

# REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

A COMPONENT UNIT OF THE CITY OF FRESNO, CALIFORNIA

## 7TH COMPREHENSIVE ANNUAL FINANCIAL REPORT



FOR YEAR ENDED JUNE 30, 2011

# Redevelopment Agency of the City of Fresno

A Component Unit of the City of Fresno, California

## 7<sup>th</sup> Comprehensive Annual Financial Report

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FISCAL YEAR ENDED JUNE 30, 2011

Prepared by  
Redevelopment Agency  
Finance Department

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO**

**FOR THE YEAR ENDED JUNE 30, 2011  
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# **INTRODUCTORY SECTION**

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# REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

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December 30, 2011

The Honorable Members of the Redevelopment Agency Board  
Distinguished Citizens of the City of Fresno  
Fresno, California

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## THE 7<sup>TH</sup> COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

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I am pleased to submit to you the seventh Comprehensive Annual Financial Report (CAFR) of the Redevelopment Agency (Agency) of the City of Fresno for the year ended June 30, 2011, with the Independent Auditor's Report. The CAFR has been prepared by the Agency in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Agency. I believe that the data, as presented, is accurate in all material respects, that its presentation fairly shows the financial position and the results of the Agency's operations as measured by the financial activity of its various funds, and that the included disclosures will provide the reader with an understanding of the Agency's financial affairs.

Brown Armstrong Accountancy Corporation has audited the basic financial statements and issued their unqualified (clean) opinion that the basic financial statements of the Agency for the year ended June 30, 2011, are fairly presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Independent Auditor's Report on the Basic Financial Statements is located at the front of the financial section of this report.

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## FINANCIAL REPORTING AND FORMATS

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The Agency has prepared its CAFR using the financial reporting requirements as prescribed by GASB Statement No. 34, *Basic Financial Statements - Management's Discussion and Analysis - for State and Local Governments* (GASB 34). This GASB Statement requires that Management provide a narrative introduction, overview, and analysis to accompany the Basic Financial Statements in the form of a Management's Discussion & Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.



Our CAFR is divided into the following sections:

**The Introductory Section** includes information about the organizational structure of the Agency, project area activity, and information useful in assessing the Agency's financial condition.

**The Financial Section** is prepared in accordance with GASB 34 requirements by including the MD&A, the Basic Financial Statements including notes, and the Required Supplementary Information. Also included in this section is the Independent Auditor's Report on the Basic Financial Statements and schedules.

The **Statistical Section** includes tables containing historical financial data, debt statistics, and miscellaneous economic data of the Agency that is of interest to potential bond investors and other readers.

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## THE PROFILE OF THE AGENCY

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The Agency's financial statements are included in the CAFR of the City of Fresno (City) as a component unit because of the operational and financial relationship that exists between the City and the Agency. In March 1997, the City Council acting as the Agency Board adopted the restructuring of the Redevelopment Agency. The restructuring allowed the City Council to appoint an Executive Director of its choosing. In addition, the restructuring allowed any Council Member to be appointed Chair to the Redevelopment Agency by selection of Agency Board Majority.

In April 1997, the Redevelopment Agency adopted new By-Laws and entered into a cooperative agreement with the City of Fresno in order to establish a new approach for the redevelopment program that would have a more focused mission for carrying out its redevelopment objectives. All planning, engineering, project implementation, and financial efforts were centralized under an Executive Director appointed by the Agency Board. The day-to-day business and staff operations for the Agency involve a combination of personnel that include full-time City personnel assigned through the Redevelopment Support Division, full-and part-time personnel hired by the Agency and several individuals and companies providing services on a contract basis. In 2000, the Agency entered into a multi-year contract with the Housing Authorities of the City and County of Fresno to administer the Agency's 20% Low and Moderate Income Housing Set Aside program.



The Agency's focus is on bringing about major projects and neighborhood improvements that will have a positive effect on the shape and future of Fresno's inner city neighborhoods, downtown and industrial areas. The Redevelopment Agency currently has 19 project areas encompassing a total of 14,034 acres.

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## THE PURPOSE OF REDEVELOPMENT

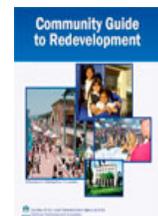
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Redevelopment is a tool created by state law to assist local governments in eliminating blight, as well as to achieve the goals of development, reconstruction, and rehabilitation of residential, commercial, industrial, and retail districts. It is one of Fresno's most effective ways to breathe new life into deteriorated areas beset by a variety of social, physical, environmental, and economic conditions which act as a barrier to new investment by private enterprise.

Redevelopment enables communities to grow inward, not just outward, and helps encourage new housing and businesses to locate within already developed areas. Redevelopment enhances and expands local businesses, renovates declining housing stock, and improves public infrastructure systems and facilities.



It helps reduce crime and long commutes, promotes affordable housing, and preserves the environment.



Redevelopment encourages new development, creates jobs, and generates tax revenues in declining urbanized areas by developing partnerships between local governments and private entities. Without the initial investment from redevelopment agencies, many important community projects simply would not take place, leaving communities to suffer from deteriorations, crime, and poor economic and social conditions.

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## FINANCING REDEVELOPMENT

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Tax increment is the primary source of revenue that redevelopment agencies have to undertake redevelopment projects. It is based on the assumption that a revitalized project area will generate more property taxes than were being produced before redevelopment. When a redevelopment project area is adopted, the current assessed values of the property within the project area are designated as the base year value. Tax increment comes from the increased assessed value of property over the base year value, not from an increase in tax rate. Any increases in property value, as assessed because of change of ownership or new development, will increase tax revenue generated by the property. This increase in property tax revenue is the tax increment that goes to the Agency. A percentage of the increase in property tax revenue is shared with other jurisdictions in the project area. The shared amount is determined by pre-1994 negotiated agreements, post-1994 AB 1290 mandatory statutory pass through payments, or a combination of both. In addition, California Redevelopment Law requires redevelopment agencies to set aside 20% of tax increment revenue to be used for low and moderate housing.



Current tax increment revenues are leveraged by issuing long-term debt, including loans from the City, to raise capital to promote economic development within its project areas. The new projects constructed generate additional tax increment revenues which may only be captured to the extent that the Agency incurs indebtedness. Indebtedness includes bonds, notes, loans, advances, payments due under development agreements, owner participation agreements, and City loans. The Agency incurs debt based on future tax increments to fund redevelopment projects.

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## THE CITY AND ITS SERVICES

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The City of Fresno (City) was incorporated in 1885, and is located in the Central San Joaquin Valley of California. The City's powers are exercised under the strong-Mayor form of government. Under this system, the Mayor serves as the City's Chief Executive Officer, and is responsible for appointing and overseeing the City Manager, recommending legislation, and presenting the annual budget to the City Council. The Mayor does not participate in Council deliberations, except by exercising veto power. The City Council serves as the legislative authority, and the Mayor serves as the executive authority. The City Council is represented by seven elected council members, one of whom is elected President by the Council for a term of one year. The President is the presiding officer of the Council and will fill any vacancy in the Office of the Mayor. The services provided by the City are the full range of services contemplated in the City Charter. These include public protection (police and fire), construction and maintenance of all public facilities (public works), parks and recreation, public health systems (water, sewer, community sanitation, and solid waste utilities), development and planning, tax collection, transportation, and many others.



The City's CAFR includes the financial activities of the primary government, which encompasses several enterprise activities, as well as all of its component units and its one discretely presented component unit. Component units include legally separate entities for which the primary government is financially accountable and that have substantially the same governing board as the City or provide services entirely to the City. For reporting purposes, the

operations of the Redevelopment Agency of the City of Fresno and the Joint Powers Financing Authority are blended with the City. The City of Fresno Cultural Arts Properties is discretely presented since it does not provide services exclusively or almost exclusively to the City. For reporting purposes, its operations are presented as a separate column on the government-wide financial statements.

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## THE CITY OF FRESNO'S GOVERNMENT, ECONOMY, AND OUTLOOK

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Fresno is the county seat of Fresno County (County) and is the economic and cultural hub of the fertile Central San Joaquin Valley, a metropolitan region with more than 500,121 residents in the City proper, and over 930,450 in Fresno County. As of 2011, the population estimate has made Fresno the fifth largest city in California, the largest inland city in California and the 36<sup>th</sup> largest in the nation. Fresno is located in the center of the wide San Joaquin Valley of Central California, approximately 200 miles north of Los Angeles and 170 miles south of the state capitol, Sacramento. The City is part of the Fresno-Clovis metropolitan area, which, with a population of 1,107,416, is the second largest metropolitan area in the Central Valley after Sacramento.

The name "Fresno" in Spanish signifies "ash tree" and it was because of the abundance of mountain ash or ash trees in the county that it received its name. The ash leaf is featured in the City's flag.

The first European settlers in the early 1800's found the Yokuts tribe living on the valley floor and in the foothills along the major rivers of the area, the San Joaquin and the Kings Rivers. The Monache Tribe lived further up the rivers. After the initial Spanish explorers came, others began to arrive including trappers and hunters. The County was part of the mining boom of California from its early years until the mid 1860's. Once gold fever subsided, the County experienced substantial growth in livestock raising and general farming and from there it made the transition to orchards and vineyards. Fresno began as a station for the Central Pacific Railroad in 1872 and was made the county seat in 1874. The County was much larger than it is today and included part of Tulare County, comprising its current area plus all of what became Madera County and parts of what are now San Benito, Kings, Inyo, and Mono counties.



The economic base of Fresno County is predominantly agriculturally oriented since Fresno County is the number one agriculture-producing county in the United States. Grapes, cotton, cattle and calves, milk, tomatoes, plums, turkeys, oranges, peaches and nectarines, and alfalfa hay are among the largest income-producers and helped produce a gross farm income of \$5.4 billion in 2010. Industry related to agriculture, wholesale distribution, recreation, and tourism are the other components of the Fresno economy. Industries related to agriculture include processing of fresh fruit, nuts and citrus, farm machinery products, implements, and irrigation pumps are manufactured, along with wine, fertilizers, insecticides, and sheet and bottle glass.



The City of Fresno currently has a land area of 112.29 square miles and has the power by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the City Council. Fresno County encompasses approximately 6,017 square miles. The population of the County has grown by approximately 16.4% in the past ten years, and boasts more than 90 different nationalities that speak over 75 different languages. Over half of all County residents live in the City of Fresno, making it the largest city in the County. The 2000 Federal census showed that racial and ethnic diversity continues to be robust in the City, with all minority groups combined representing nearly a majority of the City's population.

Fresno serves as the economic hub of Fresno County and California's Central Valley. While the unincorporated area and rural cities surrounding Fresno remain predominantly tied to large-scale agricultural production, Fresno is unique in that it is home to many business incubators that serve as a resource hub for business entrepreneurs and new companies. Some of these incubators are found at California State University, Fresno. Many of the businesses formed at the incubators have gone on to become internationally known in the business world. Some of the businesses involved range from environmental engineering to fashion designers. Urban/suburban Fresno has undergone significant economic transformation in recent years.



Fresno County's economy is led by Fresno's position as the hub for education, healthcare, government, and professional services for the Central Valley. Construction employment rapidly expanded as well until the downturn in the housing market and the economy. Food processing has led the manufacturing sector with such notable companies as Sun-Maid, David Sunflower Seeds, Kraft Foods, Foster Farms Dairy, and Foster Farms Poultry Company. Distribution has many centers in the City, led by the 80 acre site of the Gap Pacific Distribution Center. Companies specializing in machinery manufacturing, medical devices, and water technology are also present. Public sector employment is also a major contribution to the City's economy.

Fresno's location, very near the geographical center of California, places the City a comfortable distance from several major recreation areas and urban centers in the state. Fresno is just 60 miles south of Yosemite National Park, and is the nearest major city to the park. Likewise, Kings Canyon National Park is 60 miles and Sequoia National Park is just 75 miles away.



State Highway 99 is a north-south freeway providing vehicular highway routes to the inland valley towns. This freeway carries large volumes of private and public commercial traffic. Railroad transportation within Fresno County consists of both the Union Pacific Railroad and the Burlington Northern – Santa Fe Railroad. These railroads provide freight service to Northern and Southern California. Amtrak provides passenger service from Fresno to Los Angeles and the San Francisco Bay area as well as Sacramento. Commercial air transportation flies out of Fresno Yosemite International Air Terminal. Several large carriers, as well as several small commuter airlines, provide service. These airlines provide both passenger and freight service.

Fresno has three large public parks, two located within the City limits and one on County land to the southwest. Woodward Park, located in North Fresno, adjacent to the San Joaquin River Parkway, features the Shinzen Japanese Gardens, numerous picnic areas, and several miles of trails. Roeding Park is located near Downtown Fresno and is home to the Chaffee Zoological Gardens and Rotary Storyland and Playland. Kearney Park is the largest of the Fresno region's park system and is home to the historic Kearney mansion and plays host to the annual Civil War Revisited, the largest reenactment of the Civil War on the west coast of the United States.



The climate in the Fresno area is considered to be mild, ranging from a yearly average minimum of 49.9 degrees to an average maximum of 76.2 degrees; however, summers can range from 80 to 110 degrees. Average annual precipitation is 9.86 inches, which comes principally in the months of November through April. Winters are generally mild with prevailing sunny weather. Snow is a rarity; the heaviest snowfall was 2.2 inches on January 21, 1962.

## ***City of Fresno Fiscal Year 2011 Economic Conditions, Budgetary Impact, and Budgetary Adjustments***

As with most cities in today's economy, the City of Fresno has been having to embrace structural financial weaknesses that require immediate attention, prioritization, and strategic direction. As the City's revenue base has eroded, there is an increasing need to consider the overall financial health of the City as a factor in Budget resource allocation decisions. For instance, the City, like many others, is burdened by debt and employee compensation obligations that have not declined but rather have remained constant or even grown while revenues have declined. Areas of concern that have been identified in the Mayor's 2012 Budget that relate to the City's financial health are:

- Lack of General Fund Operating or Emergency Reserves
- Existing Ongoing Negative Fund Balances
- No Cushion for Operating Deficits
- Heavy Debt Service Loads (often tied to underperforming assets)
- Increasing Compensated Absence Liability
- Increasing Other Post-Employment Benefit (OPEB) Liability
- A Potentially Underfunded Risk/Liability Fund
- Uncertainty of Future Redevelopment Agency Funding
- Overall Credit Risk

Please refer to the City of Fresno's fiscal year 2011 CAFR for more information.

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## REDEVELOPMENT AGENCY'S BUDGET OVERVIEW FOR FISCAL YEAR 2011/2012

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Incremental property tax is the single largest revenue source of the Redevelopment Agency. In general, the Agency's budget policy and practice is to conservatively estimate tax increment revenues to help ensure adequate funding for approved or anticipated projects and budgeted uses. The Agency's fiscal practices have enabled the continuation of project implementation through phasing, extension of time lines, and cash flow management in the current economic climate of declining revenues and takes of redevelopment funds by the State of California.

Prior to the adoption of the state's fiscal year 2012 Budget that included an assembly bill to eliminate all redevelopment agencies in the state, the Board adopted a fiscal year 2011/2012 budget for the Agency pursuant to California Redevelopment Law. The Agency's budgeted incremental property tax revenues for all project areas combined were projected to be \$19,978,649, 2.75% lower than actual 2010/2011 receipts, based upon historical trends and the composition of the types of properties in the Agency's redevelopment areas. The Agency's redevelopment areas consist primarily of commercial and industrial properties and as such, the effect on Agency revenues to date from the decline in housing market values has been moderated. Another factor contributing to the relative consistency of tax increment revenue is that the Agency is on the "Teeter Plan" with the County of Fresno. This means the Agency receives tax increment from the County based upon the tax levy rather than on actual collections, therefore, uncollected property taxes do not affect the Agency's revenue. The current downturn in property values, however, could reduce the future tax increment revenue if properties are reassessed or sold for less than the value on the tax roll.

In past years, the State of California has looked to redevelopment agencies to help relieve the state's education funding obligations by establishing an Educational Revenue Augmentation Fund (ERAF). Redevelopment agencies were required to shift a portion of their tax increment revenues to the state in fiscal years 2003 through 2006. There was no ERAF shift requirement in fiscal years 2007 through 2009. However, legislation ABX4-26 was passed in July 2009 requiring redevelopment agencies statewide to shift a total of \$2.05 billion to the state in fiscal years 2010 and 2011 to a Supplemental Educational Revenue Augmentation Fund (SERAF). The Agency's total share of this revenue shift was \$6,736,202 in fiscal year 2010 and \$1,386,865 in fiscal year 2011 for a total take of \$8,123,067. The Agency has addressed this significant reduction in available funding by extending the timing of current projects and postponing new and proposed projects.



In January 2011, Governor Brown released his Proposed 2011-2012 Budget for the State of California. In an effort to close the gap in the state budget deficit, the Budget included AB1X 26 which called for the elimination of redevelopment agencies effective October 1, 2011, and establishment of a successor agency. The legislature subsequently proposed an alternative plan, AB1X 27, which would not eliminate agencies if they agreed to make payments to the state of \$1.7 billion in fiscal year 2011-2012. On June 30, 2011, the Governor signed both bills. The Agency's share of the \$1.7 billion was \$9,220,347.



California Supreme Court to overturn AB1X 26 and AB1X 27 contending they violate the Constitution, including Proposition 22 which was passed in November 2010 and provided redevelopment agencies additional protection from future state actions to take or shift local redevelopment funds.

The California Redevelopment Association (CRA) and the League of California Cities along with the Cities of San Jose and Union City filed a petition on July 18, 2011, asking the



The Court outlined an expedited briefing schedule and said it would render its decision before January 15, 2012, the date when redevelopment agencies are required to make their first payment. On December 29, 2011, the Court issued an opinion upholding AB1X 26 (the "Redevelopment Dissolution" bill) and invalidating AB1X 27 (the "Voluntary Payment" bill). As a result, all redevelopment agencies in California will be dissolved and their successor agencies will begin to function effective February 1, 2012. The Successor Agency and Oversight Board will be responsible for satisfying the enforceable obligations of the Redevelopment Agency and administer the dissolution process. The County Auditor-Controller is to establish a trust fund for each Successor Agency for the deposit of property tax revenues. No later than May 16, 2012, and June 1, 2012, and each January 16 and June 1 thereafter, the County Auditor-Controller must transfer the amount of property tax revenues equal to that specified in the Recognized Obligation Payment Schedule from the Successor Agency's Trust Fund into a Redevelopment Obligation Retirement Fund to be administered by the Successor Agency. The Successor Agency must then make the payments listed on the Recognized Obligation Payment Schedule from that fund.

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## RECENT ECONOMIC DEVELOPMENT AND REDEVELOPMENT PROJECTS

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The Redevelopment Agency continues to fulfill its objectives and goals by encouraging development, promoting public/private partnerships and improving neighborhoods. Increasing housing stock, especially in the downtown area, has been a major focus in recent years.

Over one billion dollars worth of improvements have taken place in Downtown Fresno over the past several years with a number of new development projects planned or proposed.

### Major Construction in Downtown Fresno

- ◆ \$250 million Community Regional Medical Center
- ◆ \$30 million UCSF Medical Education Building
- ◆ \$130 million Federal Courthouse
- ◆ \$24 million State Fifth District Court of Appeals
- ◆ Chukchansi Park – 12,500 seat ballpark and entertainment facility
- ◆ \$18 million renovation of Guarantee Bank Building for IRS and INS
- ◆ \$48 million privately funded 11-story office building and parking for IRS and Caltrans
- ◆ \$35 million IRS Compliance Center – 6-story office building and parking garage
- ◆ \$30 million Civic Center Square – 225,000 square feet of class A office and retail spaces privately financed and constructed
- ◆ \$2.5 million rehabilitation of the historic Hobbs Parsons building
- ◆ \$7 million Holiday Inn renovation
- ◆ \$5 million Fresh & Easy Neighborhood Market
- ◆ \$15 million Warehouse Row / Ice House
- ◆ \$7 million 801 “R” Street – SBA offices
- ◆ \$2 million in Streetscape Improvements



### Redevelopment of Santa Fe Railroad Depot

- ◆ \$7.35 million project created multi-modal transportation hub for downtown
- ◆ Links downtown restaurants and businesses with buses, taxis, and AMTRAK
- ◆ Includes 775 parking stalls to accommodate additional downtown business



### Downtown Housing and Mixed Use Projects

- ◆ \$6 million Vagabond Lofts project
- ◆ \$3.5 million H Street Lofts project
- ◆ \$10 million Iron Bird Lofts (Fulton Park Plaza) project
- ◆ \$6.9 million Fulton Village project
- ◆ \$2.3 million Mayflower Lofts project
- ◆ \$1.9 million Fultonia rehabilitation project
- ◆ \$4 million Broadway Lofts project



### Industrial Business Parks

- ◆ Roeding Business Park
  - ❖ Incorporates 950 acres for industrial and commercial development
  - ❖ Completed park is expected to produce over 20,000 jobs
- ◆ South Van Ness
  - ❖ \$24 million Foundry Park



### Street and Infrastructure Improvements

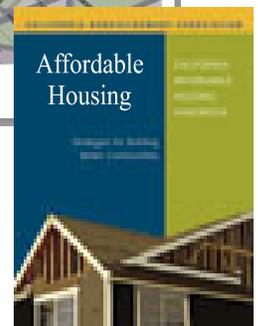
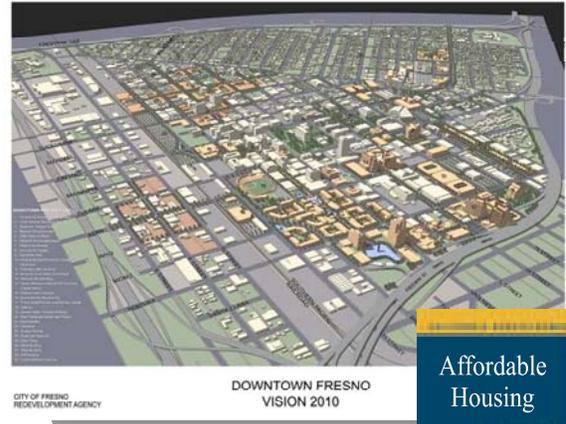
- ◆ \$26 million Agency-funded City infrastructure improvements since July 2004

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## MAJOR INITIATIVES AND ACHIEVEMENTS

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The Redevelopment Agency's work program for fiscal year 2011 continued to concentrate on the implementation and follow-through of major projects and neighborhood improvements that will have a positive effect on the form and future of Fresno's inner city neighborhoods, downtown, and industrial areas. The objectives of the work program address high priority projects intended to extend the Agency's tools for blight removal and job creation into parts of the downtown, inner city neighborhoods, and industrial areas that had not been addressed before. Providing low and moderate housing is another important component of redevelopment and is required by California Redevelopment Law. The Agency has actively worked to create and advance several low and moderate housing projects in the past several years, particularly in Downtown, Lowell, and Southwest Fresno in addition to implementing a number of major non-housing projects in all project areas.



Major achievements included:

- ◆ Vision 2010 Plan Implementation
  - ❖ Community Regional Medical Center Development
  - ❖ UCSF Medical Education Facility
  - ❖ Medical Office Buildings
  - ❖ Santa Fe Depot and Promenade
  - ❖ Federal Courthouse
  - ❖ Civic Center Square
  - ❖ Convention Center Parking Garage
  - ❖ Old Armenian Town Mixed Use Project
  - ❖ State Fifth District Court of Appeals Courthouse
  - ❖ Charter School
  - ❖ Downtown Stadium
  - ❖ Historic Chinatown Mixed Use Project
  - ❖ Amphitheater
  - ❖ Eaton Plaza
  - ❖ Lowell/Jefferson Housing
  - ❖ Uptown Cultural and Entertainment District Development and Streetscape
  - ❖ Federal, State, and County Downtown Office Developments
- ◆ Hope VI Neighborhood/Mixed Use Project
- ◆ Elm Avenue Corridor Blight Removal, Streetscape, and Business Attraction
- ◆ Roeding Business Park Infrastructure, and promotion/marketing of sites
- ◆ Reconstruction of Golden State Boulevard
- ◆ Kings Canyon Streetscape Project
- ◆ Belmont Avenue Street Lighting and Streetscape Improvements
- ◆ Fresno Air Terminal Redevelopment Area Site Clearance and Environmental Remediation
- ◆ Increased participation in the Storefront Improvement Program
- ◆ Housing Rehabilitation, New Housing Infill, and Neighborhood Improvements
- ◆ Supported industrial and commercial development in the five newest redevelopment areas: Airport Area Revitalization, Central City Commercial, Freeway 99/Golden State Boulevard Corridor, South Fresno Industrial, and Southeast Fresno

## REDEVELOPMENT PROJECT AREAS AND HOUSING

### **GENERAL**

#### Audit/State Review

In January 2011, the State Controller's Office conducted a review of 18 of the state's 425 redevelopment agencies that included Fresno's Redevelopment Agency. The objective of the review was to gather relevant data and provide analysis that may be useful to the California Legislature and the Executive Branch during the upcoming deliberative process. The review was helpful in clarifying state requirements and identifying some deficiencies in reporting due to incomplete or confusing instructions in the State's guidelines. The Controller's Office worked with the California Redevelopment Association and the California Society of CPA's to revise and update its current guidelines.

#### Best Practices

Best practices in fiscal management has enabled the Agency to weather the economic climate of declining revenues and address the State of California's significant take of \$6,736,202 and \$1,386,865 in fiscal years 2010 and 2011, respectively, for its Supplemental Educational Augmentation Revenue Fund (SERAF). In addition, \$9,220,347 would be required to be paid to the state in fiscal year 2012 under AB1X 27, the Alternative Voluntary Redevelopment Program. The Agency's conservative tax revenue projections and fiscal practices have enabled the continuation of project implementation through phasing, extension of time lines, and cash flow management.



Undertaking best management practices for contract monitoring and compliance, the Agency created a comprehensive standardized single source index of agreements, contracts, leases, and plans that summarizes key information and dates. The index is further backed up, where applicable, with excel spread sheets detailing performance activity and corresponding schedules.

#### Commercial Business Retention and Attraction

The Agency worked with a number of developers and businesses to attract new commercial development and to foster retention and expansion of existing businesses through assistance with site selection, infrastructure, and other programs such as Storefront Improvement Program (SIP). One of the Agency's objectives, and a measure of success, is maximizing private investment with a minimum of public financial assistance. Due in part to an improved environment created by redevelopment efforts, in many instances the Agency has been able to facilitate private development through site selection or other types of low cost assistance, or private investment has occurred with little or no direct public involvement. A few examples in the past year have been: adaptive reuse of 801 "R" Street warehouse for the Small Business Administration valued at about \$7.2 million; adaptive reuse of the 8,250 square foot former San Francisco Floral at the northeast corner of Fulton and Calaveras into business incubators; the half million dollar rehabilitation of a long vacant building at Divisadero and Fulton into Fulton 55 – a popular entertainment venue.



#### Downtown Fresno Property-Based Improvement District (PBID)

The Agency provided technical support and data collection leading to the formation of the PBID that was formally adopted by Council and property owners in June 2010. The new board held its first meeting in January 2011 in conjunction with the Mayor's State of Downtown Address. The Agency is represented on the Board.



#### Environmental Improvement

Through Agency efforts, the Environmental Protection Agency (EPA) committed to provide approximately \$80,000 in services geared to raise community awareness about Brownfields and their impact upon health and economic development. The EPA in partnership with the Agency conducted

a series of five community workshops from February through June of this year on the identification, remediation, and reuse of known or potentially contaminated sites in Southwest Fresno. The open workshops were well attended by area residents.



In a related effort initiated by the Agency, the EPA funded a \$20,000 environmental report for a one mile wide stretch of Freeway 99 Corridor between Belmont and North Avenues. The report's consultant researched all parcels for their historic use in order to develop an inventory of sites that, under today's environmental standards, would trigger further environmental review and potential remediation prior to redevelopment. The study, which identified 545 potentially contaminated sites, serves as a broad preliminary data base.

### Five-Year Implementation Plans

The Agency completed six (6) Implementation Plans in fiscal year 2011, including those for Merger 2 (Southwest Fresno General Neighborhood Renewal Area, Fruit-Church), Airport Area, Central City Commercial, Freeway 99-Golden State Boulevard Corridor, South Fresno Industrial, and Southeast Fresno.

California Redevelopment Law requires that a redevelopment agency adopt an Implementation Plan every five years for each redevelopment project area. The Implementation Plans serve as a multi-year planning vehicle for projects, and describe the links between the programs undertaken, the alleviation of blight, and the provision of affordable housing for, each Project Area. The Implementation Plans are a policy document, meant to guide the implementation of the redevelopment plans for each Project Area, but allows sufficient flexibility for the Agency to respond to specific opportunities as they arise. All Implementation Plans are up to date.



### Fresno Revitalization Corporation



The Fresno Revitalization Corporation (FRC), a 501 (c) (3) non-profit staffed by the Agency, continued to serve as the fiscal agent for the Canyon Crest multi-family development which was purchased in May 2010 through the City's Neighborhood Stabilization Program.

The Agency and FRC initiated a Historic Building Plaque program to recognize local, state, and nationally listed historic buildings and their owners. Sixteen plaques were distributed, five of which are listed on the National Register of Historic Places.

### Grants

Agency staff helped prepare the grant application for Housing and Urban Development's (HUD) Community Initiative in conjunction with the City's Department of Resource and Management and Fresno State's Office of Economic and Community Development. The \$4 million grant awarded in fall 2010 will benefit 14 cities, four (4) valley-wide non-profits, the California Partnership for San Joaquin Valley, the Regional Policy Council, and Fresno State's Community Regional Planning Center. The City will use its portion of the award to streamline the zoning code for smart growth and sustainability and to update the 2035 general plan.



### Industrial Redevelopment

The Agency worked to attract and retain industrial development through a number of strategies. To help address the need for shovel ready sites, the Agency identified its role as a catalyst to advance site availability through a multi-prong approach that includes: (1) selective strategic enhancement of critical infrastructure for underserved sites and areas; (2) advancing site availability through Owner Participation Agreements (OPA), Memorandums of Understanding (MOU), and selective site acquisition; and (3) assisting owners with professional and technical development assistance. The Agency works with developers and industrial sectors to provide assistance in areas such as site selection, land assembly, and infrastructure. Consistent with the Agency's role and jurisdiction, efforts are directed toward infill sites within urbanized designated redevelopment areas.



In fiscal year 2011, the Agency successfully helped to attract, retain, and expand a number of industrial companies and developments including: the retention and expansion of Matthew Harley Davidson at the northeast corner of Blackstone and Belmont Avenues; the attraction of Irritec, one of the world's largest micro irrigation manufacturers, to a 20 acre site thereby creating new jobs and

millions in capital investment; expansion of Pape/Kenworth at East and Jensen with an additional 21,000 square feet; and a 40 acre industrial subdivision near Brawley and Ashlan Avenues.

In the past several years, the combination of these efforts have helped stimulate a wide range of industrial projects that includes over 997,300 square feet of building activity or expansions of existing manufacturers and distributors. In addition, various industrially-zoned parcels, totaling more than 588 acres, have moved closer each year to shovel readiness through added infrastructure, advancing entitlements, or final preparation for actual sale or end-user occupancy.



### Infrastructure and Street Improvements



To stimulate redevelopment, the Agency has actively sought strategic, cost-effective opportunities for public infrastructure improvements and has worked with the City, Flood Control District, and other entities to leverage local resources and matching fund opportunities. The Agency has expended \$26,976,565 from July 1, 2004, to date to improve and construct new streets and infrastructure that became City owned assets. Included in this amount is \$1,754,208 incurred in fiscal year 2011. The Agency's investment has increased City asset values, reduced City expenditures, relieved demand on the general fund, upgraded and replaced aging infrastructure, and stimulated new growth and development. In some instances, Agency participation filled a need or requirement to access state and federal funds.

### Job Creation

Job creation is a critical component of the Agency's ongoing efforts in revitalization. Direct job creation occurs when companies decide to locate or expand due to the investment by the Agency in critical public infrastructure, through the intercession by the Agency in aiding the location process or by direct support for various commercial and residential projects. In addition, various levels of induced or spin-off employment is created through all those activities.

During the past two years, the Agency has been directly involved in a wide range of job creation and spin-off activities. The Agency has averaged 479 direct jobs and 215 spin-off jobs created annually for a total of 694 jobs created in the past two years. In addition, the Agency's investments in the construction of infrastructure, commercial improvements and residential development have created an average of 373 full-time equivalent (FTE) additional construction jobs each year.

### Property Maintenance and Weed Control for Agency Properties

The Agency manages property maintenance and year-round weed control of Agency owned properties through a contract negotiated with the Fresno County Economic Opportunities Commission (EOC). The contract with EOC provides an additional benefit to the community by providing job skill training and environmental education to the young men and women of Fresno County.

### Review of Development Entitlements Within Redevelopment Project Areas

Between July 1, 2010, and June 30, 2011, staff reviewed and made recommendations on 82 entitlements, comprised of 19 Site Plan Review Applications; 38 Conditional Use Permit Applications; 3 Rezoning Applications; 9 Tentative Parcel Map Reviews; 2 Amendment Reviews; 2 Variance Applications; 3 Tentative Tract Map Reviews; and 6 Plan Review and Sign Offs. Review of these entitlements has helped ensure their consistency and development in accordance with all adopted plan goals and design guidelines of both the Redevelopment Agency and the City of Fresno.



### Storefront Improvement Program (formerly Commercial Façade Improvement Program)

The Storefront Improvement Program (SIP) encourages physical improvements to existing commercial buildings and neighborhoods; leverages funds deriving maximum visual impact from modest investment; and helps businesses, most often those that are small to medium size. The Agency has actively offered the SIP through its marketing brochure, informational workshops, and architectural design assistance. The Agency also works with merchants groups, and other stakeholders, to identify opportunities to increase participation in the program.

The Storefront Improvement Program (SIP) continues to grow, benefitting revitalization of older commercial districts and corridors. In fiscal year 2011, the Agency assisted improvement to 44 commercial storefronts that generated over \$460,261 in improvement value. Every Agency dollar invested was matched by about \$4.20 from the private sector. Additionally, through the SIP program, the Agency assisted the Small Business Administration with their \$7,175,000 renovation and the Fresno Area Hispanic Chamber of Commerce with their \$1,800,000 renovation. Including these two major renovations the Agency's leverage increases to \$64.50 in public investment for every \$1 of Agency investment.



## **AIRPORT AREA REVITALIZATION**



The Airport Area Revitalization Redevelopment Project Area, adopted in August 1999, incorporates 1,119 acres around the Fresno Yosemite International Airport. The focus of the redevelopment project area has been to eliminate blight and seek the reuse of underutilized areas adjacent to or in the vicinity of the Fresno Yosemite International Airport for commercial and industrial uses as identified in the City's General Plan. The new redevelopment project area was adopted with priorities concentrating on the retention and expansion of existing and new businesses in order to increase the availability of jobs.

### Airport Area Revitalization Plan Amendment

In December 2010, the City Council and Agency Board adopted a plan amendment to extend eminent domain authority for a twelve year period in the Airport Area Revitalization Redevelopment Project Plan area. The major documents prepared by Agency staff, Rosenow Spevacek Group, and ICF International included the plan amendment report for the project area, a Report to Council containing extensive documentation of blighting conditions, Agency accomplishments, and a financial feasibility analysis. An initial Study/Mitigated Negative Declaration was prepared which evaluated the potential environmental effects on cultural resources, air quality, circulation, and noise.

As a part of the public review process initiated on September 23, 2010, Agency staff met with various agencies including the Housing and Community Development Commission, the Planning Commission, as well as the Agency Board and the City Council. A widely noticed public information meeting was held in the project area on October 14, 2010.

The public review process also involved the distribution of information to affected taxing entities. Notices of the public information meetings, Housing and Community Development Commission meeting, Planning Commission Hearing, and the Joint Public Hearing of the Council/Agency Board were published in the Fresno Bee and mailed to all property owners, residents, businesses, and taxing entities pursuant to California Redevelopment Law.

#### [Airport Reimbursement Agreement](#)

The Agency identified critical public infrastructure needed to support and attract economic development in the Airport Area Revitalization Project Area and entered into a reimbursement agreement with the City of Fresno to provide improvements at strategically targeted locations over several years. The infrastructure improvements total about \$5 million and include street paving, curbs, gutters, water and sewer system enhancements, flood control upgrades, and undergrounding of utility services.

#### [Clovis Avenue Street Improvements](#)

The Agency funded new paving for Clovis Avenue between Garland and Shields Avenues and the adjoining segment from Shields to McKinley Avenues. Agency participation of \$370,000 provided the necessary local match that leveraged \$692,000 in federal funds. The paving improvements were completed in November of 2010.

The Agency funded median island improvements on Clovis Avenue between McKinley Avenue and the Highway 180 entrance. Agency participation of \$75,000 completed the project's funding gap when combined with \$430,000 of federal stimulus funds enabling about 4,000 linear feet of improvements. The project was completed in January 2011.

#### [Palm Lakes Golf Course](#)

In March 2011, the Agency completed the purchase of a significant portion of the closed Palm Lakes Golf Course, long planned for conversion to commercial/light industrial uses. The site, burdened by various legal and financial issues, has experienced neglect and underutilization. The Agency is working on a development strategy for the eventual sale and reuse of this property as a planned office/business park development.

#### [Shields and Winery Property Acquisition](#)

During this past year, the Agency completed engineering plans for infrastructure improvements to the south side of Shields between Chestnut and Winery. The plans include curbs, gutters, road widening, undergrounding utilities, and signalization at the Shields and Chestnut intersection.

The infrastructure work will enhance circulation and the sale and development of about 2.5 acres of Agency and Airport owned land at the southwest corner of Shields and Winery for airport related commercial development.

#### [Storefront Improvement Program \(SIP\)](#)



The Agency's SIP helped with extensive exterior renovation on the long vacant 10.6 acre site at 1266 N. Maple that has now been leased to R & S Roofing bringing about 40 jobs to the site. Improvements included painting of five warehouses and office building, new windows, signage, fence repair, and minor landscaping.

