



Statement of Indebtedness  
filed with the County of Santa Clara  
9/30/08



The Redevelopment Agency of the City of San José

October 1, 2008

John Guthrie  
Director  
Finance Agency  
70 West Hedding Street  
San Jose, CA 95110

SUBJECT: Statement of Indebtedness

Dear John:

In accordance with Redevelopment Law contained in the California Health and Safety Code, Section 33675, the San Jose Redevelopment Agency is filing with the County of Santa Clara its Statement of Indebtedness for the 2008-2009 Tax Year.

We are presenting a consolidated Statement of Indebtedness for the Merged Area Redevelopment Project. The statement is presented in the format as specified by AB 1290.

As defined by State law, the summation of Total Outstanding Debt less Available Revenues represents the amount of tax increment needed for the project area. Based on the calculations submitted in the enclosed report, the Redevelopment Agency of the City of San Jose is entitled to all of the FY 2008-2009 tax increment available for the Merged Area Redevelopment Project.

The Agency maintains separate accounting records for each redevelopment area within the merged areas. We request that you continue identifying the tax increment and supplemental assessment revenues applicable to each redevelopment area on documentation accompanying your payments.

Please contact either me or Lupe Aguinaga, Fiscal Officer, who prepared this report, at the number below.

Sincerely,

DAVID BAUM  
Chief Financial Officer

c: Kenneth Kan, County of Santa Clara, Controller-Treasurer Department  
Abraham Andrade, SJRA

Attachment

**STATEMENT OF INDEBTEDNESS - CONSOLIDATED**  
 FILED FOR THE 2008-2009 TAX YEAR

Name of Agency: THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
 Name of Project Area: MERGED AREA REDEVELOPMENT PROJECT

Balance Carried Forward From:	Line	Total Outstanding Debt	Current	
			Principal/Interest Due During Tax Year	
Fiscal Period - Totals (optional)	(1)	\$ 3,693,007,801	\$	364,538,207
Post Fiscal Period - Totals	(2)			
Grand Totals	(3)	\$ 3,693,007,801	\$	364,538,207
Available Revenues				
From Calculation of Available Revenues Line 7	(4)	\$ 219,237,493		
Net Requirement	(5)	\$ 3,473,770,308		

Consolidate on this form all of the data contained on Form A and B (including supplemental pages). Form A is to include all indebtedness entered into as of June 30 of the Fiscal Year. Form B may be filed at the option of the agency, and is to include indebtedness entered into post June 30, of the Fiscal Year, pursuant to Health and Safety Code Section 33675(c)(2). This is optional for each agency and is not a requirement for filing the Statement of Indebtedness. The Reconciliation Statement is to include indebtedness from Form A only.

Certification of Chief Financial Officer:	
David Baum	Director of Finance, Chief Financial Officer
Name Title	
<i>David Baum</i>	9/30/08
Signature	Date

Pursuant to Section 33675(b) of the Health and Safety Code, I hereby certify that the above is true and accurate Statement of indebtedness for the above named agency.

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS  
FILED FOR THE 2008-2009 TAX YEAR**

Name of Redevelopment Area - THE REDEVELOPMENT AGENCY OF THE CITY SAN JOSE  
Name of Project Area - MERGED PROJECT AREA

For Indebtedness Entered into as of June 30, 2008

Debt Identification	Original Data				Current		
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year
(A) 1996 Revenue Bonds - Series A	6/1996	\$ 29,500,000	7/1/2026	Variable	\$ 9,456,404	\$ 33,044,088	\$ 2,302,474
(B) 1996 Revenue Bonds - Series B	6/1996	\$ 29,500,000	7/1/2026	Variable	\$ 9,468,805	\$ 33,064,706	\$ 2,276,504
(C) 1993 Merged Area Tax Allocation Bonds	12/1993	\$ 692,075,000	8/1/2024	4.2-6.0%	\$ 686,053,652	\$ 86,845,800	\$ 16,239,500
(D) 1997 Merged Area Tax Allocation Bonds	3/1997	\$ 106,000,000	8/1/2028	5.375-5.625%	\$ 110,004,410	\$ 11,372,813	\$ 636,920
(E) 1998 Merged Area Tax Allocation Bonds	3/1998	\$ 175,000,000	8/1/2029	4.5-5.25%	\$ 230,495,435	\$ 2,176,500	\$ 633,875
(F) 1999 Merged Area Tax Allocation Bonds	1/1999	\$ 240,000,000	8/1/2031	4.75-5%	\$ 246,483,341	\$ 19,637,213	\$ 613,700
(G) 2001 Rev Bonds-Series 2001A (4th St.)	4/2001	\$ 48,675,000	8/1/2026	3.8-5.25%	\$ 36,317,090	\$ 62,804,897	\$ 3,363,714
(H) 2001 Lease Revenue Bonds Series F	7/2001	\$ 186,150,000	9/1/2022	2.8-4.4%	\$ 122,784,606	\$ 226,905,155	\$ 14,329,688
(I) 2002 Merged Area Tax Allocation Bonds	1/2002	\$ 350,000,000	8/1/2032	3-5%	\$ 1,948,500	\$ 28,239,813	\$ 968,425
(J) 2003 Merged Area Tax Allocation Bonds	12/2003	\$ 135,000,000	8/1/2033	3-5%	\$ 159,729,123	\$ 259,977,898	\$ 6,228,014
(K) 2003A Merged Area TA Subordinate Bonds	8/2003	\$ 45,000,000	8/1/2028	Variable	\$ 6,004,826	\$ 44,561,003	\$ 4,912,115
(L) 2003B Merged Area TA Subordinate Bonds	8/2003	\$ 15,000,000	8/1/2032	Variable	\$ 3,905,446	\$ 17,933,325	\$ 885,496
(M) 2004 Merged Area TA Refunding Bonds	4/2004	\$ 281,985,000	8/1/2003	2-5.25%	\$ 126,760,678	\$ 336,881,304	\$ 27,815,786
(N) 2005A Merged Area TA Refunding Bonds	7/2005	\$ 152,950,000	8/1/2028	3.25-5%	\$ 102,047,957	\$ 236,099,939	\$ 7,575,560
(O) 2005B Merged Area TA Refunding Bonds	7/2005	\$ 67,130,000	8/1/2015	4.5-5%	\$ 27,308,133	\$ 85,999,750	\$ 3,353,000
(P) 2006A-T Merged Area Taxable TA Bonds	11/2006	\$ 14,300,000	8/1/2022	5.35-5.65%	\$ 11,332,245	\$ 23,854,041	\$ 751,450
(Q) 2006B Merged Area TA Bonds	11/2006	\$ 67,000,000	8/1/1935	4.5-5.0%	\$ 80,684,849	\$ 144,603,349	\$ 3,081,500
(R) 2006C Merged Area TA Refunding Bonds	12/2006	\$ 423,430,000	8/1/1932	3.75-5.0%	\$ 396,094,595	\$ 800,387,452	\$ 19,137,143
(S) 2006D Merged Area TA Refunding Bonds	12/2006	\$ 277,756,000	8/1/2023	4.0-5.0%	\$ 200,159,888	\$ 464,129,138	\$ 14,226,750
Sub-Total This Page						\$ 2,918,518,183	\$ 92,134,770
Totals Forward From All Other Pages						\$ 774,489,618	\$ 272,403,437
Totals, Fiscal Year Indebtedness						\$ 3,693,007,801	\$ 364,538,207

