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SECOND IMPLEMENTATION PLAN FISCAL YEARS 2004-2008

NORTH BAY REDEVELOPMENT PROJECT

Adopted JULY 29, 2003

The Redevelopment Agency of the City of San Diego

Implementation Plan for the North Bay Project Area

A. Introduction

This Implementation Plan (“Plan”) is being prepared and adopted according to the California Community Redevelopment Law. This Plan identifies project activities scheduled for the second five-year period of the North Bay Redevelopment Project, including Very Low, Low and Moderate income housing activities. It is anticipated that all statutory low and moderate income housing set aside funds generated by this Project will be used to provide housing within the Project Area and through a collaborative effort of The City of San Diego Redevelopment Agency, Southeastern Economic Development Corporation, Centre City Development Corporation, and the San Diego Housing Commission. This Plan will be reviewed annually as appropriate.

The North Bay Redevelopment Project has been adopted to eliminate conditions of blight in the Project Area by stimulating new construction, revitalization and upgrading of residential, commercial, office and public properties and facilities within and surrounding the Project Area.

The North Bay Redevelopment Project Area encompasses approximately 1360 acres within seven community planning areas including: Clairemont Mesa, Linda Vista, Old Town, Uptown, Midway/Pacific Highway Corridor, Mission Valley, and, Peninsula Communities. The North Bay Redevelopment Project was adopted by the City Council in May 1998.

The North Bay Redevelopment Project provides plan activities for a 30 year period (terminating May 4, 2028), and the repayment of debt for plan activities for 45 years (terminating May 4, 2043).

The Redevelopment Agency has been working with the community and the North Bay Redevelopment Project Area Committee (“PAC”) in identifying the constraints and opportunities of the Project Area. The goals and objectives of the Project Area as well as the proposed redevelopment actions are discussed in this Plan and related redevelopment documents. The Agency will continue to work with the development community and the PAC to attract and secure new investment and development through the term of the Redevelopment Project.

B. Description of Blighting Conditions

Conditions of blight within the Project Area will be addressed by the development of the proposed projects described within this work plan. The physical and economic conditions of blight that exist in the Project Area have become a burden on the community that cannot be reversed or alleviated without the assistance of the Redevelopment Agency through the authority of the California Community Redevelopment Law (“Law”). The physical conditions described in the Law that exist in the North Bay Redevelopment Project Area include the following:

- 1) Buildings that suffer from dilapidation and deterioration, defective design or physical construction and faulty or inadequate utilities;
- 2) Buildings and lots that are substantially underused, due to substandard design, deferred maintenance, inadequate public improvements, parcels of inadequate size, and/or other factors;
- 3) Adjacent or nearby uses that are incompatible with each other; and
- 4) Lots of irregular form and shape for proper usefulness and development.

The economic conditions that exist in the Project Area include the following:

- 1) Impaired investments;
- 2) Low lease rates;
- 3) Inadequate parking;
- 4) High business vacancy rates;
- 5) Excessive vacant or underutilized lots;
- 6) Uses that create a hostile environment to potential workers and residents;
- 7) A high crime rate that poses a serious threat to the public safety and welfare.

C. Specific Goals and Objectives of the Agency for the Project Area

The North Bay Redevelopment Plan proposes to eliminate blight in the Project Area by using new construction, revitalization, and upgrading of residential, commercial, office, and public properties and facilities within and surrounding the Project Area. In general, the goals and objectives of the Redevelopment Plan are:

- 1) Eliminate and prevent the spread of blight and deterioration, and conserve, rehabilitate, and redevelop the Project Area in accordance with the General Plan, specific plans, and local codes and ordinances.
- 2) Improve, promote, and preserve the positive neighborhood characteristics in North Bay, while correcting physical and economic deficiencies in the community;
- 3) Promote and enhance diverse housing opportunities by improving housing stock / type and expanding affordable housing opportunities;
- 4) Improve the growth and vitality of the Project Area's business environment and address the commercial, service, and employment needs of the Project Area;
- 5) Encourage the expansion of existing commercial activities, the development of vacant properties and the rehabilitation of dilapidated structures through a coordinated parking program that could include structured or shared parking opportunities throughout all communities within the Project Area;
- 6) Enhance pedestrian and vehicular mobility, and improve transportation facilities compliant with ADA regulations;
- 7) Improve the quality of non-vehicular transportation alternatives through the creation and expansion of non-vehicular routes throughout the Project Area;
- 8) Enhance infrastructure facilities which improve the community and support public safety, health, and local vitality;
- 9) Redevelop/rehabilitate the Sports Arena site to meet contemporary development standards and community needs and to alleviate the surrounding vacancies and crime caused by the lack of usage by the obsolete facility;

- 10) Build public improvements to eliminate physical and economic conditions of blight;
- 11) Encourage the growth and retention of small business;
- 12) Provide early assistance and priority status during the permitting process for projects within the Project Area.