### **CENTRAL CITY COMMERCIAL REVITALIZATION**

In August of 1999, the City Council and Redevelopment Agency Board adopted the 809 acre Central City Commercial Revitalization Redevelopment Project Area. The concept has been to focus on blighted and underutilized areas that have been identified in the City's General Plan for commercial and industrial uses. The redevelopment project area was adopted with priorities on the retention and expansion of existing and new businesses in order to increase the availability of jobs.



### [1727 and 1737 E. Belmont](#)

In addition to the Memorandum of Understanding (MOU) with Matthews Harley-Davidson, several other strategic actions were accomplished in this targeted neighborhood. Four blighted parcels with two buildings were purchased at the highly visible intersection of Freeway 180 off ramp, Belmont and Blackstone Avenues. Their removal, now underway, will improve the area's image and safety and help attract new investment. The acquisition is in conjunction with ongoing efforts to enhance the Blackstone corridor and supports other revitalization efforts such as the retention and expansion of Matthews Harley-Davidson.

### [Apple Valley Farms](#)

Substantial progress was made in facilitating the improvement of infrastructure in the Olive, Blackstone, and Hedges area and assisting with expansion efforts of a growing manufacturer, Apple Valley Farms (AVF) located at 1828 E. Hedges.

AVF's manufacturing and business expansion have been severely constrained by blight in the surrounding area, traffic congestion, and unsafe conditions resulting from a lack of public improvements in the Hedges commercial corridor between Abby and Effie Streets.



The planned expansion of AVF will require the support of public infrastructure facilities including road and off-site improvements and related infrastructure, designed to reduce blight and enhance safety and access.

In January 2011, the Agency purchased 1270 N. Abby at the convergence of Blackstone, Abby, and Hedges and demolished the blighted building in May 2011, making way for critical intersection improvements and potential expansion of AVF. Design for the intersection improvements was also completed in fiscal year 2011.

The resulting public improvements and blight removal will allow AVF to not only remain at this location in the City of Fresno, but to expand its operations and add approximately 50 jobs to the current 100 within the next three years. The Agency purchased a strategic property located at the corner of Blackstone and Hedges Avenues and will finish demolition of blighted structures during the fourth quarter of this year. This property will allow for major traffic improvements in the corridor and additional expansion space for AVF.

In March 2011, the Agency entered into an Memorandum of Understanding (MOU) in which AVF agreed to remain and expand all manufacturing operations at 1823 Hedges within three years and the Agency will, in turn, reimburse AVF for public street improvements up to \$385,000. Further, the Agency and AVF will make best efforts toward strategic acquisitions to remove blight and facilitate continuing commercial expansion.

### [Business Attraction and Retention](#)

The Agency funded three of six security cameras installed at strategic locations along Belmont in conjunction with Fresno Police Department. The project implements priorities identified through the Agency's work with the Belmont Merchant's Association.

### [Martin Ray Reilly Park](#)

In December 2010, the Agency Board approved the expenditure of \$260,000 to assist development of the Martin Ray Reilly Neighborhood Park at 763 N. Garden located on the east side of Chestnut Avenue bounded by Turner Avenue and the on-ramp to State Route 180. Funding sources for the estimated construction cost of \$2.1 million include Park Bond Funds and, potentially, state park grants. This park will improve the quality of life for area residents and families, eliminate vacant underutilized land, and make significant improvements to a highly visible location at Freeway 180 and Chestnut Avenues.

The need for development of a park at this location was identified in The Trust for Public Land (2005) Analysis which found that the Central Valley, projected to be one of the fastest growing regions in the state over the next decade, is one of the most underserved regions in the state in terms of public open space and recreation areas.

### Matthews Harley-Davidson (MHD)

In March 2011, the Agency Board approved a Memorandum of Understanding (MOU) that induces Matthews Harley-Davidson (MHD) to double its current dealership from 7,000 to 14,000 square feet, retain and expand all company sales and service dealership operations at its current site at 548 North Blackstone, and dedicate right of way for improvements. In turn, the Agency will reimburse MHD for construction of public improvements along Abby, Blackstone, and White Avenue street frontages required by its expansion. The business is located at a high profile intersection near Blackstone, Abby, Belmont, and the Freeway 180 on/off ramp. MHD, established by the Matthews family as a new Harley-Davidson dealership in 1953, has operated at this location since 1961. After an extensive two year process, MHD secured approval from the Harley-Davidson Corporation to remain and expand at this site, based upon the commitment of the family to heavily invest in facility upgrades and the commitment of the Agency to support its plans. The MOU helps to address blight at this highly visible location, improve public infrastructure, and induce a successful business to remain, expand, and invest in the Central Area for the long-term.



### Storefront Improvement Program

The Agency assisted exterior renovation of a one-story office building at 2816 Blackstone Street just south of Shields that contains about 6 businesses. The garden office improved its inner-courtyard with landscaping and added new paint, windows, wrought iron, and awnings.

## **CONSOLIDATED LOW AND MODERATE INCOME HOUSING FUNDS**

### Administration and Loan Servicing

From July 1997 through June 2000, the City's Housing Department administered the Agency's Low and Moderate Income Housing Program under a contract with the Agency. A major component of the program consisted of loans for major and minor rehabilitation. Agency staff continues to work with the City's Housing and Finance Departments for the ongoing administration of the Agency's loan portfolio. The policies include a monthly report to the Agency with the loan balances of the portfolio and loan payments received. Although the Agency assumed administration of the housing program in July 2000, the Agency contracted with the City's Finance Department to provide ongoing billing and collection services for the outstanding loans. As of June 30, 2011, there are approximately 193 loans with a total loan balance in excess of \$8.3 million.

### Community Housing Partnership Program (CHPP)

In June 2000, the Agency and the Housing Authorities of the City and County of Fresno developed the *Community Housing Partnership Program* (CHPP) and entered into a three year contract (with two option years) whereby the Housing Authorities assumed certain responsibilities on behalf of the Agency for the management of the Agency's housing program within and adjacent to the Agency's adopted redevelopment project areas.



In fiscal year 2011, the CHPP provided 58 minor and three major rehabilitations and constructed one new home on an infill lot. Since July 2000, 1,728 homes have received minor and major rehabilitation; and approximately 26 homes have been reconstructed from boarded up homes or built on vacant lots to provide infill housing. The Agency's multi-year Community Housing Partnership Program (CHPP) agreement with the Housing Authorities of the City and County of Fresno provided for minor and major rehabilitation of low- and moderate-income, owner-occupied housing in designated target areas of the City.

### [Herndon Townsite Infrastructure](#)

The Agency provided funds that enabled 70 households to connect to the new Herndon Town Water System. The City of Fresno received approximately \$825,000 of American Recovery and Reinvestment Act (ARRA) federal stimulus to replace the aging water system infrastructure serving the Herndon Town area, annexed into the City in 1988. This area was served for more than 60 years by a small privately owned water company whose pre-World War II system was inadequate. The Agency partnered with the City, federal, private, and non-profit sectors to fill the need of the community's low and moderate income residents. Agency assistance, averaging \$1,700 per household, was offered as a forgivable loan to eligible homeowners enabling on-site infrastructure necessary to hook-up to the new system.



### [Neighborhood Stabilization Program](#)

The Agency purchased and rehabilitated 15 homes through the U.S. Department of Housing and Urban Development's (HUD) Neighborhood Stabilization Program (NSP). As of June 2011, twelve of those homes have been sold to qualified income eligible families. The Agency was awarded an allocation of HUD's Neighborhood Stabilization Program funds by the City in October 2009 with direction to focus on Lowell, Jefferson, and South Tower Neighborhoods. The program allows the Agency and other NSP partners to acquire and redevelop abandoned or foreclosed properties that might otherwise become sources of blight. The program's objective is to stabilize neighborhoods affected by the high incidence of abandoned and foreclosed homes by facilitating the resale of these rehabilitated homes to eligible, owner-occupied, low, moderate and middle income families.



### [Neighborhood Stabilization Program - Canyon Crest Condominiums](#)

The Agency issued a Request for Proposal and Offer to Purchase the Canyon Crest Condominiums from qualified affordable housing entities. Affordability covenants will continue to run with the land after sale. In fiscal year 2010, the Fresno Revitalization Corporation, Inc. (FRC), a California Non-Profit Corporation and the non-profit arm of the Agency purchased the foreclosed Canyon Crest Condominiums – a 118-unit apartment complex near the southwest corner of Tulare and First Streets from NSP funds. The HUD requirement that at least twenty-five percent (\$2,772,253) of the total NSP funds received by the City of Fresno must address the housing needs of very low-income persons was well satisfied through the acquisition. The Agency provides all administrative, financial and technical support to the FRC in the acquisition and operation of the property through several agreements. During fiscal year 2011, operations were stabilized, the affordability covenants were established, rehabilitation work on six gutted units was completed, an Organizational Clearance Certificate was obtained from the State Board of Equalization, and a Welfare Exemption was obtained from the Fresno County Assessor's office.



### [Lowell Housing Projects / NSP Support](#)

To support the NSP's focused effort on Lowell, Jefferson, and South Tower, the Agency made additional investment from Housing Set-Aside funds.

- The Agency purchased for renovation, a small boarded up, single family home at 237 N. Park located across the street from Lowell Elementary. During fiscal year 2011, this single family home was rehabilitated and expanded into a three bedroom, two bath home and placed on the market for resale to a low to moderate income family.
- The Agency acquired and prepared rehabilitation plans for a single family home at 129 N. College adjacent to an NSP-funded house at 137 N. College. In May 2011, the Agency Board approved joint agreements wherein the rehabilitation work shall be performed through State Center Community College District (SCCCD) and Coalition for Urban Renewal Excellence (CURE). The SCCCDD is providing rehabilitation services by students for on-the job vocational training through a HUD grant.





- In November 2010, the Agency approved an Owner Participation Agreement (OPA) with Jeffrey Altimus to provide for participation in the rehabilitation of a blighted four-plex located at 122 N. College Avenue, across the street from 129 N. College described above. The project will produce four lower income units. Construction commenced in November 2010 and was completed in April 2011.
- The Agency purchased a blighted, boarded up four-plex at 329 N. College in the Lowell Neighborhood that is appropriate for demolition. The Agency will entitle a single family home and solicit a builder/developer to finance, construct, and sell to an income-qualified buyer.
- The Agency prepared renovation and site development plans for 473 N. Glen Avenue which will consist of the conversion of the main home from a multiple unit structure to a duplex with new construction of three additional bungalow units in a village concept setting. A Request for Proposals (RFP) is in process to solicit a builder/developer to finance, construct and lease the units to income qualified tenants.

#### Downtown Housing and Mixed-Use Development

The Agency has directed substantial resources to further the goal of mixed-use, mixed-income downtown housing development. Approximately 480 new housing units in the Cultural Arts and Entertainment District and its surrounding area have been recently completed, are underway or planned with the assistance of the Agency:

#### Cultural Arts and Entertainment/Uptown Area

- **Broadway at Calaveras** - The Agency Board approved an Owner Participation Agreement (OPA) with FFDA Properties, LLC, on March 8, 2011, to facilitate the development of a new mixed-use multi-family project consisting of nineteen (19) residential units and 1,478 square feet of commercial space. Under the OPA, a loan in the amount of \$1,600,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for all nineteen (19) of the units. Construction is scheduled to commence in April 2012 and is anticipated to be completed in December 2012.
- **Broadway at San Joaquin** - The Agency Board approved an OPA with FFDA Properties, LLC, on March 8, 2011, to facilitate the development of a new mixed use multi-family project consisting of twenty seven (27) residential units and 1,819 square feet of commercial space. Under the OPA, a loan in the amount of \$1,880,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for twelve (12) of the units. Construction began in June 2012 and is estimated to be completed in June 2013.
- **Broadway Lofts Mixed-Use** - Construction of the Broadway Lofts at Broadway and Calaveras was completed in February 2011. This development is a reuse and conversion of an historic building into a mixed-use project of 22 lofts at 1625 Broadway Street. In May 2009, the Agency approved an Owner Participation Agreement (OPA) that assists the project with \$750,000 and places moderate income level covenants on five units.
- **Fulton at Calaveras (Met Block)** - The Agency completed asbestos removal and demolition on the Met Site to mitigate blight and prepare for development. On March 8, 2011, the Board and Council approved an OPA with FFDA Properties, LLC, selected from an RFP process, for a mixed-use, multi-family project consisting of sixty two (62) residential units and 21,492 square feet of commercial space. The Agency will receive moderate income covenants for nineteen (19) of the units. Construction is scheduled to commence in January 2013 and be completed in June 2014. The site of about 2.5 acres is bounded by Calaveras, Stanislaus, Fulton and Van Ness, excludes the Met Museum Building and includes the parking lot north of Stanislaus across from the Museum building.



- [Fulton at San Joaquin](#) - The Agency Board approved an OPA with FFDA Properties, LLC, on March 3, 2011, to facilitate the development of a new mixed-use multi-family project consisting of thirty (30) residential units and 1,790 square feet of commercial space. Under the OPA, a loan in the amount of \$500,000 and a grant in the amount of \$1,400,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for twelve (12) of the units. Construction is scheduled to commence in October 2011 and be completed in October 2012.
- [Fulton Village](#) - In May 2010, ground was broken at Fulton and Amador for Fulton Village a mixed-use project that will be completed in January 2012. The project consists of 61 units of housing, 48 market rate and 13 affordable units, and 4,500 square feet of commercial space. The Agency approved an OPA in December 2008 that contributes an \$800,000 second trust deed loan and a \$500,000 grant made at completion.
 
- [Hotel Fresno](#) - On March 8, 2011, the Agency Board approved an OPA with Hotel Fresno, LLC, to facilitate the rehabilitation of the former Hotel Fresno located at 1263 Broadway Plaza into a mixed-use multi-family project consisting of seventy two (72) residential units and 19,508 square feet of commercial space. Under the OPA, a loan in the \$1,900,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for nineteen (19) of the units.
- [“L” Street Project](#) - The Agency Board approved an OPA with FFDA Properties, LLC, on March 3, 2011 to facilitate the development of a new multi-family project located at San Joaquin and L Streets consisting of twenty eight (28) three bedroom, two and one-half bath, 1,423 square feet, townhome units. Under the OPA, a loan in the amount of \$720,000 and a grant in the amount of \$720,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for nine (9) of the units.
 
- [Mayflower Lofts](#) - The Agency Board approved an OPA with Mayflower Lofts, LLC, to facilitate the development of a mixed-income housing development in the long vacant 3-story brick Mayflower building at 1417 Broadway. The project consists of 15 rental units with affordability covenants on eight of the units in consideration for Agency assistance through a \$400,000 loan. The project is currently under construction.

#### Regional Medical Center Area

- [Mariposa and “U” Project](#) - In March 2011, the Agency Board approved an Owner Participation Agreement (OPA) with Jose L. and Ivette C. Ibarra to facilitate the development of a new four-story residential rental project consisting of thirty-seven (37) upscale residential units. Under the OPA, a grant in the amount of \$800,000 will be made to the project by the Agency. In return, the Agency will receive moderate income covenants for sixteen (16) of the units. Construction is scheduled to be completed in December 2012.

#### South Tower District

- [Fultonia](#) - The Developer completed renovation of thirty-nine (39) residential units and ten (10) commercial units in a mixed-use project at 532-614 Fulton. This is the first multi-family project that the Agency has assisted in the Freeway-99/Golden State Boulevard Corridor Fulton area and is the renovation of an existing 2-story, mixed-use building, constructed in 1950 with approximately 30,168 square feet. Under the OPA agreement, the Agency
 

made a \$600,000 loan to the project and received covenants on 8 low-income units at 60% of Area Median Income (AMI) and 31 moderate income units.

- **Fulton West** - In March 2010, the Agency approved an OPA with TFS Investments, LLC, to facilitate the development of a seventeen (17) unit housing project located at 541-545 North Fulton Street that will complement the developer's revitalization efforts across the street at the Fultonia. Under the OPA, a loan in the amount of \$870,000 will be made to the project by the Agency. In return, the Agency will receive low income covenants on all seventeen (17) units.

#### South Mall/Chinatown

- **Berkeley Block** - In mid-2010, the Agency purchased 829 Fulton Mall on the southwest portion of the Fulton Mall between Inyo and Kern Streets. This acquisition presents the Agency with a tremendous development opportunity. Of the existing four buildings in this area, the Agency owns three of them, including the southernmost parking lot off Inyo Street. Agency staff prepared a request a Request for Proposals (RFP) to solicit development concepts.
- **Chinatown Lofts Mixed-Use Project** - In July 2009, the Agency Board approved a Disposition and Development Agreement for a three-phase, mixed-use low-income housing and commercial development at "F" and Mono Streets. The developer and Agency received \$4,000,000 in Proposition 1C Urban Infill funding from the State in June 2009.

Following environmental issues raised by a neighboring property owner, the Agency and City prepared a detailed request for proposals and retained a consultant to prepare an Offsite Consequence Analysis (OCA) report. The consultant performed an extensive scientific analysis that included participation from Agency staff, City staff, and both private parties involved in the property issue. The final report was issued in early December 2010, and provided to all parties for use in the subsequent California Environmental Quality Act (CEQA) review and community information process. The OCA shall be incorporated into the CEQA document for the project as it works its way through the entitlement process once again

#### Parc Grove Commons

The completion of Parc Grove Commons at Clinton and Fresno Streets was celebrated on April 11, 2011. The Agency provided \$500,000 in Low- and Moderate-Income Housing Funds for the \$38 million, 215-unit multi-family housing development, and will receive covenants on 16 low income units in return for its contribution. Parc Grove Commons II, LP, is comprised of the Housing Authority as Administrative General Partner, and Silvercrest, Inc, a non-profit, as Managing General Partner.



#### Southeast Fresno Infill Housing

- **Ventura and Seventh** - The Agency and City are working to revitalize a 3.42 acre block on the south side of Ventura Street between Seventh and Eighth Streets generally consisting of the City owned former Fresno Unified School District (FUSD) site and an Agency-owned parcel at the corner of Seventh and Ventura Streets. The Agency completed abatement, demolition, and grading of the entire site in Spring 2011.

The Agency and City are working with AMCAL on predevelopment tasks including a plan amendment and identification of funding sources. AMCAL's conceptual proposal consists of between 60 to 90 units of senior affordable rental housing and commercial/retail. The preliminary pro-forma anticipates contribution of the site valued at about \$725,000 and about \$6.7 million coupled with state housing tax credits. The developer plans to apply for tax credits in the March 2012 cycle. On March 8, 2011, the Agency reallocated \$1,534,000 of Tax Increment funds to the Low and Moderate Income Housing Fund for the SE Fresno Redevelopment Project Area to help assist affordable housing development.

- **Ventura and Tenth** - In fiscal year 2011, the Agency completed assembly of the north side of Ventura between Tenth and Eleventh Streets and demolished the blighted structures at the corner of Ventura and Tenth. The acquisition and demolition advances the Agency's goals for blight removal along a highly visible corridor and facilitates higher density land use consistent with the Southeast Fresno Revitalization Plan.

Southwest Fresno Infill Housing

- **AMCAL/Summer Hill Place Apartments** - In February 2011, the community celebrated the grand-opening of the Summer Hill Place and as of April it was fully occupied. The 3 acre 50-unit development was built on 2 Agency-owned adjacent sites generally located at the northeast corner of "B" Street and San Benito Avenue and at Elm and Geneva Streets. AMCAL, the developer, was successful in obtaining State Housing Tax Credits which had been unsuccessfully applied for at least five times prior. The development is covenanted to serve low income households.



- **California and Fruit Avenues Brownfields Cleanup Grant** - The Agency completed remediation of a 1.8 acre brownfields site located at 2141 S. Fruit Avenue (317 California Avenue). The Agency was awarded a \$200,000 Brownfields Cleanup Grant from the EPA and provided the balance needed for the total project cost of about \$250,000. This site originally housed several automotive related facilities including a dismantling yard in the 1940's through 1960's, which contributed to hazardous materials becoming mixed with the soil. The Agency identified the impediments to the property's development upon its acquisition and completed extensive testing to develop a clean-up plan that was acceptable to the State of California and the Federal EPA.



- **California Triangle Mixed-Use Project** - In January 2011, the Agency Board approved purchase of the property at 731 California Avenue completed land assembly for the proposed California Triangle Mixed-Use development. Two remaining structures are in the process of being demolished to complete site clearance.



The California Triangle site is an Agency-assembled 4.68 acre site proposed as a mixed-use, mixed-income housing and commercial development. With extended frontage along California Avenue, the project site presents an opportunity to enhance one of the major gateways to southwest Fresno with attractive streetscape and architecture and provide new housing to an underserved community.

- **California Walnut Mixed-Use/Edison Plaza Project** - On March 10, 2011, the Agency Board and City Council approved a Disposition and Development Agreement for Phase II of the Edison Plaza Mixed Use Project. The second phase will include a \$27 million, 200 unit multi-family community complex to be constructed on approximately 6.9 acres. The complex will offer a community center, four play yards, an outdoor swimming facility, community garden, 0.5 acre green space, landscaping, onsite parking, and public road improvements. The public road improvements will further the planned realignment of Walnut Avenue. Phase II follows the recently completed West Fresno Regional Center that represented Phase I.





Boulevard between State Highway 99 Exit at Ashlan and Shaw Avenue will revitalize and encourage new development.

### Street and Infrastructure Improvements

**Hughes/Weber Traffic Signal Installation** - The Agency initiated an extensive multi-year effort to enhance the circulation, remove blight, and enhance the community for new and expanded investment in the neighborhood surrounding the Hughes/Weber, Clinton, and Freeway 99 area. The initial project was completed during May of fiscal year 2011 with installation of a traffic signal at the intersection of Hughes and Weber Avenues. During peak hours, southbound traffic from Hughes and Weber Avenue back up due to long waits for unprotected turning movements. The traffic signal installation provides protected left turns at the intersection improving safety and traffic flow.



The Agency contributed \$70,000 to match a federal grant obtained for this project by the City of Fresno Public Works Department.

Hughes and Weber Avenues are important arterials in the City of Fresno used by thousands of people daily due to the intersection's proximity to the Clinton Avenue/Highway 99 access ramps. This project will complement other efforts recently initiated in the neighborhood to eliminate blight and increase vehicular and pedestrian safety.

**McKinley Avenue Widening/Improvements** - McKinley Avenue from Freeway 99 west to Marks Avenue is a gateway to the recent housing growth in the Fresno West area. Development on McKinley Avenue in this corridor is a mixture of residential housing and commercial businesses closer to the 99 Corridor. The Agency funded design work that was completed in fiscal year 2010 and is now available for implementation as appropriate road improvement funds are identified. The project drawings were transferred to the City Public Works Department in April 2011. The City will fund the purchase of additional right-of-ways (ROW) and the cost of construction, estimated to be between \$4 million and \$4.5 million.

**Shaw and Polk Signalized Intersection** - The Agency provided funds for the now completed design and reconstruction plans as well as a portion of construction costs for signalization at the Shaw and Polk Avenues intersection. Construction was commenced during fiscal year 2011 and will soon be complete. Upon completion, the project improves traffic circulation and safety and facilitates redevelopment of the area.

### **FRESNO AIR TERMINAL REDEVELOPMENT AREA**

The Fresno Air Terminal Redevelopment Area plan was adopted in August 1988 to assist the City of Fresno with rebuilding and restructuring the 102 acre project area into a high quality, aviation-related business park and to address environmental issues associated with prior use of the Old Hammer Field. Environmental cleanup activity for the airport area continues to be a priority and the majority of the project area resources are allocated to this purpose.



### **MERGER NO. 1 PROJECT AREA – Central Area and South Van Ness Industrial Area**



On June 30, 1998, the City Council and Agency approved the Merger No. 1 Project Area for eight existing Project Areas in the City's Central Area (Central Business District, Chinatown, Convention Center, Jefferson, Mariposa, West Fresno I, West Fresno II, and West Fresno III) and two new Redevelopment Projects for the Fulton and South Van Ness Industrial Areas. This project provided for the financial merger of all ten of the above cited project areas; the updating of the redevelopment plans and extending the plan limits for the eight existing Project Areas; and adoption of redevelopment plans for the two new Project Areas. The plans were amended in fiscal year 2010 to extend the life of the plans and increase tax increment caps. In a joint public hearing on June 24, 2010, the City Council/Agency Board approved the plan amendments.

Merger No. 1 Project Area encompasses the majority of Fresno's traditional downtown area. Following is a Summary of Accomplishments for the ten Project Areas in Merger No. 1 Project Area.

An indicator of the Agency's successful redevelopment efforts is reflected in tax increment growth. During the worst downturn since the great depression, the Downtown managed to remain stable with no decrease in property value in fiscal year 2011. In the fiscal year ending in 2010, increment grew 5.07% in the Central Business District and 2.24% overall in the Downtown Merger No. 1 Project Area. In the prior two fiscal years ending in 2008 and 2009, the combined increment for Downtown grew about 13%.

Another indication of successful redevelopment is vacancy rate. While Downtown's office/commercial vacancy rate increased from 8.83% to 11.43%, it remained below the City's average of 13.11% and fared better than the national average of 16.5%. In the prior year, the Downtown had an 8.83% rate as compared with 14.11% for the Fresno/Clovis area and a national average of 18%. Downtown was one of only two areas in the Fresno/Clovis market that saw a positive net absorption of office space in 2009 (largest amount of space leased after deducting space vacated) with 88,528 net square feet absorbed.



### [Merger No. 1 Project Area Plan Amendments](#)

After a two year long public review process initiated in July 2008, the City Council and Agency Board unanimously adopted Major Plan Amendments and a Subsequent Environmental Impact Report (SEIR) for the nine Constituent Redevelopment Plans in the Merger No. 1 Project Area, comprised of the Central Business District, Chinatown, Convention Center, Fulton, Jefferson, Mariposa, South Van Ness, West Fresno I, and West Fresno II Project Areas on July 22, 2010.

The major plan amendments involved the updating of time and financial limits for the nine Project Areas including the plan duration, debt incurrence, debt repayment, tax increment, and eminent domain limits; and streamlining the redevelopment land use plan to provide ongoing compatibility with the City's General Plan. These amendments were necessary to enable the Agency to continue implementing its program of blight elimination and revitalization within the Merger No. 1 Project Area.

### [Central Business District](#)

#### [National Endowment for the Arts Our Town Project Grant](#)

The Agency, in partnership with the City of Fresno and several non-profits, applied for a \$100,000 Grant under the National Endowment of the Art's "Our Town Program." In April 2010, the City Council approved the application and the Agency's provision of the required \$100,000 local match.

The grant would be used to create a new landscape design to encourage greater use of the Mariposa Plaza area as a cultural gathering and live performance space while accommodating artwork, as well as a curatorship plan for the Mall art work.

### [Chinatown Expanded](#)

#### [Business Attraction and Retention](#)

The Agency promoted and provided assistance to attract, retain, and expand business in Chinatown in the following ways:

**Business Attraction - Fresno and E Streets** - In December 2010, the Agency Board approved an Owner Participation Agreement (OPA) for new retail development at the southwest corner of Fresno and "E" Streets. The project enhances one of the main entryways into Chinatown and Downtown Fresno. The public private partnership resulted in an enhanced architectural design for the exterior façade



and an upscale landscape area that includes a distinctive public sculpture and off-site improvements that together improve and serve the neighborhood. The new facility includes a 4,640 square foot retail space, a 1,748 square foot gasoline island and canopy.



The project's land and construction improvements total about of \$2.45 million representing a 600% increase in assessed valuation for this site. The development is expected to create about 26 jobs and generate \$40 million in retail sales over the next five years.



The gasoline island and phase I of the retail shop was completed and opened for business in March 2011. Phase II will begin construction in July 2011.

The public sculpture, "Celebration," was produced by a local artist selected by a nine member panel and was installed on the site.

**Business Seminars** - The Agency co-sponsored four well-attended seminars for small business in the 93706 zip code area, which includes the Chinatown, Southwest Fresno General Neighborhood Renewal Area (GNRA), and Fruit-Church areas. The seminars provided small businesses with information helpful to their operations and success. Topics included Business Tax Credits, Human Resources for Small Businesses, Incubator in a Box, and Incubator in a Box Demonstration.

#### [Historic Chinatown, LLC / Chinatown Mixed-Use Development](#)

In the prior fiscal year, Historic Chinatown, LLC, focused primarily upon affordable housing with a proposal for a mixed-use development on Agency owned land in the block between "F" and "G," Mono and Inyo Streets. The Agency and developer successfully applied for a \$4 million Proposition 1C Urban Infill Grant.

Following environmental issues raised by a neighboring property owner, the Agency and City prepared a detailed request for proposals and retained a consultant to prepare an Offsite Consequence Analysis (OCA) report in fiscal year 2011. The consultant performed an extensive scientific analysis that included review and input from involved private parties, Agency and City staff. The final OCA report, issued in early December 2010 will be incorporated into the CEQA document for the Chinatown Lofts Project. This project is also described in the Consolidated Low and Moderate Income Housing Fund section.

#### [Storefront Improvement Program](#)



Through the Agency's Storefront Improvement Program (SIP), assistance was provided to the Fresno Station Office Complex, formerly the Southern Pacific Rail Station listed on the National Register of Historic Places. The exterior renovation entailed dry-rot removal, wood and rain gutter repair, new stucco, paint, lighting, wrought iron, and parking lot re-sealant. The SIP assistance was in conjunction with the owner's extensive renovation of the interior that is now home to OfficeBay and ACEL Fresno Charter High School (Academy for Civic Entrepreneurial Leadership).

#### [Street Improvements](#)

The Agency funded \$45,000 for the removal of abandoned railroad tracks on both Tulare and Kern Streets between "G" and "H" Streets. The removal of track improves and encourages pedestrian and vehicular circulation between Downtown and Chinatown.

## **Convention Center Area**

### **Old Armenian Town Project and the Fifth District Court of Appeal**

Phase IA of the Old Armenian Town Project (OAT) was significantly advanced with the construction of the \$24 million, 60,000 square foot, three-story 5<sup>th</sup> District Court of Appeals building on Agency-assembled land and infrastructure improvements, enhancing a major entryway into downtown Fresno from Freeway 41.



Assembly and preparation of the total 10 acre Old Armenian Town Project site is nearing completion. The 0.3 acre parcel at Ventura and “M” Streets will be cleared and graded by the end of the fiscal year. The demolition specifications have been completed for 505 and 525 “N” Street.

In May 2009, the Agency Board approved the acquisition of 550 “M” Street at the southeast corner of Ventura and “M” Streets. Since then, to remove blight and facilitate redevelopment at Freeway 41 and “O” Streets, the Agency purchased the building at 2518-2522 Ventura Street at the southeast corner of Ventura Avenue and “P” Street. The Agency also purchased the adjacent building at 2504-2508 Ventura Avenue. This major entryway area is significant to Downtown Fresno, leading into Old Armenian Town, the 5<sup>th</sup> District Court of Appeal, Convention Center, the Santa Fe Depot, and other major developments.

### **Old Armenian Town Historic Properties**



In February 2011, the Agency Board approved a professional services agreement with California Associates Inc. for the Construction Management and Construction Staking Services necessary for the relocation of five historic structures and their subsequent exterior restoration. Specifications and drawings for the relocation of the Historic Structures to 450 “M” Street have been completed and the project is currently being prepared for bid.

Pending relocation to their final receiver site, the five historic structures and their temporary storage site at Santa Clara and “N” Streets are regularly monitored according to Brief 31 Guidelines - Mothballing Historic Buildings (National Park Service, U.S. Department of Interior). In accordance with a court ruling in June 2008, the five historic homes will be permanently sited at 450 “M” Street (Santa Clara and “M” Street), the former Fresno Fire Department (FFD) Headquarters site.

## **Fulton**

### **Demolition of 1502-1540 Fulton**

The Agency, in conjunction with the City of Fresno, is engaged in removing blighted buildings and helping prepare City-owned property bounded by Van Ness, Stanislaus, Fulton, and Calaveras Streets for eventual reuse. Following preparation of demolition specifications, the project was awarded through competitive bidding, asbestos has been removed and site clearance and grading have been completed.

### **Owner Participation Agreement (OPA)**

In March 2011, the Agency Board approved an Owner Participation Agreement (OPA) with Messrs. Boyajian, owners of Sam’s Party Rental, located at the southeast corner of Divisadero and Fulton Streets. The site’s two buildings are located on a highly traveled corridor and key intersection into the Uptown area. The Agency will provide up to \$22,000 in matching funds for exterior renovations that will improve the aesthetics of this visible location. As part of the improvements, a blighted aging lean-to will be demolished and renovated into a parking lot that will be leased to the adjacent Iron-Bird Loft mixed-use development. The parking lot improvement replaces blight with a functional land use that maximizes its utility and benefit to the area.



### Storefront Improvement Program

In fiscal year 2011, the Agency's Storefront Improvement Program (SIP) assisted the Fresno Institute for Urban Leadership (FIFUL) leadership training building at 1719 "L" Street with its extensive renovation. Improvements included paint, siding, doors, windows, and a rebuilt front porch.



The Agency's SIP also helped the Fresno Area Hispanic Chamber of Commerce building at 1444 Fulton Street with half of the \$22,000 exterior renovation. The Chamber, assisted by Economic Development Administration (EDA), is investing over \$3.1 million to renovate the 14,000 square foot building interior into a business incubator that is projected to generate about 900 jobs.

In addition, the Agency provided funding for renovation of the building at 1360 "L" Street consisting of brick cleaning, new paint, glass, signage, landscaping, and lighting, and the building at 1821 Calaveras with a \$12,344 renovation which included new paint and windows.

### **Mariposa**

#### Storefront Improvement Program

The Agency invested \$25,000 toward the adaptive reuse of 801 "R" Street, a warehouse building that had stood vacant for over 25 years. The Small Business Administration Office was relocated into the building in February and a ribbon cutting ceremony was held on April 29, 2011. The owner, Suma Development, was awarded the lease by General Services Administration (GSA) in January 2010 and completed renovation in 15 months. The \$7.175 million renovation included addition of 5,000 square feet. The facility brings over 108 employees to this downtown location.



Fresno Envelope at 947 "R" Street is another business in the Mariposa project area that is participating in the Agency's storefront improvement program with assistance in replacing glass windows.

### **South Van Ness Industrial Area**

#### Storefront Improvement Program

The Agency assisted Rand Machine Works, a family welding and fabrication business, at 1955 and 1905 Mary Street near Hamilton with new roll-up overhead doors, office windows, trees with irrigation, two awnings, signage, and new paint.



### Valley Foundry Park

Through a community facilities district, the Agency facilitated development of Valley Foundry Industrial Park. In addition to the original rehabilitated buildings, thirteen parcels have been created from the vacant land at the Valley Foundry Industrial Park. Of these parcels, eight have been fully developed at a total park assessed valuation of more than \$22 million. The five remaining vacant parcels are in various stages of entitlement and offer shovel-ready sites for small to medium size industrial users.



### **MERGER NO. 2 PROJECT AREA – Fruit/Church and Southwest Fresno Redevelopment Project Areas**

On October 20, 1998, the Council and Agency approved the Merger No. 2 Project Area for two existing redevelopment project areas in the City's southwest area (Fruit/Church and Southwest Fresno). This project provided for the financial merger of both of the above cited project areas, updated the redevelopment plans, and extended the plan limits for the two project areas. The Merger No. 2 Project Area plans are in the process of being amended to extend the life of the plans and increase tax increment caps.



Following is a Summary of Accomplishments for the two Project Areas in Merger No. 2 Project Area.

### [Merger No. 2 Project Area Plan Amendments](#)

After a nearly two year long public review process initiated in March 2009, the City Council and Agency Board unanimously adopted the Major Plan Amendments and Subsequent Environmental Impact Report to the Fruit/Church and Southwest Fresno Redevelopment Plans in the Merger No. 2 Project Area on December 16, 2010.

The major plan amendments involved the updating of time and financial limits for the two Project Areas, including the plan duration, debt incurrence, debt repayment, tax increment limit, and eminent domain limit. These amendments were necessary to enable the Agency to continue implementing its program of blight elimination and revitalization within the Merger No. 2 Project Area.

### [Fruit/Church Area](#)

The Fruit/Church area was included in the Hope VI Project which is reported in detail in the following report for the Southwest Fresno General Neighborhood Renewal Area (GNRA).

### [Southwest Fresno GNRA](#)

#### [Blight Removal](#)

On January 20, 2011, the Agency Board authorized the Agency to execute a Purchase and Sales agreement for 320/322 "B" Street. The long vacant structure will be demolished, removing blight, and positioning the property for redevelopment to interim parking, commercial space, or other appropriate uses.

#### [Business Retention and Attraction - Triple 'A' Burger](#)

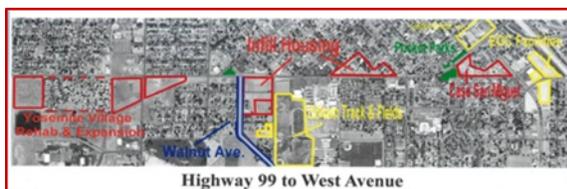
On July 29, 2010, the City Council approved a reimbursement agreement in the amount of \$57,000 with Triple 'A' Burger for the construction of public improvements in conjunction with the construction of a new commercial building at 1014 Fresno Street. This Southwest Fresno icon has been owned and operated by the same family for over 16 years. The restaurant, Triple 'A' Burger, has been in continuous operation at this location over 30 years. This project doubled the operating site of the Triple 'A' Burger restaurant, added an additional 3,500 square feet of retail space, and replaced deteriorated and non-compliant Americans with Disabilities Act (ADA) curb, gutter, and sidewalk along Fresno and "A" Streets. The new facility has provided about 25 new permanent jobs.



The Agency in conjunction with the City completed street improvements on Annadale between Clinica Sierra Vista, formerly Sequoia Health, and Sequoia Village.