Purpose of Indebtedness:

- (A) & (B) See Attachment A/B
- (C) See Attachment C
- (D) See Attachment D
- (E) See Attachment E
- (G) See Attachment G
- (H) See Attachment H
- (I) See Attachment I
- (K) See Attachment K
- (M) See Attachment M
- (N) & (O) See Attachment N/O
- (P) & (Q) See Attachment P/Q
- (R) & (S) See Attachment R/S

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS  
FILED FOR THE 2008-2009 TAX YEAR**

Name of Redevelopment Area - THE REDEVELOPMENT AGENCY OF THE CITY SAN JOSE  
Name of Project Area - MERGED PROJECT AREA

For Indebtedness Entered into as of June 30, 2008

Debt Identification	Original Data					Current		
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Due During Tax Year	Principal/Interest
(T) 2007 A-T Merged Area TA Bonds	11/7/2007	\$ 21,330,000	8/1/2017	5.10%	\$ 6,139,482	\$ 27,215,655	\$	2,919,890
(U) 2007 B Merged Area TA Bonds	11/7/2007	\$ 191,600,000	8/1/2033	4.25-5%	\$ 201,445,852	\$ 390,952,263	\$	8,972,525
(V) City/Agency Cooperation Agreement	June 2008	N/A	OPEN	N/A	\$ -	\$ 185,227,059	\$	185,227,059
(W) 20% Housing Set-Aside	6/30/2008	N/A	OPEN	N/A	\$ -	\$ 38,510,316	\$	38,510,316
(X) County Amended Tax Rev. Shar. Agreement	5/22/2001	N/A	OPEN	N/A	\$ -	\$ 19,444,292	\$	19,444,292
(Y) Property Tax Administration Fee	1990	N/A	OPEN	N/A	\$ -	\$ 1,917,378	\$	1,917,378
(Z) AB1290 Pass-through	7/1/2002	N/A	OPEN	N/A	\$ -	\$ 465,510	\$	465,510
(AA) CSCDA (ERAF) Loan	4/27/2005	\$ 19,085,000	8/1/2015	3.87% - 5.01%	\$ 4,963,297	\$ 33,546,068	\$	4,493,998
(BB) HUD SECTION 108 Loan	2/11/1997	\$ 36,200,000	8/1/2025	Variable	\$ 24,344,382	\$ 55,002,349	\$	2,952,469
(CC) CSJ Parking Fund Loan	4/12/2005	\$ 6,800,000	7/31/2002	Variable	\$ 408,729	\$ 7,208,729	\$	-
(DD) CSJ/SJRA/SC Co. Settlement 11/16/07	11/16/2007	\$ 22,500,000	7/1/2009	N/A	\$ -	\$ 15,000,000	\$	7,500,000
Sub-Total This Page						\$ 774,489,618	\$	272,403,437
Totals Forward From All Other Pages								
Totals, Fiscal Year Indebtedness								

Purpose of Indebtedness:

- (T) & (U) See Attachment T/U
- (V) See Attachment V
- (W) Pursuant to H & S Code Section 33334.2
- (X) County/City/Agency amended and restated 1993 Tax Revenue Sharing Agreement - 5/22/2002
- (Y) Pursuant to SB 2557 - Year 1990
- (Y) Pursuant to AB 1290
- (AA) California Statewide Communities Development Authority (CSCDA) Education Revenue Augmentation Fund (ERAF) Loan
- (BB) Loan proceeds per provisions of the US Dept of Housing & Urban Development Section 108 to finance certain projects in the Merged Area
- (CC) Loan agreement for programs and projects contained in the Agency Capital & Operating Budget, term date extended 7/31/06
- (DD) Cross complaints between CSJ/SJRA and SC Co. regarding 2001 Agreement Judicial Determination was settled 11/16/07



RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

Name of Agency: THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
 Name of Project Area: MERGED PROJECT AREA

