a successful appeal of the taxable value of property determined by the County Assessor. An appeal may result in a reduction of the County Assessor's original taxable value and tax refund to the applicant property owner. The reduction in future Project Areas taxable values and the refund of taxes affects all taxing entities, including the Agency.

At the government-wide level, Tax Increment Revenue is recognized in the fiscal year for which the taxes have been levied. For the governmental funds, property tax revenue is recognized in the fiscal year for which the taxes have been levied, provided the taxes are received within 60 days of year end. Tax Increment Revenues received after this date are not considered available as a resource that can be used to finance the current year operations of the Agency and, therefore, are recorded as deferred revenue in the governmental funds.

e. Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds. A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue and bond proceeds. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue major fund. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 64 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted, generally during the months of May or June, through passage of resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval, except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

f. Encumbrances

Encumbrance accounting, under which purchase orders, contracts and other commitments for the expenditure of funds are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary control in the budgeted governmental funds.

Encumbrances outstanding at year-end are reported as reservation of fund balances since the commitments will be honored through subsequent years' continuing appropriations. Encumbrances do not constitute expenditures or liabilities for GAAP reporting purposes.

g. Equity in Pooled Cash and Investments

The Agency's Pooled Cash and Investments are part of the City's Pooled Cash and Investments. The City's cash resources are combined to form a cash and investment pool managed by the City Treasurer (the City Pool). The City Pool is not registered as an investment company with the Securities and Exchange Commission (SEC) nor is it a 2a7–like pool. The investment activities of the Treasurer in managing the Pool are governed by California Government Code § 53601 and the City's Investment Policy which is reviewed by the Investment Advisory Committee and approved annually by the City Council. Interest earned on pooled investments is allocated to participating funds and entities based upon their average daily cash balance during the allocation month. Fair market value adjustments to the Pool are recorded annually; City Treasurer reports fair market values on a monthly basis. The value of the shares in the Pool is equal to the fair market value of the Pool.

Additionally, the Agency maintains individual accounts pursuant to bond issuances. The investment of these funds is governed by the policies set forth in individual indenture and trustee agreements.

All City investments are reported at fair value in accordance with the GASB 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*. Deposit and investment risks are disclosed in Note 3 of the notes to the financial statements in accordance with GASB 40, Deposit and Investment Risk Disclosures. GASB 40 was implemented to communicate deposit and investment risks to financial statement users. Common risk disclosures include interest rate risk, credit risk, concentration of credit risk, and foreign currency risk. Note 3 also contains additional information on permissible investments per the City's Investment Policy and other policies applicable to the cash and investments reported herein.

h. Land Held for Resale

Land Held for Resale, purchased by the Agency, is reported in the government-wide and fund financial statements at the lower of cost or net realizable value. In the governmental fund financial statements, fund balances are reserved in an amount equal to the carrying value of land held for resale because such assets are not available to finance the Agency's current operations.

Land is originally recorded at historical cost and adjusted to net realizable value when the Agency enters into disposition and development agreements whereby the property will be sold for less than its historical cost, when a property is impaired or when property values decrease due to market conditions.

i. Capital Assets

Non-depreciable Capital assets, which include land and construction in progress, are reported in the government-wide financial statements. Depreciable Capital assets, which include structures, improvements and equipment, are reported in the government-wide financial statements net of accumulated depreciation. To meet the criteria for capitalization, the asset must have a useful life in excess of one year and in the case of capital outlay, must equal or exceed a capitalization threshold of $5. All other capital assets such as land and structures are capitalized regardless of cost. Subsequent improvements are capitalized to the extent that they extend the initial estimated useful life of the capitalized asset or improve the efficiency or capacity of that asset. Costs for routine maintenance are expensed as incurred. Costs related to development of City infrastructure are not capitalized because these assets are maintained by the City and not the Agency. In cases where the Agency purchases land or structures for development of City infrastructure, acquisition and improvement costs are capitalized and reported as Agency capital assets until they are conveyed to the City, after the project is completed. Losses on the retirement of assets conveyed to the City are reflected in the Statement of Activities.

Capital assets, when purchased or constructed, are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at the estimated fair market value on the date of donation. Depreciation of capital assets is computed using the straight-line method over the estimated useful life of the asset as follows:

Assets	Years
Structures and Improvements	20-50
Equipment	3-25

j. Deferred Charges

In the government-wide financial statements, Deferred Charges represent the unamortized portion of bond issuance costs. These costs will be amortized over the life of the related bonds using a method which approximates the effective yield method.

k. Interfund Transactions

Interfund transactions between the Agency's Governmental Funds are mostly transfers of assets (such as cash or goods) without equivalent flows of assets in return.

Tax increment revenue is originally deposited in the respective Other Special Revenue Funds. As expenditures are incurred in the capital projects funds, cash is transferred from the Other Special Revenue Fund to cover the expenditures. In addition, tax increment revenue is transferred to the debt service funds for payment of long term debt obligations.

Housing bond proceeds are recorded in the respective Low and Moderate Income Housing Funds while redevelopment bond proceeds are recorded in the Capital Projects Funds. These proceeds are typically expended in the funds where they are originally recorded. However, they are

sometimes transferred to the Debt Service Funds to satisfy debt obligations to the City or to developers.

l. Non-Monetary Transactions

Under certain agreements with the Agency, developers advance funds to the Agency for the purpose of acquiring land, sometimes under eminent domain. These advances, called land acquisition credits, are earned at the time the funds are advanced by the developer in the fund financial statements and earned at the time they are used by developers against the sales price of property in the government-wide financial statements. Historically, these credits have been used for infrastructure projects, such as the Ballpark. In the current year, developers used $1,480 in land acquisition credits for the acquisition of properties in the Centre City Project Area. As of year ended June 30, 2007, there are no outstanding land acquisition credits.

m. Long-Term Liabilities

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Assets. Bond premiums and discounts, bond issuance costs and bond refunding gains and losses are amortized over the life of the bonds, using a method that approximates the effective yield method. Net bonds payable reflect amortized bond accretion and unamortized bond discounts, premiums and refunding gains and losses.

n. Sundry Trust Liabilities

Under approval of certain agreements, developers submit to the Agency an initial deposit to ensure the Developer proceeds diligently and in good faith to negotiate and perform all of the obligations under the agreement. These deposits can normally be used for administrative costs of the Agency. In the government-wide financial statements and in the fund financial statements, the unspent portion of these deposits, called Sundry Trust Liabilities, are reported as liabilities of the Agency.

o. Claims and Judgments

The costs of claims and judgments are accrued when incurred and measurable in the government-wide financial statements. In governmental funds, the costs of claims and judgments are recorded as expenditures when payments are made.

p. Net Assets and Fund Equity

In the government-wide financial statements, net assets are categorized as follows:

- Invested in Capital Assets, Net of Related Debt consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt attributed to the acquisition of these assets.

- Restricted Net Assets consist of assets, net of any related liabilities, which have had restrictions imposed on them by external creditors, grantors, contributors, or laws or regulations of other governments or law through constitutional provisions or enabling legislation. When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first and then unrestricted resources, as they are needed.

- Unrestricted Net Assets consist of net assets that do not meet the definition of Invested in Capital Assets, Net of Related Debt or Restricted Net Assets.

In the fund financial statements, portions of fund equity of governmental funds have been reserved for specific purposes. Reservations were created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

Designated fund balance represents that portion of fund equity for which the Agency has made tentative plans.

Undesignated fund balance represents that portion of fund equity which is available for appropriation in future periods.

q. Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amount of certain assets and liabilities, disclosure of contingent assets and liabilities, and the related reported amounts of revenues and expenses. Actual results could differ from those estimates. Management believes that the estimates are reasonable.

r. Disposition and Development Agreement

The Redevelopment Agency and McMillin-NTC, LLC entered into a Disposition and Development Agreement, dated June 26, 2000, and a Third Implementation Agreement, dated May 6, 2003, which were executed for the purpose of effectuating the Redevelopment Plan at the Naval Training Center Redevelopment Project, in addition to constructing and installing additional infrastructure improvements as required by the City. The developer has agreed to advance the funds needed to pay for infrastructure costs. Under the agreement, The Agency is required to reimburse the developer up to $8.5 million, plus interest for these costs. The Agency has consistently reimbursed for eligible costs as they are billed, therefore, this agreement is not treated as a loan, and instead expenditures are recognized as payments are made to the developer.

On March 30, 2004 the Redevelopment Agency entered into a Disposition and Development Agreement (DDA) with Western Pacific Housing for a condominium development project in the North Park Redevelopment Project Area. Under the agreement, the Agency promised to pay the maximum aggregate principal amount of $3,000 of which $2,100 represents the Affordability Component of the Agency Payment Obligation, and $900 represents the Public Improvement Component of the Agency Payment Obligation. The Affordability Component is subject to an adjustment based on the actual project sales revenue proceeds received by the Developer. This adjustment amount cannot be computed until all 45 affordable units are sold. The principal amount outstanding bears simple interest at a rate equal to 5% per annum. Solely for the purposes of calculating the amount of interest payable, the developer shall be deemed to have paid an amount equal to 25% of the Agency's Payment Obligation as of the date which is 195 days after closing of escrow, 50% as of the date which is 390 days after closing of escrow, 75% as of the date which is 585 days after closing of escrow, and 100% at the completion date, which is the date on which the release of construction covenants under the agreement have been recorded in the official records of the San Diego County. For purposes of calculating the amount of interest payable, the principal amounts stated above will be reduced by a 10% per annum applied on a pro rata basis for the period of time the Developer is not in compliance with the schedule of performance dates stated in the agreement for commencement and completion of construction. All payments shall be made from the site-generated property tax increment. To date, only the $900 representing the Public Improvement Component of the Agency Payment Obligation, has been recognized as a liability since the remaining $2,100 representing the Affordability Component of the Agency Payment Obligation, is subject to adjustment upon final sales of all 45 affordable units, which has yet to occur.

On April 4, 2004, the Agency approved a DDA for the development and construction of a 12-story, mixed-use commercial building. The Agency is responsible for the purchase of a 5,000 square feet parcel for the proposed site. The Developer will pay a purchase price for the acquisition parcel consisting of the greater of the sum of all acquisition and relocation costs or $1,250, which is the estimated fair reuse value of the parcel for the project. To date, the Developer has advanced funds in the amount of $8,875. Due to the fact that the entire advance has been used for the acquisition property, the full amount has been recognized as revenue. The property has not yet been conveyed to the developer and is reflected as Land Held for Resale in the Centre City Capital Project Fund and on the Agency's Statement of Net Assets.

On July 21, 2003, the Agency entered into a DDA with Citymark Farenheit LLC ("Developer"). Pursuant to the DDA the Agency sold a property to the developer for a purchase price of $3,500 and a contingent portion for the sale of each of the for-sale market-rate residential unit developed on the property. Proceeds from the sale of the property resulted in a gain which was recognized at the time the Agency conveyed the property to the developer. Revenue from the sale of each unit is recognized at the time the unit is sold and the revenue is received by Agency.

s. Tax Increment Sharing Payments

Prior to the adoption of Section 33607.5 of the Redevelopment Law, a redevelopment agency was authorized to enter into an agreement to pay tax increments revenues to any taxing agency that had territory located within a redevelopment project area in an amount which, in the Agency's determination, was appropriate to alleviate any financial burden or detriment caused by the redevelopment project. These agreements normally provided for a pass-through of tax increment revenues directly to the affected taxing agency, and, therefore, are commonly referred to as "pass-through-agreements".

Section 33607.5 of the Redevelopment Law repealed the provisions that enabled pass-through agreements, although existing pass-through agreements remain in place. Section 33607.5 replaces the payments from new pass-through agreements with a statutory tax increment sharing formula for all redevelopment project areas established on or after January 1, 1994 and requires statutory pass-through payments ("Statutory Pass-through Payments") to all existing taxing entities.

Section 33607.7 was subsequently added to the Redevelopment Law to provide for Statutory Pass-through Payments to affected taxing entities that do not have existing tax sharing agreements. If a redevelopment plan adopted prior to January 1, 1994 is amended to eliminate its time limit on the establishing of loans, advances and indebtedness, the amounts of Statutory Pass-through Payments under section 33607.5 are computed as follows:

- From the first fiscal year in which the Agency receives tax increment until the last fiscal year in which the Agency receives the tax increment, 25% of the tax increments are passed through to the entities (net of the 20% housing set aside).

- Commencing in the eleventh year, an additional 21% of the tax increment in excess of the tenth year tax increment is passed through to the entities (net of the 20% housing set aside).

- Commencing in the thirty first year, an additional 14% of the tax increment in excess of the thirtieth year tax increment is passed through to the entities (net of the 20% housing set aside).

The Agency records liabilities and expenditure related to tax sharing payments based on the criteria established by GAS 33. The Agency defines the applicable period for recognition as the fiscal year in which tax increment sharing payments are appropriated. Instances in which tax sharing payments are not made in the year they are appropriated result in a liability and expenditure to the Agency for that year, regardless of the timing of cash flows.

2. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS (In Thousands)

The Governmental Funds Balance Sheet includes a reconciliation between Total Fund Equity - Governmental Funds and Total Net Assets - Governmental Activities as reported in the Government-wide Statement of Net Assets. Certain adjustments are necessary to reconcile governmental funds to governmental activities. The details of these adjustments are as follows.

a. Explanation of certain differences between the Governmental Funds Balance Sheet and the Government-wide Statement of Net Assets:

An element of the reconciliation states, "Other assets and liabilities used in governmental activities are not financial resources, and therefore, are not reported in the funds." The details of this $7,891 difference are as follows:

Deferred Charges, net July 1, 2006	$ 8,296
Amortization Expense	(405)
Net adjustment to increase Total Fund Balances – Governmental Funds to arrive at Total Net Assets of Governmental Activities	$ 7,891

Another element of the reconciliation states that "Some liabilities are not due and payable in the current period and therefore are not reported in the funds." The details of this $(849,917) difference are as follows:

Bonds Payable	$ (532,114)
Net Premiums and Discounts on Bond Issuances	(6,427)
Unamortized Loss on Refunding	899
Contracts Payable	(2,615)
Notes Payable	(16,855)
Loans Payable	(136,254)
Accreted Interest Payable on Bonds	(11,015)
Accrued Interest Payable on Long Term Debt	(10,704)
Accrued Interest Payable on City Loans and Notes	(134,832)
Net adjustment to decrease Total Fund Balances - Governmental Funds to arrive at Total Net Assets of Governmental Activities	$ (849,917)

b. Explanation of certain differences between the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-wide Statement of Activities:

The Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between Net Change in Fund Balances - Total Governmental Funds and Changes in Net Assets of Governmental Activities as reported in the Government-wide Statement of Activities. One element of that reconciliation explains that, "Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this $22,045 difference are as follows:

Capital outlay	$ 23,095
Depreciation expense	(1,050)
Net adjustment to increase Net Changes in Fund Balances – Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$ 22,045

Another element of the reconciliation states that "The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities." The details of this $3,709 difference are as follows:

Debt Issued or Incurred:	
Net Accretion on Capital Appreciation Bonds	$ (1,796)
Loans Payable	(12,341)
Note Payable	(2,180)
Principal Repayments:	
Revenue Bonds	890
Tax Allocation Bonds	12,041
Loans Payable	6,176
Notes Payable	919
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$ 3,709

Another element of the reconciliation states that "Some expenses reported in the Statement of Activities do not require the use of current financial resources, and therefore are not accrued as expenses in governmental funds." The details of this $(13,136) difference are as follows:

Change in Accrued Interest on Long-Term Debt	$ (1,959)
Change in Accrued Interest on City Note and Loans	(10,767)
Amortization of Bond Issuance Costs	(405)
Amortization of Bond Premiums, Discounts and Deferred Charges on Refunding	(5)
Net adjustment to decrease Net Changes in Fund Balances – Total Governmental Funds to arrive at Changes in Net Assets of Governmental Activities	$ (13,136)

3. CASH AND INVESTMENTS (In Thousands)

The following is a summary of the carrying amount of the Agency's cash and investments:

	Governmental Activities
Cash or Equity in Pooled Cash & Investments	$ 321,402
Cash & Investments with Fiscal Agent	63,133
Investments at Fair Value	129,165
Total	$ 513,700

a. Cash or Equity in Pooled Cash and Investments

The Agency participates in the City's pooled Cash and Investments. Cash or Equity in Pooled Cash & Investments represents petty cash, cash at the bank in demand deposit and/or savings accounts, and cash in escrow for contract retention payables. Furthermore, it represents equity in pooled cash and investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's share of the City's pooled cash and investments is included in the accompanying Statement of Net Assets under the caption "Cash or Equity in Pooled Cash and Investments."

b. Cash and Investments with Fiscal Agent

Cash and Investments with Fiscal Agents represents cash and investments held by fiscal agents resulting from bond issuances. More specifically, these funds represent reserves held by fiscal agents or trustees as legally required by bond issuances and liquid investments held by fiscal agents or trustees which are used to pay debt service.

c. Investments at Fair Value

Investments at Fair Value represent investments managed by the City Treasurer (which are not part of the Pool).

d. Investment Policy

City of San Diego Investment Policy

In accordance with City Charter Section 45 and under authority annually approved by the City Council, the City Treasurer is responsible for the safekeeping and investment of the unexpended cash in the City Treasury according to the City's Investment Policy (the "Policy"). This Policy applies to all of the investment activities of the City except for the pension trust funds, the proceeds of certain debt issues, which are managed and invested at the direction of the City Treasurer in accordance with the applicable indenture or by Trustees appointed under indenture agreements or by fiscal agents, and the assets of trust funds, which are placed in the custody of the Funds Commission by Council ordinance.

City staff reviews the Policy annually and may make revisions based upon changes to the California Government Code and the investment environment. These suggested revisions are presented to the Investment Advisory Committee (IAC) for review and comments. The IAC consists of two City representatives and three outside financial professionals with market and portfolio expertise not working for the City of San Diego. The City Council reviews the Policy and considers approval on an annual basis.

The IAC evaluates the horizon returns, risk parameters, security selection, and market assumptions the City's investment staff is using when explaining the City's investment returns. The IAC also meets semi-annually to review the previous two quarters' investment returns and make recommendations to the City Treasurer on proposals presented to the IAC by the Treasurer's staff.

The Policy is governed by the California Government Code (CGC), Sections 53600 et seq. The following table presents the authorized investments, requirements, and restrictions per the CGC and the City Policy:

Investment Type	Maximum Maturity (1)		Maximum % of Portfolio		Maximum % with One Issuer		Minimum Rating	
	CGC	City Policy	CGC	City Policy	CGC	City Policy	CGC	City Policy
U.S. Treasury Obligations (bills, bonds, or notes)	5 years	5 years	None	None	None	None	None	None
U.S. Agencies	5 years	5 years	None	(2)	None	(2)	None	None
Bankers' Acceptances (6)	180 days	180 days	40%	40%	30%	10%	None	(3)
Commercial Paper (6)	270 days	270 days	25%	25%	10%	10%	P1	P1
Negotiable Certificates (6)	5 years	5 years	30%	30%	None	10%	None	(3)
Repurchase Agreements	1 year	1 year	None	None	None	None	None	None
Reverse Repurchase Agreements (4)	92 days	92 days	20%	20%	None	None	None	None
Local Agency Investment Fund	N/A	N/A	None	None	None	None	None	None
Non-Negotiable Time Deposits (6)	5 years	5 years	None	25%	None	10%	None	(3)
Medium Term Notes/Bonds (6)	5 years	5 years	30%	30%	None	10%	A	A
Municipal Securities of California Local Agencies (6)	5 years	5 years	None	20%	None	10%	None	A
Mutual Funds	N/A	N/A	20%	5%	10%	None	AAA	AAA
Notes, Bonds, or Other Obligations	5 years	5 years	None	None	None	None	None	AA
Mortgage Pass-Through Securities	5 years	5 years	20%	20%	None	None	AA	AAA
Financial Futures (5)	N/A	None	None	None	None	None	None	None

Footnotes:

(1) In the absence of a specified maximum, the maximum is 5 years.

(2) No more than one-third of the cost value of the total portfolio at time of purchase can be invested in the unsecured debt of any one agency.

(3) Credit and maturity criteria must be in accordance per Section X of the City's Investment Policy.

(4) Maximum % of portfolio for Reverse Repurchase Agreements is 20% of base value.

(5) Financial futures transactions would be purchased only to hedge against changes in market conditions for the reinvestment of bond proceeds.

(6) Investment types with a 10% maximum with one issuer are further restricted per the City's Investment Policy: 5% per issuer and an additional 5% with authorization by City Treasurer.

According to the Policy, the City may enter into repurchase and reverse repurchase agreements only with primary dealers of the Federal Reserve Bank of New York with which the City has entered into a master repurchase agreement.

Additionally, the Policy authorizes investment in other specific types of securities. The City may invest in floating rate notes with coupon resets based upon a single fixed income index (which would be representative of an eligible investment), provided that security is not leveraged. Structured notes issued by U.S. government agencies that contain imbedded calls or options are authorized as long as those securities are not inverse floaters, range notes, or interest only strips derived from a pool of mortgages. A maximum of 8% of the "cost value" of the pooled portfolio may be invested in structured notes.

Ineligible investments prohibited from use in the portfolio include, but are not limited to, common stocks and long-term corporate notes/bonds. A copy of the investment Policy can be requested from the City Treasurer, 1200 3rd Avenue, Suite 1624, San Diego, CA 92101.

Other Investment Policies

The City and its component units, including the Agency, have funds invested in accordance with various bond indenture and trustee agreements.

e. Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Market or interest-rate risk for the City's pooled investments is intended to be mitigated by establishing two portfolios, a liquidity portfolio and a core portfolio. Target durations are based upon the expected short and long-term cash needs of the City. The liquidity portfolio is structured with an adequate mix of highly liquid securities and maturities to meet major cash outflow requirements for at least six months (per CGC Section 53646). The liquidity portfolio uses the Merrill Lynch 3-6 month Treasury Index as a benchmark with a duration of plus or minus 20% of the duration of that benchmark.

The core portfolio uses the Merrill Lynch 1-3 year Treasury Index as a benchmark with a duration of plus or minus 20% of the duration of that benchmark. It consists of high quality liquid securities with a maximum maturity of 5 years and is structured to meet the longer-term cash needs of the City. Information about the sensitivity of the fair value of the Agency's investments to market interest rate fluctuations is presented in the table below.

