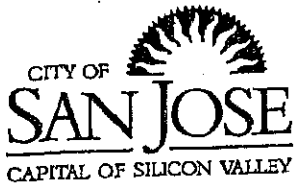


Statement of Indebtedness filed with
the County of Santa Clara



The Redevelopment Agency of the City of San José

September 29, 2006

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 2006-2007 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 2006-2007 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.

Sincerely,

DAVID BAUM
Chief Financial Officer

c: Jacelyn Ma, County of Santa Clara, Controller-Treasurer Department
Abraham Andrade, SJRA

Attachment

STATEMENT OF INDEBTEDNESS - CONSOLIDATED
FILED FOR THE 2006-2007 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	Current	
		Total Outstanding Debt	Principal/Interest Due During Tax Year
Fiscal Period - Totals (optional)	(1)	\$ 2,968,573,024	\$ 320,984,250
Post Fiscal Period - Totals	(2)	\$ -	\$ -
Grand Totals	(3)	\$ 2,968,573,024	\$ 320,984,250
Available Revenues	(4)	\$ 120,696,119	
From Calculation of Available Revenues Line 7	(5)	\$ 2,847,876,905	
Net Requirement			

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
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.	<i>David Baum</i>	
	Signature	Date
		9/29/06

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2006-2007 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, 2006

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	\$ 36,277,350	\$ 1,663,579
(B) 1996 Revenue Bonds - Series B	6/1996	\$ 29,500,000	7/1/2026	Variable	\$ 9,468,805	\$ 36,276,460	\$ 1,663,555
(C) 1993 Merged Area Tax Allocation Bonds	12/1993	\$ 692,075,000	8/1/2024	4.200%	\$ 686,053,652	\$ 449,282,775	\$ 30,438,713
(D) 1997 Merged Area Tax Allocation Bonds	3/1997	\$ 106,000,000	8/1/2028	5.375%	\$ 110,004,410	\$ 17,634,088	\$ 863,067
(E) 1998 Merged Area Tax Allocation Bonds	3/1998	\$ 175,000,000	8/1/2029	4.500%	\$ 230,495,435	\$ 306,837,775	\$ 8,942,263
(F) 1999 Merged Area Tax Allocation Bonds	1/1999	\$ 240,000,000	8/1/2031	4.750%	\$ 246,483,341	\$ 319,994,963	\$ 12,077,381
(G) 2001 Revenue Bonds - Series 2001A	4/2001	\$ 48,675,000	8/1/2026	3.800%	\$ 36,317,090	\$ 69,531,005	\$ 3,400,000
(H) 2001 Lease Revenue Bonds Series F	7/2001	\$ 186,150,000	9/1/2022	2.800%	\$ 122,784,606	\$ 254,559,131	\$ 13,664,288
(I) 2002 Merged Area Tax Allocation Bonds	1/2002	\$ 350,000,000	8/1/2032	3.000%	\$ 1,948,500	\$ 476,945,800	\$ 14,254,950
(J) 2003 Merged Area Tax Allocation Bonds	12/2003	\$ 135,000,000	8/1/2033	3.000%	\$ 159,729,123	\$ 276,312,333	\$ 6,977,714
(K) 2003A Merged Area TA Subordinate Bonds	8/2003	\$ 45,000,000	8/1/2028	Variable	\$ 6,004,826	\$ 51,004,826	\$ 1,354,762
(L) 2003B Merged Area TA Subordinate Bonds	8/2003	\$ 15,000,000	8/1/2032	Variable	\$ 3,905,446	\$ 18,905,446	\$ 502,156
(M) 2004 Merged Area TA Refunding Bonds	4/2004	\$ 281,985,000	8/1/2003	2.000%	\$ 126,760,678	\$ 51,004,826	\$ 26,023,736
(N) 2005A Merged Area TA Refunding Bonds	7/2005	\$ 152,950,000	8/1/2028	3.250%	\$ 102,047,957	\$ 254,997,957	\$ 5,409,574
(O) 2005B Merged Area TA Refunding Bonds	7/2005	\$ 67,130,000	8/1/2015	4.500%	\$ 27,308,133	\$ 94,438,133	\$ 5,409,574
Sub-Total This Page							
Totals Forward From All Other Pages						\$ 2,714,002,868	\$ 132,645,311
Totals, Fiscal Year Indebtedness						\$ 254,570,157	\$ 188,338,939
						\$ 2,968,573,024	\$ 320,984,250

Purpose of Indebtedness:

- (A) & (B) See Attachment A/B
- (C) See Attachment C
- (D) See Attachment D
- (E) See Attachment E
- (F) See Attachment F
- (G) See Attachment G
- (H) See Attachment H
- (I) See Attachment I
- (K) See Attachment K
- (L) See Attachment L
- (M) See Attachment M
- (N) & (O) See Attachment N/O