Tax Year: 2008-2009

Reconciliation Dates: July 1, 2007 to June 30, 2008

SOI, pg and line:	Debt Identification	A		B		C		D		E		F
		Outstanding Debt All Beginning Indebtedness	Increases (Attach Explain)	Adjustments Decreases (Attach Explain)	Tax Increment	Amounts Paid Against Indebtedness, from:	Other Funds	Remaining Balance (A+B-C-D-E)				
Prior Yr Page 2 Line P	2006A-T MERGED AREA TAXABLE TAX ALLOC BONDS	\$ 25,632,245			\$ 1,778,204						\$ 23,854,041	
Page 2 Line Q	2006B MERGED AREA TAX ALLOC BONDS	\$ 147,684,849			\$ 3,081,500						\$ 144,603,349	
Page 2 Line R	2006C MERGED AREA TA REFUND BONDS	\$ 819,524,595			\$ 19,137,143						\$ 800,387,452	
Page 2 Line S	2006D MERGED AREA TA REFUND BONDS	\$ 477,914,888			\$ 13,785,750						\$ 464,129,138	
Pg 2 Line T	2007 A-T MERGED AREA TAXABLE TAX ALLOC BONDS		\$ 27,469,482		\$ 253,827						\$ 27,215,655	
Pg 2 Line U	2007 B MERGED AREA TAX ALLOC BONDS		\$ 393,045,852		\$ 2,093,589						\$ 390,952,263	
Pg 2 Line V	CITY/AGENCY CO-OP AGREEMENT	\$ 138,453,555	\$ 136,398,922					\$ 89,625,418			\$ 185,227,059	
Pg 2 Line W	20% HOUSING SET-ASIDE	\$ 36,353,128	\$ 39,145,598					\$ 36,988,410			\$ 38,510,316	
Pg 2 Line X	COUNTY AGREEMENT SETTLEMENT	\$ 17,679,136	\$ 19,795,831					\$ 18,030,675			\$ 19,444,292	
Pg 2 Line Y	PROPERTY TAX ADMIN FEE	\$ 1,826,075	\$ 1,974,106					\$ 1,882,803			\$ 1,917,378	
Pg 2 Line Z	A B 1 2 9 0 PASS-THROUGH	\$ 396,000	\$ 626,496					\$ 556,986			\$ 465,510	
Pg 2 Line AA	CSCDA (ERAF) Loan	\$ 38,040,912			\$ 4,494,844			\$ 4,494,844			\$ 33,546,068	
Pg 2 Line BB	HUD SECTION 108 Loans	\$ 56,952,429			\$ 1,717,422			\$ 232,658			\$ 55,002,349	
Pg 2 Line CC	CSJ Parking Fund Loan	\$ 7,208,729						\$ -			\$ 7,208,729	
Pg 2 Line DD	CSJ/SJRAVSC Co. Settlement 11/16/07	\$ 22,500,000						\$ 7,500,000			\$ 15,000,000	
Pg 2 Line EE	County Delegated Payment		\$ 40,000,000					\$ 40,000,000			\$ -	
Total - This Page		\$ 1,790,166,540	\$ 658,456,287	\$ -	\$ 101,918,350	\$ 139,240,879	\$ -	\$ 2,207,463,598			\$ 2,207,463,598	
Totals Forward		\$ 1,568,567,901	\$ -	\$ -	\$ 83,023,698	\$ -	\$ -	\$ 1,485,544,203			\$ 1,485,544,203	
Grand Totals		\$ 3,358,734,441	\$ 658,456,287	\$ -	\$ 184,942,048	\$ 139,240,879	\$ -	\$ 3,693,007,801			\$ 3,693,007,801	

Explanation for Adjustment columns B and C:

- Lines T and U - Increase adjustments are due to new bonds issued in FY 2007-08
- Lines V through Z : Incorporate FY 2007-08 obligations per FY 2007-2008 Annual Budget adopted by Agency Board
- Line EE County/City/Agency amended and restated 1993 Tax Revenue Sharing Agreement - 5/22/2002 after 1/1/04 20% of bond proceeds must be paid to County as a delegated payment. In FY 2007-08 the amount paid under this agreement was \$40,000,000

## CALCULATION OF AVAILABLE REVENUES

**AGENCY NAME:** THE REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
**PROJECT AREA:** MERGED PROJECT AREA

**TAX YEAR:** 2008-2009

**RECONCILIATION DATES:** Reconciliation Dates: July 1, 2007 to June 30, 2008

	<u>AMOUNT</u>
<b>1 Beginning Balance, Available Revenues</b> (See Instructions)	\$ 112,694,243
<b>2 Tax Increment Received - Gross</b> All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies	\$ 184,942,048
<b>3 All Other Available Revenue Received</b> (See Instructions)	\$ 43,625,478
<b>4 Revenues From Any Other Source</b> Included in Column E of the Reconciliation Statement but not included in (1-3) above	\$ 202,158,652
<b>5 Sum Of Lines 1 Through 4</b>	\$ 543,420,421
<b>6 Total Amounts Paid Against Indebtedness</b> (D + E on Reconciliation Statement)	\$ 324,182,928
<b>7 Available Revenues, End of Year (line 5 - line 6)</b>	<u>\$ 219,237,493</u>

**FORWARD THIS AMOUNT TO STATEMENT OF INDEBTEDNESS,  
COVER PAGE, LINE 4**

### NOTES

#### Tax Increment Revenues:

The only amount(s) to be excluded as Tax Increment Revenue are any amounts passed to other local taxing agencies pursuant to Health and Safety Code Section 33676. Tax Increment Revenue set-aside in the Low and Moderate Income Housing Fund will be washed in the above calculation, and omitted from Available Revenues at year end.

#### Item 4, above:

This represents any payments from any source other than Tax Increment OR available revenues. For instance, an agency funds a project with a bond issue. The previous SOI included a Disposition Development Agreement (DDA) which was fully satisfied with these bond proceeds. The DDA would be shown on the Reconciliation Statement as fully repaid under the "other" column (Col E), but with funds that were neither Tax Increment, nor "Available Revenues" as defined. The amounts used to satisfy this DDA would be included on line 4 above in order to accurately determine ending "Available Revenues."

## PLAN OF FINANCE

The Bonds are being issued to finance various redevelopment projects and activities within, or of primary benefit to, the Project Area consisting of public capital improvements and related expenditures.

### ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds, excluding accrued interest, are as follows:

**Sources:**

1996 Series A Bond Proceeds	\$29,500,000
1996 Series B Bond Proceeds	<u>29,500,000</u>
Total Sources	<u>\$59,000,000</u>

**Uses:**

Project Fund	\$57,261,243
Capitalized Interest	1,377,000
Costs of Issuance <sup>(1)</sup>	361,757
Total Uses	<u>\$59,000,000</u>

<sup>(1)</sup> Includes underwriters' discount, legal, financing and consultant fees, letter of credit fees and other miscellaneous expenses.

**Redevelopment Activities to be Financed**

The Agency expects to apply a portion of the Series 1993 Bonds to finance a continuation of the Redevelopment Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of San Jose. Downtown projects include construction of the Guadalupe River Park, various cultural and civic facilities including the Repertory Theatre and Tech Museum, improvements to unreinforced masonry buildings, streetscape improvements, and storefront improvement grants. Projects benefitting the industrial areas include completion of the Route 87 freeway, other transportation improvements, and area landscaping. In the Neighborhood Business Districts, projects include streetscape improvements, and cultural facilities. Series 1993 Bond proceeds may also be used for administrative costs in support of Agency capital projects.

**ESTIMATED SOURCES AND USES OF FUNDS**

The following table sets forth the estimated sources and uses of funds, exclusive of accrued interest, with respect to the Series 1993 Bonds.

**SOURCES OF FUNDS:**

Par amount of Series 1993 Bonds	\$692,075,000
Other available funds	1,106,193
Original Issue Discount	<u>(23,079,876)</u>
Total Sources	<u>\$670,101,317</u>

**USES OF FUNDS**

Deposit to Escrow Funds <sup>(1)</sup>	\$475,885,936
Deposit to Bond Reserve Fund <sup>(1)</sup>	44,423,315
Deposit to 1993 Project Fund <sup>(1)</sup>	135,677,860
Costs of Issuance <sup>(2)</sup>	5,351,206
Insurance Premium	<u>8,763,000</u>
Total Uses	<u>\$670,101,317</u>

## Redevelopment Activities to be Financed

The Agency expects to apply a portion of the 1997 Bonds to finance a continuation of the Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of the City of San José. Downtown projects include housing, public parking, cultural facilities and public infrastructure. Projects benefiting the industrial areas include transportation improvements and landscaping. In the Neighborhood Business Districts, projects include streetscape improvements and cultural facilities. 1997 Bond proceeds may also be used for administrative costs in support of Agency capital projects.

## Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 1997 Bonds.

**TABLE 2**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSÉ**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	
Par amount of 1997 Bonds	\$106,000,000.00
Other available funds (1)	2,462,222.02
<b>Total Sources</b>	<u>\$108,462,222.02</u>
<b>Uses of Funds:</b>	
Deposit to Escrow Funds	\$13,627,419.31
Deposit to 1997 Project Fund	92,661,801.86
Costs of Issuance (2)	280,000.00
Bond Discount to Underwriting	491,032.90
Original Issue Discount to Investors	564,967.95
MBIA Surety Substitute for Reserve Premium	237,000.00
MBIA Bond Insurance Premium	600,000.00
<b>Total Uses</b>	<u>\$108,462,222.02</u>

(1) Funds available from prior bonds being refunded.

(2) Includes the Agency's direct expenses, trustee's and legal fees and expenses and other miscellaneous expenses associated with issuance of the 1997 Bonds.

## FINANCING PLAN

### General

The 1998 Bonds are principally being sold to finance a program of redevelopment in the Merged Area. The Merged Area covers approximately 8,200 acres and in fiscal year 1997/98 is estimated to produce approximately \$89 million in tax increment revenues. (For the purposes of the additional bonds test and parity debt service coverage, an adjustment is made in the calculation of tax increment revenues to exclude housing set-aside funds and a pass-through commitment with a school district and to include estimated revenues derived from property value added due to completed construction and changes in ownership. See Tables 9, 10 and 11.)

### Redevelopment Activities to be Financed

The Agency expects to apply a portion of the 1998 Bonds to finance a continuation of the Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of the City of San José. Downtown projects include housing, public parking, cultural facilities and public infrastructure. Projects benefiting the industrial areas include transportation and other infrastructure improvements and landscaping. In the Neighborhood Business Districts, projects include streetscape improvements and cultural facilities. 1998 Bond proceeds may also be used for eligible administrative costs in support of Agency capital projects.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 1998 Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSÉ**  
Sources and Uses of Funds

Sources of Funds:	
Par Amount of 1998 Bonds	\$175,000,000.00
Total Sources	\$175,000,000.00
Uses of Funds:	
Deposit to 1998 Project Fund	\$169,647,688.80
Costs of Issuance (1)	262,000.00
Bond Discount to Underwriting	417,954.00
Original Issue Discount to Investors	3,385,811.20
Insurance Premium	849,046.00
Premium for Surety Substitute of Reserve	437,500.00
Total Uses	\$175,000,000.00

(1) Includes the Agency's direct expenses, trustee's and legal fees and expenses and other miscellaneous expenses associated with issuance of the 1998 Bonds.

## FINANCING PLAN

### General

The 1999 Bonds are principally being sold to finance a program of redevelopment in the Merged Area. The Merged Area covers approximately 8,200 acres and in fiscal year 1998/99 is estimated to produce approximately \$104.5 million in tax increment revenue. (For the purposes of the additional bonds test and parity debt service coverage, an adjustment is made in the calculation of tax increment revenue to exclude housing set-aside funds and a pass-through commitment with a school district and to include estimated revenue derived from property value added due to completed construction and changes in ownership as well as estimated unitary property taxes. See Tables 9, 10 and 11.)