	Maturity in Years				
	Under 1	1-3	3-5	Over 5	Fair Value
Cash or Equity in City Pooled Cash & Investments	$ 321,402	$ -	$ -	$ -	$ 321,402
Non-Pooled Investments with City Treasurer:					
US Treasury Notes & Bonds	29,356	5,350	-	-	34,706
Commercial Paper	3,053	-	-	-	3,053
US Agency Discount Notes	91,406	-	-	-	91,406
Subtotal - Non-Pooled Investments	123,815	5,350	-	-	129,165
Investments with Fiscal Agent:					
US Treasury Bills	27,948	-	-	-	27,948
US Treasury Notes & Bonds	16,279	-	-	-	16,279
US Agency Notes & Bonds	1,455	1,455	-	-	2,910
Money Market Funds	15,996	-	-	-	15,996
Subtotal - Investments with Fiscal Agent	61,678	1,455	-	-	63,133
Total Investments or Cash in City Pooled Cash	$ 506,895	$ 6,805	$ -	$ -	$ 513,700

f. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2007, the Agency's investments and corresponding credit ratings are as follows:

	Moody's	S&P	Fair Value	Percentage
Cash or Equity in City Pooled Cash & Investments	Not Rated	Not Rated	$ 321,402	100.00%
Non-Pooled Investments with City Treasurer:				
US Treasury Notes & Bonds	Exempt	Exempt	34,706	26.87%
Commercial Paper	P-1	N/A	3,053	2.36%
US Agencies - Federal Farm Credit Bank[1]	P-1	N/A	157	0.12%
US Agencies - Federal Home Loan Bank[1]	P-1	N/A	4,223	3.27%
US Agencies - Federal Home Loan Bank[1]	Aaa	N/A	4,717	3.65%
US Agencies - Federal Home Loan Bank[1]	Aaa	N/A	3,963	3.07%
US Agencies - Federal Home Loan Mortgage Corportation[1]	Aaa	N/A	1,992	1.54%
US Agencies - Federal Home Loan Mortgage Corportation[1]	Aaa	N/A	10,043	7.78%
US Agencies - Federal Home Loan Mortgage Corportation[1]	P-1	N/A	20,393	15.79%
US Agencies - Federal Home Loan Mortgage Corportation[1]	Not Available	A-1+	4,735	3.67%
US Agencies - Federal National Mortgage Association[1]	P-1	N/A	34,230	26.50%
US Agencies - Federal National Mortgage Association[1]	Not Available	A-1+	6,953	5.38%
Subtotal - Non-Pooled Investments			129,165	100.00%
Investments with Fiscal Agent and Other Investments:				
US Treasury Bills	Exempt	Exempt	27,948	44.27%
US Treasury Notes & Bonds	Exempt	Exempt	16,279	25.79%
US Agencies - Federal Home Loan Bank	Aaa	N/A	1,455	2.30%
US Agencies - Federal Home Loan Mortgage Corportation	A-1+	N/A	1,455	2.30%
Money Market Funds	Aaa	N/A	15,996	25.34%
Subtotal - Other Investments			63,133	100.00%
Total Investments			$ 513,700	

[1] More than 5% of the Agency's investments are with U.S Agencies whose debt is not guaranteed by the U.S. government, except for events subsequent to year end.

"N/A" - S&P rating not applicable, Moody's rating provided.

"Not Available" - Bloomberg credit history did not have Moody's ratings, only S&P ratings.

"Exempt" - Per GASB 40, US Treasury Obligations do not require disclosure of credit quality.

g. Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the relative size of an investment in a single issuer. As of June 30, 2007, more than 5% of the Agency's investments are with U.S. agencies whose debt is not guaranteed by the U.S. government, except for events subsequent to year end. Investments issued explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are exempt.

4. CAPITAL ASSETS (In Thousands)

Capital asset activity for fiscal year ended June 30, 2007, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental Activities:				
Non-Depreciable Capital Assets:				
Land	$ 86,685	$ 9,947	$ (5,985)	$ 90,647
Construction in Progress	7,085	13,030	-	20,115
Total Non-Depreciable Capital Assets	93,770	22,977	(5,985)	110,762
Depreciable Capital Assets:				
Structures and Improvements	40,698	118	-	40,816
Equipment	819	-	-	819
Total Depreciable Capital Assets	41,517	118	-	41,635
Less Accumulated Depreciation for:				
Structures and Improvements*	(1,591)	(1,018)	-	(2,609)
Equipment*	(658)	(32)	-	(690)
Total Accumulated Depreciation	(2,249)	(1,050)	-	(3,299)
Total Depreciable Capital Assets, Net	39,268	(932)	-	38,336
Governmental Activities Capital Assets, Net	$ 133,038	$ 22,045	$ (5,985)	$ 149,098

*Depreciation expense was charged to the Neigborhood Services govermental activities function in the amou

In the current fiscal year, a change in the intended use of the 7th and Market parcel in the Centre City Project Area resulted in a reclassification from capital assets to land held for resale. This change resulted in a decrease to capital assets of $5,982. In addition, preliminary land acquisition costs, which had been capitalized in prior years, were expensed due to the fact that the acquisition did not materialize. This contributed to a capital asset decrease of $3.

5. GOVERNMENTAL ACTIVITIES LONG-TERM DEBT (In Thousands)

a. Long-Term Liabilities

Governmental activities long-term debt consists of revenue bonds, tax allocation bonds, contracts payable, notes payable, and loans payable. A summary of these obligations as recorded in the government-wide Statement of Net Assets as of June 30, 2007, is as follows:

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2007
Revenue Bonds:				
Centre City Parking Revenue Bonds, Series 1999 A	4.5-6.4%[1]	2026	$ 12,105	$ 10,510
Centre City Parking Revenue Bonds, Series 2003 B	3.0-5.3[1]	2027	20,515	18,800
Total Revenue Bonds				29,310
Tax Allocation Bonds:				
Gateway Center West Redevelopment Project Tax Allocation Bonds, Series 1995	7.8-9.75[1]	2014	1,400	745
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 A	4.4-6.0[1]	2020	1,200	840
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 1995 B	6.9-8.2[1]	2021	3,955	3,085
Southcrest Redevelopment Project Tax Allocation Bonds, Series 1995	4.75-6.592[1]	2020	3,750	2,340
Horton Plaza Redevelopment Project Tax Allocation Refunding Bonds, Series 1996 A	3.8-6.0[1]	2016	12,970	7,750
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 A	3.0-5.125[1]	2019	25,680	25,285
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 B	6.25[1]	2014	11,360	11,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 1999 C	3.1-4.75[1]	2025	13,610	12,180
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 A	4.5-5.8[1]	2029	5,690	5,330
City Heights Redevelopment Project Tax Allocation Bonds, Series 1999 B	5.75-6.4[2]	2029	10,141	9,604
Central Imperial Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.69[1]	2031	3,395	3,100
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 A	4.0-5.6[1]	2025	6,100	5,175
Centre City Redevelopment Project Tax Allocation Bonds, Series 2000 B	3.95-5.35[1]	2025	21,390	19,195
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2022	15,025	14,290
North Bay Redevelopment Project Tax Allocation Bonds, Series 2000	4.25-5.875[1]	2031	13,000	11,690
North Park Redevelopment Project Tax Allocation Bonds, Series 2000	4.1-5.9[1]	2031	7,000	6,300
Southcrest Redevelopment Project Tax Allocation Bonds, Series 2000	4.45-6.5[1]	2026	1,860	1,620
Centre City Redevelopment Project Tax Allocation Bonds, Series 2001 A	4.93-5.55[3]	2027	58,425	56,730

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2007
Mount Hope Redevelopment Project Tax Allocation Bonds, Series 2002 A	5.0[1]	2027	3,055	3,055
Centre City Redevelopment Project Tax Allocation Bonds, Series 2003 A	2.5-5.0[1]	2029	31,000	18,575
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 A	5.875-6.5[1]	2034	4,955	4,955
City Heights Redevelopment Project Tax Allocation Bonds, Series 2003 B	2.5-4.25[1]	2014	865	555
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 A	4.65-5.1[1]	2022	6,325	6,325
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 B	3.25-5.45[1]	2022	4,530	4,530
Horton Plaza Redevelopment Project Tax Allocation Bonds, Series 2003 C	3.49-7.74[1]	2022	8,000	7,175
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 A	1.5-6.125[1]	2028	7,145	6,425
North Park Redevelopment Project Tax Allocation Bonds, Series 2003 B	4.75-5.0[1]	2034	5,360	5,360
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 A	3.5-5.25[1]	2030	101,180	97,655
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 B	2.26-4.58[1]	2011	9,855	6,565
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 C	2.26-6.18[1]	2030	27,785	26,520
Centre City Redevelopment Project Tax Allocation Bonds, Series 2004 D	2.26-6.28[1]	2030	8,905	8,505
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 A	4.25-5.25[1]	2033	76,225	76,225
Centre City Redevelopment Project Tax Allocation Bonds, Series 2006 B	5.66-6.2[1]	2032	33,760	33,760
Total Tax Allocation Bonds				502,804
Total Bonds Payable				532,114
Contracts Payable:				
Contract Payable to SDSU Foundation dated December 1991	Variable[4]	-	1,598	1,598
Amendment to Contract Payable to SDSU Foundation dated January 1995	Variable[4]	-	117	117
Contract Payable to Western Pacific Housing, Inc dated April 2004	5.00	-	900	900
Total Contracts Payable				2,615
Notes Payable:				
Note Payable to Wal-Mart, dated June 1998	10.0	2017	1,308	171
Note Payable to Price Charities, dated April 2001	5.0	2032	5,115	4,104
Note Payable to Price Charities, dated May 2005	8.0	2025	2,100	2,100
Amendment to Note Payable to Price Charities, dated February 2006	8.0	2025	180	180
Note Payable to Price Charities, dated March 2007	7.0	2013	2,000	2,000
Note Payable to the City of San Diego dated April 2002	8.0	-	8,300	8,300
Total Notes Payable				16,855

Type of Obligation	Interest Rates	Fiscal Year Maturity Date	Original Amount	Balance Outstanding June 30, 2007
Loans Payable:				
International Gateway Associates, LLC dated October 2001	10.0	2032	1,876	1,823
PCCP/Las America, LLC, dated August 2005	10.0	2036	1,247	1,239
Centerpoint, LLC, dated April 2006	7.0	2021	5,245	5,245
Line of Credit from Bank of America[5] dated October 2006	4.25-6.57	2009	8,530	8,530
City of San Diego, dated various dates	Variable[6]	-	119,417	119,417
Total Loans Payable				136,254
Accrued Interest Payable:				
Accrued Interest Payable on City Note[7]		-	-	4,058
Accrued Interest Payable on City Loans[7]		-	-	130,774
Total Accrued Interest Payable				134,832
Total Governmental Activities				$ 822,670

[1] Interest rates are fixed, and reflect the range of rates for various maturities from date of issuance to maturity.

[2] The City Heights Tax Allocation Bonds, Series 1999 B, are capital appreciation bonds, which mature from fiscal year 2011 through 2029. The balance outstanding at June 30, 2007 does not include accreted interest of $6,156.

[3] The Centre City Tax Allocation Bonds, Series 2001 A, partially include capital appreciation bonds, which mature from fiscal year 2015 through 2027. The balance outstanding at June 30, 2007 does not include accreted interest of $4,859.

[4] San Diego State University Foundation executed an Agreement for Processing a Redevelopment Plan and Land Use Entitlements with the Agency which allows for reimbursement of expenses incurred by the Foundation, in assisting in the preparation and processing of the Redevelopment Plan and Land Use Entitlements in the College Area. The agreement is a variable rate obligation of the Agency. The unpaid principal bears interest at the prime rate and is fixed on a quarterly basis, using the prime rate established on the first banking day of each calendar quarter. Interest calculations are made on the quarterly weighted average of the principal balance and are made at the end of the quarter based upon the rate fixed for that quarter. The interest rate is not to exceed 12 percent per annum on funds advanced to the Agency. The effective interest rate as of June 30, 2007 is 8.25 percent.

[5] Loans Payable includes a line of credit executed by the Agency with Bank of America, N.A. on October 31, 2006. The line of credit is to be used to refinance the North Park Theatre, to pay sums of settlement of eminent domain actions relating to the North Park Redevelopment Area and for other redevelopment activities in the North Park Redevelopment Area. The tax-exempt portion of the line of credit has an effective interest rate of 4.25 percent and the taxable portion has an effective interest rate of 6.57 percent as of June 30, 2007. The effective interest rate will reset on October 31, annually.

[6] The City of San Diego has loaned funds to the Redevelopment Agency to carry out and implement redevelopment activities which will generate future tax increment revenues. The basis for computation of interest on these loans is based on the Prime Rate as printed in the Wall Street Journal on the first Monday following January 1 of the calendar year in which the fiscal year begins plus 2 percent on the outstanding principal loan balance only. The Prime Rate as of January 1, 2006 is 7.25 percent.

[7] Interest on City Loans and Notes is not compounded.

b. Amortization Requirements

The debt service for revenue bonds and tax allocation bonds is paid from tax increment revenues received by the Agency. Revenue bonds are secured by a pledge of revenues generated by certain public parking facilities operated by the City pursuant to a Parking Structure Operating Agreement between the City and the Agency.

The annual requirements to amortize the Agency's long-term debt outstanding as of June 30, 2007, including interest payments to maturity, are as follows:

Year Ending	Revenue Bonds		Tax Allocation Bonds		
June 30,	Principal	Interest	Principal	Unaccreted Appreciation	Interest
2008	$ 920	$ 1,543	$ 13,371	$ 1,996	$ 24,746
2009	960	1,505	14,476	2,081	24,208
2010	995	1,463	15,089	2,163	23,555
2011	1,040	1,418	15,853	2,243	22,808
2012	1,085	1,369	16,649	2,317	21,996
2013 - 2017	6,295	5,948	108,113	12,155	94,452
2018 - 2022	8,190	3,985	126,018	10,653	64,779
2023 - 2027	9,825	1,330	119,558	4,900	34,443
2028 - 2032	-	-	63,107	154	10,176
2033 - 2037	-	-	10,570	-	356
Total	$ 29,310	$ 18,562	$ 502,804	$ 38,662	$ 321,519
Add:					
Accreted appreciation through June 30, 2007			11,015		
Total	$ 29,310	$ 18,562	$ 513,819	$ 38,662	$ 321,519

Year Ending	Contracts Payable		Notes Payable		Loans Payable	
June 30,	Principal	Interest	Principal	Interest	Principal	Interest
2008	$ -	$ -	$ -	$ 140	$ 25	$ 306
2009	-	-	-	140	8,558	304
2010	-	-	-	140	30	301
2011	-	-	-	140	33	298
2012	-	-	-	176	37	295
2013 - 2017	-	-	-	-	246	1,410
2018 - 2022	-	-	-	-	396	1,260
2023 - 2027	-	-	-	-	639	1,018
2028 - 2032	-	-	-	-	1,028	628
2033 - 2037	-	-	-	-	600	128
Unscheduled*	2,615	1,978	16,855	8,077	124,662	130,774
Total	$ 2,615	$ 1,978	$ 16,855	$ 8,813	$ 136,254	$ 136,722

*The contract payable to San Diego State University Foundation in the amount of $1,715, contract payable to Western Pacific Housing, Inc. in the amount of $900, notes payable to the Price Charities in the amount of $8,384, notes payable to Wal-Mart in the amount of $171, note payable to the City in the amount of $8,300, loan payable to Centerpoint, LLC in the amount of $5,245, loans payable to the City in the amount of $119,417, accrued interest associated with developer Contracts, Loans and Notes of $5,260 and accrued interest associated with City Loans and Notes of $134,832 do not have annual repayment schedules. Annual payments to the San Diego Revitalization and Wal-Mart debt are based on available tax increment.

c. Changes In Long-Term Liabilities

The following is a summary of changes in governmental activities long-term liabilities for year ended June 30, 2007:

	Balance, July 1, 2006	Additions	Reductions	Balance, June 30, 2007	Due Within One Year
Revenue Bonds	$ 30,200	$ -	$ (890)	$ 29,310	$ 920
Less deferred amounts:					
For Issuance Discounts	(105)	-	5	(100)	-
Net Revenue Bonds	30,095	-	(885)	29,210	920
Tax Allocation Bonds	514,845	-	(12,041)	502,804	13,371
Accretion	9,219	1,910	(114)	11,015	-
Net with Accretion	524,064	1,910	(12,155)	513,819	13,371
Less/Plus deferred amounts:					
For Issuance Premiums/Discounts	6,822	-	(295)	6,527	-
On Refunding	(1,194)	-	295	(899)	-
Net Tax Allocation Bonds	529,692	1,910	(12,155)	519,447	13,371
Contracts Payable	2,615		-	2,615	-
Notes Payable	15,594	2,180	(919)	16,855	-
Loans Payable	130,089	12,341	(6,176)	136,254	25
Interest Accrued on City Note and Loans	124,065	11,538	(771)	134,832	-
Total	$ 832,150	$ 27,969	$ (20,906)	$ 839,213	$ 14,316

In the current fiscal year, the Agency received loan proceeds totaling $12,341, of which $8,530 were drawn from a Bank of America line of credit and $3,672 were received from the City to fund activity in various project areas (see Note 9). Also, the Agency received note proceeds totaling $2,180 from Price Charities to fund activities in the City Heights Project Area. In addition, accrued interest on outstanding City loans and notes increased by $10,623 and $915, respectively. These increases were offset by interest payments of $771.

6. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS (In Thousands)

Interfund receivable and payable balances are the result of loans between funds that are expected to be repaid during the next fiscal year. Interfund receivable/payable balances as of June 30, 2007 are as follows:

	Benefiting Fund (Payable)	
Contributing Fund (Receivable)	Other Governmental Funds	Total Governmental Funds
Other Governmental Funds	36	36
Total Governmental Funds	$ 36	$ 36

Interfund transfers result from the transfer of assets without the expectation of repayment. In the case of the Agency, transfers are most commonly used to move revenues from the fund in which they are collected to the fund in which they are expended. Interfund transfers for year ended June 30, 2007 are as follows:

	Benefiting Fund (Transfer In)					
	Special Revenue				Other	Total
Contributing Fund (Transfer Out)	Centre City Low/Mod	Centre City Debt Service	Centre City Capital Projects	Horton Plaza Capital Projects	Governmental Funds	Governmental Funds
Centre City Special Revenue Low-Mod	$ -	$ 5,435	$ -	$ -	$ -	$ 5,435
Centre City Special Revenue Other	-	27,307	9,478	-	-	36,785
Centre City Debt Service	-	-	782	-	-	782
Centre City Capital Projects	1,165	1	-	-	-	1,166
Other Governmental Funds	-	-	-	1,968	28,530	30,498
Total Governmental Funds	$ 1,165	$ 32,743	$ 10,260	$ 1,968	$ 28,530	$ 74,666

7. NET ASSETS DEFICIT (In Thousands)

The Agency had a net assets deficit of $(61,070) as of June 30, 2007, which includes a deficit in unrestricted net assets of $(211,136). One of the major factors contributing to the Agency's deficit is the use of long term debt to acquire properties that have been sold to developers or conveyed to the City at a loss. In addition, long term debt has been used to fund redevelopment activities costs that are not capitalized. A majority of the borrowed funds are used for activities such as public improvements, public parking, community development activities, commercial and retail projects, housing, and rehabilitation of properties not owned by the Agency. In addition to the public purpose of these activities, they are designed to generate additional tax increment revenues, a portion of which is used by the Agency to repay outstanding debt and finance additional projects. Finally, the Agency has received loans and notes from the City to fund various project areas. The interest on these loans has substantially contributed to the Agency's net asset deficit.

8. FUND DEFICIT (In Thousands)

The following table identifies funds with a net deficit as of June 30, 2007:

Fund	Net Deficit
Barrio Logan Capital Projects	$ (485)
College Community Capital Projects	(404)
College Grove Capital Projects	(70)
Grantville Capital Projects	(47)
Naval Training Center Capital Projects	(21)
San Ysidro Capital Projects	(10)

All of the deficits can be attributed to timing of inflows of financial resources. Most expenditures in Capital Projects Funds are reimbursed from Special Revenue Funds through transfers at the time cash is disbursed. In the case of these funds, expenditures related to City services have been accrued in the Capital Projects Funds and will be reimbursed at the time of payment the following year.

9. RELATED PARTY TRANSACTIONS (In Thousands)

For the year ended June 30, 2007 the Agency received loans from the City totaling $3,672 to fund redevelopment activity in the following project areas:

Project Area	Amount
Central Imperial	$ 100
Grantville	34
Naval Training Center	3,538
Total	$ 3,672

In addition the Agency received contributions from the City totaling $4,241. Most of the contributions were funded by operating revenue generated by two parking structures operated by the City for payment of debt service related to parking revenue bonds used for the construction of these parking structures in the Centre City Project Area.

For the year ended June 30, 2007, the Agency's participation in various City Capital Improvement Projects totaled $1,264.

The redevelopment project areas are overseen by the Agency's three administrative units: Centre City Development Corporation ("CCDC"), Southeastern Economic Development Corporation, ("SEDC") and the Redevelopment Division of the City's City Planning and Community Investment Department. These activities are carried out pursuant to operating agreements with both the City and the Agency under which the City and the Agency agree to reimburse CCDC, SEDC and the Redevelopment Division for all eligible costs incurred in connection with such activities.

Pursuant to these operating agreements, the Agency provides a working capital advance to CCDC and SEDC to be deposited in an account with a commercial bank designated by each corporation as its depository. The corporations then draw funds to pay for eligible expenses incurred in connection with services rendered. At the end of each calendar month, the corporations submit to the Agency a voucher for the total of eligible expenses paid out of the account during the previous calendar month. Upon approval by the City, the corporations are reimbursed for these expenses. Similarly, costs for services incurred under the operating agreement with the Redevelopment Division of the City are initially recorded in the Redevelopment Division Administrative Fund and reimbursed by the Agency on a periodic basis upon receipt of a statement of expenses.

The following table reflects the reimbursements made during the current fiscal year:

	Amount
Centre City Development Corporation	$ 7,000
Southestern Economic Development Corporation	1,854
City Redevelopment Division	2,826
Total	$ 11,680

10. CONTINGENCIES (In Thousands)

FEDERAL AND STATE GRANTS

The City recognizes as revenue grant monies received as reimbursement for costs incurred in certain Federal and State programs it administers. Although the City's Federal grant programs are audited in accordance with the requirements of the Federal Single Audit Act of 1984, the Single Audit Act Amendments of 1996 and the related U.S. Office of Management and Budget Circular A-133, these programs may be subject to financial and compliance audits by the reimbursing agencies. The amount, if

any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The Single Audits for fiscal years ended June 30, 2004, 2005 and 2006 were completed by Macias Gini & O'Connell LLP and have been received and filed by the City Council.

Additionally, the local unit of the U.S. Department of Housing and Urban Development (HUD) has recently conducted an audit survey of the City's Community Development Block Grant (CDBG) program. The overall objective of the audit survey was to determine whether management complied with applicable laws, regulations, and requirements of HUD's CDBG program. After review of the program, HUD determined that the City may not be in compliance with CFR 85.25. Specifically, HUD is concerned with CDBG loans to the Agency, "Re-Loans", and other program eligibility issues.

