

Redevelopment Agency of the City of Fresno

A Component Unit of the City of Fresno, California

5th Comprehensive Annual Financial Report



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Craig Kohrus

For Fiscal Year Ended June 30, 2009

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Prepared by
Redevelopment Agency
Finance Department

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**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO**

**FOR THE YEAR ENDED JUNE 30, 2009
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INTRODUCTORY SECTION

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REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

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December 11, 2009

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

THE 5TH COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

I am pleased to submit to you the fifth Comprehensive Annual Financial Report (CAFR) of the Redevelopment Agency of the City of Fresno for the year ended June 30, 2009, 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, 2009 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.

FINANCIAL REPORTING AND FORMATS

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 Auditors' 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.

THE PROFILE OF THE AGENCY

The Agency's financial statements are included in the comprehensive annual report of the City of Fresno 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.

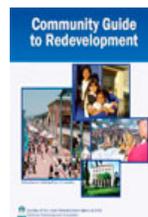
THE PURPOSE OF REDEVELOPMENT

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.



FINANCING REDEVELOPMENT

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.

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.

THE CITY AND ITS SERVICES

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 and other independent elected officials serve 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.

This CAFR includes the financial activities of the primary government, which encompasses several enterprise activities, as well as all of its component units. 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.

FRESNO'S GOVERNMENT, ECONOMY AND OUTLOOK

Fresno is the county seat of Fresno County and is the economic and cultural hub of the fertile Central San Joaquin Valley, a metropolitan region with more than 495,913 residents in the City proper, and over

942,298 in Fresno County. Named after the Fresno Creek, “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 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.



Fresno County is the fifth largest county in the State of California and is situated approximately in the geographic center of the state encompassing approximately 6,017 square miles. The population of the County has grown by approximately 16% in the past ten years, and boasts more than 90 different nationalities. Over half of all county residents live in the City of Fresno, making it the largest city in the county. 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 \$5.6 billion in 2008. Industry related to agriculture, wholesale distribution, recreation, and tourism are the other components of the stable 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, sheet and bottle glass.

The City of Fresno is the thirty-sixth largest city in the United States and the fifth largest in California. 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. The City currently has a land area of 111.78 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 Council.

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 business involved range from environmental engineering to fashion designers. Urban/suburban Fresno has undergone significant economic transformation in recent years.



Fresno County’s current 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 recent 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 centre of California, places the city a comfortable distance from several major recreation areas and urban centers in the state. Fresno is approximately 200 miles north of Los Angeles and 170 miles south of the state capitol, Sacramento. 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 files 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.

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, with an average annual precipitation of 9.86 inches, which comes principally in the months of November through April. Fresno has relatively mild winters and hot dry summers, somewhat like a Mediterranean Climate but more like a semi-arid climate. Low elevations are hot but dry with little humidity in the summer and in the winter; the temperatures are moderate with relatively light precipitation. Winters are generally mild with prevailing sunny weather. Summers are hot with maximum temperatures ranging between 80 degrees and 110 degrees. Yearly annual rainfall is approximately 12 inches. Snow is a rarity; the heaviest snowfall was 2.2 inches on January 21, 1962.

ELECTION OF NEW MAYOR

Since taking Office in January 2009, Mayor Ashley Swearengin has been dealing with one of the most challenging financial environments that the City has faced in decades. Current economic conditions indicate that General Fund revenues will continue to decline into 2010 while expenses will continue to increase. Moving forward cautiously with the City's important goals has been the focus of Mayor Swearengin and requires balancing fiscal responsibility with excellence in the delivery of core services to the City's residents.

Under the eight year leadership of Mayor Alan Autry, the City focused on fulfilling the commitment he made during his first campaign, which was to change the history of Fresno from "A Tale of Two Cities" into "A Story of One Community." In 2001, he set out to increase the City's investment in youth activities so as to provide an alternative to keep our young people off the streets and out of trouble. He also prioritized improving our children's educational opportunities, downtown revitalization and the rebuilding of older neighborhoods while maintaining high levels of public safety services.

Mayor Swearengin has picked up where Mayor Autry left off and in spite of the many challenges being faced by the City, believes that it is more critical than ever to stay focused on what is important to the people of Fresno. As the new Mayor, she is committed to leading the City forward and achieving great success in what she defines as the "Key Priorities" of her administration.

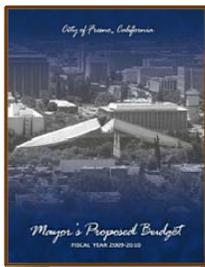


- Ensuring the public's safety;
- Revitalizing Fresno's urban core and supporting economic growth;
- Streamlining City services; and
- Protecting our natural resources.

For 2010 Mayor Swearingin had to make the difficult but fiscally prudent decisions necessary to provide adequate resources for core services in the short term, while preserving the City's reserves to weather uncertain financial times in the coming years. The budget for 2010 was developed with transparency, thoughtfulness and realism. The Mayor focused on living within our means while not retreating from excellence in the quality and reliability of the services that we provide to the public.

The economic downturn of 2009 forced many difficult choices and necessitated thorough operational review across the entire organization. Programs and projects were evaluated to determine their level of contribution to core services delivery. Some were reduced and others were eliminated. Even others were restricted to capture previously unidentified efficiencies and cost savings. Throughout the process, the effort was undertaken to promote the ongoing commitment to a culture of excellence.

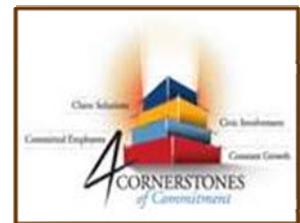
Due to prudent fiscal policies and strategic decisions, the financial position of the city of Fresno at the end of fiscal year 2009 compared favorably with many of our peer cities in California. Unfortunately, the depth and the duration of the national recession and particularly the budget crisis at the state level eclipsed the steps previously taken by the City. As a result of the struggling economy, municipal revenues plummeted. Combined with rising expenses related to contractual obligations and growing debt service, the City was required to identify \$26.8 million in savings over the FY 2010 and FY 2011 fiscal years to ensure balanced budgets. Difficult spending choices were made and strategic realignments were employed to avoid huge operating shortfalls. These critical decisions were what laid the groundwork to move toward maintaining core services in FY 2010 and beyond.



This was not an easy task by any measure. The prior years' economic conditions and particularly those of the past few months, combined with other factors, have made the retention of a strong fiscal base most difficult.

FOUR CORNERSTONES

The Mayor in developing her first annual budget for 2009/2010 prioritized the City's goals for the new year but also worked toward advancing a broader vision for our entire community. Mayor Swearingin is dedicated to ensuring a vibrant and thriving future for Fresno – with strong neighborhoods, attractive amenities, rich cultural experiences and a powerful entrepreneurial spirit. The foundation for her vision is set firmly upon four Cornerstone Commitments, which provide an essential framework for decision-making and strategic planning. They are:



- ✓ Safe, quality neighborhoods
- ✓ Jobs and education
- ✓ Effective and responsive government
- ✓ Regional leadership

REDEVELOPMENT AGENCY'S BUDGET OVERVIEW FOR FISCAL YEAR 2009/2010

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.

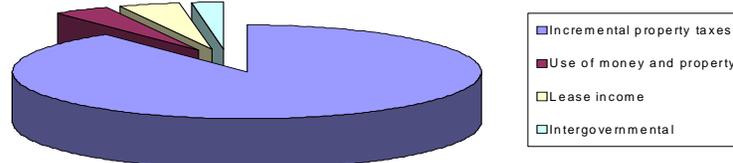
The fiscal year 2009/2010 incremental property tax revenue estimates were projected to remain constant for all project areas except Merger 1, which was projected to be 5% less than the fiscal year 2008/2009 revenues. The fiscal year 2009/2010 estimate was based upon a decline in property values, historical trends and the type of properties in 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. A significant reduction in tax increment would most likely be mitigated by the phasing of current and future projects based upon available funding.

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 to 2006. There was no ERAF shift requirement in fiscal years 2007 and 2008. In fiscal year 2009, the State made an attempt to require an ERAF shift of \$350 million from redevelopment agencies statewide. The California Redevelopment Association (CRA) successfully challenged the constitutionality of the ERAF take and won the lawsuit. The State initially appealed the decision, but dropped the appeal in September 2009, thereby eliminating the requirement for an ERAF payment in fiscal year 2009.

However, despite losing the ERAF lawsuit in April 2009, legislation was passed in July 2009 to require 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 is \$6,736,202 per the State's calculations. The California Redevelopment Association has filed a lawsuit against the State contending that the SERAF take is unconstitutional. Should the State prevail in the SERAF take, the Agency would most likely address this significant reduction in available funding by extending the timing of current projects and postponing or cancelling new and proposed projects.

FY 2009/2010 ESTIMATED REVENUES



RECENT ECONOMIC DEVELOPMENT AND REDEVELOPMENT PROJECTS

The Redevelopment Agency continues to encourage development, promote public/private partnerships, improve neighborhoods and increase housing stock

Over one billion dollars worth of improvements have taken place in Downtown Fresno over the past several years with an additional \$600 million in new development 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
- ◆ \$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 more 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



Street and Infrastructure Improvements

- ◆ \$23 million Agency-funded City infrastructure improvements since July 2004

Roeding Business Park

- ◆ Incorporates 950 acres for industrial and commercial development
- ◆ \$3 million in Federal Funding
- ◆ \$4.5 million low interest loans from the CIEDB
- ◆ Completed park is expected to produce over 20,000 jobs



Marketing and Promotion

- ◆ Co-Sponsored the Billion Dollar Tour as well as several other events

MAJOR INITIATIVE AND ACHIEVEMENTS

The Redevelopment Agency's work program for fiscal year 2008-2009 continued to focus on the implementation and follow-through of 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 objectives of the work program address the "new generation" of 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. The Agency has actively worked to create and advance several low and moderate housing projects as well as a number of major projects in the Downtown, Southwest Fresno, Airport Area Revitalization, Central City Commercial, Freeway 99/Golden State Boulevard, South Fresno Industrial and Southeast Fresno project areas, including several involving policy and financial commitments in place prior to April 1997.

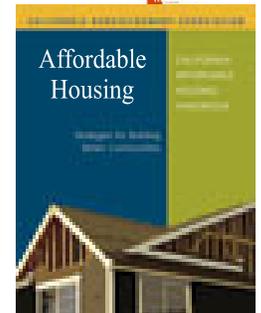
The major priorities included:

- ◆ Community Medical Center Development
- ◆ Federal, State, and County Downtown Office Developments
- ◆ Vision 2010 Plan Implementation
- ◆ Hope VI Neighborhood/Mixed Use Project
- ◆ State Fifth DCA Courthouse
- ◆ Old Armenian Town Mixed Use Project
- ◆ Historic Chinatown Mixed Use Project
- ◆ Uptown Cultural and Entertainment District, Streetscape, and related Metropolitan Museum Expansion
- ◆ Warehouse Row Project
- ◆ Kings Canyon LLC Mixed Use Project (formerly Asian Village)
- ◆ Kings Canyon Streetscape Project
- ◆ Roeding Business Park Infrastructure, and promotion/marketing of sites
- ◆ Elm Avenue Corridor Blight Removal, Streetscape and Business Attraction
- ◆ Reconstruction of Golden State Boulevard
- ◆ Belmont Avenue Street Lighting and Streetscape Improvements
- ◆ Fresno Air Terminal Redevelopment Area Site Clearance and Environmental Remediation
- ◆ Support industrial and commercial development in the five newest redevelopment areas; Airport Area Revitalization, Central City Commercial, Freeway 99/Golden State Blvd. Corridor, South Fresno Industrial and Southeast Fresno
- ◆ Storefront Improvement Program
- ◆ Housing Rehabilitation, New Housing Infill and Neighborhood Improvements



CITY OF FRESNO
REDEVELOPMENT AGENCY

DOWNTOWN FRESNO
VISION 2010



REDEVELOPMENT PROJECT AREAS AND HOUSING

GENERAL

Downtown Strategic Implementation Plan

The Agency has worked with City staff since July 2008 to prepare a Downtown Strategic Implementation Plan. In March 2009, information was presented to elected officials and members of the public outlining various issues and strategies. Planned and potential projects in the “downtown triangle” were also presented.

Downtown Fresno Property-Based Improvement District (PBID)

The Agency and Fresno Revitalization Corporation (FRC) supported the development of a downtown Fresno Property Based Improvement District (PBID) with funds and in-kind support. Agency staff assembled and provided extensive information for 680 downtown parcels. In addition to the in-kind staff support from the Agency, the FRC, a 501(c)(3) non-profit agency staffed by the Agency, is acting as fiscal agent during the evaluation and formation phase until such time as the PBID is created. The Agency continues to participate in the pre-planning meetings.

Storefront Improvement Program (formerly Commercial Façade Improvement Program)

The Agency's Storefront Improvement Loan Program offers matching funds to upgrade and renovate the façades of commercial buildings in an effort to raise property values and make businesses more successful. Funding for the loan program is on a first come first serve basis and is available to commercial property owners and tenants in all redevelopment project areas. In fiscal year 2009, the value of storefront improvements to twenty-two businesses totaled \$286,021; \$158,059 from private



investment and \$127,962 matched by Agency funds. Through this program, the Agency has provided financial assistance to 126 business owners since 1997.

The Agency has actively marketed the Storefront Improvement Program through a new marketing brochure to serve all project areas, informational workshops and architectural design assistance to property owners and tenants. In addition, the Agency is working with Council District staff, Downtown Association, Chinatown Revitalization Inc., Belmont Merchants Association and other groups to identify opportunities to increase participation in the program.

The Storefront Improvement Program continues to grow and benefit individual property and business owners as well as older commercial districts and corridors.

Review of Development Entitlements Within Redevelopment Project Areas

Between July 1, 2008 and May 27, 2009, staff reviewed and made recommendations on 142 entitlements comprised of: 15 Site Plan Review Applications, 33 Conditional Use Permit Applications, 10 Alcoholic Beverage Conditional Use Permit Applications, 4 Rezoning Applications, 6 Tentative Parcel Map Reviews, 4 Amendment Reviews, 3 Variance Applications and 67 Plan Reviews and Sign Offs. Review of these entitlements has helped ensure compliance, consistency and development in accordance with all adopted plan goals and design guidelines of both the Redevelopment Agency and the City of Fresno. Also, in association with the entitlement review process, staff addressed over 450 public inquiries and reviewed 44 applications through the Development Partnership Center.

Prospective Business and Industrial Development

The Agency continues to work with a number of developers, businesses and industries to attract new development to redevelopment areas and to foster retention and expansion of existing businesses through assistance with development needs such as infrastructure, funding and site availability, selection or assembly.

Industrial Redevelopment

To help address the need for shovel ready industrial sites, the Agency established 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, Memorandums of Understanding and selective site acquisition; and (3) assisting owners with professional and technical development assistance. Consistent with the Agency's role and jurisdiction, efforts are directed toward infill sites within urbanized designated redevelopment areas. Together, these efforts helped stimulate 921,100 square feet of development and advanced an additional 500 acres toward shovel readiness.



Public Information and Marketing

To communicate the value and benefit of redevelopment, the Agency sponsored or co-sponsored a variety of events such as: The Billion Dollar Tour in which the Agency had a major role in content preparation for brochure and tour narrative; the 2009 Real Estate Forecast; Lowell Community Meeting and information exhibit; the 1st Annual HyeFest; the CVBI Central Valley Stock Exchange; the EDC Annual Investor Luncheon and Fresno County Economic Profile; Fresno Area Hispanic Chamber of Commerce's 7th Annual Developing Hispanic Leaders Gala; Marjaree Mason Center's Top Ten Professional Women Luncheon; 10th Annual Downtown Art Gala; and the 2009 State of the City. In addition, the Agency strengthened communication and inter-agency coordination through ongoing Cooperation Task Force meetings; provided staff services for 22 Southwest Fresno community meetings and was a presenter at the 2009 Annual Chamber of Commerce Planning Conference.

Merger 1 and Merger 2 Project Area Plan Amendments

The Agency continued to work with consultants, Keyser Marston Associates, Inc., to evaluate plan time and financial limits and identify a strategy for updating the plan limits in the Merger 1 and Merger 2 Project Areas to meet the Agency's needs and commitments for current and new project activities including the Regional Medical Center Expansion, Old Armenian Town and the Historic Chinatown Mixed Use Project. Public meetings to discuss the proposed Merger 1 plan amendments were held in September and October 2008 with a variety of stakeholders and interested parties, including the Chinatown Project Area Committee, Fresno Revitalization Corporation, Fresno County Librarian, and the Fulton-Lowell Committee. The Preliminary Report and Focused Environmental Impact Report are underway.

During FY 08/09, the Agency Board approved ordinances deleting the Debt Incurrence Time Limit for Merger 1 and Merger 2 thus extending the debt incurrence limit to coincide with the plan time limits. The amended dates and time limits are shown in the Plan Time and Financial Information and Limitations report in the Statistical Section of the CAFR.



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 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 on the retention and expansion of existing and new businesses in order to increase the availability of jobs.



Street and Infrastructure Improvements

Floradora/Whitney/Dearing/Recreation Street Reconstruction Project - Curb, gutter and paving improvements have been completed along Floradora, Whitney, Dearing and Sierra Vista Avenues between Maple and Chestnut Avenues. The improvements helped to retain and induce a 16,400 square foot business expansion and will help existing businesses through needed road improvements.

Carmen Avenue Street Reconstruction Project - Street improvements for a segment of Carmen Avenue between Backer and Sierra Vista Avenues were completed in this fiscal year. The offsite improvements helped to induce infill of 12 acres with 158,000 square feet of office warehouse and improved this older industrial neighborhood. Plans have been completed to reconstruct additional segments of Carmen Avenue, generally between Maple and Chestnut Avenues and to address flooding issues on Home and Dearing Avenues.



Clovis Avenue Railroad Crossing - The Railroad Crossing Improvement Project on Clovis Avenue south of McKinley was completed in fiscal year 2009. The Agency project served to tie into and enhance the \$3 million Clovis Avenue project between McKinley Avenue and Kings Canyon Road that did not include funding for railroad crossings.

Streetscape

Airport Beautification Project - McKinley/Peach to Clovis Avenue - The Airport Beautification Project was designed to enhance Fresno's gateway between the Airport and Central Area. Completed in December 2008, the Project included a new monument sign, new wrought iron fencing, landscaping, curvilinear sidewalks, and median-island landscaping along Clovis and McKinley Avenues, adjacent to the Fresno Yosemite International (FYI) Airport. The project also added extensive greenbelt improvements to the south side of McKinley Avenue, heading west from Clovis Avenue. The monument sign and improvements greet traffic at the Clovis/McKinley intersection where the average daily vehicle count is 35,000 on Clovis Avenue and 20,000 on McKinley Avenue.



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.

Business Attraction and Retention

Belmont Corridor Transportation Planning Grant - A \$200,000 Community Based Transportation State Planning Grant application was jointly filed by the Agency and the Belmont Merchants Association who initiated the application effort.

Street and Infrastructure Improvements

In response to Belmont Corridor business and property owner concerns and priorities expressed in community meetings, the Agency agreed to provide funding for street light improvements along Belmont Avenue. This project was set out in two phases to ensure adequate funding. Phase 1 of the Belmont Street Lighting Project from Freeway 41 to Cedar Avenue has been completed, leveraging the Agency's \$592,000 with \$4 million from state public utility funds. The project consisted of removing intermittent, unsightly overhead feed and wood pole installations and installing new underground lines to City standards on both sides of Belmont Avenue. The bid process is underway for the second phase which will extend the lighting project along Belmont Avenue from Cedar to Chestnut Avenues.

CONSOLIDATED LOW AND MODERATE INCOME HOUSING FUNDS

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.



During FY 2002-2003, the Council/Agency approved amendments to the contract with the Housing Authorities that extended the contract for three additional years beginning July 1, 2003 with the option to extend the agreement on an annual basis for up to two additional years. The fifth amendment to the contract between the Agency and Housing Authority was approved by the City Council/Agency Board on September 30, 2008.



The program involves a comprehensive, multi-year housing program within six core areas of the City based upon a “target area” approach that emphasizes minor and major rehabilitation as well as the infill of single family homes.

Housing Authorities - Major and Minor Rehabilitation Program - During fiscal year 2009, the Community Housing Partnership Program (CHPP), administered by the Housing Authorities, processed and completed rehabilitation of 96 homes for low-income families. An additional 22 applications have been reviewed and approved and are in the process of bid development or construction. As of June 5, 2009, 1,599 homes have been approved or rehabilitated for low-income families since the inception of the program.

Housing Authorities - Boarded Up/Lot Purchase Program/Infill Housing

The boarded-up house at 2254 S. Lotus Avenue, the first house rehabilitated to “green standards” through the CHPP, was sold on May 29, 2009. Three other previously acquired and rehabilitated boarded-up homes at 309 N. Valeria, 1046 E. Calwa and 4629 E. Nevada were sold in fiscal year 2009, providing housing to qualified low income families. Deemed beyond repair, the house at 347 W. Strother was razed and the lot cleared to receive a new or relocated home.