**STATEMENT OF INDEBTEDNESS - FISCAL YEAR INDEBTEDNESS
FILED FOR THE 2006-2007 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, 2006

Debt Identification	Original Data						Current	
	Date	Principal	Term	Interest Rate	Total Interest	Total Outstanding Debt	Principal/Interest Due During Tax Year	
(P) City/Agency Cooperation Agreement	6/30/2006	N/A	OPEN	N/A	\$ -	\$ 132,304,806	\$ 132,304,806	
(Q) 20% Housing Set-Aside	6/30/2006	N/A	OPEN	N/A	\$ -	\$ 32,449,456	\$ 32,449,456	
(R) County Amended Tax Rev. Shar. Agreement	5/22/2001	N/A	OPEN	N/A	\$ -	\$ 14,484,890	\$ 14,484,890	
(S) Property Tax Administration Fee	1990	N/A	OPEN	N/A	\$ -	\$ 1,780,582	\$ 1,780,582	
(T) AB1290 Pass-through	7/1/2002	N/A	OPEN	N/A	\$ -	\$ 867,686	\$ 867,686	
(U) CSCDA (ERAF) Loan	4/27/2005	\$ 19,085,000	8/1/2015	3.87% - 5.01%	\$ 4,963,297	\$ 42,531,326	\$ 4,236,729	
(V) HUD SECTION 108 Loan	2/11/1997	\$ 5,200,000	8/1/2016	Variable	\$ 6,535,588	\$ 22,942,682	\$ 2,214,790	
(W) CSJ Parking Fund Loan	4/12/2005	\$ 3,400,000	1/31/2009	Variable	\$ 408,729	\$ 7,208,729	\$ -	
Sub-Total This Page						\$ 254,570,157	\$ 188,338,939	
Totals Forward From All Other Pages								
Totals, Fiscal Year Indebtedness								

Purpose of Indebtedness:

- (P) See Attachment P
- (Q) Pursuant to H & S Code Section 33334.2
- (R) County/City/Agency amended and restated 1993 Tax Revenue Sharing Agreement - 5/22/2002
- (S) Pursuant to SB 2557 - Year 1990
- (T) Pursuant to AB 1290
- (U) California Statewide Communities Development Authority (CSCDA) Education Revenue Augmentation Fund (ERAF) Loan
- (V) Loan proceeds per provisions of the US Dept of Housing & Urban Development Section 108 to finance certain projects in the Merged Area
- (W) Loan agreement for programs and projects contained in the Agency Capital & Operating Budget

* City of San Jose/Redevelopment Agency v. County of Santa Clara Cross Complaint -tentative settlement- payment beginning 7/1/07 not included in this report due to tentative status as of the date of this report

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

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

Reconciliation Dates: July 1, 2005 to June 30, 2006

Tax Year 2006-2007

SOI, pg and line: Prior Yr	Debt Identification Brief Description	A		B		C		D		E		F
		Outstanding Debt All Beginning Indebtedness	Adjustments	Increases (Attach Explain)	Decreases (Attach Explain)	Tax Increment	Amounts Paid Against Indebtedness, from:	Other Funds	Remaining Balance (A+B-C-D-E)			
Pg 1 Line A	1996 REVENUE BONDS - SERIES A	\$ 37,767,218				\$ 1,489,868						\$ 36,277,350
Pg 1 Line B	1996 REVENUE BONDS - SERIES B	\$ 37,774,861				\$ 1,498,401						\$ 36,276,460
Pg 1 Line C	1993 MERGED AREA TAX ALLOC BONDS	\$ 492,576,835			\$ (28,685,747)	\$ 14,608,313						\$ 449,282,775
Pg 1 Line D	1997 MERGED AREA TAX ALLOC BONDS	\$ 144,416,246			\$ (123,416,288)	\$ 3,365,870						\$ 17,634,088
Pg 1 Line E	1998 MERGED AREA TAX ALLOC BONDS	\$ 338,482,656			\$ (22,692,493)	\$ 8,952,388						\$ 306,837,775
Pg 1 Line F	1999 MERGED AREA TAX ALLOC BONDS	\$ 401,102,434			\$ (68,937,847)	\$ 12,169,625						\$ 319,994,963
Pg 1 Line G	2001 REVENUE BONDS - SERIES 2001A	\$ 72,897,059				\$ 3,366,054						\$ 69,531,005
Pg 1 Line H	2001 LEASE REVENUE BONDS SERIES F	\$ 267,901,118				\$ 11,890,927		\$ 1,451,061				\$ 254,559,131
Pg 1 Line I	2002 MERGED AREA TAX ALLOC BONDS	\$ 521,856,033			\$ (25,347,883)	\$ 19,562,350						\$ 476,945,800
Pg 1 Line J	2003 MERGED AREA TAX ALLOC BONDS	\$ 274,302,521		\$ 9,008,176		\$ 6,998,364						\$ 276,312,333
Pg 1 Line K	2003A MERGED TAX ALLOC SUBORD BONDS	\$ 52,845,746				\$ 1,840,919						\$ 51,004,826
Pg 1 Line L	2003B MERGED TAX ALLOC SUBORD BONDS	\$ 19,331,068				\$ 425,622						\$ 18,905,446
Pg 1 Line M	2004 MERGED AREA TA REFUND BONDS	\$ 399,716,213				\$ 26,023,736						\$ 373,692,477
Pg 1 Line N	2005 A MERGED AREA TA REFUND BONDS			\$ 254,997,957		\$ 3,857,510						\$ 251,140,447
Pg 1 Line O	2005 B MERGED AREA TA REFUND BONDS			\$ 94,438,133		\$ 1,732,383						\$ 92,705,750
Total - This Page		\$ 3,060,970,007		\$ 358,444,266	\$ (269,080,258)	\$ 117,782,328		\$ 1,451,061				\$ 3,031,100,625
Totals Forward		\$ 292,784,887		\$ 139,462,920	\$ 1,581,386	\$ 32,036,340		\$ 144,531,610				\$ 254,098,471
Grand Totals		\$ 3,353,754,893		\$ 497,907,186	\$ (267,498,872)	\$ 149,818,668		\$ 145,982,671				\$ 3,285,199,096