Over the next five years (i.e., 2004-2008) the goals of the Agency will be:

- Construction of 987 net increase housing units (including 148 affordable units, not including replacement housing units).
- Construction of 600,000 sq. ft. of commercial space (retail and office).
- Creation of 2,000 new permanent jobs.
- Efforts to preserve and enhance existing, community-serving retail.
- Completion of 50 storefront improvement projects.
- Construction of major capital improvements to address traffic congestion in the Midway Area.
- Construction of community facilities, open space, parks and sidewalk improvements to enhance the Project Area for its residents.
- Total private sector investment of at least \$130 million in new construction.

D. Specific Projects and Expenditures Proposed for the Next Five Years

Based on the economic analysis conducted for the Project Area, it appears that new development can be captured within the second five years of this project (i.e., 2004-2008). The demand projections demonstrated in the market analysis exhibit the possibility of capturing new multi-family units, commercial square footage (retail/hospitality) as well as small amounts of new office and industrial projects. While new development is projected in phases, it is recognized that development does not occur uniformly over time, but rather in cycles. Given the current real estate market, new development within North Bay is anticipated to occur toward the end of the second five year period as development opportunities are coordinated and captured with the assistance of the Redevelopment Agency.

The extent to which the Redevelopment Agency will be able to financially assist such projects will depend upon the availability of revenue. The Agency issued its first bond, with gross bond proceeds of \$13,000,000, in FY 2001. A second bond issue may be possible by FY 2005, depending on the availability of Tax Increment Funds and the resolution of short-term budget issues at the State level. In addition to Agency-funded projects, the Agency will seek joint planning and development and financing partnerships with other federal, state and local governmental agencies as appropriate and facilitate addressing the needs of the greater North Bay area.

Table 1 shows the anticipated revenues and expenditures for the Project over the next five years. Revenue amounts are composed of the annual tax increment estimates. The total amount of tax increment estimated for this period is \$23,235,000. Tax increment growth over the five years of this Plan, will be greatly dependent upon property turnover, new development and property assessment readjustments.

Twenty percent (20%) of the annual tax increment allocation will be set aside in the Housing Fund for the development of housing. In accordance with the statutory pass-through formula stipulated in AB 1290, additional shares of tax increment are to be distributed to the following local taxing entities: 1) County General Fund, 2) San Diego Unified Schools, 3) San Diego Community College, 4) County Schools, 5) San Diego City, and 6) County Water Authority.

The development projects identified in this Plan are dependent upon attracting qualified developers and obtaining the funds to finance the projects. The expenditures projected for the next five years are anticipated to include costs for Agency Project administration and implementation (such as property acquisition, relocation, and site preparation and transportation / infrastructure projects) and bond debt service payments related to the issuance of debt.

Table 1: Estimated Project Revenues and Expenditures (2004-2008)

	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Revenues					
Tax Increment	\$2,460,000	\$2,731,000	\$4,257,000	\$6,765,000	\$7,022,000
Less Housing Set-aside	\$490,000	\$543,000	\$847,000	\$1,345,000	\$1,397,000
Less Taxing Entities	\$490,000	\$543,000	\$847,000	\$1,345,000	\$1,397,000
Net Tax Increment	\$1,480,000	\$1,645,000	\$2,563,000	\$4,075,000	\$4,228,000
Bond Revenue	\$6,200,000	\$1,575,000	\$0	\$5,000,000	\$10,000,000
Total Revenue	\$7,680,000	\$3,220,000	\$2,563,000	\$9,075,000	\$14,228,000
Expenditures					
Administration	\$550,000	\$663,000	\$676,000	\$690,000	\$704,000
Bond Payments	\$672,000	\$673,000	\$676,000	\$676,000	\$674,000
Housing Bond Payments	\$217,000	\$216,000	\$220,000	\$219,000	\$219,000
Capital Improvements	\$6,200,000	\$1,575,000	\$0	\$5,000,000	\$10,000,000
Total Expenditures:	\$7,639,000	\$3,127,000	\$1,572,000	\$6,585,000	\$10,597,000
Available non-housing total	\$41,000	\$93,000	\$991,000	\$2,490,000	\$2,631,000