The Office of the Inspector General (OIG) subsequently began an audit which focused on CDBG loans with the Agency. As part of the audit process HUD has recommended that the City and its Redevelopment Agency ensure timely payments of both principal and interest on CDBG loans made from the City to the Redevelopment Agency. The total amount of the loans identified by HUD was $139,202. These loans are reported as a component of loans payable and accrued interest payable to the City in the long-term liabilities footnote of the Redevelopment Agency Financial Statements with an "unscheduled" maturity date. OIG has indicated a need to establish a repayment schedule; however, did not stipulate a proposed time period for repayment. Depending on the outcome of negotiations with HUD, repayment of the loans by the Agency could impact the Agency's liquidity. These loans do not appear in the City's CAFR as they represent interfund activity between two governmental funds, and in accordance with GASB Statement No. 34, are eliminated to avoid the inappropriate "grossing up" effects that internal activity has on aggregated amounts.

It is currently uncertain what, if any, other action HUD will take concerning potential non-compliance regulations over the use of federal funds. HUD also plans to proceed with another audit focusing on other CDBG activity, and this is scheduled to begin in July, 2009.

CONTINUING DISCLOSURE OBLIGATIONS

The Agency, in connection with all bond offerings since the effective date (July 1995) of the continuing disclosure requirements of SEC Rule 15c2-12, has contractually obligated itself to provide annual financial information, including audited financial statements, within certain specified time periods (generally nine months) after the end of each fiscal year. The Agency has not been able to satisfy its contractual obligations to provide to the national repositories audited financial statements, or financial information and operating data derived from the financial statements, for fiscal years 2003 through 2007 on a timely basis. For each respective bond issuance, the Agency, as required by its continuing disclosure contractual obligations, provided to the national repositories a notice of the failure to file the audited annual financial statements information.

LITIGATION AND REGULATORY ACTIONS

The Agency is a defendant in lawsuits pertaining to material matters, including claims asserted which are incidental to performing routine governmental and other functions. This litigation includes but is not limited to: actions commenced and claims asserted against the Agency arising out of alleged torts; alleged breaches of contracts; alleged violations of law; and condemnation proceedings.

Estimates of the liabilities for unsettled claims are reported in the Government-Wide Statement of Net Assets. The liability is estimated by categorizing the various claims and supplemented by information provided by the City Attorney, as well as outside counsel, with respect to certain large individual claims and proceedings. The recorded liability is the Agency's best estimate based on available information. In the current fiscal year there were no liabilities reported in the Government-Wide Statement of Net Assets.

Significant individual lawsuits are described below.

<u>McColl v. Redevelopment Agency of the City of San Diego</u>
This was an Eminent Domain action whereby the Agency acquired the fee simple property occupied by Jack in the Box and owned by Ms. McColl for the City Heights Redevelopment Project Area. Settlement for this lawsuit has been secured with the McColls. The Agency has taken possession of the property.

However, it paid for the real property with a partial judgment on file with the court. Jack in the Box and the Agency continue to work cooperatively in finding a relocation site. The Agency is involved currently with providing possible relocation options to Jack in the Box. If the Agency is successful with the relocation efforts, then the Agency's expense will be less than $500. If the relocation effort is unsuccessful, the Agency could face a claim of about $5,000. According to outside counsel, the possible exposure of this case is approximately $3,000. Liabilities for this case were not accrued in the Agency's financial statements as outside counsel has indicated the likelihood that the plaintiff will prevail is only reasonably possible.

11. SUBSEQUENT EVENTS (In Thousands)

On July 12, 2007, the Public Facilities Financing Authority issued $17,230 Series 2007A taxable pooled financing bonds for Southcrest, Central Imperial and Mount Hope Redevelopment Projects and $17,755 Series 2007B tax-exempt pooled financing Bonds for Southcrest and Central Imperial Redevelopment Projects. The Series A and Series B together were issued to make loans to the Redevelopment Agency of the City of San Diego to be used for financing and refinancing redevelopment activities in the Southcrest, Central Imperial and Mount Hope Redevelopment Project Areas. The issuance was through a public offering. The Series 2007 A and 2007 B Bonds are secured by a Loan Agreement and a Second Supplemental Trust Agreement (Central Imperial Redevelopment Project Area) and a Third Supplemental Trust Agreement (Southcrest Redevelopment Project Area) and a Fourth Supplemental Trust Agreement (Mount Hope Redevelopment Area) and are payable solely from the tax increment revenues derived from each project area. The interest rates range from 4.0% to 6.65%, and the final maturity date is October 1, 2037.

On July 26, 2007, the Redevelopment Agency of the City of San Diego executed six separate non-revolving secured three-year term taxable lines of credit with San Diego National Bank. Four lines of credit are for affordable housing in North Park, City Heights, North Bay and Naval Training Center (NTC) Redevelopment Project Areas for an aggregate of $34,000. The two additional lines of credit are for non-housing or general purpose for the City Heights, which is a taxable line of credit of $20,000 and NTC Redevelopment Project, which is taxable for $6,000 and tax-exempt for $10,000. The Agency may elect to have the taxable advance bear interest at a fixed rate to the United States Three-Year Treasury Constant Maturities Index plus 1.90%, which will remain fixed for the entire period of such advance or elect to have the interest set at a fixed rate to equal to the One-Month LIBOR Rate plus 1.10%. Tax-exempt advances will bear interest at a fixed rate determined by adding .70% to the product of the One-Month LIBOR Rate multiplied by 90%. Interest will be payable quarterly in arrears along with a .45% per annum loan fee on the unused commitment. Principal is due at maturity with no prepayment penalty.

On June 5, 2008, the Redevelopment Agency of the City of San Diego issued $69,000 Housing Tax Allocation Bonds for the purpose of financing certain improvements relating to, or increasing the supply of, low and moderate income housing in the Centre City Redevelopment Project and such other areas as authorized by the Redevelopment Law. The Series 2008A Bonds are payable from, secured equally and are on parity with outstanding Centre City Redevelopment Project Tax Allocation Housing Bonds, Series 2004C, Series 2004D and 2006B Bonds, by a charge and lien on the pledged housing tax revenues derived by the Agency from the Redevelopment Project. The bond issuance is structured as serial and term bonds and has an interest rate that ranges from 3.74% to 6.30%, and the final maturity date is September 1, 2020.

On June 24, 2008, the Redevelopment Agency, the City, and the County agreed to settle the Grantville Validation Action under terms proposed by the County, Atomic, and the Teyssier Trust. The settlement was related to an action brought by the County on July 8, 2005, to challenge the validity of the Grantville Redevelopment Plan and Ordinance No. 19380. In addition, Atomic and Teyssier Trust, as interested property owners within the Grantville Redevelopment Project Area joined in as interested parties in the County's action. Separately, on July 15, 2005, Atomic filed its own validation lawsuit against the City and the Redevelopment Agency on grounds very similar to those within the County's suit. The court consolidated the Atomic lawsuit with the County's lawsuit, hereinafter referred to as the "Grantville Validation Action". On February 14, 2007, the Agency Board Members authorized the Executive Director of the Agency to execute a joint account agreement by and between the Agency and the County for the purpose of depositing tax increment revenue generated in the Grantville Redevelopment Project Area.

The agreement stated that the County would deposit all tax increment revenues for the Grantville Redevelopment Project Area in an interest bearing account on the same schedule that would apply under applicable law to the payment of such Tax Increment Revenues to the Agency in the absence of the validation action. The Agency and the County agreed that such tax increment revenues would be held in the joint interest bearing account until a final judgment had been rendered in the validation action. The Tax Increment Revenues, net of County administration fees, deposited in the joint account for year ended June 30, 2007 was $445.

On July 23, 2008, the President of the Southeastern Economic Development Corporation (SEDC) was terminated by the Board of SEDC under allegations of misconduct. There currently is litigation over the appropriateness of the severance package awarded and also seeking to recover misappropriated assets. In September, an audit report was released publicly that documented suspected incidences of fraudulent activity related to, among other things, executive compensation.

On July 24, 2008, the President of the Centre City Development Corporation (CCDC) resigned. During the months preceding and also subsequent to the resignation, allegations of misconduct stemming from potential violations of City and State of California conflict of interest laws became public. CCDC has since suspended activity on the projects associated with the alleged conflict of interest violations. Depending on the extent to which the counterparty was aware of conflicts of interest, CCDC could potentially be subject to litigation arising from construction delays or project cancellations. The full nature and extent of the misconduct along with the extent of any possible liability to the City or CCDC is currently unknown.

On September 22, 2008 the State passed its fiscal year 2008-2009 budget. This budget included a one-year, one-time ERAF shift of $350,000 from all California redevelopment agencies. ERAF is the Educational Revenue Anticipation Fund which is used by the County to accumulate property tax amounts shifted from local governments back to the State. These funds will not be repaid. The negative impact to the City of San Diego Redevelopment Agency is projected to be $11,457.

On November 1, 2008, the Redevelopment Agency of the City of San Diego executed a first amendment to line of credit with Bank of America, N.A. to reduce the limit the loan from $10,000 to $8,530, which is comprised of an existing tax-exempt draw of $7,534 and a taxable draw of $996. The line of credit was used to refinance the qualifying expenditures relating to the North Park Theatre Project and the North Park Parking Project and for other redevelopment activities in the North Park Redevelopment Area. The interest rate on the tax-exempt advances will be at a rate per year equal to 62.347% of the LIBOR Rate plus 1.20% and the interest rate on the taxable advances will be at a rate per year equal to the LIBOR Rate plus 1.50%. The maturity date will be extended to July 31, 2009 and no prepayments of the line of credit shall be permitted.

Subsequent to the period covered in these financial statements, global financial markets have experienced significant declines. The effects of the market declines have been wide ranging and impact even the most diversified investment portfolios.

The Agency participates in the City's pooled Cash and Investments. The Agency does not own identifiable investment securities of the Pool; rather, it participates as a shareholder of the Pool. It does however, own identifiable investments which are not part of the Pool and are managed by the City Treasurer. The Agency's Equity in the City's Pooled Investment Portfolio is the primary source of funding for debt service payments, tax sharing payments and some redevelopment and affordable housing activities. The Non-Pooled investment portfolio is composed primarily of assets dedicated for affordable housing and redevelopment activities. The Pooled and Non-Pooled portfolio investments are composed of investments with duration of less than 5 years and they are heavily allocated toward US government fixed income securities and the securities of Government Sponsored Enterprises. A discussion of the interest, credit and custodial risk to the Agency's portfolios as of June 30, 2007 is contained in Note 3 of the Notes to the Financial Statements.

Required Supplementary Information

CENTRE CITY LOW AND MODERATE INCOME HOUSING
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
(BUDGETARY BASIS)
Year Ended June 30, 2007

	Prior Year Budget	Current Year Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES					
Tax Increments	$ -	$ 12,509	$ 12,509	$ 19,170	$ 6,661
Bond Proceeds	-	28,426	28,426	-	(28,426)
Interest/Rent/Other	-	1,305	1,305	3,643	2,338
Developer Proceeds	-	23	23	5	(18)
City Participation	-	-	-	10	10
Other Revenue	-	-	-	17	17
Total Current Year Revenues	-	42,263	42,263	22,845	(19,418)
Prior Year Revenue	42,211	-	42,211		
TOTAL REVENUES	42,211	42,263	84,474	22,845	(19,418)
EXPENDITURES					
Low Mod Expenditures	42,211	42,263	84,474	53,224	31,250
TOTAL EXPENDITURES	42,211	42,263	84,474	53,224	31,250
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	$ -	$ -	$ -	$ (30,379)	$ (50,668)

Notes to Required Supplementary Information

Note A - Budgetary Data

Prior to June 1, the Executive Director submits to the Agency Board of Directors and the City Council, a proposed budget for the fiscal year commencing July 1. This budget includes annual budgets for many of the Debt Service funds, all Capital Projects funds, and the Low and Moderate Income Housing Special Revenue funds. A budget is not adopted for special revenue funds, other than the low and moderate income housing funds, since these funds are mostly used to collect tax increment revenue. For this reason, a budget to actual comparison is not required for the Centre City Other Special Revenue Major fund. A budget to actual comparison for the Centre City Low and Moderate Income Housing Fund is presented on page 64 of this report.

During the proposed budgetary hearing, public comment is heard. The Agency's budget is then legally adopted generally during the months of May or June, through passage resolutions by the Agency's Board of Directors.

Budgetary control is maintained at the total fund appropriation level. All amendments to the adopted budget require Agency Board of Directors' approval except as delegated in the Annual Appropriation Resolution. The head of each of the administrative units, or their designee are authorized under the Appropriation Resolution to request the City Comptroller to make budgetary transfers within each project fund and transfer appropriations or loan available funds between sub-projects within a project, provided that such transfers or loans do not increase or decrease the total project budget or result in a use of funds which would be inconsistent with the permitted use(s) of such funds.

Reported budget figures are as originally adopted or subsequently amended plus prior year continuing appropriations. Such budget amendments during the year, including those related to supplemental appropriations, did not cause reported budget amounts to be significantly different than the originally adopted budget amounts.

Note B - Explanation of Differences between Revenues, Expenditures, and Other Financing Sources (Uses) for Budgetary Funds on a Budgetary Basis and GAAP Major Special Revenue Funds on a GAAP Basis.

The Budgetary Comparison Schedule presented in this report reflects the total appropriations available for current fiscal year expenditures in the Centre City Low to Moderate Income Housing fund. The categories used to report revenues, expenditures and other financing sources and uses at the fund level financial statements on a GAAP basis conform to uniform accounting standards established by the California State Comptroller's Office for all redevelopment agencies in the State. The Budgetary Comparison Schedule reflects total expenditures for the fund and does not reflect the GAAP basis categories established by the State because budgetary control is not maintained at this level.

The following table provides an explanation of additional adjustments made to the GAAP basis expenditures to reflect a budgetary basis of accounting.

Financial Statements Major Funds	Centre City Low/Mod
Expenditures	
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedules	$ 53,224
Adjustments:	
Encumbrances are included in the budgetary basis of accounting	(39,406)
Losses related to net realizable value of property held for resale are not included in the budgetary basis of accounting	3,678
Transfers to other funds are classified as Low Mod Expenditures in the budgetary basis of accounting	(5,435)
Total expenditures on a GAAP Basis of accounting	$ 12,061

Nonmajor Governmental Funds

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2007
(In Thousands)

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low-Mod	Other			
ASSETS					
Cash or Equity in Pooled Cash and Investments	$ 17,041	$ 44,631	$ 395	$ 5,440	$ 67,507
Cash and Investments with Fiscal Agent	-	-	14,192	-	14,192
Investments at Fair Value	-	-	-	3,796	3,796
Receivables:					
Taxes	299	1,209	-	-	1,508
Notes and Contracts	19,828	-	-	3,786	23,614
Interest	160	447	24	55	686
From Other Funds	-	36	-	-	36
Working Capital Advances:					
Southeastern Economic Development Corporation	-	-	-	295	295
City of San Diego	-	-	-	623	623
Land Held for Resale	1,142	-	-	3,820	4,962
Prepaid Items and Deposits	-	-	-	1,159	1,159
TOTAL ASSETS	$ 38,470	$ 46,323	$ 14,611	$ 18,974	$ 118,378
LIABILITIES					
Accounts Payable	$ 114	$ -	$ 382	$ 3,189	$ 3,685
Due to Other Funds	-	-	36	-	36
Sundry Trust Liability	-	-	-	371	371
TOTAL LIABILITIES	114	-	418	3,560	4,092
FUND BALANCES					
Reserved for Land Held for Resale	1,142	-	-	3,820	4,962
Reserved for Notes Receivable	19,828	-	-	3,786	23,614
Reserved for Encumbrances	22,775	78	-	6,178	29,031
Reserved for Prepaid Items and Deposits	-	-	-	1,159	1,159
Reserved for Working Capital Advances	-	-	-	918	918
Reserved for Low and Moderate Income Housing	6,851	-	-	-	6,851
Reserved for Debt Service	-	-	14,182	-	14,182
Unreserved:					
Reported in Special Revenue Funds:					
Designated for Debt Service	-	36,897	-	-	36,897
Designated for Subsequent Years' Expenditures	-	8,567	-	-	8,567
Undesignated	(12,240)	781	-	-	(11,459)
Reported in Debt Service Funds:					
Designated for Debt Service	-	-	11	-	11
Reported in Capital Projects Funds:					
Designated for Subsequent Years' Expenditures	-	-	-	2,778	2,778
Undesignated	-	-	-	(3,225)	(3,225)
TOTAL FUND BALANCES	38,356	46,323	14,193	15,414	114,286
TOTAL LIABILITIES AND FUND BALANCES	$ 38,470	$ 46,323	$ 14,611	$ 18,974	$ 118,378

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
Year Ended June 30, 2007
(In Thousands)

	Other Governmental Funds				Total Nonmajor Governmental Funds
	Special Revenue		Debt Service	Capital Projects	
	Low-Mod	Other			
REVENUES					
Tax Increments	$ 10,797	$ 43,186	$ -	$ -	$ 53,983
Interest	828	1,959	740	460	3,987
Rents	-	-	-	246	246
Private Sources	-	-	137	194	331
Other Revenue	15	-	-	28	43
TOTAL REVENUES	11,640	45,145	877	928	58,590
EXPENDITURES					
Administration	625	326	-	5,234	6,185
Legal	57	-	-	705	762
Plans and Surveys	260	-	-	696	956
Acquisition Expense	-	-	-	156	156
Real Estate/Fixture Purchases	213	-	-	1,915	2,128
Property Management	30	-	-	388	418
Relocation	2	-	-	67	69
Rehabilitation	564	-	-	71	635
Project Improvements	3,156	-	-	10,392	13,548
Program Management	4	-	-	95	99
Housing Subsidies	918	-	-	-	918
Tax Sharing Payments	-	7,218	-	-	7,218
City Capital Outlay	-	-	-	1,264	1,264
Debt Service:					
Principal	-	-	9,976	-	9,976
Interest	-	-	7,977	-	7,977
TOTAL EXPENDITURES	5,829	7,544	17,953	20,983	52,309
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,811	37,601	(17,076)	(20,055)	6,281
OTHER FINANCING SOURCES (USES)					
Transfers from Tax Increments	-	-	8,906	10,843	19,749
Transfers from Other Funds	199	-	8,325	59	8,583
Transfers from Bond Proceeds	20	-	168	10	198
Transfers to Other Funds	(2,681)	(21,716)	(134)	(5,967)	(30,498)
Proceeds from Developer Loans and Notes	-	-	-	10,849	10,849
Loans from the City of San Diego	-	-	-	3,672	3,672
TOTAL OTHER FINANCING SOURCES (USES)	(2,462)	(21,716)	17,265	19,466	12,553
NET CHANGE IN FUND BALANCES	3,349	15,885	189	(589)	18,834
FUND BALANCES AT JULY 1, 2006	35,007	30,438	14,004	16,003	95,452
FUND BALANCES AT JUNE 30, 2007	$ 38,356	$ 46,323	$ 14,193	$ 15,414	$ 114,286

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2007
(In Thousands)

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 100	$ 182	$ 470	$ 1,113
Receivables:				
Taxes	4	18	8	31
Notes and Contracts	-	-	-	-
Interest	-	3	5	11
From Other Funds	-	-	-	-
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 104	$ 203	$ 483	$ 1,155
LIABILITIES				
Accounts Payable	$ -	$ -	$ 9	$ -
TOTAL LIABILITIES	-	-	9	-
FUND BALANCES				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes Receivable	-	-	-	-
Reserved for Encumbrances	-	-	40	19
Reserved for Low and Moderate Income Housing	104	-	434	-
Unreserved:				
Designated for Debt Service	-	31	-	1,099
Designated for Subsequent Years' Expenditures	-	130	-	37
Undesignated	-	42	-	-
TOTAL FUND BALANCES	104	203	474	1,155
TOTAL LIABILITIES AND FUND BALANCES	$ 104	$ 203	$ 483	$ 1,155

City Heights		College Community		College Grove		Crossroads	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 1,669	$ 9,820	$ 436	$ 125	$ 244	$ 677	$ 1,238	$ 2,982
69	279	4	13	4	17	24	97
4,340	-	-	-	-	-	-	-
14	89	4	5	3	8	11	36
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 6,092	$ 10,188	$ 444	$ 143	$ 251	$ 702	$ 1,273	$ 3,115
$ 65	$ -	$ -	$ -	$ -	$ -	$ -	$ -
65	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
4,340	-	-	-	-	-	-	-
2,324	-	-	-	-	-	-	40
-	-	444	-	251	-	1,273	-
-	5,935	-	56	-	501	-	2,437
-	4,253	-	87	-	201	-	638
(637)	-	-	-	-	-	-	-
6,027	10,188	444	143	251	702	1,273	3,115
$ 6,092	$ 10,188	$ 444	$ 143	$ 251	$ 702	$ 1,273	$ 3,115

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2007
(In Thousands)

	Gateway Center West		Horton Plaza	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 81	$ 351	$ 2,879	$ 12,735
Receivables:				
Taxes	1	3	29	120
Notes and Contracts	-	-	14,138	-
Interest	-	4	29	128
From Other Funds	-	-	-	-
Land Held for Resale	-	-	1,120	-
TOTAL ASSETS	$ 82	$ 358	$ 18,195	$ 12,983
LIABILITIES				
Accounts Payable	$ -	$ -	$ 23	$ -
TOTAL LIABILITIES	-	-	23	-
FUND BALANCES				
Reserved for Land Held for Resale	-	-	1,120	-
Reserved for Notes Receivable	-	-	14,138	-
Reserved for Encumbrances	-	-	573	-
Reserved for Low and Moderate Income Housing	82	-	2,341	-
Unreserved:				
Designated for Debt Service	-	358	-	12,983
Designated for Subsequent Years' Expenditures	-	-	-	-
Undesignated	-	-	-	-
TOTAL FUND BALANCES	82	358	18,172	12,983
TOTAL LIABILITIES AND FUND BALANCES	$ 82	$ 358	$ 18,195	$ 12,983

Linda Vista		Mount Hope		Naval Training Center		North Bay	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 19	$ 194	$ 736	$ 1,217	$ 1,209	$ 1,604	$ 3,553	$ 5,492
-	1	7	28	23	92	75	302
-	-	150	-	-	-	-	-
-	2	7	13	11	15	35	49
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
$ 19	$ 197	$ 900	$ 1,258	$ 1,243	$ 1,711	$ 3,663	$ 5,843
$ -	$ -	$ 3	$ -	$ -	$ -	$ -	$ -
-	-	3	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	150	-	-	-	-	-
-	-	3	-	5,750	-	8,610	-
19	-	744	-	-	-	-	-
-	197	-	1,258	-	1,009	-	4,462
-	-	-	-	-	702	-	943
-	-	-	-	(4,507)	-	(4,947)	438
19	197	897	1,258	1,243	1,711	3,663	5,843
$ 19	$ 197	$ 900	$ 1,258	$ 1,243	$ 1,711	$ 3,663	$ 5,843