Line N & O Increase adjustments are due to new bonds issued in FY 2005-06

RECONCILIATION STATEMENT - CHANGES IN INDEBTEDNESS

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

Tax Year: 2006-2007

Reconciliation Dates: July 1, 2005 to June 30, 2006

SOI, pg and line:	Debt Identification Brief Description	A		B		C		D		E		F
		Outstanding Debt All Beginning Indebtedness		Increases (Attach Explan)	Adjustments Decreases (Attach Explan)	Tax Increment	Amounts Paid Against Indebtedness, from:	Other Funds	Remaining Balance (A+B-C-D-E)			
Prior Yr Page 2 Line N	CITY/AGENCY CO-OP AGREEMENT	\$ 198,584,717		\$ 48,038,149						\$ 114,318,060		\$ 132,304,806
Page 2 Line P	20% HOUSING SET-ASIDE	\$ 30,088,373		\$ 32,324,817				\$ 29,963,734				\$ 32,449,456
Page 2 Line Q	COUNTY AGREEMENT SETTLEMENT	\$ 12,555,756		\$ 14,385,488					\$ 12,456,354			\$ 14,484,890
Page 2 Line R	PROPERTY TAX ADMIN FEE	\$ 1,695,792		\$ 1,696,032				\$ 1,611,242				\$ 1,780,582
Pg 2 Line S	A B 1 2 9 0 PASS-THROUGH	\$ 850,673		\$ 6,691				\$ 461,364				\$ 396,000
Pg 2 Line T	EDUCATION REVENUE AUGMENTATION FUND	\$ 16,082,000				\$ 1,581,386				\$ 14,500,614		\$ -
Pg 2 Line U	CSCDA (ERAF) Loan	\$ 24,048,296		\$ 20,961,150						\$ 2,478,120		\$ 42,531,326
Pg 2 Line V	HUD SECTION 108 Loans	\$ 5,070,551		\$ 18,650,593						\$ 778,462		\$ 22,942,682
Pg 2 Line W	CSJ Parking Fund Loan	\$ 3,808,729		\$ 3,400,000								\$ 7,208,729
Pg 2 Line X	Totals Forward	\$ 292,784,887		\$ 139,462,920		\$ 1,581,386		\$ 32,036,340		\$ 144,531,610		\$ 254,098,471
Pg 2 Line Y	Grand Totals											

Explanation for Adjustment columns B and C:

Current Year Column, Line P through Line X: Incorporate FY 2005-06 obligations per FY 2005-2006 Agency Budget
 Prior Year: Page 2, Line O "Retention" was removed. Retention payable amounts are expensed and included in Line P

CALCULATION OF AVAILABLE REVENUES

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

TAX YEAR: 2006-2007
RECONCILIATION DATES: JULY 1, 2005 TO JUNE 30, 2006

	AMOUNT
1 Beginning Balance, Available Revenues (See Instructions)	\$ 648,502,489
2 Tax Increment Received - Gross All Tax Increment Revenues, to include any Tax Increment passed through to other local taxing agencies	\$ 149,818,668
3 All Other Available Revenue Received (See Instructions)	\$ 108,644,900
4 Revenues From Any Other Source Included in Column E of the Reconciliation Statement but not included in (1-3) above	\$ (490,468,599)
5 Sum Of Lines 1 Through 4	\$ 416,497,458
6 Total Amounts Paid Against Indebtedness (D + E on Reconciliation Statement)	\$ 295,801,339
7 Available Revenues, End of Year (line 5 - line 6)	\$ 120,696,119