Five Year Projects Schedule

Fiscal Year 2004 Work Program

1. Complete strategic planning efforts and launch a coordinated marketing strategy to encourage private investment.
 - a. Analyze existing conditions for all parcels in the Project Area, including the status of any existing LUST's on redevelopment project sites.
 - b. Produce a list of potential opportunity sites for development.
 - c. Design and print marketing materials.
 - d. Solicit developer interest through marketing, public outreach, requests for proposals, and/or other activities.
 - e. Obtain Council/Agency approval for revisions to the Zoning Code to address land use and design issues in the Project Area.
2. Develop capital improvement projects to improve traffic and transit in the Project Area.
 - a. Complete a traffic analysis of the Midway/Sports Arena District.
 - b. Work with Caltrans to expedite the I-5/I-8 Interchange project.
 - c. Work with MTDB to complete preliminary designs for a Bus Rapid Transit system in the Midway/Sports Arena District.
3. Stimulate the production of affordable and market-rate housing through development agreements.
 - a. Start construction of the Morena Vista Mixed-Use Project.
 - b. Negotiate and execute an Agreement for the City-owned properties in the Midway/Sports Arena District.
 - c. Negotiate and execute at least three development agreements with local property owners and/or developers for affordable and/or market rate housing.
 - d. Sign a disposition and development agreement with Vietnam Veterans of San Diego for Phase I construction of transitional housing (plus medical facilities) for approximately 112 homeless veterans.
 - e. Pursue assembly of land for affordable housing units.
 - f. Explore options for special financing incentives for affordable housing.
4. Plan the creation of a major office and mixed-use district in the vicinity of the Navy's SPAWAR facility.
5. Complete construction of the James Edgar and Jean Jessop Hervey Library.
6. Facilitate the creation of the Barnard Park Project adjacent to the Barnard Elementary School and owned by the San Diego Unified School District.
7. Initiate a Storefront Improvement Program for Morena Boulevard.
8. Identify opportunities for public art, open space, parks and sidewalk improvements in the Morena Boulevard Corridor.
9. Review and analyze the feasibility of the "Bay to Bay" amenity concept.
10. Work with the Project Area Committee in order to obtain community input on all redevelopment projects.
11. Continue to coordinate all redevelopment activities with community business owners, residents, appropriate government agencies, and community groups.

Fiscal Year 2005 Work Program

1. Develop capital improvement projects to improve traffic and transit in the Project Area.
 - a. Apply for Federal, state, and other grant funds to complete funding for a major street improvement project.
 - b. Initiate design and engineering of a major street improvement project in the

- Midway/Sports Arena District.
- c. Work with MTDB to complete 100% construction drawings for a localized traffic improvement project in the vicinity of Rosecrans & Sports Arena Blvd.
 - d. Complete the retrofit of the Voltaire Street Bridge.
2. Stimulate the production of affordable and market-rate housing through development agreements.
 - a. Start construction of the expansion project for Vietnam Veterans of San Diego (to include transitional housing and support services for 112 homeless veterans).
 - b. Administer existing development agreements to expedite the construction of new housing.
 - c. Negotiate and execute a Disposition and Development Agreement for the development of the City-owned properties in the Midway/Sports Arena District (project to include at least 15% affordable units).
 - d. Negotiate and execute at least two development agreements with local property owners and/or developers for affordable and/or market rate housing.
 3. Plan the creation of a major office and mixed-use district in the vicinity of the Navy's SPAWAR facility.
 4. Prepare for the issuance of a bond to be secured by tax increment revenue, through hiring the appropriate consultant (s). The actual bond amount will be determined by actual tax increment received.
 5. Start construction of the YMCA (Point Loma Branch) Expansion Project.
 6. Work with the Project Area Committee in order to obtain community input on all redevelopment projects.
 7. Continue to coordinate all redevelopment activities with community business owners, residents, appropriate government agencies, and community groups.