General Housing Administration Activities

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 to implement policies for the ongoing administration of the Agency’s existing 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 City’s Finance Department continues to provide billing and collection services for the outstanding loans. As of June 30, 2009, there are approximately 209 loans with a total loan balance in excess of \$2.6 million.

California & Fruit Brownfields Cleanup Grant



The Agency received a \$200,000 EPA Brownfields Cleanup Grant to remediate vacant property at the southeast corner of California and Fruit Avenues. The grant requires a 20% matching contribution of \$40,000 from the Agency. The cleanup of this two-acre brownfields site, containing lead contaminants on the ground surface, will enable housing development in connection with the Hope VI Project and is expected to be completed in March 2010.

The Agency, in partnership with the Housing Authority, is also remediating the adjacent two acre site at 437 W. California Avenue that suffered leakage of gas and diesel from underground storage tanks. The vapor extraction system was completed in March 2009.

California Triangle

The Community Housing Partnership Program (CHPP) has nearly completed property acquisition for the California Triangle Project, an area bounded by Kern, Waterman and California Streets within the Southwest Redevelopment Area. All residents have been relocated to improved housing and only two parcels in the original 14 parcel footprint remain to be acquired before issuing a request for proposals.



Downtown Housing and Mixed-Use Development

The Agency has directed substantial resources to further the goal of downtown housing development. With the assistance of the Agency, approximately 429 units have been recently completed, are underway or planned:

Broadway Lofts - In May 2009, the Agency Board approved an Owner Participation Agreement (OPA) for adaptive reuse of 1625 Broadway for approximately 22 rental residential units with five covenanted for affordability.

Chinatown Lofts Mixed-Use Project - The Agency Board approved a Memorandum of Understanding with the Historic Chinatown LLC for approximately 200 affordable units on 1.5 acres at Mono Street between "F" and "G" Streets. The Agency and Developer co-applied for Proposition 1C funds on in April 2009 to assist the initial 67 unit phase. In June 2009, the project received a notice of award of \$4,038,640 in Prop 1C funds.

Fulton Village - In December 2008, the Agency Board approved an Owner Participation Agreement (OPA) with Granville/Next Generation LLC for a proposed mixed use project in the Cultural Arts District near Fulton and Amador Streets. The project consists of 63 units of housing; 50 market rate and 13 affordable units, and 4,500 square feet of commercial space.

H Street Lofts - The Agency completed its multi-year funding commitment through an Owner Participation Agreement (OPA) to provide financing assistance of \$300,000 for six affordable covenants in the \$3.5 million 26-unit mixed income H Street Loft project. The project is adjacent to the recently completed 38-unit Vagabond Loft development that included affordability covenants for nine units.



Iron Bird Lofts (formerly Fulton Park Plaza) - Through a Disposition and Development Agreement (DDA), the Agency is providing \$1.2 million in gap financing and will receive affordability covenants for 16 units in this 80-unit \$10 million mixed-use development. The framing ceremony was held in October 2008. Construction is underway and was completed in December 2009. The project helps revitalize the Divisadero/Fulton entryway into the Uptown area in addition to providing mixed income infill housing.



General Infill Housing

In June 2009, the Agency Board approved a Purchase Option Negotiating Agreement (POA) with Advanced Development and Investment (ADI) for development of 92 units of low income housing on .86 acres at Ventura Avenue and Tenth Street.

Southwest Fresno Infill Housing

Sequoia Village - Annadale/Elm - EAH Housing - The Agency Board approved an Exclusive Negotiation Agreement (ENA) with EAH Housing in September 2008 for 233 units on 7.5 acres at Annadale and Elm Streets.

Summer Hill/Elm Crossing - AMCAL - In June 2009, the Agency Board approved a Purchase Option Negotiating Agreement (POA) with AMCAL Multi-Housing Inc. for development of 49 low income units on 2.91 acres of Agency land at "B" Street and South Elm Avenue. A Disposition and Development Agreement (DDA) was approved in July 2009 and the project received an allocation of 9% Low Income Housing Tax Credits in September 2009.

South Clara and West North Housing Project - In November 2008, the Agency Board approved the assignment of the Owner Participation Agreement (OPA) with Fresno West Coalition to Habitat for Humanity Fresno for development of eleven affordable single-family homes with 45 year covenants at Santa Clara and North Avenue. The Agency is assisting with development of a ponding basin and off-site infrastructure. The infrastructure work commenced in the summer of 2009 and was completed in November.

FREWAY 99-GOLDEN STATE BOULEVARD CORRIDOR



In July 2003, the City Council and Redevelopment Agency Board adopted the 2,790 acre Freeway 99-Golden State Boulevard Corridor Redevelopment Project Area. The focus of the redevelopment project is the elimination of blight and economic stagnation and the promotion of the redevelopment of underutilized industrial and commercial areas, and neighborhoods that were identified in the City’s General Plan for industrial, commercial and residential uses within the project area. 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.

Real Property Acquisition and Blight Removal

In fiscal year 2009, the Agency completed the abatement work and demolished the Bel Air Motel. The Agency is working with the City of Fresno Parks, Recreation and Community Service Department (PARCS) as well as the private sector for the development of the parcel. This project has removed significant blight from the area.

Golden State Boulevard Improvement Project

Engineering and design plans were completed in the prior fiscal year for the reconstruction of Golden State Boulevard between Ashlan and Shaw Avenues. To ensure adequate funding, the project was divided into three phases. Reconstruction of Golden State Boulevard, generally between Ashlan and Gettysburg Avenues (Phase I), was completed in fiscal year 2009. Phase II will complete infrastructure for the area generally between Gettysburg and Shaw Avenues. Phase III will mitigate flooding issues. The project provides infrastructure street improvements including curb, gutter, paving, street lights, parkway landscaping, irrigation and drainage.



This multi-year project addresses traffic, safety and flooding issues and will encourage new industrial and commercial development along the 8,000-foot segment of Golden State Boulevard between Ashlan and Shaw Avenues.

Street & Infrastructure Improvements

Dakota/Marks Intersection Improvement Project - Installation of new traffic signals at the intersection of Marks and Dakota Avenues and the installation of sidewalk, street trees and irrigation fronting the property at the southwest corner was completed in 2009. The project improved traffic safety and air quality and facilitated development of an adjacent 3 acre site.

Shaw and Polk Signalized Intersection - The Agency provided funds for the now completed design and reconstruction plans for signalization at Shaw and Polk Avenues intersection. Construction is expected to commence in late summer 2009. The project improves traffic circulation and safety and facilitates redevelopment.

FRESNO AIR TERMINAL REDEVELOPMENT AREA

Environmental Cleanup

Environmental clean-up activity for the airport area continued to be a priority and the majority of the project area resources are allocated to this purpose.



Industrial/Commercial Development

The Agency is working with an industrial developer for a potential multi-phased 25 acre development of about 375,000 square feet of light industrial and flex commercial space.

MERGER PROJECT NO. 1—Central Area and South Van Ness Industrial Area



On June 30, 1998, the Council and Agency approved the Merger No. 1 Project 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.

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

Central Business District

Broadway-Tuolumne Parking Lot

To serve and attract activity in the Downtown, the Agency is working to create additional parking on underutilized land at the southeast corner of Broadway and Tuolumne Streets. A site plan has been prepared, laying the groundwork for construction plans and specifications.

Fulton Mall

The Agency purchased property at 835 Fulton Mall in September 2008 to continue the Agency's objective for blight removal and redevelopment of the southern Fulton Mall area. In partnership with the Fresno Baseball Club, the nearby Berkeley Building at 887 Fulton Mall received improvements that included new paint on the west stadium facing wall along Homerun Alley and along Kern Street.

Chinatown Expanded

Business Attraction and Retention

In fiscal year 2009, the Agency continued its efforts to provide assistance to promote, attract, retain and expand business in Chinatown.

Chinatown Business Seminars - The Agency initiated and organized a series of workshops on various topics to assist and inform local businesses. Workshops have included presentations by the U.S. Small Business Administration (SBA), local banks, City Historic Preservation, Code Enforcement and the Agency's Storefront Improvement Program staff.

Chinatown Community Cleanup Day - The Agency, through a partnership with Chinatown Revitalization, Inc., the City and AmeriCorps, organized the second "Chinatown Community Day" on October 10, 2008. The parking lot on "F" Street was cleaned of debris and weeds and received landscape improvements.



Chinatown Music and Arts Festival - The Agency, in conjunction with Chinatown Revitalization, Inc. (CRI), the Fresno Fire Department (FFD) and the Fresno Firefighters Association planned, sponsored and supported the annual Chinatown festival. The Chinatown Music and Arts Festival (formerly known as the Chinatown Jazz Festival) was held in September 2008 at the newly renovated FFD Headquarters (Hobbs Parsons Building), with all proceeds from the event this year benefiting CRI.

Fresno Historic Chinatown LLC / Chinatown Mixed-Use Project

The Agency's Exclusive Negotiation Agreement (ENA) with Historic Chinatown, LLC for a proposed mixed-use housing, retail/commercial and public facilities development that emphasizes participation by existing property owners and businesses was extended for an additional year. The Agency and Developer have met with each Owner Participant Agreement (OPA) candidate in the Chinatown Project Area and continue to work with owners toward plan implementation and development.



Storefront Improvement Program

A Storefront Improvement Program (SIP) flyer was expressly designed for the Chinatown commercial area and hand distributed door by door to merchants along with an application. Agency staff also mailed the program brochure to property owners of record to promote the program.

Convention Center Area

Business Attraction and Retention



The Agency worked with the owner of Hero's Sports Lounge and Pizza to facilitate the renovation of the former vacant building at 820 Van Ness Avenue to a sports theme bar/restaurant lounge. The restaurant opened on New Year's Eve and a ribbon cutting celebration was held on January 30, 2009 with City and Agency officials and community members.

Old Armenian Town Project and the Fifth District Court of Appeal

Phase 1A of the Old Armenian Town Project (OAT) has been significantly advanced with the construction of the \$24 million, 60,000 square foot, three-story Fifth District Court of Appeals building on Agency- assembled land and Agency-funded infrastructure improvements, enhancing a major entryway into downtown Fresno from Freeway 41.



The Agency is progressing with land assembly pursuant to the terms of the Old Armenian Town Project Disposition and Development Agreement (DDA). Relocation of the Fresno Fire Department



Headquarters along with prior acquisition of property at 505 and 525 "N" Street met conditions of Phase 1B site assembly. The Agency facilitated the adaptive reuse of the Hobbs-Parsons Building at 911 "H" Street as the new location for the FFD Headquarters. The Agency completed clearance of the .6 acre former FFD site in December 2008.

Prior to demolition, the Agency coordinated with FFD to utilize the vacated former FFD Headquarters at 450 "M" Street as a training opportunity. In June 2008, emergency personnel from the California State Office of Emergency Services Regional Task Force Five Urban Search and Rescue Team, FEMA and the Fresno Fire Department convened at the site for an all day emergency and disaster preparedness training exercise that simulated a two stage terrorist bomb and biological attack, testing capabilities of various first responder agencies.



In May 2009, the Agency Board approved the acquisition 550 "M" Street at the southeast corner of Ventura and "M" Streets. With this acquisition, the entire ten acre Old Armenian Town site is largely assembled with only two parcels remaining to be acquired. To remove blight and facilitate redevelopment at Freeway 41 and "O" Streets, the Agency purchased properties at 2518-2522 Ventura Street at the southeast corner of Ventura and "P" Streets. This major entryway area is significant to Downtown, leading into Old Armenian Town, the 5th District Court of Appeal, Convention Center, the Santa Fe Depot and other major developments.

Old Armenian Town Historic Properties

Five historic homes within the Old Armenian Town project area were identified for preservation and are temporarily stored at Santa Clara and “N” Streets. In accordance with a court ruling in June 2008, the five historic homes will be permanently sited at 450 “M” Street, the former FFD Headquarters site.

Real Property Acquisition and Disposition/Blight Removal

The Agency purchased the building at 721 Broadway Avenue in September 2008, continuing its objectives for blight removal and redevelopment of the area south of the Fulton Mall.

Parking Lot Improvements

To enhance visual quality and address parking issues of downtown businesses, the Agency improved the Agency-owned lot at the corner of Van Ness Avenue and Inyo Street for parking. Improvements to the parking lot were completed in September 2008.

Jefferson

Community Regional Medical Center Project

The expansion of the Community Regional Medical Center (CRMC) in Downtown Fresno, a 58-acre, \$350 million project, is the largest and longest-term redevelopment project ever undertaken in Fresno County. The facility is the result of a unique, long-lasting partnership, first forged in 1995, involving CRMC, Fresno Redevelopment Agency (“Agency”), City of Fresno, County of Fresno, and the University of San Francisco (“UCSF”) Medical Program. In recent years, these efforts have begun to bear fruit with the opening of several remarkable and essential community health care facilities:



- Since completing a 340,000-square-foot, six-story trauma and critical care building in 2007, CRMC has added a 52-bed Neuroscience Center of Excellence dedicated to brain and spine patients, a 50-bed cardiovascular unit with state-of-the-art monitoring equipment and private rooms, and a 65-bed Level III neonatal intensive care unit for the most fragile newborns; in 2009, a new 1,500 car parking garage also was completed.
- In 2008, CRMC broke ground on the new 79,534-square-foot Deran Koligian Ambulatory Care Center, a four-story medical office building, and cleared the site for Terry’s House, a \$5 million, 17,000 s.f. residential facility to accommodate families of the most critically injured patients.



CRMC is an academic-affiliated medical center with more than 600 beds. Its 56,000 square-foot emergency department is the second-largest and busiest in California, and is home to the region’s only burn and Level 1 Trauma Center between Los Angeles and Sacramento. CRMC is the region’s “safety net” hospital serving the indigent in the region through a contractual relationship with Fresno County. CRMC gives back approximately 15% of its operating expenses—historically about \$120 million a year—in charitable and unreimbursed services. Through a contractual relationship with the UCSF-Fresno Medical Education Program, some 200 doctors a year receive specialized advanced training at CRMC. UCSF has trained approximately one-third of the region’s physicians.

Mariposa

Ice House

For several years, the Agency worked with prospective buyers for reuse of the Ice House Building located at “P” and Mono Streets and successfully facilitated purchase of the property. The Agency is providing assistance in various ways to help the successful adaptive reuse of the building, including tenant referral and working with the developer to plan amenities such as proximate parking. An Owner Participation Agreement (OPA) with the Ice House/Warehouse Row developer has been prepared. The project envisions an integrated business center that includes adaptive reuse of the three multi-story historic buildings, construction of new complementary buildings and parking facilities for the site, totaling about 133,000 square feet.



Tulare & "R" Streets/Old Fresno Hofbrau Site

Agency assistance helped influence Tesco Fresh & Easy Neighborhood Market, Inc to construct a \$5 million, 15,200 square foot grocery store, enhanced by a landmark clock tower and installation of public art, at the southeast corner of Tulare and "R" Streets. Construction was completed in January 2009 and the store will open in January 2010 to coincide with completion of a distribution center and other stores. The Fresh & Easy Neighborhood Market at the Old Hofbrau location in Fresno is the first store in which the grocery chain incorporates local, community and neighborhood elements into the design theme. It will also be the first grocery store in downtown Fresno in several decades and employ approximately 20 to 30 people with starting salaries above the California minimum wage. The Agency's participation entailed public improvements to Tulare Street, helping to benefit downtown circulation.



South Van Ness Industrial Area

Business Retention and Attraction - Streetscape/Street Improvements

Florence Avenue Street Improvements - Through a Memorandum of Understanding (MOU), the Agency induced Southern California based Jain Irrigation/Aquarius Brands Inc. to select Fresno over other sites for its planned expansion and consolidation of operations. In March 2009, the Agency completed the first of its two phase commitment to improve curb, gutter, sidewalks, paving, street lights and storm drains along Florence Avenue from East to Railroad Avenues. Jain Irrigation has increased the number of employees from 39 to over 200, resulting in a major benefit to Fresno and the South Van Ness industrial area.

Valley Foundry Park

The Agency, through a community facilities district, facilitated Valley Foundry Industrial Development. This project continues to grow with the addition of 65,000 square feet of new industrial and commercial projects last year that raised the total in the Park from 194,000 square feet to more than 259,000 square feet.

MERGER PROJECT NO. 2—Fruit/Church and Southwest Fresno Redevelopment Project Areas



On October 20, 1998, the Council and Agency approved the Merger No. 2 Project 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.

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

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 GNRA.

Southwest Fresno GNRA

HOPE VI

Hope VI is a multi-phased, multi-housing type master planned community generally located between West, California, Walnut and Church Avenues. The master plan envisions approximately 267 housing units as well as commercial, retail and community service uses. The 3,500 square foot \$1.8 million Community Enrichment Center, featuring a pre-school, community room and computer lab, opened in December 2007.

The Agency is supporting the \$20 million HOPE VI grant fund award through multi-year contributions that include: Agency owned land (14.16 acres); assembly of additional land (approximately 16 acres) for a mixed-use project between California, Church, Walnut and Plumas Avenues; assistance for development of a recreation center and parking facility; and various street improvements.



[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 fourteen (14) significant projects along the California Corridor from Freeway 99 to West Avenue. To date, six projects have been completed: Walnut Avenue Improvements, Casa San Miguel, Pocket Parks, HOPE VI Master Plan Adoption, Lincoln School Improvements and Edison Track; and, eight are well underway: EOC Youth Center, California Triangle, Elm Crossing, California Avenue Brownfields Cleanup, California Avenue Widening, California Walnut Mixed Use – Edison Plaza, Walnut Avenue Realignment and Yosemite Village.

[California Avenue Improvements and Land Acquisition](#)

The widening of California Avenue from Fruit to West Avenues is near completion. The Agency’s early commitment of funds enabled the widening of this segment of California Avenue and fulfilled a requirement to allow construction of the Community Enrichment Center; 53 new homes, and the rehabilitation of 69 existing units in Yosemite Village. The Agency and City of Fresno identified California Avenue from Freeway 99 to West Avenue as a priority for funding and received Tier 1 allocation in the Measure C Bond for street widening and improvements and landscaped median islands. The bond will reimburse for the segment from West to Fruit Avenues.

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

The Edison Plaza Project supports the Master Plan developed by the Housing Authority and the Agency in conjunction with the HOPE VI Project. The Agency assembled ten acres for the Edison Plaza Mixed-Use Project and associated California and Walnut Avenue street improvements. In fiscal year 2009, the Agency finalized a Disposition and Development Agreement (DDA) with the Edison Plaza Partners to construct a \$12 million, 38,000 square foot Regional Resource Center and Library, along with 32,000 square feet of office and commercial space and \$1.4 million in Agency funded off-sites. A lease with the County of Fresno for the Resource Services Center and



Library was finalized and approved in July 2008. The Resource Services Center and Library are expected to be completed in February 2010.

The project represents the largest development in Southwest Fresno since the Agency’s Kearney Palms project in 2000.

[Elm Avenue Reconstruction and Beautification](#)

Funded by the Agency, the improvements to Elm Avenue between Jensen and North Avenues have helped generate over one million square feet of industrial development. The project included concrete, landscape, lighting and overlay improvements and is located within boundaries of both the Southwest Fresno and South Fresno Industrial project areas. The total valuation of the new investment is more than \$35 million.



[Southwest Fresno Community Meetings](#)

Agency staff participated in a series of 22 Southwest Fresno Community Group meetings presenting an overview of redevelopment plans and projects and responding to various issues.

ROEDING BUSINESS PARK



The Agency continues to work with the Economic Development Corporation (EDC), brokers and related businesses to attract industrial development. Through a multi-agency Industrial task Force, the Agency continues to assist industrial property owners with their efforts to create “shovel-ready” property by advancing parcels through the lengthy development process. The Agency also continues to assist the City of Fresno to annex 750 acres of new undeveloped industrial land west of the Roeding Business Park, in order to leverage the infrastructure investment and freeway proximity of that redevelopment area.

Real Property Acquisition and Blight Removal

The Agency renewed an agreement with Central California Society for the Prevention of Cruelty to Animals (SPCA) for the use of a ponding basin on SPCA property. The purpose of the basin is to receive rain water runoff from Nielsen Avenue until the FMFCD constructs permanent drainage facilities to serve this area of the Roeding Business Park.

Infrastructure and Improvements

Whites Bridge Road Planning and Development - The reconstruction of Whites Bridge Road between Teilman and West Avenues was completed in fiscal year 2009. The Agency helped to secure an EDI grant of \$447,070 that funded this project segment. The reconstruction of Whites Bridge Road from Freeway 99 to Brawley Avenue has been completed through coordinated funding from the Agency, federal and state grants, and Measure C funds. Specifically: the segment from Freeway 99 to Fruit Avenue received federal grant funds of \$900,000; the segment from Fruit to Teilman Avenues received \$450,000 from the Agency; the segment from Teilman to West Avenues received a \$447,070 federal grant and the segment from West to Brawley Avenues received Measure C funds.