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
June 30, 2007
(In Thousands)

	North Park		San Ysidro	
	Low-Mod	Other	Low-Mod	Other
ASSETS				
Cash or Equity in Pooled Cash and Investments	$ 2,257	$ 3,349	$ 1,498	$ 3,528
Receivables:				
Taxes	35	143	1	6
Notes and Contracts	1,200	-	-	-
Interest	19	37	16	34
From Other Funds	-	36	-	-
Land Held for Resale	-	-	-	-
TOTAL ASSETS	$ 3,511	$ 3,565	$ 1,515	$ 3,568
LIABILITIES				
Accounts Payable	$ -	$ -	$ 10	$ -
TOTAL LIABILITIES	-	-	10	-
FUND BALANCES				
Reserved for Land Held for Resale	-	-	-	-
Reserved for Notes Receivable	1,200	-	-	-
Reserved for Encumbrances	4,430	-	1,027	19
Reserved for Low and Moderate Income Housing	30	-	478	-
Unreserved:				
Designated for Debt Service	-	2,448	-	2,789
Designated for Subsequent Years' Expenditures	-	1,117	-	459
Undesignated	(2,149)	-	-	301
TOTAL FUND BALANCES	3,511	3,565	1,505	3,568
TOTAL LIABILITIES AND FUND BALANCES	$ 3,511	$ 3,565	$ 1,515	$ 3,568

Southcrest		Total		
Low-Mod	Other	Low-Mod	Other	Total
$ 652	$ 1,262	$ 17,041	$ 44,631	$ 61,672
15	59	299	1,209	1,508
-	-	19,828	-	19,828
6	13	160	447	607
-	-	-	36	36
22	-	1,142	-	1,142
$ 695	$ 1,334	$ 38,470	$ 46,323	$ 84,793
$ 4	$ -	$ 114	$ -	$ 114
4	-	114	-	114
22	-	1,142	-	1,142
-	-	19,828	-	19,828
18	-	22,775	78	22,853
651	-	6,851	-	6,851
-	1,334	-	36,897	36,897
-	-	-	8,567	8,567
-	-	(12,240)	781	(11,459)
691	1,334	38,356	46,323	84,679
$ 695	$ 1,334	$ 38,470	$ 46,323	$ 84,793

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2007
(In Thousands)

	Barrio Logan		Central Imperial	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 107	$ 427	$ 425	$ 1,699
Interest	1	13	21	41
Other Revenue	-	-	-	-
TOTAL REVENUES	108	440	446	1,740
EXPENDITURES				
Administration	21	4	76	15
Legal	5	-	30	-
Plans and Surveys	-	-	185	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	20	-
Relocation	2	-	-	-
Rehabilitation	-	-	-	-
Project Improvements	40	-	-	-
Program Management	-	-	2	-
Housing Subsidies	-	-	-	-
Tax Sharing Payments	-	41	-	223
TOTAL EXPENDITURES	68	45	313	238
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	40	395	133	1,502
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
Transfers from Bond Proceeds	-	-	-	-
Transfers to Other Funds	-	(363)	(60)	(867)
TOTAL OTHER FINANCING SOURCES (USES)	-	(363)	(60)	(867)
NET CHANGE IN FUND BALANCES	40	32	73	635
FUND BALANCES AT JULY 1, 2006	64	171	401	520
FUND BALANCES AT JUNE 30, 2007	$ 104	$ 203	$ 474	$ 1,155

City Heights		College Community		College Grove		Crossroads	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 2,546	$ 10,185	$ 146	$ 584	$ 135	$ 539	$ 757	$ 3,029
72	384	20	16	11	42	43	133
15	-	-	-	-	-	-	-
2,633	10,569	166	600	146	581	800	3,162
74	77	1	4	1	5	5	20
-	-	-	-	-	-	-	-
-	-	-	-	-	-	12	-
213	-	-	-	-	-	-	-
1	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
500	-	-	-	-	-	-	-
-	-	200	-	250	-	200	-
-	-	-	-	-	-	-	-
480	-	-	-	-	-	-	-
-	3,771	-	91	-	97	-	377
1,268	3,848	201	95	251	102	217	397
1,365	6,721	(35)	505	(105)	479	583	2,765
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
(1,216)	(2,429)	-	(550)	-	(413)	-	(1,086)
(1,216)	(2,429)	-	(550)	-	(413)	-	(1,086)
149	4,292	(35)	(45)	(105)	66	583	1,679
5,878	5,896	479	188	356	636	690	1,436
$ 6,027	$ 10,188	$ 444	$ 143	$ 251	$ 702	$ 1,273	$ 3,115

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2007
(In Thousands)

	Gateway Center West		Horton Plaza	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 56	$ 223	$ 1,707	$ 6,827
Interest	2	16	236	607
Other Revenue	-	-	-	-
TOTAL REVENUES	58	239	1,943	7,434
EXPENDITURES				
Administration	1	4	149	54
Legal	-	-	8	-
Plans and Surveys	-	-	6	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	9	-
Relocation	-	-	-	-
Rehabilitation	-	-	-	-
Project Improvements	-	-	1,380	-
Program Management	-	-	-	-
Housing Subsidies	-	-	218	-
Tax Sharing Payments	-	-	-	-
TOTAL EXPENDITURES	1	4	1,770	54
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	57	235	173	7,380
OTHER FINANCING SOURCES (USES)				
Transfers from Other Funds	-	-	-	-
Transfers from Bond Proceeds	-	-	-	-
Transfers to Other Funds	(28)	(132)	(790)	(4,982)
TOTAL OTHER FINANCING SOURCES (USES)	(28)	(132)	(790)	(4,982)
NET CHANGE IN FUND BALANCES	29	103	(617)	2,398
FUND BALANCES AT JULY 1, 2006	53	255	18,789	10,585
FUND BALANCES AT JUNE 30, 2007	$ 82	$ 358	$ 18,172	$ 12,983

Linda Vista		Mount Hope		Naval Training Center		North Bay	
Low-Mod	Other	Low-Mod	Other	Low-Mod	Other	Low-Mod	Other
$ 18	$ 71	$ 289	$ 1,156	$ 824	$ 3,296	$ 1,450	$ 5,801
1	10	33	50	40	111	156	185
-	-	-	-	-	-	-	-
19	81	322	1,206	864	3,407	1,606	5,986
1	3	31	8	6	25	10	38
-	-	-	-	-	-	7	-
-	-	7	-	-	-	8	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
27	-	-	-	-	-	-	-
-	-	-	-	250	-	-	-
-	-	1	-	-	-	-	-
-	-	-	-	-	-	220	-
-	-	-	-	-	594	-	774
28	3	39	8	256	619	245	812
-							
(9)	78	283	1,198	608	2,788	1,361	5,174
-	-	16	-	-	-	-	-
-	-	-	-	-	-	20	-
-	(40)	(118)	(746)	-	(3,776)	(204)	(1,552)
-	(40)	(102)	(746)	-	(3,776)	(184)	(1,552)
(9)	38	181	452	608	(988)	1,177	3,622
28	159	716	806	635	2,699	2,486	2,221
$ 19	$ 197	$ 897	$ 1,258	$ 1,243	$ 1,711	$ 3,663	$ 5,843

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - SPECIAL REVENUE FUNDS
Year Ended June 30, 2007
(In Thousands)

	North Park		San Ysidro	
	Low-Mod	Other	Low-Mod	Other
REVENUES				
Tax Increments	$ 1,177	$ 4,710	$ 755	$ 3,018
Interest	97	149	68	137
Other Revenue	-	-	-	-
TOTAL REVENUES	1,274	4,859	823	3,155
Administration	9	35	196	23
Legal	-	-	-	-
Plans and Surveys	25	-	-	-
Real Estate/Fixture Purchases	-	-	-	-
Property Management	-	-	-	-
Relocation	-	-	-	-
Rehabilitation	-	-	37	-
Project Improvements	575	-	260	-
Program Management	-	-	-	-
Housing Subsidies	-	-	-	-
Tax Sharing Payments	-	717	-	533
TOTAL EXPENDITURES	609	752	493	556
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	665	4,107	330	2,599
Transfers from Other Funds	183	-	-	-
Transfers from Bond Proceeds	-	-	-	-
Transfers to Other Funds	(184)	(2,420)	-	(807)
TOTAL OTHER FINANCING SOURCES (USES)	(1)	(2,420)	-	(807)
NET CHANGE IN FUND BALANCES	664	1,687	330	1,792
FUND BALANCES AT JULY 1, 2006	2,847	1,878	1,175	1,776
FUND BALANCES AT JUNE 30, 2007	$ 3,511	$ 3,565	$ 1,505	$ 3,568

Southcrest		Total		
Low-Mod	Other	Low-Mod	Other	Total
$ 405	$ 1,621	$ 10,797	$ 43,186	$ 53,983
27	65	828	1,959	2,787
-	-	15	-	15
432	1,686	11,640	45,145	56,785
44	11	625	326	951
7	-	57	-	57
17	-	260	-	260
-	-	213	-	213
-	-	30	-	30
-	-	2	-	2
-	-	564	-	564
1	-	3,156	-	3,156
1	-	4	-	4
-	-	918	-	918
-	-	-	7,218	7,218
70	11	5,829	7,544	13,373
362	1,675	5,811	37,601	43,412
-	-	199	-	199
-	-	20	-	20
(81)	(1,553)	(2,681)	(21,716)	(24,397)
(81)	(1,553)	(2,462)	(21,716)	(24,178)
281	122	3,349	15,885	19,234
410	1,212	35,007	30,438	65,445
$ 691	$ 1,334	$ 38,356	$ 46,323	$ 84,679

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
June 30, 2007
(In Thousands)

	Central Imperial	City Heights	College Community	College Grove	Gateway Center West
ASSETS					
Cash or Equity in Pooled Cash and Investments	$ -	$ 11	$ 382	$ -	$ -
Cash and Investments with Fiscal Agent	268	1,938	-	-	119
Receivables:					
Interest	-	-	-	-	-
TOTAL ASSETS	$ 268	$ 1,949	$ 382	$ -	$ 119
LIABILITIES					
Accounts Payable	$ -	$ -	$ 382	$ -	$ -
Due to Other Funds	-	-	-	-	-
TOTAL LIABILITIES	-	-	382	-	-
FUND BALANCES					
Reserved for Debt Service	268	1,938	-	-	119
Unreserved:					
Designated for Debt Service	-	11	-	-	-
TOTAL FUND BALANCES	268	1,949	-	-	119
TOTAL LIABILITIES AND FUND BALANCES	$ 268	$ 1,949	$ 382	$ -	$ 119

Horton Plaza	Mount Hope	Naval Training Center	North Bay	North Park	San Ysidro	Southcrest	Total
$ -	$ -	$ -	$ -	$ 2	$ -	$ -	$ 395
8,397	498	-	975	1,569	-	428	14,192
17	-	-	-	7	-	-	24
$ 8,414	$ 498	$ -	$ 975	$ 1,578	$ -	$ 428	$ 14,611
$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 382
-	-	-	-	36	-	-	36
-	-	-	-	36	-	-	418
8,414	498	-	975	1,542	-	428	14,182
-	-	-	-	-	-	-	11
8,414	498	-	975	1,542	-	428	14,193
$ 8,414	$ 498	$ -	$ 975	$ 1,578	$ -	$ 428	$ 14,611

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - DEBT SERVICE FUNDS
Year Ended June 30, 2007
(In Thousands)

	Central Imperial	City Heights	College Community	College Grove	Gateway Center West
REVENUES					
Interest	$ 11	$ 116	$ -	$ -	$ 5
Private Sources	-	137	-	-	-
TOTAL REVENUES	11	253	-	-	5
EXPENDITURES					
Debt Service:					
Principal	60	994	-	341	70
Interest	202	1,158	382	51	76
TOTAL EXPENDITURES	262	2,152	382	392	146
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(251)	(1,899)	(382)	(392)	(141)
OTHER FINANCING SOURCES (USES)					
Transfers from Tax Increments	200	724	382	392	112
Transfers from Other Funds	50	1,216	-	-	28
Transfers from Bond Proceeds	-	-	-	-	-
Transfers to Other Funds	-	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	250	1,940	382	392	140
NET CHANGE IN FUND BALANCES	(1)	41	-	-	(1)
FUND BALANCES AT JULY 1, 2006	269	1,908	-	-	120
FUND BALANCES AT JUNE 30, 2007	$ 268	$ 1,949	$ -	$ -	$ 119

Horton Plaza	Mount Hope	Naval Training Center	North Bay	North Park	San Ysidro	Southcrest	Total
$ 414	$ 19	$ -	$ 59	$ 100	$ -	$ 16	$ 740
-	-	-	-	-	-	-	137
414	19	-	59	100	-	16	877
1,475	155	-	230	6,463	23	165	9,976
2,331	457	154	666	1,450	309	741	7,977
3,806	612	154	896	7,913	332	906	17,953
(3,392)	(593)	(154)	(837)	(7,813)	(332)	(890)	(17,076)
3,014	472	154	631	1,767	332	726	8,906
790	118	-	204	5,758	-	161	8,325
-	-	-	-	168	-	-	168
-	-	-	-	(75)	-	(59)	(134)
3,804	590	154	835	7,618	332	828	17,265
412	(3)	-	(2)	(195)	-	(62)	189
8,002	501	-	977	1,737	-	490	14,004
$ 8,414	$ 498	$ -	$ 975	$ 1,542	$ -	$ 428	$ 14,193

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2007
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 70	$ 698	$ 501
Investments at Fair Value	-	-	-
Receivables:			
Notes and Contracts	400	265	3,121
Interest	-	6	8
Working Capital Advances:			
Southeastern Economic Development Corporation	-	68	-
City of San Diego	-	-	231
Land Held for Resale	40	50	2,550
Prepaid Items and Deposits	-	-	-
TOTAL ASSETS	$ 510	$ 1,087	$ 6,411
LIABILITIES			
Accounts Payable	$ 995	$ 81	$ 897
Sundry Trust Liability	-	63	-
TOTAL LIABILITIES	995	144	897
FUND BALANCES			
Reserved for Land Held for Resale	40	50	2,550
Reserved for Notes Receivable	400	265	3,121
Reserved for Encumbrances	37	369	1,332
Reserved for Prepaid Items and Deposits	-	-	-
Reserved for Working Capital Advances	-	68	231
Unreserved:	-		
Designated for Subsequent Years' Expenditures	-	191	-
Undesignated	(962)	-	(1,720)
TOTAL FUND BALANCES	(485)	943	5,514
TOTAL LIABILITIES AND FUND BALANCES	$ 510	$ 1,087	$ 6,411

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Linda Vista
$ 18	$ -	$ 254	$ 41	$ 27	$ 453
-	-	-	-	-	-
-	-	-	-	-	-
-	-	3	-	-	5
-	-	-	-	-	-
-	30	30	-	-	30
-	-	-	165	-	366
-	-	-	-	-	-
$ 18	$ 30	$ 287	$ 206	$ 27	$ 854
$ 422	$ 100	$ 134	$ -	$ 74	$ 1
-	-	101	17	-	-
422	100	235	17	74	1
-	-	-	165	-	366
-	-	-	-	-	-
37	-	465	40	21	-
-	-	-	-	-	-
-	30	30	-	-	30
-	-	-	-	-	457
(441)	(100)	(443)	(16)	(68)	-
(404)	(70)	52	189	(47)	853
$ 18	$ 30	$ 287	$ 206	$ 27	$ 854

Continued on next page

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
June 30, 2007
(In Thousands)

	Mount Hope	Naval Training Center	North Bay
ASSETS			
Cash or Equity in Pooled Cash and Investments	$ 564	$ 153	$ 344
Investments at Fair Value	-	-	3,796
Receivables:			
Notes and Contracts	-	-	-
Interest	3	1	8
Working Capital Advances:			
Southeastern Economic Development Corporation	200	-	-
City of San Diego	-	71	231
Land Held for Resale	446	-	-
Prepaid Items and Deposits	-	-	-
TOTAL ASSETS	$ 1,213	$ 225	$ 4,379
LIABILITIES			
Accounts Payable	$ 48	$ 246	$ 13
Sundry Trust Liability	5	-	-
TOTAL LIABILITIES	53	246	13
FUND BALANCES			
Reserved for Land Held for Resale	446	-	-
Reserved for Notes Receivable	-	-	-
Reserved for Encumbrances	106	276	1,156
Reserved for Prepaid Items and Deposits	-	-	-
Reserved for Working Capital Advances	200	71	231
Unreserved:			
Designated for Subsequent Years' Expenditures	368	-	1,404
Undesignated	40	(368)	1,575
TOTAL FUND BALANCES	1,160	(21)	4,366
TOTAL LIABILITIES AND FUND BALANCES	$ 1,213	$ 225	$ 4,379

North Park	San Ysidro	Southcrest	Total
$ 1,684	$ 123	$ 510	$ 5,440
-	-	-	3,796
-	-	-	3,786
16	-	5	55
-	-	27	295
-	-	-	623
-	-	203	3,820
1,159	-	-	1,159
$ 2,859	$ 123	$ 745	$ 18,974
$ 90	$ 63	$ 25	$ 3,189
58	70	57	371
148	133	82	3,560
-	-	203	3,820
-	-	-	3,786
733	1,556	50	6,178
1,159	-	-	1,159
-	-	27	918
-	-	358	2,778
819	(1,566)	25	(3,225)
2,711	(10)	663	15,414
$ 2,859	$ 123	$ 745	$ 18,974

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended June 2007
(In Thousands)

	Barrio Logan	Central Imperial	City Heights
REVENUES			
Interest	$ 1	$ 38	$ 32
Rents	-	-	132
Private Sources	15	10	101
Other Revenue	-	21	-
TOTAL REVENUES	16	69	265
EXPENDITURES			
Administration	219	1,123	709
Legal	223	141	6
Plans and Surveys	15	129	67
Acquisition Expense	-	-	63
Real Estate/Fixture Purchases	-	-	176
Property Management	4	87	87
Relocation	66	-	1
Rehabilitation	-	-	71
Project Improvements	-	166	613
Program Management	-	72	-
City Capital Outlay	-	-	506
TOTAL EXPENDITURES	527	1,718	2,299
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(511)	(1,649)	(2,034)
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	363	667	1,705
Transfers from Other Funds	-	-	-
Transfers from Bond Proceeds	-	10	-
Transfers to Other Funds	-	-	-
Proceeds from Developer Loans and Notes	-	-	2,180
Loans from the City of San Diego	-	100	-
TOTAL OTHER FINANCING SOURCES (USES)	363	777	3,885
NET CHANGE IN FUND BALANCES	(148)	(872)	1,851
FUND BALANCES AT JULY 1, 2006	(337)	1,815	3,663
FUND BALANCES AT JUNE 30, 2007	$ (485)	$ 943	$ 5,514

College Community	College Grove	Crossroads	Gateway Center West	Grantville	Linda Vista
$ 1	$ -	$ 9	$ 1	$ 2	$ 20
-	-	-	-	-	110
-	-	50	-	-	-
-	-	-	-	-	-
1	-	59	1	2	130
162	16	419	11	45	43
7	-	-	4	30	-
32	-	40	3	-	-
-	-	-	-	-	7
-	-	-	-	-	-
-	-	-	2	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	728	-	-	-
201	16	1,187	20	75	50
(200)	(16)	(1,128)	(19)	(73)	80
168	21	1,086	20	-	40
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	34	-
168	21	1,086	20	34	40
(32)	5	(42)	1	(39)	120
(372)	(75)	94	188	(8)	733
$ (404)	$ (70)	$ 52	$ 189	$ (47)	$ 853

Continued on next page

COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS - CAPITAL PROJECTS FUNDS
Year Ended June 2007
(In Thousands)

	Mount Hope	Naval Training Center	North Bay
REVENUES			
Interest	$ 27	$ 8	$ 200
Rents	-	3	1
Private Sources	-	-	3
Other Revenue	-	-	-
TOTAL REVENUES	27	11	204
EXPENDITURES			
Administration	173	263	481
Legal	7	59	14
Plans and Surveys	36	48	67
Acquisition Expense	-	15	49
Real Estate/Fixture Purchases	-	-	-
Property Management	36	-	-
Relocation	-	-	-
Rehabilitation	-	-	-
Project Improvements	21	6,837	306
Program Management	4	-	-
City Capital Outlay	-	-	30
TOTAL EXPENDITURES	277	7,222	947
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(250)	(7,211)	(743)
OTHER FINANCING SOURCES (USES)			
Transfers from Tax Increments	274	3,622	921
Transfers from Other Funds	-	-	-
Transfers from Bond Proceeds	-	-	-
Transfers to Other Funds	(16)	-	(20)
Proceeds from Developer Loans and Notes	-	-	-
Loans from the City of San Diego	-	3,538	-
TOTAL OTHER FINANCING SOURCES (USES)	258	7,160	901
NET CHANGE IN FUND BALANCES	8	(51)	158
FUND BALANCES AT JULY 1, 2006	1,152	30	4,208
FUND BALANCES AT JUNE 30, 2007	$ 1,160	$ (21)	$ 4,366

North Park	San Ysidro	Southcrest	Total
$ 97	$ -	$ 24	$ 460
-	-	-	246
-	15	-	194
7	-	-	28
104	15	24	928
488	475	607	5,234
149	7	58	705
128	38	93	696
13	9	-	156
1,739	-	-	1,915
101	-	71	388
-	-	-	67
-	-	-	71
2,449	-	-	10,392
-	-	19	95
-	-	-	1,264
5,067	529	848	20,983
(4,963)	(514)	(824)	(20,055)
654	475	827	10,843
-	-	59	59
-	-	-	10
(5,851)	-	(80)	(5,967)
8,669	-	-	10,849
-	-	-	3,672
3,472	475	806	19,466
(1,491)	(39)	(18)	(589)
4,202	29	681	16,003
$ 2,711	$ (10)	$ 663	$ 15,414

MACIAS GINI & O'CONNELL LLP
CERTIFIED PUBLIC ACCOUNTANTS & MANAGEMENT CONSULTANTS

3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

2175 N. California Boulevard, Suite 645
Walnut Creek, CA 94596
925.274.0190

515 S. Figueroa Street, Suite 325
Los Angeles, CA 90071
213.286.6400

402 West Broadway, Suite 400
San Diego, CA 92101
619.573.1112

Board of Directors
Redevelopment Agency of the
City of San Diego
San Diego, California

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of San Diego, California (Agency), a component unit of the City of San Diego, California, as of and for the year ended June 30, 2007, which collectively comprise the Agency's basic financial statements and have issued our report thereon dated November 21, 2008. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the organization's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles, such that there is more than a remote likelihood that a misstatement of the organization's financial statements that is more than inconsequential will not be prevented or detected by the organization's internal control. We consider the deficiency described in 2007-1 in the accompanying schedule of Current Year Findings and Recommendations to be a significant deficiency in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the organization's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, we believe that none of the significant deficiencies described above is a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulation identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion.

