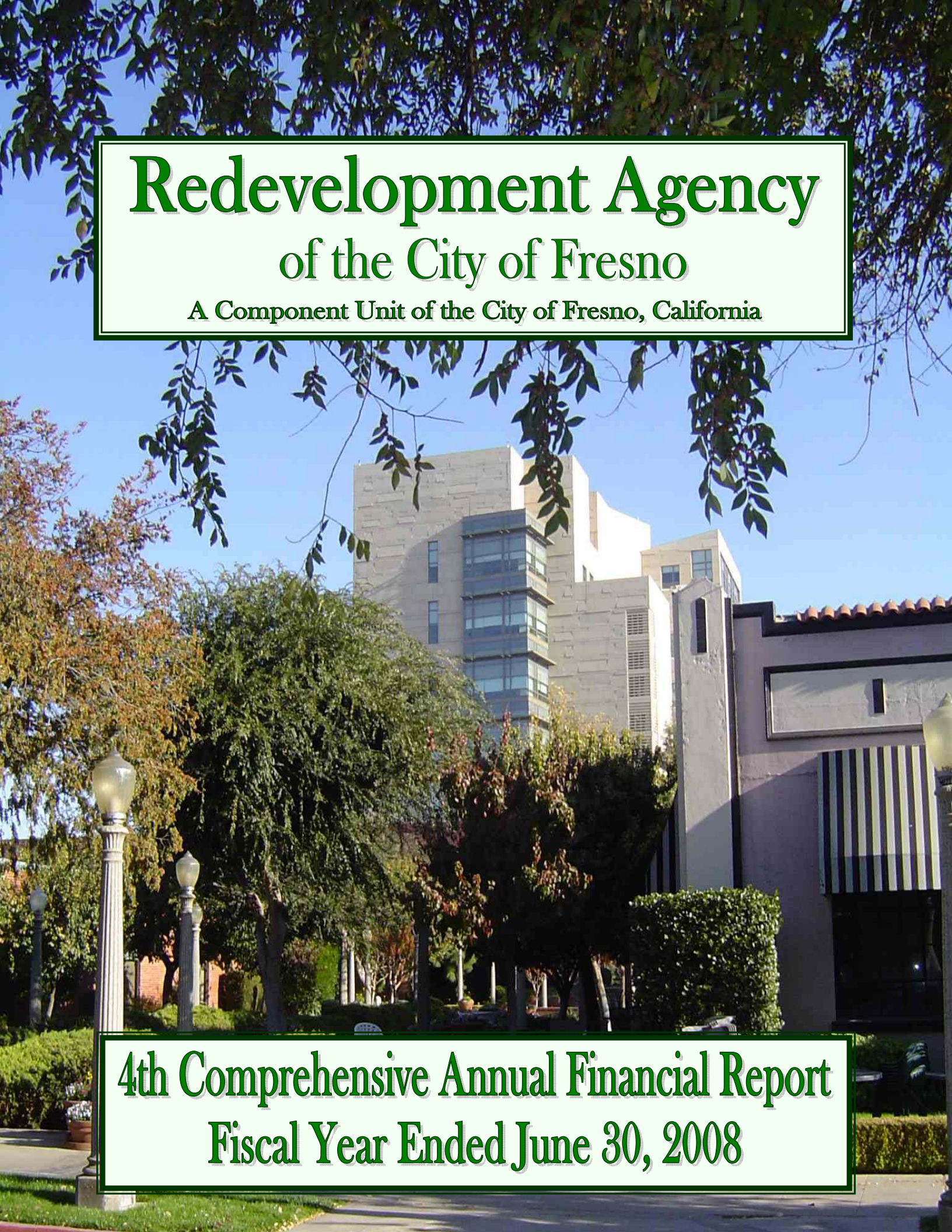


The background of the entire page is a photograph of a modern, multi-story building with a mix of light-colored stone or concrete and glass windows. The building is partially obscured by large, leafy trees in the foreground. In the lower right, there is a smaller, single-story building with a striped awning. The sky is clear and blue. The text is overlaid on this image in two white boxes with green borders.

Redevelopment Agency of the City of Fresno

A Component Unit of the City of Fresno, California

4th Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2008

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO**

**FOR THE YEAR ENDED JUNE 30, 2008
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INTRODUCTORY SECTION

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REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

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Fresno, California 93721
(559) 621-7600 * FAX (559) 498-1870

December 22, 2008

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

THE 4TH COMPREHENSIVE ANNUAL FINANCIAL REPORT OF THE REDEVELOPMENT AGENCY OF THE CITY OF FRESNO

I am pleased to submit to you the fourth Comprehensive Annual Financial Report (CAFR) of the Redevelopment Agency of the City of Fresno for the year ended June 30, 2008, 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 Paulden McCown Starbuck Thornburgh & Keeter 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, 2008 are fairly presented in accordance with accounting principles generally accepted in the United States of America (GAAP). The Independent Auditors' 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

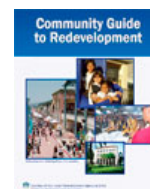
Redevelopment is a tool created by state law to assist local governments in eliminating blight, as well as to achieve the goals of development, reconstruction and rehabilitation of residential, commercial, industrial and retail districts. It is one of Fresno's most effective ways to breathe

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. Redevelopment enhances and expands local businesses, renovates declining housing stock and improves public infrastructure systems and facilities. Redevelopment helps encourage new housing and businesses to locate within already developed areas. 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, not from an increase in tax rate. Any increases in property value, as assessed because of change of ownership or new construction, will increase tax revenue generated by the property. This increase in property tax revenue is the tax increment that goes to the Agency.

THE CITY AND ITS SERVICES

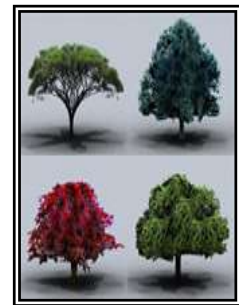


The City of Fresno (City) was incorporated in 1885, and is located in the Central San Joaquin Valley of California. The City's powers are exercised under the strong-Mayor form of government. Under this system, the Mayor serves as the City's Chief Executive Officer, and is responsible for appointing and 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.

The City's CAFR includes the financial activities of the primary government, which encompasses several enterprise activities, as well as all of its component units. 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 486,171 residents in the City proper, and over 931,098 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.



The City of Fresno is the thirty-fifth largest city in the United States and the sixth largest in California, with Fresno County encompassing approximately 6,017 square miles. The population of the County has grown by approximately 18% 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 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 111.10 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, urban/suburban Fresno has undergone significant economic transformation in recent years. While Fresno continues as a leading agribusiness center, with approximately 250 different crops produced by nearly 7,500 farmers on 1.9 million irrigated acres, worth about \$4 billion a year, its increasing role in the urban economy is reflected in the decreasing reliance on agricultural employment. Just 13.97% of employment results from agriculture, a significant decrease from just 20 years ago.

Fresno County's top agricultural products are grapes, almonds, milk, poultry, tomatoes, cattle and calves, cotton, oranges, garlic and peaches; however, its 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. Just 60 miles south of Yosemite National Park, it 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.



Fresno County is subject to a Mediterranean 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. Yearly annual rainfall is approximately 12 inches.

Under the leadership of Mayor Alan Autry over the past eight years, the City has 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. As Mayor Autry completes his final term as the City's Mayor he can take satisfaction in knowing that he has made great strides toward the accomplishment of moving toward the direction of "A Story of One Community."

This has not been an easy task by any measure. The prior years' economic conditions and particularly those of the last year, combined with other factors, have made the retention of a strong fiscal base most difficult. The General Fund went into Fiscal Year 2009 with \$2 million



less available in the proposed budget than what was presented in the final adopted budget of FY 2008. Despite these obstacles, Mayor Autry continues to focus on the basic tenets of his Administration and the ongoing covenant he has never departed from; to be a good steward of the citizens' hard earned tax dollars. His philosophy and that of all City employees, is driven by prudence, accountability and common sense and is focused on three outcomes: (1) to return most of the tax dollars in essential services so as to deliver a high quality of life; (2) to invest in the future and (3) to maintain a rainy day fund so as to save for unforeseen events. This philosophy has been highly effective in the past eight years.

The City of Fresno's strategic planning process which included the development of a course of action that translated concepts into actions and aligned organizational philosophies, focused on building and preserving a city that creates and protects equal access to opportunities, education and quality of life for every Fresnan in every neighborhood. This strategic plan, the "[NEW NORMAL](#)" is the internal cornerstone which built the foundation that has allowed the City to fulfill many of the Mayor's goals while still providing stability for continued momentum.



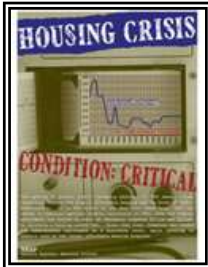
FOUR CORNERSTONES

The City of Fresno has not wavered from the long range planning it implemented in 2001, which has served as the basis for the Key Result Areas within the “NEW NORMAL”. The four cornerstones have allowed the City to not only weather the many economic challenges that have faced the City and State, but to also continue to move the City forward.

That emphasis has always been and continues to be:

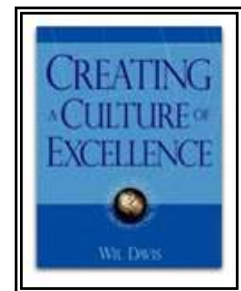
- ✓ Public Safety
- ✓ Economic Development
- ✓ Smart Growth
- ✓ Education Reform

The current economic slowdown that has been affecting the nation also creates challenges for the City of Fresno. As the housing market has experienced an unprecedented down turn, it has inevitably impacted City departments to varying degrees. The most significant impact can be seen in the Planning and Development Department which relies solely on the fees and charges collected from developers to support its operations. Housing inspections, which make up a substantial component of overall revenues, has dropped off and the Department is currently



staffed to undertake approximately 700 inspections a day. At the height of the building boom, these employees were asked to take on up to 1,200 inspections a day. The daily work load is now expected to average 350 inspections per day in FY 2009. As a result the department was overstaffed for the current level of work required. In addressing this situation, management was very aware that this current slowdown will inevitably improve and the local housing market will eventually recover. The City recognizes that these skilled employees are of great value and are a resource that must be preserved and protected.

Prior to the New Normal and the City’s Culture of Excellence, the employees affected would have been subject to the civil service processes and this would have made it almost certain that some would have faced unemployment. Because of the changes brought about by the implementation of the Culture of Excellence it became apparent that other departments, especially the Department of Public Utilities (DPU) had a need for the skills of these talented and dedicated employees. Rather than lose them and their familiarity with the needs of the City of Fresno, it was determined that these employees could continue to be used to serve the citizens of Fresno. As a result these employees stayed with the Planning and Development Department but were “contracted out” to DPU. When the economy improves, discussions will take place as to how best to transition these employees back to Planning and Development or if they are better utilized in other areas. In addition to the continued focus on these four cornerstones, the City deliberately continues building and protecting the Reserve.



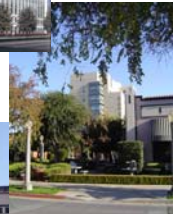
RECENT ECONOMIC DEVELOPMENT AND REDEVELOPMENT PROJECTS

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 Fresno Regional Medical Center
- \$30 million UCSF Medical Education Building
- \$130 million Federal Courthouse
- \$23 million State Fifth District Court of Appeals
- Chuckchansi Park – 12,500 seat ballpark and entertainment facility
- \$18 million renovation of Guarantee 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
- Streetscape Improvements



Roeding Business Park

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



Redevelopment of Santa Fe Railroad Depot

- \$7.35 million project creates 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

- \$6 million mixed use "Vagabond" project
- \$3.5 million H Street Lofts project
- \$10 million Fulton Park Plaza Mixed Use project



Marketing and Promotion

- The Agency developed a state of the art website that attractively provides information on redevelopment programs and projects
- Co-Sponsored the Billion Dollar Tour as well as several other events
- Promoted Fresno for the 4th consecutive year at the Spring International Council of Shopping Centers (ICSC) Conference in Las Vegas in cooperation with the City of Fresno



MAJOR INITIATIVES AND ACHIEVEMENTS

The Redevelopment Agency's work program for fiscal year 2007-2008 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



CITY OF FRESNO
REDEVELOPMENT AGENCY

DOWNTOWN FRESNO
VISION 2010



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, 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:

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

REDEVELOPMENT PROJECT AREAS AND HOUSING

GENERAL

Public Information and Marketing

The Redevelopment Agency, in cooperation with the City of Fresno, jointly promoted Fresno for the fourth consecutive year at the Spring International Council of Shopping Centers (ICSC) Conference in Las Vegas. The conference, which highlights retail real estate, registered over 49,000 attendees for the May 19 – 21, 2008 exhibition. The conference accommodates over 2 million square feet of exhibiting space, making this conference the largest Retail Conference in the United States. The Fresno Convention Bureau and Economic Development Corporation joined the City of Fresno Economic Development Department and Agency in highlighting Fresno from a 600' square foot exhibit area.

The Agency produced an updated flash drive featuring "Achieving the Vision" for distribution at the conference and at other events. In addition to the media presentation, updated newsletters and other informational items were prepared and distributed.



To communicate the value and benefit of redevelopment, the Agency sponsored or co-sponsored a variety of events such as: The Billion Dollar Tour; "Celebrating Over 20 Years!" Downtown Business Appreciation Reception; 2008 Real Estate Forecast; DTA Annual Event; El Dorado Park Planning Charette and Plan Development; International Downtown Association Community PBID Discussion; and the Homeowners Assistance Workshop. More than 900 people attended the Billion Dollar Tour which showcased the over one billion dollars worth of improvements that have taken place in Downtown Fresno over the last six years.

In fiscal year 2008, the Agency initiated an update of its website to provide visitors with highlights of current and future projects, collaborative partnerships and maps of redevelopment area boundaries. In addition to information on Agency programs and projects, the Agency's Redevelopment Plans, Annual Budget and CAFR are now available electronically.

General Redevelopment Plan Implementation

Pursuant to the provisions of SB 1045 and SB 1096, the Agency Board approved plan amendments extending certain time limits for twelve redevelopment plans in 2008. Under SB 1045, the Agency was permitted to extend by one year the effectiveness of the redevelopment plan and the time limit to repay indebtedness with tax increment for each project area that made the required payment to the Educational Revenue Augmentation Fund (ERAF) in FY 03/04. SB 1096 allowed redevelopment agencies to amend their redevelopment plans, extend the plan effectiveness date and the time limit to repay indebtedness by up to two additional years as a result of the required ERAF demands for FY 04/05 and FY 05/06 if certain criteria were met. 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.

Commercial Façade Improvement Program

The Agency's Commercial Rehabilitation 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 2008, the Agency provided financial assistance of \$29,453 to twenty commercial

storefronts that generated \$85,542 in privately funded improvements. Through this program, the Agency has provided financial assistance to 104 business owners since 1997.



In June 2008, the Agency began offering informational workshops and architectural design assistance to property owners and/or tenants located in Chinatown, Central Business District and along the Ventura/Kings Canyon Road from First Street to Chestnut Avenue to increase participation in the Commercial Rehabilitation Loan Program. In addition, the Agency is working with Council District staff, Downtown Association and Chinatown Revitalization Inc. in identifying properties to target for storefront rehabilitation. In fiscal year 2009, staff is focusing on specific areas and requested additional funding in the budget for the Fulton Mall, Chinatown, the Blackstone corridor, and the Ventura/Kings Canyon corridor.

The Agency developed a comprehensive set of Commercial Design Guidelines for the Ventura/Kings Canyon area and has partnered with the City of Fresno and Chamber of Commerce Downtown Task Force to develop design guidelines for the Fulton Mall. These guidelines will assist in carrying out the Commercial Storefront Rehabilitations.

The Commercial Storefront Rehabilitation Program continues to receive increasing receptiveness from small business owners seeking to improve their storefronts, thereby benefiting commercial neighborhoods.

[Review of Development Entitlements Within Redevelopment Project Areas](#)

Between July 1, 2007 and May 23, 2008, staff reviewed and made recommendations on 25 Site Plan Review Applications, 32 Conditional Use Permit Applications, 5 Alcoholic Beverage Conditional Use Permit Applications, 3 Rezoning Applications, 3 Tentative Parcel Map Reviews, 3 Tentative Tract Map Reviews, 1 Amendment Review, 6 Variance Applications, 138 Plan Review and Sign Offs, 2 CEQA/NOP Reviews and 1 Street Vacation Application. The review of these 219 entitlements through the Agency ensures their 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 769 public inquiries.