Infrastructure improvements have helped stimulate and attract business development. New business development, expansion of existing businesses or relocations since formation of the project area through March 30, 2009 include:

- Right-Now-Couriers constructed a 20,000 square foot building at 188 West Avenue;
- Delta Rubber Products, a wholesale-distributor relocated into a 25,860 foot building within the West Commerce Center at the northwest corner of West Avenue and Dan Ronquillo Drive;
- Woodworking Specialties, a cabinet and millwork operation, moved into the existing 18,992 square foot building located at 411 S. West Avenue adjacent to Freeway 180 West;
- Specialty Branded Products, a premium meat processor, purchased a vacant 6-acre parcel for the construction of a 100,000 square foot concrete tilt-up building at the southwest corner of Nielsen and Hughes Avenues;
- Horizon Enterprises constructed two 25,860 square foot office-warehouse buildings at the northwest corner of West Avenue and Dan Ronquillo Drive with additional construction planned for future phases of development;
- Central Sanitary Supply Company constructed a 50,000 square foot building at 1149 Nielsen Avenue;
- Pleasant Mattress, Inc. completed construction of its new 102,000 square foot manufacturing plant consisting of a tilt-up masonry building with extensive landscaping on the east side of West Avenue at Dan Ronquillo Drive;
- Certified Ad Services added 30,000 square feet in warehouses to its existing plant located at 909 West Nielsen Avenue;
- The Central California SPCA constructed a new 10,676 square foot animal shelter, 2,400 square foot barn and free standing snack bar on the 11 acre site located at 103 South Hughes Avenue;
- MVP Hydratech, located at 1331 South West Avenue, added 10,700 square foot of floor area to the existing 34,498 square foot building for assembly operations and storage;
- Lorena Restaurant added a new kitchen and scullery to the existing restaurant and a 410 square foot patio cover to an existing outdoor dining area. The restaurant is located at 435 West Belmont Avenue;
- Cliff Hangers, Ltd, constructed an approximately \$2 million, 81,300 square foot aircraft hanger which accommodates 66 aircraft at the Fresno-Chandler Downtown Airport;



SOUTHEAST FRESNO REVITALIZATION

Real Property Acquisition and Blight Removal

Tenth and Ventura Project - The Agency has purchased property at the northeast corner of Tenth and Ventura Streets in southeast Fresno to advance its goals for blight removal along a highly visible corridor and facilitate higher density land use consistent with the Southeast Fresno Revitalization Plan.



Commercial and Neighborhood Center Revitalization

In a joint effort to revitalize a blighted block on the south side of Ventura between Eighth and Seventh Streets, the Agency and the City of Fresno’s Housing Department are proposing a new affordable housing project. The acquisition portion of the project included the City’s purchase of the former FUSD site located at 717 S. Seventh Street and the Agency’s acquisition of the adjoining blighted property at the corner of Seventh and Ventura Streets.

In fiscal year 2008, the City and Agency issued a joint Request for Qualifications (RFQ) for the project and selected Urban Pacific Group (UPG) as the developer. As negotiations with UPG were terminated due to non-performance, a Request for Proposals (RFP) for this project will be issued in December 2009.

Street & Infrastructure Improvements

Jensen and Willow Traffic Signal - Design and bid specifications were completed for the installation of traffic signals at the intersection of Jensen and Willow Avenues. Agency staff has facilitated right of way acquisition with Fresno County and is funding the construction of the traffic signal and turn lanes from both directions on Jensen and Willow Avenues.

Streetscape

The Big Fresno Fair - The Agency partnered with the Fresno Fair to provide funding assistance for renovations to the pedestrian and vehicular entryways onto the Fairgrounds along Kings Canyon Road. The improvements included an entryway arch replicating an early Fresno landmark. A ribbon cutting ceremony was held on opening day in October 2008 to debut the new entryway and to celebrate the Big Fresno Fair’s 125th Anniversary.



OTHER FINANCIAL INFORMATION

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.



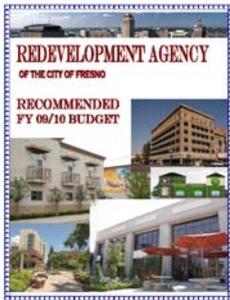
Budgetary Process

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 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. Appropriations that are not encumbered lapse at the end of the fiscal year. 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 our 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 2008/2009 was 1.16% as compared to 2007/2008 which was 3.69%.



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, purchases all insurance coverage for the City and purchases the majority of insurance coverage for the Agency.



The City maintains general liability insurance with limits of liability of \$25 million. There is \$2.5 million 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.

The City maintains property insurance and boiler and machinery insurance, with total insured values of \$1,030,521,659 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.

INDEPENDENT AUDIT

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.

CERTIFICATE OF ACHIEVEMENT

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, 2008. This was the fourth year that the Agency prepared a CAFR and the fourth 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 Generally Accepted Accounting Principles 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.

ACKNOWLEDGMENTS

This 2009 Comprehensive Annual Financial Statement presents the Agency's stable financial condition 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.

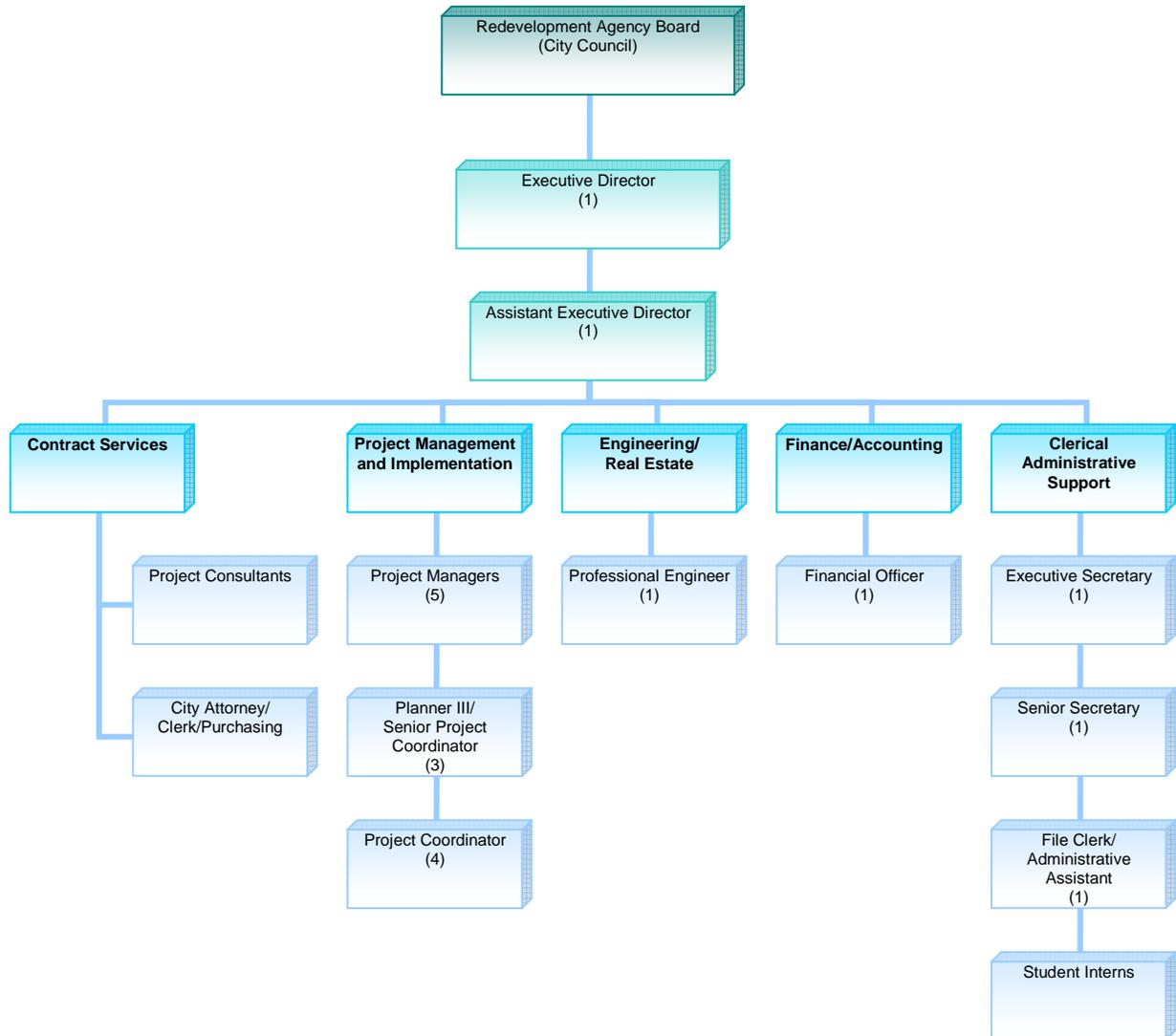
Respectfully submitted,

A handwritten signature in black ink that reads 'Lora J. Kutka, CPA'.

Lora Kutka, CPA
Financial Officer

**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

Member	Term Expires
AGENCY BOARD	
Blong Xiong, District 1 – Chair	January 2011
Andreas Borgeas, District 2	January 2013
Cynthia Sterling, District 3	January 2011
Larry Westerlund, District 4	January 2013
Mike Dages, District 5	January 2011
Lee Brand, District 6 – Vice-Chair	January 2013
Henry T. Perea, District 7	January 2011

AGENCY OFFICIALS

Marlene Murphey, Executive Director
James Sanchez, Ex-Officio Attorney
Rebecca E. Klisch, Ex-Officio Clerk
Lora Kutka, Financial Officer

Elected officials as of the date of this report.

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, 2008

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.



President

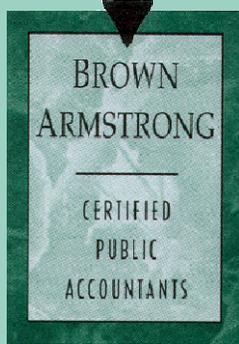
Executive Director

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FINANCIAL SECTION

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Peter C. Brown, CPA
Burton H. Armstrong, CPA, MST
Andrew J. Paulden, CPA
Steven R. Starbuck, CPA
Chris M. Thornburgh, CPA
Eric H. Xin, CPA, MBA
Richard L. Halle, CPA, MST
Aileen K. Keeter, CPA



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INDEPENDENT AUDITOR'S REPORT

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

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, 2009, 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.

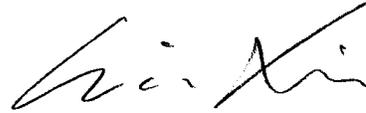
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency as of June 30, 2009, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2009 on our consideration of the Agency's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The management's discussion and analysis as listed in the table of contents is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining nonmajor fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in black ink, appearing to read "G. A. Smith", is written over the printed name of the accountancy corporation.

Bakersfield, California
December 11, 2009

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2009**

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, 2009. 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 \$50,554,861 net deficit.
- The Agency's net assets increased by \$4,816,310.
- As of the close of the current fiscal year, the Agency's governmental funds reported ending fund balance of \$65,226,145, an increase of \$6,674,675 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, Corridor 99 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 17-34 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets Governmental Activities June 30, 2009

	<u>2009</u>	<u>2008</u>
Assets:		
Current and other	\$ 69,783,502	\$ 63,652,897
Capital assets	<u>1,703,392</u>	<u>1,857,202</u>
Total assets	<u>71,486,894</u>	<u>65,510,099</u>
Liabilities:		
Long-term liabilities outstanding	73,174,049	74,487,029
Other liabilities	<u>48,867,706</u>	<u>46,394,241</u>
Total liabilities	<u>122,041,755</u>	<u>120,881,270</u>
Net assets (deficit):		
Invested in capital assets, net of related debt	(632,978)	(479,168)
Unrestricted	<u>(49,921,883)</u>	<u>(54,892,003)</u>
Total net assets (deficit)	<u><u>\$ (50,554,861)</u></u>	<u><u>\$ (55,371,171)</u></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 \$50,554,861 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.

**Statement of Activities
Governmental Activities
For the Year Ended June 30, 2009**

	2009	2008
Revenues:		
General revenues:		
Incremental property taxes	\$ 22,143,924	\$ 21,101,863
Use of money and property	1,068,843	1,270,352
Lease income from the City	219,651	430,543
Intergovernmental	558,882	1,045,672
Contributed capital	352,058	-
Miscellaneous	97,100	120,808
Total revenues	24,440,458	23,969,238
Expenses:		
General government	5,906,717	5,843,837
Redevelopment	9,797,582	8,057,211
Interest and fiscal charges	3,919,849	3,801,184
Total expenses	19,624,148	17,702,232
Increase (decrease) in net assets	4,816,310	6,267,006
Net assets (deficit), beginning of year	(55,371,171)	(61,638,177)
Net assets (deficit), end of year	\$ (50,554,861)	\$ (55,371,171)

Governmental activities increased the Agency's net assets by \$4,816,310, thereby accounting for the total growth in the net assets of the Agency. The overall increase is primarily due to an increase in gross tax increment of approximately 5%, contributed capital received from the City and a reduction in loss on sale of property. General government and redevelopment expenses for 2008 were restated to account for loss on sale of property in redevelopment expenses consistent with 2009 reporting. 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 \$65,226,145. 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, capital projects and encumbrances.

	2009	2008	Total \$ Change	Total % Change
Revenues:				
Incremental property taxes	\$ 22,143,924	\$ 21,101,863	\$ 1,042,061	4.94%
Use of money and property	1,079,155	1,280,361	(201,206)	-15.71%
Lease income	1,044,651	1,215,543	(170,892)	-14.06%
Intergovernmental	558,882	1,259,757	(700,875)	-55.64%
Other revenue	97,100	120,808	(23,708)	-19.62%
Total revenues	24,923,712	24,978,332	(54,620)	-0.22%
Expenditures:				
General government	5,736,273	5,507,825	228,448	4.15%
Redevelopment	8,099,284	4,648,579	3,450,705	74.23%
Loss on sale of property	1,613,298	3,408,632	(1,795,334)	-52.67%
Debt service	3,844,714	3,686,489	158,225	4.29%
Total expenditures	19,293,569	17,251,525	2,042,044	11.84%
Excess (deficiency) before other financing sources	5,630,143	7,726,807	(2,096,664)	-27.13%
Contributed capital	352,058	-	352,058	100.00%
Proceeds of long-term debt	692,474	681,398	11,076	1.63%
Increase (decrease) in fund balance	<u>\$ 6,674,675</u>	<u>\$ 8,408,205</u>	<u>\$ (1,733,530)</u>	<u>-20.62%</u>

Explanation of Significant Variances:

- Incremental property taxes in the Central City, Corridor 99, South Fresno Industrial and Southeast Fresno non-major debt service funds increased 11.04%, 9.40%, 17.14% and 19.38% respectively, due to higher property values from new development and property sales. The overall increase was offset by decreases in the Merger 1 major debt service fund and the Airport Area Revitalization non-major debt service fund. To date, the decline in the housing market has had 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, 2008 through June 30, 2009 was based upon assessed values as of January 1, 2008. Another factor contributing to the increase 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 been significantly affected by the decline in the housing market.

- Use of money and property decreased \$125,090 in all funds due to the reduction in interest rates. Another factor was a decrease in loan repayments of \$130,826 in the Housing capital projects funds. These decreases were offset by the reclassification of parking lot revenues from the Merger 1 (Central Business District) debt service fund to the Merger 1 (Central Business District) capital projects fund.
- Lease income decreased primarily due to the reclassification of parking lot revenues from the Merger 1 (Central Business District) debt service fund to the Merger 1 (Central Business District) capital projects fund.
- Intergovernmental revenues decreased in 2009 due to reductions in amounts received from the City. The Agency received \$268,165 less in UGM refunds from the City of Fresno for infrastructure improvements paid in prior years in the non-major (Roeding Business Park) capital projects fund. In 2008, the City reimbursed the Agency \$214,085 for street improvements in the non-major Southeast Fresno capital projects fund and \$180,395 in the Merger 2 (Southwest Fresno) capital projects fund. The remaining amount consisted of \$162,026 in lease interest income in the Merger 1 (Convention Center) debt service fund received from the City for the 1996 Conference Center Refinancing Project. This was consistent with the lease interest income of \$200,255 received in 2008.
- Other revenue decreased \$23,708 overall in 2009 primarily due to a decrease in reimbursements from various developers pursuant to development agreements in the non-major South Fresno Industrial capital projects fund. The decrease was offset by the receipt of grant funds from the City of Fresno in the Merger 2 (Southwest Fresno) capital projects fund.
- The increase in redevelopment expenses was primarily due infrastructure projects in the Merger 1 (South Van Ness) capital projects fund and in the Corridor 99 and South Fresno Industrial non-major capital projects funds. Other factors contributing to the increase were property acquisitions and construction costs relating to housing rehabilitations and infill in the Housing capital project funds.
- In fiscal year 2009, there was a loss on sale of property to a developer in the Merger 2 (Southwest Fresno) capital projects fund. In fiscal year 2008, loss on sale of property consisted primarily of the transfer of Elm Avenue street improvements to the City of Fresno from two project areas; Merger 2 (Southwest Fresno) capital projects fund and non-major (South Fresno Industrial) capital projects fund. The remaining loss on sale of property in both years was due to sales of boarded up and infill homes in the Housing capital project fund. 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 increase in contributed capital is associated with the transfer of property from the City to the Agency in the Merger 1 (Chinatown) capital projects fund.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2009 the Agency's investment in capital assets for its governmental activities was \$1,703,392 (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 7 in the notes to the basic financial statements.

LONG-TERM DEBT

Agency loan proceeds during the fiscal year 2009 totaled \$692,474. Of this amount, \$517,474 was from a Convention Center Project Area repayment agreement with the City of Fresno. Loan proceeds of \$175,000 were also received from the City of Fresno for the Southwest Fresno project area.

For additional information, see Notes 4 and 8 in the notes to the basic financial statements.

ECONOMIC FACTORS

The Agency receives tax increment 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 requires 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 is \$6,736,202 per the State's calculations.

For additional information, see Note 10 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 the Financial Officer, Lora Kutka 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, 2009**

ASSETS

Cash and investments	\$ 25,408,972
Restricted assets - cash and investments	3,884,505
Due from the City of Fresno	316,447
Net direct financing leases	3,725,000
Loans and notes receivable (net)	2,584,471
Property held for resale	33,633,498
Deferred charges	230,609
Capital assets, net of depreciation	<u>1,703,392</u>
 Total assets	 <u>71,486,894</u>

LIABILITIES

Accounts payable and accrued liabilities	117,174
Due to other governments	427,003
Security deposits	11,009
Interest payable	48,312,520
Long-term liabilities:	
Due within one year	1,852,028
Due in more than one year	<u>71,322,021</u>
 Total liabilities	 <u>122,041,755</u>

NET ASSETS (DEFICIT)

Invested in capital assets, net of related debt	(632,978)
Unrestricted	<u>(49,921,883)</u>
 Total net assets (deficit)	 <u><u>\$ (50,554,861)</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, 2009**

Program expenses:	
General government	\$ 5,906,717
Redevelopment	9,797,582
Interest and fiscal charges	<u>3,919,849</u>
 Total program expenses	 <u>19,624,148</u>
General revenues:	
Incremental property taxes	22,143,924
Use of money and property	1,068,843
Lease income from the City	219,651
Grant revenue	72,100
Contributed capital	352,058
Intergovernmental	558,882
Miscellaneous	<u>25,000</u>
 Total general revenues	 <u>24,440,458</u>
 Change in net assets (deficit)	 4,816,310
 Net assets (deficit), beginning of year	 <u>(55,371,171)</u>
 Net assets (deficit), end of year	 <u><u>\$ (50,554,861)</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	Capital Projects			Debt Service	
	Merger One	Merger Two	Housing Project	Merger One	Merger Two
ASSETS					
Cash and investments	\$ -	\$ 1,299,226	\$ 9,829,869	\$ 3,279,538	\$ 2,291,998
Restricted assets:					
Cash and investments with fiscal agents	-	-	68,781	2,894,363	921,361
Receivables:					
Loans	453,715	-	1,146,345	9,615	-
Notes (net)	-	-	928,016	46,780	-
Lease interest	-	-	-	46,562	-
Due from other funds	6,584,507	2,250,000	-	-	-
Due from the City of Fresno	-	-	-	245,837	24,048
Net direct financing leases	-	-	-	3,725,000	-
Property held for resale	13,795,832	11,826,779	5,777,218	-	-
	<u>13,795,832</u>	<u>11,826,779</u>	<u>5,777,218</u>	<u>-</u>	<u>-</u>
Total assets	<u>\$ 20,834,054</u>	<u>\$ 15,376,005</u>	<u>\$ 17,750,229</u>	<u>\$ 10,247,695</u>	<u>\$ 3,237,407</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ 75,706	\$ 41,468	\$ -	\$ -	\$ -
Due to other funds	9,593,104	-	-	-	-
Due to the City of Fresno	-	-	-	-	-
Deferred revenue	-	-	-	3,771,562	-
Security deposits	-	-	-	11,009	-
	<u>9,668,810</u>	<u>41,468</u>	<u>-</u>	<u>3,782,571</u>	<u>-</u>
Total liabilities	<u>9,668,810</u>	<u>41,468</u>	<u>-</u>	<u>3,782,571</u>	<u>-</u>
FUND BALANCES:					
Reserved for noncurrent receivables	54,703	-	2,074,361	3,827,957	-
Reserved for other assets	-	-	7,629,869	2,894,363	921,361
Reserved for deposits	-	-	68,781	-	-
Reserved for property held for resale	13,795,832	11,826,779	5,777,218	-	-
Reserved for capital projects	(2,701,873)	3,351,612	-	-	-
Reserved for debt service	-	-	-	(257,196)	2,316,046
Reserved for encumbrances	16,582	156,146	2,200,000	-	-
	<u>11,165,244</u>	<u>15,334,537</u>	<u>17,750,229</u>	<u>6,465,124</u>	<u>3,237,407</u>
Total fund balances	<u>11,165,244</u>	<u>15,334,537</u>	<u>17,750,229</u>	<u>6,465,124</u>	<u>3,237,407</u>
Total liabilities and fund balances	<u>\$ 20,834,054</u>	<u>\$ 15,376,005</u>	<u>\$ 17,750,229</u>	<u>\$ 10,247,695</u>	<u>\$ 3,237,407</u>