### [California Avenue Revitalization Plan \(CAR\)](#)

The Agency has made significant progress in implementing and facilitating the "California Avenue Revitalization" (CAR) Plan. The CAR Plan includes fifteen significant projects along the California Avenue Corridor from Freeway 99 to West Avenue. To date, eight projects have been completed: Walnut Avenue Improvements, Casa San Miguel, Pocket Parks, HOPE VI Master Plan Adoption, Lincoln School Improvements, Elm Crossing/Summer Hill, Edison Track, and Edison Plaza Phase I – West Fresno Regional Center. The remaining seven are well underway: EOC Youth Center, California Triangle, California Avenue Brownfields, California Avenue Widening, Edison Plaza Phase 2, Walnut Avenue Realignment, and Yosemite Village.



### [California Walnut Mixed-Use/Edison Plaza Project](#)

In March 2011, the Agency Board and City Council approved a Disposition and Development Agreement (DDA) for Phase II of the Edison Plaza Mixed-Use Project. The second phase will include a \$27 million, 200 unit multi-family community complex and public road improvements to be constructed on approximately 6.9 acres. The public road improvements will further the planned realignment of Walnut Avenue.

Phase II follows the recently completed West Fresno Regional Center that represented Phase I. In February 2010, the Agency and community celebrated the opening of West Fresno Regional Center - the largest commercial project in West Fresno in over a decade that includes the area's first library. The Agency's assembly of land and infrastructure investment of about \$7 million was the foundation for a partnership with private development and the County of Fresno that leveraged the \$12 million project on about 6.5 acres at California and Walnut Avenues.



### [Demolition of 2304 Walnut](#)

The Agency cleared and graded the site in October 2010 through a competitive bid awarded July 29, 2010. The Agency acquired the blighted parcel at 2304 S. Walnut to remove blight, allow a widened Walnut Avenue, and higher density use consistent with the Southwest Fresno GNRA Project Urban Renewal Plan.

### [Neighborhood Youth Center at California and Elm](#)

In February 2011, the Agency Board adopted a resolution authorizing the use of \$500,000 in Agency funds to assist the City of Fresno with the installation of landscaping and facility improvements at the Neighborhood Youth Center at California and Elm Avenues.

## **ROEDING BUSINESS PARK**

The Roeding Business Park Redevelopment Plan was adopted in August of 1996, to assist in the rebuilding and restructuring of the 954 acre project area into a high quality, business park. The project area was proposed for redevelopment due to the existing physical and economic blighting conditions. Existing incompatible land uses; a prevalence of lots of irregular form, shape, and inadequate size; and insufficient infrastructure made the project area unattractive for development despite the area's close proximity to downtown Fresno, the Fresno Chandler Downtown Airport, and nearby freeways. Excessive vacant lots and a low level of building and property transfer activity indicated a weak demand for development.



### [Real Property Acquisition and Blight Removal](#)

Progress was made in continued advancement of the single largest industrial parcel in the Roeding Business Park Project Area to more "shovel-ready" status. This 66 acre, M-3 parcel is extensively covered in aged and blighted cotton storage structures. The owner had initiated the demolition and removal of more than 15 acres of non-functional structures and submitted new entitlement requests as an initial critical step in making the parcel prepared for industrial development.



The Agency continued its agreement with the Central California Society for the Prevention of Cruelty to Animals (SPCA) for the use of a ponding basin on SPCA property. The temporary basin receives rain water runoff from Nielsen Avenue and will eventually be replaced when the Fresno Metropolitan Flood Control District (FMFCD) constructs permanent drainage facilities to serve this area of the Roeding Business Park. The design of the needed improvements was completed during fiscal year 2011 and a joint funding proposal is being negotiated with the FMFCD.

### Infrastructure and Improvements

To continue to facilitate the infrastructure improvements needed to stimulate and expand industrial and business development, further progress was made this year on major enhancement to the area's telecommunications infrastructure. This was facilitated by the design work accomplished to update all telecommunications with new fiber optic and other enhanced technology with the support of a second Economic Development Initiative (EDI) grant for \$497,000. This design was completed and will facilitate the area served around Dan Ronquillo Drive, between West and Hughes Avenues. This grant continued to be implemented in conjunction with the Public Works Department as the design work was wrapped up with final approvals from AT&T, PG&E, and Comcast all received.



Extensive discussions have continued to be held with many industrial property owners during the past year, for the purpose of re-evaluating priorities for future infrastructure improvements and enhancements that would facilitate industrial development. These meetings identified several key needs in addition to the completion of the telecommunications infrastructure already being implemented. The needs particularly noted were:

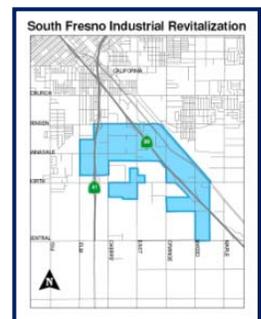
1. Completion of the permanent branch of the flood control system was identified as a high priority so that valuable industrial land is no longer lost to temporary ponding basins and property can continue to be advanced to "shovel ready" status. The elimination of a temporary ponding facility serving a significant and strategically located area of the Roeding Business Park was made a high priority.
2. The identification of alignment, design, and construction of the frontage road south of Nielsen Avenue and between Marks and Hughes Avenues was identified as a priority.
3. The redesign of many of the existing parcels that are badly configured or have become remnants due to the construction of the new Freeway 180 and related temporary ponding facilities. Many of the prime pieces of property in the Roeding area are simply not usable or saleable in their current size of configuration. As such, they continue to promote blight and discourage the investment of badly needed investment capital into this potentially prime industrial growth area.

The final piece of the frontage road will provide critical internal access to the larger area bounded by Nielsen Avenue on the north, Freeway 180 on the south, West Avenue on the east, and Marks Avenue on the west. The frontage road is required before most property owners in this approximately 100 acre area can advance their property for industrial development. Working with the City Public Works department, a final alignment of this critical piece of infrastructure was finalized in the past year and plans initiated for the start of design and property acquisition for the road alignment. The bulk of this construction project will be funded through its designation as a Measure C project.

In addition, a specialized Design Study was initiated to determine the best potential re-parcelization of a group of strategically located parcels in the area bounded by Marks, Nielsen, and Freeway 180. This re-parcelization initiative will be advanced in the coming year based upon the results of the engineering and design completed during fiscal year 2011. This will allow accelerate sale and development of the industrial land in the Roeding area and advance the creation of jobs and tax revenue in the Project Area.

### ***SOUTH FRESNO INDUSTRIAL REVITALIZATION***

The South Fresno Industrial Revitalization Redevelopment Plan was adopted in August 1999 for the purpose of rebuilding and restructuring the 1,378 acre project area to make it attractive for business attraction and retention. Objectives were to eliminate blighting influences and correct environmental deficiencies in the project area such as small and irregular shaped lots, obsolete and aged buildings, unsafe and



unhealthy buildings, vacant buildings and lots, depreciated property values and impaired investments, low lease rates, incompatible and uneconomic land uses, and inadequate or deteriorated public improvements, facilities, and utilities. One of the Agency's priorities is to strengthen the economic base by installing needed site improvements to stimulate development, business expansion, employment, and social and economic growth.

### East Avenue Industrial Area

An extremely blighted 11 acre industrial site located at the intersection of Butler and East Avenues was acquired through a purchase agreement with Saint Anthony's Bread Basket (SABB). The property is the single largest remaining vacant industrial parcel in the Downtown area and represents a significant opportunity to facilitate new or expanding industrial use. Relocation of SABB equipment and material to other SABB sites is underway and will be followed by abatement, demolition, and preparation of the site for eventual sale to industrial users.

Within this same area, the Agency identified a 380 acre industrial area in the South Van Ness, South Fresno, and Southeast Fresno Redevelopment Areas. This area was identified as being home to many companies seeking expansion in the next two to five years, but lacking critical public infrastructure improvements to facilitate their expansions. Four companies identified specific needs and an infrastructure plan was advanced and approved that would facilitate over \$6 million in public infrastructure improvements in the next five years. These companies further identified the potential for more than 500 new industrial jobs if these infrastructure improvements were realized.



To further strengthen this effort, an Economic Development Administration (EDA) industrial infrastructure grant was prepared and submitted for review. This grant, if approved, would fund \$2.5 million in additional public infrastructure in future years to help support this long term targeted industrial development effort. The Agency is to provide \$2.5 million in matching funds as required by EDA.



### Industrial Development East and North Avenues

Progress was also made in the development of the southwest corner of East and North Avenues. Six acres has been leased to DMC for a 10,000 square foot centralized truck registration testing and inspection center to serve the central valley. Predevelopment work is underway and occupancy is expected next summer. The Agency is working with the owner to market the balance of the 40 acre site. A new California Highway Patrol (CHP) office is located nearby at North and Orange Avenues. The area is a growing hub for transportation related industry serving Central California.

### Street and Infrastructure Improvements

The Agency has continued to identify target areas for infrastructure improvements in order to stimulate infill industrial development and advance planned industrial projects to shovel ready status.

**East Avenue Improvements** - The Agency strategically worked to establish public/private partnerships that have induced industrial development, advanced shovel-ready land, and improved a major arterial, East Ave. from Jensen to Annadale.



Through a Memorandum of Understanding (MOU) focusing on public improvements to East Ave., the Agency retained and induced expansion of Utility Trailer Sales (UTS) resulting in the addition of \$8.5 million of new value including a new 45,000 square foot building and almost doubling the number of employees to 70. Pursuant to the MOU, the UTS on-site expansion was completed in fiscal year 2010 and the company met all of its obligations during fiscal year 2011 by completing reimbursable off-site improvements (adjacent to UTS) on Dorothy Avenue and on a portion of East Avenue South of Dorothy that included curbs, gutters, paving, street lights, sidewalks, and storm drains. In fiscal year 2011, the Agency completed design and started construction for its portion of infrastructure that will finalize improvements, along East Avenue from Dorothy to Annadale Avenues.

In conjunction with UTS and the planned improvements along East Avenue, the Agency reached an agreement with the adjacent property owner, Sweet Family Trust (aka American Carrier), to advance the industrial development of their 10 acre parcel at the northwest corner of East and Annadale. The Agency will complete improvements on East Ave to Annadale. In turn, the Sweets will make offsite improvements to Annadale and prepare and market subdivided parcels for small and medium industrial use.

In March 2011, the Agency Board approved a Development Reimbursement Agreement (DRA) to facilitate expansion of Pape/Kenworth (P/K) located at Jensen and East Avenues, a visible location facing the Jensen/99 off ramp in South Fresno. P/K's site serves the Central California trucking industry with new and used Kenworth truck and trailer sales, service, and parts distribution. The expansion was completed this Spring in conjunction with property owner, Pickett Realty Inc. As set forth by the DRA, the Agency reimbursed up to \$253,729 of offsite infrastructure on East and Jensen Avenues and P/K constructed a new 7,500 square foot service facility and renovated existing facilities. It expects to add about 15 jobs (P/K is an affiliate of the Pape Companies, a large company with western operations in transportation, construction, material handling and aircraft maintenance).



This new expansion triggered significant improvements to the intersection which averages in excess of 120,000 vehicles per day. The improvements enhance circulation for other expanding transportation related companies who access the East Avenue Corridor from this intersection.

## **SOUTHEAST FRESNO REVITALIZATION**



The Southeast Fresno Revitalization Redevelopment Plan was adopted in August 1999 for the purpose of rebuilding and restructuring the 3,088 acre project area to make it attractive for business attraction and retention. Objectives were to eliminate blighting influences and correct environmental deficiencies in the project area such as small and irregular shaped lots, obsolete and aged buildings, unsafe and unhealthy buildings, vacant buildings and lots, depreciated property values and impaired investments, low lease rates, incompatible and uneconomic land uses, and inadequate or deteriorated public improvements, facilities, and utilities. One of the Agency's priorities is to strengthen the economic base by installing needed site improvements to stimulate development, business expansion, employment, and social and economic growth.

### Business Attraction and Retention

Working with business owners on Ventura Avenue and Kings Canyon Boulevard, the Agency hired a local consultant to assist the group in becoming an official "501c3" merchant association and to prepare an in-depth commercial corridor study. The Kings Canyon-Ventura merchants group meets regularly and Agency staff has provides support including assistance with the Storefront Improvement Program.

### Real Property Acquisition and Blight Removal

**Ventura and Seventh Project** - The Agency completed abatement, demolition, and grading of the 3 acre Ventura and 7th site in mid-April 2011 following award of the bid in November 2010.

**Ventura and Tenth/Eleventh Project** - Progress continued in preparing the Agency-owned site on Ventura between Tenth and Eleventh Streets for mixed use redevelopment. Two of the three remaining tenants have been successfully relocated and bid specifications have been prepared for the next stage of demolition that will clear the majority of the site.

### Storefront Improvement Program (SIP)

The Agency helped Wing Stop at 5177 E. Kings Canyon Boulevard near Peach Avenue with exterior signage. This start-up family business operation created about five jobs and filled a long vacant space. The SIP also assisted El Caporal at Ventura and 6<sup>th</sup> Streets with new signage.

### Workforce Housing Grant/Willow Bridge Improvement Project

The Willow Bridge Widening Project was completed in April 2011, improving safety and development capacity in the area north of Jensen Avenue. This project was initially funded by the City through a State Work Force Housing Grant (WFH Grant) that expired in 2010 before bridge work could be completed. The Agency worked with the City to retain the funds in Fresno. The grant funding was successfully transferred to reimburse the Agency's completed California/Walnut Avenue widening project. In turn, the Agency agreed to use an amount equal to the reimbursement for the Willow Bridge Improvement Project, approved by the Agency Board in November 2010.

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## OTHER FINANCIAL INFORMATION

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### Internal Controls

In developing and evaluating the Agency's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls were designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition; and, (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the Agency's internal accounting controls adequately safeguard assets and provide reasonable assurance of the proper recording of financial transactions.



### Budgetary Process

The Redevelopment Agency is required by Section 33606 of the California Health and Safety Code to adopt an annual budget containing all of the following information including all activities to be financed by the Low and Moderate Income Housing Fund:

- (a) The proposed expenditures of the Agency.
- (b) The proposed indebtedness to be incurred by the Agency.
- (c) The anticipated revenues of the Agency.
- (d) The work program for the coming year, including goals.
- (e) An examination of the previous year's achievements and a comparison of the achievements with the goals of the previous year's work program.

All expenditures and indebtedness of the Agency shall be in conformity with the adopted or amended budget.

The Agency's Budget is an operating plan which identifies estimated costs and results in relation to estimated revenues. The Budget includes: (1) the programs, projects, and activities to be carried out during the fiscal year; (2) the estimated revenue available to finance the operating plan; and, (3) the estimated spending requirements of the operating plan. Activities of the Capital Projects, Debt Service, and Low and Moderate Income Housing Funds are included in the annual appropriated budget by redevelopment project area. The Budget is the result of a process wherein policy decisions by the Agency Board are made, implemented, and controlled. The Agency maintains budgetary controls to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the Agency Board. The approved Budget serves as the foundation for the Agency's financial planning and control.

Budget to actual comparisons are not presented in the supplemental information since the Agency's budgets are project based, not fund based, as tax increment revenues generated in a project area are to be used solely within the project area per California redevelopment law.

The Agency also uses encumbrance accounting as another technique to accomplish budgetary control for all fund types. This consists of a commitment for



expenditures that are earmarked for a particular purpose and are spent when funds become available. Certain year-end encumbrances that fulfill a spending commitment are carried forward and become part of the following year's Budget. The Agency continues to meet its responsibilities in making sound financial management decisions, as demonstrated by the statements and schedules included in the financial section of this report.

### Cash Management

The Agency's pooled temporary idle funds and deposits are invested pursuant to policies established by the governing board. The Agency seeks the preservation of capital, safety, liquidity, and yield, in that order of priority. The Agency's policy addresses soundness of financial institutions holding its assets and the types of investments permitted by the California Government Code Section 53601. The Agency seeks to minimize credit and market risk while maintaining a competitive yield on its portfolio. Accordingly, the policy permits investments in certificates of deposit, obligations of the U.S. Treasury and U.S. Government sponsored corporations and agencies, commercial paper, medium-term notes, banker's acceptances, repurchase and reverse repurchase agreements, mutual funds invested in U.S. Government and Treasury obligations, and the State Treasurer's Investment Pool. The earned yield for the fiscal year 2011 was 0.071% as compared to fiscal year 2010 which was 0.107%.



All of the Agency's investments, which are categorized according to credit risk as defined by the Governmental Accounting Standards Board, are classified in the category of lowest risk. All categorized investments are held by a third-party custodian in the Agency's name.

With regard to investment style, the Agency employs a semi-active strategy in managing the portfolio. First, all prospective investments are reviewed from the standpoint of the risk of loss of principal. Once safety concerns have been addressed, all investments are purchased with the intention of holding them until maturity. They are purchased at a point in time and with a particular maturity date judged to be the most advantageous in terms of meeting the Agency's liquidity needs and maximizing the return on the portfolio.

However, as time passes and market conditions change, opportunities often arise in which funds can be repositioned into other assets offering even greater advantages to the portfolio. In these circumstances, one investment may be sold or swapped for another. Occasionally this may result in a capital gain from the sale and at other times it may result in a loss. In all cases however, the gains or losses combined with returns from the newly acquired investment result, in a net added return to the portfolio.



In March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures*. This statement amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements*, to address common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk, and foreign currency risk. The Agency's investments are not subject to custodial credit risk.

### Risk Management

With certain exceptions, it is the policy of the City to use a combination of self-insurance and purchased commercial insurance against property or liability risks. The City believes it is more economically able to manage its risks internally and set aside funds as needed for estimated current claim settlements and unfavorable judgments through annual appropriations and supplemental appropriations. The City maintains limited coverage for certain risks that cannot be eliminated. At this time, the City is engaged in an Owner-Controlled Insurance Program covering the wastewater treatment expansion. The Risk Management Division investigates and manages all liability claims and property losses; evaluates risk exposure and insurance needs; protects against contractual loss by reviewing and preparing insurance and indemnification portions of construction contracts, leases, and agreements; emphasizes ongoing operational loss control; and purchases all insurance coverage for the City.



The City maintains general liability insurance with limits of liability of \$25 million. There is \$3.0 million of self-insurance retention (SIR). The City also maintains airport owners and operators' general liability insurance and aviation (Aircraft Liability) insurance, with limits of liability of \$60 million and \$25 million per occurrence, respectively. There is no deductible or self-insured retention. Furthermore, the City maintains property insurance and boiler and machinery insurance, with total insured values of \$1,054,380,689 and limits of liability of \$1 billion and \$100 million per occurrence, respectively. There is a \$25,000 deductible.

The City's Workers' Compensation Program consists of \$2 million self-insured retention with purchased excess insurance layers up to the statutory limits. The Agency's Workers' Compensation Program is through Oak River Insurance Company with coverage limits of \$1 million.

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## INDEPENDENT AUDIT

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The Agency is required by California Community Redevelopment Law to undergo an annual Audit of the Agency's financial records, transactions, and reports by an independent Certified Public Accounting (CPA) firm. These records, summarized in the Comprehensive Annual Financial Report (CAFR), have been audited by Certified Public Accounting firm, Brown Armstrong Accountancy Corporation. The Independent Auditor's Report on our current financial statements is presented in the Financial Section.

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## CERTIFICATE OF ACHIEVEMENT

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The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Redevelopment Agency of the City of Fresno for its Comprehensive Annual Financial Report (CAFR) for the Fiscal Year ended June 30, 2010. This was the sixth year that the Agency prepared a CAFR and the sixth consecutive year it has achieved this prestigious award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order to be awarded a Certificate of Achievement, the Redevelopment Agency must publish an easily readable and efficiently organized Comprehensive Annual Financial Report (CAFR) whose contents conform to program standards. The CAFR must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.



A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual report meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

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## ACKNOWLEDGMENTS

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This 2011 Comprehensive Annual Financial Statement presents the Agency's stable financial condition as of June 30, 2011, made possible by our sound fiscal financial plan. It is adherence to this prudent fiscal policy that has helped the Agency maintain its service commitment to our citizens and to the programs and policies established by the Agency Board. We continue to be resolute in our financial discipline that has allowed us to manage through the current economic challenges. This continued course of action and the Agency's managerial leadership will guide us through the challenges that lie ahead.

I would like to express my appreciation to the staff of the Redevelopment Agency and the City of Fresno Finance Department for their cooperative efforts in responding to the many questions and requests for detailed information that accompanies each annual audit. Your invaluable contribution made the preparation of this report possible.

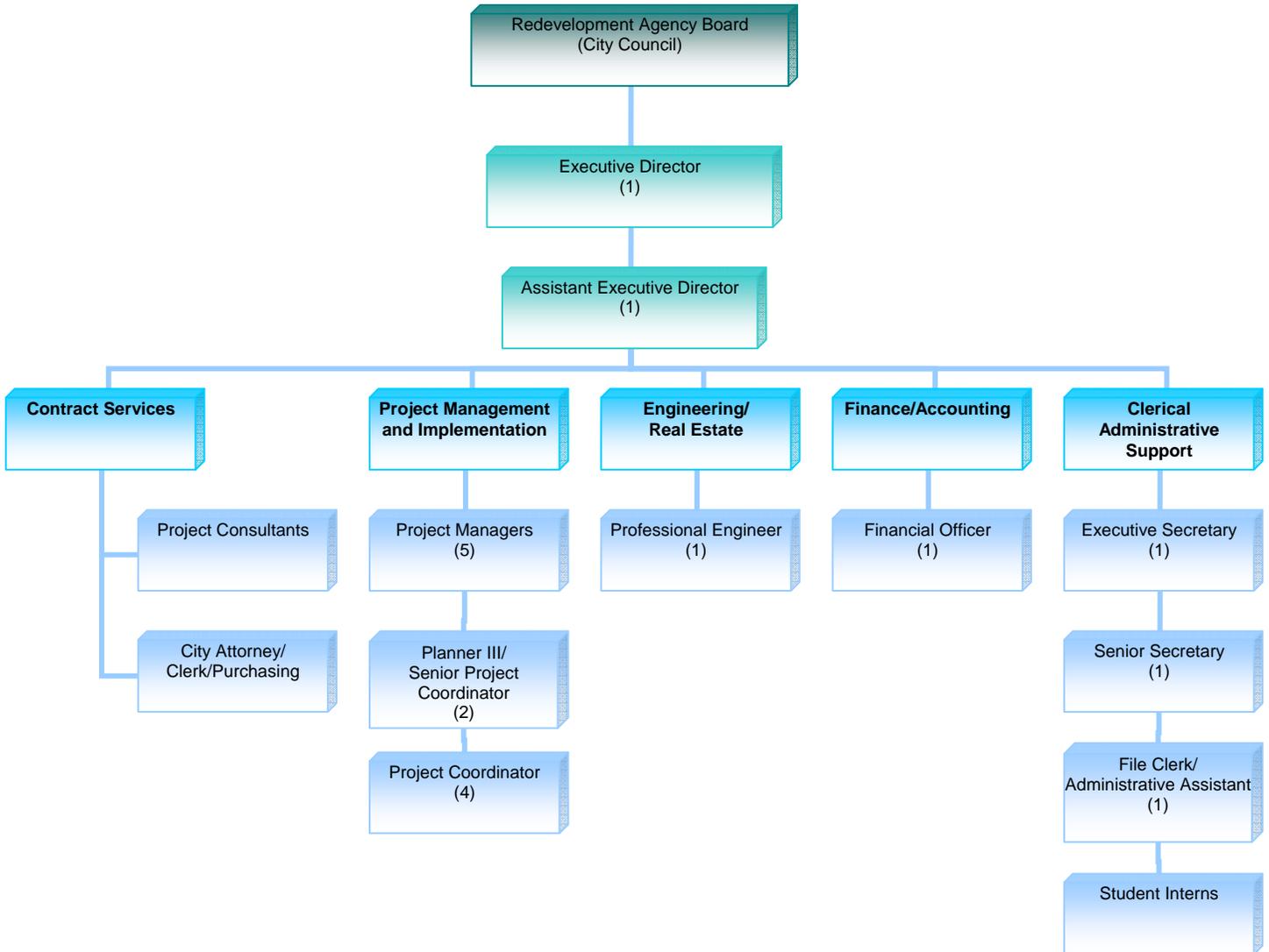
In addition, I would like to acknowledge the role of Brown Armstrong Accountancy Corporation for their professional support in the preparation of the CAFR. Finally, I want to thank the Mayor, the City Council members, and the City Manager for their continued interest, leadership, and support of the Agency's operations.

Respectfully submitted,

Marlene Murphey  
Executive Director

**Redevelopment Agency of the City of Fresno**  
A Component Unit of the City of Fresno

**Organizational Chart**



**Redevelopment Agency of the City of Fresno**  
A Component Unit of the City of Fresno

**Directory of Officials**

<b>Member</b>	<b>Term Expires</b>
<b>AGENCY BOARD</b>	
Blong Xiong, District 1	January 2015
Andreas Borgeas, District 2	January 2013
Oliver L. Baines III, District 3	January 2015
Larry Westerlund, District 4	January 2013
Sal Quintero, District 5	January 2015
Lee Brand, District 6 – Chair	January 2013
Clint Olivier, District 7 – Vice-Chair	January 2015

**AGENCY OFFICIALS**

Marlene Murphey, Executive Director  
James Sanchez, Ex-Officio Attorney  
Rebecca E. Klisch, Ex-Officio Clerk  
Karen Monahan, Senior Accountant

Elected officials as of June 30, 2011.

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

## Redevelopment Agency of the City of Fresno California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
June 30, 2010

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



*Linda C. Davison*

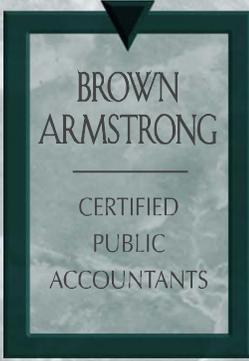
President

*Jeffrey R. Emery*

Executive Director

# **FINANCIAL SECTION**

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BROWN ARMSTRONG
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Members of the Board of the
Redevelopment Agency
City of Fresno, California

MAIN OFFICE

4200 TRUXTON AVENUE

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TEL 661.324.4971
FAX 661.324.4997
EMAIL info@bacpas.com

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TEL 661.746.2145
FAX 661.746.1218

8050 N. PALM AVENUE

SUITE 300
FRESNO, CALIFORNIA 93711
TEL 559.476.3592
FAX 559.476.3593

790 E. COLORADO BLVD.

SUITE 908B
PASADENA, CALIFORNIA 91101
TEL 626.240.0920
FAX 626.240.0922

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Fresno, California (Agency), a component unit of the City of Fresno, California, as of and for the year ended June 30, 2011, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency as of June 30, 2011, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompany financial statements have been prepared assuming that the Agency will continue as a going concern. As discussed in Note 13 to the financial statements, on December 29, 2011, the California Supreme Court issued an opinion in the California Redevelopment Association v. Matosantos case, upholding Assembly Bill X1 26 (the "Redevelopment Dissolution" bill) and invalidating Assembly Bill X1 27 (the "Voluntary Payment" bill). As a result, effective February 1, 2012, all redevelopment agencies in California will be dissolved. This ruling has raised substantial doubt about the Agency's ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.



REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

In accordance with *Government Auditing Standards*, we have also issued our report dated December 30, 2011, on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's financial statements as a whole. The introductory section, combining nonmajor fund financial statements, and statistical section, are presented for purposes of additional analysis and are not a required part of the financial statements. The combining nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 30, 2011

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
JUNE 30, 2011**

The following discussion provides a narrative overview and analysis of the financial activities of the Redevelopment Agency of the City of Fresno (Agency) for the fiscal year ended June 30, 2011. Readers are encouraged to consider the information presented here in conjunction with the Agency's financial statements, which begin on page 9.

**Financial Highlights**

- The liabilities of the Agency exceeded its assets at the close of the most recent fiscal year by \$41,529,851 net deficit.
- The Agency's net assets increased by \$7,685,944.
- As of the close of the current fiscal year, the Agency's governmental funds reported ending fund balance of \$67,985,226, an increase of \$7,423,498 in comparison with the prior year.

**Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

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

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

The *statement of activities* presents information showing how the Agency's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements report on the function of the Agency, which is to improve, rehabilitate and develop certain areas within the City by eliminating blight and encouraging private investment. These activities are primarily funded with incremental property tax revenue (tax increment) and intergovernmental revenues.

The government-wide financial statements can be found on pages 9 and 10 of this report.

**FUND FINANCIAL STATEMENTS**

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

## Governmental Funds

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

The Agency reports the following major governmental funds: Merger One, Merger Two and Housing Project capital projects funds and Merger One, Merger Two and Southeast Fresno debt service funds.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented in the governmental funds with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between the governmental funds and *governmental activities*. The basic governmental fund financial statements can be found on pages 11-16 of this report.

## NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 17-38 of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

### Statement of Net Assets Governmental Activities June 30, 2011

	<u>2011</u>	<u>2010</u>
<b>Assets:</b>		
Current and other	\$ 68,532,402	\$ 64,015,074
Capital assets	<u>1,399,788</u>	<u>1,549,582</u>
Total assets	<u>69,932,190</u>	<u>65,564,656</u>
<b>Liabilities:</b>		
Long-term liabilities outstanding	61,648,293	62,922,179
Other liabilities	<u>49,813,748</u>	<u>51,858,272</u>
Total liabilities	<u>111,462,041</u>	<u>114,780,451</u>
<b>Net assets (deficit):</b>		
Invested in capital assets, net of related debt	-	(651,486)
Restricted	19,688,054	-
Unrestricted	<u>(61,217,905)</u>	<u>(48,564,309)</u>
Total net assets (deficit)	<u>\$ (41,529,851)</u>	<u>\$ (49,215,795)</u>

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, liabilities exceeded assets by \$41,529,851 at the close of the most recent fiscal year, creating a negative net asset balance. The Agency has a deficit in unrestricted net assets due to the nature of redevelopment financing. The Agency incurs debt based on future tax increments to fund redevelopment projects. Therefore, redevelopment agencies often have a negative net asset balance as redevelopment agencies are structured to receive property tax revenue only when debts exceed available resources, i.e., cash and cash equivalents. In accordance with Generally Accepted Accounting Principles and Government Accounting Standards Board Statement 34, the government-wide statement of net assets reflects the Agency's total debt at year-end but the future tax increment revenue expected to be received for payment of the debt is not shown.

**Statement of Activities  
Governmental Activities  
For the Year Ended June 30, 2011**

	2011	2010
<b>Revenues:</b>		
General revenues:		
Incremental property taxes	\$ 20,543,982	\$ 22,064,725
Use of money and property	544,630	594,615
Intergovernmental	418,504	2,337,146
Grant revenue	17,265	2,850
Forgiveness of indebtedness	-	1,511,174
Miscellaneous	(208,599)	230,184
	21,315,782	26,740,694
<b>Expenses:</b>		
General government	7,247,642	15,771,849
Redevelopment	4,655,010	8,588,021
Interest and fiscal charges	1,727,186	1,489,845
	13,629,838	25,849,715
Increase (decrease) in net assets	7,685,944	890,979
Net assets (deficit), beginning of year, as previously reported	(49,215,795)	(50,554,861)
Prior period adjustment	-	448,087
	(49,215,795)	(50,106,774)
Net assets (deficit), beginning of year, as restated	(49,215,795)	(50,106,774)
Net assets (deficit), end of year	\$ (41,529,851)	\$ (49,215,795)

Governmental activities increased the Agency's net assets by \$7,685,944, thereby accounting for the total growth in the net assets of the Agency. The overall increase is primarily due to decreases in intergovernmental revenue, forgiveness of debt, general government expenses and redevelopment expenses. The Agency's primary source of revenue is property tax, referred to in the accompanying basic financial statements as "incremental property taxes". Property taxes allocated to the Agency are computed in the following manner:

- a. The assessed valuation of all property within each Agency project area is determined on the date of adoption of the Redevelopment Plan by a designation of a fiscal year assessment roll.
- b. Property taxes related to the incremental increase in assessed values after the adoption of the Redevelopment Plan are allocated to the Agency. Taxes on the "frozen" assessed valuation of the property are allocated to the City and other districts receiving taxes from the project area.

## FUND FINANCIAL ANALYSIS

As noted earlier, the Agency uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Agency's governmental funds are discussed below:

### GOVERNMENTAL FUNDS

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

As of the end of the current fiscal year, the Agency's governmental funds reported an ending fund balance of \$67,985,226. The fund balance primarily represents the accumulation of incremental property tax and interest income in excess of expenditures. The fund balance is reserved for non-current receivables, deposits, property held for resale, debt service and capital projects.

	2011	2010	Total \$ Change	Total % Change
<b>Revenues:</b>				
Incremental property taxes	\$ 20,543,982	\$ 22,064,725	\$ (1,520,743)	-6.89%
Use of money and property	544,630	641,178	(96,548)	-15.06%
Lease income	112,450	2,960,043	(2,847,593)	-96.20%
Intergovernmental	418,504	2,337,146	(1,918,642)	-82.09%
Grant revenue	17,265	2,850	14,415	505.79%
Gain (loss) on sale of property	(321,049)	995,141	(1,316,190)	-132.26%
<b>Total revenues</b>	<b>21,315,782</b>	<b>29,001,083</b>	<b>(7,685,301)</b>	<b>-26.50%</b>
<b>Expenditures:</b>				
General government	7,141,501	15,578,835	(8,437,334)	-54.16%
Redevelopment	4,799,091	8,518,021	(3,718,930)	-43.66%
Debt service	2,136,692	10,196,731	(8,060,039)	-79.05%
<b>Total expenditures</b>	<b>14,077,284</b>	<b>34,293,587</b>	<b>(20,216,303)</b>	<b>-58.95%</b>
Excess (deficiency) before other financing sources	7,238,498	(5,292,504)	12,531,002	-236.77%
Proceeds of long-term debt	185,000	180,000	5,000	2.78%
Increase (decrease) in fund balance	<u>\$ 7,423,498</u>	<u>\$ (5,112,504)</u>	<u>\$ 12,536,002</u>	<u>-245.20%</u>

### Explanation of Significant Variances:

- Incremental property taxes in the Merger One, Merger Two, and Southeast Fresno major debt service funds and the Airport Area Revitalization, Central City Commercial, Corridor 99 and Roeding Business Park non-major debt service funds decreased 2.44%, 4.23%, 6.82%, 20.16%, 11.19% and 14.70% respectively, due to reductions in property values. These decreases were offset by increases from new development, possessory interest and property sales in the Airport and South Fresno Industrial non-major debt service funds, resulting in an overall decrease in incremental property taxes of 6.89%. Since fiscal year 2007/2008, the overall decrease in the Agency's annual gross tax increment is approximately 3%. The decline in the housing market has continued to have little impact on the Agency's revenue; partly due to the timing of revenue received and partly due to the composition of properties in its redevelopment areas. Property values are assessed on January 1 for the following fiscal year beginning July 1. The Agency receives two checks per year from the County; the first in February and the second in June. Therefore, the tax increment revenue for fiscal year July 1, 2010, through June 30, 2011, was based upon assessed values as of January 1, 2010. Another factor contributing to the minimal decrease in incremental property taxes relates to the types of properties in the project areas. The Agency's redevelopment areas consist primarily of commercial and industrial properties and, as such, have not yet been significantly affected by the decline in the real estate market.

- Use of money and property decreased \$96,548 (15.06%) in total for all funds combined. This was primarily due to a decrease of \$108,450 in interest income caused by the continued reduction in interest rates. In addition, parking revenues in the Merger One capital projects funds decreased \$33,232. These decreases were offset by increases in rent income and loan repayments in the Housing capital projects funds of \$17,700 and \$5,372, respectively. Rental income in Merger One debt service funds and Southeast Fresno capital projects also increased \$18,766 and \$7,200, respectively due to the Agency's acquisition of several properties with existing tenants and filling vacancies in the CMC Office Complex. These increases were offset by a decrease in rental income of \$3,900 in the Merger One capital projects fund.
- The decrease of \$2,847,593 in lease income was primarily due to early retirement of the Convention Center 1996 Certificates of Participation (COP) in the Merger One debt service fund in April 2010.
- Intergovernmental revenues received from the City of Fresno were \$1,918,642 lower in 2011 than in 2010. UGM fees relating to infrastructure improvements paid in prior years in the non-major (Roeding Business Park) capital projects fund were \$128,911 in 2011, a decrease of \$1,058,036 over 2010. In addition to the UGM refunds, the City received the final draw on its California Infrastructure and Economic Development Bank loan and used the majority of the funds to reimburse the Agency \$504,055 for the infrastructure improvements in the non-major Roeding Business Park capital projects fund in 2010. Also in 2010, the Agency received \$646,064 from the City's Workforce Housing Grant as reimbursement for improvements to California Avenue. The remaining variance consisted of an increase in intergovernmental revenue of \$289,513 in the Merger 1 capital projects fund received in 2011 as reimbursement for infrastructure costs in the South Van Ness Project area.
- Grant revenue increased \$14,415 in 2011 due to progress of projects and timing of revenues. In 2011, grant revenue consisted of a reimbursement \$17,265 from a \$200,000 Environmental Protection Agency (EPA) Grant for cleanup of a brownfields site in the Housing capital projects fund.
- Three properties in the Housing capital projects funds were sold in 2011 resulting in loss on sale of property of \$321,049. Loss on sale of property is common for redevelopment agencies since property acquisition costs are generally higher than the sales price because acquisition costs include not only the purchase price of the property, but also legal fees, relocation, and demolition costs. The expectation is that any initial loss on sale of the property will be recovered from future tax increment received as new development takes place. The gain on sale of property in 2010 was due to the sale of land in the Merger 1 (Convention Center) capital projects fund to Uniwell and the sale of land to AMCAL in the (Southwest Fresno) Housing capital projects fund. The Agency realized gains on the sale of these properties as the properties were acquired several decades ago when property costs were significantly lower.
- General government expense decreased significantly in 2011 in all debt service funds primarily due to the requirement under AB 1389 for redevelopment agencies to shift tax increment revenues to the State of California for the Supplemental Educational Revenue Augmentation Fund (SERAF). The Agency's share of the SERAF payment was \$1,386,865 in 2011 and \$6,736,202 in 2010. In conjunction with the state's AB 1389 reporting requirement, the Agency determined that additional pass through payments were due to several taxing entities as a result of Merger One and Merger Two plan amendments. These payments created a one-time increase in general government expenses in 2010 in the Merger One and Merger Two debt service funds by \$1,831,181 and \$1,250,614, respectively and accounted for the remaining decrease in general government expenses.
- Of the decrease in 2011 redevelopment expenses, \$1,818,477 was due to completion of several infrastructure projects in 2010 in the Merger Two (Southwest Fresno) major capital projects fund and the Airport Area Revitalization, Central City Commercial, Corridor 99 non-major capital projects funds; \$2,147,692 from the write-down in property held for resale in the Merger 1 (Convention Center) capital projects fund and \$590,342 due to reductions in housing construction costs in the Housing major capital projects funds. These decreases were offset by increases of \$575,256 in infrastructure costs in South Fresno Industrial and Southeast Fresno non-major capital projects funds; \$93,503 in plan amendment costs in Merger Two (Fruit/Church) major capital projects funds; \$25,600 in property maintenance costs in the South Fresno Industrial non-major capital projects fund; \$50,000, \$38,003 and \$55,218 in consultant and legal fees in the Southeast Fresno, South Fresno Industrial and other non-major capital projects funds, respectively.