[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 sites, the Agency identified its role as a catalyst to advance site availability through a multi-prong approach that includes; (1) selective strategic enhancement of critical infrastructure for underserved sites and areas; (2) advancing site availability through Owner Participation Agreements, 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 715,000 square feet of development and advanced 500 acres toward industrial shovel readiness.

[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, South Stadium Project and Historic Chinatown Mixed Use Project.

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](#)

Engineering plans for the reconstruction of Carmen Avenue between Maple and Chestnut Avenues were completed in late April 2008. Improvements to be constructed in FY 08/09 will consist of curb, gutter and new paving. This project was instrumental in generating 158,000 square feet of new industrial development and advances future industrial development of another 20 acres.



[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. The project consists of two components. The first component was completed in 2008 and included new wrought iron fencing and landscaping near the intersection of McKinley and Clovis Avenue frontages, a new monument sign for Fresno Yosemite International Airport (FYI) at the corner of Clovis and McKinley Avenues and new landscaping in the Clovis Avenue median island.



In addition, the Agency constructed a right turn lane at the northwest corner of McKinley and Clovis Avenues. The turn lane was to be part of a future Clovis Avenue reconstruction project. The Agency bore the cost and advanced turn lane construction to avoid removal and replacement of landscaping and other improvements during the future Clovis reconstruction project.

The second component provides for an extensive greenbelt on the south side of McKinley Avenue along Mill Ditch between Peach and Clovis Avenues enhancing the gateway between the Airport and central Fresno.

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.

Street and Infrastructure Improvements

In a series of community meetings, Belmont area businesses and residents identified street light improvements along Belmont as their number one priority. This project was set out in two phases based upon available funding. In March 2008, the first phase of the project to upgrade and add lighting along Belmont Avenue from Freeway 41 to Cedar Avenue was completed. 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 second phase will extend the lighting project along Belmont from Cedar to Chestnut Avenues.

Hidalgo Safe Schools - The Agency provided sidewalks, curbs, gutters, driveway approaches, wheelchair ramps, paving and streetlights in the Hidalgo school area to improve pedestrian safety.

Streetscape

Design plans have been prepared for the landscaped median islands in both Blackstone and Belmont Avenues with construction anticipated to occur in phases as funding is available. In addition, the Agency contracted with the Economic Opportunities Commission Local Conservation Corp (LLC) to upgrade the irrigation, clean out debris and plant new shrubbery in Blackstone median islands between Princeton and Cornell 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 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.

The Community Housing Partnership Program (CHPP) administered by the Housing Authorities continues to meet with very positive response. During FY 07/08, the CHPP processed and completed rehabilitation of 68 homes for low income families. An additional 43 applications were reviewed and approved and are in the process of bid development or construction. As of June 30, 2008, 1,515 homes have been rehabilitated for low-income families since the inception of the program.



[Housing Authorities - Boarded Up/Lot Purchase Program/Infill Housing](#)

Through the CHPP, the Agency acquired boarded up properties at 1235 E. Calwa and 347 W. Strother for rehabilitation. Rehabilitation of 1235 E. Calwa was completed and the home was sold for \$175,000 to a low income family. Deemed beyond repair, the house at 347 W. Strother was razed and the site prepared for the relocation of a house moved from 145 E. Geary. The Geary house was moved in mid-October and will be put on the market for sale to a low income family once rehabilitation of the home has been completed.



A large vacant lot in Southwest Fresno, purchased through the CHPP, was re-parceled into two lots and is now site ready to accommodate two new homes. Bids for the construction of the two homes have been received and are being evaluated by the CHPP.

In FY 06/07, the CHPP acquired a boarded up structure at 4629 E. Nevada Street and remodeling plans were approved by the City in October 2007. The CHPP also acquired the boarded up home at 3404 N Woodson and is working with local non-profit agencies to rehabilitate the two buildings.

[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, 2008, there are approximately 228 loans with a total loan balance in excess of \$1.5 million.

[California & Fruit Brownfield Cleanup Grant](#)

The Agency received a \$200,000 EPA Brownfield's Cleanup Grant for property at the southeast corner of California and Fruit Avenues. The grant requires a 20% matching contribution of \$40,000 from the Agency. Cleanup will enable the site to be developed for housing as part of the Hope VI Project. A representative from the EPA presented the award on June 3, 2008.

[California Triangle](#)



The Agency, through its Community Housing Partnership Program with the Housing Authority, completed the acquisition of 11 of the 14 properties for the California Triangle project located along California Avenue between Kern Street and Waterman Avenue. Eleven families within the project boundaries were relocated to improved housing. This project will provide approximately 15 new affordable single family homes.

[Casa San Miguel](#)

Forty-one new affordable homes have been completed. The Agency amended its contract with the Farmworker's Service Center (FSC) for the construction of three homes on the remaining parcels originally planned for a community center. The financing plan provides for an Agency construction loan for the three remaining housing units which will be repaid from the sale proceeds. The FSC has postponed construction, pending improvement in housing market

conditions. This completed project provides 44 new affordable homes and helps implement the Agency's replacement housing goals.

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 360 units have been recently completed, are underway or planned:

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 developer satisfied pre-conveyance conditions and the Agency conveyed the site for groundbreaking and construction to begin. The project helps revitalize the Divisadero/Fulton entryway into the Uptown area in addition to providing mixed income infill housing.



H Street Lofts - The Agency is providing \$300,000 in gap financing and will receive six affordable covenants in this \$3.5 million 26-unit H Street Loft project through an Owner Participation Agreement (OPA). The H Street Lofts are adjacent to the recently completed 38-unit Vagabond Loft development which was assisted by \$400,000 in Agency funds.

Next Generation Group/Fulton Village - The Agency and developer are working on land assembly and feasibility analysis for a 45-unit development near Fulton and Amador Streets.

The Legacy - Through a Disposition and Development Agreement (DDA), the Agency is providing approximately \$2.7 million and receiving 55-year affordability covenants for 24 units within the planned 171-unit \$43 million mixed-use project.

HOPE VI Infill Housing

The Agency purchased one parcel at 29 E. Florence for infill housing in the HOPE VI area between California, Church, West and Walnut Avenues.

Southwest Fresno Infill Housing

Through a negotiated agreement with Sequoia Health, the Agency received 7.5 acres of vacant land on Annadale Avenue just west of Elm Avenue. Proposals/Qualifications for a potential housing development on the 7.5 acre property were submitted to the Agency. It is expected that the site will accommodate up to approximately 230 units.

South Clara and West North Housing Project

The Agency Board approved an Owner Participation Agreement (OPA) to provide funding for a ponding basin and off-site infrastructure enabling development of a \$2.4 million 11 unit single family home project at Santa Clara and North Avenue. The project provides for 45 year affordability covenants on all of the homes.

FREEWAY 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 FY 07/08, the Agency completed the purchase and tenant relocation for the Bel Air Motel property on Olive and Weber adjacent to Agency owned property at the northeast corner of Olive and Weber Avenues. The Agency is working for the site's reuse as commercial development or as a Parks, Recreation and Community Service Department maintenance facility.

[Golden State Boulevard Improvements](#)

Engineering and design plans were completed for the reconstruction of Golden State Boulevard between Ashlan and Shaw Avenues. The construction contract for the first phase of the project between Ashlan and Gettysburg Avenues was awarded. Phase two of the project from Gettysburg to Shaw Avenues is anticipated to be completed in 2009. The proposed street improvements will consist of curbs, gutters, paving, street lights, street trees, bike lanes and traffic signals. Additional improvements will include the extension of water, sewer and storm drains. The Golden State Boulevard improvement project will help advance approximately 90 acres for future industrial and commercial development and helps to serve a 6.59 acre, 78,530 square foot office/retail development.



[Street & Infrastructure Improvements](#)

Ashlan Avenue (Freeway 99 to Blythe) - The Agency and City have partnered to improve Ashlan Avenue from Freeway 99 to Blythe Avenue to four lanes including landscape median, street trees, lights, curb, gutter and sidewalk. Construction for this \$650,000 project is expected to be completed in the early fall. The conversion of this bottle neck to an attractive four lane thoroughfare improves traffic circulation and air quality, better serves area residents and existing businesses and will help to stimulate commercial and industrial development of about 13 acres at one of Fresno's major intersections at Freeway 99 and Ashlan Avenue.

Marks and Dakota Improvements - To stimulate development of a 50,000 square foot manufacturing facility and other commercial development, the Agency is providing funding for improvements at the southwest corner of Marks and Dakota Avenues with the installation of sidewalks, ADA ramps, street trees and irrigation, along the frontage of Marks and Dakota Avenues.

Marks and Dakota Signalization - The construction of four way traffic signals at the intersection of Marks and Dakota Avenues is expected to be completed in 2009. The project includes protected left turn phasing to improve safety and circulation.

McKinley Avenue (Freeway 99 to Marks Avenue) - The Agency retained a consulting firm to prepare design and specification plans for McKinley Avenue improvements between Freeway 99 and Marks Avenue that will improve traffic circulation and safety for the general area including Jane Addams School.



Polk and Shaw - To relieve congestion and improve circulation and safety, needed improvements to Shaw Avenue between Freeway 99 and Polk Avenue include: (1) widening Shaw and providing a second eastbound lane between Polk and 99, (2) reconstructing the traffic signals with protected left turns for north and southbound on Polk; and (3) widening the intersection for

protected left turn lane and dedicated right turn pockets. The City is receiving \$950,000 in Prop 1B Funds for the project. The Agency's participation will enable commencement of the project through funding for initial design work.

Herndon Townsite - To improve infrastructure in the Herndon Townsite area and secure affordable housing opportunities in Northwest Fresno, the Agency provided \$250,000 toward street improvements in combination with developer-provided underground water, sewer and storm drain improvements. The Agency obtained 45-year affordability covenants for low and moderate income families for five homes within the nearby 230 unit development.

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.

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

Business Retention and Attraction

For several years, the Agency worked with the owners and provided commercial façade clean up funds to facilitate the sale of the long vacant hotel on Van Ness Avenue across from Courthouse Park. Renovation of the nine-story, 190 room downtown property, estimated at \$7 to \$10 million in value, is complete and was celebrated with a ribbon cutting on May 28, 2008. The renovation brings a new full-service Holiday Inn to downtown that provides jobs and additional room accommodations for visitors to Fresno.

Broadway-Tuolumne Parking Lot

Due to increasing activity in the downtown area, the Agency has begun steps to expand and reconstruct the parking lot located at the southeast corner of Broadway and Tuolumne Streets. An engineer was contracted to prepare site and grading plans for the project.

Chinatown Expanded

Fresno Historic Chinatown LLC

The Agency's Exclusive Negotiation Agreement (ENA) with Historic Chinatown, LLC for a proposed mixed-use housing, retail/commercial and public facilities development emphasizes participation by existing property owners and businesses was extended for an additional year.

Based on market analysis, the Developer has reduced the initial study area from 165 acres to 125 acres and defined the initial phase of the project to include public use buildings and general office with associated retail uses.



The Agency promoted and provided professional assistance in the Chinatown area, along with other downtown sites, for business expansion and new development such as the Mexican Consulate, the public safety headquarter building, a business incubator and private businesses.

[Hobbs-Parsons Project](#)

The Agency negotiated a Disposition and Development Agreement (DDA) for the adaptive reuse of the historic Hobbs-Parsons Warehouse. The Hobbs-Parsons project includes parking and landscape improvements that will additionally benefit the evolving Stadium and Chinatown areas.

The City of Fresno Fire Department administrative and training center offices, along with a new Fire Museum moved into the building in April 2008. The department's relocation to the Hobbs-Parsons building from its Old Armenian Town project site has the additional benefit of assisting the Old Armenian Town Project meet its goals and schedule timeline.



[Ventura Widening and Downtown Entryway Beautification Project](#)

To advance the Ventura Widening Beautification Project, the Agency obtained appraisals for designated properties between the BNSF Railroad and Freeway 99. To facilitate the future widening of Ventura Avenue a severely blighted property at 1438 Ventura, known as Angela's Liquor, was demolished in November 2007.

[Chinatown Community Cleanup Day](#)



The Agency, in partnership with Chinatown Revitalization and the Local Conservation Corp (LLC) held a "Chinatown Community Cleanup Day" on May 3, 2008. Cleanup of the targeted area between Fresno, "G", Ventura and "E" Streets included graffiti removal, alley cleanup, steam cleaning sidewalks on Kern Street and an E-Waste collection site at "G" and Kern Streets. A second cleanup day was held in October 2008.

[Convention Center Area](#)

[Legacy](#)

The Legacy is a planned 171 unit mixed-use development located at Ventura and "O" Streets that will include 60,000 square feet of commercial/retail space and feature a public ice skating rink. The Agency is providing approximately \$2.7 million to assist the planned Legacy project and secure 55 year affordability covenants for 24 rental residential units pursuant to a Disposition and Development Agreement (DDA) adopted in October 2007.

[Old Armenian Town Project and the Fifth District Court of Appeal](#)

The Agency completed acquisition of Phase 1B properties for the Old Armenian Town Project. Properties in the Phase 1A area, bounded by "O", Ventura and "N" Streets and Freeway 41 were acquired and cleared for construction of 5th DCA Courthouse prior to fiscal year 2008.



The Agency completed substantial infrastructure to support the 5th DCA Courthouse and the overall project. These improvements included installing the surface parking lot on the south side of Santa Clara Street between “O” and “N” Streets, a water main along “O” Street south of Ventura Street, curbs, gutters and sidewalk from “N” to “O” Streets, a storm drain, and communication lines and utilities.



The construction of the \$24 million, 60,000 square foot, three-story 5th District Court of Appeal building in Phase 1A was completed in fiscal year 2008.

The courthouse and surrounding improvements have significantly advanced the goals of the project and enhanced a major entryway into downtown Fresno from Freeway 41.



During the year, the Agency worked with the City and outside counsel to address litigation relating to environmental reports and historic homes. The Agency’s consultants prepared a Subsequent Environmental Impact Report (SEIR), Receiver Sites Assessment Study and Economic Feasibility Study. The identified “Final Receiver Site” selected was “L” Street, which is within the boundary of the Old Armenian Town Settlement Area.

[Old Armenian Town Historic Properties](#)

The Agency has maintained and followed the guidelines from the Secretary of the Interior for the maintenance of five historic homes identified through the CEQA process. Based on recommendations from the Historic Resources Assessment report prepared in FY 06/07, the Agency has continued the monitoring of the historic homes and has compiled a complete record of maintenance activities with supporting documentation which is continuously updated.

[Parking Lot Improvements](#)

To enhance visual quality and address parking issues of downtown businesses, the Agency began improving 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.

[South Stadium Project](#)

Six city blocks south of Chukchansi Park is the site identified for the first phase of the proposed South Stadium Project. The project envisions transforming a long-neglected section of downtown Fresno into a hub of residential, social and commercial activity. On August 28, 2007, the Agency Board approved Amendment No. 3 to the Exclusive Negotiating Agreement (ENA) with Forest City Development extending the ENA to January 2009 to provide sufficient time for completion of the Environmental Impact Report (EIR) and Disposition and Development Agreement (DDA).

[Jefferson](#)

[Community Medical Center Project](#)

In fiscal year 2007, title to the final 15 properties within Phase II of the 58 acre project was transferred to Community Medical Center (CMC). Utilizing a portion of this land, the hospital, along with the Penstar Development Group, is constructing an 88,000 square foot four-story office building that will house a Neuro-surgery Center, turning CMC into one of five “Level-One” Trauma Centers in California. A new 6-deck parking structure will service the trauma center. Construction began in mid-May and is expected to be completed by the summer of 2009.



Community Medical Center Project – Phase III

CMC is endeavoring to help attract the UC Medical School System to the Central Valley. If successful, CMC would be a main site for training and education, which will help realize the hospital's goal of becoming a Regional Academic Medical Center.

Mariposa

Downtown Hotel

On April 8, 2008, the Agency and City entered into an Exclusive Negotiating Agreement with Fresno Convention Center Properties, LLC to determine feasibility for development of a three to four star hotel at the northeast corner of “M” and Inyo Streets.

Ice House

Over the past several years, the Agency has 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.