(Continued)

See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>Debt Service</u>		<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Corridor 99</u>	<u>Southeast Fresno</u>		
ASSETS				
Cash and investments	\$ 343,159	\$ 514,944	\$ 7,850,238	\$ 25,408,972
Restricted assets:				
Cash and investments with fiscal agents	-	-	-	3,884,505
Receivables:				
Loans	-	-	-	1,609,675
Notes (net)	-	-	-	974,796
Lease interest	-	-	-	46,562
Due from other funds	-	-	1,134,740	9,969,247
Due from the City of Fresno	-	-	-	269,885
Net direct financing leases	-	-	-	3,725,000
Property held for resale	-	-	2,233,669	33,633,498
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 343,159</u>	<u>\$ 514,944</u>	<u>\$ 11,218,647</u>	<u>\$ 79,522,140</u>
LIABILITIES AND FUND BALANCES				
LIABILITIES:				
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 117,174
Due to other funds	-	-	376,143	9,969,247
Due to the City of Fresno	-	-	427,003	427,003
Deferred revenue	-	-	-	3,771,562
Security deposits	-	-	-	11,009
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>-</u>	<u>803,146</u>	<u>14,295,995</u>
FUND BALANCES:				
Reserved for noncurrent receivables	-	-	-	5,957,021
Reserved for other assets	-	-	-	11,445,593
Reserved for deposits	-	-	-	68,781
Reserved for property held for resale	-	-	2,233,669	33,633,498
Reserved for capital projects	-	-	7,170,273	7,820,012
Reserved for debt service	343,159	514,944	984,284	3,901,237
Reserved for encumbrances	-	-	27,275	2,400,003
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>343,159</u>	<u>514,944</u>	<u>10,415,501</u>	<u>65,226,145</u>
	<u>\$ 343,159</u>	<u>\$ 514,944</u>	<u>\$ 11,218,647</u>	<u>\$ 79,522,140</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, 2009**

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

Total fund balances - total governmental	\$ 65,226,145
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	(1,225,657)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Deferred revenue	3,771,562
Deferred charges	230,609
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term obligations	(73,174,049)
Accrued interest payable	<u>(48,312,520)</u>
Net assets (deficit) of governmental activities	<u><u>\$ (50,554,861)</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, 2009**

	Capital Projects			Debt Service	
	Merger One	Merger Two	Housing Project	Merger One	Merger Two
REVENUES:					
Incremental property taxes	\$ -	\$ -	\$ -	\$ 6,104,603	\$ 4,029,616
Use of money and property	180,449	42,116	138,584	445,855	175,013
Lease income	-	-	-	945,000	99,651
Grant revenue	-	-	-	-	72,100
Intergovernmental	-	-	-	162,025	-
Miscellaneous	25,000	-	-	-	-
Total revenues	205,449	42,116	138,584	7,657,483	4,376,380
EXPENDITURES:					
Current:					
General government	418,265	573,815	174,511	1,122,662	123,646
Redevelopment	2,231,008	279,438	2,335,500	-	-
Loss on sale of property	-	911,964	701,334	-	-
Debt service:					
Principal repayments	-	-	-	1,264,788	555,000
Interest and fiscal charges	-	-	-	1,179,322	331,728
Total expenditures	2,649,273	1,765,217	3,211,345	3,566,772	1,010,374
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(2,443,824)	(1,723,101)	(3,072,761)	4,090,711	3,366,006
OTHER FINANCING SOURCES (USES):					
Contributed capital	-	-	352,058	-	-
Loan proceeds	-	-	-	517,474	175,000
Transfers in	2,423,000	1,845,000	4,428,784	-	-
Transfers out	-	-	-	(3,643,919)	(2,650,924)
Total other financing sources (uses)	2,423,000	1,845,000	4,780,842	(3,126,445)	(2,475,924)
NET CHANGE IN FUND BALANCES	(20,824)	121,899	1,708,081	964,266	890,082
FUND BALANCES, BEGINNING OF YEAR	11,186,068	15,212,638	16,042,148	5,500,858	2,347,325
FUND BALANCES (DEFICITS), END OF YEAR	\$ 11,165,244	\$ 15,334,537	\$ 17,750,229	\$ 6,465,124	\$ 3,237,407

(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, 2009**

	<u>Debt Service</u>		<u>All Other Governmental Funds</u>	<u>Total Governmental Funds</u>
	<u>Corridor 99</u>	<u>Southeast Fresno</u>		
REVENUES:				
Incremental property taxes	\$ 2,738,953	\$ 2,903,413	\$ 6,367,339	\$ 22,143,924
Use of money and property	2,404	3,590	91,144	1,079,155
Lease income	-	-	-	1,044,651
Grant revenue	-	-	-	72,100
Intergovernmental	-	-	396,857	558,882
Miscellaneous	-	-	-	25,000
Total revenues	<u>2,741,357</u>	<u>2,907,003</u>	<u>6,855,340</u>	<u>24,923,712</u>
EXPENDITURES:				
Current:				
General government	428,770	626,099	2,268,505	5,736,273
Redevelopment	-	-	3,253,338	8,099,284
Loss on sale of property	-	-	-	1,613,298
Debt service:				
Principal repayments	-	-	270,827	2,090,615
Interest and fiscal charges	-	-	243,049	1,754,099
Total expenditures	<u>428,770</u>	<u>626,099</u>	<u>6,035,719</u>	<u>19,293,569</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,312,587</u>	<u>2,280,904</u>	<u>819,621</u>	<u>5,630,143</u>
OTHER FINANCING SOURCES (USES):				
Contributed capital	-	-	-	352,058
Loan proceeds	-	-	-	692,474
Transfers in	-	-	6,269,857	14,966,641
Transfers out	(2,047,791)	(1,880,683)	(4,743,324)	(14,966,641)
Total other financing sources (uses)	<u>(2,047,791)</u>	<u>(1,880,683)</u>	<u>1,526,533</u>	<u>1,044,532</u>
NET CHANGE IN FUND BALANCES	264,796	400,221	2,346,154	6,674,675
FUND BALANCES, BEGINNING OF YEAR	<u>78,363</u>	<u>114,723</u>	<u>8,069,347</u>	<u>58,551,470</u>
FUND BALANCES, END OF YEAR	<u>\$ 343,159</u>	<u>\$ 514,944</u>	<u>\$ 10,415,501</u>	<u>\$ 65,226,145</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 BALANCE OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2009**

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

Net change in fund balances - total governmental	\$ 6,674,675
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 \$153,810 exceeded capital outlays in the current period.	(153,810)
<p>Governmental funds recognize revenues 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. For this purpose, the Agency considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. However, in the statement of activities revenues are recognized when earned regardless of when received. Revenues earned but not received within 60 days of the end of the fiscal year are as follows:</p>	
Change in interest revenue due from the City of Fresno	(10,312)
The impact of the net investment in direct financing lease, as a result of the advance refunding, is recorded as a special item, and represents a reduction of net assets, as the revenue was previously recognized at the inception of the lease.	(825,000)
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.	1,296,507
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>(2,165,750)</u>
Change in net assets of governmental activities	<u><u>\$ 4,816,310</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2009**

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.

Corridor 99 Debt Service Fund accounts for accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs related to the Corridor 99 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.

When both restricted and unrestricted resources are available for use, it is the Agency's policy to use restricted resources first, and then unrestricted resources as they are needed.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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 – Reserves are portions of the fund balance that are not available for appropriation for expenditures under the current financial resources measurement focus or amounts that are legally segregated for specific future use. A summary of reported reserves at June 30, 2009, follows:

- **Noncurrent receivables** - The reserve for noncurrent receivables represents a segregation of a portion of the fund balance to indicate that assets equal to the amount of the reserve are related to certain long-term receivables and do not constitute "available spendable resources" since they are not a component of net current assets.
- **Other assets** – The reserve for other assets represents a segregation of a portion of fund balance to indicate that other assets does not represent expendable available financial resources.
- **Property held for resale** – The reserve for property held for resale represents a segregation of a portion of fund balance to indicate that property held for resale does not represent expendable available financial resources.
- **Debt service** - The reserve for debt service represents a segregation of a portion of fund balance for the debt service funds required to be reserved by agreement for repayment of principal and interest on long-term debt.
- **Capital projects** – The reserve for capital projects represents the remaining fund balance of the capital project funds required to be used for the project for which the fund was created.
- **Encumbrances** - The reserve for encumbrances represents purchase orders, contracts, and other commitments for the expenditure of monies in the capital projects funds.

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 Roeding capital projects fund had a deficit fund balance of \$281,841 as of June 30, 2009. The Agency anticipates that this deficit will be eliminated in fiscal year 2010 through receipt of tax increment revenues, intergovernmental revenues and UGM fee refunds. Tax increment has been increasing in the project area while expenditures have been decreasing. Intergovernmental revenue consisting of loan proceeds from the City of Fresno's California Infrastructure and Economic Development Bank loan will be used to reimburse the Agency for infrastructure costs incurred by the Agency. In addition, the Agency is anticipating refunds of UGM fees paid on the project. The Airport capital projects had a deficit fund balance of \$248,311 that will be eliminated in fiscal year 2010 through receipt of tax increment 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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
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

NOTE 3 – CASH AND INVESTMENTS (Continued)

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.

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, 2009, the Agency's investments and credit ratings are as follows:

	Credit Rating (S & P/)	Maturity		Fair Value
		Under 30 Days	More than 5 Years	
Investment type				
Money Market Mutual Funds	AAA	\$ 1,088,523	\$ -	\$ 1,088,523
Guaranteed Investment Contract	Not Rated	-	1,052,823	1,052,823
Repurchase Agreement	Not Rated	-	899,228	899,228
Total Investments				<u>\$ 3,040,574</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:

\$1,052,823 in cash and investments with fiscal agent reported in the Merger One Debt Service Fund is held in an unrated guaranteed investment contract issued by MBIA Inc., maturing on April 1, 2013.

\$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.

NOTE 3 – CASH AND INVESTMENTS (Continued)

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

Cash and investments	\$ 25,408,972
Restricted assets:	
Cash and investments with fiscal agent	<u>3,884,505</u>
Total cash and investments	<u>\$ 29,293,477</u>

Cash and investments consist of the following:

Deposits	\$ 3,459,982
Investments	<u>25,833,495</u>
Total cash and investments	<u>\$ 29,293,477</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, 2009:

Debt Service Fund, Merger One:

Huntington Park Condominiums mortgage loan, interest at 8.25%, due in varying monthly installments through April 1, 2018, secured by a deed of trust on real property.	\$ 9,615
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Capital Projects Fund:

Merger One:

Convention Center - Receivable from Forest City Enterprises for reimbursement of environmental study costs per an Exclusive Negotiation Agreement for the South Stadium Project.	399,012
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.	41,203
South Van Ness - Reimbursement of costs due from developer per Disposition and Development Agreement dated October 21, 1999.	13,500

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.	878,335
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NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

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.	183,812
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.	<u>84,198</u>
Total Loans Receivable	<u>1,609,675</u>
Debt Service Funds:	
Merger One - West Fresno Project #1 - Note secured by deed of trust from Fresno and "E" Street Partner, interest at 3% annually due in monthly installments for years one through five, principal and interest monthly installments of \$1,036 due in years six through twenty.	46,780
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
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.	<u>500,000</u>
Total Notes Receivable	<u>1,474,796</u>
Total Loans and Notes Receivable - Gross	3,084,471
Less: Allowance for Doubtful Accounts	<u>(500,000)</u>
Total Loans and Notes Receivable - Net	<u><u>\$ 2,584,471</u></u>

NOTE 5 – NET DIRECT FINANCING LEASES RECEIVABLE

Net direct financing leases for debt service funds consist of one long-term direct financing lease from the City. At termination of the lease, title to all assets under the lease will be conveyed to the City. Direct financing leases receivable for debt service funds consist of the following at June 30, 2009:

<u>Merger One Debt Service Fund</u>	<u>Net Direct Financing Lease</u>
Convention and Conference Center Project: 30 year lease that expires in 2013.	<u>\$ 3,725,000</u>
	<u><u>\$ 3,725,000</u></u>

Future minimum lease payments to be received under the terms of the lease agreements subsequent to June 30, 2009 are as follows:

<u>Year Ending June 30,</u>	<u>Total Receivable</u>	<u>Deferred Lease Revenue</u>	<u>Net Lease Receivable</u>
2010	\$ 1,040,438	\$ 175,438	\$ 865,000
2011	1,036,688	131,688	905,000
2012	1,040,813	85,813	955,000
2013	<u>1,037,500</u>	<u>37,500</u>	<u>1,000,000</u>
Total	<u><u>\$ 4,155,439</u></u>	<u><u>\$ 430,439</u></u>	<u><u>\$ 3,725,000</u></u>

The terms of the Convention Center Project lease are structured to cover the principal and interest payments on certificates of participation payable related to costs of capital improvements and conference center refinancing projects. In addition, the City is responsible for all taxes and assessments, administrative costs and insurance premiums related to the lease.

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS

The composition of interfund balances as of June 30, 2009, is as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
Merger One Capital Projects	\$ 6,584,507	Merger One Capital Projects	\$ 9,593,104
Merger Two Capital Projects	2,250,000	Other Non-major	376,143
Other Non-major	<u>1,134,740</u>		
Total	<u><u>\$ 9,969,247</u></u>		<u><u>\$ 9,969,247</u></u>

NOTE 6 – INTERFUND RECEIVABLES, PAYABLE, AND TRANSFERS (Continued)

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, 2009, and are expected to be repaid early in fiscal year 2010.

Transfers Out:	Transfers In				Total
	Merger One Capital Projects	Merger Two Capital Projects	Housing Project Capital Projects	Other Nonmajor	
Merger One Debt Service	\$ 2,423,000	\$ -	\$ 1,220,919	\$ -	\$ 3,643,919
Merger Two Debt Service	-	1,845,000	805,924	-	2,650,924
Corridor 99 Debt Service	-	-	-	2,047,791	2,047,791
Southeast Fresno	-	-	-	1,880,863	1,880,863
Other Nonmajor	-	-	2,401,941	2,341,203	4,743,144
Total	\$ 2,423,000	\$ 1,845,000	\$ 4,428,784	\$ 6,269,857	\$ 14,966,641

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 Roeding Capital Projects Fund from the Aggregate Remaining Funds in order to fund the administrative and redevelopment functions of the Agency.

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2009, 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	(1,042,500)	(139,000)	-	(1,181,500)
Equipment	(29,347)	(14,810)	-	(44,157)
Capital assets, net	\$ 1,857,202	\$ (153,810)	\$ -	\$ 1,703,392

Depreciation expense of \$153,810 was charged to the redevelopment function on the statement of activities.

NOTE 8 – LONG-TERM DEBT

Long-term debt at June 30, 2009 consists of the following:

Bonds/certificates of participation payable (including deferred amounts)	\$ 14,661,462
Loans payable	1,936,262
Capital lease obligations payable	2,271,582
Notes payable to the City of Fresno	10,168,755
Compensated absences	95,573
Retirement obligation	95,642
Pollution Remediation	85,000
Advances from the City of Fresno	43,859,773
	<hr/>
	\$ 73,174,049

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 2009, \$1,280,591 Mariposa Project Area tax increment revenue was recognized, while the 2009 debt service was \$426,754.

\$ 4,177,000

Conference Center Refinancing Project certificates of participation issued March 1, 1996, interest at 3.30% to 5.00% with varying annual principal installments ranging from \$495,000 to \$1,000,000 through April 1, 2013, interest due semi-annually, secured by insurance coverage purchased through a private insurer and payable from a lease to the City of Fresno (Note 4). Proceeds were used to refund the 1986 Bond. The 1986 bond was used to finance the construction of certain conference center facilities within the City.

Repayment of the certificates is payable from lease payments to be made by the City of Fresno to the Redevelopment Agency of the City of Fresno under the Lease Agreement. Lease Payments made by the City to the Agency are payable from any revenues lawfully available to the City except certain special fund revenues which are legally restricted as to use. Revenues are pledged for a total debt service of \$4,202,000, until the year 2013. During fiscal year 2009, \$1,052,500 lease revenue was recognized, while the 2009 debt service was \$1,052,500.

3,725,000

(Continued)

NOTE 8 – LONG-TERM DEBT (Continued)

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

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 2009, \$4,029,616 Merger Two Project Area tax increment revenue was recognized, while the 2009 debt service was \$886,728.

6,705,000

Total Bonds and Certificates of Participation Payable (Original Issuance)

\$ 14,607,000

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2009:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 1,647,000	\$ 714,131	\$ 2,361,131
2011	1,720,000	638,684	2,358,684
2012	1,808,000	558,821	2,366,821
2013	1,886,000	473,884	2,359,884
2014	928,000	384,078	1,312,078
2015-2019	5,080,000	1,139,495	6,219,495
2020-2023	<u>1,538,000</u>	<u>222,084</u>	<u>1,760,084</u>
	<u>\$ 14,607,000</u>	<u>\$ 4,131,177</u>	<u>\$ 18,738,177</u>

Loans Payable

The following is a summary of loans payable as of June 30, 2009:

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 2009, \$1,058,460 Roeding Project Area tax increment revenue was recognized, while the 2009 debt service was \$117,020.

\$ 1,936,262

NOTE 8 – LONG-TERM DEBT (Continued)Loans Payable (Continued)

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2009 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 49,514	\$ 67,476	\$ 116,990
2011	51,261	65,698	116,959
2012	53,071	63,856	116,927
2013	54,944	61,950	116,894
2014	56,884	59,976	116,860
2015-2019	315,995	267,746	583,741
2020-2024	375,848	207,287	583,135
2025-2029	447,036	134,842	581,878
2030-2034	531,709	48,225	579,934
	<u>\$ 1,936,262</u>	<u>\$ 977,056</u>	<u>\$ 2,913,318</u>

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, 2009:

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. \$ 2,044,424

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. 227,158

\$ 2,271,582

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2009:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2010	\$ 70,514	\$ 190,380	\$ 260,894
2011	76,747	184,147	260,894
2012	83,531	177,363	260,894
2013	90,914	169,979	260,893
2014	98,950	161,943	260,893
2015-2019	642,468	661,999	1,304,467
2020-2024	981,243	323,225	1,304,468
2025	227,215	9,692	236,907
	<u>\$ 2,271,582</u>	<u>\$ 1,878,728</u>	<u>\$ 4,150,310</u>

NOTE 8 – 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, 2009:

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%.	944,000
\$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>3,008,412</u>
Total Notes Payable to the City of Fresno	<u><u>\$ 10,168,755</u></u>

NOTE 8 – 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>
Merger One:			
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	\$ 2,836,195	\$ 11,310,125
West Fresno I Project - advances at June 30, 1992, bearing interest at 0.0% to 9.0%	700,000	1,333,586	2,033,586
West Fresno II Project - advances from October 27, 1976 through June 30, 1996, bearing interest at 6.06%.	4,455,777	2,161,641	6,617,418
Chinatown Expanded Project - \$1,017,200 interest bearing advances from June 1979 through June 1997, bearing interest at 5.49% - 8.0%.	917,794	1,416,918	2,334,712
Convention Center Project - \$9,614,569 interest bearing advances from July 1982 through June 2005, bearing interest at 4.5% - 8.5%.	11,706,817	7,898,084	19,604,901
Jefferson Project - \$6,890,916 interest bearing advances from June 1986 through June 2005, bearing interest at 4.5% - 8.53%.	7,288,067	5,512,332	12,800,399
Fulton Project - \$2,244,800 interest bearing advances from June 1988 through April 2001, bearing interest at 6.84%.	1,842,300	892,232	2,734,532
Central Business District - \$2,023,800 interest bearing advances from June 30, 1991 through April 2001, bearing interest at 4.8% - 7.82%.	1,542,941	351,254	1,894,195
South Van Ness Project - \$10,000 advance at June 30, 1988, bearing interest of 6.84%.	10,000	13,460	23,460
Total Merger One	<u>36,937,626</u>	<u>22,415,702</u>	<u>59,353,328</u> (Continued)

NOTE 8 – LONG-TERM DEBT (Continued)Advances from the City of Fresno (Continued)

	<u>Principal</u>	<u>Unpaid Interest Accumulated</u>	<u>Total</u>
Merger Two:			
Fruit/Church Project - \$21,000 advance at June 30, 1992, bearing interest at 6.42%.	2,196	2,115	4,311
Southwest Fresno Project - \$8,205,838 interest bearing advances from June 1978 through 1994, bearing interest at 0.0% - 6.0%.	<u>5,584,115</u>	<u>10,378,233</u>	<u>15,962,348</u>
Total Merger Two	<u>5,586,311</u>	<u>10,380,348</u>	<u>15,966,659</u>
Other Nonmajor Funds:			
Highway City Project - \$34,100 interest bearing advances from June 1988 through June 1994, bearing interest at 4.8% - 6.84%.	34,100	27,816	61,916
Pinedale Project - \$132,000 advance at June 30, 1988, bearing interest at 6.84%.	132,000	170,414	302,414
Airport Project - \$3,620,400 interest bearing advances from June 1989 through June 1991, bearing interest at 8.31% - 8.53%.*	109,400	130,536	239,936
Corridor 99 - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	50,000	36,000	86,000
Southeast Fresno Project - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	50,000	36,000	86,000
Roeding Business Park - \$1,603,100 interest bearing advances from March 1995 through May 1996, bearing interest at 5.49% - 6.0%.	<u>960,336</u>	<u>357,429</u>	<u>1,317,765</u>
Total Other Nonmajor Funds	<u>1,335,836</u>	<u>758,195</u>	<u>2,094,031</u>
Total All Funds	<u><u>\$ 43,859,773</u></u>	<u><u>\$ 33,554,245</u></u>	<u><u>\$ 77,414,018</u></u>

NOTE 8 – 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, 2009, was as follows:

	<u>Ending Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Bonds and Certificates of Participation	\$ 16,187,000	\$ -	\$ (1,580,000)	\$ 14,607,000	\$ 1,647,000
Less deferred amounts: For issuance premiums/ (discounts)	<u>66,667</u>	<u>-</u>	<u>(12,205)</u>	<u>54,462</u>	<u>-</u>
	16,253,667	-	(1,592,205)	14,661,462	1,647,000
Loans Payable	1,984,087	-	(47,825)	1,936,262	49,514
Capital Lease Obligations	2,336,370	-	(64,788)	2,271,582	70,514
Note Payable to the City	10,168,755	-	-	10,168,755	-
Compensated absences	72,955	118,106	(95,488)	95,573	-
Pollution Remediation	-	85,000	-	85,000	85,000
Retirement obligation	105,893	-	(10,251)	95,642	-
Advances from City	<u>43,565,302</u>	<u>294,471</u>	<u>-</u>	<u>43,859,773</u>	<u>-</u>
Governmental activities long-term debt	<u>\$ 74,487,029</u>	<u>\$ 497,577</u>	<u>\$ (1,810,557)</u>	<u>\$ 73,174,049</u>	<u>\$ 1,852,028</u>

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 have not exceeded insurance coverage in each of the past three years.