**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 ⁽¹⁾	361,757
Total Uses	<u>\$59,000,000</u>

⁽¹⁾ 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 ⁽¹⁾	\$475,885,936
Deposit to Bond Reserve Fund ⁽¹⁾	44,423,315
Deposit to 1993 Project Fund ⁽¹⁾	135,677,860
Costs of Issuance ⁽²⁾	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

Sources of Funds:	
Par amount of 1997 Bonds	\$106,000,000.00
Other available funds (1)	2,462,222.02
Total Sources	<u>\$108,462,222.02</u>
Uses of Funds:	
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
Total Uses	<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 1
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	<u>\$240,000,000.00</u>
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	<u>\$240,000,000.00</u>

(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.

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

¹ 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
Sources of Funds			
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
Total Sources	\$ 194,029,234.80	\$ 4,748,068.12	\$ 198,777,302.92
Uses of Funds			
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 ¹	9,761.12	500,336.00	510,097.12
Total Uses	\$ 194,029,234.80	\$ 4,748,068.12	\$ 198,777,302.90

¹ 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

Sources of Funds:	
Par Amount of 2002 Bonds	\$350,000,000.00
Net Original Issue Premium	2,657,906.30
Total Sources	<u>\$352,657,906.30</u>
Uses of Funds:	
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	<u>\$352,657,906.30</u>

(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

Sources of Funds:	
Par Amount of 2003 Bonds	\$135,000,000.00
Net Premium	\$1,423,918.55
Total Sources	\$136,423,918.55
Uses of Funds:	
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	15,000,000
Total Sources	\$60,000,000
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]	399,300
Total Uses	\$60,000,000

[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

Sources of Funds:

2004A Bond Proceeds:

Par Amount of 2004A Bonds	\$281,985,000.00
Plus Net Original Issue Premium	<u>15,300,850.60</u>
Total Bond Proceeds	297,285,850.60

Other Sources of Funds:

Released from 2002 Reserve Fund	1,324,087.75
Released from 2003 Reserve Fund	141,447.28
Debt Service Fund held by Trustee	<u>7,378,342.93</u>
	8,843,877.96

Total Sources **\$306,129,728.56**

Uses of Funds:

Deposit to Escrow Fund	\$301,137,995.49
Costs of Issuance ⁽¹⁾	<u>4,991,733.07</u>

Total Uses **\$306,129,728.56**

⁽¹⁾ 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

Sources of Funds:	<u>2005A Bonds</u>	<u>2005B Bonds</u>	<u>Total</u>
<u>Bond Proceeds:</u>			
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
<u>Other Sources of Funds:</u>			
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>1,300,000.00</u>
Total Other Sources	\$5,279,216.88	\$1,665,725.00	\$6,944,941.88
Total Sources	\$169,156,208.43	\$75,059,754.35	\$244,215,962.78
<u>Uses of Funds:</u>			
Deposit to Escrow Funds	\$165,529,702.39	\$73,424,977.72	\$238,954,680.11
Costs of Issuance ⁽¹⁾	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>
Total Uses	\$169,156,208.43	\$75,059,754.35	\$244,215,962.78

⁽¹⁾ 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.

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

Merged Area Indebtedness contained in the FY 2006-2007 Redevelopment Agency's Capital Budget and in the City/Agency Cooperation Agreement (9/2006):

<u>PROJECT AREA</u>	<u>BUDGET AMOUNT</u>	<u>CARRY OVER ENCUMBRANCE</u>	<u>TOTAL</u>
Almaden Gateway	\$ 1,100,000	\$ 738,800	\$ 1,838,800
Century Center			
Civic Plaza	698,066	194,310	892,376
Edenvale	4,973,958	405,160	5,379,118
Guadalupe - Auzerals	640,207	288,493	928,700
Julian/Stockton	2,373,266	2,370,767	4,744,033
Market Gateway	115,745	900,514	1,016,259
Merged Area	32,700,925	13,305,210	46,006,135
Neighborhood Investment Program	7,350,785	1,644,695	8,995,480
Park Center Plaza	3,517,286	550,623	4,067,909
Rincon de los Esteros	4,829,729	64,164	4,893,893
San Antonio Plaza		600,292	600,292
Strong Neighborhood Initiative	26,481,782	4,663,684	31,145,466
Capital Direct Operating Costs	8,181,369	426,541	8,607,910
Capital Indirect Operating Costs	5,240,412	420,877	5,661,289
Subtotal	98,203,530	26,574,130	124,777,660
General Operating Costs	7,338,873	188,273	7,527,146
Total	<u>\$ 105,542,403</u>	<u>\$ 26,762,403</u>	<u>\$ 132,304,806</u>