Tulare & “R” Streets/Old Fresno Hofbrau Site

Tesco Fresh & Easy Neighborhood Market is constructing a 15,200 square foot grocery store on the cleared site of the Old Fresno Hofbrau that includes a clock tower, a masonry façade and murals which reflect the historic and cultural nature of Fresno and the 2820 Tulare Street neighborhood. The Tesco Fresh & Easy Neighborhood Market at the Old Hofbrau location in Fresno will be 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 is assisting with offsite improvements for the project through an Owner Participation Agreement.



South Van Ness Industrial Area

Business Retention and Attraction

Aquarius Brands is the leading manufacturer of micro irrigation systems. Through a negotiated Memorandum of Understanding (MOU) with the Redevelopment Agency, Aquarius Brands Inc. has chosen to move its operations from Southern California to its current site on Florence Avenue, resulting in a major consolidation and expansion benefiting Fresno. The plant has increased the number of employees from 39 to 200. To induce the retention and expansion of this important industry leader the Agency is providing for street improvements consisting of curb, gutter, sidewalks, paving, street lights and storm drains along Florence Avenue.

Infill Development/Receiver Site

In fiscal year 2008, the Agency purchased blighted property at the northeast corner of Van Ness and Monterey Streets that is appropriate for infill redevelopment and could serve to temporarily receive relocated historic homes in conjunction with the Old Armenian Town project.

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

Elm Avenue Reconstruction and Beautification

The Agency completed work on the reconstruction and beautification of Elm Avenue between Jensen and North Avenues that includes concrete, landscape, lighting and overlay improvements. Funded by the Agency, the improvements to Elm Avenue have helped generate over one million square feet of industrial development. This project is located within boundaries of both the Southwest Fresno and South Fresno Industrial project areas.



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 and commercial, retail and community service uses. The 3,500 square foot \$1.8 million Community Enrichment Center, which features 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 Improvements and Land Acquisition - The Agency's commitment of \$600,000 for California Avenue widening enabled HOPE VI to proceed with site plan approvals for the Yosemite Village on the south side of California between West and Fruit Avenues.

California/Walnut Mixed Use - The Agency acquired 19 parcels (16 acres) for a planned mixed use development of approximately 60,000 square feet anchored by a County West Fresno One Stop Service Center and library along with medical professional offices and retail. In addition to assembling this major site, the Agency relocated a number of households into improved housing. Asbestos abatement, demolition of blighted buildings

and site clearance is virtually completed. The Agency completed a draft Disposition and Development Agreement (DDA) for the mixed-use development. The master developer has entered into a lease agreement with the County of Fresno for the County One Stop Service Center.

Park Development/Improvements - In furtherance of the Hope VI Project, the Agency purchased .82 acres at 2304 S. Walnut located within the Hope VI project area. Acquisition of this parcel will help provide for the realignment of Walnut Avenue and recreation center planned for the area.

Sequoia Community Health Center (SCHC)

In 1993, the Agency entered into a Disposition and Development Agreement (DDA) with Sequoia Community Health Center (SCHC) to assemble and convey ten acres of land for expanded health care services to low and moderate income persons.



Due to changing medical service trends and funding, SCHC was unable to complete the required conditions. The Agency negotiated a development agreement in which the remaining 7.5 acres of undeveloped land was returned to the Agency in exchange for a one acre parcel to be developed as a dental center by SCHC through an approved state grant. The Agency issued a Request for Proposals (RFP) for affordable housing on the 7.5 acres.

Streetscape and Street Improvements

Implementation of the West Fresno Community Vision Plan moved forward in FY 06/07 with the award of a bid for construction of two landscaped median islands for Tulare Street on “B” and “C” Streets. Construction was completed in October 2007. The West Fresno Community Vision Plan with over 300 community participants was prepared for the Council of Fresno County Governments (COG), Fresno West Coalition for Economic Development and Local Government Commission and adopted by the City Council.

In July 2007, the Agency approved an Owner Participation Agreement (OPA) to facilitate the development of 16 affordable homes in the area bounded by San Joaquin, “A”, Trinity, “B” and Amador Streets. Through the OPA, the Agency contributed \$150,000 that included \$75,000 in street and alley improvements; and, a \$75,000 direct grant to the developer toward the construction of the homes. The developer has recorded covenants ensuring affordability of three homes for the term of 45 years.

Southwest Fresno Community Meetings

Agency staff participated in Southwest Fresno Community Group meetings presenting an in-depth report of Redevelopment Plans and Implementation Activity in Southwest Fresno and responding to various issues. The committee was an out-growth from the Mayor’s February 12th “Truth on the Table” meeting.

Whites Bridge Road Planning and Development

The reconstruction of Whites Bridge Road from Freeway 99 to West Avenue was funded through federal and state grants with the Agency providing the balance of funds needed for the project. The reconstruction began in June 2008 and is expected to be completed by early fall.

ROEDING BUSINESS PARK

The Agency continues to work with the Economic Development Corporation (EDC) brokers and

businesses to attract development. Through a multi-agency Industrial Task Force, the Agency is working to add approximately 750 acres for incorporation and industrial development in the area west of the Roeding Business Park to leverage recently constructed infrastructure and proximity to Freeways 180 and 99.

Infrastructure and Improvements

Whites Bridge Road Planning and Development - The reconstruction of Whites Bridge Road from Freeway 99 to West Avenue was funded through federal and state grants with the Agency providing the balance of funds needed for the project. The Agency worked to secure EDI funds of \$447,075 that are being used for the segment between Teilman and West Avenues. The reconstruction began in June 2008 and is expected to be completed by early fall.

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 June 30, 2008 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;
- The Whirlwind Car Wash, located at 225 North "H" Street, remodeled and expanded its facilities to include an office, staging area and mini-mart.
- Calaveras Materials Inc., located at 410 West Thorne Avenue, replaced an existing batch plant with a new 90-foot high batch plant;



- The Sprint Corporation added 3,000 square feet of floor area to its fiber optics transmission center at 233 West Voorman Avenue;
- Producers Dairy located at 144 West Belmont added a new office building at the southwest of Palm and Belmont. Producers also added a 925 square foot orange off loading station, a 2,000 square foot milk off loading station, a 10,960 square foot bottle warehouse and a 12,375 square foot cold storage building;
- La Tapatia Tortillera expanded into an existing building to the west of its existing plant located at 102 East Belmont Avenue. The site was expanded with the vacation of Harrison Avenue to consolidate the existing plant and the added building. La Tapatia has also made new facade improvements to integrate the design and enhance the appearance of the buildings;
- California State Department of Corrections built a 20,169 square foot office building at 405 East Divisadero;
- American Paper Conversions constructed a 19,960 square foot warehouse at 2290 "G" Street just north of Nielsen Avenue;
- U.S. Food Service Distribution Company (formerly Hestbecks), located in the old Rykoff warehouse added a 37,790 square foot cold storage unit to the existing facilities located at 302 North Thorne Avenue. Approximately 50 new jobs were created by this business;
- Mygrant Glass constructed a new warehouse-distribution center at 485 West Nielsen;
- Patton Air Conditioning expanded its facilities located at 272 Palm Avenue adding 2,557 square feet and a parking lot for employees and customers;
- Level (3) Communications, a Fiber Optics Internet Service Provider, renovated an existing 72,000 square foot building at 310 West Napa to house an unmanned switching station with an estimated cost of improvements and equipment between \$2 to \$3 million.

SOUTH FRESNO INDUSTRIAL REVITALIZATION

Street and Infrastructure Improvements

Cedar Avenue Water Main Extension Project - The Agency has identified target areas for strategic infrastructure improvements to stimulate industrial infill development and advance planned industrial properties to shovel ready status. In FY 07/08, the Agency completed plans, specifications and bid process for the extension of the Cedar Avenue water main from Muscat to just south of Central Avenue. The project has stimulated the immediate development of 30 acres: a 36,000 square foot development on 15 acres by a major transportation company expected to generate 70 to 100 new jobs; and, 35,000 square feet on 15 adjacent acres. The project also advances development of about 128 acres to shovel ready status and of that acreage has specifically led to a Memorandum of Understanding for the eventual development of 100 acres.



Cedar/North Paving - To retain an existing business and stimulate additional development, the Agency paved the ramp on North Avenue between and Freeway 99 and Cedar Avenue. Valley Wide Beverage Company experienced extensive loss of product due to extremely rough roadway. The new paving reduces loss, improves traffic safety, enhances visual quality of the area, retains an existing company with 338 employees in a 92,340 square foot building and spurs development of approximately 80,000 square feet.

East Avenue Improvements - The Agency is providing for the reconstruction of East Avenue between Jensen and North Avenues consisting of curbs, gutters, paving, street lights, sidewalk and storm drain improvements. Through a Memorandum of Understanding (MOU), the East Avenue improvements triggered retention and expansion of Utility Trailer Sales resulting in the addition of \$8.5 million of new value including a new 45,000 square foot building and almost doubling the number of



employees to 70. These improvements will also have a positive economic impact in the area and community helping to trigger a 100,000 square foot manufacturing development and advancing future development of 80 acres.

SOUTHEAST FRESNO REVITALIZATION

Real Property Acquisition and Blight Removal

The Agency purchased two properties at the northeast corner of 10th Street and Ventura Avenue. Consistent with Agency goals, this voluntary acquisition provides for blight removal along a highly visible corridor and the prospect of a higher density use of the land 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.

The City and Agency issued a joint Request for Qualifications (RFQ) for the project and selected Urban Pacific Group (UPG) as the developer. The Agency is moving forward with negotiations for an Exclusive Negotiating Agreement (ENA).

The planned mixed-use project features 114 rental apartment units available to seniors earning less than 60% of the area median income and 6,200 square feet of commercial space. In April 2008, the Agency and UPG submitted a \$1.6 million infill infrastructure grant application to the State of California Housing and Community Development Division.

OTHER FINANCIAL INFORMATION

Internal Controls

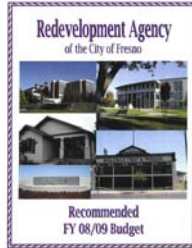
In developing and evaluating the Agency's accounting system, consideration was given to the adequacy of internal accounting controls. Internal accounting controls were designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized 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 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 2007/2008 was 3.69% as compared to 2006/2007 which was 4.75%.

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.



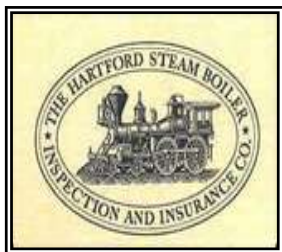
In March 2003, the GASB issued Statement No. 40, *Deposit and Investment Risk Disclosures*. This Statement amends GASB Statement No. 3, *Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements* to address common deposit and investment risks 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](#)

It is the policy of the Agency to use a combination of self-insurance through the City's Risk Management Department and purchased commercial insurance against property or liability risks. The Agency believes it is more economical to manage its risks through the City and set aside funds as needed for estimated current claim settlements and unfavorable judgments through annual and supplemental appropriations. The Risk Management Division of the City of Fresno investigates and manages all liability claims and property losses, evaluates risk exposure and insurance needs, protects against contractual loss by reviewing and preparing insurance and indemnification portions of construction contracts, leases and agreements, emphasizes ongoing operational loss control, and purchases 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.



Furthermore, 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 \$2,000,000 self-insured retention with purchased excess insurance layers up to the statutory limits.

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 Paulden McCown Starbuck Thornburgh & Keeter 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, 2007. This was the third consecutive year that the Redevelopment Agency 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 2008 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.

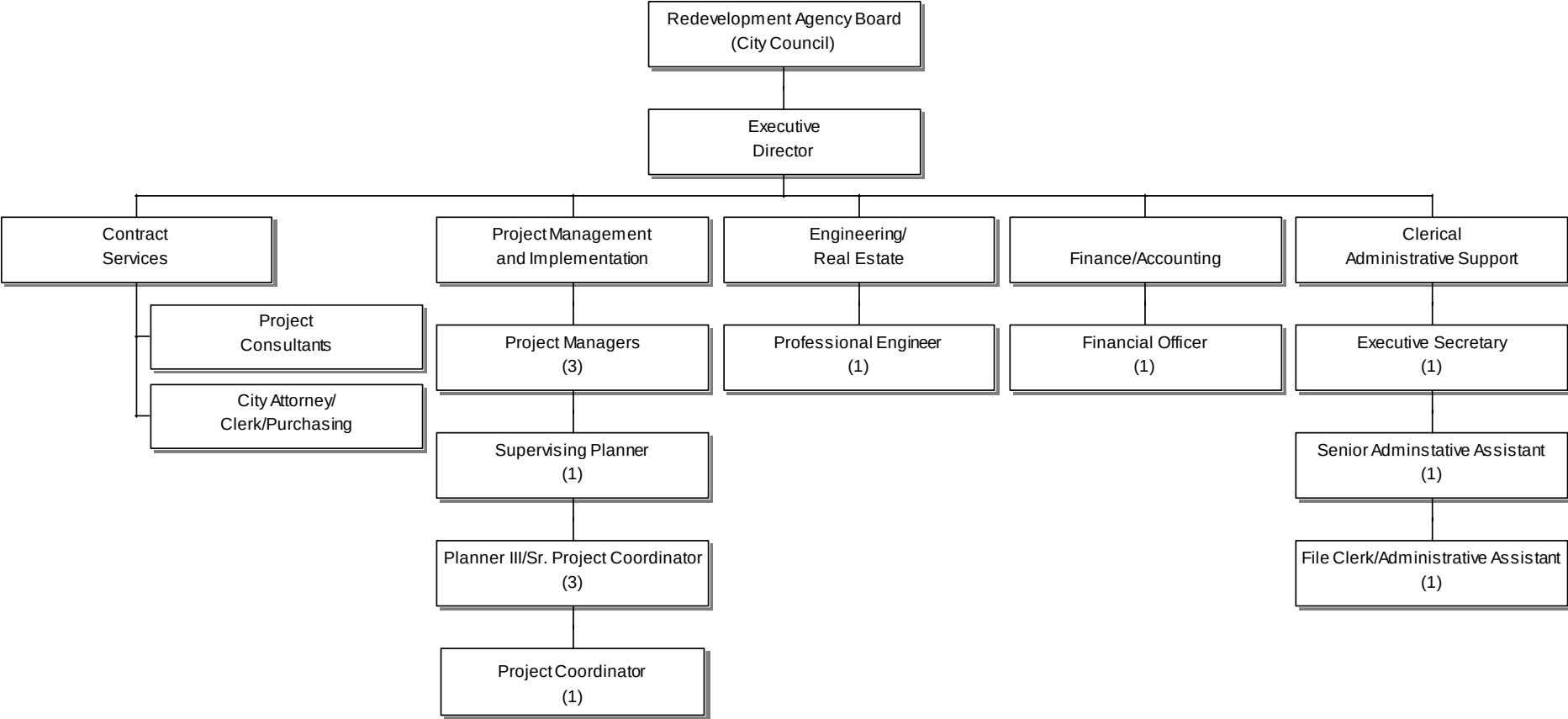
In addition, I would like to acknowledge the role of Brown Armstrong Paulden McCown Starbuck Thornburgh & Keeter Accountancy Corporation for their professional support in the preparation of the CAFR. Finally, I want to thank the Mayor, the City Council members and the City Manager for their continued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

Respectfully submitted,

A handwritten signature in black ink that reads "Lora J. Kutka, CPA". The signature is written in a cursive, flowing style.

Lora Kutka, CPA
Financial Officer

Redevelopment Agency of the City of Fresno
Organization 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	January 2011
Brian Calhoun, District 2	January 2009
Paul Caprioglio, District 4	January 2009
Cynthia Sterling, District 3	January 2011
Mike Dages , District 5 – Vice-Chair	January 2011
Jerry Duncan, District 6 – Chair	January 2009
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, 2007

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.



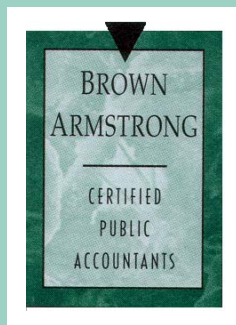
President

Executive Director

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FINANCIAL SECTION

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McCOWN STARBUCK THORNBURGH & KEETER
Certified Public Accountants

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e-mail: info@bacpas.com

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

Harvey J. McCown, MBA, CPA
Lynn R. Krausse, CPA, MST
Rosalba Flores, CPA
Connie M. Perez, CPA
Diana H. Branthoover, CPA
Thomas M. Young, CPA
Alicia Dias, CPA, MBA
Matthew R. Gilligan, CPA
Hanna J. Sheppard, CPA
Ryan L. Nielsen, CPA
Jian Ou-Yang, CPA
Ryan S. Johnson, CPA
Jialan Su, CPA
Ariadne S. Prunes, CPA
Samuel O. Newland, CPA
Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA
Jose Garcia, CPA
Adrian Rich, CPA
Lance Larralde, CPA

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, 2008, 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.