Fiscal Year 2006 Work Program

1. Develop capital improvement projects to improve traffic and transit in the Project Area.
 - a. Start construction of a major street improvement project in the Midway/Sports Arena District.
 - b. Work with MTDB to start construction of a localized traffic improvement project in the vicinity of Rosecrans & Sports Arena Blvd.
2. Issue tax allocation bond to finance projects within North Bay.
3. Stimulate the production of affordable and market-rate housing through development agreements.
 - a. Complete construction of the Morena Vista Mixed-Use Project.
 - b. Complete construction of the expansion project for Vietnam Veterans of San Diego.
 - c. Start construction of Phase I of the redevelopment of City-owned properties in the Midway/Sports Arena District
 - d. Administer existing development agreements to expedite the construction of new housing.
 - e. Negotiate and execute at least two development agreements with local property owners and/or developers for affordable and/or market rate housing.
4. Start construction of a mixed-use office project in the vicinity of SPAWAR.
5. Complete construction of the YMCA (Point Loma Branch) Expansion Project.
6. Work with the Project Area Committee in order to obtain community input on all

redevelopment projects.

7. Continue to coordinate all redevelopment activities with community business owners, residents, appropriate government agencies, and community groups.

Fiscal Year 2007 Work Program

1. Develop capital improvement projects to improve traffic and transit in the Project Area.
 - a. Complete construction of a major street improvement project in the Midway/Sports Arena District.
 - b. Start design and engineering of a second major street improvement project in the Midway/Sports Arena District.
2. Stimulate the production of affordable and market-rate housing through development agreements.
 - a. Start construction of the Mission Brewery Phase 2 Housing project.
 - b. Administer existing development agreements to expedite the construction of new housing.
 - c. Start Phase II of the expansion project for Vietnam Veterans of San Diego to include an additional 136 units.
 - d. Negotiate and execute at least two development agreements with local property owners and/or developers for affordable and/or market rate housing.
3. Negotiate and execute a development agreement for the construction of a second mixed-use office project in the vicinity of SPAWAR.
4. Work with the Project Area Committee in order to obtain community input on all redevelopment projects.
5. Continue to coordinate all redevelopment activities with community business owners, residents, appropriate government agencies, and community groups.

Fiscal Year 2008 Work Program

1. Develop capital improvement projects to improve traffic and transit in the Project Area.
 - a. Complete construction of a major street improvement project in the Midway/Sports Arena District.
 - b. Start design and engineering of a second major street improvement project in the Midway/Sports Arena District.
2. Stimulate the production of affordable and market-rate housing through development agreements.
 - a. Complete construction of Phase I of the redevelopment of City-owned properties in the Midway/Sports Arena District.
 - b. Complete construction of the Mission Brewery Phase 2 Housing project.
 - c. Administer existing development agreements for new housing.
 - d. Negotiate and execute at least two development agreements with local property owners and/or developers for affordable and/or market rate housing.
3. Complete construction of a mixed-use office project in the vicinity of SPAWAR.
4. Work with the Project Area Committee in order to obtain community input on all redevelopment projects.
5. Continue to coordinate all redevelopment activities with community business owners, residents, appropriate government agencies, and community groups.

E. Explanation of How the Goals and Objectives, Projects and Expenditures Will Eliminate Project Blighting Conditions

The Implementation of the Redevelopment Plan proposed will eliminate blighted conditions through the development of new and rehabilitated commercial, industrial, residential, park and recreation, transportation and public facilities which will alleviate the adverse conditions in the Project Area by encouraging reinvestment and improving traffic and parking conditions in the North Bay community.

This Five Year Implementation Plan proposes to eliminate and prevent the spread of blight and to conserve or rehabilitate the Project Area in accordance with all community plans for the North Bay area, the General Plan, specific plans, and local codes and ordinances. Redevelopment relies upon successful application of capital resources to the acquisition, assemblage and preparation of parcels, proper development phasing, and accurately addressing the needs of the community. A coordinated effort to phase-in new development over this five year plan and the life of the project will achieve these objectives.