NOTE 10 – SUBSEQUENT EVENTS

On October 1, 2009, the City Council/Agency Board approved an amendment to the Ground Lease Agreement and a Purchase and Sale Agreement between the Agency and Uniwell Fresno Hotel, LLC for the sale of the underlying fee interest in the land under the Radisson Hotel on Ventura Street for \$2.9 million. In conjunction with this action, a new 2009 Reimbursement Agreement between the Agency and the City of Fresno was approved.

Highlights of the 2009 Reimbursement Agreement include:

- Payment by the Agency to the City of the net proceeds from the sale of the underlying fee interest in the land under the Radisson Hotel to the Lessee.
- Reduction in the principal balance of Convention Center Project Area notes between the City and the Agency by the same amount.
- Recalculation of Convention Center note balances using the City's pooled interest rate rather than a stated fixed rate.
- Application of prior payments made by the Agency that were not credited against debt.
- Consolidation of the remaining note balances into a new note.
- Application of the above adjustments reduces the combined Convention Center note balances from \$19,604,902 to one note with a balance of \$11,693,517.

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 total of \$2.05 billion; \$1.7 billion in FY 2009-2010 and \$350 million in FY 2010-2011, to a Supplemental Education Revenue Augmentation Fund (SERAF). On October 20, 2009, the California Redevelopment Association (CRA) filed a second lawsuit against the state to stop ABX4-26. Should the state prevail, the Agency's share of the SERAF take is \$6,736,202. The Agency has until May 10, 2010 to submit the SERAF payment to the County of Fresno.

Pursuant to the passing of the state budget in September 2008, trailer bill AB 1389 was signed by the Governor requiring redevelopment agencies in California to make a one year payment to the Education Revenue Augmentation Fund (ERAF) of \$350 million for FY 2008-2009. The Agency's share of the ERAF take was to be \$1,385,523 in FY 2008-2009. In December 2008, the California Redevelopment Association (CRA) sued the State of California and in April 2009, Sacramento Superior Court Judge Lloyd Connelly ruled in favor of redevelopment agencies and invalidated the 2008 legislation. The state appealed the decision but subsequently dropped the appeal in September 2009, eliminating the ERAF obligation for FY 2008-2009.

In addition, AB 1389 was amended on September 15, 2008 to require that by October 1 for each project area (a) adopted on or after January 1, 1994, (b) amended to add area on or after January 1, 1994, or (c) amended on or after January 1, 1994 to extend time limits on the life of the plan or for incurring new indebtedness, or to increase the tax increment limit cap, each agency shall submit a report to the county auditor and each affected taxing entity describing each project area including its location, purpose, date established, date or dates amended, and statutory and contractual pass-through requirements. The new reporting requirement is in response to the state's concerns that pass through payments have not been properly calculated. In Fresno County, the County Auditor-Controller's Office calculates the pass through payments the Agency is required to make from the gross tax increment receipts. In the process of reviewing the new reports, the County will verify its prior calculations to determine whether pass through payments could potentially be due to taxing entities in the various project areas.

NOTE 11 – POLLUTION REMEDIATION

Although the Agency is generally not involved with operations that pose a higher risk for environmental liabilities, properties acquired for redevelopment purposes could be contaminated or may contain lead and/or asbestos. The Agency's property acquisition policies require that the Agency obtain a Phase I environmental report on property before it is acquired from a private owner and Phase II reports when necessary. In the event of an acquisition leading to demolition, the Agency obtains a Phase I and/or Phase II report and, if necessary, remediates the property according to state and federal laws prior to demolition.

NOTE 11 – POLLUTION REMEDIATION (Continued)

The Agency currently has three active cases: 317 W. California, currently undergoing remediation through an EPA Brownfields grant; a former gas station site acquired from the City in February 2009; and 450 “M” Street, currently owned by the City but the potential site for the relocation of the Old Armenian Town historic homes owned by the Agency.

317 W. California - The Agency, in partnership with the Housing Authorities of the City and County of Fresno (HACCF), applied for and received a \$200,000 Environmental Protection Agency (EPA) hazardous substance cleanup grant to fund the cleanup of the brownfields located at 317 West California, the site of a former auto dismantling yard. This two-acre brownfields site contains lead contaminants on the ground surface. Cleanup of the site consists of obtaining the services of an environmental consultant to implement the cleanup work plan and the services of an environmental contractor to execute the brownfields cleanup. The \$200,000 grant requires an Agency match of 20% (\$40,000). The total cost of the cleanup work is estimated at \$285,000, of which \$85,000 will be funded by the Agency. The cleanup work of this brownfields site is estimated to be completed by March 2010.

The Agency acquired a former gas station site in the Chinatown project area from the City of Fresno in February 2009. The site consists of three parcels. One parcel has been cleared of any existing pollution problems and needs no further remediation. Of the other two parcels; one needs some additional testing to be cleared by the California Department of Toxic Substances Control (DTSC), while the second is in need of further testing and remediation. Updated Phase I environmental reports are needed and a bid package to provide environmental consultant services is being prepared for this parcel. Testing results are anticipated to be received by July 2010.

450 “M” Street - Relocation of the City of Fresno Fire Department Headquarters, located at 450 “M” Street, was a condition of the Disposition and Development Agreement (DDA) with the Old Armenian Town Master Developer for land assembly in Phase 1B. In April 2008, the Fresno Fire Department (FFD) moved its administrative and training center offices into the newly renovated Hobbs-Parsons Building located at 911 “H” Street. Site clearance of the .6 acre City owned parcel of the former FFD headquarters was completed by the Agency in December 2008. To comply with the terms of the DDA and the California 3rd District Court of Appeal ruling, the City of Fresno will transfer title of the property to the Agency. In preparation of the title transfer, a Phase I environmental report was conducted. The report indicated an existing open Underground Storage Tank (UST) case relating to an underground storage tank used for dispensing gasoline fuel at the site. Records indicated that the tank had been removed from the site in 1988 and reported to the Fresno County Community Health Dept (FCCHD). In April 2009, the California Regional Water Quality Control Board notified the City of Fresno (COF) that an assessment for the presence of petroleum hydrocarbons in soil beneath the former tank’s location was required to complete the tank extraction project and close the existing case. In June 2009, on behalf of the property owner (COF), the Agency contracted with a consultant for necessary environmental testing and preparation of a workplan for contamination remediation and/or removal. Current status reports of the testing have been provided by the consultant and final action by the State is expected by January 2010. Preliminary feedback indicates the State will enter a judgment of “No further action needed”.

COMBINING STATEMENTS

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**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<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>
ASSETS						
Cash and investments	\$ 61,483	\$ 178,692	\$ -	\$ 1,237,700	\$ 2,295,028	\$ 1,346,869
Due from other funds	-	-	-	-	-	758,597
Property held for resale	-	-	94,302	2,139,367	-	-
Total assets	<u>\$ 61,483</u>	<u>\$ 178,692</u>	<u>\$ 94,302</u>	<u>\$ 3,377,067</u>	<u>\$ 2,295,028</u>	<u>\$ 2,105,466</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Due to other funds	\$ -	\$ -	\$ 376,143	\$ -	\$ -	\$ -
Due to City of Fresno	-	427,003	-	-	-	-
Total liabilities	<u>-</u>	<u>427,003</u>	<u>376,143</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:						
Reserved for property held for resale	-	-	94,302	2,139,367	-	-
Reserved for debt service	-	-	-	-	-	-
Reserved for capital projects	61,483	(248,311)	(376,143)	1,237,700	2,295,028	2,105,466
Reserve for encumbrances	-	-	-	-	-	-
Total fund balances	<u>61,483</u>	<u>(248,311)</u>	<u>(281,841)</u>	<u>3,377,067</u>	<u>2,295,028</u>	<u>2,105,466</u>
Total liabilities and fund balances	<u>\$ 61,483</u>	<u>\$ 178,692</u>	<u>\$ 94,302</u>	<u>\$ 3,377,067</u>	<u>\$ 2,295,028</u>	<u>\$ 2,105,466</u>

(Continued)

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<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>
ASSETS					
Cash and investments	\$ 847,940	\$ 898,242	\$ 10,851	\$ 5	\$ 15,625
Due from other funds	-	376,143	-	-	-
Property held for resale	-	-	-	-	-
Total assets	<u>\$ 847,940</u>	<u>\$ 1,274,385</u>	<u>\$ 10,851</u>	<u>\$ 5</u>	<u>\$ 15,625</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ -
Due to City of Fresno	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Reserved for property held for resale	-	-	-	-	-
Reserved for debt service	-	-	10,851	5	15,625
Reserved for capital projects	847,940	1,247,110	-	-	-
Reserve for encumbrances	-	27,275	-	-	-
Total fund balances	<u>847,940</u>	<u>1,274,385</u>	<u>10,851</u>	<u>5</u>	<u>15,625</u>
Total liabilities and fund balances	<u>\$ 847,940</u>	<u>\$ 1,274,385</u>	<u>\$ 10,851</u>	<u>\$ 5</u>	<u>\$ 15,625</u>

(Continued)

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2009**

	<u>Debt Service</u>				<u>Total</u>
	<u>Roeding</u>	<u>Airport Revitalization</u>	<u>Central City</u>	<u>S Fresno Industrial</u>	
ASSETS					
Cash and investments	\$ 157,438	\$ 491,298	\$ 99,523	\$ 209,544	\$ 7,850,238
Due from other funds	-	-	-	-	1,134,740
Property held for resale	-	-	-	-	2,233,669
	<u>157,438</u>	<u>491,298</u>	<u>99,523</u>	<u>209,544</u>	<u>11,218,647</u>
Total assets	<u>\$ 157,438</u>	<u>\$ 491,298</u>	<u>\$ 99,523</u>	<u>\$ 209,544</u>	<u>\$ 11,218,647</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Due to other funds	\$ -	\$ -	\$ -	\$ -	\$ 376,143
Due to City of Fresno	-	-	-	-	427,003
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,146</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>803,146</u>
FUND BALANCES:					
Reserved for property held for resale	-	-	-	-	2,233,669
Reserved for debt service	157,438	491,298	99,523	209,544	984,284
Reserved for capital projects	-	-	-	-	7,170,273
Reserve for encumbrances	-	-	-	-	27,275
	<u>157,438</u>	<u>491,298</u>	<u>99,523</u>	<u>209,544</u>	<u>10,415,501</u>
Total fund balances	<u>157,438</u>	<u>491,298</u>	<u>99,523</u>	<u>209,544</u>	<u>10,415,501</u>
Total liabilities and fund balances	<u>\$ 157,438</u>	<u>\$ 491,298</u>	<u>\$ 99,523</u>	<u>\$ 209,544</u>	<u>\$ 11,218,647</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, 2009**

	<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	697	989	-	9,352	26,202	24,388
Intergovernmental	-	-	396,857	-	-	-
Total revenues	<u>697</u>	<u>989</u>	<u>396,857</u>	<u>9,352</u>	<u>26,202</u>	<u>24,388</u>
EXPENDITURES:						
General government	-	5,000	63,866	111,175	232,086	321,570
Redevelopment	-	239,244	9,453	181,174	1,298,798	768,671
Debt service:						
Principal repayments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>244,244</u>	<u>73,319</u>	<u>292,349</u>	<u>1,530,884</u>	<u>1,090,241</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>697</u>	<u>(243,255)</u>	<u>323,538</u>	<u>(282,997)</u>	<u>(1,504,682)</u>	<u>(1,065,853)</u>
OTHER FINANCING SOURCES (USES):						
Transfers in	-	188,000	490,000	1,300,000	1,500,000	1,000,000
Transfers out	-	-	(396,857)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>188,000</u>	<u>93,143</u>	<u>1,300,000</u>	<u>1,500,000</u>	<u>1,000,000</u>
NET CHANGE IN FUND BALANCES	<u>697</u>	<u>(55,255)</u>	<u>416,681</u>	<u>1,017,003</u>	<u>(4,682)</u>	<u>(65,853)</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED	<u>60,786</u>	<u>(193,056)</u>	<u>(698,522)</u>	<u>2,360,064</u>	<u>2,299,710</u>	<u>2,171,319</u>
FUND BALANCES, END OF YEAR	<u>\$ 61,483</u>	<u>\$ (248,311)</u>	<u>\$ (281,841)</u>	<u>\$ 3,377,067</u>	<u>\$ 2,295,028</u>	<u>\$ 2,105,466</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, 2009**

	<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</u>
REVENUES:					
Incremental property taxes	\$ -	\$ -	\$ -	\$ -	\$ 444,332
Use of money and property	7,796	13,853	123	-	109
Intergovernmental	-	-	-	-	-
Total revenues	<u>7,796</u>	<u>13,853</u>	<u>123</u>	<u>-</u>	<u>444,441</u>
EXPENDITURES:					
General government	85,100	127,250	-	-	155,486
Redevelopment	188,903	567,095	-	-	-
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>274,003</u>	<u>694,345</u>	<u>-</u>	<u>-</u>	<u>155,486</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(266,207)</u>	<u>(680,492)</u>	<u>123</u>	<u>-</u>	<u>288,955</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	595,000	800,000	-	-	-
Transfers out	-	-	-	-	(276,866)
Total other financing sources (uses)	<u>595,000</u>	<u>800,000</u>	<u>-</u>	<u>-</u>	<u>(276,866)</u>
NET CHANGE IN FUND BALANCES	<u>328,793</u>	<u>119,508</u>	<u>123</u>	<u>-</u>	<u>12,089</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>519,147</u>	<u>1,154,877</u>	<u>10,728</u>	<u>5</u>	<u>3,536</u>
FUND BALANCES, END OF YEAR	<u>\$ 847,940</u>	<u>\$ 1,274,385</u>	<u>\$ 10,851</u>	<u>\$ 5</u>	<u>\$ 15,625</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, 2009**

	<u>Debt Service</u>				<u>Total</u>
	<u>Roeding</u>	<u>Airport Revitalization</u>	<u>Central City</u>	<u>S Fresno Industrial</u>	
REVENUES:					
Incremental property taxes	\$ 1,058,460	\$ 2,224,121	\$ 1,009,807	\$ 1,630,619	\$ 6,367,339
Use of money and property	1,441	3,873	805	1,516	91,144
Intergovernmental	-	-	-	-	396,857
Total revenues	<u>1,059,901</u>	<u>2,227,994</u>	<u>1,010,612</u>	<u>1,632,135</u>	<u>6,855,340</u>
EXPENDITURES:					
General government	178,965	479,600	155,733	352,674	2,268,505
Redevelopment	-	-	-	-	3,253,338
Debt service:					
Principal repayments	270,827	-	-	-	270,827
Interest	243,049	-	-	-	243,049
Total expenditures	<u>692,841</u>	<u>479,600</u>	<u>155,733</u>	<u>352,674</u>	<u>6,035,719</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>367,060</u>	<u>1,748,394</u>	<u>854,879</u>	<u>1,279,461</u>	<u>819,621</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	396,857	-	-	-	6,269,857
Transfers out	<u>(701,692)</u>	<u>(1,444,824)</u>	<u>(796,961)</u>	<u>(1,126,124)</u>	<u>(4,743,324)</u>
Total other financing sources (uses)	<u>(304,835)</u>	<u>(1,444,824)</u>	<u>(796,961)</u>	<u>(1,126,124)</u>	<u>1,526,533</u>
NET CHANGE IN FUND BALANCES	<u>62,225</u>	<u>303,570</u>	<u>57,918</u>	<u>153,337</u>	<u>2,346,154</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>95,213</u>	<u>187,728</u>	<u>41,605</u>	<u>56,207</u>	<u>8,069,347</u>
FUND BALANCES, END OF YEAR	<u>\$ 157,438</u>	<u>\$ 491,298</u>	<u>\$ 99,523</u>	<u>\$ 209,544</u>	<u>\$ 10,415,501</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's 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 42 to 45)

Revenue Capacity

These schedules contain information to help the reader assess the Agency's primary revenue source, the property tax. (Pages 46 to 71)

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 72 to 74)

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 75)

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 76 to 80)

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 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 EIGHT FISCAL YEARS
(In Thousands)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental activities								
Invested in capital assets, net of related debt	\$ (119)	\$ (207)	\$ (273)	\$ (333)	\$ (355)	\$ (418)	\$ (479)	\$ (633)
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>
Total governmental activities, net assets	<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>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement 34

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

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Expenses								
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
Redevelopment	8,154,662	4,942,684	8,751,056	6,909,436	16,964,874	5,941,304	8,057,211	9,712,582
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
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>19,539,148</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)	(19,539,148)
General Revenues and Other Changes in Net Assets								
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
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
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
Miscellaneous	53,080	98,145	846,883	2,194,555	239,500	6,416,674	120,808	25,000
Grants	1,057,914	-	-	-	-	-	-	72,100
Special item	-	-	-	(1,590,000)	-	521,710	-	-
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>
Change in Net Assets								
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>\$ 4,901,310</u>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement 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 EIGHT FISCAL YEARS
(In Thousands)**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Governmental funds								
Reserved								
Capital projects funds								
Capital projects funds	\$ 4,896	\$ 5,273	\$ 4,267	\$ 5,427	\$ 6,712	\$ 9,410	\$ 9,011	\$ 5,620
Deposits	69	523	486	1,076	421	886	-	69
Encumbrances	6,799	10,097	9,315	4,771	901	836	696	2,400
Non-current receivables	5,089	4,600	3,293	2,380	2,562	2,206	7,332	5,901
Other assets	-	-	-	407	-	-	9,692	13,646
Property held for resale	20,476	24,926	29,535	32,317	27,225	33,098	32,977	33,633
Debt service funds								
Debt service funds	12,272	8,776	8,029	5,883	7,087	7,620	2,014	3,901
Non-current receivables	18,082	533	402	285	171	133	97	56
Unreserved								
Capital projects funds	(9,564)	(13,194)	(11,831)	(3,878)	(3,946)	(4,046)	(3,268)	-
Total all governmental funds	<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>

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement 34
FY 08/09 balances were corrected to tie to the financials