- The decrease in Debt service expenses in 2011 is primarily due to the early retirement of the Convention Center 1996 Certificates of Participation (COP) in the Merger One debt service fund in 2010 and the Agency's payment to the City for Merger One (Convention Center) advances. The Agency conveyed proceeds of \$2,855,000 received in fiscal year 2010 from sale of the fee interest in the Radisson hotel land to the City as a payment against advances. The combination of the Agency's payment to the City and the bond's reserve fund enabled the City to retire the 1996 COP four years early.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### ***CAPITAL ASSETS***

As of June 30, 2011, the Agency's investment in capital assets for its governmental activities was \$1,399,788 (net of accumulated depreciation). This investment in capital assets includes land, buildings, and improvements and equipment.

There were no major capital asset transactions during the current fiscal year.

Additional information on the Agency's capital assets can be found in Note 6 in the notes to the basic financial statements.

### ***LONG-TERM DEBT***

Agency loan proceeds of \$185,000 were received during fiscal year 2011 from the City of Fresno for the Southwest Fresno project area.

For additional information, see Note 7 in the notes to the basic financial statements.

### ***ECONOMIC FACTORS***

The Agency receives tax increment revenue from the County based upon the tax levy rather than on actual collections, therefore, uncollected property taxes will not affect the Agency's revenue. The current downturn in property values, however, could reduce the future tax increment revenue if properties are reassessed or sold for less than the value on the tax roll. The Agency has generally been conservative in budgeting future tax increment to help ensure adequate funding for approved or anticipated projects. A significant reduction in tax increment would most likely be mitigated by the phasing of current and future projects based upon available funding.

SB 1096 was signed into law on August 5, 2004, requiring redevelopment agencies statewide to shift \$250 million in fiscal years 2005 and 2006 to the State's Educational Revenue Augmentation Fund (ERAF) as a way to reduce the State's 2004-2006 budget deficit. There was no ERAF requirement in fiscal years 2007, 2008 and 2009; however, legislation passed in July 2009 required redevelopment agencies statewide to shift a total of \$2.05 billion to the State in fiscal years 2010 and 2011 to a Supplemental Educational Revenue Augmentation Fund (SERAF). The Agency's share of this revenue shift in fiscal year 2010 was \$6,736,202 and \$1,386,865 in fiscal year 2011.

The State's 2011-2012 Budget bill AB1X 27 includes another \$1.7 billion take from redevelopment agencies statewide in fiscal year 2012 and \$400 million annually in subsequent years. A petition has been filed asking the California Supreme Court to overturn AB1X 26 and AB1X 27 contending they violate the Constitution. Should the State prevail in the lawsuit, the Agency's share of the \$1.7 billion in 2011-2012 will be \$9,220,347. In 2012-2013 and subsequent years, the Agency's share of the \$400 million is estimated to be approximately \$2 million annually.

For additional information, see Notes 10 and 13 in the notes to the basic financial statements.

### **Contacting the Agency's Financial Management**

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Marlene Murphey, Executive Director of the Redevelopment Agency.

# **BASIC FINANCIAL STATEMENTS**

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**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
STATEMENT OF NET ASSETS  
GOVERNMENTAL ACTIVITIES  
JUNE 30, 2011**

**ASSETS**

Cash and investments	\$ 21,838,326
Restricted assets - cash and investments	1,876,198
Due from the City of Fresno	28,852
Advances receivable	355,127
Loans and notes receivable (net)	7,854,219
Property held for resale	36,382,015
Deferred charges	197,665
Capital assets, net of depreciation	<u>1,399,788</u>
 Total assets	 <u>69,932,190</u>

**LIABILITIES**

Accounts payable and accrued liabilities	46,391
Due to other governments	291,111
Security deposits	12,009
Interest payable	49,464,237
Long-term liabilities:	
Due within one year	1,046,849
Due in more than one year	<u>60,601,444</u>
 Total liabilities	 <u>111,462,041</u>

**NET ASSETS (DEFICIT)**

Invested in capital assets, net of related debt	-
Restricted	19,688,054
Unrestricted	<u>(61,217,905)</u>
 Total net assets (deficit)	 <u><u>\$ (41,529,851)</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
STATEMENT OF ACTIVITIES  
GOVERNMENTAL ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

Program expenses:	
General government	\$ 7,247,642
Redevelopment	4,655,010
Interest and fiscal charges	<u>1,727,186</u>
 Total program expenses	 <u>13,629,838</u>
General revenues:	
Incremental property taxes	20,543,982
Use of money and property	544,630
Grant revenue	17,265
Intergovernmental	418,504
Miscellaneous	<u>(208,599)</u>
 Total general revenues	 <u>21,315,782</u>
 Change in net assets	 7,685,944
 Net assets (deficit), beginning of year	 <u>(49,215,795)</u>
 Net assets (deficit), end of year	 <u><u>\$ (41,529,851)</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	Capital Projects			Debt Service	
	Merger One	Merger Two	Housing Project	Merger One	Merger Two
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,030,561	\$ 12,718,162	\$ 3,372,023	\$ 124,663
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	954,590	921,608
Receivables:					
Advances	-	-	355,127	-	-
Loans	27,810	-	941,393	-	-
Notes (net)	-	-	6,885,016	-	-
Due from other funds	7,616,380	53,203	-	-	-
Due from the City of Fresno	-	-	-	-	28,852
Property held for resale	10,034,354	11,824,007	6,959,372	-	-
	<u>\$ 17,678,544</u>	<u>\$ 12,907,771</u>	<u>\$ 27,859,070</u>	<u>\$ 4,326,613</u>	<u>\$ 1,075,123</u>
Total assets					
	<u>\$ 17,678,544</u>	<u>\$ 12,907,771</u>	<u>\$ 27,859,070</u>	<u>\$ 4,326,613</u>	<u>\$ 1,075,123</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>LIABILITIES:</b>					
Accounts payable and accrued liabilities	\$ -	\$ 45,347	\$ 1,044	\$ -	\$ -
Due to other funds	9,584,277	53,203	-	-	-
Due to the City of Fresno	-	-	-	-	-
Security deposits	-	-	-	12,009	-
	<u>9,584,277</u>	<u>98,550</u>	<u>1,044</u>	<u>12,009</u>	<u>-</u>
Total liabilities					
	<u>9,584,277</u>	<u>98,550</u>	<u>1,044</u>	<u>12,009</u>	<u>-</u>
<b>FUND BALANCES:</b>					
Nonspendable	10,062,164	11,824,007	14,785,781	-	-
Restricted	-	-	13,041,537	4,314,604	1,075,123
Committed	-	985,214	30,708	-	-
Unassigned	(1,967,897)	-	-	-	-
	<u>8,094,267</u>	<u>12,809,221</u>	<u>27,858,026</u>	<u>4,314,604</u>	<u>1,075,123</u>
Total fund balances					
	<u>8,094,267</u>	<u>12,809,221</u>	<u>27,858,026</u>	<u>4,314,604</u>	<u>1,075,123</u>
Total liabilities and fund balances					
	<u>\$ 17,678,544</u>	<u>\$ 12,907,771</u>	<u>\$ 27,859,070</u>	<u>\$ 4,326,613</u>	<u>\$ 1,075,123</u>

(Continued)

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
BALANCE SHEET (Continued)  
GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Debt Service</u>		
	<u>Southeast Fresno</u>	<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and investments	\$ 58,737	\$ 4,534,180	\$ 21,838,326
Restricted assets:			
Cash and investments with fiscal agents	-	-	1,876,198
Receivables:			
Advances	-	-	355,127
Loans	-	-	969,203
Notes (net)	-	-	6,885,016
Due from other funds	-	1,967,897	9,637,480
Due from the City of Fresno	-	-	28,852
Property held for resale	-	7,564,282	36,382,015
	<u>          </u>	<u>          </u>	<u>          </u>
Total assets	<u>\$ 58,737</u>	<u>\$ 14,066,359</u>	<u>\$ 77,972,217</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 46,391
Due to other funds	-	-	9,637,480
Due to the City of Fresno	-	291,111	291,111
Security deposits	-	-	12,009
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities	<u>-</u>	<u>291,111</u>	<u>9,986,991</u>
<b>FUND BALANCES:</b>			
Nonspendable	-	7,564,282	44,236,234
Restricted	58,737	1,198,053	19,688,054
Committed	-	5,240,255	6,256,177
Unassigned	-	(227,342)	(2,195,239)
	<u>          </u>	<u>          </u>	<u>          </u>
Total fund balances	<u>58,737</u>	<u>13,775,248</u>	<u>67,985,226</u>
	<u>          </u>	<u>          </u>	<u>          </u>
Total liabilities and fund balances	<u>\$ 58,737</u>	<u>\$ 14,066,359</u>	<u>\$ 77,972,217</u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
RECONCILIATION OF THE BALANCE SHEET OF  
GOVERNMENTAL FUNDS TO THE STATEMENT OF NET ASSETS  
FOR THE YEAR ENDED JUNE 30, 2011**

Amounts reported for governmental activities in the statement of net assets are different because:

Total fund balances - total governmental	\$ 67,985,226
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in governmental funds.	
Depreciable	2,929,049
Accumulated depreciation on depreciable capital assets	(1,529,261)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Deferred charges	197,665
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term obligations	(61,648,293)
Accrued interest payable	<u>(49,464,237)</u>
Net assets (deficit) of governmental activities	<u><u>\$ (41,529,851)</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Capital Projects</u>			<u>Debt Service</u>	
	<u>Merger One</u>	<u>Merger Two</u>	<u>Housing Project</u>	<u>Merger One</u>	<u>Merger Two</u>
<b>REVENUES:</b>					
Incremental property taxes	\$ -	\$ -	\$ -	\$ 6,092,967	\$ 3,510,746
Use of money and property	81,338	1,993	48,698	272,045	125,852
Lease income	-	-	-	-	112,450
Grant revenue	-	-	17,265	-	-
Intergovernmental	289,513	-	-	-	-
Gain (loss) on sale of property	-	-	(321,049)	-	-
<b>Total revenues</b>	<b>370,851</b>	<b>1,993</b>	<b>(255,086)</b>	<b>6,365,012</b>	<b>3,749,048</b>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
General government	262,145	452,006	396,858	1,557,377	580,079
Redevelopment	744,105	383,432	1,516,237	-	-
<b>Debt service:</b>					
Principal repayments	-	-	-	481,747	595,000
Interest and fiscal charges	-	-	-	528,268	285,728
<b>Total expenditures</b>	<b>1,006,250</b>	<b>835,438</b>	<b>1,913,095</b>	<b>2,567,392</b>	<b>1,460,807</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(635,399)</b>	<b>(833,445)</b>	<b>(2,168,181)</b>	<b>3,797,620</b>	<b>2,288,241</b>
<b>OTHER FINANCING SOURCES (USES):</b>					
Loan proceeds	-	-	-	-	185,000
Transfers in	1,875,000	2,940,000	9,872,796	-	-
Transfers out	-	(4,230,000)	-	(3,093,593)	(3,642,149)
<b>Total other financing sources (uses)</b>	<b>1,875,000</b>	<b>(1,290,000)</b>	<b>9,872,796</b>	<b>(3,093,593)</b>	<b>(3,457,149)</b>
<b>NET CHANGE IN FUND BALANCES</b>	<b>1,239,601</b>	<b>(2,123,445)</b>	<b>7,704,615</b>	<b>704,027</b>	<b>(1,168,908)</b>
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<b>6,854,666</b>	<b>14,932,666</b>	<b>20,153,411</b>	<b>3,610,577</b>	<b>2,244,031</b>
<b>FUND BALANCES (DEFICITS), END OF YEAR</b>	<b>\$ 8,094,267</b>	<b>\$ 12,809,221</b>	<b>\$ 27,858,026</b>	<b>\$ 4,314,604</b>	<b>\$ 1,075,123</b>

(Continued)

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES (Continued)  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Debt Service</u>		
	<u>Southeast</u>	<u>All Other</u>	<u>Total</u>
	<u>Fresno</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
<b>REVENUES:</b>			
Incremental property taxes	\$ 2,817,750	\$ 8,122,519	\$ 20,543,982
Use of money and property	170	14,534	544,630
Lease income	-	-	112,450
Grant revenue	-	-	17,265
Intergovernmental	-	128,991	418,504
Gain (loss) on sale of property	-	-	(321,049)
	<u>2,817,920</u>	<u>8,266,044</u>	<u>21,315,782</u>
<b>EXPENDITURES:</b>			
<b>Current:</b>			
General government	776,796	3,116,240	7,141,501
Redevelopment	-	2,155,317	4,799,091
<b>Debt service:</b>			
Principal repayments	-	177,933	1,254,680
Interest and fiscal charges	-	68,016	882,012
	<u>776,796</u>	<u>5,517,506</u>	<u>14,077,284</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>2,041,124</u>	<u>2,748,538</u>	<u>7,238,498</u>
<b>OTHER FINANCING SOURCES (USES):</b>			
Loan proceeds	-	-	185,000
Transfers in	-	5,803,991	20,491,787
Transfers out	(2,288,550)	(7,237,495)	(20,491,787)
	<u>(2,288,550)</u>	<u>(1,433,504)</u>	<u>185,000</u>
<b>NET CHANGE IN FUND BALANCES</b>	(247,426)	1,315,034	7,423,498
<b>FUND BALANCES, BEGINNING OF YEAR</b>	<u>306,163</u>	<u>12,460,214</u>	<u>60,561,728</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 58,737</u>	<u>\$ 13,775,248</u>	<u>\$ 67,985,226</u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011**

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental	\$ 7,423,498
In the statement of activities the cost of assets is allocated over estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$149,794 exceeded capital outlays in the current period.	(149,794)
Long-term debt provides current financials resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financials resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,257,414
Other expenses in the statement of activities that do not use current financial resources are not reported as expenditures in the governmental funds.	
Change in accrued interest	<u>(845,174)</u>
Change in net assets of governmental activities	<u><u>\$ 7,685,944</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2011**

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- A) *Reporting Entity*** – The Redevelopment Agency (Agency) of the City of Fresno was established pursuant to provisions of the Health and Safety Code of the State of California. Although a separate legal entity, the Agency is a component unit of the City for financial reporting purposes. The Agency's governing board is the City Council. The primary purpose of the Agency is to eliminate blighted areas within the City by encouraging development of residential, commercial, industrial, recreational, and public facilities.
- B) *Government-wide and fund financial statements*** – The government-wide financial statements (i.e., the statement of net assets and statement of activities) report information on all of the activities of the Agency. For the most part, the effect of interfund activity has been removed from these statements, with the exception of interfund expenses provided and used, which are not eliminated in the process of consolidation. *Governmental activities* normally are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*. All of the Agency's revenues are considered general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

- C) *Measurement Focus, Basis of Accounting, and Financial Statement Presentation*** – The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. Debt service expenditures are recorded only when payment is due.

All major revenues are considered to be available if they are collected within 60 days of the end of the current fiscal period. Such revenues include incremental property taxes, grants and contributions not restricted to specific programs, which are virtually unrestricted as to purpose of expenditure and revocable only for failure to meet prescribed compliance requirements, and lease income from the City of Fresno. All other revenue items, such as intergovernmental and miscellaneous are considered to be measurable and available only when cash is received by the Agency.

## **NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The Agency reports the following major governmental funds:

*Merger One Capital Projects Fund* accounts for the acquisition, relocation, demolition, and sale of land for the Mariposa, West Fresno I, West Fresno II, Central Business District, Convention Center, Jefferson, Chinatown, Fulton/Uptown and South Van Ness projects, financed from the proceeds of bonds sold, loans from the City, and incremental property tax revenue.

*Merger Two Capital Projects Fund* accounts for the acquisition, relocation, demolition, and sale of capital facilities for the Southwest Fresno and Fruit/Church projects, financed from the proceeds of bonds sold, loans from the City, and incremental property tax revenue.

*Housing Project Capital Projects Fund* accounts for the activities of low-and-moderate-income housing. Pursuant to Health and Safety Code Section 33334.2, the Agency has designated twenty percent of its incremental tax allocation for the purpose of increasing the supply of low-and-moderate-income housing.

*Merger One Debt Service Fund* accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs related to the Merger One Capital Projects Fund.

*Merger Two Debt Service Fund* accounts for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs related to the Merger Two Capital Projects Fund.

*Southeast Fresno Debt Service Fund* accounts for accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs related to the Southeast Fresno Capital Projects Fund.

### **D) *Assets, liabilities, and net assets or equity***

***Cash and Investments*** – The Agency’s investments are stated at fair value.

***Cash and Investments with Fiscal Agents*** – Cash and investments held with fiscal agents are held with trustees in accordance with applicable guidelines set out in the debt indenture agreements for the Merger One and Merger Two Debt Service Funds.

***Loans and Notes Receivable*** – Loans and notes receivable are recorded as receivable net of an estimated allowance for potentially uncollectable loans. In some instances amounts due from external participants are recorded with an offset to a deferred credit account. The balance of long-term loans receivable includes loans that may be forgiven if certain terms and conditions of the loans are met. For purposes of the Government-Wide Financial statements, long-term loans are not offset by deferred credit accounts.

***Interfund Receivables/Payables*** – Short-term receivables and payables between funds are reported as “due from other funds” and “due to other funds,” respectively, in the governmental fund financial statements.

***Capital Assets*** – Capital assets, which include buildings, are reported in the government-wide financial statements. Capital assets are defined by the Agency as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. Assets are depreciated using lives of 20 years for buildings and 5 years for equipment.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings of the Agency are depreciated using the straight-line method over 5-25 years related to the length of the related debt used to acquire the assets.

**Property Held for Resale** – Real property expected to be resold in the near future is recorded as “property held for resale” in both the statement of net assets and balance sheet. Property held for resale is reported at lower of cost or estimated realizable value at the date of a disposition and development agreement being executed.

**Reserved Fund Balances** – In the fund financial statements, governmental funds report fund balance as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the Agency is bound to honor constraints on how specific amounts can be spent.

- **Nonspendable** - Amounts that are not in spendable form (such as inventory) or are required either legally or contractually to be maintained intact.
- **Restricted** - Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional or enabling legislation.
- **Committed** - Amounts constrained to specific purposes by the Agency itself, using the Agency’s highest level of decision-making authority (the Board of Directors). To be reported as committed, amounts cannot be used for any other purpose unless the Agency takes the same highest level action to remove or change the constraint. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- **Assigned** - Amounts the Agency *intends* to use for a specific purpose. Intent can be expressed by the Agency at either the highest level of decision making or by an official or body to which the Agency delegates the authority. This is also the classification for residual funds in the Agency’s special revenue fund.
- **Unassigned** - The residual classification for the Agency’s General Fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Agency establishes and modifies or rescinds fund balance commitments by passage of an ordinance or policy. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget as a designation or commitment of the fund, such as approved construction contracts. Assigned fund balance is established by the Agency through adoption or amendment of the budget or future year budget plan as intended for a specific purpose.

When both restricted and unrestricted resources are available for use, it is the Agency’s policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

**Property Taxes** – The Agency receives incremental property tax money from the County of Fresno, which is responsible for the assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property tax payments are levied in two equal installments; the first is generally due November 1, and delinquent with penalties after December 10; the second is generally due on February 1, and delinquent with penalties after April 10. Secured property taxes become a lien on the property on January 1. Property taxes on the unsecured roll are due on the March 1 lien date, and become delinquent if unpaid on August 31.

Property taxes are recognized as revenue in the fiscal year during which they are levied and collected, adjusted for any amounts expected to be collected more than 60 days after the fiscal year end.

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (Continued)

***Interfund Transfers In/(Out)*** – During the course of normal operations, the Agency has numerous transactions between funds, which are inflows and outflows from and to other funds that are not classified as interfund services provided and used, reimbursements or loans. Such transfers include transfers to debt service funds for debt payment, and transfers to various capital projects funds for the acquisition of capital assets, and other capital outlay expenditures.

***Compensated Absences*** – Vacation pay and holiday leave are payable upon termination or retirement. Vacation and holiday leave policies allow for the cashing out of 25% of the accumulated balances up to and including 48 hours once per fiscal year. Administrative leave is awarded at the rate of 60 hours at the beginning of the fiscal year for most Agency employees. This leave must be used or cashed within the fiscal year. Supplemental sick leave is awarded at the rate of 40 hours at the beginning of each fiscal year. The balance can only be used after other leave balances are exhausted pursuant to City policies, MOU's or Salary Resolutions. The balance is payable upon termination or retirement.

***Encumbrances*** – The Agency utilizes an encumbrance system to assist in controlling expenditures. Under this system, governmental funds are encumbered when purchase orders, contracts and other commitments are signed or approved. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. All unencumbered appropriations lapse at year-end. Encumbrances outstanding at year-end are reported as reservations of fund balance.

***Use of Estimates*** – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management is required to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**NOTE 2 – STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A. Deficit fund equity

The Airport Project capital projects fund had a deficit fund balance of \$227,342 as of June 30, 2011. The Agency anticipates that this deficit will be eliminated in fiscal year 2012 through receipt of tax increment revenues and intergovernmental revenues.

B. Deficit unassigned fund balance

The Merger One capital projects fund had a deficit unassigned fund balance of \$1,967,897 as of June 30, 2011. The Agency anticipates that this deficit will be eliminated in fiscal year 2012 through receipt of tax increment revenues and intergovernmental revenues.

### NOTE 3 – CASH AND INVESTMENTS

#### A. Authorized Investments

The table below identifies the investment types that are authorized by the Agency’s investment policy and California Government Code Section 53601. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the Agency’s investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>	<u>Minimum Rating</u>
U.S. Treasury Securities	5 years	100%	--	None
U.S. Agency Securities	5 years	100%	--	None
State and Local Agency Obligations	5 years	100%	5%	None
Bankers’ Acceptances	180 days	40%	--	None
Commercial Paper	270 days	40%	5%	A
Negotiable Certificates of Deposit	5 years	30%	--	None
Repurchase Agreements	1 year	None	--	None
Reverse Repurchase Agreements	92 days	20%	--	None
Securities Lending Agreements	92 days	20%	--	None
Medium Term Notes	5 years	30%	5%	A
Money Market Mutual Funds (that invest in allowable securities)	N/A	20%	10%	AAA
Collateralized Bank Deposits	5 years	None	--	None
Mortgage Pass-Through Securities	5 years	20%	--	AA
Time Deposits	5 years	None	--	None
County Pooled Investment Funds	N/A	None	--	None
Joint Powers Authority Pool	N/A	None	--	None
Local Agency Investment Fund	N/A	None	--	None

#### B. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Agency’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, except that the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. The Agency’s investments are not subject to custodial credit risk.

#### C. Interest Rate and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. The Agency does not have a formal policy for managing its exposure to interest rate risk.

**NOTE 3 – CASH AND INVESTMENTS** (Continued)

C. Interest Rate and Credit Risk (Continued)

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Agency does not have a formal policy for managing its exposure to credit risk. As of June 30, 2011, the Agency's investments and credit ratings are as follows:

Investment type	Credit Rating (S & P)	Maturity		Fair Value
		Under 30 Days	More than 5 Years	
Money Market Mutual Funds	AAA	\$ 976,971	\$ -	\$ 976,971
Repurchase Agreement	Not Rated	-	899,228	<u>899,228</u>
Total Investments				<u><u>\$ 1,876,199</u></u>

D. Concentration of Credit Risk

Investments in any one issuer (other than U.S. Treasury Notes, mutual funds and external investment pools) that represent 5% or more of the total investments of the Agency are as follows:

\$899,228 in cash and investments with fiscal agent reported in the Merger Two Debt Service Fund is invested in a repurchase agreement issued by CDC Funding Corporation, maturing on July 31, 2018.

Cash and investments are reported in the basic financial statements as follows:

Cash and investments	\$ 21,838,326
Restricted assets:	
Cash and investments with fiscal agent	<u>1,876,199</u>
Total cash and investments	<u><u>\$ 23,714,525</u></u>

Cash and investments consist of the following:

Deposits	\$ 10,266,093
Investments	<u>13,448,432</u>
Total cash and investments	<u><u>\$ 23,714,525</u></u>

The Agency maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the statement of net assets and the balance sheet as "cash and investments."

Cash and investments with fiscal agents are invested in "Permitted Investments" (as defined in the bond agreements) and are reported in the statement of net assets and balance sheet as restricted assets. Such permitted investments include: direct obligations of the U.S. Treasury, obligations of certain federal agencies not guaranteed by the U.S. Treasury, interest-bearing demand or time deposits, obligations of corporations, guaranteed investment contracts, repurchase agreements, money market funds, commercial paper, bonds or other obligations of any state or agency or local governmental unit.

#### **NOTE 4 – LOANS AND NOTES RECEIVABLE**

Loans and notes receivable comprise the following at June 30, 2011:

Capital Projects Fund:

Merger One:

Jefferson - Receivable due from Community Medical Center for the purchase of 15 parcels, principal only annual payment of \$148,000, remaining balance due June 30, 2009. \$ 27,810

Housing Reserve:

Redevelopment loans to property owners, various rates of interest, due in varying monthly installments, both active and deferred, secured by deed of trust on real property, or unsecured. 731,642

Southwest Fresno Housing:

Redevelopment loans to property owners, various rates of interest, due in varying monthly installments, both active and deferred, secured by deed of trust on real property, or unsecured. 156,601

Jefferson Housing

Redevelopment loans to property owners, various rates of interest, due in varying monthly installments, both active and deferred, secured by deed of trust on real property, or unsecured. 53,150

Total Loans Receivable

969,203

Capital Projects Fund:

Housing Project - Housing Reserve

Note secured by deed of trust from Fulton Plaza, LLC, interest at 0%, principal due in annual installments of \$15,385 commencing on June 30, 2013. 400,000

Note secured by deed of trust from Pyramid A-One, LLC for the "H" Street Loft Project, interest at 0%, principal due in annual installments of \$12,000 commencing on July 1, 2012. 300,000

Note secured by deed of trust from FFDA Properties, LLC for the Fulton Village Project, interest at 1%, principal and interest due in monthly installments of \$2,558 commencing on the date which is five years after the Certificate of Completion for the project. 800,000

Note secured by deed of trust from Reza Assemi for the Broadway Lofts Project, interest at 0%, principal due in monthly installments of \$1,806 commencing on the date which is ten years after the Certificate of Completion for the project. 650,000

Note secured by deed of trust from Mayflower Lofts, LLC for the Mayflower Lofts Project, interest at 2%, principal and interest due in monthly installments of \$1,478 commencing on the date which is ten years after the Certificate of Completion for the project. 400,000

Note secured by deed of trust from TFS Investments, LLC for the Fultonia Project, interest at 2%, principal and interest due in monthly installments of \$2,233 commencing on the date which is five years after the Certificate of Completion for the project. 600,000

**NOTE 4 – LOANS AND NOTES RECEIVABLE** (Continued)

Note secured by deed of trust from Parc Grove Commons II Limited Partnership, interest at 0%, payments due annually from residual receipts prior to the Maturity Date and in full upon the Maturity Date which is 55 years from the date of the project Certificate of Completion.	500,000
Note secured by deed of trust from FFDA Properties, LLC for the Van Ness/Mildreda Project, interest at 1%, principal and interest due in monthly installments of \$1,413 commencing on the date which is ten years after the Certificate of Completion for the project.	300,000
Note secured by deed of trust from TFS Investments, LLC for the Fulton 541 Project, interest at 0%, principal due in full 20 years from the recording date of Certificate of Completion for the project.	435,000
Note secured by deed of trust from Jeffrey Altimus for the 129 N. College Project, interest at 2%, principal and interest due in monthly installments of \$349.06 commencing July 1, 2014 and maturing on June 30, 2034.	69,000
Housing Project - Southwest Housing	
Residual receipts note secured by deed of trust from Westgate Housing Associates, L.P. interest at 3%, principal and interest payments due in annual installments of \$12,755 commencing on May 15, 2004.	228,016
Residual receipts note secured by deed of trust from Martin Luther King Square, LLC interest at 3%, principal and interest payments due in annual installments of \$31,751 commencing on May 31, 2007.	500,000
Residual receipts note secured by deed of trust from AMCAL Summer Hill Fund, LP for the Summer Hill Project, interest at 3%, principal and interest payments due in annual installments from net available cash flow commencing on May 1, 2011.	2,000,000
Note secured by deed of trust from EAH Housing, Inc. for the Sequoia Village Project, interest at 0%, principal due on May 19, 2011, unless the project proceeds to a Disposition and Development Agreement (DDA) in which case this note shall be cancelled upon execution and approval of a new note for the unpaid balance plus any additional financial assistance.	<u>203,000</u>
Total Notes Receivable	<u>7,385,016</u>
Total Loans and Notes Receivable - Gross	8,354,219
Less: Allowance for Doubtful Accounts	<u>(500,000)</u>
Total Loans and Notes Receivable - Net	<u>\$ 7,854,219</u>

**NOTE 5 – INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS**

The composition of interfund balances as of June 30, 2011, is as follows:

Receivable Fund	Amount	Payable Fund	Amount
Merger One Capital Projects	\$ 7,616,380	Merger One Capital Projects	\$ 9,584,277
Merger Two Capital Projects	53,203	Merger Two Capital Projects	53,203
Other Nonmajor	<u>1,967,897</u>		
Total	<u>\$ 9,637,480</u>		<u>\$ 9,637,480</u>

All balances reported as “due to other funds” and “due from other funds” resulted from short-term loans to cover temporary fund cash shortages as of June 30, 2011, and are expected to be repaid early in fiscal year 2011.

	Transfers In					Total
	Merger One Capital Projects	Merger One Debt Service	Merger Two Capital Projects	Housing Project Capital Projects	Other Nonmajor	
Transfers Out:						
Merger One Capital Project	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Merger Two Capital Project	-	-	-	4,230,000	-	4,230,000
Merger One Debt Service	1,875,000	-	-	1,218,593	-	3,093,593
Merger Two Debt Service	-	-	2,940,000	702,149	-	3,642,149
Southeast Fresno	-	-	-	-	2,288,550	2,288,550
Other Nonmajor	-	-	-	3,722,054	3,515,441	7,237,495
Total	<u>\$ 1,875,000</u>	<u>\$ -</u>	<u>\$ 2,940,000</u>	<u>\$ 9,872,796</u>	<u>\$ 5,803,991</u>	<u>\$ 20,491,787</u>

Funds were transferred into the Housing Project Capital Projects Fund as the required 20% set-aside to fund the Low/Mod Income Housing Fund.

Funds were transferred into the Merger One and Merger Two Capital Projects Funds from the respective Merger One and Merger Two Debt Service Funds and into the Southeast Fresno Capital Projects Fund from the Aggregate Remaining Funds in order to fund the administrative and redevelopment functions of the Agency.

**NOTE 6 – CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Buildings	\$ 2,855,000	\$ -	\$ -	\$ 2,855,000
Equipment	74,049	-	-	74,049
Total capital assets, being depreciated	2,929,049	-	-	2,929,049
Less accumulated depreciation				
Buildings	(1,320,500)	(139,000)	-	(1,459,500)
Equipment	(58,967)	(10,794)	-	(69,761)
Capital assets, net	<u>\$ 1,549,582</u>	<u>\$ (149,794)</u>	<u>\$ -</u>	<u>\$ 1,399,788</u>

Depreciation expense of \$149,794 was charged to the redevelopment function on the statement of activities.

## NOTE 7 – LONG-TERM DEBT

Long-term debt at June 30, 2011, consists of the following:

Bonds/certificates of participation payable (including deferred amounts)	\$ 9,317,903
Loans payable	1,835,487
Capital lease obligations payable	2,124,321
Notes payable to the City of Fresno	9,321,745
Compensated absences	104,553
Retirement obligation	70,828
Pollution Remediation	10,919
Advances from the City of Fresno	<u>38,862,537</u>
	<u>\$ 61,648,293</u>

### Bonds and Certificates of Participation Payable (Original Issuance)

The following is a description of the bonds and certificates of participation payable:

Merger One – Mariposa Project tax allocation refunding bonds, Series 2003, issued August 22, 2003, interest at 2% to 5.375% with varying annual principal installments ranging from \$80,000 to \$418,000 through February 1, 2023, interest due semi-annually, secured by a pledge of tax revenues. Proceeds were used to refund the Agency's 1993 Tax Allocation Bonds, Series A (Mariposa Redevelopment Project) in the Merger One Project Area.

Repayment of the bonds is payable solely from tax increment revenues allocated to the Redevelopment Agency's Mariposa Project Area. All the above revenues are pledged with the exception of the 20% dedicated Housing Set Aside Allocation. Revenues are pledged until the year 2023 for a total debt service of \$6,072,593. During fiscal year 2011, \$1,181,213 Mariposa Project Area tax increment revenue was recognized, while the 2011 debt service was \$429,956.

\$ 3,750,000

2001 Southwest Fresno tax allocation revenue bonds, issued March 1, 2001, interest at 4.0% to 5.25% with varying annual principal installments ranging from \$115,000 to \$535,000 through August 1, 2018, interest due semi-annually secured by a pledge of tax revenues. Proceeds were used for redevelopment purposes within the Agency's Merger Two Project Area and to repay a loan from the City of Fresno.

Repayment of the bonds is payable solely from tax increment revenues allocated to the Redevelopment Agency's Merger Two Project Area. All the above revenues are pledged with the exception of the 20% dedicated Housing Set Aside Allocation. Revenues are pledged until the year 2021 for a total debt service of \$8,463,584. During fiscal year 2011, \$3,510,746 Merger Two Project Area tax increment revenue was recognized, while the 2011 debt service was \$880,728.

5,535,000

Total Bonds and Certificates of Participation Payable (Original Issuance)

\$ 9,285,000

(Continued)

**NOTE 7 – LONG-TERM DEBT** (Continued)**Bonds and Certificates of Participation Payable (Original Issuance)** (Continued)

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 853,000	\$ 461,071	\$ 1,314,071
2013	886,000	423,884	1,309,884
2014	928,000	384,078	1,312,078
2015	971,000	337,528	1,308,528
2016	1,024,000	284,158	1,308,158
2017-2021	3,808,000	670,538	4,478,538
2022-2023	815,000	69,356	884,356
	<u>\$ 9,285,000</u>	<u>\$ 2,630,613</u>	<u>\$ 11,915,613</u>

**Loans Payable**

The following is a summary of loans payable as of June 30, 2011:

Payable by the Agency to the California Infrastructure and Economic Development Bank (CIEDB) for funds loaned to the Agency under the Tax Allocation Loan Agreement for street and public utility improvements, principal and interest at a fixed rate of 3.53% due in semi-annual installments through 2033.

Repayment of the loan is payable solely from tax increment revenues allocated to the Redevelopment Agency's Roeding Business Park Project Area. All the above revenues are pledged with the exception of the 20% dedicated Housing Set Aside Allocation. Revenues are pledged until the year 2033 for a total debt service of \$2,912,416. During fiscal year 2011, \$763,681 Roeding Project Area tax increment revenue was recognized, while the 2011 debt service was \$116,958.