### Redevelopment Activities to be Financed

The Agency expects to apply a portion of the 1999 Bonds to finance a continuation of the Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of the City of San José. Downtown projects include public parking, cultural facilities and public infrastructure. Projects benefiting the industrial areas include transportation and other infrastructure improvements and landscaping. In the neighborhood business districts, projects include streetscape improvements and cultural facilities. 1999 Bond proceeds may also be used for eligible administrative costs in support of Agency capital projects.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 1999 Bonds.

TABLE I  
REDEVELOPMENT AGENCY OF CITY OF SAN JOSÉ  
Sources and Uses of Funds

Sources of Funds:	
Par Amount of 1999 Bonds	\$240,000,000.00
Total Sources	\$240,000,000.00
Uses of Funds:	
Deposit to 1999 Project Fund	\$235,152,263.05
Costs of Issuance (1)	264,500.00
Bond Discount to Underwriter	970,228.45
Original Issue Discount to Investors	1,416,771.55
Insurance Premium	1,750,000.00
Premium for Reserve Fund Surety Bond (2)	446,236.95
Total Uses	\$240,000,000.00

(1) Includes the Agency's direct expenses, trustee's and legal fees and expenses and other miscellaneous expenses associated with issuance of the 1999 Bonds.

(2) Cost of purchasing a surety policy to replace a cash funded reserve. The Reserve Requirement is 125% of average annual debt service or \$18,671,002.08

**\$48,675,000**  
**CITY OF SAN JOSE FINANCING AUTHORITY**  
**REVENUE BONDS, SERIES 2001A**  
**(4TH & SAN FERNANDO PARKING FACILITY PROJECT)**

**Purpose**

The Bonds are being issued to provide funds to finance (i) a substantial portion of the cost of constructing an approximately 775 space, seven level parking facility with street level retail space and rooftop banquet hall facilities to be located at the corner of 4th & San Fernando Streets in the City (the "Facility"), (ii) the cost of acquiring and constructing a parking guidance system, meter improvements and other parking-related capital improvements (the "Other Parking Improvements") (together with the Facility, the "Project"), (iii) the cost of acquiring a surety bond which will be held on deposit in the Reserve Account established under the Indenture, and (iv) the costs of issuing the Bonds. See "THE PROJECT" herein.

**ESTIMATED SOURCES AND USES OF FUNDS**

The table below shows the estimated sources and uses of funds for the Bonds.

<b>Sources and Uses of Funds</b>	
<b>Sources of Funds</b>	
Par Amount of Bonds	\$48,675,000
City Contribution	3,265,000
Original Issue Discount	(181,698)
<b>Total Sources of Funds</b>	<b>\$51,758,302</b>
<b>Uses of Funds</b>	
Net Deposit to Project Fund	\$50,377,541
Costs of Issuance <sup>1</sup>	1,176,087
Underwriters' Discount	204,674
<b>Total Uses of Funds</b>	<b>\$51,758,302</b>

<sup>1</sup> Includes Bond Counsel fees, financial advisory fees, printing, Financial Guaranty Insurance Policy premium, Surety Bond premium, rating agency fees and other related costs of issuance.

### PLAN OF REFUNDING

The Bonds are being issued to refund on a current basis the \$187,150,000 outstanding principal of the Authority's \$191,900,000 initial principal amount of 1993 Revenue Bonds, Series C (Convention Center Refunding Project) (the "Refunded Bonds"). The Refunded Bonds were issued to refund on an advance basis the \$170,965,000 outstanding principal of the \$174,175,000 initial principal amount of the City of San José 1986 Certificates of Participation (Convention Center Project) (the "1986 Certificates").

### SOURCES AND USES OF FUNDS

The sources and uses of funds with respect to the Bonds will be applied as follows:

	Series 2001F Bonds	Series 2001G Bonds	TOTAL
<b>Sources of Funds</b>			
Par Amount	\$ 186,150,000.00	\$ 4,580,000.00	\$ 190,730,000.00
Net Original Issue Premium	995,055.40	0.00	995,055.40
Refunded Bonds Debt Service Fund	6,275,499.71	153,580.27	6,429,079.98
Accrued Interest	608,679.69	14,487.85	623,167.54
<b>Total Sources</b>	<b>\$ 194,029,234.80</b>	<b>\$ 4,748,068.12</b>	<b>\$ 198,777,302.92</b>
<b>Uses of Funds</b>			
Prepayment Fund	\$ 193,410,793.99	\$ 2,656,360.01	\$ 196,067,154.00
Interest Fund	608,679.69	14,487.85	623,167.54
Underwriting Discount	0.00	564,484.31	564,484.31
Bond Insurance Premium	0.00	1,012,399.95	1,012,399.95
Costs of Issuance Fund <sup>1</sup>	9,761.12	500,336.00	510,097.12
<b>Total Uses</b>	<b>\$ 194,029,234.80</b>	<b>\$ 4,748,068.12</b>	<b>\$ 198,777,302.90</b>

<sup>1</sup> Includes bond counsel fees, financial advisor fees, rating agency fees, Reserve Policy premium, printing expenses and other costs of issuance with respect to the Bonds.

## FINANCING PLAN

### General

The 2002 Bonds are principally being sold to finance a program of redevelopment in the Merged Area. The Merged Area covers approximately 8,700 acres. The Merged Area in fiscal year 2001/02 is estimated to produce approximately \$144 million in tax increment revenue available for bond debt service. The Bonds are secured by Tax Revenues. Tax Revenues pledged to debt service on the Bonds are tax increment revenues reduced by housing set-aside funds and a pass-through commitment with a school district and may include estimated revenue derived from property value added due to completed construction and changes in ownership as well as estimated unitary property taxes. See Tables 9, 10 and 11.