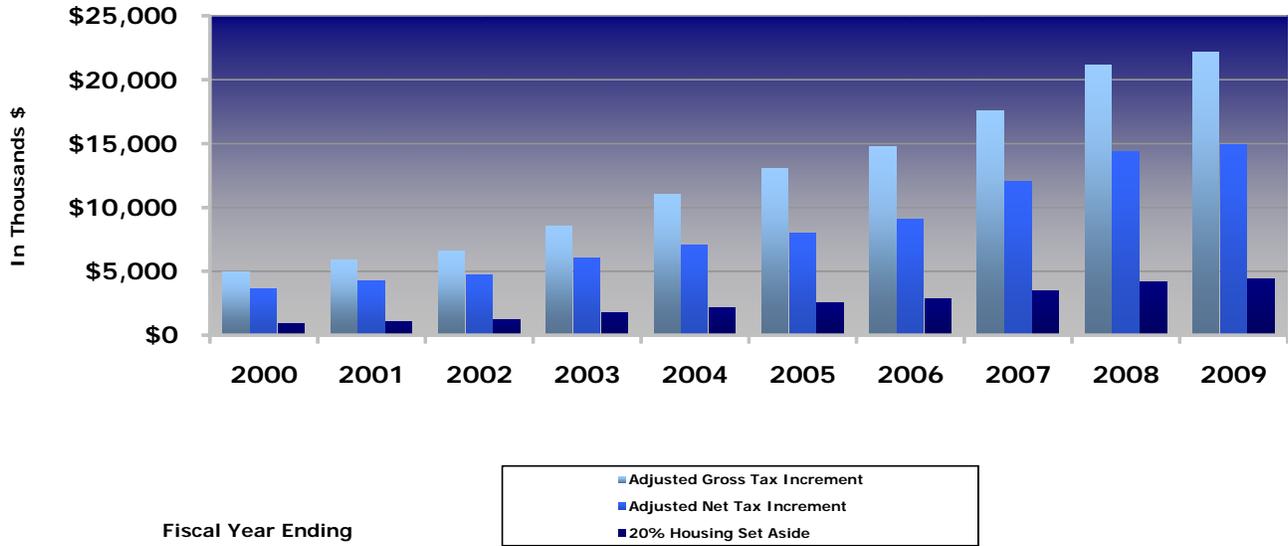
**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
FINANCIAL TRENDS
CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
LAST EIGHT FISCAL YEARS**

	Fiscal Year							
	2002	2003	2004	2005	2006	2007	2008	2009
Revenues								
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
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
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
Intergovernmental	25,000	651,711	3,137,662	-	1,910,492	238,715	1,259,757	558,882
Miscellaneous	53,080	98,145	406,587	2,194,455	239,500	521,710	120,808	25,000
Grants	90,100	-	-	-	-	-	-	72,100
Gain on sale of property	-	-	440,396	-	-	-	-	-
Special item	-	-	-	-	-	-	-	-
Total revenues	8,580,248	14,003,589	18,334,106	18,097,662	19,814,026	20,884,900	24,978,332	24,923,712
Expenditures								
Current:								
Administrative	449,905	3,147,109	3,016,404	2,418,220	2,365,092	2,648,002	3,027,504	2,978,707
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
Capital Projects:								
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
Loss on sale of property	-	845,377	-	-	2,512	1,924,026	3,408,632	1,613,298
Debt service:								
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
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
Payment to refunded bond escrow agent	-	-	-	1,779,900	-	-	-	-
Total expenditures	16,474,868	14,865,264	22,429,313	17,419,293	25,257,580	21,966,697	17,251,526	19,293,569
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
Other Financing Sources (Uses)								
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
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
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)
Total other financing sources (uses)	571,777	1,456,177	6,057,171	4,203,310	908,996	7,091,911	681,398	1,044,532
Net change in fund balances	\$ (7,322,843)	\$ 594,502	\$ 1,961,964	\$ 4,881,679	\$ (4,534,558)	\$ 6,010,114	\$ 8,408,204	\$ 6,674,675
Debt service as a percentage of noncapital expenditures	729.39%	103.90%	191.65%	119.03%	64.34%	202.24%	66.93%	67.02%
Debt service as a percentage of total expenditures	44.41%	33.50%	40.48%	33.22%	12.85%	47.08%	26.63%	19.93%
Capital outlay as a percentage of total expenditures	49.50%	34.26%	38.40%	38.87%	67.17%	29.64%	33.58%	41.98%

Source: Redevelopment Agency of the City of Fresno Annual Reports

Notes: Accounting requirements changed in 2002 due to GASB Statement 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**



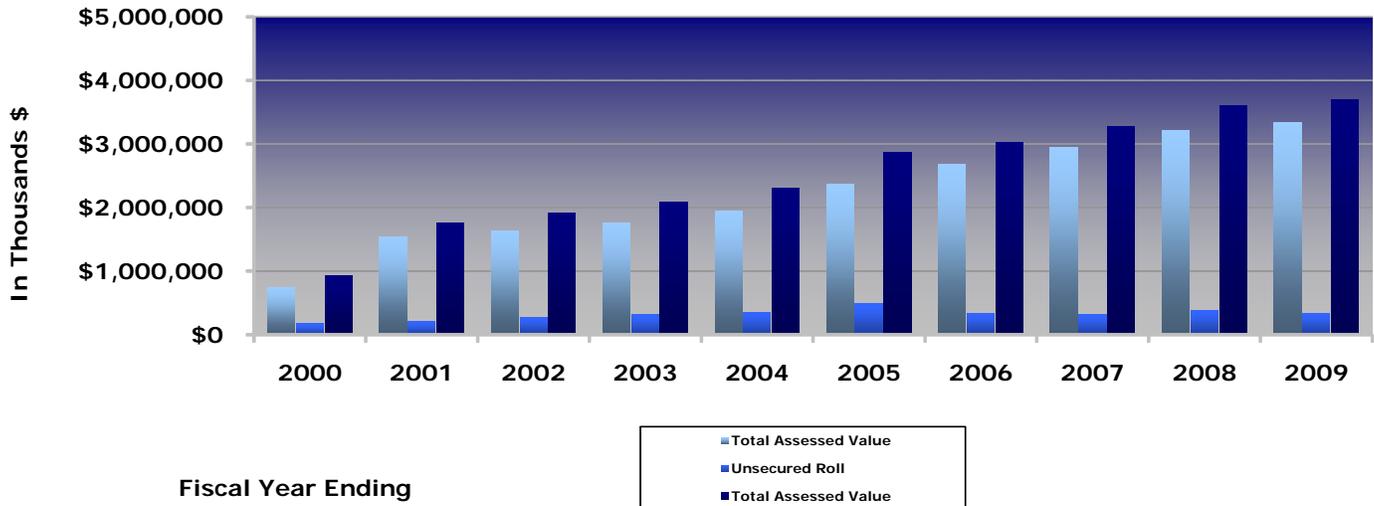
Fiscal Year Ended June 30	Adjusted Gross		Adjusted Net Tax		20% Housing Set	
	Tax Increment	% Increase	Increment	% Increase	Aside	% Increase
2000	\$ 4,993,802		\$ 3,661,300		\$ 998,760	
2001	5,939,998	18.95%	4,298,991	17.42%	1,141,993	14.34%
2002	6,668,454	12.26%	4,781,499	11.22%	1,262,173	10.52%
2003	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	42.88%	14,401,172	57.64%	4,220,373	42.88%
2009	22,143,924	4.94%	14,957,574	3.86%	4,428,785	26.20%

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

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

FY 99/00	First year of increment for Fulton & South Van Ness
FY 00/01	First year of increment for Airport Area Revitalization, South Fresno Industrial & Southeast Fresno
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

**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
2000	\$ 753,295,093	\$ 179,840,009	\$ 933,135,102	1.0%
2001	1,542,581,339	217,307,414	1,759,888,753	1.0%
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%

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
2000	\$ 4,993,802	\$ 4,993,802	100.00%
2001	5,709,966	5,709,966	100.00%
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%

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, 2009**

Project Area	Base Year	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Merger 1											
Central Business Dist	1960-1961										
Assessed Value		38,677,890	38,750,540	42,196,729	42,045,867	86,583,670	95,443,038	98,968,227	114,830,292	141,571,233	120,431,478
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		<u>(2,123,628)</u>	<u>(2,050,978)</u>	<u>1,395,211</u>	<u>1,244,349</u>	<u>45,782,152</u>	<u>54,641,520</u>	<u>58,166,709</u>	<u>74,028,774</u>	<u>100,769,715</u>	<u>79,629,960</u>
Chinatown	1985-1986										
Assessed Value		50,106,866	47,915,385	46,226,103	47,779,136	45,215,229	37,119,411	41,389,965	40,569,679	37,939,143	37,494,918
Frozen Base Value		19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,920	19,235,099	19,235,099
Incremental Value		<u>30,870,946</u>	<u>28,679,465</u>	<u>26,990,183</u>	<u>28,543,216</u>	<u>25,979,309</u>	<u>17,883,491</u>	<u>22,154,045</u>	<u>21,333,759</u>	<u>18,704,044</u>	<u>18,259,819</u>
Chinatown/West Fresno Rehab	1965-1966										
Assessed Value		7,718,799	6,762,922	6,525,848	6,860,701	7,574,936	7,852,585	9,268,782	9,516,568	11,326,543	12,019,002
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		<u>2,081,559</u>	<u>1,125,682</u>	<u>888,608</u>	<u>1,223,461</u>	<u>1,937,696</u>	<u>2,215,345</u>	<u>3,631,542</u>	<u>3,879,328</u>	<u>5,689,303</u>	<u>6,381,762</u>
Convention Center	1981-1982										
Assessed Value		52,605,134	54,083,535	55,136,722	55,202,997	59,194,213	92,527,182	100,237,601	105,633,294	112,118,833	113,297,384
Frozen Base Value		22,721,246	22,620,009	22,418,359	22,418,359	22,101,752	21,952,247	21,952,247	21,952,247	21,905,251	21,905,251
Incremental Value		<u>29,883,888</u>	<u>31,463,526</u>	<u>32,718,363</u>	<u>32,784,638</u>	<u>37,092,461</u>	<u>70,574,935</u>	<u>78,285,354</u>	<u>83,681,047</u>	<u>90,213,582</u>	<u>91,392,133</u>
Fulton	1997-1998										
Assessed Value		63,456,898	62,175,714	68,565,263	72,278,571	72,543,269	75,342,561	79,029,671	94,950,031	100,171,014	96,248,300
Frozen Base Value		55,493,330	55,493,330	55,111,250	55,111,250	55,074,250	55,074,250	55,074,250	55,074,250	55,022,811	55,022,811
Incremental Value		<u>7,963,568</u>	<u>6,682,384</u>	<u>13,454,013</u>	<u>17,167,321</u>	<u>17,469,019</u>	<u>20,268,311</u>	<u>23,955,421</u>	<u>39,875,781</u>	<u>45,148,203</u>	<u>41,225,489</u>
Jefferson	1984-1985										
Assessed Value		57,492,813	57,846,307	59,134,127	57,203,867	57,935,572	74,528,636	106,335,509	94,013,506	107,377,426	104,707,182
Frozen Base Value		37,212,947	37,212,947	37,469,388	38,942,602	38,142,889	36,422,450	36,422,450	36,422,450	36,421,058	36,421,058
Incremental Value		<u>20,279,866</u>	<u>20,633,360</u>	<u>21,664,739</u>	<u>18,261,265</u>	<u>19,792,683</u>	<u>38,106,186</u>	<u>69,913,059</u>	<u>57,591,056</u>	<u>70,956,368</u>	<u>68,286,124</u>
Mariposa	1968-1969										
Assessed Value		75,953,342	77,024,972	79,490,382	81,452,983	89,023,583	89,141,221	96,316,479	127,220,178	143,069,763	137,224,056
Frozen Base Value		20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	20,102,417	19,958,242	19,958,242
Incremental Value		<u>55,850,925</u>	<u>56,922,555</u>	<u>59,387,965</u>	<u>61,350,566</u>	<u>68,921,166</u>	<u>69,038,804</u>	<u>76,214,062</u>	<u>107,117,761</u>	<u>123,111,521</u>	<u>117,265,814</u>
South Van Ness	1997-1998										
Assessed Value		161,636,265	111,744,665	145,685,902	136,702,687	152,207,063	152,287,681	156,814,961	162,426,334	174,447,740	183,367,870
Frozen Base Value		141,681,196	100,538,603	141,681,196	141,681,196	141,681,196	141,681,196	141,681,196	141,681,196	141,593,962	141,593,962
Incremental Value		<u>19,955,069</u>	<u>11,206,062</u>	<u>4,004,706</u>	<u>(4,978,509)</u>	<u>10,525,867</u>	<u>10,606,485</u>	<u>15,133,765</u>	<u>20,745,138</u>	<u>32,853,778</u>	<u>41,773,908</u>
West Fresno #1	1964-1965										
Assessed Value		18,280,455	18,048,058	18,935,254	20,056,032	22,042,127	21,514,314	21,372,982	21,431,916	22,834,349	24,299,323
Frozen Base Value		2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,835	2,690,821	2,690,821
Incremental Value		<u>15,589,620</u>	<u>15,357,223</u>	<u>16,244,419</u>	<u>17,365,197</u>	<u>19,351,292</u>	<u>18,823,479</u>	<u>18,682,147</u>	<u>18,741,081</u>	<u>20,143,528</u>	<u>21,608,502</u>
West Fresno #2	1963-1964										
Assessed Value		79,604,738	80,151,860	77,463,432	81,825,644	68,661,937	86,623,465	81,777,878	84,050,747	84,525,132	90,082,909
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		<u>77,559,810</u>	<u>78,106,932</u>	<u>75,418,504</u>	<u>79,780,716</u>	<u>66,617,009</u>	<u>84,578,537</u>	<u>79,732,950</u>	<u>82,005,819</u>	<u>82,480,204</u>	<u>88,037,981</u>

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO
REVENUE CAPACITY
FROZEN BASE – CURRENT VALUE COMPARISONS (Continued)
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2009**

Project Area		2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Merger 2											
Fruit/Church	1971-1972										
Assessed Value		21,444,076	26,032,093	26,681,000	34,757,550	34,486,412	37,567,782	37,565,118	41,402,649	48,605,707	49,419,313
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		<u>19,624,684</u>	<u>24,212,701</u>	<u>24,861,608</u>	<u>32,938,158</u>	<u>32,667,020</u>	<u>35,748,390</u>	<u>35,745,726</u>	<u>39,583,257</u>	<u>46,786,315</u>	<u>47,599,921</u>
Southwest Fresno	1968-1969										
Assessed Value		180,123,852	192,456,768	203,957,108	211,411,325	217,462,771	235,002,822	262,006,135	298,891,895	346,871,736	357,159,431
Frozen Base Value		33,168,680	33,168,680	33,168,680	33,168,680	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668	32,738,668
Incremental Value		<u>146,955,172</u>	<u>159,288,088</u>	<u>170,788,428</u>	<u>178,242,645</u>	<u>184,724,103</u>	<u>202,264,154</u>	<u>229,267,467</u>	<u>266,153,227</u>	<u>314,133,068</u>	<u>324,420,763</u>
Airport Area Revitalization	1998-1999										
Assessed Value			186,333,026	216,763,245	255,635,771	334,959,124	311,521,455	310,640,641	326,806,963	337,129,258	326,301,483
Frozen Base Value			117,190,815	117,190,815	117,190,815	117,168,836	117,129,361	117,129,361	117,129,361	117,129,361	117,129,361
Incremental Value		<u>-</u>	<u>69,142,211</u>	<u>99,572,430</u>	<u>138,444,956</u>	<u>217,790,288</u>	<u>194,392,094</u>	<u>193,511,280</u>	<u>209,677,602</u>	<u>219,999,897</u>	<u>209,172,122</u>
Central City Commercial	1998-1999										
Assessed Value			266,319,565	288,209,667	289,287,822	310,620,688	312,534,454	329,279,194	348,365,479	368,033,950	378,499,072
Frozen Base Value			287,264,784	285,244,555	285,244,555	284,646,534	284,612,217	285,223,366	285,223,366	285,223,366	285,223,366
Incremental Value		<u>-</u>	<u>(20,945,219)</u>	<u>2,965,112</u>	<u>4,043,267</u>	<u>25,974,154</u>	<u>27,922,237</u>	<u>44,055,828</u>	<u>63,142,113</u>	<u>82,810,584</u>	<u>93,275,706</u>
Corridor 99	2002-2003										
Assessed Value							422,647,502	492,136,157	558,098,175	616,225,720	639,712,562
Frozen Base Value							382,455,383	382,455,383	382,455,383	384,456,826	384,456,826
Incremental Value		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,192,119</u>	<u>109,680,774</u>	<u>175,642,792</u>	<u>231,768,894</u>	<u>255,255,736</u>
Fresno Air Terminal	1987-1988										
Assessed Value		35,903,321	37,286,039	47,710,966	60,348,870	57,626,993	85,857,927	39,932,094	29,569,708	37,036,618	58,323,830
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		<u>21,039,032</u>	<u>22,421,750</u>	<u>32,846,677</u>	<u>45,484,581</u>	<u>42,762,704</u>	<u>70,993,638</u>	<u>25,067,805</u>	<u>14,705,419</u>	<u>22,172,329</u>	<u>43,459,541</u>
Roeding Business Park	1995-1996										
Assessed Value		90,130,653	95,195,306	97,858,312	104,978,949	107,637,198	106,914,153	121,806,190	131,495,502	151,314,681	151,856,922
Frozen Base Value		76,527,875	76,213,103	75,541,201	74,253,715	74,251,007	74,251,007	74,251,007	74,241,007	74,100,775	74,100,775
Incremental Value		<u>13,602,778</u>	<u>18,982,203</u>	<u>22,317,111</u>	<u>30,725,234</u>	<u>33,386,191</u>	<u>32,663,146</u>	<u>47,555,183</u>	<u>57,254,495</u>	<u>77,213,906</u>	<u>77,756,147</u>
South Fresno Industrial	1998-1999										
Assessed Value			113,636,247	137,621,450	159,509,271	167,734,630	217,148,204	215,152,084	233,136,641	257,623,086	284,000,256
Frozen Base Value			198,537,363	198,537,363	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080	128,564,080
Incremental Value		<u>-</u>	<u>(84,901,116)</u>	<u>(60,915,913)</u>	<u>30,945,191</u>	<u>39,170,550</u>	<u>88,584,124</u>	<u>86,588,004</u>	<u>104,572,561</u>	<u>129,059,006</u>	<u>155,436,176</u>
Southeast Fresno	1998-1999										
Assessed Value			288,125,751	300,846,252	372,512,224	418,410,329	400,432,133	428,656,662	451,337,696	508,664,695	534,610,179
Frozen Base Value			298,658,273	297,554,287	266,595,922	266,440,422	266,406,872	266,406,872	266,406,872	266,008,435	266,008,435
Incremental Value		<u>-</u>	<u>(10,532,522)</u>	<u>3,291,965</u>	<u>105,916,302</u>	<u>151,969,907</u>	<u>134,025,261</u>	<u>162,249,790</u>	<u>184,930,824</u>	<u>242,656,260</u>	<u>268,601,744</u>
Total All Project Areas											
Assessed Value		933,135,102	1,759,888,753	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
Frozen Base Value		474,001,813	1,334,094,446	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
Incremental Value		<u>459,133,289</u>	<u>425,794,307</u>	<u>547,894,129</u>	<u>819,482,554</u>	<u>1,041,913,571</u>	<u>1,213,522,256</u>	<u>1,379,590,911</u>	<u>1,624,661,834</u>	<u>1,956,670,505</u>	<u>2,048,839,348</u>