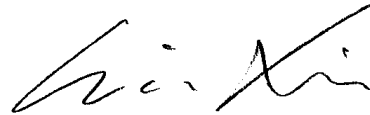
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Agency as of June 30, 2008, and the respective changes in financial 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 22, 2008 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 PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
December 22, 2008

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2008**

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, 2008. 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 \$55,371,171 (net assets (deficit)).
- The Agency's net assets increased by \$6,267,005.
- As of the close of the current fiscal year, the Agency's governmental funds reported ending fund balance of \$58,551,470, an increase of \$8,408,205 in comparison with the prior year. The Agency has a negative unreserved fund balance of \$3,268,090.

Overview of the Financial Statements

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

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

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

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

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

FUND FINANCIAL STATEMENTS

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

Governmental Funds

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

The Agency reports the following major governmental funds: Merger One, Merger Two and Housing Project capital projects funds and Merger One, Merger Two and Corridor 99 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 17-31 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Assets Governmental Activities June 30, 2008

	2008	2007
Assets:		
Current and other	\$ 63,652,897	\$ 56,529,338
Capital assets	1,857,202	2,011,012
Total assets	65,510,099	58,540,350
Liabilities:		
Long-term liabilities outstanding	74,487,029	74,260,508
Other liabilities	46,394,241	45,918,019
Total liabilities	120,881,270	120,178,527
Net assets (deficit):		
Invested in capital assets, net of related debt	(479,168)	(417,818)
Unrestricted	(54,892,003)	(61,220,359)
Total net assets (deficit)	\$ (55,371,171)	\$ (61,638,177)

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 \$55,371,171 at the close of the most recent fiscal year, creating a negative net asset balance. Redevelopment agencies typically 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, 2008**

	<u>2008</u>	<u>2007</u>
Revenues:		
General revenues:		
Incremental property taxes	\$ 21,101,863	\$ 17,547,137
Use of money and property	1,270,352	1,309,122
Lease income from the City	430,543	196,602
Intergovernmental	1,045,672	238,715
Forgiveness of debt	-	6,416,674
Miscellaneous	<u>120,808</u>	<u>521,710</u>
Total revenues	23,969,238	26,229,960
Expenses:		
General government	9,252,469	6,613,547
Redevelopment	4,648,579	5,941,304
Interest and fiscal charges	<u>3,801,184</u>	<u>4,050,136</u>
Total expenses	<u>17,702,232</u>	<u>16,604,987</u>
Increase (decrease) in net assets before special item	6,267,006	9,624,973
Net assets (deficit), beginning of year	<u>(61,638,177)</u>	<u>(71,263,150)</u>
Net assets (deficit), end of year	<u><u>\$ (55,371,171)</u></u>	<u><u>\$ (61,638,177)</u></u>

The net assets of the Agency increased by \$6,267,005 during the current fiscal year, primarily due to increases in gross tax increment of approximately 20% and UGM refunds received from the City. 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 \$58,551,469. 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.

	2008	2007	Total \$ Change	Total % Change
Revenues:				
Incremental property taxes	\$ 21,101,863	\$ 17,547,137	\$ 3,554,726	20.26%
Use of money and property	1,280,361	1,411,649	(131,288)	-9.30%
Lease income	1,215,543	1,165,689	49,854	4.28%
Intergovernmental	1,259,757	238,715	1,021,042	427.72%
Other revenue	120,808	521,710	(400,902)	-76.84%
Total revenues	24,978,332	20,884,900	4,093,432	19.60%
Expenditures:				
General government	5,507,825	4,665,637	842,188	18.05%
Redevelopment	4,648,579	5,941,304	(1,292,725)	-21.76%
Debt service	3,686,489	9,435,730	(5,749,241)	-60.93%
Total expenditures	13,842,893	20,042,671	(6,199,778)	-30.93%
Excess (deficiency) before other financing sources	11,135,439	842,229	10,293,210	1222.14%
Gain (loss) on sale of property	(3,408,632)	(1,924,026)	(1,484,606)	77.16%
Forgiveness of indebtedness	-	6,416,674	(6,416,674)	100.00%
Proceeds of long-term debt	681,398	675,237	6,161	0.91%
Increase (decrease) in fund balance	<u>\$ 8,408,205</u>	<u>\$ 6,010,114</u>	<u>\$ 2,398,091</u>	<u>39.90%</u>

Explanation of Significant Variances:

- Incremental property taxes in the Merger 1, Merger 2 and Corridor 99 debt service funds increased 16.33%, 18.80% and 31.86% respectively, due to higher property values from new development and property sales. 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, 2007 through June 30, 2008 was based upon assessed values as of January 1, 2007. 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.

- Intergovernmental revenues increased in 2008 due to the receipt of \$665,023 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. The City also reimbursed the Agency \$214,085 for street improvement costs incurred in prior years in the Southeast Fresno capital projects fund. The remaining amount consisted of \$200,255 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 \$238,715 received in 2007.
- Other revenue decreased \$400,902 in 2008 primarily due to a decrease in reimbursements from various developers and the City of Fresno for completed infrastructure projects in the non-major capital projects funds such as the South Fresno Industrial capital project fund.
- General government expenses in the Merger 1 and Merger 2 debt service funds increased in 2008 due to costs incurred for proposed plan amendments as well as higher pass through payments in correlation to the increase in tax increment.
- The decrease in redevelopment expenses was primarily due to a slow down in housing rehabilitations and infill in the Housing capital project funds.
- The decrease in debt service was due to an audit of the City's Airports Department which resulted in a \$6 million write down of long term debt in the Airports debt service fund in fiscal year 2007.
- In fiscal year 2008, gain (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 2007 gain (loss) on sale of property consisted primarily of the sale of 15 parcels to Community Medical Center for a multi-year expansion project in the Merger 1 (Jefferson) capital project fund. The remaining gain (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 as the cost of property acquisition is generally higher than the sales price since acquisition costs include not only the purchase price of the property but also legal fees, relocation costs 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 decrease in forgiveness of debt is associated with the decrease in debt service and relates to an audit of the City's Airports Department which resulted in a \$6 million write down of long term debt in the Airports debt service fund in fiscal year 2007.

CAPITAL ASSET AND DEBT ADMINISTRATION

CAPITAL ASSETS

As of June 30, 2008 the Agency's investment in capital assets for its governmental activities was \$1,857,202 (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 2008 totaled \$681,398. Of this amount, \$516,398 was from a Convention Center Project Area repayment agreement with the City of Fresno. Loan proceeds of \$165,000 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

On August 5, 2004, SB 1096 was signed into law 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 and 2008; however, legislation passed in September 2008 requires redevelopment agencies to shift \$350 million to the State in fiscal year 2009. The Agency's share of this revenue shift in fiscal year 2009 will be \$1,385,523.

Since the Agency receives tax increment from the County based upon the tax levy rather than on actual collections, uncollected 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.

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, 2008**

ASSETS

Cash and investments	\$ 18,947,731
Restricted assets - cash and investments	3,777,083
Due from the City of Fresno	331,826
Net direct financing leases	4,550,000
Loans and notes receivable	2,822,019
Property held for resale	32,977,157
Deferred charges	247,081
Capital assets, net of depreciation	<u>1,857,202</u>
Total assets	<u>65,510,099</u>

LIABILITIES

Accounts payable and accrued liabilities	37,203
Due to other governments	187,759
Security deposits	22,509
Interest payable	46,146,770
Long-term liabilities:	
Due within one year	1,692,613
Due in more than one year	<u>72,794,416</u>
Total liabilities	<u>120,881,270</u>

NET ASSETS (DEFICIT)

Invested in capital assets, net of related debt	(479,168)
Unrestricted	<u>(54,892,003)</u>
Total net assets (deficit)	<u><u>\$ (55,371,171)</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, 2008**

Program expenses:	
General government	\$ 9,252,469
Redevelopment	4,648,579
Interest and fiscal charges	<u>3,801,184</u>
 Total program expenses	 <u>17,702,232</u>
 General revenues:	
Incremental property taxes	21,101,863
Use of money and property	1,270,352
Lease income from the City	430,543
Intergovernmental	1,045,672
Miscellaneous	<u>120,808</u>
 Total general revenues	 <u>23,969,238</u>
 Change in net assets	 6,267,006
 Net assets (deficit), beginning of year	 <u>(61,638,177)</u>
 Net assets (deficit), end of year	 <u><u>\$ (55,371,171)</u></u>

See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Capital Projects			Debt Service	
	Merger One	Merger Two	Housing Project	Merger One	Merger Two
ASSETS					
Cash and investments	\$ 1,655	\$ 2,117,822	\$ 5,915,132	\$ 2,325,720	\$ 1,396,375
Restricted assets:					
Cash and investments with fiscal agents	-	-	-	2,855,247	921,836
Receivables:					
Loans	139,661	-	1,307,779	38,042	-
Notes	-	-	1,278,016	58,521	-
Lease interest	-	-	-	56,875	-
Due from other funds	5,664,000	1,718,373	-	-	-
Due from the City of Fresno	-	-	-	245,837	29,114
Net direct financing leases	-	-	-	4,550,000	-
Other assets	-	-	-	-	-
Property held for resale	11,970,301	11,413,646	7,541,221	-	-
Total assets	<u>\$ 17,775,617</u>	<u>\$ 15,249,841</u>	<u>\$ 16,042,148</u>	<u>\$ 10,130,242</u>	<u>\$ 2,347,325</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ 37,203	\$ -	\$ -	\$ -
Due to other funds	6,589,549	-	-	-	-
Due to the City of Fresno	-	-	-	-	-
Deferred revenue	-	-	-	4,606,875	-
Security deposits	-	-	-	22,509	-
Total liabilities	<u>6,589,549</u>	<u>37,203</u>	<u>-</u>	<u>4,629,384</u>	<u>-</u>
FUND BALANCES:					
Reserved for noncurrent receivables	139,661	-	2,585,795	4,703,438	-
Reserved for other assets	-	-	5,915,132	2,855,247	921,836
Reserved for deposits	-	-	-	-	-
Reserved for property held for resale	11,970,301	11,413,646	7,541,221	-	-
Reserved for debt service	-	-	-	-	1,425,489
Reserved for capital projects	-	3,609,637	-	-	-
Reserved for encumbrances	286,369	189,355	-	-	-
Reserved for Non 20% Housing	-	-	-	-	-
Unreserved	(1,210,263)	-	-	(2,057,827)	-
Total fund balances	<u>11,186,068</u>	<u>15,212,638</u>	<u>16,042,148</u>	<u>5,500,858</u>	<u>2,347,325</u>
Total liabilities and fund balances	<u>\$ 17,775,617</u>	<u>\$ 15,249,841</u>	<u>\$ 16,042,148</u>	<u>\$ 10,130,242</u>	<u>\$ 2,347,325</u>

(Continued)

See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
BALANCE SHEET (Continued)
GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<u>Debt Service</u>		
	<u>Corridor</u>	<u>All Other</u>	<u>Total</u>
	<u>99</u>	<u>Governmental</u>	<u>Governmental</u>
		<u>Funds</u>	<u>Funds</u>
ASSETS			
Cash and investments	\$ 78,363	\$ 7,112,664	\$ 18,947,731
Restricted assets:			
Cash and investments with fiscal agents	-	-	3,777,083
Receivables:			
Loans	-	-	1,485,482
Notes	-	-	1,336,537
Lease interest	-	-	56,875
Due from other funds	-	5,297	7,387,670
Due from the City of Fresno	-	-	274,951
Net direct financing leases	-	-	4,550,000
Other assets	-	-	-
Property held for resale	-	2,051,989	32,977,157
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 78,363</u>	<u>\$ 9,169,950</u>	<u>\$ 70,793,486</u>
LIABILITIES AND FUND BALANCES			
LIABILITIES:			
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 37,203
Due to other funds	-	798,121	7,387,670
Due to the City of Fresno	-	187,759	187,759
Deferred revenue	-	-	4,606,875
Security deposits	-	-	22,509
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>-</u>	<u>985,880</u>	<u>12,242,016</u>
FUND BALANCES:			
Reserved for noncurrent receivables	-	-	7,428,894
Reserved for other assets	-	-	9,692,215
Reserved for deposits	-	-	-
Reserved for property held for resale	-	2,051,989	32,977,157
Reserved for debt service	78,363	509,745	2,013,597
Reserved for capital projects	-	5,401,559	9,011,196
Reserved for encumbrances	-	220,777	696,501
Reserved for Non 20% Housing	-	-	-
Unreserved	-	-	(3,268,090)
	<u> </u>	<u> </u>	<u> </u>
Total fund balances	<u>78,363</u>	<u>8,184,070</u>	<u>58,551,470</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balances	<u>\$ 78,363</u>	<u>\$ 9,169,950</u>	<u>\$ 70,793,486</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, 2008**

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

Total fund balances - total governmental	\$ 58,551,470
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	(1,071,847)
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the governmental funds.	
Lease interest receivable due from the City of Fresno	56,875
Expenditure reimbursements due from the City of Fresno	
Net direct financing leases	4,550,000
Deferred charges	247,081
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Long-term obligations	(74,487,029)
Accrued interest payable	(46,146,770)
	<u> </u>
Net assets (deficit) of governmental activities	<u><u>\$ (55,371,171)</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, 2008**

	Capital Projects			Debt Service	
	Merger One	Merger Two	Housing Project	Merger One	Merger Two
REVENUES:					
Incremental property taxes	\$ -	\$ -	\$ -	\$ 6,301,917	\$ 3,969,307
Use of money and property	-	83,438	290,045	549,169	198,062
Lease income	-	-	-	1,098,113	117,430
Intergovernmental	-	180,395	-	200,255	-
Miscellaneous	-	-	-	-	-
Total revenues	-	263,833	290,045	8,149,454	4,284,799
EXPENDITURES:					
Current:					
General government	269,626	286,112	159,358	1,379,781	453,187
Redevelopment	1,030,343	337,752	498,493	-	-
Debt service:					
Principal repayments	-	-	-	1,235,460	530,000
Interest and fiscal charges	-	-	-	785,530	353,428
Total expenditures	1,299,969	623,864	657,851	3,400,771	1,336,615
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,299,969)	(360,031)	(367,806)	4,748,683	2,948,184
OTHER FINANCING SOURCES (USES):					
Loss on sale of property	(447,552)	(2,089,728)	(77,870)	-	-
Loan proceeds	-	-	-	516,398	165,000
Transfers in	3,440,500	2,260,000	4,220,372	-	-
Transfers out	-	-	-	(4,700,883)	(3,053,861)
Total other financing sources (uses)	2,992,948	170,272	4,142,502	(4,184,485)	(2,888,861)
NET CHANGE IN FUND BALANCES	1,692,979	(189,759)	3,774,696	564,198	59,323
FUND BALANCES, BEGINNING OF YEAR	9,493,089	15,402,397	12,267,452	4,936,660	2,288,002
FUND BALANCES (DEFICITS), END OF YEAR	\$ 11,186,068	\$ 15,212,638	\$ 16,042,148	\$ 5,500,858	\$ 2,347,325

(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, 2008**

	<u>Debt Service</u>		
	Corridor	All Other	Total
	99	Governmental	Governmental
	<u>Funds</u>	<u>Funds</u>	<u>Funds</u>
REVENUES:			
Incremental property taxes	\$ 2,496,786	\$ 8,333,853	\$ 21,101,863
Use of money and property	1,905	157,742	1,280,361
Lease income	-	-	1,215,543
Intergovernmental	-	879,107	1,259,757
Miscellaneous	-	120,808	120,808
	<u>2,498,691</u>	<u>9,491,510</u>	<u>24,978,332</u>
Total revenues			
EXPENDITURES:			
Current:			
General government	414,701	2,545,060	5,507,825
Redevelopment	-	2,781,991	4,648,579
Debt service:			
Principal repayments	-	465,957	2,231,417
Interest and fiscal charges	-	316,114	1,455,072
	<u>414,701</u>	<u>6,109,122</u>	<u>13,842,893</u>
Total expenditures			
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,083,990</u>	<u>3,382,388</u>	<u>11,135,439</u>
OTHER FINANCING SOURCES (USES):			
Loss on sale of property	-	(793,482)	(3,408,632)
Loan proceeds	-	-	681,398
Transfers in	-	6,811,522	16,732,394
Transfers out	(2,074,357)	(6,903,293)	(16,732,394)
	<u>(2,074,357)</u>	<u>(885,253)</u>	<u>(2,727,234)</u>
Total other financing sources (uses)			
NET CHANGE IN FUND BALANCES	9,633	2,497,135	8,408,205
FUND BALANCES, BEGINNING OF YEAR	<u>68,730</u>	<u>5,686,935</u>	<u>50,143,265</u>
FUND BALANCES, END OF YEAR	<u>\$ 78,363</u>	<u>\$ 8,184,070</u>	<u>\$ 58,551,470</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, 2008**

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

Net change in fund balances - total governmental	\$ 8,408,205
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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)
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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:

Change in interest revenue due from the City of Fresno	(10,009)
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Revenues earned but not received are for reimbursement from the City of Fresno related to the South East Fresno project area that is part of the nonmajor governmental funds. It was recorded as deferred at the governmental fund level and a receivable from 2003. It is recorded as revenue in the governmental activities	(214,085)
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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.	(785,000)
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Long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial 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.	1,367,817
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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>(2,346,112)</u>
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Change in net assets of governmental activities	<u><u>\$ 6,267,006</u></u>
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See notes to the financial statements.