\$ 1,835,487

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2011, are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 53,071	\$ 63,856	\$ 116,927
2013	54,944	61,950	116,894
2014	56,884	59,976	116,860
2015	58,892	57,932	116,824
2016	60,971	256,394	317,365
2017-2021	338,698	244,642	583,340
2022-2026	402,851	180,257	583,108
2027-2031	479,154	101,707	580,861
2032-2034	330,022	17,744	347,766
	<u>\$ 1,835,487</u>	<u>\$ 1,044,458</u>	<u>\$ 2,879,945</u>

**NOTE 7 – LONG-TERM DEBT** (Continued)Capital Lease Obligations

Capital leases are used for financing purchase of buildings in the amount of \$2,855,000 reported in capital assets. The following is a summary of capital lease obligations payable as of June 30, 2011:

Payable to Nottoli C.M.C. \$2,569,500 starting January 1, 2001, principal and interest at fixed rate of 8.5% due in monthly installments of \$22,429.	\$ 1,911,889
Payable to Motschiedler, Michaelides & Wishon, LLP, \$285,500 starting January 1, 2001, principal and interest at fixed rate of 8.5% due in monthly installments of \$2,492.	<u>212,432</u>
	<u>\$ 2,124,321</u>

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2011:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 83,531	\$ 177,363	\$ 260,894
2013	90,914	169,979	260,893
2014	98,950	161,943	260,893
2015	107,696	153,197	260,893
2016	117,216	143,678	260,894
2017-2021	761,065	543,403	1,304,468
2022-2025	864,949	154,638	1,019,587
	<u>\$ 2,124,321</u>	<u>\$ 1,504,201</u>	<u>\$ 3,628,522</u>

**NOTE 7 – LONG-TERM DEBT** (Continued)

Notes Payable to the City of Fresno

The following is a summary of notes payable to the City as of June 30, 2011:

Payable by the Central Business District to the Parking Authority of the City of Fresno. Secured by and payable from the incremental property tax revenues of the redeveloped properties. Payments on the notes and related interest expenses are based on budgetary priority as approved by the Agency. Incremental property tax revenues will continue to be received during the period the debt remains outstanding. Because these notes do not have a set repayment schedule, they are not included in the schedule of future payments:

\$2,378,809 advance at October 30, 1969, bearing interest at 5%.	\$ 2,378,809
\$3,937,011 advance at July 15, 1968, bearing interest at 5%.	3,937,011
\$606,363 advance at December 1, 1964, bearing interest at 5%.	606,363
\$238,160 advance at November 1, 1961, bearing interest at 5%.	<u>238,160</u>
	<u>7,160,343</u>

Payable by the Redevelopment Agency Roeding Business Park Project to the City of Fresno from the incremental property taxes of the redeveloped properties. Principal and interest is due at completion of each project and, therefore, is not included in the schedule of future payments:

\$944,000 advance on February 8, 2001, principal and interest at variable rate of 5.88% to 5.61%.	96,990
\$621,000 advance on February 8, 2001, principal and interest at variable rate of 5.88% to 5.61%.	621,000
\$1,414,818 advance on December 16, 2004, and a \$28,593 advance on January 10, 2006, principle and interest at variable rate base upon the City of Fresno's pooled investment rate, fixed monthly.	<u>1,443,412</u>
	<u>2,161,402</u>
Total Notes Payable to the City of Fresno	<u><u>\$ 9,321,745</u></u>

**NOTE 7 – LONG-TERM DEBT** (Continued)

Advances from the City of Fresno

The following are descriptions of the advances from the City:

	<u>Principal</u>	<u>Unpaid Interest Accumulated</u>	<u>Total</u>
<b>Merger One:</b>			
Mariposa Project - \$8,603,994 interest bearing advances from June 1980 through June 1997, bearing interest ranging from 0.0% - 8.31%.	\$ 8,473,930	\$ 3,163,583	\$ 11,637,513
West Fresno I Project - advances at June 30, 1992, bearing interest at 0.0% to 9.0%	700,000	1,459,586	2,159,586
West Fresno II Project - advances from October 27, 1976, through June 30, 1996, bearing interest at 6.06%.	4,455,777	2,701,681	7,157,458
Chinatown Expanded Project - \$1,017,200 interest bearing advances from June 1979 through June 1997, bearing interest at 5.49% - 8.0%.	917,794	1,556,541	2,474,335
Convention Center Project - \$9,614,569 interest bearing advances from July 1982 through June 2005, bearing interest at 4.5% - 8.5%.	7,066,817	4,953,977	12,020,794
Jefferson Project - \$6,890,916 interest bearing advances from June 1986 through June 2005, bearing interest at 4.5% - 8.53%.	7,288,067	6,431,713	13,719,780
Fulton Project - \$2,244,800 interest bearing advances from June 1988 through April 2001, bearing interest at 6.84%.	1,659,800	993,900	2,653,700
Central Business District - \$2,023,800 interest bearing advances from June 30, 1991, through April 2001, bearing interest at 4.8% - 7.82%.	1,360,441	399,644	1,760,085
South Van Ness Project - \$10,000 advance at June 30, 1988, bearing interest of 6.84%.	10,000	14,828	24,828
<b>Total Merger One</b>	<u>31,932,626</u>	<u>21,675,453</u>	<u>53,608,079</u> (Continued)

**NOTE 7 – LONG-TERM DEBT** (Continued)

Advances from the City of Fresno (Continued)

	<u>Principal</u>	<u>Unpaid Interest Accumulated</u>	<u>Total</u>
<b>Merger Two:</b>			
Fruit/Church Project - \$21,000 advance at June 30, 1992, bearing interest at 6.42%.	2,196	2,398	4,594
Southwest Fresno Project - \$8,205,838 interest bearing advances from June 1978 through 1994, bearing interest at 0.0% - 6.0%.	<u>5,949,115</u>	<u>11,277,463</u>	<u>17,226,578</u>
<b>Total Merger Two</b>	<u>5,951,311</u>	<u>11,279,861</u>	<u>17,231,172</u>
<b>Other Nonmajor Funds:</b>			
Highway City Project - \$34,100 interest bearing advances from June 1988 through June 1994, bearing interest at 4.8% - 6.84%.	34,100	31,498	65,598
Pinedale Project - \$132,000 advance at June 30, 1988, bearing interest at 6.84%.	132,000	188,472	320,472
Airport Project - \$3,620,400 interest bearing advances from June 1989 through June 1991, bearing interest at 8.31% - 8.53%.*	109,400	149,200	258,600
Corridor 99 - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	50,000	42,000	92,000
Southeast Fresno Project - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	50,000	42,000	92,000
Roeding Business Park - \$1,603,100 interest bearing advances from March 1995 through May 1996, bearing interest at 5.49% - 6.0%.	<u>603,100</u>	<u>406,055</u>	<u>1,009,155</u>
<b>Total Other Nonmajor Funds</b>	<u>978,600</u>	<u>859,225</u>	<u>1,837,825</u>
<b>Total All Funds</b>	<u><u>\$ 38,862,537</u></u>	<u><u>\$ 33,814,539</u></u>	<u><u>\$ 72,677,076</u></u>

**NOTE 7 – LONG-TERM DEBT** (Continued)Advances from the City of Fresno (Continued)

The above advances are payable on demand and secured by and payable from the incremental property tax revenues of the redeveloped properties. Payments on the advances and related interest are based on budgetary priority as approved by the Redevelopment Agency. Incremental property tax revenues will continue to be received during the period the debt remains outstanding.

Long-term liability activity for the year ended June 30, 2011, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Certificates of Participation	\$ 10,100,000	\$ -	\$ (815,000)	\$ 9,285,000	\$ 853,000
Less deferred amounts: For issuance premiums/ (discounts)	43,199	-	(10,296)	32,903	-
	10,143,199	-	(825,296)	9,317,903	853,000
Loans Payable	1,886,748	-	(51,261)	1,835,487	53,071
Capital Lease Obligations	2,201,068	-	(76,747)	2,124,321	83,531
Note Payable to the City	9,448,417	-	(126,672)	9,321,745	-
Compensated absences	141,214	162,213	(198,874)	104,553	46,328
Pollution Remediation	155,000	95,277	(239,358)	10,919	10,919
Retirement obligation	83,996	5,789	(18,957)	70,828	-
Advances from City	38,862,537	185,000	(185,000)	38,862,537	-
Governmental activities long-term debt	<u>\$ 62,922,179</u>	<u>\$ 448,279</u>	<u>\$ (1,722,165)</u>	<u>\$ 61,648,293</u>	<u>\$ 1,046,849</u>

**NOTE 8 – DEFINED BENEFIT PENSION PLAN**Plan Description

The Agency contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer system that acts as a common investment and administrative agent for public agencies in the state of California. Copies of PERS' comprehensive annual financial report may be obtained from their Executive Office located at Lincoln Plaza North, 400 Q Street, Sacramento, California 55811 or online at <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/comprehensive-annual-financial.xml>.

The Agency's payroll for employees covered by the System for the year ended June 30, 2011 was \$841,646 for miscellaneous members with contributions of \$99,736 for covered payroll. Total payroll for Agency employees for the fiscal year was \$1,032,580. All full-time Agency employees are eligible to participate in CalPERS. Benefits vest after five years of service. Employees are eligible to retire at or after age 55 having attained five years of credited service and are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 2% percent of their highest annual salary for each year of service credit. CalPERS also provides death and disability benefits. These benefit provisions and all other requirements have been established by State statute and by specific agreement with the Agency.

## **NOTE 8 – DEFINED BENEFIT PENSION PLAN** (Continued)

### Plan Description (Continued)

Agency employees pay the entire 7% required member contribution as the Agency does not pick up any portion of the contributions required of all miscellaneous employees. The rate is set by statute and therefore remains unchanged from year to year.

The Agency is required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the PERS actuaries and actuarial consultants and adopted by the Board of Administration which include (a) a rate of return on the investment of present and future assets of 7.75% per year compounded annually, (b) projected salary increases of 3.55% to 14.45% depending on age, service and type of employment, 3.00% attributable to inflation, 3.25% attributed to payroll growth, and individual salary growth varying by duration of employment coupled with an assumed annual inflation growth and an annual production growth of 0.25%. The actuarial funding method is the Entry Age Normal Cost Method that produces level annual cost as a percent of pay in each year from the date of hire to the assumed retirement age. The cost allocated to the current fiscal year is called the normal cost. The actuarial accrued liability for active members is calculated as the portion of the total cost of the plan allocated to prior years.

### Contribution Requirements and Contributions Made

The contributions were made in accordance with actuarially determined requirements computed through an actuarial valuation performed as of June 30, 2010.

### Trend Information

Three years of trend information regarding annual contribution rates and annual pension costs is summarized as follows:

<u>Fiscal Year</u>	<u>Annual Contribution Rate</u>	<u>Annual Pension Cost APC</u>	<u>Percentage of APC Contributed</u>
6/30/2009	11.740%	\$ 117,592	100%
6/30/2010	11.087%	113,686	100%
6/30/2011	11.850%	99,736	100%

### Retirement Obligation

The Agency contracted with CalPERS on November 1, 2000 to provide retirement benefits for its employees. The Agency's defined benefit plan with CalPERS is part of the Miscellaneous 2% at 55 Risk Pool. Effective with the June 30, 2003 valuation, risk pools were established for plans with less than 100 active members.

At the time of joining the risk pool, a side fund was created to account for the difference between the funded status of the pool and the funded status of the Agency's plan. The Agency's side fund valuation was (\$70,828) as of June 30, 2010. The side fund is credited on an annual basis with the actuarial investment return assumption, currently 7.75%. A positive side fund will cause the Agency's required contribution rate to be reduced by the Amortization of the Side Fund. A negative side fund will cause the contribution rate to be increased. In the absence of subsequent contract amendments or funding changes, the Agency's side fund will be paid in full by June 30, 2013. The unfunded liability was a result of the Prior Service credited to four Agency employees from their date of hire to the contract date of November 1, 2000.

## **NOTE 9 – RISK MANAGEMENT**

The Agency maintains a program of self and purchased excess insurance for health and general liability through the City's self-insurance program which is accounted for in an internal service fund of the City. The Agency purchases workers compensation insurance from a third party provider with coverage limits of \$1 million.

The City purchases commercial insurance for claims in excess of the coverage provided by the fund and for all other risks of loss for health claims in excess of \$250,000 and \$190,000, respectively. The City joined the California Joint Powers Insurance Authority (CJPIA), a public entity risk pool currently operating as a risk management and insurance program for various entities.

The City pays an annual premium to CJPIA for its general liability excess insurance coverage for claims over \$1,000,000.

The amount of settlements has not exceeded insurance coverage in each of the past three years.

## **NOTE 10 – SUPPLEMENTAL EDUCATION REVENUE AUGMENTATION FUND (SERAF)**

In July 2009, trailer bill ABX4-26 was passed as part of the FY 2009-2010 state budget requiring redevelopment agencies to pay the State of California a statewide total of \$2.05 billion; \$1.7 billion in FY 2009-2010 and \$350 million in FY 2010-2011, to a Supplemental Educational Revenue Augmentation Fund (SERAF) deposited with the County. On October 20, 2009, the California Redevelopment Association (CRA) filed a lawsuit against the state to prevent ABX4-26 from going into effect. The state prevailed in the lawsuit and the Agency's share of the SERAF take in fiscal year 2010 was \$6,736,202 and \$1,386,865 in fiscal year 2011.

## **NOTE 11 – ENVIRONMENTAL ASSESSMENT AND POLLUTION REMEDIATION**

Due diligence property acquisition policies of the Agency require that Phase I Environmental Site Assessment (ESA) be prepared for all properties to be acquired by the Agency to minimize or avoid potential environmental liabilities. A Phase I ESA is the first step in determining the presence or likely presence of hazardous substances or petroleum products in those properties. If the Phase I ESA findings and conclusions indicate the need for further environmental investigation, a Phase II ESA is commissioned. In those instances where hazardous substances or petroleum products are detected by the Phase II ESA, environmental remediation (cleanup) is subsequently planned and executed. The Phase II ESA and cleanup work are normally supervised, and sanctioned by local environmental agencies such as the California Regional Water Quality Control Board (RWQCB). This agency accepts the completion of the cleanup work by issuing a "Case Closure" letter that officially declares the property free of hazardous substances or petroleum products.

During the past year, the Agency has performed environmental investigation and remediation work at three locations: the 317 W. California Site; the 655 "G" and 705 "G" Street Sites; and 450 "M" Street Site.

317 W. California Site - Phase I and Phase II ESAs were prepared for this brownfield site (former auto dismantling yard) in 1980, 2003 and 2008. A Remedial Action Plan (RAP), completed in Sept 19, 2008, recommended the excavation, removal and replacement of surface soils contaminated with lead, polycyclic aromatic hydrocarbons (PAH) and poly-chlorinated biphenyls (PCB). To fund the subsequent cleanup work estimated at \$285,000, the Agency, in partnership with the Housing Authorities of the City and County of Fresno, applied for and received a \$200,000 EPA Brownfield Cleanup Grant in March 2009 that required a 20% match of funds. The cleanup work began in early January 2011 and was completed in November 2011 with the issuance of the RWQCB's "Case Closure" letter.

**NOTE 11 – POLLUTION REMEDIATION** (Continued)

655 “G” Street and 705 “G” Street Sites - In February 2009, the City of Fresno (City) transferred title of three parcels in the Chinatown project area to the Agency. On October 1995, a Phase I ESA completed for these three parcels indicated that the parcel at 718 “F” Street was free of hazardous substances or petroleum products. In contrast, the two other parcels, at 655 “G” Street and 705 “G” Street, were found to be in need of further assessment (Phase II ESA) because suspected leaking gasoline tanks had been removed from both sites. In April 2007, the City received a Phase II ESA (RAP and soil-vapor test) proposal for the assessment of the 655 “G” Street site, but the proposal was not accepted nor implemented. Currently, the Agency is seeking grant funds to implement the SVE pilot test and RAP at the 655 “G” Street site and to commission a Phase II ESA for the 705 “G” Street site.

450 “M” Street Site - Use of the property at 450 “M” Street, site of the former City of Fresno Fire Department Administration, was a condition of the Disposition and Development Agreement (DDA) with the Old Armenian Town Master Developer. To comply with the terms of the DDA, the City of Fresno (City) is transferring title of the 450 “M” Street property to the Agency. In preparation of the title transfer, a Phase I ESA was commissioned and its findings indicated that an underground fuel storage tank had been removed in 1988 from this site. In April 2009, the RWQCB notified the City that a Phase II ESA assessment for the presence of petroleum hydrocarbons beneath the former tank’s location was required. In June 2009, on behalf of the City, the Agency commissioned a Phase II ESA (including a soil-vapor test) that found weathered hydrocarbons (gasoline) at 15 to 60 feet below ground surface. Since local groundwater was detected at 105 feet below ground surface, the RWQCB considered the weathered hydrocarbons non-threatening to the local groundwater. In July 2010, the RWQCB issued a “Case Closure” letter for this site.

**NOTE 12 – COMMITMENTS AND CONTINGENCIES**

The City of Fresno received funds from the U.S. Department of Housing and Urban Development’s (HUD) Neighborhood Stabilization Program (NSP). The Program provided funding to acquire and rehabilitate abandoned or foreclosed properties that might otherwise become sources of blight. The program’s objective was to stabilize neighborhoods affected by the high incidence of abandoned and foreclosed homes by facilitating the resale of these rehabilitated homes to eligible, owner-occupied, low, moderate and middle income families. A requirement of this program provided that at least twenty-five percent of the total NSP funds received by the City of Fresno must be spent for multi-family housing of very low-income persons.

With approval by the City Council, Agency Board and the board of the Fresno Revitalization Corporation (FRC), the non-profit arm of the Agency, the Agency negotiated the purchase of the Canyon Crest property, a 118-unit apartment complex near the southwest corner of Tulare and First Streets. The Canyon Crest property was acquired on May 2010 at a cost of \$4,418,000 and fulfilled the City’s NSP requirement for multi-family housing. Acquisition of this property was funded through \$2,772,253 received from the City of Fresno’s Neighborhood Stabilization Program (NSP) and a loan for \$1,937,796 carried by the seller. Conditions of the acquisition required that the FRC form a limited liability corporation, the FRC Canyon Crest LLC, to own the property and that the Agency guarantee the loan payable to the seller.

The installment note dated May 28, 2010 carries an interest rate of 6.35% per annum. Interest only payments are due monthly commencing July 1, 2010 with a final balloon payment of all outstanding principal and all accrued and unpaid interest due and payable on November 30, 2012.

Since the date of acquisition, the Fresno Redevelopment Agency (Agency) acting as FRC’s Manager, has: 1) renovated and placed back in service six (6) previously gutted units; 2) completed deferred maintenance from the previous owner including unit turn repairs and maintenance; 3), screened all of the tenants; 4) completed the affordable housing compliance; 5) secured a welfare exemption; and, 6) stabilized the operations of the property.

As part of the Council action in March 2010, Council was advised that the Agency, as the FRC’s Manager, intended to sell the property to an experienced and qualified affordable housing provider. To that end, in early spring through summer 2011, the Agency, as FRC’s Manager, conducted a request for proposals for the sale of the Canyon Crest Apartments, and selected ROEM Development Corporation to purchase the property and assume the NSP requirements tied to the property. A purchase and sale agreement was executed on October 3, 2011 and escrow is anticipated to close on January 13, 2012.

## **NOTE 13 – SUBSEQUENT EVENTS - RECENT CHANGES IN LEGISLATION AFFECTING CALIFORNIA REDEVELOPMENT AGENCIES**

In January 2011, Governor Brown released his Proposed 2011-2012 Budget for the State of California. In an effort to close the gap in the State budget deficit, the budget included AB1X 26 which called for the elimination of redevelopment agencies effective October 1, 2011 and establishment of a successor agency. The legislature subsequently proposed an alternative plan, AB1X 27, which would not eliminate agencies if they agreed to make payments to the State of \$1.7 billion in fiscal year 2011-2012. On June 30, 2011, the Governor signed both bills.

The State's 2011-2012 Budget bill AB1X 27 includes another \$1.7 billion take from redevelopment agencies statewide in fiscal year 2012 and \$400 million annually in subsequent years. The California Redevelopment Association (CRA) and the League of California Cities along with the Cities of San Jose and Union City filed a petition asking the California Supreme Court to overturn AB1X 26 and AB1X 27 contending they violate the Constitution. Should the State prevail in the lawsuit, the Agency's share of the \$1.7 billion in 2011-2012 will be \$9,220,347. In 2012-2013 and subsequent years, the Agency's share of the \$400 million is estimated to be approximately \$2 million annually.

Under the provisions of AB 1X 26, the "Dissolution Bill", agencies are severely limited in what they may do between the effectiveness date and October 1, 2011, when all redevelopment agencies will be dissolved unless the legislative body adopted an ordinance pursuant to AB1X 27, the "Continuation Bill" committing to make payments to school and special districts. Until enactment of the "Continuation Bill", agencies are prohibited from entering into new agreements or indebtedness, except as necessary to fulfill "enforceable obligations" entered into prior to June 29, 2011. Agencies are prohibited from acquiring or disposing of real property and other assets such as cash, accounts receivable, contract rights or grant proceeds. Agencies are also prohibited from engaging in any activities related to the preparation, adoption or amendment of redevelopment plans. AB1X 26 required agencies to adopt an "Enforceable Obligation Payment Schedule" (EOPS) by August 27, 2011. After August 27, 2011, an agency may not make a payment unless it is listed on the adopted EOPS.

Health and Safety Code (HSC) Section 34169(h), enacted by AB1X 26, required agencies to prepare a preliminary draft of the initial "Recognized Obligation Payment Schedule" (ROPS) by September 30, 2011 and provide the ROPS to the redevelopment agency's successor agency, if one was established pursuant to AB1X 26.

The California Redevelopment Association (CRA) and the League of California Cities along with the Cities of San Jose and Union City filed a petition on July 18, 2011 asking the California Supreme Court to overturn AB1X 26 and AB1X 27 contending they violate the Constitution, including Proposition 22 which was passed in November 2010.

At the time of filing the petition, the CRA and the League asked the Court for a stay to prevent the legislation from going into effect until the Court decided the lawsuit. Under the Court's partial stay, agencies were required to complete the EOPS and the ROPS, and are prohibited from engaging in many types of redevelopment activities such as; incurring new debt and acquiring or disposing of property. The Court has outlined an expedited briefing schedule and will render its decision before January 15, 2012, the date when redevelopment agencies are required to make their first payment.

On December 29, 2011, the California Supreme Court issued an opinion in the *California Redevelopment Association v. Matosantos* case, upholding Assembly Bill X1 26 (the "Redevelopment Dissolution" bill) and invalidating Assembly Bill X1 27 (the "Voluntary Payment" bill). The Court provided a four month extension for all deadlines contained in AB X1 26 that arise prior to May 1, 2012. As a result, effective February 1, 2012, all redevelopment agencies in California will be dissolved. The League has released a statement stating that they are appealing immediately.

In response to the Supreme Court ruling, the Agency will be dissolved as of February 1, 2012, and the City of Fresno will act as its successor agency to be responsible for maintaining the payments on the Agency's enforceable obligations.

**NOTE 14 – NET ASSETS AND FUND BALANCES**

Net Assets is measured on the full accrual basis of accounting, while Fund Balance is measured on the modified accrual basis of accounting.

**A. Net Assets**

Net assets are the excess of all the Agency’s assets over all it’s liabilities, regardless of fund. Net Assets are divided into three captions. These captions apply only to Net Assets as determined at the government-wide level, and are described below:

*Invested in Capital Assets, Net of Related Debt* describes the portion of Net Assets which is represented by the current net book value of the Agency’s capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of Net Assets which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the Agency cannot unilaterally alter. These principally include debt service requirements and redevelopment funds restricted to low- and moderate-income purposes.

*Unrestricted* describes the portion of Net Assets which is not restricted as to use.

**B. Fund Balances**

Fund balances are presented in the following categories: nonspendable, restricted, committed, assigned and unassigned (see Note 1 for a description of these categories). A detailed schedule of fund balances at June 30, 2011 is as follows:

	Capital Projects			Debt Service			All Other Governmental Funds	Total Governmental Funds
	Merger One	Merger Two	Housing Project	Merger One	Merger Two	Southeast Fresno		
Nonspendable:								
Loans receivable	\$ 27,810	\$ -	\$ 941,393	\$ -	\$ -	\$ -	\$ -	\$ 969,203
Notes receivable	-	-	6,885,016	-	-	-	-	6,885,016
Property held for resale	10,034,354	11,824,007	6,959,372	-	-	-	7,564,282	36,382,015
Total - Nonspendable	10,062,164	11,824,007	14,785,781	-	-	-	7,564,282	44,236,234
Restricted:								
Low- and moderate/ Income housing projects	-	-	13,041,537	-	-	-	-	13,041,537
Debt service	-	-	-	4,314,604	1,075,123	58,737	1,198,053	6,646,517
Total - Restricted	-	-	13,041,537	4,314,604	1,075,123	58,737	1,198,053	19,688,054
Committed:								
Capital Projects	-	985,214	30,708	-	-	-	5,240,255	6,256,177
Unassigned:	(1,967,897)	-	-	-	-	-	(227,342)	(2,195,239)
	<u>\$ 8,094,267</u>	<u>\$ 12,809,221</u>	<u>\$ 27,858,026</u>	<u>\$ 4,314,604</u>	<u>\$ 1,075,123</u>	<u>\$ 58,737</u>	<u>\$ 13,775,248</u>	<u>\$ 67,985,226</u>

## **NOTE 15 – FUTURE GOVERNMENTAL ACCOUNTING STANDARDS BOARD STATEMENTS**

For the fiscal year ended June 30, 2011, the Agency implemented the following Government Accounting Standards Board standards:

**GASB Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions.*** The requirements of this statement are effective for financial statement periods beginning after June 15, 2010. The objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied, and it clarifies the existing governmental fund type definitions. It establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. These classifications are described in the Fund Balance section of this footnote. It also provides guidance for classifying stabilization amounts on the face of the balance sheet and requires disclosure of certain information about stabilization arrangements in the notes to the financial statements. The definitions of the General Funds, special revenue fund type, capital projects fund type, debt service fund type, and permanent fund type are also clarified by the provisions in this statement.

Additional standards were released by GASB during the fiscal year.

**GASB Statement No. 60 - *Accounting and Financial Reporting for Service Concession Arrangements*** addresses accounting and financial reporting issues related to public-private and public-public partnerships. The statement is effective for periods beginning after December 15, 2011. The Agency has not fully judged the effect of the implementation of GASB Statement No. 60 as of the date of the basic financial statements.

**GASB Statement No. 61 - *The Financial Reporting Entity: Omnibus, an Amendment of GASB Statements No. 14 and No. 34*** modifies a number of provisions with regard to reporting of component units within a financial reporting entity. The statement is effective for periods beginning after June 15, 2012. As of the date of the basic financial statements, the Agency has not made an assessment of any changes that will occur upon this statement's implementation.

**GASB Statement No. 62 - *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*** incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements - Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. The statement is effective for periods beginning after December 15, 2011. However, as the statement codifies what is in current practice, there is no net effect on the Agency's accounting or financial reporting upon the statement's implementation.

**GASB Statement No. 63 - *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position*** modifies current financial reporting of those elements. The largest change will be the replacement of the current Statement of Net Assets with a Statement of Net Position and a Statement of Changes in Net Position instead of the current Statement of Activities upon implementation for periods beginning after December 15, 2011. The Agency will implement this change for the fiscal year ended June 30, 2012.

**GASB Statement No. 64 - *Derivative Instruments: Application of Hedge Accounting Termination Provisions*** - amends current accounting and financial reporting related to terminations of swap agreements due to default or other termination events. In certain instances where swap counterparties or credit support providers are replaced, hedge accounting may continue, rather than cease. The provisions of GASB Statement No. 64 are effective for financial statements beginning after June 15, 2011. As of the date of the basic financial statements, the Agency has not made an assessment of any changes that will occur upon this statement's implementation.

# **COMBINING STATEMENTS**

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**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Capital Projects</u>					
	<u>Pinedale Project</u>	<u>Airport Project</u>	<u>Roeding</u>	<u>Southeast Fresno</u>	<u>Corridor 99</u>	<u>Airport Revitalization</u>
<b>ASSETS</b>						
Cash and investments	\$ 61,637	\$ 63,769	\$ 217,473	\$ 379,145	\$ 1,294,448	\$ 474,955
Due from other funds	-	-	-	-	1,967,897	-
Property held for resale	-	-	94,302	2,961,526	448,087	2,097,044
Total assets	<u>\$ 61,637</u>	<u>\$ 63,769</u>	<u>\$ 311,775</u>	<u>\$ 3,340,671</u>	<u>\$ 3,710,432</u>	<u>\$ 2,571,999</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Due to City of Fresno	\$ -	\$ 291,111	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>291,111</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES:</b>						
Nonspendable	-	-	94,302	2,961,526	448,087	2,097,044
Restricted	-	-	-	-	-	-
Committed	61,637	-	217,473	379,145	3,262,345	474,955
Assigned	-	-	-	-	-	-
Unassigned	-	(227,342)	-	-	-	-
Total fund balances	<u>61,637</u>	<u>(227,342)</u>	<u>311,775</u>	<u>3,340,671</u>	<u>3,710,432</u>	<u>2,571,999</u>
Total liabilities and fund balances	<u>\$ 61,637</u>	<u>\$ 63,769</u>	<u>\$ 311,775</u>	<u>\$ 3,340,671</u>	<u>\$ 3,710,432</u>	<u>\$ 2,571,999</u>

(Continued)

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Capital Projects</u>		<u>Debt Service</u>		
	<u>Central City</u>	<u>S Fresno Industrial</u>	<u>Pinedale Project</u>	<u>Highway City</u>	<u>Airport Project</u>
<b>ASSETS</b>					
Cash and investments	\$ 260,437	\$ 584,263	\$ 10,878	\$ 5	\$ 52,946
Due from other funds	-	-	-	-	-
Property held for resale	733,150	1,230,173	-	-	-
Total assets	<u>\$ 993,587</u>	<u>\$ 1,814,436</u>	<u>\$ 10,878</u>	<u>\$ 5</u>	<u>\$ 52,946</u>
<b>LIABILITIES AND FUND BALANCES</b>					
LIABILITIES:					
Due to City of Fresno	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	-	-	-	-	-
FUND BALANCES:					
Nonspendable	733,150	1,230,173	-	-	-
Restricted	-	-	10,878	5	52,946
Committed	260,437	584,263	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
Total fund balances	<u>993,587</u>	<u>1,814,436</u>	<u>10,878</u>	<u>5</u>	<u>52,946</u>
Total liabilities and fund balances	<u>\$ 993,587</u>	<u>\$ 1,814,436</u>	<u>\$ 10,878</u>	<u>\$ 5</u>	<u>\$ 52,946</u>

(Continued)

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING BALANCE SHEET (Continued)  
NONMAJOR GOVERNMENTAL FUNDS  
JUNE 30, 2011**

	<u>Debt Service</u>					<u>Total</u>
	<u>Roeding</u>	<u>Airport Revitalization</u>	<u>Central City</u>	<u>S Fresno Industrial</u>	<u>Corridor 99</u>	
<b>ASSETS</b>						
Cash and investments	\$ 348,480	\$ 25,536	\$ 41,729	\$ 248,346	\$ 470,133	\$ 4,534,180
Due from other funds	-	-	-	-	-	1,967,897
Property held for resale	-	-	-	-	-	7,564,282
Total assets	<u>\$ 348,480</u>	<u>\$ 25,536</u>	<u>\$ 41,729</u>	<u>\$ 248,346</u>	<u>\$ 470,133</u>	<u>\$ 14,066,359</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES:</b>						
Due to City of Fresno	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 291,111
Total liabilities	-	-	-	-	-	291,111
<b>FUND BALANCES:</b>						
Nonspendable	-	-	-	-	-	7,564,282
Restricted	348,480	25,536	41,729	248,346	470,133	1,198,053
Committed	-	-	-	-	-	5,240,255
Assigned	-	-	-	-	-	-
Unassigned	-	-	-	-	-	(227,342)
Total fund balances	<u>348,480</u>	<u>25,536</u>	<u>41,729</u>	<u>248,346</u>	<u>470,133</u>	<u>13,775,248</u>
Total liabilities and fund balances	<u>\$ 348,480</u>	<u>\$ 25,536</u>	<u>\$ 41,729</u>	<u>\$ 248,346</u>	<u>\$ 470,133</u>	<u>\$ 14,066,359</u>

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Capital Projects</u>					
	<u>Pinedale Project</u>	<u>Airport Project</u>	<u>Roeding</u>	<u>Southeast Fresno</u>	<u>Corridor 99</u>	<u>Airport Revitalization</u>
REVENUES:						
Incremental property taxes						
Use of money and property	\$ 57	\$ 29	\$ 185	\$ 8,008	\$ 2,688	\$ 1,115
Intergovernmental	-	-	128,991	-	-	-
Total revenues	<u>57</u>	<u>29</u>	<u>129,176</u>	<u>8,008</u>	<u>2,688</u>	<u>1,115</u>
EXPENDITURES:						
General government	-	9,225	73,601	110,655	246,297	247,400
Redevelopment	-	45,975	14,343	722,698	218,093	418,523
Debt service:						
Principal repayments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>55,200</u>	<u>87,944</u>	<u>833,353</u>	<u>464,390</u>	<u>665,923</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>57</u>	<u>(55,171)</u>	<u>41,232</u>	<u>(825,345)</u>	<u>(461,702)</u>	<u>(664,808)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	75,000	125,000	1,725,000	1,200,000	1,050,000
Transfers out	-	-	(128,991)	(1,534,000)	-	-
Total other financing sources (uses)	<u>-</u>	<u>75,000</u>	<u>(3,991)</u>	<u>191,000</u>	<u>1,200,000</u>	<u>1,050,000</u>
NET CHANGE IN FUND BALANCES	<u>57</u>	<u>19,829</u>	<u>37,241</u>	<u>(634,345)</u>	<u>738,298</u>	<u>385,192</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>61,580</u>	<u>(247,171)</u>	<u>274,534</u>	<u>3,975,016</u>	<u>2,972,134</u>	<u>2,186,807</u>
FUND BALANCES, END OF YEAR	<u>\$ 61,637</u>	<u>\$ (227,342)</u>	<u>\$ 311,775</u>	<u>\$ 3,340,671</u>	<u>\$ 3,710,432</u>	<u>\$ 2,571,999</u>

(Continued)

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Capital Projects		Debt Service		
	Central City	S Fresno Industrial	Pinedale Project	Highway City	Airport
REVENUES:					
Incremental property taxes	\$ -	\$ -	\$ -	\$ -	\$ 294,572
Use of money and property	468	996	10	-	25
Intergovernmental	-	-	-	-	-
Total revenues	468	996	10	-	294,597
EXPENDITURES:					
General government	72,850	191,615	-	-	109,173
Redevelopment	180,357	555,328	-	-	-
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	253,207	746,943	-	-	109,173
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(252,739)	(745,947)	10	-	185,424
OTHER FINANCING SOURCES (USES):					
Transfers in	500,000	1,000,000	-	-	-
Transfers out	-	-	-	-	(133,914)
Total other financing sources (uses)	500,000	1,000,000	-	-	(133,914)
NET CHANGE IN FUND BALANCES	247,261	254,053	10	-	51,510
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	746,326	1,560,383	10,868	5	1,436
FUND BALANCES, END OF YEAR	\$ 993,587	\$ 1,814,436	\$ 10,878	\$ 5	\$ 52,946

(Continued)

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
COMBINING STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES (Continued)  
NONMAJOR GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2011**

	Debt Service					Total
	Roeding	Airport Revitalization	Central City	S Fresno Industrial	Corridor 99	
REVENUES:						
Incremental property taxes	\$ 763,681	\$ 2,151,904	\$ 880,143	\$ 1,860,508	\$ 2,171,711	\$ 8,122,519
Use of money and property	249	13	34	238	419	14,534
Intergovernmental	-	-	-	-	-	128,991
Total revenues	<u>763,930</u>	<u>2,151,917</u>	<u>880,177</u>	<u>1,860,746</u>	<u>2,172,130</u>	<u>8,266,044</u>
EXPENDITURES:						
General government	208,001	649,059	194,087	503,996	500,281	3,116,240
Redevelopment	-	-	-	-	-	2,155,317
Debt service:						
Principal repayments	177,933	-	-	-	-	177,933
Interest	68,016	-	-	-	-	68,016
Total expenditures	<u>453,950</u>	<u>649,059</u>	<u>194,087</u>	<u>503,996</u>	<u>500,281</u>	<u>5,517,506</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>309,980</u>	<u>1,502,858</u>	<u>686,090</u>	<u>1,356,750</u>	<u>1,671,849</u>	<u>2,748,538</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	128,991	-	-	-	-	5,803,991
Transfers out	(277,736)	(1,480,381)	(676,029)	(1,372,102)	(1,634,342)	(7,237,495)
Total other financing sources (uses)	<u>(148,745)</u>	<u>(1,480,381)</u>	<u>(676,029)</u>	<u>(1,372,102)</u>	<u>(1,634,342)</u>	<u>(1,433,504)</u>
NET CHANGE IN FUND BALANCES	<u>161,235</u>	<u>22,477</u>	<u>10,061</u>	<u>(15,352)</u>	<u>37,507</u>	<u>1,315,034</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>187,245</u>	<u>3,059</u>	<u>31,668</u>	<u>263,698</u>	<u>432,626</u>	<u>12,460,214</u>
FUND BALANCES, END OF YEAR	<u>\$ 348,480</u>	<u>\$ 25,536</u>	<u>\$ 41,729</u>	<u>\$ 248,346</u>	<u>\$ 470,133</u>	<u>\$ 13,775,248</u>

**COMPLIANCE  
INFORMATION**

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**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FISCAL STATEMENT  
FOR THE YEAR ENDED JUNE 30, 2011**

A) Amount of total outstanding indebtedness of the agency by project area:

Project Area	Amount
Airport	\$ 793,811
Airport Area Revitalization	12,588,355
Central Business District	19,395,702
Central City Commercial	1,799,787
Chinatown	1,137,919
West Fresno Rehab (Chinatown)	1,595,694
Convention Center	16,093,419
Freeway 99- Golden State Boulevard Corridor	9,072,147
Fruit/Church	5,249,839
Fulton	3,084,987
Jefferson	16,921,063
Mariposa	16,056,171
Roeding Business Park	6,960,806
South Fresno Industrial Revitalization	12,449,378
South Van Ness	16,800,150
Southeast Fresno	4,448,677
Southwest Fresno GNRA	21,633,201
West Fresno I	2,292,083
West Fresno II	7,569,479
	<hr/>
Total Amount of Outstanding Indebtedness	<u><u>\$ 175,942,668</u></u>

B) Amount of gross tax increment generated in each project area:  
(Statement of Income and Expenditures-Revenues, Tax Increment Gross Line from Financial Transaction Report)

Project Area	Amount
Airport	\$ 294,572
Airport Area Revitalization	2,151,904
Central Business District	795,272
Central City Commercial	880,143
Chinatown	206,082
Convention Center	1,000,284
Freeway 99- Golden State Boulevard Corridor	2,171,711
Fruit/Church	599,686
Fulton	658,986
Jefferson	683,737
Mariposa	1,181,213
Roeding Business Park	763,681
South Fresno Industrial Revitalization	1,860,508
South Van Ness	500,469
Southeast Fresno	2,817,750
Southwest Fresno GNRA	2,911,060
West Fresno I	210,121
West Fresno II	856,803
	<hr/>
Total Amount of Gross Tax Increment	<u><u>\$ 20,543,982</u></u>

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FISCAL STATEMENT (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

- C) Amount of tax increment revenues paid to, or spent on behalf of, a taxing agency, other than a school or community college district:

Not applicable. The Redevelopment Agency of the City of Fresno pass through is under H & S Code Section 33607, and is not specified by the Code to be part of this reporting.

- D) The financial transaction report required pursuant to section 53891 of the Government Code:

The State Controller Financial Transaction Report filed by December 31st.