### Redevelopment Activities to be Financed

The Agency expects to apply a portion of the 2002 Bonds to finance a continuation of the Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of the City of San José. The Agency is also in the process of establishing a proposed new Redevelopment Project Area called the Strong Neighborhoods Initiative Project Area. It is anticipated that projects in this proposed area may include public facilities and infrastructure such as streets, parks, transportation improvements and community centers. Downtown projects include public parking, cultural facilities and public infrastructure. Projects benefiting the industrial areas include transportation and other infrastructure improvements and landscaping. In the neighborhood business districts, projects include streetscape improvements and other public infrastructure improvements. In addition, 2002 Bond proceeds may also be used for eligible administrative costs in support of Agency capital projects.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 2002 Bonds.

**TABLE I**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSÉ**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	
Par Amount of 2002 Bonds	\$350,000,000.00
Net Original Issue Premium	2,657,906.30
Total Sources	\$352,657,906.30
 <b>Uses of Funds:</b>	
Deposit to 2002 Project Fund	\$318,084,793.65
Costs of Issuance (1)	285,500.00
Bond Discount to Underwriter	1,688,526.35
MBIA Insurance Premium	5,631,799.95
Reserve Fund (2)	26,967,286.35
Total Uses	\$352,657,906.30

(1) Includes the Agency's direct expenses, trustee, ratings and legal fees and expenses and other miscellaneous expenses associated with issuance of the 2002 Bonds.

(2) The Bond Reserve Requirement.

## FINANCING PLAN

### General

The 2003 Bonds are principally being sold to finance a program of redevelopment in the Merged Area. The Merged Area covers approximately 8,700 acres. The Merged Area in Fiscal Year 2003-04 is estimated to produce approximately \$135 million in tax increment revenue available for bond debt service. The Bonds are secured by Revenues, consisting primarily of Tax Revenues. Tax Revenues pledged to debt service on the Bonds are tax increment revenues reduced by housing set-aside funds and a pass-through commitment with a school district and may include estimated revenue derived from property value added due to completed construction and changes in ownership as well as estimated unitary property taxes. See Tables 9, 10 and 11.

### Redevelopment Activities to be Financed

The Agency expects to apply a portion of the 2003 Bonds to finance a continuation of the Agency's program to eliminate blight and encourage economic development in the downtown, industrial project areas, and neighborhood business districts of the City of San José. The Agency has established a Redevelopment Project Area called the Strong Neighborhoods Initiative Project Area. Projects in this area may include public facilities and infrastructure such as streets, parks, transportation improvements and community centers. Downtown projects include public parking, cultural facilities and public infrastructure. Projects benefiting the industrial areas include transportation and other infrastructure improvements and landscaping. In the neighborhood business districts, projects include streetscape improvements and other public infrastructure improvements. In addition, 2003 Bond proceeds may also be used for eligible administrative costs in support of Agency capital projects.

## ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the estimated sources and uses of funds for the 2003 Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSÉ**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	
Par Amount of 2003 Bonds	\$135,000,000.00
Net Premium	\$1,423,918.55
Total Sources	\$136,423,918.55
 <b>Uses of Funds:</b>	
Deposit to 2003 Project Fund	\$120,993,790.56
Reserve Fund (1)	12,442,827.99
Costs of Issuance (2)	222,500.00
Bond Discount to Underwriter	358,500.00
Insurance Premium	2,406,300.00
Total Uses	\$136,423,918.55

(1) The Bond Reserve Requirement with respect to the 2003 Bonds.

(2) Includes the Agency's direct expenses, trustee, ratings and legal fees and expenses and other miscellaneous expenses associated with issuance of the 2003 Bonds.

### ESTIMATED SOURCES AND USES OF FUNDS

The proceeds of the 2003 Bonds will be used to finance redevelopment activities within the Agency's Merged Area Redevelopment Project.

The estimated sources and uses of funds for the 2003 Bonds are as follows:

**Sources:**

Taxable 2003 Series A Bond Proceeds	\$45,000,000
2003 Series B Bond Proceeds	<u>15,000,000</u>
<b>Total Sources</b>	<b>\$60,000,000</b>

**Uses:**

Taxable Series A Account of the 2003 Subordinate Project Fund	\$44,707,500
Series B Account of the 2003 Subordinate Project Fund	14,893,200
Costs of Issuance [1]	<u>399,300</u>
<b>Total Uses</b>	<b>\$60,000,000</b>

[1] Includes underwriters' discount, legal, financing and consultant fees, letter of credit fees and other miscellaneous expenses.

### THE 2003 BONDS

#### Authority for Issuance

The Agency is duly organized under the Community Redevelopment Law of the State of California (Health and Safety Code Section 33000 et seq.) (the "Redevelopment Law"). The Bonds are being issued in accordance with the Redevelopment Law and pursuant to the Indenture, a resolution adopted by the City on August 19, 2003, and a resolution adopted by the Agency on August 19, 2003.

#### Bond Terms

**Independent Interest Rate Modes.** The Indenture does not require both Series of 2003 Bonds to bear the same interest rate, and allows one Series of 2003 Bonds to be converted to a different interest rate mode than the other Series of 2003 Bonds at any time. The descriptions of interest rate modes and other related terms of the 2003 Bonds contained in this Official Statement apply to each Series of 2003 Bonds independently, and may be different for each Series of 2003 Bonds at any time following the issuance of the 2003 Bonds.

**Denominations.** The Bonds will be issued without coupons in any of the following denominations (each an "Authorized Denomination"):

## PLAN OF REFUNDING

### General

As of April 1, 2004, the Agency has \$1,529,155,000 aggregate principal of Bonds outstanding. The 2004A Bonds will refund and defease a portion of these outstanding Bonds. The Bonds to be refunded are herein referred to as the "Refunded Bonds."

A portion of the proceeds of the sale of the 2004A Bonds will be deposited into the Escrow Fund established pursuant to the Escrow Agreement, dated as of May 1, 2004, by and between the Agency and Union Bank of California, N.A., as the escrow agent (the "Escrow Agent"). Such amounts, together with any amounts transferred from certain funds held under the Indenture for the Refunded Bonds will be invested in United States Treasury Securities that mature in such amounts and at such times and bear interest at such rates as to provide amounts sufficient to pay the principal amount of, accrued interest on and any prepayment penalty on any Refunded Bonds. See "VERIFICATION OF COMPUTATIONS" herein.