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2008**

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. *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.

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.

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

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

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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, 2008, 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 \$698,522 as of June 30, 2008. The Agency anticipates that this deficit will be eliminated in fiscal year 2009 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 \$193,056 that will be eliminated in fiscal year 2009 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, 2008, 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	\$ 1,077,755	\$ -	\$ 1,077,755
Guaranteed Investment Contract	Not Rated	-	1,052,823	1,052,823
Repurchase Agreement	Not Rated	-	899,228	899,228
Total Investments				<u>\$ 3,029,806</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.

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

Cash and investments	\$ 18,947,731
Restricted assets:	
Cash and investments with fiscal agent	<u>3,777,083</u>
Total cash and investments	<u>\$ 22,724,814</u>

NOTE 3 – CASH AND INVESTMENTS (Continued)

Cash and investments consist of the following:

Deposits	\$ 2,500,506
Investments	<u>20,224,308</u>
Total cash and investments	<u>\$ 22,724,814</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, 2008:

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.	\$ 38,042
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Capital Projects Fund:

Merger One:

Jefferson - Receivable due from Community Medical Center for the purchase of 15 parcels, principal only annual payment of \$148,000, remaining balance due June 30, 2009.	126,161
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South Van Ness - Reimbursement of costs due from developer per Disposition and Development Agreement dated October 21, 1999.	13,500
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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.	1,019,069
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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.	197,922
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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>90,788</u>
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Total Loans Receivable	<u>1,485,482</u>
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NOTE 4 – LOANS AND NOTES RECEIVABLE (Continued)

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.

58,521

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.

150,000

Housing Project - Southwest Housing

728,016

Total Notes Receivable

1,336,537

Total Loans and Notes Receivable

\$ 2,822,019

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, 2008:

<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.	\$ 4,550,000
	<u>\$ 4,550,000</u>

Future minimum lease payments to be received under the terms of the lease agreements subsequent to June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Total Receivable</u>	<u>Deferred Lease Revenue</u>	<u>Net Lease Receivable</u>
2009	\$ 1,042,188	\$ 217,188	\$ 825,000
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	1,037,500	37,500	1,000,000
Total	<u>\$ 5,197,627</u>	<u>\$ 647,627</u>	<u>\$ 4,550,000</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, 2008, is as follows:

Receivable Fund	Amount	Payable Fund	Amount
Merger One Capital Projects	\$ 5,664,000	Merger One Capital Projects	\$ 6,589,549
Merger Two Capital Projects	1,718,373	Aggregate Remaining Funds	798,121
Aggregate Remaining Funds	<u>5,297</u>		
Total	<u>\$ 7,387,670</u>		<u>\$ 7,387,670</u>

All balances reported as “due to other funds” and “due from other funds” resulted from short-term loans to cover temporary fund cash shortages as of June 30, 2008, and are expected to be repaid early in fiscal year 2009.

Transfers Out:	Transfers In				Total
	Merger One Capital Projects	Merger Two Capital Projects	Housing Project Capital Projects	Other Nonmajor	
Merger One Debt Service	\$ 3,440,500	\$ -	\$ 1,260,383	\$ -	\$ 4,700,883
Merger Two Debt Service	-	2,260,000	793,861	-	3,053,861
Corridor 99 Debt Service	-	-	499,357	-	499,357
Other Nonmajor	-	-	1,666,771	6,811,522	8,478,293
Total	<u>\$ 3,440,500</u>	<u>\$ 2,260,000</u>	<u>\$ 4,220,372</u>	<u>\$ 6,811,522</u>	<u>\$ 16,732,394</u>

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

Funds were transferred into the Merger One and Merger Two Capital Projects Funds from the respective Merger One and Merger Two Debt Service Funds and into the 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, 2008, was as follows:

	Beginning Balance	Additions	Dispositions	Ending Balance
Capital assets, being depreciated:				
Buildings	\$ 2,855,000	\$ -	\$ -	\$ 2,855,000
Equipment	<u>74,049</u>	<u>-</u>	<u>-</u>	<u>74,049</u>
Total capital assets, being depreciated	2,929,049	-	-	2,929,049
Less accumulated depreciation				
Buildings	(903,500)	(139,000)	-	(1,042,500)
Equipment	<u>(14,537)</u>	<u>(14,810)</u>	<u>-</u>	<u>(29,347)</u>
Capital assets, net	<u>\$ 2,011,012</u>	<u>\$ (153,810)</u>	<u>\$ -</u>	<u>\$ 1,857,202</u>

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, 2008 consists of the following:

Bonds/certificates of participation payable	\$ 16,253,667
Loans payable	1,984,087
Capital lease obligations payable	2,336,370
Notes payable to the City of Fresno	10,168,755
Compensated absences	72,955
Retirement obligation	105,893
Advances from the City of Fresno	<u>43,565,302</u>
	<u><u>\$ 74,487,029</u></u>

Bonds and Certificates of Participation Payable

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. \$ 4,377,000

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 annually, secured by insurance coverage purchased through a private insurer and payable from a lease to the City of Fresno (Note 4). 7,260,000

2001 Southwest Fresno tax allocation revenue bonds, issued March 1, 2001, interest at 4.0% to 5.25% with varying annual principal installments ranging from \$115,000 to \$535,000 through August 1, 2018, interest due semi-annually secured by a pledge of tax revenues. 4,550,000

Total Bonds and Certificates of Participation Payable \$ 16,187,000

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 1,580,000	\$ 785,981	\$ 2,365,981
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
2014-2018	5,142,000	1,405,253	6,547,253
2019-2023	<u>2,404,000</u>	<u>340,404</u>	<u>2,744,404</u>
	<u><u>\$ 16,187,000</u></u>	<u><u>\$ 4,917,158</u></u>	<u><u>\$ 21,104,158</u></u>

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

The following is a summary of loans payable as of June 30, 2008:

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.

\$ 1,984,087

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2008 are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 47,825	\$ 69,195	\$ 117,020
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
2014-2018	305,221	278,710	583,931
2019-2023	363,032	219,879	582,911
2024-2028	431,794	150,803	582,597
2029-2033	513,580	66,674	580,254
2034	113,845	2,009	115,854
	<u>\$ 1,984,087</u>	<u>\$ 1,046,250</u>	<u>\$ 3,030,337</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, 2008:

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.

\$ 2,102,733

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.

233,637

\$ 2,336,370

NOTE 8 – LONG-TERM DEBT (Continued)Capital Lease Obligations (Continued)

The following is a schedule of annual debt service requirements to maturity on the above as of June 30, 2008:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$ 64,788	\$ 196,106	\$ 260,894
2010	70,514	190,380	260,894
2011	76,747	184,147	260,894
2012	83,531	177,363	260,894
2013	90,914	169,980	260,894
2014-2018	590,292	714,176	1,304,468
2019-2023	901,554	402,914	1,304,468
2024-2025	458,030	39,770	497,800
	<u>\$ 2,336,370</u>	<u>\$ 2,074,836</u>	<u>\$ 4,411,206</u>

Notes Payable to the City of Fresno

The following is a summary of notes payable to the City as of June 30, 2008:

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%.	238,160
	<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.	1,443,412
	<u>3,008,412</u>

Total Notes Payable to the City of Fresno	<u>\$ 10,168,755</u>
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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	\$ 2,672,501	\$ 11,146,431
West Fresno I Project - advances at June 30, 1992, bearing interest at 0.0% to 9.0%	700,000	1,270,586	1,970,586
West Fresno II Project - advances from October 27, 1976 through June 30, 1996, bearing interest at 6.06%.	4,455,777	1,891,620	6,347,397
Chinatown Expanded Project - \$1,017,200 interest bearing advances from June 1979 through June 1997, bearing interest at 5.49% - 8.0%.	917,794	1,347,106	2,264,900
Convention Center Project - \$9,614,569 interest bearing advances from July 1982 through June 2005, bearing interest at 4.5% - 8.5%.	11,189,344	7,632,858	18,822,202
Jefferson Project - \$6,890,916 interest bearing advances from June 1986 through June 2005, bearing interest at 4.5% - 8.53%.	7,288,067	5,052,641	12,340,708
Fulton Project - \$2,244,800 interest bearing advances from June 1988 through April 2001, bearing interest at 6.84%.	1,929,800	841,173	2,770,973
Central Business District - \$2,023,800 interest bearing advances from June 30, 1991 through April 2001, bearing interest at 4.8% - 7.82%.	1,630,441	326,835	1,957,276
South Van Ness Project - \$10,000 advance at June 30, 1988, bearing interest of 6.84%.	<u>10,000</u>	<u>12,776</u>	<u>22,776</u>
Total Merger One	<u>36,595,153</u>	<u>21,048,096</u>	<u>57,643,249</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	1,974	4,170
Southwest Fresno Project - \$8,205,838 interest bearing advances from June 1978 through 1994, bearing interest at 0.0% - 6.0%.	<u>5,409,115</u>	<u>9,936,663</u>	<u>15,345,778</u>
Total Merger Two	<u>5,411,311</u>	<u>9,938,637</u>	<u>15,349,948</u>
 Corridor 99:			
Corridor 99 - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	<u>50,000</u>	<u>33,000</u>	<u>83,000</u>
Total Roeding Business Park	<u>50,000</u>	<u>33,000</u>	<u>83,000</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	25,975	60,075
Pinedale Project - \$132,000 advance at June 30, 1988, bearing interest at 6.84%.	132,000	161,385	293,385
Airport Project - \$3,620,400 interest bearing advances from June 1989 through June 1991, bearing interest at 8.31% - 8.53%.*	109,400	121,205	230,605
Southeast Fresno Project - \$50,000 advance at June 30, 1997, bearing interest at 6.0%.	50,000	33,000	83,000
Roeding Business Park - \$1,603,100 interest bearing advances from March 1995 through May 1996, bearing interest at 5.49% - 6.0%.	<u>1,183,338</u>	<u>328,747</u>	<u>1,512,085</u>
Total Other Nonmajor Funds	<u>1,508,838</u>	<u>670,312</u>	<u>2,179,150</u>
Total All Funds	<u><u>\$ 43,565,302</u></u>	<u><u>\$ 31,690,045</u></u>	<u><u>\$ 75,255,347</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, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds and Certificates of Participation	\$ 17,695,000	\$ -	\$ (1,508,000)	\$ 16,187,000	\$ 1,580,000
Less deferred amounts: For issuance premiums/ (discounts)	79,785	-	(13,118)	66,667	-
	17,774,785	-	(1,521,118)	16,253,667	1,580,000
Loans Payable	2,030,282	-	(46,195)	1,984,087	47,825
Capital Lease Obligations	2,428,829	-	(92,459)	2,336,370	64,788
Note Payable to the City	10,168,755	-	-	10,168,755	-
Compensated absences	-	104,110	(31,155)	72,955	-
Retirement obligation	-	105,893	-	105,893	-
Advances from City	43,468,666	681,398	(584,762)	43,565,302	-
Governmental activities long-term debt	<u>\$ 75,871,317</u>	<u>\$ 891,401</u>	<u>\$ (2,275,689)</u>	<u>\$ 74,487,029</u>	<u>\$ 1,692,613</u>

NOTE 9 – RISK MANAGEMENT

The Agency maintains a program of self and purchased excess insurance for health, workers' compensation and general liability through the City's self-insurance program which is accounted for in an internal service fund of the City.

The City purchases commercial insurance for claims in excess of the coverage provided by the fund and for all other risks of loss for workers' compensation and 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

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. It is anticipated that the Agency's share of the ERAF take will be \$1,385,523 however the amount could be larger as the state looks for ways to reduce its deficit. One budget option under consideration is to increase the current year redevelopment ERAF shift to \$400 million and make it permanent. The Agency has until May 10, 2009 to submit the ERAF payment to the County of Fresno.

In addition, AB 1389 was amended on September 15, 2008 to require that by October 1, 2008, 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.

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COMBINING STATEMENTS

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**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Capital Projects					
	Pinedale Project	Airport Project	Roeding	SE Fresno	Corridor 99	Airport Revitalization
ASSETS						
Cash and investments	\$ 60,786	\$ -	\$ -	\$ 402,377	\$ 2,299,710	\$ 2,166,022
Due from other funds	-	-	-	-	-	5,297
Due from the City of Fresno	-	-	-	-	-	-
Property held for resale	-	-	94,302	1,957,687	-	-
Total assets	<u>\$ 60,786</u>	<u>\$ -</u>	<u>\$ 94,302</u>	<u>\$ 2,360,064</u>	<u>\$ 2,299,710</u>	<u>\$ 2,171,319</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	5,297	792,824	-	-	-
Due to City of Fresno	-	187,759	-	-	-	-
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>193,056</u>	<u>792,824</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:						
Reserved for property held for resale	-	-	94,302	1,957,687	-	-
Reserved for debt service	-	-	-	-	-	-
Reserved for capital projects	60,786	(193,056)	(792,824)	402,377	2,299,710	2,009,221
Reserve for encumbrances	-	-	-	-	-	162,098
Total fund balances	<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>
Total liabilities and fund balances	<u>\$ 60,786</u>	<u>\$ -</u>	<u>\$ 94,302</u>	<u>\$ 2,360,064</u>	<u>\$ 2,299,710</u>	<u>\$ 2,171,319</u>

(Continued)

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	<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	\$ 519,147	\$ 1,154,877	\$ 10,728	\$ 5	\$ 3,536
Due from other funds	-	-	-	-	-
Due from the City of Fresno	-	-	-	-	-
Property held for resale	-	-	-	-	-
Total assets	<u>\$ 519,147</u>	<u>\$ 1,154,877</u>	<u>\$ 10,728</u>	<u>\$ 5</u>	<u>\$ 3,536</u>
LIABILITIES AND FUND BALANCES					
LIABILITIES:					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Due to City of Fresno	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES:					
Reserved for property held for resale	-	-	-	-	-
Reserved for debt service	-	-	10,728	5	3,536
Reserved for capital projects	460,468	1,154,877	-	-	-
Reserve for encumbrances	58,679	-	-	-	-
Total fund balances	<u>519,147</u>	<u>1,154,877</u>	<u>10,728</u>	<u>5</u>	<u>3,536</u>
Total liabilities and fund balances	<u>\$ 519,147</u>	<u>\$ 1,154,877</u>	<u>\$ 10,728</u>	<u>\$ 5</u>	<u>\$ 3,536</u>

(Continued)

**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
COMBINING BALANCE SHEET (Continued)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2008**