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, 2009**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Merger Project No. 1</u>										
Central Business District										
Date Project Merged 8/6/1998										
Assessed Values	38,677,890	38,750,540	42,196,729	42,045,867	86,583,670	95,443,038	98,968,227	114,830,292	141,571,233	120,431,478
Property Taxes Received	5,076	-	18,499	20,670	502,621	598,489	637,875	809,569	1,099,451	867,458
Debt Service			18,499	20,670	102,483	175,983	175,107	141,131	140,381	141,981
Coverage			1.00	1.00	4.90	3.40	3.64	5.74	7.83	6.11
Chinatown Expanded										
Date Project Merged 8/6/1998										
Assessed Values	57,825,665	54,678,307	52,751,951	54,639,837	52,790,165	44,971,996	50,658,747	50,086,247	49,265,686	49,513,920
Property Taxes Received	335,503	299,210	275,860	269,658	245,234	157,508	220,050	210,134	197,591	196,746
Debt Service										
Coverage										
Convention Center										
Date Project Merged 8/6/1998										
Assessed Values	52,605,134	54,083,535	55,136,722	55,202,997	59,194,213	92,527,182	100,237,601	105,633,294	112,118,833	113,297,384
Property Taxes Received	333,959	347,552	377,841	362,695	425,406	772,510	856,477	915,019	986,231	998,862
Debt Service	252,293	278,042	294,693	311,600	296,041	309,064	250,000	0	0	420,000
Coverage	1.32	1.25	1.28	1.16	1.44	2.50	3.43			2.38
Fulton										
Date Project Merged 8/6/1998										
Assessed Values	63,456,898	62,175,714	68,565,263	72,278,571	72,543,269	75,342,561	79,029,671	94,950,031	100,171,014	96,248,300
Property Taxes Received	86,201	72,333	144,756	185,826	188,216	219,392	259,436	431,765	488,930	445,848
Debt Service			60,610	68,831	68,831	142,331	141,781	141,131	140,381	141,981
Coverage			2.39	2.70	2.73	1.54	1.83	3.06	3.48	3.14
Jefferson										
Date Project Merged 8/6/1998										
Assessed Values	57,492,813	57,846,307	59,134,127	57,203,867	57,935,572	74,528,636	106,335,509	94,013,506	107,377,426	104,707,182
Property Taxes Received	226,565	227,911	235,233	133,696	143,808	346,901	694,296	557,434	698,871	664,582
Debt Service										
Coverage										
Mariposa										
Date Project Merged 8/6/1998										
Assessed Values	75,953,342	77,024,972	79,490,382	81,452,983	89,023,583	89,141,221	96,316,479	127,220,178	143,069,763	137,224,056
Property Taxes Received	618,430	625,353	649,482	674,087	753,017	757,953	836,422	1,171,239	1,345,069	1,280,591
Debt Service	422,994	422,594	421,894	425,894	326,177	329,486	242,361	424,811	426,798	426,754
Coverage	1.46	1.48	1.54	1.58	2.31	2.30	3.45	2.76	3.15	3.00
South Van Ness Industrial										
Date Project Merged 8/6/1998										
Assessed Values	161,636,265	111,744,665	145,685,902	136,702,687	152,207,063	152,287,681	156,814,961	162,426,334	174,447,740	183,367,870
Property Taxes Received	216,108	122,236	37,906	-	107,850	113,424	159,664	226,328	368,570	456,903
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, 2009**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Merger Project No. 1 (continued)</u>										
West Fresno I										
Date Project Merged 8/6/1998										
Assessed Values	18,280,455	18,048,058	18,935,254	20,056,032	22,042,127	21,514,314	21,372,982	21,431,916	22,834,349	24,299,323
Property Taxes Received	168,748	166,234	174,765	187,970	208,392	203,754	202,326	202,917	218,138	233,857
Debt Service Coverage										
West Fresno II										
Date Project Merged 8/6/1998										
Assessed Values	79,604,738	80,151,860	77,463,432	81,825,644	68,661,937	86,623,465	81,777,878	84,050,747	84,525,132	90,082,909
Property Taxes Received	656,522	660,103	629,529	678,669	534,283	920,799	869,049	893,615	899,065	959,756
Debt Service Coverage	580,174	608,440	589,389	506,418						
	1.13	1.08	1.07	1.34						
<u>Merger Project No. 2</u>										
Fruit/Church										
Date Project Merged 11/16/1998										
Assessed Values	21,444,076	26,032,093	26,681,000	34,757,550	34,486,412	37,567,782	37,565,118	41,402,649	48,605,707	49,419,313
Property Taxes Received	208,790	259,081	263,864	349,798	347,183	381,271	374,688	421,365	507,530	494,938
Debt Service Coverage	215,028	218,503								
	0.97	1.19								
Southwest Fresno GNRA										
Date Project Merged 11/16/1998										
Assessed Values	180,123,852	192,456,768	203,957,108	211,411,325	217,462,771	235,002,822	262,006,135	298,891,895	346,871,736	357,159,431
Property Taxes Received	1,671,472	1,779,625	1,902,357	1,959,570	2,055,516	2,274,071	2,503,494	2,920,775	3,461,777	3,534,678
Debt Service Coverage	99,804	79,804	590,892	821,631	744,528	888,728	889,328	884,228	883,427	886,727
	16.75	22.30	3.22	2.38	2.76	2.56	2.82	3.30	3.92	3.99
Airport Area Revitalization										
Date Project Established 7/19/1999										
Assessed Values		186,333,026	216,763,245	255,635,771	334,959,124	311,521,455	310,640,641	326,806,963	337,129,258	326,301,483
Property Taxes Received		718,594	1,043,046	1,459,148	2,318,730	2,061,856	2,055,486	2,229,561	2,342,989	2,224,121
Debt Service Coverage										
Central City Commercial Revitalization										
Date Project Established 8/24/1999										
Assessed Values		266,319,565	288,209,667	289,287,822	310,620,688	312,534,454	329,279,194	348,365,479	368,033,950	378,499,072
Property Taxes Received		-	29,650	43,767	289,457	310,422	485,000	692,743	906,966	1,009,807
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, 2009**

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Freeway 99-Golden State Blvd.										
Date Project Established 7/5/2003										
Assessed Values						422,647,502	492,136,157	558,098,175	616,225,720	639,712,562
Property Taxes Received						430,184	1,182,064	1,893,498	2,496,786	2,738,953
Debt Service										
Coverage										
Fresno Air Terminal										
Date Project Established 7/18/1988										
Assessed Values	35,903,321	37,286,039	47,710,966	60,348,870	57,626,993	85,857,927	39,932,094	29,569,708	37,036,618	58,323,830
Property Taxes Received	319,186	226,261	231,830	473,028	442,581	746,057	250,590	136,888	216,328	444,332
Debt Service										
Coverage										
Roeding Business Park										
Date Project Established 7/16/1996										
Assessed Values	90,130,653	95,195,306	97,858,312	104,978,949	107,637,198	106,914,153	121,806,190	131,495,502	151,314,681	151,856,922
Property Taxes Received	147,242	205,473	258,889	332,580	378,702	358,369	515,018	724,726	1,050,811	1,058,460
Debt Service						65,004	117,103	117,076	117,048	117,019
Coverage						5.51	4.40	6.19	8.98	9.05
South Fresno Industrial Revitalization										
Date Project Established 7/12/1999		113,636,247	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
Property Taxes Received							910,022	1,107,266	1,388,987	1,630,619
Debt Service										
Coverage										
Southeast Fresno Revitalization										
Date Project Established 7/12/1999										
Assessed Values		288,125,751	300,846,252	372,512,224	418,410,329	400,432,133	428,656,662	451,337,696	508,664,695	534,610,179
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
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	NGP Fresno LLC	\$ 61,019,458	50.67%	ASP San Diego LLC	\$ 30,317,527	31.77%
2	Scripps GSB II LLC	19,361,500	16.08%	AB Parking Facilities LLC	10,935,183	11.46%
3	Fresno Baseball Club LLC	13,050,000	10.84%	Skywing LLC	5,710,790	5.98%
4	Brisam Fresno LLC	5,610,000	4.66%	Fresno Park Tower LLC	2,837,678	2.97%
5	Fresno Park Tower LLC	4,598,463	3.82%	Lloyds Bank California	2,103,782	2.20%
6	Fresno Pacific Towers Inc	3,168,978	2.63%	Fresno Ball Park Lofts LLC	1,683,000	1.76%
7	Center Mall Court Investors	2,234,000	1.85%	A Partners LLC	1,615,515	1.69%
8	Lloyds Bank California	2,139,245	1.78%	Longs Drugs Stores California Inc	1,410,373	1.48%
9	Longs Drugs	2,055,913	1.71%	Lee Dae S & Sook K Trustees	1,491,121	1.56%
10	Fresno Ball Park Lofts LLC	1,786,012	1.48%	Ronald Patterson	1,077,204	1.13%
		<u>115,023,569</u>	<u>95.51%</u>		<u>59,182,173</u>	<u>62.01%</u>
	All Other Taxpayers	<u>5,407,909</u>	<u>4.49%</u>	All Other Taxpayers	<u>36,260,865</u>	<u>37.99%</u>
	Total	<u>\$ 120,431,478</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.
2008-2009 based on Project Area taxable value of \$120,431,478
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	California Dairies Inc	\$ 23,961,137	48.39%	California Dairies Inc	\$ 24,251,409	53.93%
2	Stephen L Porter & Gary Beckman	1,679,200	3.39%	Yorkshire Dried Fruit & Nuts Inc	1,300,000	2.89%
3	Tiara Investments LLC	1,352,520	2.73%	G L I Realty Company	1,124,689	2.50%
4	G L I Realty Company	1,334,025	2.69%	Union Pacific Railroad Company	1,071,260	2.38%
5	Smart & Final Inc	1,057,902	2.14%	Smart & Final Inc	880,981	1.96%
6	California First Bank	682,603	1.38%	Gadah Shouman	706,710	1.57%
7	Josefina Ortiz	665,840	1.34%	Cherta Farms Inc	703,100	1.56%
8	Union Pacific Railroad Company	631,449	1.28%	California First Bank	443,800	0.99%
9	EIE Alpha LLC	558,960	1.13%	Otani Properties	460,000	1.02%
10	DFP Properties	473,212	0.96%	Cheong Kei Wong & A Lam Tu	390,000	0.87%
		<u>32,396,848</u>	<u>65.43%</u>		<u>31,331,949</u>	<u>69.67%</u>
	All Other Taxpayers	<u>17,117,072</u>	<u>34.57%</u>	All Other Taxpayers	<u>13,640,047</u>	<u>30.33%</u>
	Total	<u>\$ 49,513,920</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.
2008-2009 based on Project Area taxable value of \$49,513,920
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	GL Bruno Associates Inc	\$ 43,276,940	38.20%	M L Street Properties	\$ 48,867,784	52.81%
2	Uniwell Fresno Hotel, LLC	18,987,670	16.76%	United Security Bank	1,570,922	1.70%
3	ML Street Properties	11,511,119	10.16%	Valley Lavosh Baking Company Inc	1,261,979	1.36%
4	United Security Bank	4,079,541	3.60%	Ellis Commercial Property LP	1,213,015	1.31%
5	Ellis Commercial Property LP	2,603,360	2.30%	Cooper & Hoppe	1,161,122	1.25%
6	Valley Lahvosh Baking Co	1,681,972	1.48%	Spalding G Wathen	1,087,747	1.18%
7	Kern Virginia LLC	1,646,500	1.45%	Specfic Properties LLC	765,000	0.83%
8	Spalding G Wathen	1,459,108	1.29%	Ronald Sawl	713,071	0.77%
9	Cooper & Hoppe	1,286,689	1.14%			
10	Hugh & Amy Wilson Trustees	1,179,169	1.04%			
		<u>87,712,068</u>	<u>77.42%</u>		<u>56,640,640</u>	<u>61.22%</u>
	All Other Taxpayers	<u>25,585,316</u>	<u>22.58%</u>	All Other Taxpayers	<u>35,886,542</u>	<u>38.78%</u>
	Total	<u>\$ 113,297,384</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.
 2008-2009 based on Project Area taxable value of \$113,297,384
 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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Uptown Investments LP	\$ 7,652,009	7.95%	ASP San Diego LLC	\$ 4,519,480	6.00%
2	Pyramid A-One LLC	5,248,311	5.45%	1665 M Street LLC	3,516,400	4.67%
3	1665 M Street LLC	4,536,900	4.71%	Valley Burglar & Fire Alarm Company	3,489,122	4.63%
4	AT&T	4,484,124	4.66%	Encino Grande LLC	2,670,119	3.54%
5	NGP Fresno LLC	3,885,724	4.04%	Union Pacific Railroad	2,632,272	3.49%
6	Crocker Building Partners	3,217,924	3.34%	Crocker Building Partners	2,190,000	2.91%
7	Encino Grande LLC	2,890,219	3.00%	John S Foggy	1,961,650	2.60%
8	EIE Alpha LLC	2,799,764	2.91%	Fresno County Employees Credit Union	1,818,568	2.41%
9	First States Investors 5000A LLC	2,525,493	2.62%	ATC Building Company	1,653,959	2.20%
10	Toews Properties LLC	2,196,699	2.28%	Bank of America	1,567,462	2.08%
		<u>39,437,167</u>	<u>40.97%</u>		<u>26,019,032</u>	<u>34.53%</u>
	All Other Taxpayers	<u>56,811,133</u>	<u>59.03%</u>	All Other Taxpayers	<u>49,323,529</u>	<u>65.47%</u>
	Total	<u>\$ 96,248,300</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.
2008-2009 based on Project Area taxable value of \$96,248,300
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Steve & Carol Rontell	\$ 8,397,457	8.02%	Nottoli CMC	\$ 1,400,000	1.88%
2	Nottoli CMC	3,542,332	3.38%	Craig Greenwood	944,508	1.27%
3	David & Linda Hovannisian	3,227,520	3.08%	BNSF Railway Company	927,323	1.24%
4	Hardeep Singh	1,543,350	1.47%	Jerry & Gail Saylor	669,808	0.90%
5	Claude & Karen Saiz	1,039,306	0.99%	Sequoia Community Health Foundation	577,000	0.77%
6	95th Avenue LLC	1,012,709	0.97%	Downtown Square Apartments LLC	513,600	0.69%
7	JCH Family Limited Partnership	890,833	0.85%	Edward & Charmay Allred	500,000	0.67%
8	Jesus & Georgina Montesino	880,000	0.84%	Steve & Carol Rontell	491,055	0.66%
9	Lawrence & Carol Mueller	826,035	0.79%	Anis Medical Supply Inc	423,824	0.57%
10	Edward Allred	742,500	0.71%			
		<u>22,102,042</u>	<u>21.11%</u>		<u>6,447,118</u>	<u>8.65%</u>
	All Other Taxpayers	<u>82,605,140</u>	<u>78.89%</u>	All Other Taxpayers	<u>68,081,518</u>	<u>91.35%</u>
	Total	<u>\$ 104,707,182</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.
 2008-2009 based on Project Area taxable value of \$104,707,182
 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 was 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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Tutelian Holdings LLC	\$ 19,431,160	14.16%	Civic Center Square Inc	\$ 10,836,204	12.16%
2	Civic Center Square Inc	14,328,646	10.44%	LQM Operating Partners LP	3,417,404	3.83%
3	Beverly Healthcare CA Inc	6,424,200	4.68%	Office Depot Inc	2,895,409	3.25%
4	Cornerstone Main Company	4,040,221	2.94%	Tutelian Holdings I LLC	2,840,000	3.19%
5	Bre/LQ Properties LLC	3,968,412	2.89%	Cornerstone Main Company	2,325,040	2.61%
6	Office Depot Inc	3,236,709	2.36%	BNSF Railway Company	1,945,812	2.18%
7	Vahan & Anoush Chamlian	2,516,413	1.83%	Roger and Brenda Bowman Trustees	1,535,370	1.72%
8	Fresno Dental Surgery Center Inc	2,339,500	1.70%	Golden Bear Inc	1,428,682	1.60%
9	Roger and Brenda Bowman Trustees	2,335,404	1.70%	Michael & Charlene Knott	1,409,554	1.58%
10	BNSF Railway Company	1,903,757	1.39%	Hideki & Fusako Shimada Trustees	1,337,768	1.50%
		<u>60,524,422</u>	<u>44.11%</u>		<u>29,971,243</u>	<u>33.62%</u>
	All Other Taxpayers	<u>76,699,634</u>	<u>55.89%</u>	All Other Taxpayers	<u>59,169,978</u>	<u>66.38%</u>
	Total	<u>\$ 137,224,056</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.
2008-2009 based on Project Area taxable value of \$137,224,056
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zacky Farms	\$ 31,682,009	17.28%	Zacky Farms	\$ 18,844,282	12.37%
2	Dermody Properties	9,377,140	5.11%	Dermody Properties	8,836,292	5.80%
3	Rich Products Corporation	8,394,856	4.58%	Foundry Park Investors LP	7,216,279	4.74%
4	Tanney Machine & Manufacturing Inc	8,347,407	4.55%	United States Cold Storage of Central Calif	5,692,660	3.74%
5	R M Wade & Co	7,455,690	4.07%	Rainbo Bakeries of San Joaquin Valley Inc	4,302,606	2.83%
6	Sara Lee Bakery Group Inc	4,950,426	2.70%	Fresno Storage Partners LLC	3,455,826	2.27%
7	KC & MC Enterprises LLC	4,867,060	2.65%	A Gusmer Inc	2,232,400	1.47%
8	S & B Investments	3,889,650	2.12%	R M Wade & Co	2,108,816	1.38%
9	Jack Frost Ice Svc Inc	3,734,423	2.04%	Teton Properties LLC	1,852,320	1.22%
10	Fresno Storage Partners LLC	3,671,574	2.00%	Franklin Diel Trustee	1,526,700	1.00%
		<u>86,370,235</u>	<u>47.10%</u>		<u>56,068,181</u>	<u>36.82%</u>
	All Other Taxpayers	<u>96,997,635</u>	<u>52.90%</u>	All Other Taxpayers	<u>96,219,500</u>	<u>63.18%</u>
	Total	<u>\$ 183,367,870</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.
2008-2009 based on Project Area taxable value of \$183,367,870
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Carl Simonian LLP	\$ 4,663,838	19.19%	Noel Montoya	\$ 2,602,606	12.10%
2	1435 Fresno Street LLC	3,565,900	14.67%	Warehouse Venture I	1,116,938	5.19%
3	FDIG LLC	2,016,357	8.30%	WW Grainger Inc	1,084,302	5.04%
4	Emilio Sandoval	1,545,218	6.36%	Lamoures Incorporated	840,822	3.91%
5	Warehouse Venture I	1,471,699	6.06%	FDIG LLC	686,447	3.19%
6	Multi-forms Inc	1,444,909	5.95%	Carl Simonian LLP	662,681	3.08%
7	WW Grainger Inc	1,198,327	4.93%	Bank of America Nat'l Trust & Sav Assn	644,720	3.00%
8	Lamoures Incorporated	911,005	3.75%	Geolease Inc	472,369	2.20%
9	BSK Group	881,339	3.63%	Gerald & Carol O'Brien Trs	387,604	1.80%
10	Jack & Beth Emerian	785,343	3.23%	Orbit Floral Corporation	385,604	1.79%
		<u>18,483,935</u>	<u>76.07%</u>		<u>8,884,093</u>	<u>41.29%</u>
	All Other Taxpayers	<u>5,815,388</u>	<u>23.93%</u>	All Other Taxpayers	<u>12,630,221</u>	<u>58.71%</u>
	Total	<u>\$ 24,299,323</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.
2008-2009 based on Project Area taxable value of \$24,299,323
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	McClatchy Newspapers	\$ 37,098,028	41.18%	McClatchy Newspapers	\$ 33,196,758	38.32%
2	Borssa Aardex Fresno LLC	11,673,287	12.96%	Borssa Aardex Fresno LLC	11,000,000	12.70%
3	DBSI State Offices LLC	9,649,523	10.71%	DBSI State Offices LLC	9,027,000	10.42%
4	ABC Inc	7,333,057	8.14%	Fresno Post Office Co	5,900,000	6.81%
5	Charlie's Enterprises Inc	6,236,256	6.92%	Capital Cities Communications Inc	4,588,432	5.30%
6	Fresno Post Office Company	6,225,000	6.91%	Charlies Enterprises	3,656,700	4.22%
7	Susan Sandelman Trustee	4,727,550	5.25%	Passco GST LLC	3,376,890	3.90%
8	Ernest Machine Products	3,791,920	4.21%	Susan Sandelman Trustee	1,758,045	2.03%
9	Calvin Inc	1,858,545	2.06%	Calvin Inc	1,600,000	1.85%
10	Mathias Matoian Trustee	1,370,835	1.52%			
		<u>89,964,001</u>	<u>99.87%</u>		<u>74,103,825</u>	<u>85.55%</u>
	All Other Taxpayers	<u>118,908</u>	<u>0.13%</u>	All Other Taxpayers	<u>12,519,640</u>	<u>14.45%</u>
	Total	<u>\$ 90,082,909</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.
 2008-2009 based on Project Area taxable value of \$90,082,909
 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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zorro Leasing LLC	\$ 29,189,394	59.06%	Zorro Leasing LLC	\$ 26,778,468	71.28%
2	Busseto Foods Inc	9,441,019	19.10%	Busseto Foods Inc	6,363,451	16.94%
3	Darling-Delaware Company Inc	8,066,893	16.32%	Darling-Delaware Company Inc	3,241,008	8.63%
4	Erickson William Van Trustee	2,329,887	4.71%	Housing Assistance Corporation	210,000	0.56%
5	MJE Brothers LLC	209,352	0.42%	Erickson William Van Trustee	200,092	0.53%
6	Cottonwood Creek Venture	107,000	0.22%	Yip Lambo & Hui Zhong Li	174,192	0.46%
7	Lambo Yip & Zhong Li Hui	66,027	0.13%	Mercury Overseas Inc	134,000	0.36%
8	Patricia Jordan Weatherington	9,741	0.02%			
		<u>49,419,313</u>	<u>100.00%</u>		<u>37,101,211</u>	<u>98.76%</u>
	All Other Taxpayers	<u>-</u>	<u>0.00%</u>	All Other Taxpayers	<u>466,571</u>	<u>1.24%</u>
	Total	<u>\$ 49,419,313</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.
 2008-2009 based on Project Area taxable value of \$49,419,313
 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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Foster Poultry Farms	\$ 31,691,950	8.87%	Foster Poultry Farms	\$ 39,584,852	16.84%
2	Kearney Palms LLC	7,154,471	2.00%	Kearney Palms LLC	4,952,920	2.11%
3	Angelica Textile Services Inc	6,667,140	1.87%	Bigby Associates	4,469,185	1.90%
4	Bigby Associates	5,292,395	1.48%	Angelica Healthcare Services Group Inc	3,009,955	1.28%
5	David & Linda Hovannisian	3,141,077	0.88%	Westgate Housing Associates LP	2,530,113	1.08%
6	Mono Hilltop Manor Associates	2,765,462	0.77%	Mono Hilltop Manor Associates	2,268,000	0.97%
7	Westgate Housing Associates LP	2,695,538	0.75%	Coast to Coast Petroleum	1,825,640	0.78%
8	Harrison Bryant Kearney Blvd Plaza	2,488,717	0.70%	EBDMZR II LLC	1,695,459	0.72%
9	Vickie Louie Trustee	2,464,108	0.69%	Lonzell and La Vera Williams	1,307,021	0.56%
10	JCH Family Limited Partnership	2,251,306	0.63%	Devinder Shoker, et al	1,198,500	0.51%
		<u>66,612,164</u>	<u>18.65%</u>		<u>62,841,645</u>	<u>26.74%</u>
	All Other Taxpayers	<u>290,547,267</u>	<u>81.35%</u>	All Other Taxpayers	<u>172,161,177</u>	<u>73.26%</u>
	Total	<u>\$ 357,159,431</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.
2008-2009 based on Project Area taxable value of \$357,159,431
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Gap Inc	\$ 236,377,034	72.44%	Gap Inc	\$ 155,227,329	49.83%
2	Fresno Palm Lakes LTD	14,386,235	4.41%	Fresno Palm Lakes LTD	13,558,478	4.35%
3	Winclo LP	8,673,398	2.66%	Sunnyvale/Fresno Lake Ridge Invest LLC	7,584,403	2.43%
4	Cedar & Shields Associates LLC	8,198,000	2.51%	Fresno Supreme Inc	7,504,600	2.41%
5	Sunnyvale/Fresno Lake Ridge Invest LLC	8,044,722	2.47%	Winclo LP	4,194,140	1.35%
6	Fresno Supreme Inc	7,943,931	2.43%	Glad Entertainment Inc	3,088,433	0.99%
7	Fairsky Properties	7,493,000	2.30%	Nantucket Park III LLC	2,388,099	0.77%
8	Fresno Air LTD	7,327,836	2.25%	Nationwide Theatres Corp	2,286,174	0.73%
9	Burgandy Partners LLC	5,516,383	1.69%	C-Black LLP	2,232,373	0.72%
10	Atlantic Aviation	5,455,900	1.67%	Little Clovis LLC	1,726,165	0.55%
		<u>309,416,439</u>	<u>94.83%</u>		<u>199,790,194</u>	<u>64.13%</u>
	All Other Taxpayers	<u>16,885,044</u>	<u>5.17%</u>	All Other Taxpayers	<u>111,731,261</u>	<u>35.87%</u>
	Total	<u>\$ 326,301,483</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.
2008-2009 based on Project Area taxable value of \$326,301,483
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Omninet Properties Manchester Center LLC	\$ 30,870,917	8.16%	US Mall Holdings LLC	\$ 28,145,812	9.01%
2	Regal Cinemas Inc L/F	14,400,862	3.80%	Sears Roebuck & Co	12,979,871	4.15%
3	William Chong & Sung Kang	13,184,992	3.48%	Regal Cinemas Inc L/F	10,995,000	3.52%
4	Sears Roebuck & Co	11,052,467	2.92%	Fifth Street Funding Inc	6,100,979	1.95%
5	Fifth Street Funding Inc	7,823,405	2.07%	Byer Properties LP	6,010,700	1.92%
6	Manchester Beauty College Inc	7,384,200	1.95%	The Fresno LLC	5,412,120	1.73%
7	Y & Y Property Management Inc	7,102,300	1.88%	GSD Packaging LLC	4,741,364	1.52%
8	RMP Properties LLC	5,780,100	1.53%	Midtown Plaza Shopping Center Inc	3,107,528	0.99%
9	GSD Packaging LLC	5,425,019	1.43%	K W P H Enterprises	2,862,563	0.92%
10	KWPH Enterprises	5,095,940	1.35%	Sunnyvale Nursery	2,850,000	0.91%
		<u>108,120,202</u>	<u>28.57%</u>		<u>83,205,937</u>	<u>26.62%</u>
	All Other Taxpayers	<u>270,378,870</u>	<u>71.43%</u>	All Other Taxpayers	<u>229,328,517</u>	<u>73.38%</u>
	Total	<u>\$ 378,499,072</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.
2008-2009 based on Project Area taxable value of \$378,499,072
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Save Mart Supermarkets	\$ 15,478,430	2.42%	Save Mart Supermarkets	\$ 7,672,460	1.82%
2	WS Park LLC	15,383,932	2.40%	WA Lakeview II LLC	6,781,800	1.60%
3	Hydro Conduit Corporation	10,010,049	1.56%	Vie-Del Company	5,299,599	1.25%
4	Lexington Square Apts Partnership	7,588,500	1.19%	Hydro Conduit Corporation	4,947,012	1.17%
5	WA Lakeview II LLC	7,179,005	1.12%	Won Shil Park	4,074,640	0.96%
6	Jack & Gloria Papazian	7,128,374	1.11%	Carmel Crest LLC	3,539,868	0.84%
7	David & Linda Hovannisian	6,858,080	1.07%	Ashmar LP	3,313,168	0.78%
8	BT-OH LLC	6,535,587	1.02%	BT-OH LLC	3,250,000	0.77%
9	Vie-Del Company	6,345,429	0.99%	George Garcia	2,804,640	0.66%
10	Nineda LP	4,759,111	0.74%	Sheikh & Jaibul Kaiuum	2,596,581	0.61%
		<u>87,266,497</u>	<u>13.64%</u>		<u>44,279,768</u>	<u>10.48%</u>
	All Other Taxpayers	<u>552,446,065</u>	<u>86.36%</u>	All Other Taxpayers	<u>378,367,734</u>	<u>89.52%</u>
	Total	<u>\$ 639,712,562</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.
2008-2009 based on Project Area taxable value of \$639,712,562
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Skywest Airlines Inc	\$ 50,389,038	86.40%	Skywest Airlines Inc	\$ 1,875,165	2.18%
2	Rogers Helicopter Inc	3,963,600	6.80%	Beal Properties Inc	1,124,694	1.31%
3	Sandhu Bros Gas Station Inc	3,771,792	6.47%	Rogers Helicopter Inc	925,000	1.08%
4	ICL Performance Products LP	119,400	0.20%	ABX Air Inc Airborne Express	307,000	0.36%
5	CCA Silband Golf Corp	80,000	0.14%	CCA Silband Golf Corp	105,000	0.12%
6			0.00%	Mercury Air Center	4,000	0.00%
7			0.00%			
8			0.00%			
		58,323,830	100.00%		4,340,859	5.06%
	All Other Taxpayers	-	0.00%	All Other Taxpayers	81,517,068	94.94%
	Total	\$ 58,323,830	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.
 2008-2009 based on Project Area taxable value of \$58,323,830
 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 were not allocated to property 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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Belmont Palm Properties LTD	\$ 23,763,760	15.65%	Certified Ad	\$ 10,767,265	10.07%
2	Daoudian Investments LLC	14,034,000	9.24%	California Compress Company	7,089,698	6.63%
3	Certified Ad Services	13,786,867	9.08%	Frank Solomon Jr.	3,000,000	2.81%
4	Edward Hunt	6,733,200	4.43%	MVP Hydratech, Inc.	2,189,890	2.05%
5	Welch's Overall Cleaning Co Inc	6,448,881	4.25%	Integrated Grain & Milling Inc.	2,118,376	1.98%
6	SFT Realty Fresno LLC	5,369,988	3.54%	Belmont Palm Properties	1,532,811	1.43%
7	Helen Chavez Hansen Trustee	4,720,214	3.11%	MB Technology	1,496,153	1.40%
8	Morningstar Enterprises	4,304,049	2.83%	Shehadey & Shehadey	1,433,353	1.34%
9	Calaveras Materials Inc	4,207,890	2.77%	Michael & Catherine Mygrant	1,366,323	1.28%
10	MVP Hydratech, Inc.	3,768,506	2.48%	Larry Shehady	1,257,240	1.18%
		<u>87,137,355</u>	<u>57.38%</u>		<u>32,251,109</u>	<u>30.17%</u>
	All Other Taxpayers	<u>64,719,567</u>	<u>42.62%</u>	All Other Taxpayers	<u>74,663,044</u>	<u>69.83%</u>
	Total	<u>\$ 151,856,922</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
2008-2009 based on Project Area taxable value of \$151,856,922
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Fresno Investments LLC	\$ 22,743,676	8.01%	SDG Fresno	\$ 14,210,204	6.54%
2	CMC Steel Fabrications Inc	17,348,880	6.11%	Fresno Investments LLC	13,919,794	6.41%
3	Glaxo Smithkline	17,174,181	6.05%	C&S Logistics of Fresno LLC	7,970,000	3.67%
4	Sunset Waste Holdings LLC	14,941,265	5.26%	Suburban Propane LP	6,305,411	2.90%
5	Fresno 41 Venture LLC	11,777,460	4.15%	Fresno Beverage Company Inc	5,178,673	2.38%
6	Frank Caglia Trustee	11,398,187	4.01%	Frank Caglia Trustee	4,821,890	2.22%
7	Foster Poultry Farms	8,864,300	3.12%	Fambro Warehouse Co	4,657,050	2.14%
8	C&S Logistics of Fresno LLC	8,668,860	3.05%	DBSI Fresno Forms LLC	4,619,038	2.13%
9	Barley Equities II LLC	8,477,700	2.99%	Freshki Estate I LLC	3,405,180	1.57%
10	DFA LLC	7,802,000	2.75%	Sonny & Nagina Rani Ahuja Trustees	3,351,920	1.54%
		<u>129,196,509</u>	<u>45.49%</u>		<u>68,439,160</u>	<u>31.52%</u>
	All Other Taxpayers	<u>154,803,747</u>	<u>54.51%</u>	All Other Taxpayers	<u>148,709,044</u>	<u>68.48%</u>
	Total	<u>\$ 284,000,256</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
2008-2009 based on Project Area taxable value of \$284,000,256
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	2008-2009 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Hub Acquisition Trust	\$ 66,243,963	12.39%	Capri Sun Inc	\$ 66,368,157	16.57%
2	Capri Sun Inc	63,223,982	11.83%	Hub Acquisition Trust	61,201,004	15.28%
3	Lyons Magnus Inc	33,553,140	6.28%	Lyons Magnus Inc	27,532,728	6.88%
4	Container Corporation of America	17,902,700	3.35%	Miller Milling Co Limited Partnership	17,748,692	4.43%
5	New World Pasta Company ?	12,246,886	2.29%	New World Pasta Company	11,646,100	2.91%
6	HD Development of Maryland Inc	10,698,905	2.00%	HD Development of Maryland Inc	10,160,500	2.54%
7	Robert & Janell Smitcamp	9,581,921	1.79%	Container Corporation of America	9,162,618	2.29%
8	Relco Locomotives Inc	9,222,889	1.73%	Cornnuts Inc	7,989,373	2.00%
9	AEK Orchard Square LLC	8,655,340	1.62%	Prado 2255 South Maple LLC	7,478,700	1.87%
10	Cornnuts Inc	8,044,379	1.50%	Ralphs Grocery Company	6,912,777	1.73%
		<u>239,374,105</u>	<u>44.78%</u>		<u>226,200,649</u>	<u>56.49%</u>
	All Other Taxpayers	<u>295,236,074</u>	<u>55.22%</u>	All Other Taxpayers	<u>174,231,484</u>	<u>43.51%</u>
	Total	<u>\$ 534,610,179</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
2008-2009 based on Project Area taxable value of \$534,610,179
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
2000	\$ 6,575,000	\$ 21,290,000	\$ 2,435,000	\$ 216,158	\$ 7,160,343
2001	14,905,000	19,290,000	2,045,000	324,366	8,725,343
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