In order to expand affordable housing opportunities in the Project Area, a variety of housing alternatives are addressed in the Redevelopment Plan. The Five Year Implementation Plan focuses on the creation of mid to large scale multi-family construction projects. An increase of housing alternatives in the central areas of Midway and Point Loma will help create a neighborhood atmosphere and provide a demand for the mixed use projects proposed in the Redevelopment Plan. New and rehabilitated housing will provide stability to the area and increase the demand for neighborhood serving retail and business services.

In addition to new housing, the Plan will implement new commercial and industrial development and provide for the rehabilitation of commercial and industrial space. The new commercial development (retail, office and hotel/motel) will be focused in the Midway and Linda Vista community planning areas, however new retail commercial opportunities will be pursued in all commercial corridors throughout the Project Area. Industrial opportunities will be pursued along the Pacific Highway corridor where connections to the airport, railways and mass transit will provide ideal opportunities for such growth. Also, the existing presence of high technology research, development companies and governmental agencies are anticipated to spur additional attraction of like businesses' complementary activities.

The on-going project goals and objectives will help ensure continued progress toward alleviation of existing blighting conditions and will facilitate continued re-investment in the Project Area and surrounding community. Periodic reassessment of existing and planned projects, which include PAC input, will insure that the Redevelopment Plan achieves the objectives stated in this implementation plan.

F. Explanation of How the Goals and Objectives, Projects and Expenditures Will Implement Project Housing Requirements

1. Goals and Objectives

California's Community Redevelopment Law requires that not less than twenty percent (20%) of all tax increment generated by the project shall be used for the purpose of increasing the community's supply of very low, low and moderate income housing. Additionally, affordable dwelling units shall remain affordable for not less than fifty-five (55) years for multi-family units and forty-five (45) years for owner-occupied units, the period of land use controls established in the project plan. The Redevelopment Project's on-going goal is to develop housing in compliance with current legislation and available Project resources.

2. Affordable Housing Need for the City of San Diego

The City of San Diego has just started working on the Housing Element for FY04 – FY 09 therefore the Implementation Plan will reflect the Housing Element information for FY99 – FY04. It is anticipated that the City of San Diego's Affordable Housing Fair Share Goals for these years will be approximately the same.

The Fair Share Affordable Housing Needs for FY99 – FY04 are as follows:

INCOME LEVELS	VERY LOW (<50% AMI)	LOW (<80% AMI)	MODERATE (80% to 120% AMI)	MARKET (120%> AMI)
# UNITS NEEDED	7,463	6,797	9,137	16,388

It is anticipated that the City of San Diego will not meet the affordable housing fair share goals for FY99-FY04 based of the resources available to build the affordable housing units. The maximum feasible affordable housing units that can be produced based on the resources available for FY 99 – FY04 (i.e. subsidy, etc.) are:

INCOME LEVELS	VERY LOW (<50% AMI)	LOW (<80% AMI)	MODERATE (80% to 120% AMI)	MARKET (120%> AMI)
# UNITS NEEDED	0	1,788	8,892	15,332

According to the 2000 Census the population of the City of San Diego is 1,223,400 persons with 1,094,494 under the age of 65.

3. Agency Comprehensive Affordable Housing Strategy

The Redevelopment Agency, including CCDC and SEDC, the San Diego Housing Commission, and the City's Redevelopment Division (The "Collaborative") formed a collaborative to accelerate new affordable housing production. The Redevelopment Agency has committed approximately \$5 million annually in housing set-aside funds to secure up to \$55 million in financing. The Collaborative expects to initiate the development of 2,185 new affordable housing units in the next five years. This goal

represents 10% of the total Fair Share Affordable Housing Need determined by the Housing Element. These funds will be spent on a project-by-project basis.

Low and Moderate Income Housing Fund

- **Amounts Available to Housing Fund**

The North Bay Redevelopment Project began generating tax increment in FY 2000. The projections for the housing set-aside during this implementation period are shown in Table 2 below:

Table 2: Estimated Housing Set-Aside Funds

FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
\$489,000	\$543,000	\$847,000	\$1,345,000	\$1,397,000

These funds will be used to develop affordable housing within the Project Area and assist in funding the Collaborative effort.

- **Projected Housing Units and Funds Expended**

Based upon real estate market research, it is anticipated that the units will be added at a rate of 197 units per year during the five year implementation plan. It is estimated that approximately 987 units could be developed by Fiscal Year 2008. The actual number may increase or decrease based upon actual financial resources available and market conditions.