The charts below lists the maturities of the Refunded Bonds and the redemption date and redemption price of the Refunded Bonds (expressed as a percentage of the principal amount of such bond to be redeemed) that will be redeemed prior to their maturity.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 2004A Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSE**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	
<u>2004A Bond Proceeds:</u>	
Par Amount of 2004A Bonds	\$281,985,000.00
Plus Net Original Issue Premium	15,300,850.60
<b>Total Bond Proceeds</b>	<u>297,285,850.60</u>
<u>Other Sources of Funds:</u>	
Released from 2002 Reserve Fund	1,324,087.75
Released from 2003 Reserve Fund	141,447.28
Debt Service Fund held by Trustee	7,378,342.93
	<u>8,843,877.96</u>
<b>Total Sources</b>	<b>\$306,129,728.56</b>
<b>Uses of Funds:</b>	
Deposit to Escrow Fund	\$301,137,995.49
Costs of Issuance <sup>(1)</sup>	4,991,733.07
<b>Total Uses</b>	<b>\$306,129,728.56</b>

<sup>(1)</sup> Includes the Agency's direct expenses, trustee, bond insurance and reserve surety premium, Underwriters' discount, ratings and legal fees and expenses and other miscellaneous expenses associated with issuance of the 2004A Bonds. Any amounts remaining in the Costs of Issuance Fund on July 15, 2004 will be transferred to the Special Fund.

**\$152,950,000**  
**REDEVELOPMENT AGENCY OF THE**  
**CITY OF SAN JOSE**  
**Merged Area Redevelopment Project**  
**Tax Allocation Refunding Bonds**  
**Series 2005A**

**\$67,130,000**  
**REDEVELOPMENT AGENCY OF THE**  
**CITY OF SAN JOSE**  
**Merged Area Redevelopment Project**  
**Tax Allocation Refunding Bonds**  
**Series 2005B**

### Authorization and Purpose

The 2005 Bonds are being issued pursuant to authority granted under Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code (the "Refunding Law"). On June 21, 2005, the Agency adopted a Resolution (the "Resolution") that authorized the issuance, sale and delivery of the 2005 Bonds.

The 2005 Bonds are being issued to (i) refund a portion of the Agency's outstanding Bonds and (ii) pay the costs of issuance of the 2005 Bonds herein.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 2005 Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSE**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	<u>2005A Bonds</u>	<u>2005B Bonds</u>	<u>Total</u>
<b><u>Bond Proceeds:</u></b>			
Par Amount	\$152,950,000.00	\$67,130,000.00	\$220,080,000.00
Plus Net Original Issue Premium	<u>10,926,991.55</u>	<u>6,264,029.35</u>	<u>17,191,020.90</u>
Total Bond Proceeds	\$163,876,991.55	\$73,394,029.35	\$237,271,020.90
<b><u>Other Sources of Funds:</u></b>			
Debt Service Funds held by Trustee	\$3,979,216.88	\$1,665,725.00	\$5,644,941.88
Agency Cash Contribution	<u>1,300,000.00</u>	<u>-</u>	<u>1,300,000.00</u>
Total Other Sources	\$5,279,216.88	\$1,665,725.00	\$6,944,941.88
<b>Total Sources</b>	<b>\$169,156,208.43</b>	<b>\$75,059,754.35</b>	<b>\$244,215,962.78</b>
<b><u>Uses of Funds:</u></b>			
Deposit to Escrow Funds	\$165,529,702.39	\$73,424,977.72	\$238,954,680.11
Costs of Issuance <sup>(1)</sup>	3,025,973.68	1,438,521.26	4,464,494.94
Underwriters' Discount and Fee	<u>600,532.36</u>	<u>196,255.37</u>	<u>796,787.73</u>
<b>Total Uses</b>	<b>\$169,156,208.43</b>	<b>\$75,059,754.35</b>	<b>\$244,215,962.78</b>

<sup>(1)</sup> Includes the Agency's direct expenses, trustee, bond insurance and reserve surety premiums, ratings, financial advisor fees and expenses, legal fees and expenses and other miscellaneous expenses associated with issuance of the 2005 Bonds.

**Estimated Sources and Uses of Funds**

The following table sets forth the estimated sources and uses of funds for the 2006 Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSE**  
**Sources and Uses of Funds**

<b>Sources of Funds:</b>	<u>2006A-T Bonds</u>	<u>2006B Bonds</u>	<u>Total</u>
Par Amount	\$14,300,000.00	\$67,000,000.00	\$81,300,000.00
Plus Net Original Issue Premium	<u>18,354.00</u>	<u>102,094.00</u>	<u>120,448.00</u>
<b>Total Sources</b>	14,318,354.00	67,102,094.00	81,420,448.00
<b>Uses of Funds:</b>			
Deposit to Series 2006A-T Project Fund	13,425,452.16	0.00	13,425,452.16
Deposit to Series 2006B Project Fund	0.00	63,490,054.37	63,490,054.37
Costs of Issuance <sup>(1)</sup>	271,636.98	1,143,521.02	1,415,158.00
Deposit to Interest Fund <sup>(2)</sup>	574,644.86	2,199,848.61	2,774,493.47
Underwriter's Compensation	<u>46,620.00</u>	<u>268,670.00</u>	<u>315,290.00</u>
<b>Total Uses</b>	14,318,354.00	67,102,094.00	81,420,448.00

<sup>(1)</sup> Includes the Agency's direct expenses, trustee, bond insurance and reserve surety premiums, ratings, financial advisor fees and expenses, legal fees and expenses and other miscellaneous expenses associated with issuance of the 2006 Bonds.