- E) Amount allocated to school or community college districts:

Not applicable. Redevelopment Agency of the City of Fresno pass through is under H & S Code Section 33607, and is not specified by the Code to be part of this reporting.

- F) The amount of existing indebtedness, and the total amount of payments required to be paid on existing indebtedness for that fiscal year:

The total of existing indebtedness is summarized in (A) above, see below for the total amount of payments required to be paid on existing indebtedness by project area:

Project Area	Amount
Airport	\$ 329,808
Airport Area Revitalization	3,132,340
Central Business District	874,706
Central City Commercial	1,799,787
Chinatown	1,137,919
West Fresno Rehab (Chinatown)	1,595,694
Convention Center	2,537,866
Freeway 99- Golden State Boulevard Corridor	3,789,549
Fruit/Church	790,676
Fulton	829,904
Jefferson	1,431,845
Mariposa	1,678,590
Roeding Business Park	1,786,840
South Fresno Industrial Revitalization	2,603,223
South Van Ness	2,601,692
Southeast Fresno	2,625,247
Southwest Fresno GNRA	5,073,764
West Fresno I	348,456
West Fresno II	1,127,767
	<hr/>
Total Amount of Payments Required to be Paid on Existing Indebtedness	<u><u>\$ 36,095,673</u></u>

- G) Additional information:

Jobs created – 886

Construction square footage completed – 338,638

Linear footage completed – 6,987

Housing fund deposits and disbursements – see attached

Plan Time and Limitations and Fiscal Information – see attached

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 1 TO THE FISCAL STATEMENTS  
HOUSING FUND DEPOSITS AND DISBURSEMENTS INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011**

General Ledger Detail Report

REDEVELOPMENT AGENCY- FRESNO (RDA)

Account Number/Description				Detail Postings for Period 01 Thru 12 Ending 6/30/2011				
Period	Date	Journal	Comments	Beginning Balance	Debit	Credit	Net Change	Ending Balance
1135-29-500			CASH: HOUSING: CP	8,564,619.07				
01	7/1/2010	JE-002684	RECL A/PAY TO PROJECTS			416,007.09		8,148,611.98
01	7/30/2010	JE-003002	RECL CASH:JULY EOM DEP		600.00			8,149,211.98
01	7/31/2010	JE-003088	RECL CASH:JULY DISBURSEMENTS			463,588.73		7,685,623.25
02	8/9/2010	JE-003004	RECL CASH:SALE:HSA:NSP:GRANT		58,689.05			7,744,312.30
02	8/9/2010	JE-003004	RECL CASH:SALE:HSA:NSP:GRANT		15,837.33			7,760,149.63
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		600.00			7,760,749.63
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		1,350.00			7,762,099.63
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		1,500.00			7,763,599.63
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		1,500.00			7,765,099.63
02	8/31/2010	JE-003089	RECL CASH:AUG DISBURSEMENTS			256,965.63		7,508,134.00
03	9/30/2010	JE-003007	RECL CASH:FRC REIMB:CANYON CRE		1,000.00			7,509,134.00
03	9/30/2010	JE-003010	RECL CASH:SEP EOM DEPOSIT		600.00			7,509,734.00
03	9/30/2010	JE-003010	RECL CASH:SEP EOM DEPOSIT		1,500.00			7,511,234.00
03	9/30/2010	JE-003010	RECL CASH:SEP EOM DEPOSIT		67.72			7,511,301.72
03	9/30/2010	JE-003090	RECL CASH:SEPT DISBURSEMENTS			147,635.51		7,363,666.21
04	10/6/2010	JE-003013	RECL DEP:A/R FROM CITY:KP LEAS		11,720.71			7,375,386.92
04	10/6/2010	JE-003014	RECL DEP:HSA:NSP:CITY REIMB		59,553.83			7,434,940.75
04	10/6/2010	JE-003014	RECL DEP:HSA:NSP:CITY REIMB		3,640.41			7,438,581.16
04	10/31/2010	JE-003015	RECL CASH:OCT EOM DEPOSIT		600.00			7,439,181.16
04	10/31/2010	JE-003015	RECL CASH:OCT EOM DEPOSIT		112.00			7,439,293.16
04	10/31/2010	JE-003015	RECL CASH:OCT EOM DEPOSIT		115.00			7,439,408.16
04	10/31/2010	JE-003015	RECL CASH:OCT EOM DEPOSIT		169.03			7,439,577.19
04	10/31/2010	JE-003091	RECL CASH:OCT DISBURSEMENTS			18,866.97		7,420,710.22
05	11/30/2010	JE-003016	RECL SALES:HS:NSP:733 E CAMB		22,988.49			7,443,698.71
05	11/30/2010	JE-003016	RECL SALES:HS:NSP:733 E CAMB		99,731.60			7,543,430.31
05	11/30/2010	JE-003017	RECL PYMT CITY:HS:NSP:WALDB		149,636.89			7,693,067.20
05	11/30/2010	JE-003018	RECL CASH:NOV EOM DEPOSIT		1,036.53			7,694,103.73
05	11/30/2010	JE-003018	RECL CASH:NOV EOM DEPOSIT		1,308.83			7,695,412.56
05	11/30/2010	JE-003018	RECL CASH:NOV EOM DEPOSIT		1,500.00			7,696,912.56
05	11/30/2010	JE-003018	RECL CASH:NOV EOM DEPOSIT		35.18			7,696,947.74
05	11/30/2010	JE-003092	RECL CASH:NOV DISBURSEMENTS			49,690.09		7,647,257.65
06	12/31/2010	JE-003019	RECL SALE:HS:NSP:944 ARTHUR		107,204.05			7,754,461.70
06	12/31/2010	JE-003020	RECL SALES HS:NSP: 2311 WALDBY		15,634.02			7,770,095.72
06	12/31/2010	JE-003021	RECL REIMB:CITY:OUT OF PCKT		67,173.40			7,837,269.12
06	12/31/2010	JE-003021	RECL REIMB:CITY:OUT OF PCKT		37,033.24			7,874,302.36
06	12/31/2010	JE-003021	RECL REIMB:CITY:OUT OF PCKT		69,587.23			7,943,889.59
06	12/31/2010	JE-003021	RECL REIMB:CITY:OUT OF PCKT		70,587.04			8,014,476.63
06	12/31/2010	JE-003022	RECL CASH:DEC EOM DEPOSIT		1,500.00			8,015,976.63
06	12/31/2010	JE-003022	RECL CASH:DEC EOM DEPOSIT		600.00			8,016,576.63
06	12/31/2010	JE-003022	RECL CASH:DEC EOM DEPOSIT		43.17			8,016,619.80
06	12/31/2010	JE-003023	RECL SALE:HS:NSP:VASSAR		79,660.44			8,096,280.24
06	12/31/2010	JE-003023	RECL SALE:HS:NSP:VASSAR		5,346.96			8,101,627.20
06	12/31/2010	JE-003093	RECL CASH:DEC DISBURSEMENTS			44,774.97		8,056,852.23
07	1/24/2011	JE-003028	RECL RENTAL INC:BERKLEY:829 FUJ		1,500.00			8,058,352.23
07	1/31/2011	JE-003025	RECL A/R COLLECTED BY CITY		7,701.00			8,066,053.23
07	1/31/2011	JE-003027	RECL SALES:HS:NSP:COLLEGE		87,676.55			8,153,729.78
07	1/31/2011	JE-003029	RECL CASH:JAN EOM DEPOSIT		600.00			8,154,329.78
07	1/31/2011	JE-003094	RECL CASH:JAN DISBURSEMENTS			304,173.06		7,850,156.72
08	2/28/2011	JE-003032	RECL RENTAL INC:829 FULTON		3,000.00			7,853,156.72
08	2/28/2011	JE-003032	RECL RENTAL INC:829 FULTON		1,500.00			7,854,656.72
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		600.00			7,855,256.72
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		463.69			7,855,720.41
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		81.88			7,855,802.29
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		64.23			7,855,866.52
08	2/28/2011	JE-003095	RECL CASH:FEB DISBURSEMENTS			8,898.49		7,846,968.03
09	3/10/2011	JE-002928	SPECIAL TRANSFER TO HSA		4,230,000.00			12,076,968.03
09	3/10/2011	JE-002965	To Reverse JE-2928			4,230,000.00		7,846,968.03
09	3/10/2011	JE-002966	To Record Special HSA Transfer		1,534,000.00			9,380,968.03
09	3/31/2011	JE-003035	RECL CASH:MARCH EOM DEPOSIT		1,500.00			9,382,468.03
09	3/31/2011	JE-003035	RECL CASH:MARCH EOM DEPOSIT		600.00			9,383,068.03
09	3/31/2011	JE-003036	RECL SALE 2604 MILLBROOK		120,000.00			9,503,068.03
09	3/31/2011	JE-003036	RECL SALE 2604 MILLBROOK			8,041.95		9,495,026.08
09	3/31/2011	JE-003036	RECL SALE 2604 MILLBROOK			14,144.18		9,480,881.90

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G/L Date: 6/30/2011

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 1 TO THE FISCAL STATEMENTS  
HOUSING FUND DEPOSITS AND DISBURSEMENTS INFORMATION (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

General Ledger Detail Report

REDEVELOPMENT AGENCY- FRESNO (RDA)

Account Number/Description				Detail Postings for Period 01 Thru 12 Ending 6/30/2011				
Period	Date	Journal	Comments	Beginning Balance	Debit	Credit	Net Change	Ending Balance
09	3/31/2011	JE-003096	RECL CASH:MAR DISBURSEMENTS			552,463.16		8,928,418.74
10	4/30/2011	JE-003039	RECL AR COLLECTED BY CITY		14,128.91			8,942,547.65
10	4/30/2011	JE-003041	RECL CASH:APRIL EOM DEPOSIT		1,500.00			8,944,047.65
10	4/30/2011	JE-003041	RECL CASH:APRIL EOM DEPOSIT		600.00			8,944,647.65
10	4/30/2011	JE-003041	RECL CASH:APRIL EOM DEPOSIT		80.25			8,944,727.90
10	4/30/2011	JE-003097	RECL CASH:APR DISBURSEMENTS			581,893.55		8,362,834.35
11	5/31/2011	JE-003043	RECL CASH:MAY EOM DEPOSIT		600.00			8,363,434.35
11	5/31/2011	JE-003044	RECL CASH:5-29 DEPOSIT		1,500.00			8,364,934.35
11	5/31/2011	JE-003098	RECL CASH:MAY DISBURSEMENTS			22,352.39		8,342,581.96
12	6/25/2011	JE-002994	Reclassify 20% Set Aside		1,665,400.08			10,007,982.04
12	6/30/2011	JE-003047	RECL CASH:DEP 4715 CAMBRIDGE			45,028.48		9,962,953.56
12	6/30/2011	JE-003047	RECL CASH:DEP 4715 CAMBRIDGE		170,000.00			10,132,953.56
12	6/30/2011	JE-003048	RECL CASH:DEP 4192 DAYTON			101,761.07		10,031,192.49
12	6/30/2011	JE-003048	RECL CASH:DEP 4192 DAYTON		135,000.00			10,166,192.49
12	6/30/2011	JE-003050	RECL CASH:JUNE EOM DEPOSIT		1,500.00			10,167,692.49
12	6/30/2011	JE-003050	RECL CASH:JUNE EOM DEPOSIT		600.00			10,168,292.49
12	6/30/2011	JE-003051	RECL CASH: 6/30 DEPOSIT		8,144.00			10,176,436.49
12	6/30/2011	JE-003099	RECL CASH:JUN DISBURSEMENTS			129,582.37		10,046,854.12
12	6/30/2011	JE-003124	RECL CASH:ADMIN ALLOCATION			285,000.00		9,761,854.12
12	6/30/2011	JE-003130	CORR PROJ AREA CASH BALANCES		1,649,943.11			11,411,797.23
12	6/30/2011	JE-003135	INTEREST ALLOC TO PROJ AREAS		9,285.43			11,421,082.66
12	6/30/2011	JE-003158	REC FY11 HOUSING AUTH ACTIVITY		39,507.91			11,460,590.57
12	6/30/2011	JE-003159	REC FY11 HOUSING AUTH ACTIVITY		20,651.89			11,481,242.46
12	6/30/2011	JE-003160	REC FY11 HOUSING AUTH ACTIVITY		135,159.30			11,616,401.76
12	6/30/2011	JE-003162	ADJ INTEREST INCOME:HOUSING		90.79			11,616,492.55
12	6/30/2011	JE-003165	Correct Housing Auth Entry			115,697.00		11,500,795.55
				8,564,619.07	10,732,741.17	7,796,564.69	2,936,176.48	11,500,795.55
1135-30-500	CASH: SWF HSA: CP			2,633,966.47-				
01	7/30/2010	JE-003002	RECL CASH:JULY EOM DEP		150.00			2,633,816.47
01	7/31/2010	JE-003088	RECL CASH:JULY DISBURSEMENTS			5,714.55		2,639,531.02
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		150.00			2,639,381.02
02	8/31/2010	JE-003005	RECL CASH:AUG EOM DEPOSIT		300.00			2,639,081.02
02	8/31/2010	JE-003089	RECL CASH:AUG DISBURSEMENTS			5,799.22		2,644,880.24
03	9/30/2010	JE-003010	RECL CASH:SEP EOM DEPOSIT		300.00			2,644,580.24
03	9/30/2010	JE-003090	RECL CASH:SEPT DISBURSEMENTS			10,416.66		2,654,996.90
04	10/6/2010	JE-003013	RECL DEP:AVR FROM CITY:KP LEAS		2,866.82			2,652,130.08
04	10/31/2010	JE-003015	RECL CASH:OCT EOM DEPOSIT		300.00			2,651,830.08
04	10/31/2010	JE-003091	RECL CASH:OCT DISBURSEMENTS			130,049.10		2,781,879.18
05	11/30/2010	JE-003018	RECL CASH:NOV EOM DEPOSIT		300.00			2,781,579.18
05	11/30/2010	JE-003092	RECL CASH:NOV DISBURSEMENTS			14,532.96		2,796,112.14
06	12/31/2010	JE-003022	RECL CASH:DEC EOM DEPOSIT		150.00			2,795,962.14
06	12/31/2010	JE-003022	RECL CASH:DEC EOM DEPOSIT		81.00			2,795,881.14
06	12/31/2010	JE-003093	RECL CASH:DEC DISBURSEMENTS			14,012.94		2,809,894.08
07	1/31/2011	JE-003025	RECL A/R COLLECTED BY CITY		3,561.23			2,806,332.85
07	1/31/2011	JE-003029	RECL CASH:JAN EOM DEPOSIT		150.00			2,806,182.85
07	1/31/2011	JE-003029	RECL CASH:JAN EOM DEPOSIT		150.00			2,806,032.85
07	1/31/2011	JE-003029	RECL CASH:JAN EOM DEPOSIT		150.00			2,805,882.85
07	1/31/2011	JE-003094	RECL CASH:JAN DISBURSEMENTS			47,884.86		2,853,767.71
08	2/15/2011	JE-003024	RCL PROP ACQ:SWFHSA:CA TRIA		311,888.00			2,541,879.71
08	2/15/2011	JE-003024	RCL PROP ACQ:SWFHSA:CA TRIA			309,929.00		2,851,808.71
08	2/15/2011	JE-003024	RCL PROP ACQ:SWFHSA:CA TRIA			1,959.00		2,853,767.71
08	2/28/2011	JE-003030	RECL GRANT PROCEEDS:317 CA#2		6,159.06			2,847,608.65
08	2/28/2011	JE-003031	RECL GRANT PROCEEDS:317 CA #3		11,069.61			2,836,539.04
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		150.00			2,836,389.04
08	2/28/2011	JE-003033	RECL CASH:FEB EOM DEPOSIT		150.00			2,836,239.04
08	2/28/2011	JE-003095	RECL CASH:FEB DISBURSEMENTS			106,459.01		2,942,698.05
09	3/10/2011	JE-002928	SPECIAL TRANSFER TO HSA		1,534,000.00			1,408,698.05
09	3/10/2011	JE-002965	To Reverse JE-2928			1,534,000.00		2,942,698.05
09	3/10/2011	JE-002966	To Record Special HSA Transfer		4,230,000.00			1,287,301.95
09	3/31/2011	JE-003035	RECL CASH:MARCH EOM DEPOSIT		150.00			1,287,451.95
09	3/31/2011	JE-003096	RECL CASH:MAR DISBURSEMENTS			45,646.26		1,241,805.69
10	4/30/2011	JE-003039	RECL AR COLLECTED BY CITY		3,506.23			1,245,311.92
10	4/30/2011	JE-003041	RECL CASH:APRIL EOM DEPOSIT		150.00			1,245,461.92
10	4/30/2011	JE-003097	RECL CASH:APR DISBURSEMENTS			14,117.64		1,231,344.28

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 1 TO THE FISCAL STATEMENTS  
HOUSING FUND DEPOSITS AND DISBURSEMENTS INFORMATION (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

General Ledger Detail Report

REDEVELOPMENT AGENCY- FRESNO (RDA)

Account Number/Description				Detail Postings for Period 01 Thru 12 Ending 6/30/2011				
Period	Date	Journal	Comments	Beginning Balance	Debit	Credit	Net Change	Ending Balance
11	5/31/2011	JE-003043	RECL CASH:MAY EOM DEPOSIT		300.00			1,231,644.28
11	5/31/2011	JE-003098	RECL CASH:MAY DISBURSEMENTS			2,740.40		1,228,903.88
12	6/25/2011	JE-002994	Reclassify 20% Set Aside		291,006.80			1,519,910.68
12	6/30/2011	JE-003049	RECL CASH:RENTL INC:SWFH:CA TR		150.00			1,520,060.68
12	6/30/2011	JE-003050	RECL CASH:JUNE EOM DEPOSIT		300.00			1,520,360.68
12	6/30/2011	JE-003051	RECL CASH: 6/30 DEPOSIT		3,493.64			1,523,854.32
12	6/30/2011	JE-003099	RECL CASH:JUN DISBURSEMENTS			149,617.03		1,374,237.29
12	6/30/2011	JE-003124	RECL CASH:ADMIN ALLOCATION			100,000.00		1,274,237.29
12	6/30/2011	JE-003130	CORR PROJ AREA CASH BALANCES			49,742.29		1,224,495.00
12	6/30/2011	JE-003135	INTEREST ALLOC TO PROJ AREAS			655.15		1,223,839.85
12	6/30/2011	JE-003158	REC FY11 HOUSING AUTH ACTIVITY			39,507.91		1,184,331.94
12	6/30/2011	JE-003162	ADJ INTEREST INCOME:HOUSING			18.36		1,184,313.58
12	6/30/2011	JE-003165	Correct Housing Auth Entry		115,697.00			1,300,010.58
				<u>2,633,966.47-</u>	<u>6,516,779.39</u>	<u>2,582,802.34</u>	<u>3,933,977.05</u>	<u>1,300,010.58</u>
1135-31-500			CASH: JEFFERSON HSA: CP	688,823.17				
04	10/6/2010	JE-003013	RECL DEP:A/R FROM CITY:KP LEAS		14,507.00			703,330.17
07	1/31/2011	JE-003025	RECL A/R COLLECTED BY CITY		6,207.00			709,537.17
10	4/30/2011	JE-003039	RECL AR COLLECTED BY CITY		2,076.00			711,613.17
12	6/25/2011	JE-002994	Reclassify 20% Set Aside		68,368.37			779,981.54
12	6/30/2011	JE-003051	RECL CASH: 6/30 DEPOSIT		1,038.00			781,019.54
12	6/30/2011	JE-003130	CORR PROJ AREA CASH BALANCES		68,658.16			849,677.70
12	6/30/2011	JE-003135	INTEREST ALLOC TO PROJ AREAS		715.13			850,392.83
12	6/30/2011	JE-003159	REC FY11 HOUSING AUTH ACTIVITY			20,651.89		829,740.94
12	6/30/2011	JE-003162	ADJ INTEREST INCOME:HOUSING			9.60		829,731.34
				<u>688,823.17</u>	<u>161,569.66</u>	<u>20,661.49</u>	<u>140,908.17</u>	<u>829,731.34</u>
1135-32-500			CASH: FATRA HSA: CP	796,355.96-				
12	6/25/2011	JE-002994	Reclassify 20% Set Aside		29,454.54			766,901.42-
12	6/30/2011	JE-003130	CORR PROJ AREA CASH BALANCES			9,522.30		776,423.72-
12	6/30/2011	JE-003135	INTEREST ALLOC TO PROJ AREAS			731.06		777,154.78-
12	6/30/2011	JE-003160	REC FY11 HOUSING AUTH ACTIVITY			135,159.30		912,314.08-
12	6/30/2011	JE-003162	ADJ INTEREST INCOME:HOUSING			62.82		912,376.90-
				<u>796,355.96-</u>	<u>29,454.54</u>	<u>145,475.48</u>	<u>116,020.94-</u>	<u>912,376.90-</u>
<b>Report Total:</b>				<u><u>5,823,119.81</u></u>	<u><u>17,440,544.76</u></u>	<u><u>10,545,504.00</u></u>	<u><u>6,895,040.76</u></u>	<u><u>12,718,160.57</u></u>

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 2 TO THE FISCAL STATEMENTS  
PLAN TIME AND LIMITATIONS AND FINANCIAL INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2011**

	Date Established	Most Recent Date			Size of Project Area (Acres)
		Plan Amended	Project Area		
			Amended	Merged	
<u>Merger Project No. 1</u>					
Central Business District	4/15/1961	8/29/2010	8/31/1963	8/6/1998	86
Chinatown Expanded (Rehab)	8/22/1965	8/29/2010	N/A	8/6/1998	48
Chinatown Expanded	2/28/1986	8/29/2010	2/28/1986	8/6/1998	132
Convention Center	2/12/1982	8/29/2010	N/A	8/6/1998	120
Fulton	8/6/1998	8/29/2010	N/A	8/6/1998	280
Jefferson	1/18/1985	8/29/2010	N/A	8/6/1998	300
Mariposa	2/14/1969	8/29/2010	N/A	8/6/1998	200
South Van Ness Industrial	8/6/1998	8/29/2010	N/A	8/6/1998	540
West Fresno I	11/1/1964	8/29/2010	N/A	8/6/1998	46
West Fresno II	1/19/1964	8/29/2010	N/A	8/6/1998	108
West Fresno III	2/14/1969	9/3/2008	N/A	8/6/1998	34
<u>Merger Project No. 2</u>					
Fruit/Church	12/9/1971	2/3/2011	N/A	12/17/1998	143
Southwest Fresno GNRA	2/14/1969	2/3/2011	12/17/1998	12/17/1998	1,757
Airport Area Revitalization	8/20/1999	1/16/2011	N/A	N/A	1,119
Central City Commercial Revital	9/24/1999	3/27/2008	N/A	N/A	809
Freeway 99-Golden State Blvd	8/5/2003	3/27/2008	N/A	N/A	2,790
Fresno Air Terminal	8/18/1988	6/5/2008	N/A	N/A	102
Roeding Business Park	8/16/1996	3/27/2008	N/A	N/A	954
South Fresno Industrial Revitalization	8/12/1999	3/27/2008	N/A	N/A	1,378
Southeast Fresno Revitalization	8/12/1999	3/27/2008	N/A	N/A	3,088
Totals					<u>14,034</u>

\* Project area has two eminent domain limits for selected parcels.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 2 TO THE FISCAL STATEMENTS  
PLAN TIME AND LIMITATIONS AND FINANCIAL INFORMATION (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

	<u>Original Plan Duration</u>	<u>Current Plan Duration</u>	<u>Debt Establish Limit</u>	<u>Debt Repayment Limit</u>	<u>Eminent Domain Limit</u>	<u>Eminent Domain Limit</u>
<u>Merger Project No. 1</u>						
Central Business District	3/16/2001	1/1/2022	1/1/2022	1/1/2032	8/28/2022	
Chinatown Expanded (Rehab)	1/1/2009	1/1/2022	1/1/2022	1/1/2032	8/28/2022	
Chinatown Expanded	2/28/2026	1/28/2038	1/25/2038	2/28/2048	8/28/2022	
Convention Center	2/12/2012	1/12/2035	1/12/2035	1/12/2045	11/24/2017	8/28/2022*
Fulton	7/6/2028	7/6/2029	7/6/2028	7/6/2043	8/28/2022	
Jefferson	1/18/2015	12/18/2037	12/18/2037	12/18/2047	8/28/2022	
Mariposa	2/14/1999	1/14/2022	1/14/2022	1/14/2032	8/28/2022	
South Van Ness Industrial	6/30/2028	7/6/2029	7/6/2028	7/6/2044	8/28/2022	
West Fresno I	11/1/1999	1/1/2022	1/1/2022	1/1/2032	8/28/2022	
West Fresno II	1/19/1999	1/1/2022	1/1/2022	1/1/2032	8/28/2022	
West Fresno III	2/14/1999	1/14/2009	1/14/2009	1/14/2019	8/6/2010	
<u>Merger Project No. 2</u>						
Fruit/Church	11/7/2011	10/7/2024	10/7/2024	1/14/2034	2/3/2023	
Southwest Fresno GNRA	2/14/1999	1/14/2022	1/14/2022	1/14/2032	2/3/2023	
Airport Area Revitalization	7/19/2029	7/19/2030	7/19/2019	7/19/2045	1/16/2023	
Central City Commercial Revital	8/24/2029	8/24/2030	8/24/2019	8/24/2045	9/24/2011	
Freeway 99-Golden State Blvd	7/5/2033	7/5/2034	7/5/2023	7/5/2049	8/5/2015	
Fresno Air Terminal	7/18/2028	7/18/2029	7/18/2029	8/18/2029	8/18/2000	
Roeding Business Park	7/16/2036	7/16/2037	7/16/2016	7/16/2042	1/18/2015	
South Fresno Industrial Revitalization	7/12/2029	7/12/2030	7/12/2019	7/12/2045	8/12/2011	
Southeast Fresno Revitalization	7/12/2029	7/12/2030	7/12/2019	7/12/2045	8/12/2011	

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
ATTACHMENT 2 TO THE FISCAL STATEMENTS  
PLAN TIME AND LIMITATIONS AND FINANCIAL INFORMATION (Continued)  
FOR THE YEAR ENDED JUNE 30, 2011**

	Bond Indebted Limit	Tax Increment Limit	Tax Incr Received Thru 6/30/11
<u>Merger Project No. 1</u>			
Central Business District		\$64m	\$ 11,335,169
Chinatown Expanded (Rehab)		\$64m	896,449
Chinatown Expanded	\$12m	\$64m	4,366,977
Convention Center	\$21m	\$153m	13,339,620
Fulton	\$32m		3,772,035
Jefferson	\$99m	\$235m	7,633,842
Mariposa		\$100m	23,819,259
South Van Ness Industrial	\$111m		2,855,263
West Fresno I		\$18m	4,908,934
West Fresno II		\$120m	26,567,551
West Fresno III		\$8m	-
<u>Merger Project No. 2</u>			
Fruit/Church		\$34.5m	7,764,171
Southwest Fresno GNRA		\$173.3m	56,848,041
Airport Area Revitalization	\$33m	\$40m	21,300,818
Central City Commercial Revital	\$38m	\$54m	5,733,518
Freeway 99-Golden State Blvd			13,358,622
Fresno Air Terminal	\$85.25m	\$85.25m	8,205,646
Roeding Business Park	\$93m		6,845,259
South Fresno Industrial Revitalization	\$32m	\$20m	10,553,392
Southeast Fresno Revitalization	\$52m	\$48m	19,581,807
Totals			<u>\$ 249,686,373</u>

**STATISTICAL  
SECTION  
(UNAUDITED)**

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**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
STATISTICAL SECTION**

This section of the Redevelopment Agency's comprehensive annual financial report (CAFR) presents detailed information specific to the Agency as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Agency's financial health. As a component unit of the City of Fresno, required statistical information that relates to the City only can be found in the City's CAFR.

**Contents**

**Financial Trends**

These schedules contain trend information to help the reader understand how the Agency's financial performance and well-being have changed over time. (Pages 54 to 57)

**Revenue Capacity**

These schedules contain information to help the reader assess the Agency's primary revenue source, the property tax. (Pages 58 to 83)

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future. (Pages 84 to 86)

**Demographic and Economic Information**

This schedule offers demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place. (Page 87)

**Operating Information**

These schedules contain information about the Agency's operations and resources to help the reader understand how the Agency's financial information relates to the services the Agency provides and the activities it performs. (Pages 88 to 92)

**Sources:**

Unless otherwise noted, the information in these schedules is derived from the basic financial statements or comprehensive annual financial reports for the relevant year. The Agency implemented Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, in 2002; schedules presenting the government-wide data include information beginning in that year.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FINANCIAL TRENDS  
NET ASSETS  
LAST TEN FISCAL YEARS  
(In Thousands)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ (119)	\$ (207)	\$ (273)	\$ (333)	\$ (355)	\$ (418)	\$ (479)	\$ (633)	\$ (651)	\$ -
Restricted	-	-	-	-	-	-	-	-	-	19,688
Unrestricted	<u>(43,176)</u>	<u>(61,769)</u>	<u>(63,110)</u>	<u>(64,234)</u>	<u>(70,908)</u>	<u>(61,220)</u>	<u>(54,892)</u>	<u>(49,922)</u>	<u>(48,506)</u>	<u>(61,218)</u>
<b>Total governmental activities, net assets</b>	<u>\$ (43,295)</u>	<u>\$ (61,976)</u>	<u>\$ (63,383)</u>	<u>\$ (64,567)</u>	<u>\$ (71,263)</u>	<u>\$ (61,638)</u>	<u>\$ (55,371)</u>	<u>\$ (50,555)</u>	<u>\$ (49,157)</u>	<u>\$ (41,530)</u>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement No. 34.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FINANCIAL TRENDS  
CHANGES IN NET ASSETS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,142,169	\$ 5,365,268	\$ 4,737,583	\$ 4,861,856	\$ 5,152,493	\$ 6,613,547	\$ 5,843,838	\$ 5,906,717	\$ 15,771,849	\$ 7,247,642
Redevelopment	8,154,662	4,942,684	8,751,056	6,909,436	16,964,874	5,941,304	8,057,211	9,797,582	8,588,021	4,655,010
Interest and fiscal charges	3,633,186	5,294,289	4,587,815	5,006,982	3,988,526	4,050,136	3,801,184	3,919,849	1,489,845	1,727,186
Total governmental activities expenses	<u>12,930,017</u>	<u>15,602,241</u>	<u>18,076,454</u>	<u>16,778,274</u>	<u>26,105,893</u>	<u>16,604,987</u>	<u>17,702,233</u>	<u>19,624,148</u>	<u>25,849,715</u>	<u>13,629,838</u>
Total governmental net expenses	(12,930,017)	(15,602,241)	(18,076,454)	(16,778,274)	(26,105,893)	(16,604,987)	(17,702,233)	(19,624,148)	(25,849,715)	(13,629,838)
<b>General Revenues and Other Changes in Net Assets</b>										
Governmental activities:										
Incremental property taxes	6,310,866	9,125,270	11,042,505	13,055,207	14,768,911	17,547,137	21,101,863	22,143,924	22,064,725	20,543,982
Use of money and property	2,946,716	1,294,157	974,483	770,078	1,709,288	1,309,122	1,269,152	1,068,843	594,615	544,630
Lease income from the City	-	541,389	667,411	874,232	593,905	196,602	217,658	219,651	-	-
Contributed capital	-	-	-	-	-	-	-	352,058	-	-
Intergovernmental	25,000	932,561	3,137,662	-	1,910,492	238,715	1,259,757	558,882	2,337,146	418,504
Miscellaneous	53,080	98,145	846,883	2,194,555	239,500	521,710	120,808	25,000	230,184	(208,599)
Grants	1,057,914	-	-	-	-	-	-	72,100	2,850	17,265
Special item	-	-	-	(1,590,000)	-	6,416,674	-	-	1,511,174	-
Total governmental activities	<u>10,393,576</u>	<u>11,991,522</u>	<u>16,668,944</u>	<u>15,304,072</u>	<u>19,222,096</u>	<u>26,229,960</u>	<u>23,969,238</u>	<u>24,440,458</u>	<u>26,740,694</u>	<u>21,315,782</u>
<b>Change in Net Assets</b>										
Governmental activities	<u>\$ (2,536,441)</u>	<u>\$ (3,610,719)</u>	<u>\$ (1,407,510)</u>	<u>\$ (1,474,202)</u>	<u>\$ (6,883,797)</u>	<u>\$ 9,624,973</u>	<u>\$ 6,267,005</u>	<u>\$ 4,816,310</u>	<u>\$ 890,979</u>	<u>\$ 7,685,944</u>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement No. 34.  
Fiscal year 2008 expenses were restated to reclassify loss on sale of property as a redevelopment expense.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FINANCIAL TRENDS  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(In Thousands)**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Funds</b>										
Fund Balances										
Nonspendable	\$ 43,647	\$ 30,059	\$ 33,230	\$ 34,982	\$ 29,958	\$ 35,437	\$ 40,406	\$ 39,590	\$ 38,245	\$ 44,236
Restricted	12,341	9,299	8,515	6,959	7,508	8,506	7,929	11,600	9,346	19,688
Committed	6,799	10,097	9,315	5,178	901	836	4,473	8,416	3,862	6,256
Assigned	4,896	5,273	4,267	5,427	6,712	9,410	9,011	5,620	9,109	-
Unassigned	(9,564)	(13,194)	(11,831)	(3,878)	(3,946)	(4,046)	(3,268)	-	-	(2,195)
Total fund balances	<u>\$ 58,119</u>	<u>\$ 41,534</u>	<u>\$ 43,496</u>	<u>\$ 48,668</u>	<u>\$ 41,133</u>	<u>\$ 50,143</u>	<u>\$ 58,551</u>	<u>\$ 65,226</u>	<u>\$ 60,562</u>	<u>\$ 67,985</u>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2011 due to GASB Statement No. 54.  
All prior year balances were restated to the new correct format as implemented in 2011.