Assuming a \$20,000-\$30,000 assistance per unit, approximately 154-231 units could be developed using housing set-aside funds by Fiscal Year 2008. The actual amount of housing set-aside funds will depend upon actual tax increment receipts. The actual number of units developed will depend on market conditions and be determined as specific projects are pursued.

4. Agency Developed and Project Area Housing

California Community Redevelopment Law requires that the Agency prepare an estimate of the number of new, rehabilitated and price-restricted dwelling units to be developed in the Project Area. These numbers also includes the inclusionary housing requirements: units for very low, low and moderate income households. The inclusionary housing requirements state that fifteen percent (15%) of all new or rehabilitated dwelling units developed by public or private activities, other than the Agency, in a redevelopment project area should be affordable to low and moderate income households. Forty percent (40%) of the 15% inclusionary housing units shall be at affordability levels for very low income households.

For units developed by the Agency, thirty percent (30%) of all new and rehabilitated dwelling units shall be affordable for low and moderate Income households. Not less than fifty percent (50%) of the 30% affordable units shall be affordable to very low income

households. The Agency is not expected to develop units itself, but will assist private entities and other public agencies with the development of housing. Therefore, the Agency will comply with the 15 percent requirement.

- **Estimates of the number of new, substantially rehabilitated or price-restricted residential units to be developed or purchased in the project area, both over the life of the plan and during the next 10 years.**

The number of housing units that are projected to be developed over the next 10 years are 1,154. It is expected that over the life of the Redevelopment Plan 2,100 housing units will be built. In addition 288 dilapidated and rehabilitated units are estimated to be rehabilitated during the next 10 years and 524 over the life of the plan.

- **Housing Unit Estimates for Very Low, Low, and Moderate Income Households Next 10 Years and Life of Plan**

Assuming that 1,154 housing units are developed with Agency involvement over the next 10 years in the area and another 288 will be substantially rehabilitated 216 new and rehabilitated units would be implemented to meet the 15 percent threshold for very low, low and moderate income households. Up to 50 percent (108) of these numbers required under the law could be met by the Agency requiring restrictive covenants on units in the Project Area which are not now affordable.

Assuming that 2,100 housing units are developed over the life of the plan with Agency involvement in the area and another 524 will be substantially rehabilitated 394 new and rehabilitated units would be implemented to meet the 15 percent threshold for very low, low and moderate income households. Up to 50 percent (197) of these numbers required under the law could be met by the Agency requiring restrictive covenants on units in the Project Area which are not now affordable.

It is projected that these housing unit numbers for very low, low- and moderate-income households would be achieved based upon the forecasted tax increment revenue. The actual number of units developed will depend on market conditions and be determined as specific projects are pursued. The housing set-aside funds that accrue to the Agency will be expended on anticipated residential projects.

- **Number of Very Low, Low-, and Moderate-Income Units Already Developed**

No units have been developed since the Redevelopment Plan has been established. However the Agency currently has committed \$4,825,000 in funding to assist in the development of 16 moderate income and 248, very low housing units. These units are expected to be completed in the next three years. The 16 moderate income units will be dedicated to families with children. The 248 units will provide transitional and permanent housing for homeless veterans.

- **Number of Agency Developed Units including Very Low, Low-, and Moderate-Income Units**

The Agency does not expected to develop units itself, but will assist private entities and other public agencies with the development of housing.

5. Replacement of Dwelling Units Destroyed or Removed

The Redevelopment Plan calls for much of the new development to occur within the commercial districts which typically has experienced this type of development. Minimal residential displacement is expected to be necessary to carry out the commercial and mixed-use development components of the Plan. If residential buildings are to be removed for commercial projects, they would most likely be those buildings that are in a state of deterioration, located on parcels designated for commercial or industrial uses, in the commercial corridors and industrial sectors of the Project Area. Units removed or destroyed will be replaced to the extent required by California Community Redevelopment Law.

G. Summary

The Implementation Plan for the North Bay Redevelopment Project sets forth the specific projects planned for the Project Area during the next five years, in accordance with the California Community Redevelopment Law. Since the North Bay Redevelopment Project is relatively new, it is realistically expected that it will be well into this second five year implementation program before meaningful tax increment revenue is generated to finance projects. Based upon conservative estimates, it is anticipated that the Agency could stimulate extensive new development in FY 2005.