The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying current year findings as items 2007-a, 2007-b and 2007-c.

This report is intended solely for the information and use of the Board of Directors, management of the Agency, and the State Controller's Office and is not intended to be and should not be used by anyone other than these specified parties.

Macias Gini & O'Connell LLP

Certified Public Accountants
San Diego, California
November 21, 2008

Financial Statement Findings:

2007-1 Missing Approvals for Modified Journal Entries

During the performance of our testwork on the Agency's controls over post-close journal entries, we noted 4 instances out of 40 samples selected for testing that did not have appropriate approvals.

We recommend that the City continue to work on its controls over the approval process for all journal entries.

Management Response

The City adjusted the system over the processing of journal entries to ensure that all modifications are re-approved.

Compliance Findings:

2007-a Annual Report Submission to the City Council

The California Health and Safety Code section 33080.1 states that "*every redevelopment agency shall submit an annual report to its legislative body within six months of the end of the agency's fiscal year.*" The annual report should include: "*(1) an independent financial audit report for the previous fiscal year, (2) a fiscal statement for the previous fiscal year that contains the information required pursuant to Section 33080.5, (3) a description of the agency's activities in the previous fiscal year affecting housing and displacement that contains the information required by Sections 33080.4 and 33080.7, (4) a description of the agency's progress, including specific actions and expenditures, in alleviating blight in the previous fiscal year, (5) a list of, and status report on, all loans made by the redevelopment agency that are $50,000 or more, that in the previous fiscal year were in default, or not in compliance with the terms of the loan approved by the agency, (6) a description of the total number and nature of the properties that the agency owns and those properties the agency has acquired in the previous fiscal year.*"

We noted that the Agency did not submit a completed annual report to the legislative body within six months of the end of the Agency's current fiscal year. The fiscal statement for the previous fiscal year was not submitted because it was in progress of completion during the time that the Agency submitted their annual report.

We recommend that the Agency prepare and submit all required reports to the legislative body within six months of the end of the Agency's fiscal year end. In the case an audit has not been completed, the Agency could submit an unaudited set of financials and indicate that since the financial report included unaudited numbers, the submitted numbers could change when the actual audit is completed.

***Management Response**:*

We agree. The Agency plans to submit the required reports to the City Council in future years within six months of the end of each respective fiscal year. The City will also ensure the City Council is made aware if the reports are still "unaudited" at the time of submission.

2007-b Properties Held for Longer than Five Years

In accordance with CA Health & Safety Code §33334.16, *the Agency is required to initiate activities to develop properties purchased with Housing Fund money within five years from the date of acquisition. If development activities have not begun within this period, the legislative body may adopt a resolution extending the period for one time, not to exceed five years.*

During our review of RDA's fiscal year ended June 30, 2007 property listing, we noted that out of a sample of 31 properties selected for testing, for 1 property acquired with Housing Fund money, RDA did not initiate development activities within the five year period, nor did they attempt to obtain an extension by resolution.

We recommend that the Agency consistently monitor its properties in order to maintain compliance with CA Health & Safety Code §33334.16. The Agency should obtain the appropriate resolutions to extend the periods of time for properties approaching 5 years, or sell the property and the money from the sale less reimbursement to the agency for the cost of the sale should be deposited in the Agency's Housing Fund.

Management Response:

Management has established monitoring controls to identify land held for resale purchased with low and moderate income housing funds that could exceed the 5 year limit established by CA Health & Safety Code §33334.16. For properties identified, management will ensure appropriate action is taken to either obtain an extension by resolution or to reimburse the housing fund for acquisition costs associated with land purchases before the 5 year limit is exceeded.

2007-b Monitoring reports

In accordance with the Health & Safety Code §33418, *agencies shall require property owners or managers of such housing to submit an annual report to the agency. For rentals, this report must include the rental rate and income and family size of occupants, for each rental unit. For each owner-occupied unit, the report must include information as to whether there was an ownership change from the prior year and, if so, the income and family size of the owners. The income information shall be supplied by the tenant in a certified statement on a form provided by the agency. This statute also requires that information obtained by the agency in this regard be reported annually to the Department of Housing and Community Development and to the State Controller's Office.*

During the performance of our testing over the RDA's monitoring of affordable housing, we noted that 4 out of 20 samples selected for testing did not receive an annual monitoring report. 3 of these samples were for-sale properties located in the Southeastern Economic Development Corporation (SEDC) project area, whiles the final sample was a rental property located in the Centre City Development Corporation (CCDC) project area.

We recommend that the Agency prepare policies and procedures to verify that all affordable housings are being monitored in compliance with CA Health & Safety Code §33418.

Management Response for SEDC Properties:

SEDC will implement an annual monitoring procedure with its for-sale units similar to that of the San Diego Housing Commission and the Redevelopment Division. Beginning in calendar year 2009, a letter and form will be sent to the homeowners of the assisted units in order to confirm ongoing owner occupancy compliance.

Management Response for CCDC Property:

Management concurs with the finding and will immediately create policies and procedures to ensure that all existing and new affordable housings are annually monitored in compliance with CA Health and Safety Code 33418

Findings related to the financial statements:

Reference Number:	**2006-1**
Financial Statement Area:	***Missing Journal Entry Approvals***
Audit Finding:	During the performance of procedures on the Agency's post-close journal entries, we noted 2 instances out of 40 in which the post-closes had not been appropriately approved prior to their affecting the financial statements. There does not appear to be adequate controls ensuring that all post-close journal entries are approved even though they are posted to the financial statements.
Status of Corrective Action:	In progress. See current year finding 2007-1.
Reference Number:	**2004-1**
Financial Statement Area:	***Accounting for Land Held for Resale***
Audit Finding:	Although the management companies properly recorded land-held-for-resale transactions in their internal records, the management companies did not timely communicate sales or transfers of land-held-for-resale information to the Agency resulting in financial statement errors. For example, the Agency had to reduce its reported land-held-for-resale balance by $33 million to its fiscal years ended June 30, 2003 and June 30, 2004 beginning balances
Status of Corrective Action:	Corrected. On October 26, 2006 RDA implemented revised procedures including confirmations of land inventory balances to component units and for monitoring the effects of various Disposition and Development Agreements on the status of land held in inventory.

Findings related to the financial statements (Continued):

Reference Number:	**2003-1**
Financial Statement Area:	***Material Weakness in Internal Controls over Financial Reporting***
Audit Finding:	There were several internal control deficiencies that resulted in numerous errors and restatements of previously issued financial statements. Some of the deficiencies noted were as follows: - Improper financial statement presentation of debt transactions - Failure to properly record certain loan transactions - Failure to transfer completed projects out of CIP and begin depreciating assets - Improper classification of assets - Improper valuations of land held for resale - Incomplete capture of capitalizable expenditures - Failure to recognize certain revenues that met applicable revenue recognition criteria.
Status of Corrective Action:	In progress. Many improvements have been made prior to the issuance of the fiscal year ended June 30, 2007 report, however more improvements are needed in order to fully mitigate all aspects of the finding.

Findings related to compliance:

Reference Number:	**2006-b**
Compliance Area:	***Property held for longer than 5 years***
Audit Finding:	In accordance with CA Health & Safety Code §33334.16, the Agency is required to initiate activities to develop properties purchased with Housing Fund money within five years from the date of acquisition. If development activities have not begun within this period, the legislative body may adopt a resolution extending the period for one time, not to exceed five years. During our review of the Agency's year ended June 30, 2006 property listing, we noted that out of a sample of 25 properties selected for testing, 1 property acquired with Housing Fund money did not initiate activities within the five year period, nor did they attempt to obtain an extension by resolution.
Status of Corrective Action:	In progress. This correction will be reflected in the fiscal year ending June 30, 2008 report.

Reference Number:	**2006-a , 2005-a, 2004-b & 2003-b**
Compliance Area:	***Annual Report Submission to the City Council***
Audit Finding:	The Agency did not prepare and submit a complete annual report for the fiscal years ended June 30, 2003, June 30, 2004, June 30, 2005 and June 30, 2006 to the Board of Directors within six months of the end of the respective fiscal years, as required by the California Health and Safety Code section 33080.1. This was not done due to a lack of personnel and an incomplete audit of the Agency's financial statements.
Status of Corrective Action:	In progress. Improvements have been made which is evident by the Agency's submittal of the annual reports for fiscal years ended June 30, 2003, June 30, 2004 and June 30, 2005 during calendar year 2008, however more improvements are needed in order to fully mitigate all aspects of the finding. See current year finding 2007-a

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Supplemental Information Section

(Unaudited)

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Schedule of Changes to Loans from the City of San Diego

SCHEDULE OF CHANGES TO LOANS
FROM THE CITY OF SAN DIEGO
Year Ended June 30, 2007

CHANGES IN PRINCIPAL DUE TO CITY BY PROJECT AREA

	Balance July 1, 2006	Additions	Repayments	Balance June 30, 2007
Barrio Logan	$ 12,151	$ -	$ -	$ 12,151
Central Imperial	18,816	100	-	18,916
Centre City	43,184		-	43,184
City Heights	9,759	-	-	9,759
College Community	722	-	-	722
College Grove	41	-	-	41
Crossroads	793		-	793
Gateway Center West	6,129	-	-	6,129
Grantville	473	34	-	507
Linda Vista	1,945	-	-	1,945
Mount Hope	3,918	-	-	3,918
Naval Training Center	3,354	3,538	-	6,892
North Bay	1,735	-	-	1,735
North Park	2,037		-	2,037
San Ysidro	775	-	-	775
Southcrest	9,911	-	-	9,911
Total Principal Due	$ 115,745	$ 3,672	$ -	$ 119,417

CHANGES IN INTEREST DUE TO CITY BY PROJECT AREA

	Balance July 1, 2006	Additions	Repayments	Balance June 30, 2007
Barrio Logan	$ 10,610	$ 1,124	$ -	$ 11,734
Central Imperial	9,943	1,745	-	11,688
Centre City	64,682	3,995		68,677
City Heights	5,805	831	137	6,499
College Community	715	67	-	782
College Grove	21	4	-	25
Crossroads	165	73	-	239
Gateway Center West	12,784	567	-	13,351
Grantville	45	45	-	90
Linda Vista	3,970	180	-	4,150
Mount Hope	538	362	-	900
Naval Training Center	919	292	154	1,056
North Bay	178	161	-	338
North Park	1,165	188	-	1,354
San Ysidro	765	72	-	837
Southcrest	8,617	917	480	9,054
Total Interest Due	$ 120,922	$ 10,623	$ 771	$ 130,774

Assessed Valuations

BARRIO LOGAN REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2006-07 (BASE YEAR 1991-92)
(UNAUDITED)

	Base Year 1991-92	Revised Base Year 1991-92	1996-97
GROSS			
Secured - Locally Assessed	$ 32,772	$ 37,330	$ 41,539
Public Utilities - State Assessed	2,829	2,608	236
Total Secured Valuation	35,601	39,938	41,775
Unsecured - Locally Assessed	4,710	4,692	2,583
Total Gross Valuation	40,311	44,630	44,358
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	3,664	3,664	7,746
Unsecured - Locally Assessed	-	-	-
Total Exemptions	3,664	3,664	7,746
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	29,108	33,666	33,793
Public Utilities - State Assessed	2,829	2,608	236
Net Secured	31,937	36,274	34,029
Unsecured - Locally Assessed	4,710	4,692	2,583
NET ASSESSED VALUATION FOR TAX RATE	$ 36,647	$ 40,966	$ 36,612
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			(4,354)
Percentage Increase (Decrease) Over Base Year			-10.63%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 217	$ 217	$ 217
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	217	217	217
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	28,891	33,449	33,576
Public Utilities - State Assessed	2,829	2,608	236
Net Secured	31,720	36,057	33,812
Unsecured - Locally Assessed	4,710	4,692	2,583
NET ASSESSED VALUATION	$ 36,430	$ 40,749	$ 36,395

Revised Base Year 1991-92	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
$ 37,013	$ 42,711	$ 43,675	$ 45,664	$ 46,178	$ 49,720	$ 51,543	$ 56,030
2,608	260	378	411	420	429	386	334
39,621	42,971	44,053	46,075	46,598	50,149	51,929	56,364
4,692	2,630	3,924	5,926	5,889	6,948	3,561	5,414
44,313	45,601	47,977	52,001	52,487	57,097	55,490	61,778
3,664	7,996	8,216	8,634	8,356	8,501	7,621	7,834
-	-	713	1,048	1,233	2,362	0	1,441
3,664	7,996	8,929	9,682	9,589	10,863	7,621	9,275
33,349	34,715	35,459	37,030	37,822	41,219	43,922	48,196
2,608	260	378	411	420	429	386	334
35,957	34,975	35,837	37,441	38,242	41,648	44,308	48,530
4,692	2,630	3,211	4,878	4,656	4,586	3,561	3,973
$ 40,649	$ 37,605	$ 39,048	$ 42,319	$ 42,898	$ 46,234	$ 47,869	$ 52,503
	(3,044)	(1,601)	1,670	2,249	5,585	7,220	11,854
	-7.49%	-3.94%	4.11%	5.53%	13.74%	17.76%	29.16%
$ 217	$ 224	$ 224	$ 217	$ 217	$ 217	$ 217	$ 189
-	-	-	-	-	-	-	-
217	224	224	217	217	217	217	189
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
33,132	34,491	35,235	36,813	37,605	41,002	43,705	48,007
2,608	260	378	411	420	429	386	334
35,740	34,751	35,613	37,224	38,025	41,431	44,091	48,341
4,692	2,630	3,211	4,878	4,656	4,586	3,561	3,973
$ 40,432	$ 37,381	$ 38,824	$ 42,102	$ 42,681	$ 46,017	$ 47,652	$ 52,314

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BARRIO LOGAN REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2006-07 (BASE YEAR 1991-92)
(UNAUDITED)

	2004-05	2005-06	2006-07
GROSS			
Secured - Locally Assessed	$ 74,368	$ 82,783	$ 90,043
Public Utilities - State Assessed	318	324	303
Total Secured Valuation	74,686	83,107	90,346
Unsecured - Locally Assessed	4,877	5,452	5,813
Total Gross Valuation	79,563	88,559	96,159
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	12,410	12,658	12,911
Unsecured - Locally Assessed	1,184	1,279	1,097
Total Exemptions	13,594	13,937	14,008
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	61,958	70,125	77,132
Public Utilities - State Assessed	318	324	303
Net Secured	62,276	70,449	77,435
Unsecured - Locally Assessed	3,693	4,173	4,716
NET ASSESSED VALUATION FOR TAX RATE	$ 65,969	$ 74,622	$ 82,151
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	25,320	33,973	41,502
Percentage Increase (Decrease) Over Base Year	62.29%	83.58%	102.10%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 175	$ 175	$ 175
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	175	175	175
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	61,783	69,950	76,957
Public Utilities - State Assessed	318	324	303
Net Secured	62,101	70,274	77,260
Unsecured - Locally Assessed	3,693	4,173	4,716
NET ASSESSED VALUATION	$ 65,794	$ 74,447	$ 81,976

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CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 94,838	$ 96,903	$ 97,584
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	94,838	96,903	97,584
Unsecured - Locally Assessed	2,692	2,868	1,431
Total Gross Valuation	97,530	99,771	99,015
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	6,693	12,981	16,244
Unsecured - Locally Assessed	-	115	137
Total Exemptions	6,693	13,096	16,381
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	88,145	83,922	81,340
Public Utilities - State Assessed	-	-	-
Net Secured	88,145	83,922	81,340
Unsecured - Locally Assessed	2,692	2,753	1,294
NET ASSESSED VALUATION FOR TAX RATE	$ 90,837	$ 86,675	$ 82,634
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(4,162)	(8,203)
Percentage Increase (Decrease) Over Base Year		-4.58%	-9.03%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,033	$ 1,039	$ 1,219
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,033	1,039	1,219
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	87,112	82,883	80,121
Public Utilities - State Assessed	-	-	-
Net Secured	87,112	82,883	80,121
Unsecured - Locally Assessed	2,692	2,753	1,294
NET ASSESSED VALUATION	$ 89,804	$ 85,636	$ 81,415

1996-97	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02	2003-04
$ 96,170	$ 97,516	$ 67,688	$ 83,275	$ 88,975	$ 102,297	$ 114,448	$ 137,669
-	-	-	-	-	-	-	-
96,170	97,516	67,688	83,275	88,975	102,297	114,448	137,669
1,857	1,558	2,693	1,738	1,997	2,240	3,412	5,195
98,027	99,074	70,381	85,013	90,972	104,537	117,860	142,864
15,218	15,202	6,693	14,133	10,006	16,120	14,351	16,287
86	-	-	16	187	76	462	290
15,304	15,202	6,693	14,149	10,193	16,196	14,813	16,577
80,952	82,314	60,995	69,142	78,969	86,177	100,097	121,382
-	-	-	-	-	-	-	-
80,952	82,314	60,995	69,142	78,969	86,177	100,097	121,382
1,771	1,558	2,693	1,722	1,810	2,164	2,950	4,905
$ 82,723	$ 83,872	$ 63,688	$ 70,864	$ 80,779	$ 88,341	$ 103,047	$ 126,287
(8,114)	(6,965)		7,176	17,091	24,653	39,359	62,599
-8.93%	-7.67%		11.27%	26.84%	38.71%	61.80%	98.29%
$ 1,347	$ 1,416	$ 1,033	$ 1,447	$ 1,541	$ 1,636	$ 1,636	$ 1,946
-	-	-	-	-	-	-	-
1,347	1,416	1,033	1,447	1,541	1,636	1,636	1,946
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	119,436
-	-	-	-	-	-	-	-
79,605	80,898	59,962	67,695	77,428	84,541	98,461	119,436
1,771	1,558	2,693	1,722	1,810	2,164	2,950	4,905
$ 81,376	$ 82,456	$ 62,655	$ 69,417	$ 79,238	$ 86,705	$ 101,411	$ 124,341

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CENTRAL IMPERIAL REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1992-93)
(UNAUDITED)

	2004-05	2005-06	2006-07
GROSS			
Secured - Locally Assessed	$ 160,513	$ 191,238	$ 210,835
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	160,513	191,238	210,835
Unsecured - Locally Assessed	4,753	5,741	6,750
Total Gross Valuation	165,266	196,979	217,585
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	19,393	22,212	21,344
Unsecured - Locally Assessed	391	416	418
Total Exemptions	19,784	22,628	21,762
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	141,120	169,026	189,491
Public Utilities - State Assessed	-	-	-
Net Secured	141,120	169,026	189,491
Unsecured - Locally Assessed	4,362	5,325	6,332
NET ASSESSED VALUATION FOR TAX RATE	$ 145,482	$ 174,351	$ 195,823
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	81,794	110,663	132,135
Percentage Increase (Decrease) Over Base Year	128.43%	173.76%	207.47%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,994	$ 1,994	$ 1,994
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,994	1,994	1,994
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	139,126	167,032	187,497
Public Utilities - State Assessed	-	-	-
Net Secured	139,126	167,032	187,497
Unsecured - Locally Assessed	4,362	5,325	6,332
NET ASSESSED VALUATION	$ 143,488	$ 172,357	$ 193,829

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CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 2
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2006-07 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 16,115	$ 16,080	$ 17,367
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	16,115	16,080	17,367
Unsecured - Locally Assessed	27	172	148
Total Gross Valuation	16,142	16,252	17,515
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,105	1,192	1,214
Unsecured - Locally Assessed	-	145	129
Total Exemptions	1,105	1,337	1,343
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	15,010	14,888	16,153
Public Utilities - State Assessed	-	-	-
Net Secured	15,010	14,888	16,153
Unsecured - Locally Assessed	27	27	19
NET ASSESSED VALUATION FOR TAX RATE	$ 15,037	$ 14,915	$ 16,172
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(122)	1,135
Percentage Increase (Decrease) Over Base Year		-0.81%	7.55%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 721	$ 721	$ 714
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	721	721	714
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	14,289	14,167	15,439
Public Utilities - State Assessed	-	-	-
Net Secured	14,289	14,167	15,439
Unsecured - Locally Assessed	27	27	19
NET ASSESSED VALUATION	$ 14,316	$ 14,194	$ 15,458

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
$ 18,508	$ 32,461	$ 37,450	$ 51,100	$ 62,540	$ 65,967
-	-	-	-	-	-
18,508	32,461	37,450	51,100	62,540	65,967
247	1,399	2,340	2,532	3,715	4,347
18,755	33,860	39,790	53,632	66,255	70,314
1,234	1,156	1,180	1,201	1,226	1,250
229	-	184	166	159	-
1,463	1,156	1,364	1,367	1,385	1,250
17,274	31,305	36,270	49,899	61,314	64,717
-	-	-	-	-	-
17,274	31,305	36,270	49,899	61,314	64,717
18	1,399	2,156	2,366	3,556	4,347
$ 17,292	$ 32,704	$ 38,426	$ 52,265	$ 64,870	$ 69,064
2,255	17,667	23,389	37,228	49,833	54,027
15.00%	117.49%	155.54%	247.58%	331.40%	359.29%
$ 714	$ 742	$ 805	$ 826	$ 826	$ 826
-	-	-	-	-	-
714	742	805	826	826	826
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
16,560	30,563	35,465	49,073	60,488	63,891
-	-	-	-	-	-
16,560	30,563	35,465	49,073	60,488	63,891
18	1,399	2,156	2,366	3,556	4,347
$ 16,578	$ 31,962	$ 37,621	$ 51,439	$ 64,044	$ 68,238

CENTRAL IMPERIAL REDEVELOPMENT PROJECT - EXPANSION 3
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2001-02 TO 2006-07 (BASE YEAR 2001-02)
(UNAUDITED)

	Base Year 2001-02	2001-02	2002-03
GROSS			
Secured - Locally Assessed	$ 3,215	$ 10,279	$ 14,131
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
Total Gross Valuation	3,215	10,279	16,153
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	3,215	10,279	14,131
Public Utilities - State Assessed	-	-	-
Net Secured	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
NET ASSESSED VALUATION FOR TAX RATE	$ 3,215	$ 10,279	$ 16,153
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		7,064	12,938
Percentage Increase (Decrease) Over Base Year		219.72%	402.43%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed			
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	3,215	10,279	14,131
Public Utilities - State Assessed	-	-	-
Net Secured	3,215	10,279	14,131
Unsecured - Locally Assessed	-	-	2,022
NET ASSESSED VALUATION	$ 3,215	$ 10,279	$ 16,153