	Debt Service					
	Roeding	SE Fresno	Airport Revitalization	Central City	S Fresno Industrial	Total
ASSETS						
Cash and investments	\$ 95,213	\$ 114,723	\$ 187,728	\$ 41,605	\$ 56,207	\$ 7,112,664
Due from other funds	-	-	-	-	-	5,297
Due from the City of Fresno	-	-	-	-	-	-
Property held for resale	-	-	-	-	-	2,051,989
Total assets	<u>\$ 95,213</u>	<u>\$ 114,723</u>	<u>\$ 187,728</u>	<u>\$ 41,605</u>	<u>\$ 56,207</u>	<u>\$ 9,169,950</u>
LIABILITIES AND FUND BALANCES						
LIABILITIES:						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-	798,121
Due to City of Fresno	-	-	-	-	-	187,759
Deferred revenue	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>985,880</u>
FUND BALANCES:						
Reserved for property held for resale	-	-	-	-	-	2,051,989
Reserved for debt service	95,213	114,723	187,728	41,605	56,207	509,745
Reserved for capital projects	-	-	-	-	-	5,401,559
Reserve for encumbrances	-	-	-	-	-	220,777
Total fund balances	<u>95,213</u>	<u>114,723</u>	<u>187,728</u>	<u>41,605</u>	<u>56,207</u>	<u>8,184,070</u>
Total liabilities and fund balances	<u>\$ 95,213</u>	<u>\$ 114,723</u>	<u>\$ 187,728</u>	<u>\$ 41,605</u>	<u>\$ 56,207</u>	<u>\$ 9,169,950</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, 2008**

	Capital Projects					
	Pinedale Project	Airport Project	Roeding	SE Fresno	Corridor 99	Airport Revitalization
REVENUES:						
Incremental property taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Use of money and property	1,554	-	-	5,340	48,124	55,117
Intergovernmental	-	-	665,022	214,085	-	-
Miscellaneous	-	-	-	-	-	-
Total revenues	<u>1,554</u>	<u>-</u>	<u>665,022</u>	<u>219,425</u>	<u>48,124</u>	<u>55,117</u>
EXPENDITURES:						
General government	-	261	43,794	37,614	138,250	218,423
Redevelopment	-	191,423	99,057	191,923	601,942	1,025,605
Debt service:						
Principal repayments	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>191,684</u>	<u>142,851</u>	<u>229,537</u>	<u>740,192</u>	<u>1,244,028</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,554</u>	<u>(191,684)</u>	<u>522,171</u>	<u>(10,112)</u>	<u>(692,068)</u>	<u>(1,188,911)</u>
OTHER FINANCING SOURCES (USES):						
Gain (loss) on sale of property	-	-	-	-	-	-
Transfers in	-	93,500	528,000	1,340,000	1,575,000	1,275,000
Transfers out	-	-	(665,022)	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>93,500</u>	<u>(137,022)</u>	<u>1,340,000</u>	<u>1,575,000</u>	<u>1,275,000</u>
NET CHANGE IN FUND BALANCES	<u>1,554</u>	<u>(98,184)</u>	<u>385,149</u>	<u>1,329,888</u>	<u>882,932</u>	<u>86,089</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR, AS RESTATED	<u>59,232</u>	<u>(94,872)</u>	<u>(1,083,671)</u>	<u>1,030,176</u>	<u>1,416,778</u>	<u>2,085,230</u>
FUND BALANCES, END OF YEAR	<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>

(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, 2008**

	<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	\$ -	\$ -	\$ -	\$ -	\$ 216,328
Use of money and property	14,287	20,769	274	-	87
Intergovernmental	-	-	-	-	-
Miscellaneous	-	120,808	-	-	-
Total revenues	<u>14,287</u>	<u>141,577</u>	<u>274</u>	<u>-</u>	<u>216,415</u>
EXPENDITURES:					
General government	59,450	106,320	-	-	79,259
Redevelopment	579,918	92,123	-	-	-
Debt service:					
Principal repayments	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>639,368</u>	<u>198,443</u>	<u>-</u>	<u>-</u>	<u>79,259</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(625,081)</u>	<u>(56,866)</u>	<u>274</u>	<u>-</u>	<u>137,156</u>
OTHER FINANCING SOURCES (USES):					
Gain (loss) on sale of property	-	(793,482)	-	-	-
Transfers in	560,000	775,000	-	-	-
Transfers out	-	-	-	-	(136,766)
Total other financing sources (uses)	<u>560,000</u>	<u>(18,482)</u>	<u>-</u>	<u>-</u>	<u>(136,766)</u>
NET CHANGE IN FUND BALANCES	<u>(65,081)</u>	<u>(75,348)</u>	<u>274</u>	<u>-</u>	<u>390</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>584,228</u>	<u>1,230,225</u>	<u>10,454</u>	<u>5</u>	<u>3,146</u>
FUND BALANCES, END OF YEAR	<u>\$ 519,147</u>	<u>\$ 1,154,877</u>	<u>\$ 10,728</u>	<u>\$ 5</u>	<u>\$ 3,536</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, 2008**

	Debt Service					
	Roeding	SE Fresno	Airport Revitalization	Central City	S Fresno Industrial	Total
REVENUES:						
Incremental property taxes	\$ 1,050,811	\$ 2,427,773	\$ 2,342,988	\$ 906,966	\$ 1,388,987	\$ 8,333,853
Use of money and property	2,433	2,897	4,469	1,023	1,368	157,742
Intergovernmental	-	-	-	-	-	879,107
Miscellaneous	-	-	-	-	-	120,808
Total revenues	<u>1,053,244</u>	<u>2,430,670</u>	<u>2,347,457</u>	<u>907,989</u>	<u>1,390,355</u>	<u>9,491,510</u>
EXPENDITURES:						
General government	195,528	599,390	573,525	162,421	330,825	2,545,060
Redevelopment	-	-	-	-	-	2,781,991
Debt service:						
Principal repayments	465,957	-	-	-	-	465,957
Interest	<u>316,114</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>316,114</u>
Total expenditures	<u>977,599</u>	<u>599,390</u>	<u>573,525</u>	<u>162,421</u>	<u>330,825</u>	<u>6,109,122</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>75,645</u>	<u>1,831,280</u>	<u>1,773,932</u>	<u>745,568</u>	<u>1,059,530</u>	<u>3,382,388</u>
OTHER FINANCING SOURCES (USES):						
Gain (loss) on sale of property	-	-	-	-	-	(793,482)
Transfers in	665,022	-	-	-	-	6,811,522
Transfers out	<u>(738,162)</u>	<u>(1,825,555)</u>	<u>(1,743,598)</u>	<u>(741,393)</u>	<u>(1,052,797)</u>	<u>(6,903,293)</u>
Total other financing sources (uses)	<u>(73,140)</u>	<u>(1,825,555)</u>	<u>(1,743,598)</u>	<u>(741,393)</u>	<u>(1,052,797)</u>	<u>(885,253)</u>
NET CHANGE IN FUND BALANCES	<u>2,505</u>	<u>5,725</u>	<u>30,334</u>	<u>4,175</u>	<u>6,733</u>	<u>2,497,135</u>
FUND BALANCES (DEFICITS), BEGINNING OF YEAR	<u>92,708</u>	<u>108,998</u>	<u>157,394</u>	<u>37,430</u>	<u>49,474</u>	<u>5,686,935</u>
FUND BALANCES, END OF YEAR	<u>\$ 95,213</u>	<u>\$ 114,723</u>	<u>\$ 187,728</u>	<u>\$ 41,605</u>	<u>\$ 56,207</u>	<u>\$ 8,184,070</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 39 to 42)

Revenue Capacity

These schedules contain information to help the reader assess the Agency's primary revenue source, the property tax. (Pages 43 to 68)

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 69 to 71)

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 72)

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 73 to 77)

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 SEVEN FISCAL YEARS**

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

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 SEVEN FISCAL YEARS**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Expenses							
Governmental activities:							
General government	\$ 1,142,169	\$ 5,365,268	\$ 4,737,583	\$ 4,861,856	\$ 5,152,493	\$ 6,613,547	\$ 9,252,470
Redevelopment	8,154,662	4,942,684	8,751,056	6,909,436	16,964,874	5,941,304	4,648,579
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
Total governmental activities expenses	12,930,017	15,602,241	18,076,454	16,778,274	26,105,893	16,604,987	17,702,233
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)
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
Use of money and property	2,946,716	1,294,157	974,483	770,078	1,709,288	1,309,122	1,269,152
Lease income from the City	-	541,389	667,411	874,232	593,905	196,602	217,658
Intergovernmental	25,000	932,561	3,137,662	-	1,910,492	238,715	1,259,757
Miscellaneous	53,080	98,145	846,883	2,194,555	239,500	6,416,674	120,808
Grants	1,057,914	-	-	-	-	-	-
Special item	-	-	-	(1,590,000)	-	521,710	-
Total governmental activities	10,393,576	11,991,522	16,668,944	15,304,072	19,222,096	26,229,960	23,969,238
Change in Net Assets							
Governmental activities	\$ (2,536,441)	\$ (3,610,719)	\$ (1,407,510)	\$ (1,474,202)	\$ (6,883,797)	\$ 9,624,973	\$ 6,267,005

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
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS
(In Thousands)**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
Governmental funds							
Reserved							
Capital projects funds							
Capital projects funds	\$ 4,896	\$ 5,273	\$ 4,267	\$ 5,427	\$ 6,712	\$ 9,410	\$ 9,421
Deposits	69	523	486	1,076	421	886	-
Encumbrances	6,799	10,097	9,315	4,771	901	836	279
Non-current receivables	5,089	4,600	3,293	2,380	2,562	2,206	7,332
Other assets	-	-	-	407	-	-	9,692
Property held for resale	20,476	24,926	29,535	32,317	27,225	33,098	32,977
Debt service funds							
Debt service funds	12,272	8,776	8,029	5,883	7,087	7,620	2,014
Non-current receivables	18,082	533	402	285	171	133	97
Unreserved							
Capital projects funds	(9,564)	(13,194)	(11,831)	(3,878)	(3,946)	(4,046)	(3,261)
Total all governmental funds	\$ 58,119	\$ 41,534	\$ 43,496	\$ 48,668	\$ 41,133	\$ 50,143	\$ 58,551

Source: Redevelopment Agency of the City of Fresno Annual Reports

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

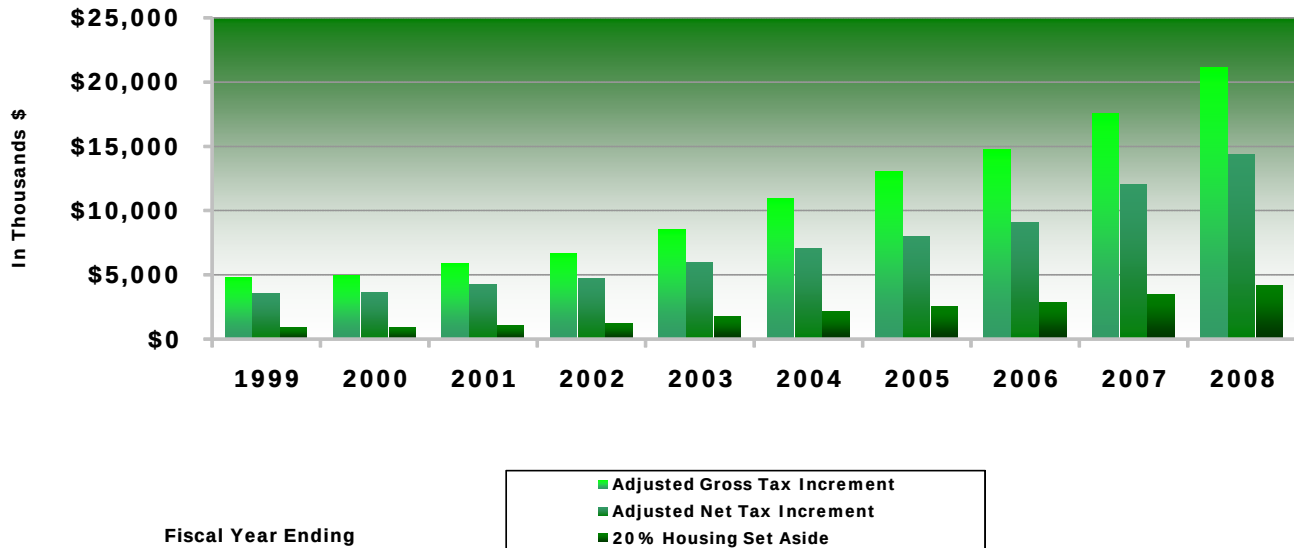
**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
FINANCIAL TRENDS
CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS
LAST SEVEN FISCAL YEARS**

	Fiscal Year						
	2002	2003	2004	2005	2006	2007	2008
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
Use of money and property	1,294,329	1,316,133	994,545	829,978	1,748,540	1,411,649	1,280,361
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
Intergovernmental	25,000	651,711	3,137,662	-	1,910,492	238,715	1,259,757
Miscellaneous	53,080	98,145	406,587	2,194,455	239,500	521,710	120,808
Grants	90,100	-	-	-	-	-	-
Special item	-	-	-	-	-	-	-
Total revenues	8,580,248	14,003,589	17,893,710	18,097,662	19,814,026	20,884,900	24,978,332
Expenditures							
Current:							
Administrative	449,905	3,147,109	3,016,404	2,418,220	2,365,092	2,648,002	3,027,504
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
Capital Projects:							
Redevelopment	8,154,662	4,803,684	8,612,056	6,770,436	16,964,874	5,941,304	4,648,585
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
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
Payment to refunded bond escrow agent	-	-	-	1,779,900	-	-	-
Total expenditures	16,474,868	14,019,887	22,429,313	17,419,293	25,255,068	20,042,671	13,842,894
Excess (deficiency) of revenues over (under) expenditures	(7,894,620)	(16,298)	(4,535,603)	678,369	(5,441,042)	842,229	11,135,438
Other Financing Sources (Uses)							
Gain (loss) on sale of property	-	(845,377)	440,396	-	(2,512)	(1,924,026)	(3,408,632)
Premium on refunding bonds issued	-	-	-	81,210	-	-	-
Proceeds from refunding bonds issued	-	-	-	4,365,000	-	-	-
Payment to refunded bond escrow agent	-	-	-	4,134,776	-	-	-
Loan proceeds	571,777	1,456,177	6,057,171	(4,377,676)	908,996	675,237	681,398
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
Transfers out	(4,248,673)	(10,745,054)	(11,256,502)	(12,429,515)	(11,144,782)	(13,404,428)	(16,732,394)
Total other financing sources (uses)	571,777	610,800	6,497,567	4,203,310	906,484	5,167,885	(2,727,234)
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
Debt service as a percentage of noncapital expenditures	729.39%	103.90%	191.65%	119.03%	64.34%	202.24%	66.93%
Debt service as a percentage of total expenditures	44.41%	33.50%	40.48%	33.22%	12.85%	47.08%	26.63%
Capital outlay as a percentage of total expenditures	49.50%	34.26%	38.40%	38.87%	67.17%	29.64%	33.58%

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
REVENUE CAPACITY
TAX INCREMENT REVENUE AND HOUSING SET ASIDE
LAST TEN FISCAL YEARS**



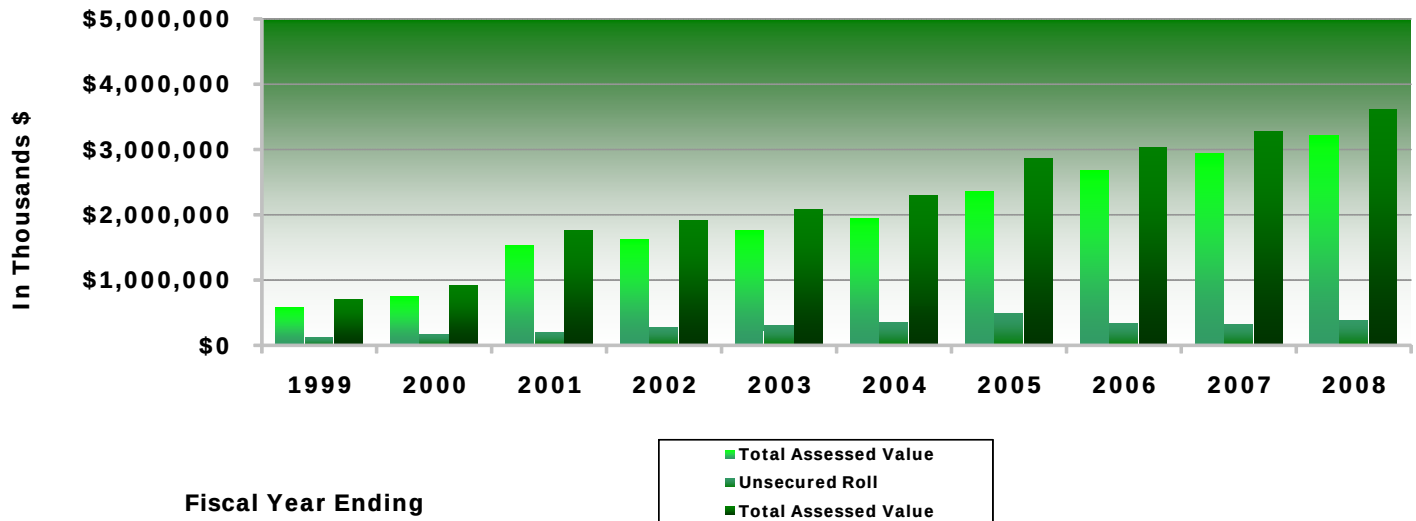
Fiscal Year Ended June 30	Adjusted Gross Tax Increment	% Increase	Adjusted Net Tax Increment	% Increase	20% Housing Set Aside	% Increase
1999	\$ 4,828,535		\$ 3,591,634		\$ 965,707	
2000	4,993,802	3.42%	3,661,300	1.94%	998,760	3.42%
2001	5,939,998	18.95%	4,298,991	17.42%	1,141,993	14.34%
2002	6,668,454	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	20.26%	14,401,172	19.81%	4,220,373	20.26%