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 43 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 72.

**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			
\$ 60,362,386	\$ -	\$ 98,038,887	2677.71%	6,862	1428721.76%
61,144,956	2,826,306	109,260,971	2541.55%	8,723	1252561.86%
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%

**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
2000	\$ 6,575,000	2.369%
2001	14,905,000	5.044%
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	2.489%
2009	10,882,000	2.328%

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
Merger 1				
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	174	48
Merger 2				
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 Blvd	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.

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, 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.

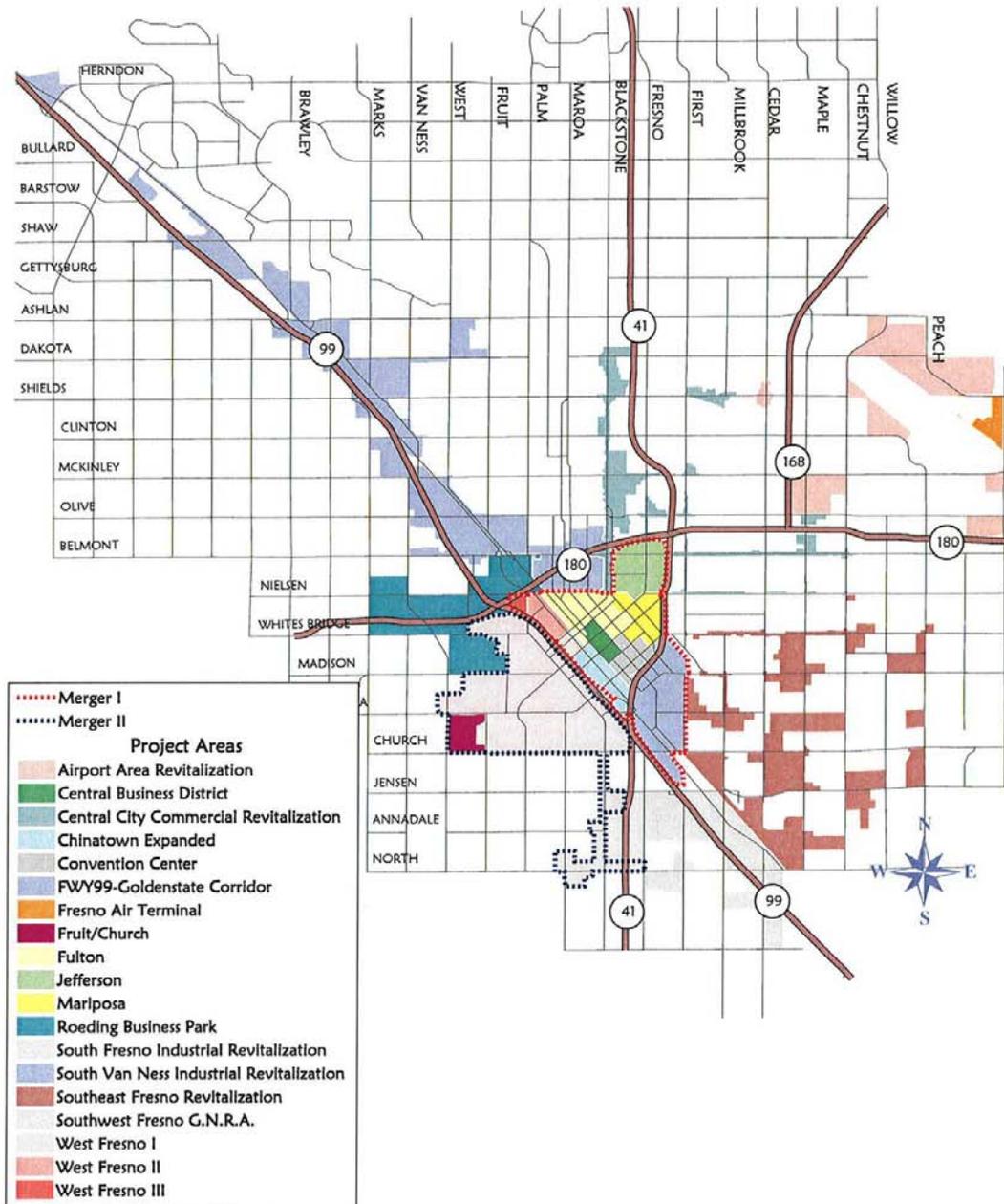
**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
OPERATING INFORMATION
FULL TIME EQUIVALENT REDEVELOPMENT
GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Function			
	Management	Administrative	Financial	Redevelopment
2000	2	3	1	10
2001	2	3	1	10
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	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

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
OPERATING INFORMATION
PLAN TIME AND FINANCIAL
INFORMATION AND LIMITATIONS**

	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	9/3/2008	8/31/1963	8/6/1998	86
Chinatown Expanded (Rehab)	8/22/1965	9/3/2008		8/6/1998	48
Chinatown Expanded	2/28/1986	9/3/2008	2/28/1986	8/6/1998	132
Convention Center	2/12/1982	9/3/2008	N/A	8/6/1998	120
Fulton	8/6/1998	3/27/2008	N/A	8/6/1998	280
Jefferson	1/18/1985	9/3/2008	N/A	8/6/1998	300
Mariposa	2/14/1969	9/3/2008	N/A	8/6/1998	200
South Van Ness Industrial	8/6/1998	3/27/2008	N/A	8/6/1998	540
West Fresno I	11/1/1964	9/3/2008	N/A	8/6/1998	46
West Fresno II	1/19/1964	9/3/2008	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	5/9/2009	N/A	12/17/1998	143
Southwest Fresno GNRA	2/14/1969	5/9/2009	12/17/1998	12/17/1998	1,757
Airport Area Revitalization	8/20/1999	3/27/2008	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>

Sources: Agency Redevelopment Plans and Amendments
Redevelopment Agency of the City of Fresno Annual Reports

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
OPERATING INFORMATION
PLAN TIME AND FINANCIAL
INFORMATION AND LIMITATIONS (Continued)**

	Original Plan Duration	Current Plan Duration	Debt Establish Limit	Debt Repmt Limit	Eminent Domain Limit
<u>Merger Project No. 1</u>					
Central Business District	3/16/2001	1/1/2012	1/12/2012	1/1/2022	8/6/2010
Chinatown Expanded (Rehab)	1/1/2009	1/1/2012	1/12/2012	1/1/2022	8/6/2010
Chinatown Expanded	2/28/2026	2/28/2028	2/28/2028	2/28/2038	8/6/2010
Convention Center	2/12/2012	1/12/2025	1/12/2025	1/12/2035	11/24/2017
Fulton	7/6/2028	7/6/2029	7/6/2018	7/6/2044	8/6/2010
Jefferson	1/18/2015	12/18/2027	12/18/2027	12/18/2037	1/18/2009
Mariposa	2/14/1999	1/14/2012	1/14/2012	1/14/2022	8/6/2010
South Van Ness Industrial	6/30/2028	7/6/2029	7/6/2018	7/6/2044	8/6/2010
West Fresno I	11/1/1999	1/1/2012	1/12/2012	1/1/2022	8/6/2010
West Fresno II	1/19/1999	1/1/2012	1/12/2012	1/1/2022	8/6/2010
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	10/7/2014	10/7/2014	10/7/2024	11/16/2010
Southwest Fresno GNRA	2/14/1999	1/14/2012	1/14/2012	1/14/2022	11/16/2010
Airport Area Revitalization	7/19/2029	7/19/2030	7/19/2019	7/19/2045	8/20/2011
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

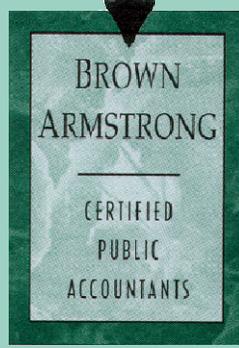
**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
OPERATING INFORMATION
PLAN TIME AND FINANCIAL
INFORMATION AND LIMITATIONS (Continued)**

	Bond Indebted Limit	Tax Increment Limit	Tax Incr Received Thru 6/09
<u>Merger Project No. 1</u>			
Central Business District		\$16m	\$ 9,627,868
Chinatown Expanded (Rehab)			751,931
Chinatown Expanded	\$12m	\$32m	4,104,931
Convention Center	\$21m	\$51m	11,315,563
Fulton	\$32m		2,522,703
Jefferson	\$99m	\$235m	6,390,817
Mariposa		\$50m	21,441,311
South Van Ness Industrial	\$111m		1,808,989
West Fresno I		\$9m	4,462,358
West Fresno II		\$60m	24,729,611
West Fresno III		\$8m	-
<u>Merger Project No. 2</u>			
Fruit/Church		\$21m	6,620,809
Southwest Fresno GNRA		\$113m	50,813,768
Airport Area Revitalization	\$33m	\$40m	16,453,530
Central City Commercial Revital	\$38m	\$54m	3,767,812
Freeway 99-Golden State Blvd			8,741,485
Fresno Air Terminal	\$85.25m	\$85.25m	7,675,348
Roeding Business Park	\$93m		5,186,281
South Fresno Industrial Revitalization	\$32m	\$20m	6,922,604
Southeast Fresno Revitalization	\$52m	\$48m	13,739,949
Totals			<u>\$ 207,077,668</u>

OTHER REPORT

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
(INCLUDING THE PROVISIONS CONTAINED IN THE GUIDELINES FOR
COMPLIANCE AUDITS OF REDEVELOPMENT AGENCIES) BASED ON AN
AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

Members of the Board
Redevelopment Agency
City of Fresno, California

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, 2009, and have issued our report thereon dated December 11, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States, Section 33080.1(a) of the Health and Safety Code of the State of California, and the procedures contained in the Controllers of the State of California "Guidelines for Compliance Audits of California Redevelopment Agencies."

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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

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

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

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Agency's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. Such provisions include those provisions of laws and regulations identified in the *Guidelines for Compliance Audits of California Redevelopment Agencies* issued by the State Controller's Office, Division of Accounting and Reporting. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



Bakersfield, California
December 11, 2009



Redevelopment Agency
of the City of Fresno