2003-04	2004-05	2005-06	2006-07
$ 14,793	$ 17,357	$ 18,491	$ 19,303
-	-	-	-
14,793	17,357	18,491	19,303
1,982	1,835	1,826	2,266
16,775	19,192	20,317	21,569
-	-	-	-
-	-	-	-
-	-	-	-
14,793	17,357	18,491	19,303
-	-	-	-
14,793	17,357	18,491	19,303
1,982	1,835	1,826	2,266
$ 16,775	$ 19,192	$ 20,317	$ 21,569
13,560	15,977	17,102	18,354
421.77%	496.95%	531.94%	570.89%
$ -	$ -	$ -	$ -
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
14,793	17,357	18,491	19,303
-	-	-	-
14,793	17,357	18,491	19,303
1,982	1,835	1,826	2,266
$ 16,775	$ 19,192	$ 20,317	$ 21,569

CENTRE CITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 1,090,174	$ 972,637	$ 927,021
Public Utilities - State Assessed	3,465	1,862	2,181
Total Secured Valuation	1,093,639	974,499	929,202
Unsecured - Locally Assessed	64,243	17,922	22,293
Total Gross Valuation	1,157,882	992,421	951,495
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	62,189	78,849	78,614
Unsecured - Locally Assessed	-	413	552
Total Exemptions	62,189	79,262	79,166
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,027,985	893,788	848,407
Public Utilities - State Assessed	3,465	1,862	2,181
Net Secured	1,031,450	895,650	850,588
Unsecured - Locally Assessed	64,243	17,509	21,741
NET ASSESSED VALUATION FOR TAX RATE	$ 1,095,693	$ 913,159	$ 872,329
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(182,534)	(223,364)
Percentage Increase (Decrease) Over Base Year		-16.66%	-20.39%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 714	$ 805	$ 812
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	714	805	812
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,027,271	892,983	847,595
Public Utilities - State Assessed	3,465	1,862	2,181
Net Secured	1,030,736	894,845	849,776
Unsecured - Locally Assessed	64,243	17,509	21,741
NET ASSESSED VALUATION	$ 1,094,979	$ 912,354	$ 871,517

1996-97	Revised Base Year 1992-93	1997-98	1998-99	1999-2000	2000-01	2001-02
$ 906,105	$ 1,088,721	$ 917,921	$ 984,645	$ 1,125,712	$ 1,290,546	$ 1,467,297
2,521	3,464	2,747	3,855	4,094	4,177	-
908,626	1,092,185	920,668	988,500	1,129,806	1,294,723	1,467,297
17,593	64,244	20,602	56,892	74,362	87,258	93,294
926,219	1,156,429	941,270	1,045,392	1,204,168	1,381,981	1,560,591
87,884	62,019	90,800	87,662	94,089	104,469	100,954
97	-	987	4,637	6,129	6,919	9,403
87,981	62,019	91,787	92,299	100,218	111,388	110,357
818,221	1,026,702	827,121	896,983	1,031,623	1,186,077	1,366,343
2,521	3,464	2,747	3,855	4,094	4,177	-
820,742	1,030,166	829,868	900,838	1,035,717	1,190,254	1,366,343
17,496	64,244	19,615	52,255	68,233	80,339	83,891
$ 838,238	$ 1,094,410	$ 849,483	$ 953,093	$ 1,103,950	$ 1,270,593	$ 1,450,234
(257,455)		(244,927)	(141,317)	9,540	176,183	355,824
-23.50%		-22.38%	-12.91%	0.87%	16.10%	32.51%
$ 902	$ 714	$ 980	$ 1,077	$ 1,182	$ 1,133	$ 1,133
-	-	-	-	-	-	61
902	714	980	1,077	1,182	1,133	1,194
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
817,319	1,025,988	826,141	895,906	1,030,441	1,184,944	1,365,210
2,521	3,464	2,747	3,855	4,094	4,177	-
819,840	1,029,452	828,888	899,761	1,034,535	1,189,121	1,365,210
17,496	64,244	19,615	52,255	68,233	80,339	83,830
$ 837,336	$ 1,093,696	$ 848,503	$ 952,016	$ 1,102,768	$ 1,269,460	$ 1,449,040

CENTRE CITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1992-93)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 1,679,241	$ 2,082,010	$ 2,668,045
Public Utilities - State Assessed	3,856	4,894	6,958
Total Secured Valuation	1,683,097	2,086,904	2,675,003
Unsecured - Locally Assessed	99,582	130,423	112,963
Total Gross Valuation	1,782,679	2,217,327	2,787,966
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	104,775	106,992	133,719
Unsecured - Locally Assessed	1,074	7,810	8,997
Total Exemptions	105,849	114,802	142,716
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,574,466	1,975,018	2,534,326
Public Utilities - State Assessed	3,856	4,894	6,958
Net Secured	1,578,322	1,979,912	2,541,284
Unsecured - Locally Assessed	98,508	122,613	103,966
NET ASSESSED VALUATION FOR TAX RATE	$ 1,676,830	$ 2,102,525	$ 2,645,250
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	582,420	1,008,115	1,550,840
Percentage Increase (Decrease) Over Base Year	53.22%	92.11%	141.71%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,248	$ 1,351	$ 2,794
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,248	1,351	2,794
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,573,218	1,973,667	2,531,532
Public Utilities - State Assessed	3,856	4,894	6,958
Net Secured	1,577,074	1,978,561	2,538,490
Unsecured - Locally Assessed	98,508	122,613	103,966
NET ASSESSED VALUATION	$ 1,675,582	$ 2,101,174	$ 2,642,456

Continued on next page

2005-06	2006-07
$ 3,806,788	$ 4,930,925
7,017	6,824
3,813,805	4,937,749
147,482	282,705
3,961,287	5,220,454
162,778	171,166
9,460	10,706
172,238	181,872
3,644,010	4,759,759
7,017	6,824
3,651,027	4,766,583
138,022	271,999
$ 3,789,049	$ 5,038,582
2,694,639	3,944,172
246.22%	360.39%
$ 2,794	$ 2,794
-	-
2,794	2,794
-	-
-	-
-	-
3,641,216	4,756,965
7,017	6,824
3,648,233	4,763,789
138,022	271,999
$ 3,786,255	$ 5,035,788

CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
Secured - Locally Assessed	$ 19,715	$ 454,634	$ 431,513
Public Utilities - State Assessed	17,131	1,550	1,473
Total Secured Valuation	36,846	456,184	432,986
Unsecured - Locally Assessed	18,870	57,303	53,503
Total Gross Valuation	55,716	513,487	486,489
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,507	3,521	3,558
Unsecured - Locally Assessed	-	157	22
Total Exemptions	1,507	3,678	3,580
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	18,208	451,113	427,955
Public Utilities - State Assessed	17,131	1,550	1,473
Net Secured	35,339	452,663	429,428
Unsecured - Locally Assessed	18,870	57,146	53,481
NET ASSESSED VALUATION FOR TAX RATE	$ 54,209	$ 509,809	$ 482,909
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		455,600	428,700
Percentage Increase (Decrease) Over Base Year		840.45%	790.83%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 839	$ 802
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	839	802
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	178	-	-
Unsecured - Locally Assessed	1,602	-	-
Total Business Inventory Exemptions	1,780	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	18,030	450,274	427,153
Public Utilities - State Assessed	17,131	1,550	1,473
Net Secured	35,161	451,824	428,626
Unsecured - Locally Assessed	17,268	57,146	53,481
NET ASSESSED VALUATION	$ 52,429	$ 508,970	$ 482,107

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 18,554	$ 437,849	$ 18,553	$ 519,344	$ 563,347	$ 602,524	$ 643,416
17,131	1,518	1,038	1,742	1,906	1,923	-
35,685	439,367	19,591	521,086	565,253	604,447	643,416
18,870	57,458	18,870	47,267	52,096	57,950	61,602
54,555	496,825	38,461	568,353	617,349	662,397	705,018
1,507	1,993	1,507	387	2,191	2,229	2,051
-	253	-	281	401	531	593
1,507	2,246	1,507	668	2,592	2,760	2,644
17,047	435,856	17,046	518,957	561,156	600,295	641,365
17,131	1,518	1,038	1,742	1,906	1,923	-
34,178	437,374	18,084	520,699	563,062	602,218	641,365
18,870	57,205	18,870	46,986	51,695	57,419	61,009
$ 53,048	$ 494,579	$ 36,954	$ 567,685	$ 614,757	$ 659,637	$ 702,374
	441,531		530,731	577,803	622,683	665,420
	832.32%		1436.19%	1563.57%	1685.02%	1800.67%
$ -	$ 860	$ -	$ 868	$ 927	$ 966	$ 966
-	-	-	-	-	-	-
-	860	-	868	927	966	966
178	-	178	-	-	-	-
1,602	-	1,602	-	-	-	-
1,780	-	1,780	-	-	-	-
16,869	434,996	16,868	518,089	560,229	599,329	640,399
17,131	1,518	1,038	1,742	1,906	1,923	-
34,000	436,514	17,906	519,831	562,135	601,252	640,399
17,268	57,205	17,268	46,986	51,695	57,419	61,009
$ 51,268	$ 493,719	$ 35,174	$ 566,817	$ 613,830	$ 658,671	$ 701,408

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CENTRE CITY REDEVELOPMENT PROJECT - COLUMBIA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1976-77
GROSS			
Secured - Locally Assessed	$ 718,080	$ 940,867	$ 18,553
Public Utilities - State Assessed	1,858	1,758	1,038
Total Secured Valuation	719,938	942,625	19,591
Unsecured - Locally Assessed	67,298	72,711	18,870
Total Gross Valuation	787,236	1,015,336	38,461
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,122	2,163	1,507
Unsecured - Locally Assessed	-	653	0
Total Exemptions	2,122	2,816	1,507
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	715,958	938,704	17,046
Public Utilities - State Assessed	1,858	1,758	1,038
Net Secured	717,816	940,462	18,084
Unsecured - Locally Assessed	67,298	72,058	18,870
NET ASSESSED VALUATION FOR TAX RATE	$ 785,114	$ 1,012,520	$ 36,954
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	748,160	975,566	
Percentage Increase (Decrease) Over Base Year	2024.57%	2639.95%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 987	$ 930	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	987	930	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	714,971	937,774	17,046
Public Utilities - State Assessed	1,858	1,758	1,038
Net Secured	716,829	939,532	18,084
Unsecured - Locally Assessed	67,298	72,058	18,870
NET ASSESSED VALUATION	$ 784,127	$ 1,011,590	$ 36,954

2004-05	2005-06	2006-07
$ 1,176,861	$ 1,508,713	$ 1,889,356
602	614	575
1,177,463	1,509,327	1,889,931
58,706	62,612	77,526
1,236,169	1,571,939	1,967,457
312	10,878	11,665
795	966	468
1,107	11,844	12,133
1,176,549	1,497,835	1,877,691
602	614	575
1,177,151	1,498,449	1,878,266
57,911	61,646	77,058
$ 1,235,062	$ 1,560,095	$ 1,955,324
1,198,108	1,523,141	1,918,370
3242.16%	4121.72%	5191.24%
$ 980	$ 980	$ 980
-	-	-
980	980	980
-	-	-
-	-	-
-	-	-
1,175,569	1,496,855	1,876,711
602	614	575
1,176,171	1,497,469	1,877,286
57,911	61,646	77,058
$ 1,234,082	$ 1,559,115	$ 1,954,344

CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 31,114	$ 80,408	$ 84,131
Public Utilities - State Assessed	1,733	19	24
Total Secured Valuation	32,847	80,427	84,155
Unsecured - Locally Assessed	2,306	6,633	5,937
Total Gross Valuation	35,153	87,060	90,092
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	1,047	1,355	1,365
Unsecured - Locally Assessed	-	-	-
Total Exemptions	1,047	1,355	1,365
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	30,067	79,053	82,766
Public Utilities - State Assessed	1,733	19	24
Net Secured	31,800	79,072	82,790
Unsecured - Locally Assessed	2,306	6,633	5,937
NET ASSESSED VALUATION FOR TAX RATE	$ 34,106	$ 85,705	$ 88,727
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		51,599	54,621
Percentage Increase (Decrease) Over Base Year		151.29%	160.15%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ 7
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	7
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	30,067	79,053	82,759
Public Utilities - State Assessed	1,733	19	24
Net Secured	31,800	79,072	82,783
Unsecured - Locally Assessed	2,306	6,633	5,937
NET ASSESSED VALUATION	$ 34,106	$ 85,705	$ 88,720

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
$ 100,504	$ 105,400	$ 31,114	$ 126,908	$ 160,567	$ 214,793	$ 233,212
26	29	61	42	45	46	-
100,530	105,429	31,175	126,950	160,612	214,839	233,212
7,048	8,446	2,306	11,987	13,202	17,680	19,390
107,578	113,875	33,481	138,937	173,814	232,519	252,602
1,644	1,631	1,047	1,634	-	291	297
-	-	-	6	10	8	24
1,644	1,631	1,047	1,640	10	299	321
98,860	103,769	30,067	125,274	160,567	214,502	232,915
26	29	61	42	45	46	-
98,886	103,798	30,128	125,316	160,612	214,548	232,915
7,048	8,446	2,306	11,981	13,192	17,672	19,366
$ 105,934	$ 112,244	$ 32,434	$ 137,297	$ 173,804	$ 232,220	$ 252,281
71,828	78,138		104,863	141,370	199,786	219,847
210.60%	229.10%		323.31%	435.87%	615.98%	677.83%
$ 7	$ 7	$ -	$ -	$ 7	$ 7	$ 7
-	-	-	-	-	-	-
7	7	-	-	7	7	7
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
98,853	103,762	30,067	125,274	160,560	214,495	232,908
26	29	61	42	45	46	-
98,879	103,791	30,128	125,316	160,605	214,541	232,908
7,048	8,446	2,306	11,981	13,192	17,672	19,366
$ 105,927	$ 112,237	$ 32,434	$ 137,297	$ 173,797	$ 232,213	$ 252,274

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CENTRE CITY REDEVELOPMENT PROJECT - GASLAMP SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 249,340	$ 275,444	$ 309,366
Public Utilities - State Assessed	43	37	35
Total Secured Valuation	249,383	275,481	309,401
Unsecured - Locally Assessed	23,833	28,715	28,301
Total Gross Valuation	273,216	304,196	337,702
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	303	309	315
Unsecured - Locally Assessed	-	8	35
Total Exemptions	303	317	350
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	249,037	275,135	309,051
Public Utilities - State Assessed	43	37	35
Net Secured	249,080	275,172	309,086
Unsecured - Locally Assessed	23,833	28,707	28,266
NET ASSESSED VALUATION FOR TAX RATE	$ 272,913	$ 303,879	$ 337,352
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	240,479	271,445	304,918
Percentage Increase (Decrease) Over Base Year	741.44%	836.91%	940.12%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 7	$ 7	$ 7
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	7	7	7
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	249,030	275,128	309,044
Public Utilities - State Assessed	43	37	35
Net Secured	249,073	275,165	309,079
Unsecured - Locally Assessed	23,833	28,707	28,266
NET ASSESSED VALUATION	$ 272,906	$ 303,872	$ 337,345

2005-06	2006-07
$ 418,867	$ 583,747
36	33
418,903	583,780
32,268	34,934
451,171	618,714
321	327
58	77
379	404
418,546	583,420
36	33
418,582	583,453
32,210	34,857
$ 450,792	$ 618,310
418,358	585,876
1289.87%	1806.36%
$ 7	$ 7
-	-
7	7
-	-
-	-
-	-
418,539	583,413
36	33
418,575	583,446
32,210	34,857
$ 450,785	$ 618,303

CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	1996-97
GROSS			
Secured - Locally Assessed	$ 10,503	$ 721,610	$ 708,839
Public Utilities - State Assessed	2,672	1,085	475
Total Secured Valuation	13,175	722,695	709,314
Unsecured - Locally Assessed	6,475	57,602	59,865
Total Gross Valuation	19,650	780,297	769,179
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	142	20,114	18,771
Unsecured - Locally Assessed	-	322	-
Total Exemptions	142	20,436	18,771
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	10,361	701,496	690,068
Public Utilities - State Assessed	2,672	1,085	475
Net Secured	13,033	702,581	690,543
Unsecured - Locally Assessed	6,475	57,280	59,865
NET ASSESSED VALUATION FOR TAX RATE	$ 19,508	$ 759,861	$ 750,408
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		740,353	730,900
Percentage Increase (Decrease) Over Base Year		3795.13%	3746.67%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 1,477	$ 1,560
Unsecured - Locally Assessed	-	49	95
Total Homeowners' Exemptions	-	1,526	1,655
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	212	-	-
Unsecured - Locally Assessed	1,539	-	-
Total Business Inventory Exemptions	1,751	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	10,149	700,019	688,508
Public Utilities - State Assessed	2,672	1,085	475
Net Secured	12,821	701,104	688,983
Unsecured - Locally Assessed	4,936	57,231	59,770
NET ASSESSED VALUATION	$ 17,757	$ 758,335	$ 748,753

Revised Base Year 1976-77	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 9,814	$ 721,827	$ 9,814	$ 758,292	$ 816,598	$ 873,181	$ 1,078,100
2,672	353	964	501	534	544	-
12,486	722,180	10,778	758,793	817,132	873,725	1,078,100
6,475	59,208	6,475	64,822	60,580	66,559	69,427
18,961	781,388	17,253	823,615	877,712	940,284	1,147,527
143	19,397	143	19,782	20,400	20,558	22,941
-	-	-	97	88	88	3,553
143	19,397	143	19,879	20,488	20,646	26,494
9,671	702,430	9,671	738,510	796,198	852,623	1,055,159
2,672	353	964	501	534	544	-
12,343	702,783	10,635	739,011	796,732	853,167	1,055,159
6,475	59,208	6,475	64,725	60,492	66,471	65,874
$ 18,818	$ 761,991	$ 17,110	$ 803,736	$ 857,224	$ 919,638	$ 1,121,033
	743,173		786,626	840,114	902,528	1,103,923
	3949.27%		4597.46%	4910.08%	5274.86%	6451.92%
$ 867	$ 1,792	$ 867	$ 2,001	$ 2,351	$ 2,280	$ 2,280
-	95	-	-	-	116	116
867	1,887	867	2,001	2,351	2,396	2,396
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
8,804	700,638	8,804	736,509	793,847	850,343	1,052,879
2,672	353	964	501	534	544	-
11,476	700,991	9,768	737,010	794,381	850,887	1,052,879
6,475	59,113	6,475	64,725	60,492	66,355	65,758
$ 17,951	$ 760,104	$ 16,243	$ 801,735	$ 854,873	$ 917,242	$ 1,118,637

Continued on next page

CENTRE CITY REDEVELOPMENT PROJECT - MARINA SUB AREA
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 1,267,073	$ 1,571,302	$ 1,913,850
Public Utilities - State Assessed	502	437	417
Total Secured Valuation	1,267,575	1,571,739	1,914,267
Unsecured - Locally Assessed	72,613	72,640	69,934
Total Gross Valuation	1,340,188	1,644,379	1,984,201
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	23,137	23,802	25,327
Unsecured - Locally Assessed	2,573	4,278	4,153
Total Exemptions	25,710	28,080	29,480
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,243,936	1,547,500	1,888,523
Public Utilities - State Assessed	502	437	417
Net Secured	1,244,438	1,547,937	1,888,940
Unsecured - Locally Assessed	70,040	68,362	65,781
NET ASSESSED VALUATION FOR TAX RATE	$ 1,314,478	$ 1,616,299	$ 1,954,721
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	1,297,368	1,599,189	1,937,611
Percentage Increase (Decrease) Over Base Year	7582.51%	9346.52%	11324.44%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 2,834	$ 3,910	$ 4,778
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	2,834	3,910	4,778
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,241,102	1,543,590	1,883,745
Public Utilities - State Assessed	502	437	417
Net Secured	1,241,604	1,544,027	1,884,162
Unsecured - Locally Assessed	70,040	68,362	65,781
NET ASSESSED VALUATION	$ 1,311,644	$ 1,612,389	$ 1,949,943

2005-06	2006-07
$ 2,115,535	$ 2,264,707
426	403
2,115,961	2,265,110
81,890	94,651
2,197,851	2,359,761
25,915	26,565
4,479	4,862
30,394	31,427
2,089,620	2,238,142
426	403
2,090,046	2,238,545
77,411	89,789
$ 2,167,457	$ 2,328,334
2,150,347	2,311,224
12567.78%	13508.03%
$ 4,778	$ 4,778
-	-
4,778	4,778
-	-
-	-
-	-
2,084,842	2,233,364
426	403
2,085,268	2,233,767
77,411	89,789
$ 2,162,679	$ 2,323,556

CITY HEIGHTS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2006-07 (BASE YEAR 1992-93)
(UNAUDITED)

	Base Year 1992-93	Revised Base Year 1992-93	1996-97
GROSS			
Secured - Locally Assessed	$ 1,221,895	$ 1,214,987	$ 1,116,612
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	1,221,895	1,214,987	1,116,612
Unsecured - Locally Assessed	20,926	20,926	15,508
Total Gross Valuation	1,242,821	1,235,913	1,132,120
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	25,677	25,064	25,816
Unsecured - Locally Assessed	-	-	41
Total Exemptions	25,677	25,064	25,857
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,196,218	1,189,923	1,090,796
Public Utilities - State Assessed	-	-	-
Net Secured	1,196,218	1,189,923	1,090,796
Unsecured - Locally Assessed	20,926	20,926	15,467
NET ASSESSED VALUATION FOR TAX RATE	$ 1,217,144	$ 1,210,849	$ 1,106,263
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			(104,586)
Percentage Increase (Decrease) Over Base Year			-8.64%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 19,985	$ 19,674
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	19,985	19,674
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,196,218	1,169,938	1,071,122
Public Utilities - State Assessed	-	-	-
Net Secured	1,196,218	1,169,938	1,071,122
Unsecured - Locally Assessed	20,926	20,926	15,467
NET ASSESSED VALUATION	$ 1,217,144	$ 1,190,864	$ 1,086,589

Revised Base Year 1992-93	1997-98	Revised Base Year 1992-93	1998-99	1999-2000	2000-01	2001-02
$ 1,034,935	$ 1,000,884	$ 1,027,567	$ 1,010,076	$ 1,045,685	$ 1,118,357	$ 1,227,363
-	-	-	-	-	-	-
1,034,935	1,000,884	1,027,567	1,010,076	1,045,685	1,118,357	1,227,363
20,926	14,297	20,926	17,330	17,759	18,869	18,078
1,055,861	1,015,181	1,048,493	1,027,406	1,063,444	1,137,226	1,245,441
25,064	26,792	25,064	27,331	31,489	43,087	44,494
-	166	-	199	544	574	909
25,064	26,958	25,064	27,530	32,033	43,661	45,403
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869
-	-	-	-	-	-	-
1,009,871	974,092	1,002,503	982,745	1,014,196	1,075,270	1,182,869
20,926	14,131	20,926	17,131	17,215	18,295	17,169
$ 1,030,797	$ 988,223	$ 1,023,429	$ 999,876	$ 1,031,411	$ 1,093,565	$ 1,200,038
	(42,574)		(23,553)	7,982	70,136	176,609
	-4.13%		-2.30%	0.78%	6.85%	17.26%
$ 19,985	$ 19,421	$ 19,985	$ 19,127	$ 19,734	$ 19,838	$ 19,838
-	-	-	-	-	-	-
19,985	19,421	19,985	19,127	19,734	19,838	19,838
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031
-	-	-	-	-	-	-
989,886	954,671	982,518	963,618	994,462	1,055,432	1,163,031
20,926	14,131	20,926	17,131	17,215	18,295	17,169
$ 1,010,812	$ 968,802	$ 1,003,444	$ 980,749	$ 1,011,677	$ 1,073,727	$ 1,180,200