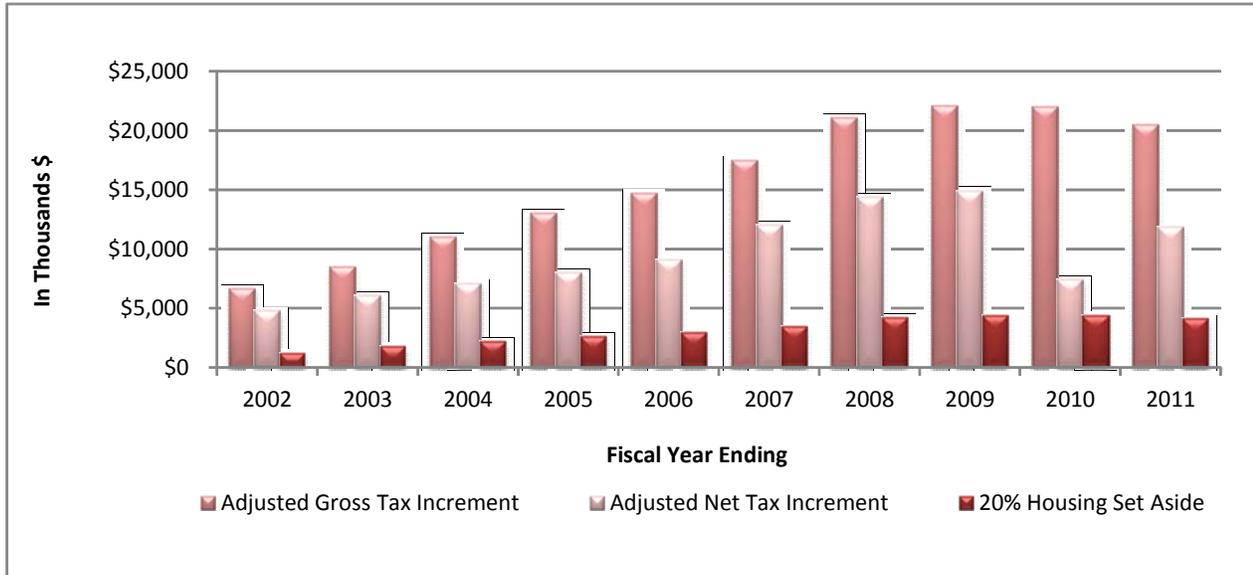
**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
FINANCIAL TRENDS  
CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

	Fiscal Year									
	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues</b>										
Incremental property taxes	\$ 6,310,866	\$ 9,125,270	\$ 11,042,505	\$ 13,055,207	\$ 14,768,911	\$ 17,547,137	\$ 21,101,863	\$ 22,143,924	\$ 22,064,725	\$ 20,543,982
Use of money and property	1,294,329	1,316,133	994,545	829,978	1,748,540	1,411,649	1,280,361	1,079,155	641,178	544,630
Lease income from the City	806,873	2,812,330	2,312,411	2,018,022	1,146,583	1,165,689	1,215,543	1,044,651	2,960,043	112,450
Intergovernmental	25,000	651,711	3,137,662	-	1,910,492	238,715	1,259,757	558,882	2,337,146	418,504
Miscellaneous	53,080	98,145	406,587	2,194,455	239,500	521,710	120,808	25,000	-	-
Grants	90,100	-	-	-	-	-	-	72,100	2,850	17,265
Gain on sale of property	-	-	440,396	-	-	-	-	-	995,141	(321,049)
Special item	-	-	-	-	-	-	-	-	-	-
<b>Total revenues</b>	<b>8,580,248</b>	<b>14,003,589</b>	<b>18,334,106</b>	<b>18,097,662</b>	<b>19,814,026</b>	<b>20,884,900</b>	<b>24,978,332</b>	<b>24,923,712</b>	<b>29,001,083</b>	<b>21,315,782</b>
<b>Expenditures</b>										
<b>Current:</b>										
Administrative	449,905	3,147,109	3,016,404	2,418,220	2,365,092	2,648,002	3,027,504	2,978,707	2,827,811	2,540,255
County fees and pass throughs	553,264	1,372,782	1,721,179	2,443,636	2,679,469	2,017,635	2,480,318	2,757,566	12,751,024	4,601,246
<b>Capital Projects:</b>										
Redevelopment	8,154,662	4,803,684	8,612,056	6,770,436	16,964,874	5,941,304	4,648,585	8,099,284	8,518,013	4,799,091
Loss on sale of property	-	845,377	-	-	2,512	1,924,026	3,408,632	1,613,298	-	-
<b>Debt Service:</b>										
Principal repayments	5,072,652	2,674,010	6,956,645	2,043,828	1,601,530	4,674,152	2,231,416	2,090,615	9,013,428	1,254,680
Interest and fiscal charges	2,244,385	2,022,302	2,123,029	1,963,273	1,644,103	4,761,578	1,455,071	1,754,099	1,183,303	882,012
Payment to refunded bond escrow agent	-	-	-	1,779,900	-	-	-	-	-	-
<b>Total expenditures</b>	<b>16,474,868</b>	<b>14,865,264</b>	<b>22,429,313</b>	<b>17,419,293</b>	<b>25,257,580</b>	<b>21,966,697</b>	<b>17,251,526</b>	<b>19,293,569</b>	<b>34,293,579</b>	<b>14,077,284</b>
Excess (deficiency) of revenues over (under) expenditures	(7,894,620)	(861,675)	(4,095,207)	678,369	(5,443,554)	(1,081,797)	7,726,806	5,630,143	(5,292,496)	7,238,498
<b>Other Financing Sources (Uses)</b>										
Premium on refunding bonds issued	-	-	-	81,210	-	-	-	-	-	-
Proceeds from refunding bonds issued	-	-	-	4,365,000	-	-	-	-	-	-
Payment to refunded bond escrow agent	571,777	-	-	4,134,776	-	-	-	-	-	-
Loan proceeds	-	1,456,177	6,057,171	(4,377,676)	908,996	675,237	681,398	692,474	180,000	185,000
Contributed capital	-	-	-	-	-	-	-	352,058	-	-
Forgiveness of indebtedness	-	-	-	-	-	6,416,674	-	-	-	-
Transfers in	4,248,673	10,745,054	11,256,502	12,429,515	11,144,782	13,404,428	16,732,394	14,966,641	13,706,517	20,491,787
Transfers out	(4,248,673)	(10,745,054)	(11,256,502)	(12,429,515)	(11,144,782)	(13,404,428)	(16,732,394)	(14,966,641)	(13,706,517)	(20,491,787)
<b>Total other financing sources (uses)</b>	<b>571,777</b>	<b>1,456,177</b>	<b>6,057,171</b>	<b>4,203,310</b>	<b>908,996</b>	<b>7,091,911</b>	<b>681,398</b>	<b>1,044,532</b>	<b>180,000</b>	<b>185,000</b>
<b>Net change in fund balances</b>	<b>\$ (7,322,843)</b>	<b>\$ 594,502</b>	<b>\$ 1,961,964</b>	<b>\$ 4,881,679</b>	<b>\$ (4,534,558)</b>	<b>\$ 6,010,114</b>	<b>\$ 8,408,204</b>	<b>\$ 6,674,675</b>	<b>\$ (5,112,496)</b>	<b>\$ 7,423,498</b>
Debt service as a percentage of redevelopment expenditures	729.39%	103.90%	191.65%	119.03%	64.34%	202.24%	66.93%	67.02%	65.45%	29.92%
Debt service as a percentage of total expenditures	44.41%	33.50%	40.48%	33.22%	12.85%	47.08%	26.63%	19.93%	29.73%	15.18%
Redevelopment expenditures as a percentage of total expenditures	49.50%	34.26%	38.40%	38.87%	67.17%	29.64%	33.58%	41.98%	24.84%	34.09%

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement No. 34. Schedule was restated to reclassify loss on sale of property as an expenditure.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TAX INCREMENT REVENUE AND HOUSING SET ASIDE  
LAST TEN FISCAL YEARS**



Fiscal Year Ended June 30	Adjusted Gross Tax Increment		Adjusted Net Tax Increment		20% Housing Set Aside	
	\$	% Increase	\$	% Increase	\$	% Increase
2002	6,668,454	12.26%	4,781,499	11.22%	1,262,173	10.52%
2003	8,537,650	28.03%	6,044,958	26.42%	1,825,054	44.60%
2004	11,042,508	29.34%	7,112,827	17.67%	2,208,502	21.01%
2005	13,055,206	18.23%	8,000,529	12.48%	2,611,041	18.23%
2006	14,768,911	13.13%	9,135,660	14.19%	2,953,782	13.13%
2007	17,547,136	18.81%	12,020,074	31.57%	3,509,427	18.81%
2008	21,101,863	20.26%	14,401,172	19.81%	4,220,373	20.26%
2009	22,143,924	4.94%	14,957,574	3.86%	4,428,785	4.94%
2010	22,064,724	-0.36%	7,419,687	-50.40%	4,412,945	-0.36%
2011	20,543,982	-6.89%	11,833,940	59.49%	4,108,796	-6.89%

Sources: County of Fresno  
Redevelopment Agency of the City of Fresno Annual Reports

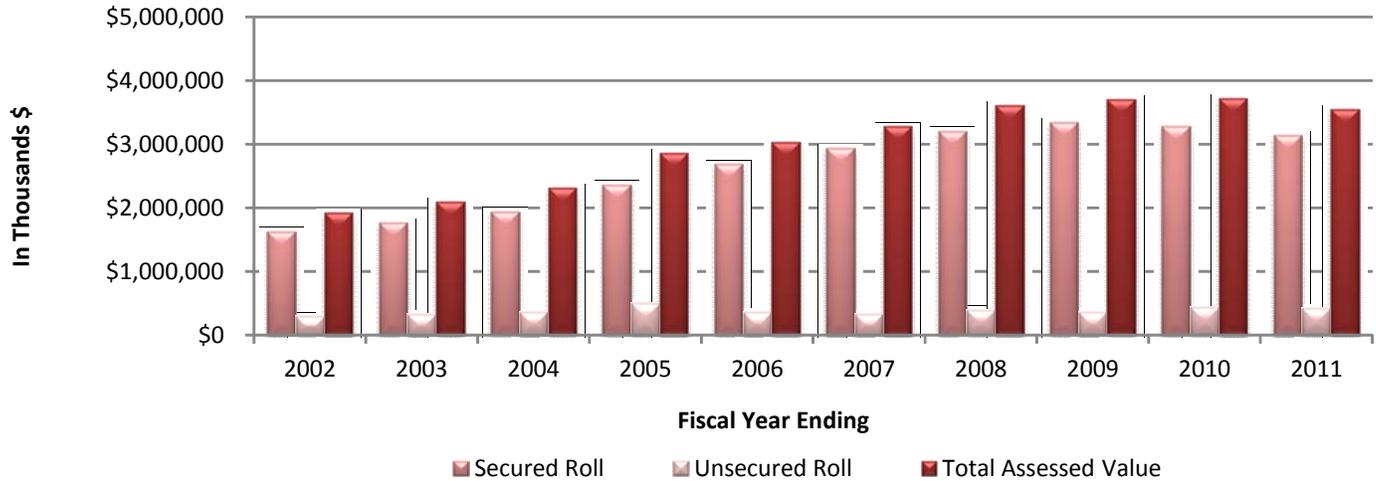
Notes: Net tax increment (TI) is tax revenue after deducting mandatory County administrative fees, pass through payments to other taxing entities, Educational Revenue Augmentation Fund (ERAF) payments and 20% Housing Set Aside.

2010 Adjusted Net Tax Increment corrected in FY 10/11 CAFR.

FY 01/02 First year of increment for Central City Commercial  
FY 04/05 First year of increment for Corridor 99

FY 02/03 Net TI included ERAF payment of \$213,937  
FY 03/04 Net TI included ERAF payment of \$361,380  
FY 04/05 Net TI included ERAF payment of \$862,784  
FY 05/06 Net TI included ERAF payment of \$949,449  
FY 06/07 No ERAF payment  
FY 07/08 No ERAF payment  
FY 08/09 No ERAF payment  
FY 09/10 Net TI included SERAF payment of \$6,736,202  
FY 10/11 Net TI included SERAF payment of \$1,386,865

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
DIRECT PROPERTY TAX RATES  
LAST TEN FISCAL YEARS**



Fiscal Year	Secured Roll	Unsecured Roll	Total Assessed Value	County-Wide Property Tax Rate
2002	\$ 1,631,535,504	\$ 287,472,258	\$ 1,919,007,762	1.0%
2003	1,767,197,959	322,652,308	2,089,850,267	1.0%
2004	1,946,524,436	363,395,308	2,309,919,744	1.0%
2005	2,367,259,395	494,747,131	2,862,006,526	1.0%
2006	2,678,392,131	350,294,199	3,028,686,330	1.0%
2007	2,940,463,254	333,283,999	3,273,747,253	1.0%
2008	3,208,424,186	398,462,441	3,606,886,627	1.0%
2009	3,345,221,808	353,833,662	3,699,055,470	1.0%
2010	3,279,090,422	434,907,928	3,713,998,350	1.0%
2011	3,135,806,772	414,391,741	3,550,198,513	1.0%

The Direct Property Tax Rate for the Redevelopment Agency is 1% for all years. The Agency's incremental property tax revenue is based only on the incremental value of the 1% County-Wide property tax. The incremental rate is the difference between the assessed values as of the date the project area was established and the current values.

Source: County of Fresno

Notes: Four new project areas added in 2000. 2002 first year received incremental taxes for new areas.

One new project area added in 2003. 2005 first year received incremental taxes for new area.

On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$1.00 per \$100.00 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Net Tax Levy	Amount Collected	Percent of Collection of Net Tax Levy
2002	\$ 6,310,866	\$ 6,310,866	100.00%
2003	9,125,270	9,125,270	100.00%
2004	11,042,508	11,042,508	100.00%
2005	13,055,206	13,055,206	100.00%
2006	14,768,911	14,768,911	100.00%
2007	17,547,136	17,547,136	100.00%
2008	21,101,863	21,101,863	100.00%
2009	22,143,924	22,143,924	100.00%
2010	22,064,725	22,064,725	100.00%
2011	20,543,983	20,543,983	100.00%

Source: County of Fresno

Notes: Four new project areas added in 2000. 2002 first year received incremental taxes for new areas.

One new project added in 2003. 2005 first year received incremental taxes for new area.

In 1949, the California Legislature enacted an alternative method for the distribution of secured property taxes to local agencies. This method, known as the Teeter Plan, is set forth in the Revenue and Taxation Code of the State of California (the "Law"). Generally, the Teeter Plan provides for a tax distribution procedure by which secured roll taxes are distributed to taxing agencies within the county included in the Teeter Plan on the basis of the tax levy, rather than on the basis of actual tax collections. The county assumes the risk of delinquencies, in return for which it retains the penalties and accrued interest thereon. As the County of Fresno participates in the Teeter Plan for calculating tax increment due to the Agency, collections equal levies.

On June 6, 1978, California voters approved a constitutional amendment to Article XIII A of the California Constitution, commonly known as Proposition 13, which limits the taxing power of California public agencies. Legislation enacted by the California Legislature to implement Article XIII A (Statutes of 1978, Chapter 292, as amended) provides that, notwithstanding any other law, local agencies may not levy any property tax except to pay debt service on indebtedness approved by voters prior to July 1, 1978, and that each county will levy the maximum tax permitted by Article XIII A of \$1.00 per \$100.00 of full cash value. Assessed value is equal to full cash value, pursuant to Senate Bill 1656, Statutes of 1978.

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO  
REVENUE CAPACITY  
FROZEN BASE – CURRENT VALUE COMPARISONS  
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2011**

Project Area	Base Year	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Merger 1</b>											
Central Business Dist	1960-1961										
Assessed Value		42,196,729	42,045,867	86,583,670	95,443,038	98,968,227	114,830,292	141,571,233	120,431,478	124,342,836	113,505,971
Frozen Base Value		40,801,518	40,801,518	40,801,518	40,801,518	40,801,518	40,801,518	40,801,518	40,801,518	40,801,518	40,801,518
Incremental Value		1,395,211	1,244,349	45,782,152	54,641,520	58,166,709	74,028,774	100,769,715	79,629,960	83,541,318	72,704,453
<b>Chinatown</b>											
Assessed Value	1985-1986	46,226,103	47,779,136	45,215,229	37,119,411	41,389,965	40,569,679	37,939,143	37,494,918	38,084,977	36,738,277
Frozen Base Value		19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,099	19,235,099	19,235,099	19,235,099
Incremental Value		26,990,183	28,543,216	25,979,309	17,883,491	22,154,045	21,333,759	18,704,044	18,259,819	18,849,878	17,503,178
<b>Chinatown/West Fresno Rehab</b>											
Assessed Value	1965-1966	6,525,848	6,860,701	7,574,936	7,852,585	9,268,782	9,516,568	11,326,543	12,019,002	12,182,249	12,284,144
Frozen Base Value		5,637,240	5,637,240	5,637,240	5,637,240	5,637,240	5,637,240	5,637,240	5,637,240	5,637,240	5,637,240
Incremental Value		888,608	1,223,461	1,937,696	2,215,345	3,631,542	3,879,328	5,689,303	6,381,762	6,545,009	6,646,904
<b>Convention Center</b>											
Assessed Value	1981-1982	55,136,722	55,202,997	59,194,213	92,527,182	100,237,601	105,633,294	112,118,833	113,297,384	115,700,280	113,476,446
Frozen Base Value		22,418,359	22,418,359	22,101,752	21,952,247	21,952,247	21,952,247	21,905,251	21,905,251	21,905,251	21,905,251
Incremental Value		32,718,363	32,784,638	37,092,461	70,574,935	78,285,354	83,681,047	90,213,582	91,392,133	93,795,029	91,571,195
<b>Fulton</b>											
Assessed Value	1997-1998	68,565,263	72,278,571	72,543,269	75,342,561	79,029,671	94,950,031	100,171,014	96,248,300	109,567,183	115,900,600
Frozen Base Value		55,111,250	55,111,250	55,074,250	55,074,250	55,074,250	55,074,250	55,022,811	55,022,811	55,022,811	55,022,811
Incremental Value		13,454,013	17,167,321	17,469,019	20,268,311	23,955,421	39,875,781	45,148,203	41,225,489	54,544,372	60,877,789
<b>Jefferson</b>											
Assessed Value	1984-1985	59,134,127	57,203,867	57,935,572	74,528,636	106,335,509	94,013,506	107,377,426	104,707,182	95,384,420	99,351,993
Frozen Base Value		37,469,388	38,942,602	38,142,889	36,422,450	36,422,450	36,422,450	36,421,058	36,421,058	36,421,058	36,421,058
Incremental Value		21,664,739	18,261,265	19,792,683	38,106,186	69,913,059	57,591,056	70,956,368	68,286,124	58,963,362	62,930,935
<b>Mariposa</b>											
Assessed Value	1968-1969	79,490,382	81,452,983	89,023,583	89,141,221	96,316,479	127,220,178	143,069,763	137,224,056	129,527,790	128,017,316
Frozen Base Value		20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	19,958,242	19,958,242	19,958,242	19,958,242
Incremental Value		59,387,965	61,350,566	68,921,166	69,038,804	76,214,062	107,117,761	123,111,521	117,265,814	109,569,548	108,059,074
<b>South Van Ness</b>											
Assessed Value	1997-1998	145,685,902	136,702,687	152,207,063	152,287,681	156,814,961	162,426,334	174,447,740	183,367,870	192,966,965	187,759,329
Frozen Base Value		141,681,196	141,681,196	141,681,196	141,681,196	141,681,196	141,681,196	141,593,962	141,593,962	141,593,962	141,593,962
Incremental Value		4,004,706	(4,978,509)	10,525,867	10,606,485	15,133,765	20,745,138	32,853,778	41,773,908	51,373,003	46,165,367
<b>West Fresno #1</b>											
Assessed Value	1964-1965	18,935,254	20,056,032	22,042,127	21,514,314	21,372,982	21,431,916	22,834,349	24,299,323	24,536,993	22,102,106
Frozen Base Value		2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,821	2,690,821	2,690,821	2,690,821
Incremental Value		16,244,419	17,365,197	19,351,292	18,823,479	18,682,147	18,741,081	20,143,528	21,608,502	21,846,172	19,411,285
<b>West Fresno #2</b>											
Assessed Value	1963-1964	77,463,432	81,825,644	68,661,937	86,623,465	81,777,878	84,050,747	84,525,132	90,082,909	92,179,708	80,661,782
Frozen Base Value		2,044,928	2,044,928	2,044,928	2,044,928	2,044,928	2,044,928	2,044,928	2,044,928	2,044,928	2,044,928
Incremental Value		75,418,504	79,780,716	66,617,009	84,578,537	79,732,950	82,005,819	82,480,204	88,037,981	90,134,780	78,616,854

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO  
REVENUE CAPACITY  
FROZEN BASE – CURRENT VALUE COMPARISONS (Continued)  
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2011**

Project Area	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Merger 2</b>										
Fruit/Church	1971-1972									
Assessed Value	26,681,000	34,757,550	34,486,412	37,567,782	37,565,118	41,402,649	48,605,707	49,419,313	53,645,817	57,076,437
Frozen Base Value	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392	1,819,392
Incremental Value	24,861,608	32,938,158	32,667,020	35,748,390	35,745,726	39,583,257	46,786,315	47,599,921	51,826,425	55,257,045
Southwest Fresno	1968-1969									
Assessed Value	203,957,108	211,411,325	217,462,771	235,002,822	262,006,135	298,891,895	346,871,736	357,159,431	319,885,465	296,897,280
Frozen Base Value	33,168,680	33,168,680	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668
Incremental Value	170,788,428	178,242,645	184,724,103	202,264,154	229,267,467	266,153,227	314,133,068	324,420,763	287,146,797	264,158,612
Airport Area Revitalization	1998-1999									
Assessed Value	216,763,245	255,635,771	334,959,124	311,521,455	310,640,641	326,806,963	337,129,258	326,301,483	369,779,971	318,142,625
Frozen Base Value	117,190,815	117,190,815	117,168,836	117,129,361	117,129,361	117,129,361	117,129,361	117,129,361	117,129,361	117,129,361
Incremental Value	99,572,430	138,444,956	217,790,288	194,392,094	193,511,280	209,677,602	219,999,897	209,172,122	252,650,610	201,013,264
Central City Commercial	1998-1999									
Assessed Value	288,209,667	289,287,822	310,620,688	312,534,454	329,279,194	348,365,479	368,033,950	378,499,072	385,550,073	366,529,001
Frozen Base Value	285,244,555	285,244,555	284,646,534	284,612,217	285,223,366	285,223,366	285,223,366	285,223,366	285,223,366	285,223,366
Incremental Value	2,965,112	4,043,267	25,974,154	27,922,237	44,055,828	63,142,113	82,810,584	93,275,706	100,326,707	81,305,635
Corridor 99	2002-2003									
Assessed Value	-	-	-	422,647,502	492,136,157	558,098,175	616,225,720	639,712,562	612,230,460	587,102,422
Frozen Base Value	-	-	-	382,455,383	382,455,383	382,455,383	384,456,826	384,456,826	384,456,826	384,456,826
Incremental Value	-	-	-	40,192,119	109,680,774	175,642,792	231,768,894	255,255,736	227,773,634	202,645,596
Fresno Air Terminal	1987-1988									
Assessed Value	47,710,966	60,348,870	57,626,993	85,857,927	39,932,094	29,569,708	37,036,618	58,323,830	39,126,300	41,960,870
Frozen Base Value	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289	14,864,289
Incremental Value	32,846,677	45,484,581	42,762,704	70,993,638	25,067,805	14,705,419	22,172,329	43,459,541	24,262,011	27,096,581
Roeding Business Park	1995-1996									
Assessed Value	97,858,312	104,978,949	107,637,198	106,914,153	121,806,190	131,495,502	151,314,681	151,856,922	156,820,952	144,650,635
Frozen Base Value	75,541,201	74,253,715	74,251,007	74,251,007	74,251,007	74,241,007	74,100,775	74,100,775	74,100,775	74,100,775
Incremental Value	22,317,111	30,725,234	33,386,191	32,663,146	47,555,183	57,254,495	77,213,906	77,756,147	82,720,177	70,549,860
South Fresno Industrial	1998-1999									
Assessed Value	137,621,450	159,509,271	167,734,630	217,148,204	215,152,084	233,136,641	257,623,086	284,000,256	297,059,955	301,705,486
Frozen Base Value	198,537,363	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080
Incremental Value	(60,915,913)	30,945,191	39,170,550	88,584,124	86,588,004	104,572,561	129,059,006	155,436,176	168,495,875	173,141,406
Southeast Fresno	1998-1999									
Assessed Value	300,846,252	372,512,224	418,410,329	400,432,133	428,656,662	451,337,696	508,664,695	534,610,179	545,425,956	526,335,793
Frozen Base Value	297,554,287	266,595,922	266,440,422	266,406,872	266,406,872	266,406,872	266,008,435	266,008,435	266,008,435	266,008,435
Incremental Value	3,291,965	105,916,302	151,969,907	134,025,261	162,249,790	184,930,824	242,656,260	268,601,744	279,417,521	260,327,358
<b>Total All Project Areas</b>										
Assessed Value	1,919,007,762	2,089,850,267	2,309,919,744	2,862,006,526	3,028,686,330	3,273,747,253	3,606,886,627	3,699,055,470	3,713,998,350	3,550,198,513
Frozen Base Value	1,371,113,633	1,270,367,713	1,268,006,173	1,648,484,270	1,649,095,419	1,649,085,419	1,650,216,122	1,650,216,122	1,650,216,122	1,650,216,122
Incremental Value	547,894,129	819,482,554	1,041,913,571	1,213,522,256	1,379,590,911	1,624,661,834	1,956,670,505	2,048,839,348	2,063,782,228	1,899,982,391

Source: County of Fresno Auditor-Controller

Notes: Base year valuation changes as properties are placed into public ownership. The Agency receives property taxes on the incremental value (the amount of current value over the frozen base value).  
The County maintains all tax allocation amounts and records.

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO  
REVENUE CAPACITY  
SUMMARY OF ASSESSED VALUE, PROPERTY TAXES, AND DEBT SERVICE BY PROJECT AREA  
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2011**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Merger Project No. 1</u>										
Central Business District										
Date Project Merged 8/6/1998										
Assessed Values	42,196,729	42,045,867	86,583,670	95,443,038	98,968,227	114,830,292	141,571,233	120,431,478	124,342,836	113,505,971
Property Taxes Received	18,499	20,670	502,621	598,489	637,875	809,569	1,099,451	867,458	912,029	795,272
Debt Service	18,499	20,670	102,483	175,983	175,107	141,131	140,381	141,981	140,931	139,781
Coverage	1.00	1.00	4.90	3.40	3.64	5.74	7.83	6.11	6.47	5.69
Chinatown Expanded										
Date Project Merged 8/6/1998										
Assessed Values	52,751,951	54,639,837	52,790,165	44,971,996	50,658,747	50,086,247	49,265,686	49,513,920	50,267,226	49,022,421
Property Taxes Received	275,860	269,658	245,234	157,508	220,050	210,134	197,591	196,746	199,761	206,082
Debt Service										
Coverage										
Convention Center										
Date Project Merged 8/6/1998										
Assessed Values	55,136,722	55,202,997	59,194,213	92,527,182	100,237,601	105,633,294	112,118,833	113,297,384	115,700,280	113,476,446
Property Taxes Received	377,841	362,695	425,406	772,510	856,477	915,019	986,231	998,862	1,023,773	1,000,284
Debt Service	294,693	311,600	296,041	309,064	250,000	-	-	420,000	-	-
Coverage	1.28	1.16	1.44	2.50	3.43	-	-	2.38	-	-
Fulton										
Date Project Merged 8/6/1998										
Assessed Values	68,565,263	72,278,571	72,543,269	75,342,561	79,029,671	94,950,031	100,171,014	96,248,300	109,567,183	115,900,600
Property Taxes Received	144,756	185,826	188,216	219,392	259,436	431,765	488,930	445,848	590,346	658,986
Debt Service	60,610	68,831	68,831	142,331	141,781	141,131	140,381	141,981	140,931	139,781
Coverage	2.39	2.70	2.73	1.54	1.83	3.06	3.48	3.14	4.19	4.71
Jefferson										
Date Project Merged 8/6/1998										
Assessed Values	59,134,127	57,203,867	57,935,572	74,528,636	106,335,509	94,013,506	107,377,426	104,707,182	95,384,420	99,351,993
Property Taxes Received	235,233	133,696	143,808	346,901	694,296	557,434	698,871	664,582	559,288	683,737
Debt Service										
Coverage										
Mariposa										
Date Project Merged 8/6/1998										
Assessed Values	79,490,382	81,452,983	89,023,583	89,141,221	96,316,479	127,220,178	143,069,763	137,224,056	129,527,790	128,017,316
Property Taxes Received	649,482	674,087	753,017	757,953	836,422	1,171,239	1,345,069	1,280,591	1,196,735	1,181,213
Debt Service	421,894	425,894	326,177	329,486	242,361	424,811	426,798	426,754	425,754	429,956
Coverage	1.54	1.58	2.31	2.30	3.45	2.76	3.15	3.00	2.81	2.75
South Van Ness Industrial										
Date Project Merged 8/6/1998										
Assessed Values	145,685,902	136,702,687	152,207,063	152,287,681	156,814,961	162,426,334	174,447,740	183,367,870	192,966,965	187,759,329
Property Taxes Received	37,906	-	107,850	113,424	159,664	226,328	368,570	456,903	545,805	500,469
Debt Service										
Coverage										

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO  
REVENUE CAPACITY  
SUMMARY OF ASSESSED VALUE, PROPERTY TAXES, AND DEBT SERVICE BY PROJECT AREA (Continued)  
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2011**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<u>Merger Project No. 1 (Continued)</u>										
West Fresno I										
Date Project Merged 8/6/1998										
Assessed Values	18,935,254	20,056,032	22,042,127	21,514,314	21,372,982	21,431,916	22,834,349	24,299,323	24,536,993	22,102,106
Property Taxes Received	174,765	187,970	208,392	203,754	202,326	202,917	218,138	233,857	236,456	210,121
Debt Service										
Coverage										
West Fresno II										
Date Project Merged 8/6/1998										
Assessed Values	77,463,432	81,825,644	68,661,937	86,623,465	81,777,878	84,050,747	84,525,132	90,082,909	92,179,708	80,661,782
Property Taxes Received	629,529	678,669	534,283	920,799	869,049	893,615	899,065	959,756	981,129	856,803
Debt Service	589,389	506,418								
Coverage	1.07	1.34								
<u>Merger Project No. 2</u>										
Fruit/Church										
Date Project Merged 11/16/1998										
Assessed Values	26,681,000	34,757,550	34,486,412	37,567,782	37,565,118	41,402,649	48,605,707	49,419,313	53,645,817	57,076,437
Property Taxes Received	263,864	349,798	347,183	381,271	374,688	421,365	507,530	494,938	543,676	599,686
Debt Service										
Coverage										
Southwest Fresno GNRA										
Date Project Merged 11/16/1998										
Assessed Values	203,957,108	211,411,325	217,462,771	235,002,822	262,006,135	298,891,895	346,871,736	357,159,431	319,885,465	296,897,280
Property Taxes Received	1,902,357	1,959,570	2,055,516	2,274,071	2,503,494	2,920,775	3,461,777	3,534,678	3,123,213	2,911,060
Debt Service	590,892	821,631	744,528	888,728	889,328	884,228	883,427	886,727	884,128	880,728
Coverage	3.22	2.38	2.76	2.56	2.82	3.30	3.92	3.99	3.53	3.31
Airport Area Revitalization										
Date Project Established 7/19/1999										
Assessed Values	216,763,245	255,635,771	334,959,124	311,521,455	310,640,641	326,806,963	337,129,258	326,301,483	369,779,971	318,142,625
Property Taxes Received	1,043,046	1,459,148	2,318,730	2,061,856	2,055,486	2,229,561	2,342,989	2,224,121	2,695,384	2,151,904
Debt Service										
Coverage										
Central City Commercial Revitalization										
Date Project Established 8/24/1999										
Assessed Values	288,209,667	289,287,822	310,620,688	312,534,454	329,279,194	348,365,479	368,033,950	378,499,072	385,550,073	366,529,001
Property Taxes Received	29,650	43,767	289,457	310,422	485,000	692,743	906,966	1,009,807	1,085,563	880,143
Debt Service										
Coverage										

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO  
REVENUE CAPACITY  
SUMMARY OF ASSESSED VALUE, PROPERTY TAXES, AND DEBT SERVICE BY PROJECT AREA (Continued)  
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2011**

	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
<b>Freeway 99-Golden State Boulevard</b>										
Date Project Established 7/5/2003										
Assessed Values				422,647,502	492,136,157	558,098,175	616,225,720	639,712,562	612,230,460	587,102,422
Property Taxes Received				430,184	1,182,064	1,893,498	2,496,786	2,738,953	2,445,426	2,171,711
Debt Service										
Coverage										
<b>Fresno Air Terminal</b>										
Date Project Established 7/18/1988										
Assessed Values	47,710,966	60,348,870	57,626,993	85,857,927	39,932,094	29,569,708	37,036,618	58,323,830	39,126,300	41,960,870
Property Taxes Received	231,830	473,028	442,581	746,057	250,590	136,888	216,328	444,332	235,726	294,572
Debt Service										
Coverage										
<b>Roeding Business Park</b>										
Date Project Established 7/16/1996										
Assessed Values	97,858,312	104,978,949	107,637,198	106,914,153	121,806,190	131,495,502	151,314,681	151,856,922	156,820,952	144,650,635
Property Taxes Received	258,889	332,580	378,702	358,369	515,018	724,726	1,050,811	1,058,460	895,297	763,681
Debt Service				65,004	117,103	117,076	117,048	117,019	116,990	116,958
Coverage				5.51	4.40	6.19	8.98	9.05	7.65	6.53
<b>South Fresno Industrial Revitalization</b>										
Date Project Established 7/12/1999	134,621,450	159,509,271	167,734,630	217,148,204						
Assessed Values	730	510,130	431,079	943,771	215,152,084	233,136,641	257,623,086	284,000,256	297,059,955	301,705,486
Property Taxes Received					910,022	1,107,266	1,388,987	1,630,619	1,770,280	1,860,508
Debt Service										
Coverage										
<b>Southeast Fresno Revitalization</b>										
Date Project Established 7/12/1999										
Assessed Values	300,846,252	372,512,224	418,410,329	400,432,133	428,656,662	451,337,696	508,664,695	534,610,179	545,425,956	526,335,793
Property Taxes Received	36,629	1,483,978	1,670,432	1,458,475	1,756,954	2,002,295	2,427,773	2,903,413	3,024,108	2,817,750
Debt Service										
Coverage										

**Sources:**

Assessed values are from the County of Fresno.  
Property taxes and debt service are from Agency Annual Reports.

**Notes:**

Coverage calculation is property taxes divided by debt service. Debt service consists of debt paid from tax increment funds and does not include debt obligations paid from other sources of revenue.

Merger One West Fresno III statistics are not shown as the project area has no tax increment revenue for the past ten years due to current values less than the frozen base values.

The 2002 assessed value for South Van Ness was changed. \$109,738,460 as originally reported did not include the unsecured values of \$35,947,442.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
CENTRAL BUSINESS DISTRICT**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	NGP Fresno LLC	\$ 62,092,330	54.70%	ASP San Diego LLC	\$ 30,317,527	31.77%
2	Scripps GSB II LLC	16,559,499	14.59%	AB Parking Facilities LLC	10,935,183	11.46%
3	Brisam Fresno LLC	7,453,037	6.57%	Skywing LLC	5,710,790	5.98%
4	Fresno Baseball Club LLC	6,868,300	6.05%	Fresno Park Tower LLC	2,837,678	2.97%
5	Fresno Park Tower LLC	5,539,522	4.88%	Lloyds Bank California	2,103,782	2.20%
6	Fresno Capital Fund	3,402,605	3.00%	Fresno Ball Park Lofts LLC	1,683,000	1.76%
7	Fresno Pacific Towers Inc	3,170,264	2.79%	A Partners LLC	1,615,515	1.69%
8	Longs Drugs	2,495,219	2.20%	Lee Dae S & Sook K Trustees	1,491,121	1.56%
9	Center Mall Court Investors	2,244,600	1.98%	Longs Drugs Stores California Inc	1,410,373	1.48%
10	Protek Lending Helm, LLC	2,161,000	1.90%	Ronald Patterson	1,077,204	1.13%
		<u>111,986,376</u>	<u>98.66%</u>		<u>59,182,173</u>	<u>62.00%</u>
	All Other Taxpayers	<u>1,519,595</u>	<u>1.34%</u>	All Other Taxpayers	<u>36,260,865</u>	<u>38.00%</u>
	Total	<u>\$ 113,505,971</u>	<u>100.00%</u>	Total	<u>\$ 95,443,038</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$113,505,971  
2004-2005 based on Project Area taxable value of \$95,443,038

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
CHINATOWN**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	California Dairies Inc	\$ 22,554,480	46.01%	California Dairies Inc	\$ 24,251,409	53.93%
2	EIE Alpha LLC	2,065,232	4.21%	Yorkshire Dried Fruit & Nuts Inc	1,300,000	2.89%
3	Tiara Investments LLC	1,376,298	2.81%	G L I Realty Company	1,124,689	2.50%
4	Smart & Final Inc	1,294,138	2.64%	Union Pacific Railroad Company	1,071,260	2.38%
5	G L I Realty Company	1,183,900	2.42%	Smart & Final Inc	880,981	1.96%
6	Peyton Building LLC	1,136,834	2.32%	Gadah Shouman	706,710	1.57%
7	Stephen L Porter & Gary Beckman	1,034,600	2.11%	Cherta Farms Inc	703,100	1.56%
8	California First Bank	754,083	1.54%	California First Bank	443,800	0.99%
9	Josefina Ortiz	664,513	1.36%	Otani Properties	460,000	1.02%
10	DFP Properties	506,244	1.03%	Cheong Kei Wong & A Lam Tu	390,000	0.87%
		<u>32,570,322</u>	<u>66.45%</u>		<u>31,331,949</u>	<u>69.67%</u>
	All Other Taxpayers	<u>16,452,099</u>	<u>33.55%</u>	All Other Taxpayers	<u>13,640,047</u>	<u>30.33%</u>
	Total	<u>\$ 49,022,421</u>	<u>100.00%</u>	Total	<u>\$ 44,971,996</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$49,022,421  
2004-2005 based on Project Area taxable value of \$44,971,996

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
CONVENTION CENTER**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	GL Bruno Associates Inc	\$ 43,511,860	38.34%	M L Street Properties	\$ 48,867,784	52.81%
2	Uniwell Fresno Hotel, LLC	18,635,655	16.42%	United Security Bank	1,570,922	1.70%
3	M L Street Properties	11,713,510	10.32%	Valley Lavosh Baking Company Inc	1,261,979	1.36%
4	United Security Bank	4,142,544	3.65%	Ellis Commercial Property LP	1,213,015	1.31%
5	Ellis Commercial Property LP	2,649,128	2.33%	Cooper & Hoppe	1,161,122	1.25%
6	Kern Virginia LLC	1,747,491	1.54%	Spalding G Wathen	1,087,747	1.18%
7	Spalding G Wathen	1,662,023	1.46%	Specific Properties LLC	765,000	0.83%
8	Valley Lahvosh Baking Co	1,551,051	1.37%	Ronald Sawl	713,071	0.77%
9	Hugh & Amy Wilson Trustees	1,239,074	1.09%			
10	Joseph Cooper & Lisa Urrizola	1,144,462	1.01%			
		<u>87,996,798</u>	<u>77.53%</u>		<u>56,640,640</u>	<u>61.21%</u>
	All Other Taxpayers	<u>25,479,648</u>	<u>22.47%</u>	All Other Taxpayers	<u>35,886,542</u>	<u>38.79%</u>
	Total	<u>\$ 113,476,446</u>	<u>100.00%</u>	Total	<u>\$ 92,527,182</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
 2010-2011 based on Project Area taxable value of \$113,476,446  
 2004-2005 based on Project Area taxable value of \$92,527,182  
 2004-2005 has less than top ten taxpayers shown as information received from Fresno County Assessor was incomplete.

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
FULTON**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Eretz Fresno Skilled Nursing LLC	\$ 7,886,394	6.80%	ASP San Diego LLC	\$ 4,519,480	6.00%
2	Wolfsen Land & Cattle Company	6,235,187	5.38%	1665 M Street LLC	3,516,400	4.67%
3	Pyramid A-One LLC	5,520,593	4.76%	Valley Burglar & Fire Alarm Company	3,489,122	4.63%
4	Uptown Investments LP	4,992,100	4.31%	Encino Grande LLC	2,670,119	3.54%
5	Fulton Park Plaza LLC	4,877,797	4.21%	Union Pacific Railroad	2,632,272	3.49%
6	NGP Fresno LLC	4,562,964	3.94%	Crocker Building Partners	2,190,000	2.91%
7	Ramos Olga	2,972,515	2.56%	John S Foggy	1,961,650	2.60%
8	Encino Grande LLC	2,941,034	2.54%	Fresno County Employees Credit Union	1,818,568	2.41%
9	AT&T	2,913,600	2.51%	ATC Building Company	1,653,959	2.20%
10	First States Investors 5000A LLC	2,384,011	2.06%	Bank of America	1,567,462	2.08%
		<u>45,286,195</u>	<u>39.07%</u>		<u>26,019,032</u>	<u>34.53%</u>
	All Other Taxpayers	<u>70,614,405</u>	<u>60.93%</u>	All Other Taxpayers	<u>49,323,529</u>	<u>65.47%</u>
	Total	<u>\$ 115,900,600</u>	<u>100.00%</u>	Total	<u>\$ 75,342,561</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$115,900,600  
2004-2005 based on Project Area taxable value of \$75,342,561

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
JEFFERSON**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Steve & Carol Rontell	\$ 4,358,867	4.39%	Nottoli CMC	\$ 1,400,000	1.88%
2	David & Linda Hovannisian	3,334,061	3.36%	Craig Greenwood	944,508	1.27%
3	Nottoli CMC	2,256,961	2.27%	BNSF Railway Company	927,323	1.24%
4	Pargold	2,052,659	2.07%	Jerry & Gail Saylor	669,808	0.90%
5	Hardeep Singh	1,541,598	1.55%	Sequoia Community Health Foundation	577,000	0.77%
6	Central CA Faculty Medical Group	1,151,400	1.16%	Downtown Square Apartments LLC	513,600	0.69%
7	John Ohanian	1,082,832	1.09%	Edward & Charmay Allred	500,000	0.67%
8	Claude & Irene Saiz	1,053,575	1.06%	Steve & Carol Rontell	491,055	0.66%
9	95th Avenue LLC	955,500	0.96%	Anis Medical Supply Inc	423,824	0.57%
10	JCH Family Limited Partnership	906,472	0.91%			
		<u>18,693,925</u>	<u>18.82%</u>		<u>6,447,118</u>	<u>8.65%</u>
	All Other Taxpayers	<u>80,658,068</u>	<u>81.18%</u>	All Other Taxpayers	<u>68,081,518</u>	<u>91.35%</u>
	Total	<u>\$ 99,351,993</u>	<u>100.00%</u>	Total	<u>\$ 74,528,636</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$99,351,993  
2004-2005 based on Project Area taxable value of \$74,528,636  
2004-2005 has less than top ten taxpayers shown as information received from Fresno County Assessor was incomplete.  
2004-2005 top ten taxpayers were adjusted from originally reported. As a non-profit organization, St. John Victory Fellowship Church does not pay County property taxes.