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

**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
1999	\$ 584,866,656	\$ 127,242,038	\$ 712,108,694	1.0%
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%

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**

<u>Fiscal Year</u>	<u>Total Net Tax Levy</u>	<u>Amount Collected</u>	<u>Percent of Collection of Net Tax Levy</u>
1999	\$ 4,828,535	\$ 4,828,535	100.00%
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%

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, 2008

Project Area	Base Year	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Merger 1											
Central Business Dist	1960-1961										
Assessed Value		36,584,747	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
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		(4,216,771)	(2,123,628)	(2,050,978)	1,395,211	1,244,349	45,782,152	54,641,520	58,166,709	74,028,774	100,769,715
Chinatown	1985-1986										
Assessed Value		45,101,023	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
Frozen Base Value		19,509,052	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
Incremental Value		25,591,971	30,870,946	28,679,465	26,990,183	28,543,216	25,979,309	17,883,491	22,154,045	21,333,759	18,704,044
Chinatown/West Fresno Rehab	1965-1966										
Assessed Value		8,446,241	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
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		2,809,001	2,081,559	1,125,682	888,608	1,223,461	1,937,696	2,215,345	3,631,542	3,879,328	5,689,303
Convention Center	1981-1982										
Assessed Value		46,693,303	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
Frozen Base Value		22,721,246	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
Incremental Value		23,972,057	29,883,888	31,463,526	32,718,363	32,784,638	37,092,461	70,574,935	78,285,354	83,681,047	90,213,582
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
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
Incremental Value		-	7,963,568	6,682,384	13,454,013	17,167,321	17,469,019	20,268,311	23,955,421	39,875,781	45,148,203
Jefferson	1984-1985										
Assessed Value		59,473,311	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
Frozen Base Value		37,686,059	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
Incremental Value		21,787,252	20,279,866	20,633,360	21,664,739	18,261,265	19,792,683	38,106,186	69,913,059	57,591,056	70,956,368
Mariposa	1968-1969										
Assessed Value		79,667,709	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
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	20,102,417	19,958,242
Incremental Value		59,565,292	55,850,925	56,922,555	59,387,965	61,350,566	89,141,221	69,038,804	76,214,062	107,117,761	123,111,521
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
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
Incremental Value		-	19,955,069	11,206,062	4,004,706	(4,978,509)	10,525,867	10,606,485	15,133,765	20,745,138	32,853,778
West Fresno #1	1964-1965										
Assessed Value		19,075,206	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
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	2,690,835	2,690,821
Incremental Value		16,384,371	15,589,620	15,357,223	16,244,419	17,365,197	19,351,292	18,823,479	18,682,147	18,741,081	20,143,528
West Fresno #2	1963-1964										
Assessed Value		80,552,681	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
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		78,507,753	77,559,810	78,106,932	75,418,504	79,780,716	66,617,009	84,578,537	79,732,950	82,005,819	82,480,204

**REDEVELOPMENT AGENCY OF THE CITY OF FRESNO
REVENUE CAPACITY
FROZEN BASE – CURRENT VALUE COMPARISONS (Continued)
FOR THE TEN FISCAL YEARS ENDED JUNE 30, 2008**

Project Area		1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
Merger 2											
Fruit/Church	1971-1972										
Assessed Value		27,089,834	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
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>25,270,442</u>	<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>
Southwest Fresno	1968-1969										
Assessed Value		183,291,055	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
Frozen Base Value		33,168,680	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
Incremental Value		<u>150,122,375</u>	<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>
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
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
Incremental Value		<u>-</u>	<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>
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
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
Incremental Value		<u>-</u>	<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>
Corridor 99	2002-2003										
Assessed Value								422,647,502	492,136,157	558,098,175	616,225,720
Frozen Base Value								382,455,383	382,455,383	382,455,383	384,456,826
Incremental Value		<u>-</u>	<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>
Fresno Air Terminal	1987-1988										
Assessed Value		35,642,662	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
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>20,778,373</u>	<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>
Roeding Business Park	1995-1996										
Assessed Value		90,490,922	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
Frozen Base Value		76,527,875	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
Incremental Value		<u>13,963,047</u>	<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>
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
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
Incremental Value		<u>-</u>	<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>
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
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
Incremental Value		<u>-</u>	<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>
Total All Project Areas											
Assessed Value		712,108,694	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
Frozen Base Value		277,573,531	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
Incremental Value		<u>434,535,163</u>	<u>459,133,289</u>	<u>425,794,307</u>	<u>547,894,129</u>	<u>819,482,554</u>	<u>1,062,133,626</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>

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, 2008**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Merger Project No. 1</u>										
Central Business District										
Date Project Merged 8/6/1998										
Assessed Values	36,584,747	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
Property Taxes Received	7,252	5,076	-	18,499	20,670	502,621	598,489	637,875	809,569	1,099,451
Debt Service				18,499	20,670	102,483	175,983	175,107	141,131	140,381
Coverage				1.00	1.00	4.90	3.40	3.64	5.74	7.83
Chinatown Expanded										
Date Project Merged 8/6/1998										
Assessed Values	53,547,264	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
Property Taxes Received	287,603	335,503	299,210	275,860	269,658	245,234	157,508	220,050	210,134	197,591
Debt Service										
Coverage										
Convention Center										
Date Project Merged 8/6/1998										
Assessed Values	46,693,303	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
Property Taxes Received	269,696	333,959	347,552	377,841	362,695	425,406	772,510	856,477	915,019	986,231
Debt Service	210,048	252,293	278,042	294,693	311,600	296,041	309,064	250,000	0	0
Coverage	1.28	1.32	1.25	1.28	1.16	1.44	2.50	3.43		
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
Property Taxes Received		86,201	72,333	144,756	185,826	188,216	219,392	259,436	431,765	488,930
Debt Service				60,610	68,831	68,831	142,331	141,781	141,131	140,381
Coverage				2.39	2.70	2.73	1.54	1.83	3.06	3.48
Jefferson										
Date Project Merged 8/6/1998										
Assessed Values	59,473,311	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
Property Taxes Received	241,798	226,565	227,911	235,233	133,696	143,808	346,901	694,296	557,434	698,871
Debt Service										
Coverage										
Mariposa										
Date Project Merged 8/6/1998										
Assessed Values	79,667,709	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
Property Taxes Received	657,119	618,430	625,353	649,482	674,087	753,017	757,953	836,422	1,171,239	1,345,069
Debt Service	417,794	422,994	422,594	421,894	425,894	326,177	329,486	242,361	424,811	426,798
Coverage	1.57	1.46	1.48	1.54	1.58	2.31	2.30	3.45	2.76	3.15
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
Property Taxes Received		216,108	122,236	37,906	-	107,850	113,424	159,664	226,328	368,570
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, 2008**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
<u>Merger Project No. 1 (continued)</u>										
West Fresno I										
Date Project Merged 8/6/1998										
Assessed Values	19,075,206	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
Property Taxes Received	177,351	168,748	166,234	174,765	187,970	208,392	203,754	202,326	202,917	218,138
Debt Service										
Coverage										
West Fresno II										
Date Project Merged 8/6/1998										
Assessed Values	80,552,681	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
Property Taxes Received	856,279	656,522	660,103	629,529	678,669	534,283	920,799	869,049	893,615	899,065
Debt Service	575,189	580,174	608,440	589,389	506,418					
Coverage	1.49	1.13	1.08	1.07	1.34					
<u>Merger Project No. 2</u>										
Fruit/Church										
Date Project Merged 11/16/1998										
Assessed Values	27,089,834	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
Property Taxes Received	270,849	208,790	259,081	263,864	349,798	347,183	381,271	374,688	421,365	507,530
Debt Service	216,190	215,028	218,503							
Coverage	1.25	0.97	1.19							
Southwest Fresno GNRA										
Date Project Merged 11/16/1998										
Assessed Values	183,291,055	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
Property Taxes Received	1,697,598	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
Debt Service	79,804	99,804	79,804	590,892	821,631	744,528	888,728	889,328	884,228	883,427
Coverage	21.27	16.75	22.30	3.22	2.38	2.76	2.56	2.82	3.30	3.92
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
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
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
Property Taxes Received			-	29,650	43,767	289,457	310,422	485,000	692,743	906,966
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, 2008**

	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008
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
Property Taxes Received							430,184	1,182,064	1,893,498	2,496,786
Debt Service										
Coverage										
Fresno Air Terminal										
Date Project Established 7/18/1988										
Assessed Values	35,642,662	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
Property Taxes Received	211,851	319,186	226,261	231,830	473,028	442,581	746,057	250,590	136,888	216,328
Debt Service										
Coverage										
Roeding Business Park										
Date Project Established 7/16/1996										
Assessed Values	90,490,922	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
Property Taxes Received	151,140	147,242	205,473	258,889	332,580	378,702	358,369	515,018	724,726	1,050,811
Debt Service							65,004	117,103	117,076	117,048
Coverage							5.51	4.40	6.19	8.98
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
Property Taxes Received								910,022	1,107,266	1,388,987
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
Property Taxes Received			-	36,629	1,483,978	1,670,432	1,458,475	1,756,954	2,002,295	2,427,773
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	NGP Fresno LLC	\$ 59,823,000	42.26%	ASP San Diego LLC	\$ 30,317,527	31.77%
2	Scripps GSB II LLC	17,000,000	12.01%	AB Parking Facilities LLC	10,935,183	11.46%
3	Fresno Baseball Club LLC	14,404,500	10.17%	Skywing LLC	5,710,790	5.98%
4	Fresno Park Tower LLC	6,294,118	4.45%	Fresno Park Tower LLC	2,837,678	2.97%
5	Brisam Fresno LLC	5,500,000	3.88%	Lloyds Bank California	2,103,782	2.20%
6	Fresno Pacific Towers Inc	3,155,199	2.23%	Fresno Ball Park Lofts LLC	1,683,000	1.76%
7	Lloyds Bank California	2,303,951	1.63%	A Partners LLC	1,615,515	1.69%
8	Center Mall Court Investors	2,224,600	1.57%	Longs Drugs Stores California Inc	1,410,373	1.48%
9	Longs Drugs	2,035,086	1.44%	Lee Dae S & Sook K Trustees	1,491,121	1.56%
10	Fresno Ball Park Lofts LLC	1,750,993	1.24%	Ronald Patterson	1,077,204	1.13%
		<u>114,491,447</u>	<u>80.87%</u>		<u>59,182,173</u>	<u>62.01%</u>
	All Other Taxpayers	<u>27,079,786</u>	<u>19.13%</u>	All Other Taxpayers	<u>36,260,865</u>	<u>37.99%</u>
	Total	<u>\$ 141,571,233</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.
2007-2008 based on Project Area taxable value of \$141,571,233
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	California Dairies Inc	\$ 23,902,140	48.52%	California Dairies Inc	\$ 24,251,409	53.93%
2	Stephen L Porter	1,638,500	3.33%	Yorkshire Dried Fruit & Nuts Inc	1,300,000	2.89%
3	Smart & Final Inc	1,327,671	2.69%	G L I Realty Company	1,124,689	2.50%
4	Tiara Investments LLC	1,326,000	2.69%	Union Pacific Railroad Company	1,071,260	2.38%
5	G L I Realty Company	1,283,324	2.60%	Smart & Final Inc	880,981	1.96%
6	California First Bank	740,602	1.50%	Gadah Shouman	706,710	1.57%
7	Cherta Farms Inc	701,600	1.42%	Cherta Farms Inc	703,100	1.56%
8	Josefina Ortiz	647,400	1.31%	California First Bank	443,800	0.99%
9	Union Pacific Railroad Company	631,449	1.28%	Otani Properties	460,000	1.02%
10	DFP Properties	475,152	0.96%	Cheong Kei Wong & A Lam Tu	390,000	0.87%
		<u>32,673,838</u>	<u>66.32%</u>		<u>31,331,949</u>	<u>69.67%</u>
	All Other Taxpayers	<u>16,591,848</u>	<u>33.68%</u>	All Other Taxpayers	<u>13,640,047</u>	<u>30.33%</u>
	Total	<u><u>\$ 49,265,686</u></u>	<u><u>100.00%</u></u>	Total	<u><u>\$ 44,971,996</u></u>	<u><u>100.00%</u></u>