CITY HEIGHTS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1996-97 TO 2006-07 (BASE YEAR 1992-93)
(UNAUDITED)

	2002-03	2003-04	Revised Base Year 1992-93
GROSS			
Secured - Locally Assessed	$ 1,371,384	$ 1,536,318	$ 1,013,800
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	1,371,384	1,536,318	1,013,800
Unsecured - Locally Assessed	21,608	27,638	20,926
Total Gross Valuation	1,392,992	1,563,956	1,034,726
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	49,928	59,297	24,921
Unsecured - Locally Assessed	122	801	-
Total Exemptions	50,050	60,098	24,921
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,321,456	1,477,021	988,879
Public Utilities - State Assessed	-	-	-
Net Secured	1,321,456	1,477,021	988,879
Unsecured - Locally Assessed	21,486	26,837	20,926
NET ASSESSED VALUATION FOR TAX RATE	$ 1,342,942	$ 1,503,858	$ 1,009,805
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	319,513	480,429	
Percentage Increase (Decrease) Over Base Year	31.22%	46.94%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 20,689	$ 21,143	$ 19,985
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	20,689	21,143	19,985
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,300,767	1,455,878	968,894
Public Utilities - State Assessed	-	-	-
Net Secured	1,300,767	1,455,878	968,894
Unsecured - Locally Assessed	21,486	26,837	20,926
NET ASSESSED VALUATION	$ 1,322,253	$ 1,482,715	$ 989,820

Continued on next page

2004-05	Revised Base Year 1992-93	2005-06	2006-07
$ 1,744,652	$ 1,009,880	$ 1,989,379	$ 2,235,202
-	-	-	-
1,744,652	1,009,880	1,989,379	2,235,202
26,310	20,926	31,585	32,576
1,770,962	1,030,806	2,020,964	2,267,778
72,663	24,921	78,153	90,345
1,016	-	3,554	4,763
73,679	24,921	81,707	95,108
1,671,989	984,959	1,911,226	2,144,857
-	-	-	-
1,671,989	984,959	1,911,226	2,144,857
25,294	20,926	28,031	27,813
$ 1,697,283	$ 1,005,885	$ 1,939,257	$ 2,172,670
687,478		929,452	1,162,865
68.08%		92.40%	115.61%
$ 21,707	$ 19,985	$ 21,707	$ 21,707
-	-	-	-
21,707	19,985	21,707	21,707
-	-	-	-
-	-	-	-
-	-	-	-
1,650,282	964,974	1,889,519	2,123,150
-	-	-	-
1,650,282	964,974	1,889,519	2,123,150
25,294	20,926	28,031	27,813
$ 1,675,576	$ 985,900	$ 1,917,550	$ 2,150,963

COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1993-94)
(UNAUDITED)

	Base Year 1993-94	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 56,366	$ 60,304	$ 59,183
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	56,366	60,304	59,183
Unsecured - Locally Assessed	3,033	2,899	2,583
Total Gross Valuation	59,399	63,203	61,766
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	10,367	11,029	10,723
Unsecured - Locally Assessed	-	-	-
Total Exemptions	10,367	11,029	10,723
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	45,999	49,275	48,460
Public Utilities - State Assessed	-	-	-
Net Secured	45,999	49,275	48,460
Unsecured - Locally Assessed	3,033	2,899	2,583
NET ASSESSED VALUATION FOR TAX RATE	$ 49,032	$ 52,174	$ 51,043
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		3,142	2,011
Percentage Increase (Decrease) Over Base Year		6.41%	4.10%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	14	14	14
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	45,985	49,261	48,446
Public Utilities - State Assessed	-	-	-
Net Secured	45,985	49,261	48,446
Unsecured - Locally Assessed	3,033	2,899	2,583
NET ASSESSED VALUATION	$ 49,018	$ 52,160	$ 51,029

1996-97	1997-98	1998-99	1999-2000	2000-01	2001-02	2002-03	2003-04
$ 58,730	$ 59,540	$ 65,343	$ 69,023	$ 77,392	$ 101,104	$ 106,774	$ 123,054
-	-	-	-	-	-	-	-
58,730	59,540	65,343	69,023	77,392	101,104	106,774	123,054
2,447	3,053	5,809	4,950	10,019	10,329	3,779	5,069
61,177	62,593	71,152	73,973	87,411	111,433	110,553	128,123
11,972	11,778	10,997	11,440	21,149	23,021	43,610	57,296
-	1,114	309	1,542	4,847	5,455	-	203
11,972	12,892	11,306	12,982	25,996	28,476	43,610	57,499
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758
-	-	-	-	-	-	-	-
46,758	47,762	54,346	57,583	56,243	78,083	63,164	65,758
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866
$ 49,205	$ 49,701	$ 59,846	$ 60,991	$ 61,415	$ 82,957	$ 66,943	$ 70,624
173	669	10,814	11,959	12,383	33,925	17,911	21,592
0.35%	1.36%	22.05%	24.39%	25.25%	69.19%	36.53%	44.04%
$ 14	$ 14	$ 14	$ 21	$ 21	$ 21	$ 21	$ 21
-	-	-	-	-	-	-	-
14	14	14	21	21	21	21	21
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737
-	-	-	-	-	-	-	-
46,744	47,748	54,332	57,562	56,222	78,062	63,143	65,737
2,447	1,939	5,500	3,408	5,172	4,874	3,779	4,866
$ 49,191	$ 49,687	$ 59,832	$ 60,970	$ 61,394	$ 82,936	$ 66,922	$ 70,603

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COLLEGE COMMUNITY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1993-94)
(UNAUDITED)

	2004-05	2005-06	2006-07
GROSS			
Secured - Locally Assessed	$ 127,995	$ 138,085	$ 171,370
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	127,995	138,085	171,370
Unsecured - Locally Assessed	3,853	5,196	7,526
Total Gross Valuation	131,848	143,281	178,896
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	59,194	59,461	60,173
Unsecured - Locally Assessed	110	511	2,939
Total Exemptions	59,304	59,972	63,112
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	68,801	78,624	111,197
Public Utilities - State Assessed	-	-	-
Net Secured	68,801	78,624	111,197
Unsecured - Locally Assessed	3,743	4,685	4,587
NET ASSESSED VALUATION FOR TAX RATE	$ 72,544	$ 83,309	$ 115,784
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	23,512	34,277	66,752
Percentage Increase (Decrease) Over Base Year	47.95%	69.91%	136.14%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 14	$ 14	$ 14
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	14	14	14
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	68,787	78,610	111,183
Public Utilities - State Assessed	-	-	-
Net Secured	68,787	78,610	111,183
Unsecured - Locally Assessed	3,743	4,685	4,587
NET ASSESSED VALUATION	$ 72,530	$ 83,295	$ 115,770

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COLLEGE GROVE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 17,135	$ 32,969	$ 27,115
Public Utilities - State Assessed	292	-	-
Total Secured Valuation	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,097	3,450
Total Gross Valuation	19,937	38,066	30,565
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	2	2
Total Exemptions	-	2	2
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	17,135	32,969	27,115
Public Utilities - State Assessed	292	-	-
Net Secured	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,095	3,448
NET ASSESSED VALUATION FOR TAX RATE	19,937	38,064	30,563
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		18,127	10,626
Percentage Increase (Decrease) Over Base Year		90.92%	53.30%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	17,135	32,969	27,115
Public Utilities - State Assessed	292	-	-
Net Secured	17,427	32,969	27,115
Unsecured - Locally Assessed	2,510	5,095	3,448
NET ASSESSED VALUATION	$ 19,937	$ 38,064	$ 30,563

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
$ 26,283	$ 26,507	$ 17,135	$ 26,846	$ 25,176	$ 53,271	$ 61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
28,975	29,665	19,659	29,551	26,845	56,122	68,255
9,038	9,728		9,892	7,186	36,463	48,596
45.33%	48.79%		50.32%	36.55%	185.48%	247.19%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
26,283	26,507	17,135	26,846	25,176	53,271	61,376
-	-	14	-	-	-	-
26,283	26,507	17,149	26,846	25,176	53,271	61,376
2,692	3,158	2,510	2,705	1,669	2,851	6,879
$ 28,975	$ 29,665	$ 19,659	$ 29,551	$ 26,845	$ 56,122	$ 68,255

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COLLEGE GROVE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1986-87)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 62,738	$ 61,096	$ 82,062
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
Total Gross Valuation	71,243	67,293	90,587
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	62,738	61,096	82,062
Public Utilities - State Assessed	-	-	-
Net Secured	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
NET ASSESSED VALUATION FOR TAX RATE	71,243	67,293	90,587
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	51,584	47,634	70,928
Percentage Increase (Decrease) Over Base Year	262.39%	242.30%	360.79%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	62,738	61,096	82,062
Public Utilities - State Assessed	-	-	-
Net Secured	62,738	61,096	82,062
Unsecured - Locally Assessed	8,505	6,197	8,525
NET ASSESSED VALUATION	$ 71,243	$ 67,293	$ 90,587

2005-06	2006-07
$ 85,793	$ 86,772
-	-
85,793	86,772
9,832	10,274
95,625	97,046
-	-
-	-
-	-
85,793	86,772
-	-
85,793	86,772
9,832	10,274
95,625	97,046
75,966	77,387
386.42%	393.65%
$ -	$ -
-	-
-	-
-	-
-	-
-	-
85,793	86,772
-	-
85,793	86,772
9,832	10,274
$ 95,625	$ 97,046

CROSSROADS REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 2002-2003 TO 2006-07 (BASE YEAR 2002-2003)
(UNAUDITED)

	Base Year 2002-2003	2004-05	2005-06	2006-07
GROSS				
Secured - Locally Assessed	$ 530,192	$ 638,610	$ 743,762	$ 857,715
Public Utilities - State Assessed	-	-	-	-
Total Secured Valuation	530,192	638,610	743,762	857,715
Unsecured - Locally Assessed	24,811	22,662	28,847	25,739
Total Gross Valuation	555,003	661,272	772,609	883,454
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)				
Secured - Locally Assessed	35,700	42,163	42,528	49,389
Unsecured - Locally Assessed	475	862	1,176	973
Total Exemptions	36,175	43,025	43,704	50,362
NET ASSESSED VALUATIONS FOR TAX RATE				
Secured - Locally Assessed	494,492	596,447	701,234	808,326
Public Utilities - State Assessed	-	-	-	-
Net Secured	494,492	596,447	701,234	808,326
Unsecured - Locally Assessed	24,336	21,800	27,671	24,766
NET ASSESSED VALUATION FOR TAX RATE	$ 518,828	$ 618,247	$ 728,905	$ 833,092
INCREMENT				
Net Assessed Valuation Increase (Decrease) Over Base Year		99,419	210,077	314,264
Percentage Increase (Decrease) Over Base Year		19.16%	40.49%	60.57%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS				
Secured - Locally Assessed	$ -	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-	-
Total Homeowners' Exemptions	-	-	-	-
BUSINESS INVENTORY EXEMPTIONS				
Secured - Locally Assessed	-	-	-	-
Unsecured - Locally Assessed	-	-	-	-
Total Business Inventory Exemptions	-	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS				
Secured - Locally Assessed	494,492	596,447	701,234	808,326
Public Utilities - State Assessed	-	-	-	-
Net Secured	494,492	596,447	701,234	808,326
Unsecured - Locally Assessed	24,336	21,800	27,671	24,766
NET ASSESSED VALUATION	$ 518,828	$ 618,247	$ 728,905	$ 833,092

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GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	Base Year 1976-77	1995-96	Revised Base Year 1976-77
GROSS			
Secured - Locally Assessed	$ 3,306	$ 22,547	$ 3,301
Public Utilities - State Assessed	1,841	-	1,841
Total Secured Valuation	5,147	22,547	5,142
Unsecured - Locally Assessed	454	1,424	454
Total Gross Valuation	5,601	23,971	5,596
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	87	3,612	87
Unsecured - Locally Assessed	-	135	-
Total Exemptions	87	3,747	87
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	3,219	18,935	3,214
Public Utilities - State Assessed	1,841	-	1,841
Net Secured	5,060	18,935	5,055
Unsecured - Locally Assessed	454	1,289	454
NET ASSESSED VALUATION FOR TAX RATE	$ 5,514	$ 20,224	$ 5,509
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		14,710	
Percentage Increase (Decrease) Over Base Year		266.78%	
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 189	$ 63	$ 189
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	189	63	189
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	54	-	-
Unsecured - Locally Assessed	80	-	-
Total Business Inventory Exemptions	134	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	2,976	18,872	3,025
Public Utilities - State Assessed	1,841	-	1,841
Net Secured	4,817	18,872	4,866
Unsecured - Locally Assessed	374	1,289	454
NET ASSESSED VALUATION	$ 5,191	$ 20,161	$ 5,320

1996-97	1997-98	Revised Base Year 1976-77	1998-99	1999-2000	2000-01	2001-02
$ 20,915	$ 22,079	$ 3,302	$ 22,008	$ 22,412	$ 22,100	$ 24,462
-	-	-	-	-	-	-
20,915	22,079	3,302	22,008	22,412	22,100	24,462
4,096	2,719	454	2,417	2,066	3,005	4,471
25,011	24,798	3,756	24,425	24,478	25,105	28,933
4,912	5,010	87	5,111	5,205	5,309	5,415
-	201	-	118	109	165	186
4,912	5,211	87	5,229	5,314	5,474	5,601
16,003	17,069	3,215	16,897	17,207	16,791	19,047
-	-	-	-	-	-	-
16,003	17,069	3,215	16,897	17,207	16,791	19,047
4,096	2,518	454	2,299	1,957	2,840	4,285
$ 20,099	$ 19,587	$ 3,669	$ 19,196	$ 19,164	$ 19,631	$ 23,332
14,590	14,078		15,527	15,495	15,962	19,663
264.84%	255.55%		423.19%	422.32%	435.05%	535.92%
$ 63	$ 70	$ 189	$ 70	$ 70	$ 70	$ 70
-	-	-	-	-	-	-
63	70	189	70	70	70	70
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977
-	-	-	-	-	-	-
15,940	16,999	3,026	16,827	17,137	16,721	18,977
4,096	2,518	454	2,299	1,957	2,840	4,285
$ 20,036	$ 19,517	$ 3,480	$ 19,126	$ 19,094	$ 19,561	$ 23,262

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GATEWAY CENTER WEST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1976-77)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 25,654	$ 27,585	$ 28,969
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	25,654	27,585	28,969
Unsecured - Locally Assessed	3,898	3,746	3,755
Total Gross Valuation	29,552	31,331	32,724
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	5,524	5,634	5,739
Unsecured - Locally Assessed	-	177	162
Total Exemptions	5,524	5,811	5,901
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	20,130	21,951	23,230
Public Utilities - State Assessed	-	-	-
Net Secured	20,130	21,951	23,230
Unsecured - Locally Assessed	3,898	3,569	3,593
NET ASSESSED VALUATION FOR TAX RATE	$ 24,028	$ 25,520	$ 26,823
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	20,359	21,851	23,154
Percentage Increase (Decrease) Over Base Year	554.89%	595.56%	631.07%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 56	$ 56	$ 63
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	56	56	63
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	20,074	21,895	23,167
Public Utilities - State Assessed	-	-	-
Net Secured	20,074	21,895	23,167
Unsecured - Locally Assessed	3,898	3,569	3,593
NET ASSESSED VALUATION	$ 23,972	$ 25,464	$ 26,760

2005-06	2006-07
$ 29,987	$ 31,256
-	-
29,987	31,256
4,413	3,941
34,400	35,197
5,854	5,971
175	160
6,029	6,131
24,133	25,285
-	-
24,133	25,285
4,238	3,781
$ 28,371	$ 29,066
24,702	25,397
673.26%	692.20%
$ 63	$ 63
-	-
63	63
-	-
-	-
-	-
24,070	25,222
-	-
24,070	25,222
4,238	3,781
$ 28,308	$ 29,003

HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1972-73)
(UNAUDITED)

	Base Year 1972-73	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 15,718	$ 410,939	$ 354,750
Public Utilities - State Assessed	1,374	-	-
Total Secured Valuation	17,092	410,939	354,750
Unsecured - Locally Assessed	2,202	27,953	23,628
Total Gross Valuation	19,294	438,892	378,378
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	522	-	-
Unsecured - Locally Assessed	-	608	660
Total Exemptions	522	608	660
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	15,196	410,939	354,750
Public Utilities - State Assessed	1,374	-	-
Net Secured	16,570	410,939	354,750
Unsecured - Locally Assessed	2,202	27,345	22,968
NET ASSESSED VALUATION FOR TAX RATE	$ 18,772	$ 438,284	$ 377,718
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		419,512	358,946
Percentage Increase (Decrease) Over Base Year		2234.78%	1912.14%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 609	$ 595
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	609	595
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	307	-	-
Total Business Inventory Exemptions	307	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	15,196	410,330	354,155
Public Utilities - State Assessed	1,374	-	-
Net Secured	16,570	410,330	354,155
Unsecured - Locally Assessed	1,895	27,345	22,968
NET ASSESSED VALUATION	$ 18,465	$ 437,675	$ 377,123

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
$ 346,766	$ 364,213	$ 15,718	$ 373,433	$ 455,518	$ 473,520	$ 500,728
-	-	3	-	-	-	-
346,766	364,213	15,721	373,433	455,518	473,520	500,728
25,055	26,626	2,203	28,495	43,981	46,557	44,642
371,821	390,839	17,924	401,928	499,499	520,077	545,370
-	-	522	-	-	-	-
557	922	-	528	7,384	7,597	7,848
557	922	522	528	7,384	7,597	7,848
346,766	364,213	15,196	373,433	455,518	473,520	500,728
-	-	3	-	-	-	-
346,766	364,213	15,199	373,433	455,518	473,520	500,728
24,498	25,704	2,203	27,967	36,597	38,960	36,794
$ 371,264	$ 389,917	$ 17,402	$ 401,400	$ 492,115	$ 512,480	$ 537,522
352,492	371,145		383,998	474,713	495,078	520,120
1877.75%	1977.12%		2206.63%	2727.92%	2844.95%	2988.85%
$ 630	$ 679	$ -	$ 728	$ 735	$ 754	$ 755
-	-	-	-	-	-	-
630	679	-	728	735	754	755
-	-	-	-	-	-	-
-	-	307	-	-	-	-
-	-	307	-	-	-	-
346,136	363,534	15,196	372,705	454,783	472,766	499,973
-	-	3	-	-	-	-
346,136	363,534	15,199	372,705	454,783	472,766	499,973
24,498	25,704	1,896	27,967	36,597	38,960	36,794
$ 370,634	$ 389,238	$ 17,095	$ 400,672	$ 491,380	$ 511,726	$ 536,767

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HORTON PLAZA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 522,112	$ 521,454	$ 547,082
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	522,112	521,454	547,082
Unsecured - Locally Assessed	59,284	56,366	55,272
Total Gross Valuation	581,396	577,820	602,354
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	7,279	7,672	7,823
Total Exemptions	7,279	7,672	7,823
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	522,112	521,454	547,082
Public Utilities - State Assessed	-	-	-
Net Secured	522,112	521,454	547,082
Unsecured - Locally Assessed	52,005	48,694	47,449
NET ASSESSED VALUATION FOR TAX RATE	$ 574,117	$ 570,148	$ 594,531
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	556,715	552,746	577,129
Percentage Increase (Decrease) Over Base Year	3199.14%	3176.34%	3316.45%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 748	$ 714	$ 725
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	748	714	725
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	521,364	520,740	546,357
Public Utilities - State Assessed	-	-	-
Net Secured	521,364	520,740	546,357
Unsecured - Locally Assessed	52,005	48,694	47,449
NET ASSESSED VALUATION	$ 573,369	$ 569,434	$ 593,806

2005-06	2006-07
$ 697,888	$ 781,280
-	-
697,888	781,280
55,487	59,958
753,375	841,238
-	-
8,057	8,731
8,057	8,731
697,888	781,280
-	-
697,888	781,280
47,430	51,227
$ 745,318	$ 832,507
727,916	815,105
4182.94%	4683.97%
$ 725	$ 725
-	-
725	725
-	-
-	-
-	-
697,163	780,555
-	-
697,163	780,555
47,430	51,227
$ 744,593	$ 831,782

LINDA VISTA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1972-73)
(UNAUDITED)

	Base Year 1972-73	Revised Base Year 1972-73	1995-96
GROSS			
Secured - Locally Assessed	$ 1,611	$ 1,600	$ 7,123
Public Utilities - State Assessed	128	128	-
Total Secured Valuation	1,739	1,728	7,123
Unsecured - Locally Assessed	660	660	1,582
Total Gross Valuation	2,399	2,388	8,705
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	7	7	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	7	7	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	1,604	1,593	7,123
Public Utilities - State Assessed	128	128	-
Net Secured	1,732	1,721	7,123
Unsecured - Locally Assessed	660	660	1,582
NET ASSESSED VALUATION FOR TAX RATE	$ 2,392	$ 2,381	$ 8,705
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year			6,324
Percentage Increase (Decrease) Over Base Year			265.60%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	153	153	-
Total Business Inventory Exemptions	153	153	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	1,604	1,593	7,123
Public Utilities - State Assessed	128	128	-
Net Secured	1,732	1,721	7,123
Unsecured - Locally Assessed	507	507	1,582
NET ASSESSED VALUATION	$ 2,239	$ 2,228	$ 8,705

1996-97	1997-98	Revised Base Year 1972-73	1998-99	1999-2000	2000-01	2001-02
$ 7,242	$ 7,373	$ 1,600	$ 7,505	$ 8,123	$ 8,807	$ 9,163
-	-	-	-	-	-	-
7,242	7,373	1,600	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
9,068	8,834	2,260	8,824	10,049	11,192	11,596
-	-	7	-	-	-	-
-	-	-	-	-	-	-
-	-	7	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	660	1,319	1,926	2,385	2,433
$ 9,068	$ 8,834	$ 2,253	$ 8,824	$ 10,049	$ 11,192	$ 11,596
6,687	6,453		6,571	7,796	8,939	9,343
280.85%	271.02%		291.66%	346.03%	396.76%	414.69%
$ -	$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	153	-	-	-	-
-	-	153	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
-	-	-	-	-	-	-
7,242	7,373	1,593	7,505	8,123	8,807	9,163
1,826	1,461	507	1,319	1,926	2,385	2,433
$ 9,068	$ 8,834	$ 2,100	$ 8,824	$ 10,049	$ 11,192	$ 11,596