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
MARIPOSA**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Tutelian Holdings LLC	\$ 19,578,137	15.29%	Civic Center Square Inc	\$ 10,836,204	12.16%
2	Civic Center Square Inc	14,474,226	11.31%	LQM Operating Partners LP	3,417,404	3.83%
3	Beverly Healthcare CA Inc	6,338,400	4.95%	Office Depot Inc	2,895,409	3.25%
4	Wolfsen Land & Cattle Company	5,495,945	4.29%	Tutelian Holdings I LLC	2,840,000	3.19%
5	Cornerstone Main Company	4,111,252	3.21%	Cornerstone Main Company	2,325,040	2.61%
6	Bre/LQ Properties LLC	3,941,919	3.08%	BNSF Railway Company	1,945,812	2.18%
7	Fresh & Easy Neighborhood Market	3,318,323	2.59%	Roger and Brenda Bowman Trustees	1,535,370	1.72%
8	Vahan & Anoush Chamlian	2,675,726	2.09%	Golden Bear Inc	1,428,682	1.60%
9	Baltara Enterprises LP	2,663,688	2.08%	Michael & Charlene Knott	1,409,554	1.58%
10	Harry & Ruth Moore Trustees	2,442,179	1.91%	Hideki & Fusako Shimada Trustees	1,337,768	1.50%
		<u>65,039,795</u>	<u>50.80%</u>		<u>29,971,243</u>	<u>33.62%</u>
	All Other Taxpayers	<u>62,977,521</u>	<u>49.20%</u>	All Other Taxpayers	<u>59,169,978</u>	<u>66.38%</u>
	Total	<u>\$ 128,017,316</u>	<u>100.00%</u>	Total	<u>\$ 89,141,221</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$128,017,316  
2004-2005 based on Project Area taxable value of \$89,141,221

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
SOUTH VAN NESS**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zacky Farms	\$ 24,391,609	12.99%	Zacky Farms	\$ 18,844,282	12.37%
2	Endsley Fresno Properties LP	16,485,778	8.78%	Dermody Properties	8,836,292	5.80%
3	Foundry Park Investors LP	11,588,310	6.17%	Foundry Park Investors LP	7,216,279	4.74%
4	R M Wade & Co	10,495,236	5.59%	United States Cold Storage of Central Calif	5,692,660	3.74%
5	Rich Products Corporation	6,919,411	3.69%	Rainbo Bakeries of San Joaquin Valley Inc	4,302,606	2.83%
6	Rainbo Bakeries of San Joaquin Valley Inc	5,228,943	2.78%	Fresno Storage Partners LLC	3,455,826	2.27%
7	Fresno Storage Partners LLC	3,766,941	2.01%	A Gusmer Inc	2,232,400	1.47%
8	S & B Investments	3,276,100	1.74%	R M Wade & Co	2,108,816	1.38%
9	A Gusmer Inc	2,857,736	1.52%	Teton Properties LLC	1,852,320	1.22%
10	Jack Frost Ice Svc Inc	2,708,168	1.44%	Franklin Diel Trustee	1,526,700	1.00%
		<u>87,718,232</u>	<u>46.71%</u>		<u>56,068,181</u>	<u>36.82%</u>
	All Other Taxpayers	<u>100,041,097</u>	<u>53.29%</u>	All Other Taxpayers	<u>96,219,500</u>	<u>63.18%</u>
	Total	<u>\$ 187,759,329</u>	<u>100.00%</u>	Total	<u>\$ 152,287,681</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$187,759,329  
2004-2005 based on Project Area taxable value of \$152,287,681

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
WEST FRESNO ONE**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Carl Simonian LLP	\$ 4,207,801	19.04%	Noel Montoya	\$ 2,602,606	12.10%
2	Emilio Sandoval	2,625,830	11.88%	Warehouse Venture I	1,116,938	5.19%
3	Vigil Properties Inc	1,857,700	8.41%	WW Grainger Inc	1,084,302	5.04%
4	Warehouse Venture I	1,818,138	8.23%	Lamoures Incorporated	840,822	3.91%
5	FDIG LLC	1,763,673	7.98%	FDIG LLC	686,447	3.19%
6	WW Grainger Inc	1,291,741	5.84%	Carl Simonian LLP	662,681	3.08%
7	Lamoures Incorporated	956,746	4.33%	Bank of America Nat'l Trust & Sav Assn	644,720	3.00%
8	BSK Group	906,812	4.10%	Geolease Inc	472,369	2.20%
9	Bank of America	741,262	3.35%	Gerald & Carol O'Brien Trs	387,604	1.80%
10	Jack & Beth Emerian	722,925	3.27%	Orbit Floral Corporation	385,604	1.79%
		<u>16,892,628</u>	<u>76.43%</u>		<u>8,884,093</u>	<u>41.30%</u>
	All Other Taxpayers	<u>5,209,478</u>	<u>23.57%</u>	All Other Taxpayers	<u>12,630,221</u>	<u>58.70%</u>
	Total	<u>\$ 22,102,106</u>	<u>100.00%</u>	Total	<u>\$ 21,514,314</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$22,102,106  
2004-2005 based on Project Area taxable value of \$21,514,314

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
WEST FRESNO TWO**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	McClatchy Newspapers	\$ 22,783,500	28.25%	McClatchy Newspapers	\$ 33,196,758	38.32%
2	Borssa Aardex Fresno LLC	11,878,532	14.73%	Borssa Aardex Fresno LLC	11,000,000	12.70%
3	KFSN Television LLC	8,682,187	10.76%	DBSI State Offices LLC	9,027,000	10.42%
4	DBSI State Offices LLC	6,920,500	8.58%	Fresno Post Office Co	5,900,000	6.81%
5	Fresno Post Office Co	6,556,279	8.13%	Capital Cities Communications Inc	4,588,432	5.30%
6	Charlie's Enterprises Inc	6,225,000	7.72%	Charlie's Enterprises	3,656,700	4.22%
7	Susan Sandelman Trustee	3,173,051	3.93%	Passco GST LLC	3,376,890	3.90%
8	O K Produce	3,102,940	3.85%	Susan Sandelman Trustee	1,758,045	2.03%
9	Kyung Ho Kim & Boon Sa	3,058,890	3.79%	Calvin Inc	1,600,000	1.85%
10	Fresno Property Investments LLC	2,170,000	2.69%			
		<u>74,550,879</u>	<u>92.43%</u>		<u>74,103,825</u>	<u>85.55%</u>
	All Other Taxpayers	<u>6,110,903</u>	<u>7.57%</u>	All Other Taxpayers	<u>12,519,640</u>	<u>14.45%</u>
	Total	<u>\$ 80,661,782</u>	<u>100.00%</u>	Total	<u>\$ 86,623,465</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$80,661,782  
2004-2005 based on Project Area taxable value of \$86,623,465  
2004-2005 has less than top ten taxpayers shown as information received from Fresno County Assessor was incomplete.

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
FRUIT/CHURCH**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zorro Leasing LLC	\$ 29,225,052	51.20%	Zorro Leasing LLC	\$ 26,778,468	71.28%
2	Darling-Delaware Company Inc	12,185,615	21.35%	Busseto Foods Inc	6,363,451	16.94%
3	Busseto Foods Inc	10,481,601	18.36%	Darling-Delaware Company Inc	3,241,008	8.63%
4	Erickson William Van Trustee	2,012,820	3.53%	Housing Assistance Corporation	210,000	0.56%
5	MJE Brothers LLC	209,179	0.37%	Erickson William Van Trustee	200,092	0.53%
6	Angelito E Garza	133,000	0.23%	Yip Lambo & Hui Zhong Li	174,192	0.46%
7	Francisco Ventura Gil	133,000	0.23%	Mercury Overseas Inc	134,000	0.36%
8	Kao Her Chia & Yang Lee Mai	133,000	0.23%			
9	Kim Nou	133,000	0.23%			
10	Sonia Perales	133,000	0.23%			
		<u>54,779,267</u>	<u>95.96%</u>		<u>37,101,211</u>	<u>98.76%</u>
	All Other Taxpayers	<u>2,297,170</u>	<u>4.04%</u>	All Other Taxpayers	<u>466,571</u>	<u>1.24%</u>
	Total	<u>\$ 57,076,437</u>	<u>100.00%</u>	Total	<u>\$ 37,567,782</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
 2010-2011 based on Project Area taxable value of \$57,076,437  
 2004-2005 based on Project Area taxable value of \$37,567,782  
 2004-2005 information received from Fresno County Assessor was incomplete. Unsecured taxable values were not allocated to property reflected in "All Other Taxpayers."  
 The report from the County lists fewer than ten taxpayers.

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
SOUTHWEST FRESNO**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Foster Poultry Farms	\$ 28,882,333	9.73%	Foster Poultry Farms	\$ 39,584,852	16.84%
2	Angelica Textile Services Inc	10,476,580	3.53%	Kearney Palms LLC	4,952,920	2.11%
3	Kearney Palms LLC	7,506,697	2.53%	Bigby Associates	4,469,185	1.90%
4	David & Linda Hovannisian	4,118,000	1.39%	Angelica Healthcare Services Group Inc	3,009,955	1.28%
5	Martin Luther King Square LLC	3,760,220	1.27%	Westgate Housing Associates LP	2,530,113	1.08%
6	JCH Family Limited Partnership	2,280,610	0.77%	Mono Hilltop Manor Associates	2,268,000	0.97%
7	Mono Hilltop Manor Associates	2,109,000	0.71%	Coast to Coast Petroleum	1,825,640	0.78%
8	Rtie Aid Corporation	2,065,250	0.70%	EBDMZR II LLC	1,695,459	0.72%
9	Coast to Coast Petroleum LLC	1,814,225	0.61%	Lonzell and La Vera Williams	1,307,021	0.56%
10	Leon Y & Louise K George Trustees	1,788,300	0.60%	Devinder Shoker, et al	1,198,500	0.51%
		<u>64,801,215</u>	<u>21.84%</u>		<u>62,841,645</u>	<u>26.75%</u>
	All Other Taxpayers	<u>232,096,065</u>	<u>78.16%</u>	All Other Taxpayers	<u>172,161,177</u>	<u>73.25%</u>
	Total	<u>\$ 296,897,280</u>	<u>100.00%</u>	Total	<u>\$ 235,002,822</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$296,897,280  
2004-2005 based on Project Area taxable value of \$235,002,822

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
AIRPORT AREA REVITALIZATION**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Gap Inc	\$ 168,099,628	52.84%	Gap Inc	\$ 155,227,329	49.83%
2	Fresno Palm Lakes LTD	12,076,500	3.80%	Fresno Palm Lakes LTD	13,558,478	4.35%
3	Sunnyvale/Fresno Lake Ridge Invest LLC	8,185,108	2.57%	Sunnyvale/Fresno Lake Ridge Invest LLC	7,584,403	2.43%
4	Donald & Linda Pickett Trustees	6,158,020	1.94%	Fresno Supreme Inc	7,504,600	2.41%
5	Atlantic Aviation	5,527,556	1.74%	Winco LP	4,194,140	1.35%
6	Fairsky Properties	5,477,100	1.72%	Glad Entertainment Inc	3,088,433	0.99%
7	Clinton Airport	5,237,430	1.65%	Nantucket Park III LLC	2,388,099	0.77%
8	Cedar & Shields Associates LLC	4,980,832	1.57%	Nationwide Theatres Corp	2,286,174	0.73%
9	Winco LP	4,495,962	1.41%	C-Black LLP	2,232,373	0.72%
10	BMC Assets Inc	3,504,157	1.10%	Little Clovis LLC	1,726,165	0.55%
		<u>223,742,293</u>	<u>70.34%</u>		<u>199,790,194</u>	<u>64.13%</u>
	All Other Taxpayers	<u>94,400,332</u>	<u>29.66%</u>	All Other Taxpayers	<u>111,731,261</u>	<u>35.87%</u>
	Total	<u>\$ 318,142,625</u>	<u>100.00%</u>	Total	<u>\$ 311,521,455</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$318,142,625  
2004-2005 based on Project Area taxable value of \$311,521,455

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
CENTRAL CITY**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Omninet Properties Manchester Center LLC	\$ 24,011,818	6.55%	US Mall Holdings LLC	\$ 28,145,812	9.01%
2	WCK LLC	15,181,990	4.14%	Sears Roebuck & Co	12,979,871	4.15%
3	Regal Cinemas Inc L/F	11,715,900	3.20%	Regal Cinemas Inc L/F	10,995,000	3.52%
4	Sears Roebuck & Co	10,994,064	3.00%	Fifth Street Funding Inc	6,100,979	1.95%
5	Fifth Street Funding Inc	7,819,939	2.13%	Byer Properties LP	6,010,700	1.92%
6	Manchester Beauty College Inc	6,889,200	1.88%	The Fresno LLC	5,412,120	1.73%
7	Y & Y Property Management Inc	5,837,500	1.59%	GSD Packaging LLC	4,741,364	1.52%
8	GSD Packaging LLC	5,728,564	1.56%	Midtown Plaza Shopping Center Inc	3,107,528	0.99%
9	RMP Properties LLC	4,704,400	1.28%	K W P H Enterprises	2,862,563	0.92%
10	Kartal Investments LLC	4,370,144	1.19%	Sunnyvale Nursery	2,850,000	0.91%
		<u>97,253,519</u>	<u>26.52%</u>		<u>83,205,937</u>	<u>26.62%</u>
	All Other Taxpayers	<u>269,275,482</u>	<u>73.48%</u>	All Other Taxpayers	<u>229,328,517</u>	<u>73.38%</u>
	Total	<u>\$ 366,529,001</u>	<u>100.00%</u>	Total	<u>\$ 312,534,454</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$366,529,001  
2004-2005 based on Project Area taxable value of \$312,534,454

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
FREEWAY 99/GOLDEN STATE BOULEVARD**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Pinnacle Hospitality & Development Inc	\$ 12,072,958	2.06%	Save Mart Supermarkets	\$ 7,672,460	1.82%
2	Save Mart Supermarkets	9,720,604	1.66%	WA Lakeview II LLC	6,781,800	1.60%
3	WS Park LLC	8,661,858	1.48%	Vie-Del Company	5,299,599	1.25%
4	Ashmar LP	8,207,396	1.40%	Hydro Conduit Corporation	4,947,012	1.17%
5	Jack & Gloria Papazian	7,438,291	1.27%	Won Shil Park	4,074,640	0.96%
6	David & Linda Hovannisian	7,416,084	1.26%	Carmel Crest LLC	3,539,868	0.84%
7	BT-OH LLC	6,385,988	1.09%	Ashmar LP	3,313,168	0.78%
8	Vie-Del Company	6,228,689	1.06%	BT-OH LLC	3,250,000	0.77%
9	Lexington Square Apts Partnership	5,073,700	0.86%	George Garcia	2,804,640	0.66%
10	DSS L P	5,054,914	0.86%	Sheikh & Jaibul Kaiuum	2,596,581	0.61%
		<u>76,260,482</u>	<u>13.00%</u>		<u>44,279,768</u>	<u>10.46%</u>
	All Other Taxpayers	<u>510,841,940</u>	<u>87.00%</u>	All Other Taxpayers	<u>378,367,734</u>	<u>89.54%</u>
	Total	<u>\$ 587,102,422</u>	<u>100.00%</u>	Total	<u>\$ 422,647,502</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.  
2010-2011 based on Project Area taxable value of \$587,102,422  
2004-2005 based on Project Area taxable value of \$422,647,502

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
FRESNO AIR TERMINAL**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Skywest Airlines Inc	\$ 35,581,670	84.79%	Skywest Airlines Inc	\$ 1,875,165	2.18%
2	Rogers Helicopter Inc	3,926,900	9.36%	Beal Properties Inc	1,124,694	1.31%
3	CCA Silband Golf Corp	2,013,100	4.80%	Rogers Helicopter Inc	925,000	1.08%
4	Sandhu Bros Gas Station Inc	321,700	0.77%	ABX Air Inc Airborne Express	307,000	0.36%
5	ICL Performance Products LP	117,500	0.28%	CCA Silband Golf Corp	105,000	0.12%
6				Mercury Air Center	4,000	0.00%
7						
8						
		41,960,870	100.00%		4,340,859	5.05%
	All Other Taxpayers	-	0.00%	All Other Taxpayers	81,517,068	94.95%
	Total	\$ 41,960,870	100.00%	Total	\$ 85,857,927	100.00%

Source: Fresno County Assessor

Notes: Based on taxable value of unsecured property and possessory interest only. All secured property in the project area is owned by the City of Fresno.  
2010-2011 based on Project Area taxable value of \$41,960,870  
2004-2005 based on Project Area taxable value of \$85,857,927  
2004-2005 information received from Fresno County Assessor was incomplete. Unsecured taxable values not allocated to individual parcels are reflected in "All Other Taxpayers."  
The project area has fewer than ten taxpayers.

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
ROEDING BUSINESS PARK**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Belmont Palm Properties LTD	\$ 28,501,555	19.70%	Certified Ad	\$ 10,767,265	10.07%
2	Certified Ad Services	13,569,890	9.38%	California Compress Company	7,089,698	6.63%
3	SFT Realty Fresno LLC	9,705,322	6.71%	Frank Solomon Jr.	3,000,000	2.81%
4	Ronald D Paliughi	5,739,700	3.97%	MVP Hydratech, Inc.	2,189,890	2.05%
5	Ameripride Services Inc	5,551,962	3.84%	Integrated Grain & Milling Inc.	2,118,376	1.98%
6	Daoudian Investments LLC	5,365,737	3.71%	Belmont Palm Properties	1,532,811	1.43%
7	Helen Chavez Hansen Trustee	4,989,447	3.45%	MB Technology	1,496,153	1.40%
8	Hydratech LLC	4,740,417	3.28%	Shehadey & Shehadey	1,433,353	1.34%
9	Mornigstar Enterprises	4,601,405	3.18%	Michael & Catherine Mygrant	1,366,323	1.28%
10	Eric & Ronda Kozlowski	3,866,813	2.67%	Larry Shehady	1,257,240	1.18%
		<u>86,632,248</u>	<u>59.89%</u>		<u>32,251,109</u>	<u>30.17%</u>
	All Other Taxpayers	<u>58,018,387</u>	<u>40.11%</u>	All Other Taxpayers	<u>74,663,044</u>	<u>69.83%</u>
	Total	<u>\$ 144,650,635</u>	<u>100.00%</u>	Total	<u>\$ 106,914,153</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property  
2010-2011 based on Project Area taxable value of \$144,650,635  
2004-2005 based on Project Area taxable value of \$106,914,153

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
SOUTH FRESNO INDUSTRIAL**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Fresno Investments LLC	\$ 24,518,305	8.13%	SDG Fresno	\$ 14,210,204	6.54%
2	SDG Fresno 570 LLC	21,183,125	7.02%	Fresno Investments LLC	13,919,794	6.41%
3	Sunset Waste Holdings LLC	15,450,371	5.12%	C&S Logistics of Fresno LLC	7,970,000	3.67%
4	Richard & Sally Caglia	11,534,288	3.82%	Suburban Propane LP	6,305,411	2.90%
5	Thandi Enterprises LLC	11,206,181	3.71%	Fresno Beverage Company Inc	5,178,673	2.38%
6	Scelzi Bros	10,184,973	3.38%	Frank Caglia Trustee	4,821,890	2.22%
7	C&S Logistics of Fresno LLC	9,537,817	3.16%	Fambro Warehouse Co	4,657,050	2.14%
8	CMC Steel Fabricators Inc	9,057,419	3.00%	DBSI Fresno Forms LLC	4,619,038	2.13%
9	James & Lee Briscoe Trustees	8,916,684	2.96%	Freshki Estate I LLC	3,405,180	1.57%
10	Foster Poultry Farms	8,445,600	2.80%	Sonny & Nagina Rani Ahuja Trustees	3,351,920	1.54%
		<u>130,034,763</u>	<u>43.10%</u>		<u>68,439,160</u>	<u>31.50%</u>
	All Other Taxpayers	<u>171,670,723</u>	<u>56.90%</u>	All Other Taxpayers	<u>148,709,044</u>	<u>68.50%</u>
	Total	<u>\$ 301,705,486</u>	<u>100.00%</u>	Total	<u>\$ 217,148,204</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property  
2010-2011 based on Project Area taxable value of \$301,705,486  
2004-2005 based on Project Area taxable value of \$217,148,204

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
REVENUE CAPACITY  
TEN LARGEST ASSESSEES  
SOUTHEAST FRESNO**

Rank	Assessee	2010-2011 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Capri Sun Inc	\$ 56,756,519	10.78%	Capri Sun Inc	\$ 66,368,157	16.57%
2	Government Properties Income Trust LLC	40,001,500	7.60%	Hub Acquisition Trust	61,201,004	15.28%
3	Lyons Magnus Inc	37,526,446	7.13%	Lyons Magnus Inc	27,532,728	6.88%
4	Miller Milling Co Limited Partnership	18,710,976	3.55%	Miller Milling Co Limited Partnership	17,748,692	4.43%
5	Winco Foods LLC	13,433,109	2.55%	New World Pasta Company	11,646,100	2.91%
6	New World Pasta Company	12,573,889	2.39%	HD Development of Maryland Inc	10,160,500	2.54%
7	HD Development of Maryland Inc	10,350,000	1.97%	Container Corporation of America	9,162,618	2.29%
8	WMB IV-V LLC	10,117,986	1.92%	Cornnuts Inc	7,989,373	2.00%
9	Betts Spring Company	9,802,278	1.86%	Prado 2255 South Maple LLC	7,478,700	1.87%
10	Hands Equity LP	9,772,627	1.86%	Ralphs Grocery Company	6,912,777	1.73%
		<u>219,045,330</u>	<u>41.61%</u>		<u>226,200,649</u>	<u>56.50%</u>
	All Other Taxpayers	<u>307,290,463</u>	<u>58.39%</u>	All Other Taxpayers	<u>174,231,484</u>	<u>43.50%</u>
	Total	<u>\$ 526,335,793</u>	<u>100.00%</u>	Total	<u>\$ 400,432,133</u>	<u>100.00%</u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property  
2010-2011 based on Project Area taxable value of \$526,335,793  
2004-2005 based on Project Area taxable value of \$400,432,133

No principal taxpayer information received prior to 2004-2005

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
DEBT CAPACITY  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities				
	Tax Allocation Bonds	Certificates of Participation	Mortgage Revenue Bonds	Notes and Loans Payable	Notes Payable to City of Fresno
2002	\$ 14,690,000	\$ 17,180,000	\$ -	\$ 192,701	\$ 8,725,343
2003	14,280,000	15,070,000	-	89,679	8,725,343
2004	14,195,000	13,425,000	-	61,409	8,725,343
2005	13,635,000	10,610,000	-	1,939,441	10,140,161
2006	13,055,000	6,080,000	-	2,074,902	10,168,754
2007	12,360,000	5,335,000	-	2,030,282	10,168,754
2008	11,637,000	4,550,000	-	1,984,087	10,168,754
2009	10,882,000	3,725,000	-	1,936,262	10,168,755
2010	10,100,000	-	-	1,886,748	9,448,417
2011	9,285,000	-	-	1,835,487	9,321,745

Source: Debt Information – City of Fresno, Finance Department  
Redevelopment Agency of the City of Fresno Annual Reports

Notes: In FY 2005, the City current refunded the 1994 Certificates of Participation (Arena Financing Project) by issuing the 2005 Lease Revenue Bonds (No Neighborhood Left Behind Project) resulting in a reduction in the Redevelopment Agency's COP Debt.

Not all project areas have debt limits.

Since tax increment is the source for repayment of the debt, total outstanding debt burden is expressed as total outstanding debt to net tax increment and number of revenue generating properties as those economic factors provide a more appropriate base for determining debt burden. See the Schedule of Tax Increment and Housing Set Aside on page 58 for net tax increment data.

Population and personal income data not available on an annual basis for redevelopment project areas. See Population, Personal Income, and Area table on page 87.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
DEBT CAPACITY  
RATIOS OF OUTSTANDING DEBT BY TYPE (Continued)  
LAST TEN FISCAL YEARS**

Governmental Activities			Percentage of Net Tax Increment	Number of Revenue Generating Properties	Per Revenue Generating Properties
Advances from City of Fresno	Capital Leases Payable	Total			
\$ 41,446,311	\$ 2,765,142	\$ 84,999,497	1777.67%	9,998	850165.00%
43,943,551	2,714,154	84,822,727	1403.20%	9,998	848396.95%
44,874,803	2,641,699	83,923,254	1179.89%	9,998	839400.42%
45,415,541	2,562,839	84,302,982	1053.72%	13,292	634238.50%
45,930,945	2,480,847	79,790,448	873.40%	13,292	600289.26%
43,468,666	2,428,829	75,791,531	630.54%	13,343	568024.66%
43,565,303	2,336,370	74,241,514	515.52%	13,557	547624.95%
43,859,773	2,271,582	72,843,372	487.00%	13,619	534865.79%
38,862,537	2,201,068	62,498,770	842.34%	13,547	461347.68%
38,862,537	2,124,321	61,429,090	519.09%	13,567	452783.15%

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
DEBT CAPACITY  
RATIOS OF BOND DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	Tax Allocation Bonds	Percent of Actual Taxable Value of Property
2002	\$ 14,690,000	4.737%
2003	14,280,000	4.359%
2004	14,195,000	4.163%
2005	13,635,000	3.770%
2006	13,055,000	3.298%
2007	12,360,000	2.644%
2008	11,637,000	2.161%
2009	10,882,000	2.001%
2010	10,100,000	2.008%
2011	9,285,000	1.926%

Source: Debt Information – City of Fresno, Finance Department  
Redevelopment Agency of the City of Fresno Annual Reports

Notes: Population data not available for redevelopment project areas.

Not all project areas have debt limits.

Tax Allocation Bonds are secured solely from tax increment revenues of the Mariposa, Fruit/Church, and Southwest Fresno Redevelopment Project Areas. Therefore, Actual Taxable Value of Property comprised of property values for Mariposa, Fruit/Church, and Southwest Fresno Project Areas only.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
DEMOGRAPHIC AND ECONOMIC INFORMATION  
POPULATION, PERSONAL INCOME, AND AREA  
BY REDEVELOPMENT PROJECT AREAS**

Project Area	Estimated Population in Project Area	Estimated Median Household Income in Project Area	Per Capita Personal Income	Project Area Square Miles
<b>Merger 1</b>				
Central Business District	1,523	\$ 8,479	6	86
Chinatown Expanded	278	\$ 19,908	72	132
Convention Center	572	\$ 12,575	22	120
Fulton	1,563	\$ 16,866	11	280
Jefferson	5,080	\$ 19,297	4	300
Mariposa	1,958	\$ 19,343	10	200
South Van Ness Industrial	1,496	\$ 22,875	15	540
West Fresno 1	-	\$ -	-	46
West Fresno 2	-	\$ -	-	108
West Fresno Rehab (Chinatown)	92	\$ 16,065	175	48
<b>Merger 2</b>				
Fruit/Church	384	\$ 17,818	46	143
Southwest Fresno	14,745	\$ 17,985	1	1,757
Airport Area Revitalization	6,469	\$ 22,618	3	1,119
Central City Commercial	10,808	\$ 21,290	2	809
Corridor 99-Golden State Boulevard	21,391	\$ 25,594	1	2,790
Fresno Air Terminal (Airport)	-	\$ -	-	102
Roeding Business Park	1,380	\$ 25,533	19	954
South Fresno Industrial	953	\$ 18,956	20	1,378
Southeast Fresno	12,314	\$ 23,100	2	3,088

Source: 2000 US Census  
City of Fresno I-View  
Agency Redevelopment Plans

Notes: Population and median household income data from the 2000 US Census, Summary File 3.  
Population and median household income data from the 2010 US Census is not yet available.

Census Tracts and Block Groups within each redevelopment project area boundary were identified using I-View. A weighted average calculation was used to determine the median household income for each income for each redevelopment project area.

The majority of the Agency's project areas are comprised primarily of commercial and industrial properties. Only four project areas, Southwest Fresno, Central City Commercial, Corridor 99-Golden State Boulevard, and Southeast Fresno, contain a significant residential population. West Fresno 1, West Fresno 2, and Fresno Air Terminal (Airport) do not have any residential population.

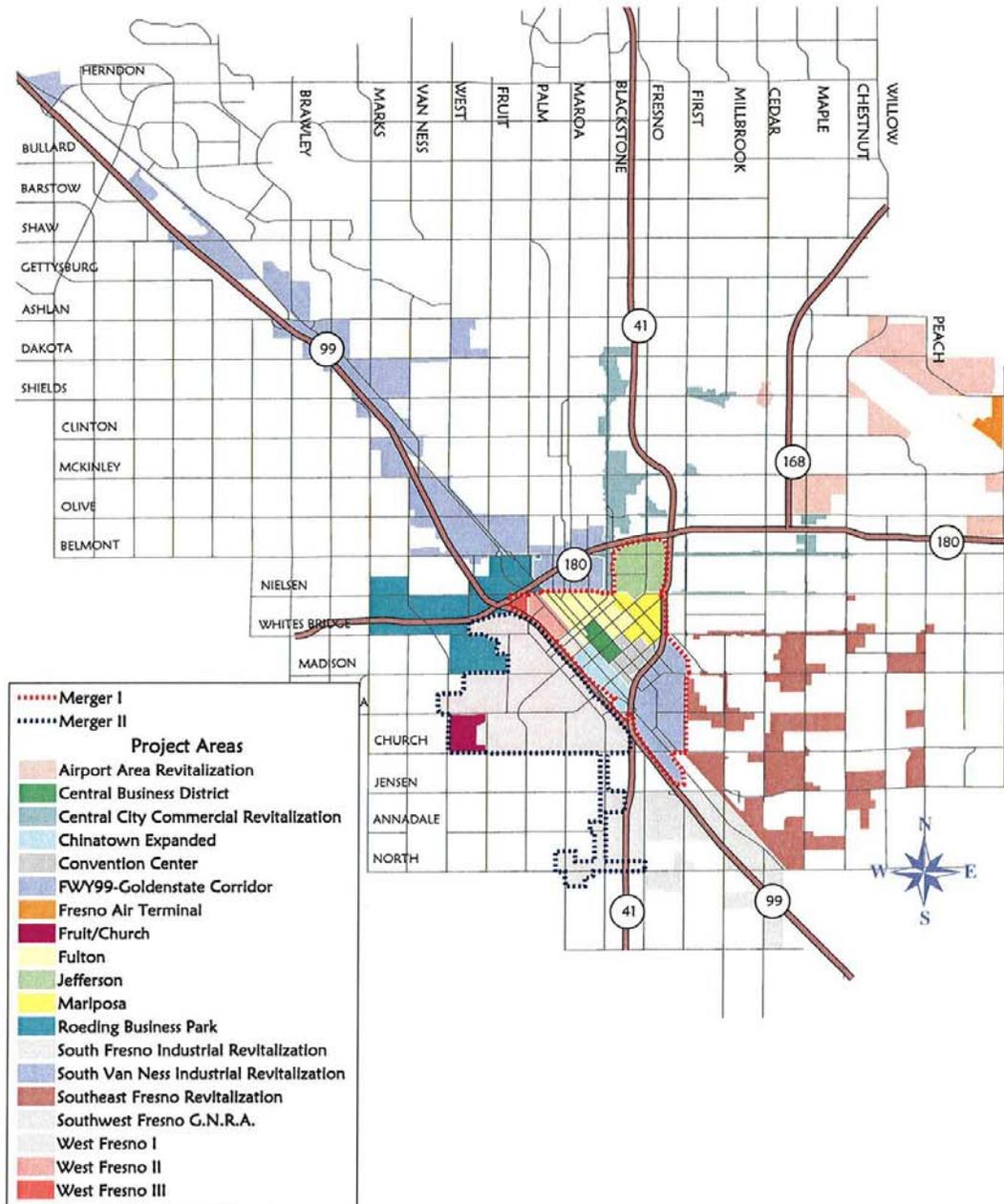
**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
OPERATING INFORMATION  
FULL TIME EQUIVALENT REDEVELOPMENT  
GOVERNMENT EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Fiscal Year	Function			
	Management	Administrative	Financial	Redevelopment
2002	2	3	1	11
2003	2	3	1	11
2004	2	2	1	11
2005	2	2	1	11
2006	2	3	1	12
2007	2	3	1	12
2008	2	3	1	12
2009	2	3	1	13
2010	2	3	1	13
2011	2	3	1	12

Source: Redevelopment Agency of the City of Fresno Annual Budgets

Notes: Redevelopment Agency employees are comprised of both City employees assigned to the Agency and direct Agency employees. The Agency reimburses the City for salary costs of the City employees.

**REDEVELOPMENT AGENCY  
OF THE CITY OF FRESNO  
OPERATING INFORMATION  
MAP OF PROJECT AREAS**

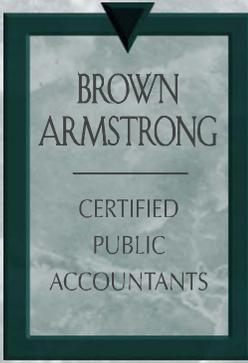


Source: Adopted Redevelopment Agency Plans

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# OTHER REPORTS

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# BROWN ARMSTRONG

*Certified Public Accountants*

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

Members of the Board  
Redevelopment Agency  
City of Fresno, California

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We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Redevelopment Agency of the City of Fresno, California (Agency), a component unit of the City of Fresno, California, as of and for the year ended June 30, 2011, and have issued our report thereon dated December 30, 2011. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Agency’s internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Agency’s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency’s internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



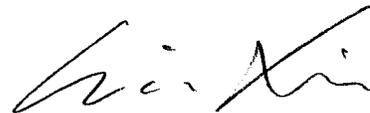
REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

Compliance and Other Matters

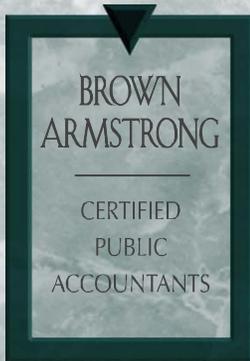
As part of obtaining reasonable assurance about whether the Agency's basic component unit financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of basic component unit financial statement amounts. Our audit included tests of compliance with provisions of the *Guidelines for Compliance Audits of California Redevelopment Agencies, 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and under the *Guidelines for Compliance Audits of California Redevelopment Agencies, 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

This report is intended solely for the information and use of management, the Board of Directors of the Redevelopment Agency, others within the agency, the California State Controller's Office, and the California Department of Housing and Community Development and is not intended to be and should not be used by anyone other than the above parties.

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 30, 2011



# BROWN ARMSTRONG

*Certified Public Accountants*

## **INDEPENDENT AUDITOR’S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL BASED ON AN AUDIT OF COMPLIANCE PERFORMED IN ACCORDANCE WITH *GUIDELINES FOR COMPLIANCE AUDITS OF CALIFORNIA REDEVELOPMENT AGENCIES, 2011*, ISSUED BY THE STATE CONTROLLER**

Members of the Board  
Redevelopment Agency  
City of Fresno, California

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### Compliance

We have audited the Redevelopment Agency of the City of Fresno, California (Agency), a component unit of the City of Fresno, California, compliance with the California Health and Safety Code as required by Section 33080.1 for the year ended June 30, 2011. Compliance with the requirements referred to above is the responsibility of the Agency’s management. Our responsibility is to express an opinion on the Agency’s compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and *Guidelines for Compliance Audits of California Redevelopment Agencies, 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a material effect on the Agency has occurred. An audit includes examining, on a test basis, evidence about the Agency’s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Agency’s compliance with those requirements.

In our opinion, the Agency complied, in all material respects, with the compliance requirements referred to above that are applicable for the year ended June 30, 2011. The results of our auditing procedures disclosed no instances of noncompliance with those requirements which are required to be reported in accordance with *Guidelines for Compliance Audits of California Redevelopment Agencies, 2011*, issued by the State Controller and as interpreted in the *Suggested Auditing Procedures for Accomplishing Compliance Audits of California Redevelopment Agencies, August 2011*, issued by the Governmental Accounting and Auditing Committee of the California Society of Certified Public Accountants.



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### Internal Control Over Compliance

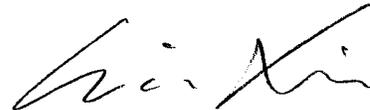
Management of the Agency is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit, we considered the Agency's internal control over compliance to determine the auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over compliance.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designated to identify all deficiencies in internal control that might be deficiencies, significant deficiencies, or material weaknesses in internal control over compliance and, therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



Bakersfield, California  
December 30, 2011



Redevelopment Agency  
of the City of Fresno