<sup>(2)</sup> Represents interest on the 2006 Bonds through August 1, 2007.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 2006 Refunding Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSE**  
**Sources and Uses of Funds**

Sources of Funds:	2006C <u>Bonds</u>	2006D <u>Bonds</u>	<u>Total</u>
Par Amount	\$423,430,000.00	\$277,755,000.00	\$701,185,000.00
Plus Net Original Issue Premium	5,388,953.45	23,648,146.70	29,037,100.15
Plus Debt Service Funds held by Trustee	4,965,740.78	3,447,737.17	8,413,477.95
Plus Agency Contribution	<u>4,600,000.00</u>	<u>—</u>	<u>4,600,000.00</u>
<b>Total Sources</b>	<b>\$438,384,694.23</b>	<b>\$304,850,883.87</b>	<b>\$743,235,578.10</b>
<b>Uses of Funds:</b>			
Deposit to Escrow Funds	\$427,671,355.50	\$297,957,502.74	\$725,628,858.24
Costs of Issuance <sup>(1)</sup>	9,446,813.41	6,062,585.59	15,509,399.00
Underwriter's Compensation <sup>(2)</sup>	<u>1,266,525.32</u>	<u>830,795.54</u>	<u>2,097,320.86</u>
<b>Total Uses</b>	<b>\$438,384,694.23</b>	<b>\$304,850,883.87</b>	<b>\$743,235,578.10</b>

<sup>(1)</sup> Includes the Agency's direct expenses, trustee, bond insurance and reserve surety premiums, ratings, financial advisor fees and expenses, legal fees and expenses and other miscellaneous expenses associated with issuance of the 2006 Refunding Bonds.

<sup>(2)</sup> Consists of (i) an underwriters' discount and (ii) underwriters' fees and expenses.

## Redemption

The 2007 Bonds are subject to optional redemption and mandatory sinking account redemption prior to their respective stated maturities as described in this Official Statement.

## PLAN OF FINANCING

### The Project

Proceeds deposited into the Series 2007A-T Project Fund and the Series 2007B Project Fund will be held and disbursed for purposes of financing redevelopment activities within or of benefit to the Merged Area, including projects designated by the County of Santa Clara (collectively, the "Project").

The various elements of the Project are not security for the 2007 Bonds and the Agency can provide no assurance that the elements of the Project will not change.

### Estimated Sources and Uses of Funds

The following table sets forth the estimated sources and uses of funds for the 2007 Bonds.

**TABLE 1**  
**REDEVELOPMENT AGENCY OF CITY OF SAN JOSE**  
**Sources and Uses of Funds**

Sources of Funds:	<u>2007A-T Bonds</u>	<u>2007B Bonds</u>	<u>Total</u>
Par Amount	\$21,330,000.00	\$191,600,000.00	\$212,930,000.00
Plus Net Original Issue Premium	<u>0.00</u>	<u>1,128,708.90</u>	<u>1,128,708.90</u>
<b>Total Sources</b>	<b>\$21,330,000.00</b>	<b>\$192,728,708.90</b>	<b>\$214,058,708.90</b>
<b>Uses of Funds:</b>			
Deposit to Series 2007A-T Project Fund	\$20,190,000.00		\$20,190,000.00
Deposit to Series 2007B Project Fund		\$179,810,000.00	179,810,000.00
Deposit to Interest Fund <sup>(1)</sup>	930,000.00	9,800,000.00	10,730,000.00
Costs of Issuance <sup>(2)</sup>	185,470.50	2,215,115.64	2,400,586.14
Underwriters' Discount	<u>24,529.50</u>	<u>903,593.26</u>	<u>928,122.76</u>
<b>Total Uses</b>	<b>\$21,330,000.00</b>	<b>\$192,728,708.90</b>	<b>\$214,058,708.90</b>

<sup>(1)</sup> To pay approximately one year's interest on the 2007A-T Bonds and approximately one year's interest on the 2007B Bonds.

<sup>(2)</sup> Includes the Agency's direct expenses, trustee, bond insurance and reserve surety premiums, ratings, financial advisor fees and expenses, legal fees and expenses and other miscellaneous expenses associated with issuance of the 2007 Bonds.

**REDEVELOPMENT AGENCY OF THE CITY OF SAN JOSE  
CITY/AGENCY COOPERATION AGREEMENT INDEBTEDNESS**

Merged Area Indebtedness contained in the FY 2008-2009 Redevelopment Agency's Capital Budget and in the City/Agency Cooperation Agreement (7/2008 Cost Reports):

<u>PROJECT AREA</u>	<u>BUDGET AMOUNT</u>	<u>CARRY OVER ENCUMBRANCE</u>	<u>TOTAL</u>
Almaden Gateway	\$ 7,310,919	\$ 789,408	\$ 8,100,327
Century Center	43,871	515,715	559,586
Civic Plaza	90,000	-	90,000
Edenvale	5,751,920	1,375,800	7,127,720
Guadalupe - Auzerais	235,693	3,041,231	3,276,924
Julian/Stockton	897,230	869,101	1,766,331
Market Gateway	1,080,486	139,490	1,219,976
Merged Area	40,737,199	14,518,921	55,256,120
Neighborhood Investment Program	9,883,061	2,210,411	12,093,472
Park Center Plaza	13,179,556	1,948,601	15,128,157
Rincon de los Esteros	8,550,508	333,354	8,883,862
San Antonio Plaza	496,923	-	496,923
Strong Neighborhood Initiative	44,246,070	2,272,051	46,518,121
Capital Direct Operating Costs	8,585,675	428,769	9,014,444
Capital Indirect Operating Costs	6,890,685	501,349	7,392,034
Subtotal	147,979,796	28,944,201	176,923,997
General Operating Costs	8,152,688	150,374	8,303,062
Total	<u>\$ 156,132,484</u>	<u>\$ 29,094,575</u>	<u>\$ 185,227,059</u>