Continued on next page

LINDA VISTA REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1995-96 TO 2006-07 (BASE YEAR 1972-73)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 9,333	$ 8,236	$ 8,456
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
Total Gross Valuation	11,988	10,875	10,593
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Exemptions	-	-	-
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	9,333	8,236	8,456
Public Utilities - State Assessed	-	-	-
Net Secured	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
NET ASSESSED VALUATION FOR TAX RATE	$ 11,988	$ 10,875	$ 10,593
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	9,735	8,622	8,340
Percentage Increase (Decrease) Over Base Year	432.09%	382.69%	370.17%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	9,333	8,236	8,456
Public Utilities - State Assessed	-	-	-
Net Secured	9,333	8,236	8,456
Unsecured - Locally Assessed	2,655	2,639	2,137
NET ASSESSED VALUATION	$ 11,988	$ 10,875	$ 10,593

2005-06	2006-07
$ 8,779	$ 9,006
-	-
8,779	9,006
2,044	1,939
10,823	10,945
-	-
-	-
-	-
8,779	9,006
-	-
8,779	9,006
2,044	1,939
$ 10,823	$ 10,945
8,570	8,692
380.38%	385.80%
$ -	$ -
-	-
-	-
-	-
-	-
-	-
8,779	9,006
-	-
8,779	9,006
2,044	1,939
$ 10,823	$ 10,945

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1982-83)
(UNAUDITED)

	Base Year 1982-83	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 18,484	$ 72,446	$ 69,736
Public Utilities - State Assessed	716	-	-
Total Secured Valuation	19,200	72,446	69,736
Unsecured - Locally Assessed	24	6,742	9,994
Total Gross Valuation	19,224	79,188	79,730
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	443	1,124	1,153
Unsecured - Locally Assessed	-	3	3
Total Exemptions	443	1,127	1,156
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	18,041	71,322	68,583
Public Utilities - State Assessed	716	-	-
Net Secured	18,757	71,322	68,583
Unsecured - Locally Assessed	24	6,739	9,991
NET ASSESSED VALUATION FOR TAX RATE	$ 18,781	$ 78,061	$ 78,574
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		59,280	59,793
Percentage Increase (Decrease) Over Base Year		315.64%	318.37%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,414	$ 1,356	$ 1,399
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,414	1,356	1,399
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	16,627	69,966	67,184
Public Utilities - State Assessed	716	-	-
Net Secured	17,343	69,966	67,184
Unsecured - Locally Assessed	24	6,739	9,991
NET ASSESSED VALUATION	$ 17,367	$ 76,705	$ 77,175

1996-97	1997-98	Revised Base Year 1982-83	1998-99	1999-2000	2000-01	2001-02
$ 70,232	$ 72,740	$ 18,484	$ 75,324	$ 77,535	$ 90,378	$ 96,022
-	-	-	-	-	-	-
70,232	72,740	18,484	75,324	77,535	90,378	96,022
10,271	12,224	24	18,209	18,325	15,642	16,268
80,503	84,964	18,508	93,533	95,860	106,020	112,290
1,248	1,364	443	1,306	1,271	1,186	905
9	25	-	9	-	7	-
1,257	1,389	443	1,315	1,271	1,193	905
68,984	71,376	18,041	74,018	76,264	89,192	95,117
-	-	-	-	-	-	-
68,984	71,376	18,041	74,018	76,264	89,192	95,117
10,262	12,199	24	18,200	18,325	15,635	16,268
$ 79,246	$ 83,575	$ 18,065	$ 92,218	$ 94,589	$ 104,827	$ 111,385
60,465	64,794		74,153	76,524	86,762	93,320
321.95%	345.00%		410.48%	423.60%	480.28%	516.58%
$ 1,442	$ 1,519	$ 1,414	$ 1,532	$ 1,518	$ 1,518	$ 1,518
-	-	-	-	-	-	-
1,442	1,519	1,414	1,532	1,518	1,518	1,518
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599
-	-	-	-	-	-	-
67,542	69,857	16,627	72,486	74,746	87,674	93,599
10,262	12,199	24	18,200	18,325	15,635	16,268
$ 77,804	$ 82,056	$ 16,651	$ 90,686	$ 93,071	$ 103,309	$ 109,867

Continued on next page

MOUNT HOPE REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1982-83)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 100,959	$ 108,817	$ 120,601
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	100,959	108,817	120,601
Unsecured - Locally Assessed	20,592	18,539	18,263
Total Gross Valuation	121,551	127,356	138,864
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	905	9,748	12,392
Unsecured - Locally Assessed	-	7	1,800
Total Exemptions	905	9,755	14,192
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	100,054	99,069	108,209
Public Utilities - State Assessed	-	-	-
Net Secured	100,054	99,069	108,209
Unsecured - Locally Assessed	20,592	18,532	16,463
NET ASSESSED VALUATION FOR TAX RATE	$ 120,646	$ 117,601	$ 124,672
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	102,581	99,536	106,607
Percentage Increase (Decrease) Over Base Year	567.84%	550.99%	590.13%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,526	$ 1,557	$ 1,589
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,526	1,557	1,589
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	98,528	97,512	106,620
Public Utilities - State Assessed	-	-	-
Net Secured	98,528	97,512	106,620
Unsecured - Locally Assessed	20,592	18,532	16,463
NET ASSESSED VALUATION	$ 119,120	$ 116,044	$ 123,083

2005-06	2006-07
$ 130,153	$ 143,370
-	-
130,153	143,370
23,294	24,099
153,447	167,469
12,689	12,941
1,662	1,107
14,351	14,048
117,464	130,429
-	-
117,464	130,429
21,632	22,992
$ 139,096	$ 153,421
121,031	135,356
669.98%	749.27%
$ 1,589	$ 1,589
-	-
1,589	1,589
-	-
-	-
-	-
115,875	128,840
-	-
115,875	128,840
21,632	22,992
$ 137,507	$ 151,832

NAVAL TRAINING CENTER REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2006-07 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ -	$ -	$ -
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	-	-	-
Unsecured - Locally Assessed	-	44	68
Total Gross Valuation	-	44	68
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	12
Total Exemptions	-	-	12
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	-	-	-
Public Utilities - State Assessed	-	-	-
Net Secured	-	-	-
Unsecured - Locally Assessed	-	44	56
NET ASSESSED VALUATION FOR TAX RATE	$ -	$ 44	$ 56
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		44	56
Percentage Increase (Decrease) Over Base Year		N/A	N/A
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ -	$ -
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	-	-
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Public Utilities - State Assessed	-	-	-
Net Secured	-	-	-
Unsecured - Locally Assessed	-	44	56
NET ASSESSED VALUATION	$ -	$ 44	$ 56

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
$ -	$ 11,090	$ 100,366	$ 209,737	$ 352,054	$ 391,692
-	-	-	-	-	-
-	11,090	100,366	209,737	352,054	391,692
-	8	481	541	2,226	6,794
-	11,098	100,847	210,278	354,280	398,486
-	-	-	13,385	16,504	7,051
-	-	-	-	1,715	3,158
-	-	-	13,385	18,219	10,209
-	11,090	100,366	196,352	335,550	384,641
-	-	-	-	-	-
-	11,090	100,366	196,352	335,550	384,641
-	8	481	541	511	3,636
$ -	$ 11,098	$ 100,847	$ 196,893	$ 336,061	$ 388,277
-	11,098	100,847	196,893	336,061	388,277
N/A	N/A	N/A	N/A	N/A	N/A
$ -	$ -	$ -	$ -	$ -	$ -
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	11,090	100,366	196,352	335,550	384,641
-	-	-	-	-	-
-	11,090	100,366	196,352	335,550	384,641
-	8	481	541	511	3,636
$ -	$ 11,098	$ 100,847	$ 196,893	$ 336,061	$ 388,277

NORTH BAY REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2006-07 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 665,470	$ 737,249	$ 784,329
Public Utilities - State Assessed	4,917	8,101	8,274
Total Secured Valuation	670,387	745,350	792,603
Unsecured - Locally Assessed	76,363	98,094	89,629
Total Gross Valuation	746,750	843,444	882,232
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	63,278	61,649	62,940
Unsecured - Locally Assessed	-	-	7,945
Total Exemptions	63,278	61,649	70,885
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	602,192	675,600	721,389
Public Utilities - State Assessed	4,917	8,101	8,274
Net Secured	607,109	683,701	729,663
Unsecured - Locally Assessed	76,363	98,094	81,684
NET ASSESSED VALUATION FOR TAX RATE	$ 683,472	$ 781,795	$ 811,347
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		98,323	127,875
Percentage Increase (Decrease) Over Base Year		14.39%	18.71%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 2,153	$ 2,222
Unsecured - Locally Assessed	-	-	35
Total Homeowners' Exemptions	-	2,153	2,257
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	602,192	673,447	719,167
Public Utilities - State Assessed	4,917	8,101	8,274
Net Secured	607,109	681,548	727,441
Unsecured - Locally Assessed	76,363	98,094	81,649
NET ASSESSED VALUATION	$ 683,472	$ 779,642	$ 809,090

2001-02	Revised Base Year 1999-2000	2002-03	2003-04	2004-05	2005-06	2006-07
$ 828,519	$ 671,088	$ 879,653	$ 907,188	$ 969,695	$ 1,049,980	$ 1,210,657
8,440	4,917	7,603	6,570	6,253	6,375	5,971
836,959	676,005	887,256	913,758	975,948	1,056,355	1,216,628
84,023	76,363	92,229	103,680	102,426	104,798	117,423
920,982	752,368	979,485	1,017,438	1,078,374	1,161,153	1,334,051
60,979	63,278	72,720	36,897	43,514	45,075	49,204
6,530	-	3,177	5,769	5,825	8,003	11,658
67,509	63,278	75,897	42,666	49,339	53,078	60,862
767,540	607,810	806,933	870,291	926,181	1,004,905	1,161,453
8,440	4,917	7,603	6,570	6,253	6,375	5,971
775,980	612,727	814,536	876,861	932,434	1,011,280	1,167,424
77,493	76,363	89,052	97,911	96,601	96,795	105,765
$ 853,473	$ 689,090	$ 903,588	$ 974,772	$ 1,029,035	$ 1,108,075	$ 1,273,189
170,001		214,498	285,682	339,945	418,985	584,099
24.87%		31.13%	41.46%	49.33%	60.80%	84.76%
$ 2,222	$ -	$ 2,320	$ 2,328	$ 2,356	$ 2,356	$ 2,356
35	-	-	-	-	-	-
2,257	-	2,320	2,328	2,356	2,356	2,356
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
765,318	607,810	804,613	867,963	923,825	1,002,549	1,159,097
8,440	4,917	7,603	6,570	6,253	6,375	5,971
773,758	612,727	812,216	874,533	930,078	1,008,924	1,165,068
77,458	76,363	89,052	97,911	96,601	96,795	105,765
$ 851,216	$ 689,090	$ 901,268	$ 972,444	$ 1,026,679	$ 1,105,719	$ 1,270,833

NORTH PARK REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1999-2000 TO 2006-07 (BASE YEAR 1999-2000)
(UNAUDITED)

	Base Year 1999-2000	1999-2000	2000-01
GROSS			
Secured - Locally Assessed	$ 421,648	$ 453,872	$ 486,289
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	421,648	453,872	486,289
Unsecured - Locally Assessed	10,814	15,822	16,214
Total Gross Valuation	432,462	469,694	502,503
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	8,911	8,912	9,775
Unsecured - Locally Assessed	-	-	305
Total Exemptions	8,911	8,912	10,080
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	412,737	444,960	476,514
Public Utilities - State Assessed	-	-	-
Net Secured	412,737	444,960	476,514
Unsecured - Locally Assessed	10,814	15,822	15,909
NET ASSESSED VALUATION FOR TAX RATE	$ 423,551	$ 460,782	$ 492,423
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		37,231	68,872
Percentage Increase (Decrease) Over Base Year		8.79%	16.26%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ -	$ 5,228	$ 5,410
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	-	5,228	5,410
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	412,737	439,732	471,104
Public Utilities - State Assessed	-	-	-
Net Secured	412,737	439,732	471,104
Unsecured - Locally Assessed	10,814	15,822	15,909
NET ASSESSED VALUATION	$ 423,551	$ 455,554	$ 487,013

2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
$ 528,168	$ 571,211	$ 628,854	$ 707,419	$ 828,989	$ 953,399
-	-	-	-	-	-
528,168	571,211	628,854	707,419	828,989	953,399
15,355	15,780	20,267	17,587	16,948	17,946
543,523	586,991	649,121	725,006	845,937	971,345
9,691	10,735	11,675	12,536	13,282	14,545
446	115	675	701	656	657
10,137	10,850	12,350	13,237	13,938	15,202
518,477	560,476	617,179	694,883	815,707	938,854
-	-	-	-	-	-
518,477	560,476	617,179	694,883	815,707	938,854
14,909	15,665	19,592	16,886	16,292	17,289
$ 533,386	$ 576,141	$ 636,771	$ 711,769	$ 831,999	$ 956,143
109,835	152,590	213,220	288,218	408,448	532,592
25.93%	36.03%	50.34%	68.05%	96.43%	125.74%
$ 5,410	$ 5,624	$ 5,676	$ 5,741	$ 5,741	$ 5,741
-	-	-	-	-	-
5,410	5,624	5,676	5,741	5,741	5,741
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
513,067	554,852	611,503	689,142	809,966	933,113
-	-	-	-	-	-
513,067	554,852	611,503	689,142	809,966	933,113
14,909	15,665	19,592	16,886	16,292	17,289
$ 527,976	$ 570,517	$ 631,095	$ 706,028	$ 826,258	$ 950,402

SAN YSIDRO REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1997-98 TO 2006-07 (BASE YEAR 1996-97)
(UNAUDITED)

	Base Year 1996-97	1997-98	1998-99
GROSS			
Secured - Locally Assessed	$ 214,166	$ 214,360	$ 219,810
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	214,166	214,360	219,810
Unsecured - Locally Assessed	10,431	4,670	10,739
Total Gross Valuation	224,597	219,030	230,549
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	23,960	26,042	26,857
Unsecured - Locally Assessed	-	-	23
Total Exemptions	23,960	26,042	26,880
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	190,206	188,318	192,953
Public Utilities - State Assessed	-	-	-
Net Secured	190,206	188,318	192,953
Unsecured - Locally Assessed	10,431	4,670	10,716
NET ASSESSED VALUATION FOR TAX RATE	$ 200,637	$ 192,988	$ 203,669
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		(7,649)	3,032
Percentage Increase (Decrease) Over Base Year		-3.81%	1.51%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 1,250	$ 1,287	$ 1,281
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	1,250	1,287	1,281
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	188,956	187,031	191,672
Public Utilities - State Assessed	-	-	-
Net Secured	188,956	187,031	191,672
Unsecured - Locally Assessed	10,431	4,670	10,716
NET ASSESSED VALUATION	$ 199,387	$ 191,701	$ 202,388

1999-2000	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
$ 228,338	$ 244,704	$ 295,357	$ 356,615	$ 378,030	$ 407,588	$ 490,915	$ 580,274
-	-	-	-	-	-	-	-
228,338	244,704	295,357	356,615	378,030	407,588	490,915	580,274
10,870	11,982	14,042	19,867	25,139	26,329	25,219	32,992
239,208	256,686	309,399	376,482	403,169	433,917	516,134	613,266
27,554	29,730	13,127	54,484	55,014	56,517	58,099	59,214
58	72	137	-	1,814	1,439	686	1,626
27,612	29,802	13,264	54,484	56,828	57,956	58,785	60,840
200,784	214,974	282,230	302,131	323,016	351,071	432,816	521,060
-	-	-	-	-	-	-	-
200,784	214,974	282,230	302,131	323,016	351,071	432,816	521,060
10,812	11,910	13,905	19,867	23,325	24,890	24,533	31,366
$ 211,596	$ 226,884	$ 296,135	$ 321,998	$ 346,341	$ 375,961	$ 457,349	$ 552,426
10,959	26,247	95,498	121,361	145,704	175,324	256,712	351,789
5.46%	13.08%	47.60%	60.49%	72.62%	87.38%	127.95%	175.34%
$ 1,260	$ 1,224	$ 1,224	$ 1,551	$ 1,540	$ 1,603	$ 1,603	$ 1,603
-	-	-	-	-	-	-	-
1,260	1,224	1,224	1,551	1,540	1,603	1,603	1,603
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468	431,213	519,457
-	-	-	-	-	-	-	-
199,524	213,750	281,006	300,580	321,476	349,468	431,213	519,457
10,812	11,910	13,905	19,867	23,325	24,890	24,533	31,366
$ 210,336	$ 225,660	$ 294,911	$ 320,447	$ 344,801	$ 374,358	$ 455,746	$ 550,823

SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1986-87)
(UNAUDITED)

	Base Year 1986-87	1994-95	1995-96
GROSS			
Secured - Locally Assessed	$ 46,450	$ 73,398	$ 77,638
Public Utilities - State Assessed	2,402	-	-
Total Secured Valuation	48,852	73,398	77,638
Unsecured - Locally Assessed	856	2,170	2,360
Total Gross Valuation	49,708	75,568	79,998
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	2,501	5,607	4,609
Unsecured - Locally Assessed	-	10	-
Total Exemptions	2,501	5,617	4,609
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	43,949	67,791	73,029
Public Utilities - State Assessed	2,402	-	-
Net Secured	46,351	67,791	73,029
Unsecured - Locally Assessed	856	2,160	2,360
NET ASSESSED VALUATION FOR TAX RATE	$ 47,207	$ 69,951	$ 75,389
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year		22,744	28,182
Percentage Increase (Decrease) Over Base Year		48.18%	59.70%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,080	$ 3,114	$ 3,059
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	3,080	3,114	3,059
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	40,869	64,677	69,970
Public Utilities - State Assessed	2,402	-	-
Net Secured	43,271	64,677	69,970
Unsecured - Locally Assessed	856	2,160	2,360
NET ASSESSED VALUATION	$ 44,127	$ 66,837	$ 72,330

1996-97	1997-98	Revised Base Year 1986-87	1998-99	1999-2000	2000-01	2001-02
$ 83,305	$ 87,161	$ 46,450	$ 91,217	$ 96,970	$ 102,246	$ 110,325
-	-	343	-	-	-	-
83,305	87,161	46,793	91,217	96,970	102,246	110,325
2,418	1,019	856	5,647	5,208	5,647	4,190
85,723	88,180	47,649	96,864	102,178	107,893	114,515
4,705	3,503	2,501	3,670	4,002	4,519	6,550
-	-	-	-	18	-	91
4,705	3,503	2,501	3,670	4,020	4,519	6,641
78,600	83,658	43,949	87,547	92,968	97,727	103,775
-	-	343	-	-	-	-
78,600	83,658	44,292	87,547	92,968	97,727	103,775
2,418	1,019	856	5,647	5,190	5,647	4,099
$ 81,018	$ 84,677	$ 45,148	$ 93,194	$ 98,158	$ 103,374	$ 107,874
33,811	37,470		48,046	53,010	58,226	62,726
71.62%	79.37%		106.42%	117.41%	128.97%	138.93%
$ 3,094	$ 3,234	$ 3,080	$ 3,289	$ 3,401	$ 3,410	$ 3,410
-	-	-	-	-	-	-
3,094	3,234	3,080	3,289	3,401	3,410	3,410
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
75,506	80,424	40,869	84,258	89,567	94,317	100,365
-	-	343	-	-	-	-
75,506	80,424	41,212	84,258	89,567	94,317	100,365
2,418	1,019	856	5,647	5,190	5,647	4,099
$ 77,924	$ 81,443	$ 42,068	$ 89,905	$ 94,757	$ 99,964	$ 104,464

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SOUTHCREST REDEVELOPMENT PROJECT
ASSESSED VALUATIONS (IN THOUSANDS) OF THE PROJECT AREA TAXABLE PROPERTY (100% OF FULL VALUE)
FISCAL YEAR 1994-95 TO 2006-07 (BASE YEAR 1986-87)
(UNAUDITED)

	2002-03	2003-04	2004-05
GROSS			
Secured - Locally Assessed	$ 120,858	$ 132,013	$ 158,002
Public Utilities - State Assessed	-	-	-
Total Secured Valuation	120,858	132,013	158,002
Unsecured - Locally Assessed	4,649	4,557	3,753
Total Gross Valuation	125,507	136,570	161,755
EXEMPTIONS (EXCLUDING HOMEOWNERS' AND BUSINESS INVENTORY)			
Secured - Locally Assessed	6,569	8,772	7,738
Unsecured - Locally Assessed	-	19	139
Total Exemptions	6,569	8,791	7,877
NET ASSESSED VALUATIONS FOR TAX RATE			
Secured - Locally Assessed	114,289	123,241	150,264
Public Utilities - State Assessed	-	-	-
Net Secured	114,289	123,241	150,264
Unsecured - Locally Assessed	4,649	4,538	3,614
NET ASSESSED VALUATION FOR TAX RATE	$ 118,938	$ 127,779	$ 153,878
INCREMENT			
Net Assessed Valuation Increase (Decrease) Over Base Year	73,790	82,631	108,730
Percentage Increase (Decrease) Over Base Year	163.44%	183.02%	240.83%
STATE SUBVENTIONS HOMEOWNERS' EXEMPTIONS			
Secured - Locally Assessed	$ 3,559	$ 3,581	$ 3,573
Unsecured - Locally Assessed	-	-	-
Total Homeowners' Exemptions	3,559	3,581	3,573
BUSINESS INVENTORY EXEMPTIONS			
Secured - Locally Assessed	-	-	-
Unsecured - Locally Assessed	-	-	-
Total Business Inventory Exemptions	-	-	-
NET ASSESSED VALUATION AFTER ALL EXEMPTIONS			
Secured - Locally Assessed	110,730	119,660	146,691
Public Utilities - State Assessed	-	-	-
Net Secured	110,730	119,660	146,691
Unsecured - Locally Assessed	4,649	4,538	3,614
NET ASSESSED VALUATION	$ 115,379	$ 124,198	$ 150,305

2005-06	2006-07
$ 205,179	$ 246,256
-	-
205,179	246,256
4,158	2,888
209,337	249,144
14,993	15,827
73	34
15,066	15,861
190,186	230,429
-	-
190,186	230,429
4,085	2,854
$ 194,271	$ 233,283
149,123	188,135
330.30%	416.71%
$ 3,573	$ 3,573
-	-
3,573	3,573
-	-
-	-
-	-
186,613	226,856
-	-
186,613	226,856
4,085	2,854
$ 190,698	$ 229,710

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