Source: Fresno County Assessor

Notes: Based on ownership of locally assessed secured and unsecured property.
2007-2008 based on Project Area taxable value of \$49,265,686
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	GL Bruno Associates Inc	\$ 42,257,663	37.69%	M L Street Properties	\$ 48,867,784	52.81%
2	Uniwell Fresno Hotel, LLC	18,744,734	16.72%	United Security Bank	1,570,922	1.70%
3	ML Street Properties	11,285,414	10.07%	Valley Lavosh Baking Company Inc	1,261,979	1.36%
4	United Security Bank	3,971,674	3.54%	Ellis Commercial Property LP	1,213,015	1.31%
5	Ellis Commercial Property LP	2,552,317	2.28%	Cooper & Hoppe	1,161,122	1.25%
6	Spalding G Wathen	1,850,888	1.65%	Spalding G Wathen	1,087,747	1.18%
7	Cooper & Hoppe	1,263,538	1.13%	Specfic Properties LLC	765,000	0.83%
8	Hugh & Amy Wilson Trustees	1,163,058	1.04%	Ronald Sawl	713,071	0.77%
9	Surjit & Manjit Purewal	1,150,000	1.03%			
10	John & Nora Monaco	1,060,399	0.95%			
		<u>85,299,685</u>	<u>76.08%</u>		<u>56,640,640</u>	<u>61.22%</u>
	All Other Taxpayers	<u>26,819,148</u>	<u>23.92%</u>	All Other Taxpayers	<u>35,886,542</u>	<u>38.78%</u>
	Total	<u>\$ 112,118,833</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.
2007-2008 based on Project Area taxable value of \$112,118,833
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Uptown Investments LP	\$ 6,982,160	6.97%	ASP San Diego LLC	\$ 4,519,480	6.00%
2	NGP Fresno LLC	4,396,200	4.39%	1665 M Street LLC	3,516,400	4.67%
3	1665 M Street LLC	3,815,085	3.81%	Valley Burglar & Fire Alarm Company	3,489,122	4.63%
4	Pyramid A-One LLC	3,800,012	3.79%	Encino Grande LLC	2,670,119	3.54%
5	Crocker Building Partners	3,168,370	3.16%	Union Pacific Railroad	2,632,272	3.49%
6	Encino Grande LLC	2,833,549	2.83%	Crocker Building Partners	2,190,000	2.91%
7	EIE Alpha LLC	2,744,869	2.74%	John S Foggy	1,961,650	2.60%
8	First States Investors 5000A LLC	2,488,539	2.48%	Fresno County Employees Credit Union	1,818,568	2.41%
9	Toews Properties LLC	2,153,628	2.15%	ATC Building Company	1,653,959	2.20%
10	Fresno County Employees Credit Union	2,147,876	2.14%	Bank of America	1,567,462	2.08%
		<u>34,530,288</u>	<u>34.47%</u>		<u>26,019,032</u>	<u>34.53%</u>
	All Other Taxpayers	<u>65,640,726</u>	<u>65.53%</u>	All Other Taxpayers	<u>49,323,529</u>	<u>65.47%</u>
	Total	<u>\$ 100,171,014</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.
2007-2008 based on Project Area taxable value of \$100,171,014
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Steve & Carol Rontell	\$ 8,795,548	8.19%	Nottoli CMC	\$ 1,400,000	1.88%
2	Nottoli CMC	4,033,844	3.76%	Craig Greenwood	944,508	1.27%
3	David & Linda Hovannisian	2,912,038	2.71%	BNSF Railway Company	927,323	1.24%
4	Hardeep Singh	1,503,870	1.40%	Jerry & Gail Saylor	669,808	0.90%
5	Claude & Karen Saiz	1,036,391	0.97%	Sequoia Community Health Foundation	577,000	0.77%
6	95th Avenue LLC	988,049	0.92%	Downtown Square Apartments LLC	513,600	0.69%
7	JCH Family Limited Partnership	895,603	0.83%	Edward & Charmay Allred	500,000	0.67%
8	BNSF Railway Company	877,936	0.82%	Steve & Carol Rontell	491,055	0.66%
9	Edward & Charmay Allred	746,700	0.70%	Anis Medical Supply Inc	423,824	0.57%
10	JR Investment Properties Inc	739,647	0.69%			
		<u>22,529,626</u>	<u>20.98%</u>		<u>6,447,118</u>	<u>8.65%</u>
	All Other Taxpayers	<u>84,847,800</u>	<u>79.02%</u>	All Other Taxpayers	<u>68,081,518</u>	<u>91.35%</u>
	Total	<u>\$ 107,377,426</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.
2007-2008 based on Project Area taxable value of \$107,377,426
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Civic Center Square Inc	\$ 14,148,228	9.89%	Civic Center Square Inc	\$ 10,836,204	12.16%
2	Tutelian Holdings LLC	12,819,558	8.96%	LQM Operating Partners LP	3,417,404	3.83%
3	Central Valley Community Bank	6,712,240	4.69%	Office Depot Inc	2,895,409	3.25%
4	Cornerstone Main Company	3,961,003	2.77%	Tutelian Holdings I LLC	2,840,000	3.19%
5	Bre/LQ Properties LLC	3,533,556	2.47%	Cornerstone Main Company	2,325,040	2.61%
6	Office Depot Inc	3,229,406	2.26%	BNSF Railway Company	1,945,812	2.18%
7	Fresno Dental	2,717,000	1.90%	Roger and Brenda Bowman Trustees	1,535,370	1.72%
8	Vahan & Anoush Chamlian	2,467,427	1.72%	Golden Bear Inc	1,428,682	1.60%
9	Roger and Brenda Bowman Trustees	2,140,646	1.50%	Michael & Charlene Knott	1,409,554	1.58%
10	BNSF Railway Company	1,909,485	1.33%	Hideki & Fusako Shimada Trustees	1,337,768	1.50%
		<u>53,638,549</u>	<u>37.49%</u>		<u>29,971,243</u>	<u>33.62%</u>
	All Other Taxpayers	<u>89,431,214</u>	<u>62.51%</u>	All Other Taxpayers	<u>59,169,978</u>	<u>66.38%</u>
	Total	<u>\$ 143,069,763</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.
2007-2008 based on Project Area taxable value of \$143,069,763
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zacky Farms	\$ 29,931,311	17.16%	Zacky Farms	\$ 18,844,282	12.37%
2	Foundry Park Investors LP	10,751,113	6.16%	Dermody Properties	8,836,292	5.80%
3	Dermody Properties	9,193,276	5.27%	Foundry Park Investors LP	7,216,279	4.74%
4	Rich Products Corporation	8,350,024	4.79%	United States Cold Storage of Central Calif	5,692,660	3.74%
5	Jack Frost Ice Svc Inc	5,562,710	3.19%	Rainbo Bakeries of San Joaquin Valley Inc	4,302,606	2.83%
6	Rainbo Bakeries of San Joaquin Valley Inc	4,539,750	2.60%	Fresno Storage Partners LLC	3,455,826	2.27%
7	R M Wade & Co	3,890,411	2.23%	A Gusmer Inc	2,232,400	1.47%
8	Fresno Storage Partners LLC	3,595,093	2.06%	R M Wade & Co	2,108,816	1.38%
9	Douglas & Roberta Carlile	2,845,248	1.63%	Teton Properties LLC	1,852,320	1.22%
10	Dale & Carol Cross	2,784,076	1.60%	Franklin Diel Trustee	1,526,700	1.00%
		81,443,012	46.69%		56,068,181	36.82%
	All Other Taxpayers	93,004,728	53.31%	All Other Taxpayers	96,219,500	63.18%
	Total	<u>\$ 174,447,740</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.
2007-2008 based on Project Area taxable value of \$174,447,740
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Carl Simonian LLP	\$ 3,623,150	15.87%	Noel Montoya	\$ 2,602,606	12.10%
2	Musical Entertainment Inc	3,079,547	13.49%	Warehouse Venture I	1,116,938	5.19%
3	Emilio Sandoval	1,797,150	7.87%	WW Grainger Inc	1,084,302	5.04%
4	Warehouse Venture I	1,450,659	6.35%	Lamoures Incorporated	840,822	3.91%
5	Multi-forms Inc	1,413,641	6.19%	FDIG LLC	686,447	3.19%
6	WW Grainger Inc	1,120,325	4.91%	Carl Simonian LLP	662,681	3.08%
7	BSK Group	1,064,804	4.66%	Bank of America Nat'l Trust & Sav Assn	644,720	3.00%
8	FDIG LLC	1,051,477	4.60%	Geolease Inc	472,369	2.20%
9	Lamoures Incorporated	897,021	3.93%	Gerald & Carol O'Brien Trs	387,604	1.80%
10	Jack & Beth Emerian	816,028	3.57%	Orbit Floral Corporation	385,604	1.79%
		<u>16,313,802</u>	<u>71.44%</u>		<u>8,884,093</u>	<u>41.29%</u>
	All Other Taxpayers	<u>6,520,547</u>	<u>28.56%</u>	All Other Taxpayers	<u>12,630,221</u>	<u>58.71%</u>
	Total	<u>\$ 22,834,349</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.
2007-2008 based on Project Area taxable value of \$22,834,349
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	McClatchy Newspapers	\$ 30,653,215	36.27%	McClatchy Newspapers	\$ 33,196,758	38.32%
2	Borssa Aardex Fresno LLC	11,494,400	13.60%	Borssa Aardex Fresno LLC	11,000,000	12.70%
3	DBSI State Offices LLC	9,443,690	11.17%	DBSI State Offices LLC	9,027,000	10.42%
4	Fresno Post Office Company	6,225,000	7.36%	Fresno Post Office Co	5,900,000	6.81%
5	KFSN Television LLC	5,994,739	7.09%	Capital Cities Communications Inc	4,588,432	5.30%
6	Charlie's Enterprises Inc	5,844,468	6.91%	Charlies Enterprises	3,656,700	4.22%
7	Susan Sandelman Trustee	4,773,569	5.65%	Passco GST LLC	3,376,890	3.90%
8	Fresno Property Investments LLC	3,723,600	4.41%	Susan Sandelman Trustee	1,758,045	2.03%
9	Calvin Inc	1,811,614	2.14%	Calvin Inc	1,600,000	1.85%
10	Mathias Matoian Trustee	1,335,968	1.58%			
		<u>81,300,263</u>	<u>96.18%</u>		<u>74,103,825</u>	<u>85.55%</u>
	All Other Taxpayers	<u>3,224,869</u>	<u>3.82%</u>	All Other Taxpayers	<u>12,519,640</u>	<u>14.45%</u>
	Total	<u>\$ 84,525,132</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.

2007-2008 based on Project Area taxable value of \$84,525,132

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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Zorro Leasing LLC	\$ 29,311,456	60.30%	Zorro Leasing LLC	\$ 26,778,468	71.28%
2	Busseto Foods Inc	9,549,965	19.65%	Busseto Foods Inc	6,363,451	16.94%
3	Darling-Delaware Company Inc	7,942,335	16.34%	Darling-Delaware Company Inc	3,241,008	8.63%
4	Erickson William Van Trustee	1,069,245	2.20%	Housing Assistance Corporation	210,000	0.56%
5	MJE Brothers LLC	185,640	0.38%	Erickson William Van Trustee	200,092	0.53%
6	Lambo Yip & Zhong Li Hui	64,733	0.13%	Yip Lambo & Hui Zhong Li	174,192	0.46%
7	Cottonwood Creek Venture	32,000	0.07%	Mercury Overseas Inc	134,000	0.36%
8	Patricia Jordan Weatherington	9,550	0.02%			
		<u>48,164,924</u>	<u>99.09%</u>		<u>37,101,211</u>	<u>98.76%</u>
	All Other Taxpayers	<u>440,783</u>	<u>0.91%</u>	All Other Taxpayers	<u>466,571</u>	<u>1.24%</u>
	Total	<u>\$ 48,605,707</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.
2007-2008 based on Project Area taxable value of \$48,605,707
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 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
SOUTHWEST FRESNO**

Rank	Assessee	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Foster Poultry Farms	\$ 30,188,401	8.70%	Foster Poultry Farms	\$ 39,584,852	16.84%
2	Kearney Palms LLC	7,006,178	2.02%	Kearney Palms LLC	4,952,920	2.11%
3	Bigby Associates	5,207,988	1.50%	Bigby Associates	4,469,185	1.90%
4	Angelica Healthcare Services Group Inc	5,005,480	1.44%	Angelica Healthcare Services Group Inc	3,009,955	1.28%
5	David & Linda Hovannisian	2,735,058	0.79%	Westgate Housing Associates LP	2,530,113	1.08%
6	Mono Hilltop Manor Associates	2,715,224	0.78%	Mono Hilltop Manor Associates	2,268,000	0.97%
7	Westgate Housing Associates LP	2,639,516	0.76%	Coast to Coast Petroleum	1,825,640	0.78%
8	Harrison Bryant Kearney Blvd Plaza	2,456,821	0.71%	EBDMZR II LLC	1,695,459	0.72%
9	Vickie Louie Trustee	2,433,900	0.70%	Lonzell and La Vera Williams	1,307,021	0.56%
10	JCH Family Limited Partnership	2,207,214	0.64%	Devinder Shoker, et al	1,198,500	0.51%
		<u>62,595,780</u>	<u>18.05%</u>		<u>62,841,645</u>	<u>26.74%</u>
	All Other Taxpayers	<u>284,275,956</u>	<u>81.95%</u>	All Other Taxpayers	<u>172,161,177</u>	<u>73.26%</u>
	Total	<u>\$ 346,871,736</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.
2007-2008 based on Project Area taxable value of \$346,275,956
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Gap Inc	\$ 234,064,813	69.43%	Gap Inc	\$ 155,227,329	49.83%
2	Fresno Palm Lakes LTD	14,162,574	4.20%	Fresno Palm Lakes LTD	13,558,478	4.35%
3	Winco LP	8,818,846	2.62%	Sunnyvale/Fresno Lake Ridge Invest LLC	7,584,403	2.43%
4	Sunnyvale/Fresno Lake Ridge Invest LLC	7,888,366	2.34%	Fresno Supreme Inc	7,504,600	2.41%
5	Fresno Supreme Inc	7,778,857	2.31%	Winco LP	4,194,140	1.35%
6	Fairsky Properties	7,617,000	2.26%	Glad Entertainment Inc	3,088,433	0.99%
7	Fresno Air LTD	7,164,207	2.13%	Nantucket Park III LLC	2,388,099	0.77%
8	Clinton Airport	5,046,014	1.50%	Nationwide Theatres Corp	2,286,174	0.73%
9	Ki B Park	4,996,660	1.48%	C-Black LLP	2,232,373	0.72%
10	Cedar & Shields Associates LLC	4,857,670	1.44%	Little Clovis LLC	1,726,165	0.55%
		<u>302,395,007</u>	<u>89.70%</u>		<u>199,790,194</u>	<u>64.13%</u>
	All Other Taxpayers	<u>34,734,251</u>	<u>10.30%</u>	All Other Taxpayers	<u>111,731,261</u>	<u>35.87%</u>
	Total	<u>\$ 337,129,258</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.
2007-2008 based on Project Area taxable value of \$337,129,258
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	US Mall Holdings LLC	\$ 32,971,602	8.96%	US Mall Holdings LLC	\$ 28,145,812	9.01%
2	Regal Cinemas Inc L/F	13,948,500	3.79%	Sears Roebuck & Co	12,979,871	4.15%
3	Sears Roebuck & Co	11,282,700	3.07%	Regal Cinemas Inc L/F	10,995,000	3.52%
4	640 Alvarado LLC	10,949,000	2.97%	Fifth Street Funding Inc	6,100,979	1.95%
5	Fifth Street Funding Inc	7,736,257	2.10%	Byer Properties LP	6,010,700	1.92%
6	Y & Y Property Management Inc	6,897,300	1.87%	The Fresno LLC	5,412,120	1.73%
7	Manchester Beauty College Inc	6,879,800	1.87%	GSD Packaging LLC	4,741,364	1.52%
8	RMP Properties LLC	5,606,600	1.52%	Midtown Plaza Shopping Center Inc	3,107,528	0.99%
9	GSD Packaging LLC	5,313,700	1.44%	K W P H Enterprises	2,862,563	0.92%
10	Midtown Plaza Shopping Center Inc	4,107,895	1.12%	Sunnyvale Nursery	2,850,000	0.91%
		<u>105,693,354</u>	<u>28.72%</u>		<u>83,205,937</u>	<u>26.62%</u>
	All Other Taxpayers	<u>262,340,596</u>	<u>71.28%</u>	All Other Taxpayers	<u>229,328,517</u>	<u>73.38%</u>
	Total	<u>\$ 368,033,950</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.
2007-2008 based on Project Area taxable value of \$368,033,950
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	WS Park LLC	\$ 15,000,140	2.43%	Save Mart Supermarkets	\$ 7,672,460	1.82%
2	Save Mart Supermarkets	9,661,530	1.57%	WA Lakeview II LLC	6,781,800	1.60%
3	Lexington Square Apts Partnership	7,446,000	1.21%	Vie-Del Company	5,299,599	1.25%
4	WA Lakeview II LLC	7,029,989	1.14%	Hydro Conduit Corporation	4,947,012	1.17%
5	David & Linda Hovannisian	6,621,313	1.07%	Won Shil Park	4,074,640	0.96%
6	BT-OH LLC	6,436,941	1.04%	Carmel Crest LLC	3,539,868	0.84%
7	Jack & Gloria Papazian	6,252,347	1.01%	Ashmar LP	3,313,168	0.78%
8	Vie-Del Company	6,126,157	0.99%	BT-OH LLC	3,250,000	0.77%
9	George & Karen Daoudian	4,854,891	0.79%	George Garcia	2,804,640	0.66%
10	Builders Concrete Inc	4,683,200	0.76%	Sheikh & Jaibul Kaiuum	2,596,581	0.61%
		<u>74,112,508</u>	<u>12.03%</u>		<u>44,279,768</u>	<u>10.48%</u>
	All Other Taxpayers	<u>542,113,212</u>	<u>87.97%</u>	All Other Taxpayers	<u>378,367,734</u>	<u>89.52%</u>
	Total	<u>\$ 616,225,720</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.
2007-2008 based on Project Area taxable value of \$616,225,720
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Skywest Airlines Inc	\$ 31,266,298	84.42%	Skywest Airlines Inc	\$ 1,875,165	2.18%
2	Rogers Helicopter Inc	3,458,200	9.34%	Beal Properties Inc	1,124,694	1.31%
3	Sandhu Bros Gas Station Inc	2,080,220	5.62%	Rogers Helicopter Inc	925,000	1.08%
4	ICL Performance Products LP	124,900	0.34%	ABX Air Inc Airborne Express	307,000	0.36%
5	CCA Silband Golf Corp	90,000	0.24%	CCA Silband Golf Corp	105,000	0.12%
6	ABX Air Inc Airborne Express	17,000	0.05%	Mercury Air Center	4,000	0.00%
7			0.00%			
8			0.00%			
		<u>37,036,618</u>	<u>100.00%</u>		<u>4,340,859</u>	<u>5.06%</u>
	All Other Taxpayers	<u>-</u>	<u>0.00%</u>	All Other Taxpayers	<u>81,517,068</u>	<u>94.94%</u>
	Total	<u>\$ 37,036,618</u>	<u>100.00%</u>	Total	<u>\$ 85,857,927</u>	<u>100.00%</u>

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.
2007-2008 based on Project Area taxable value of \$37,036,618
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Belmont Palm Properties LTD	\$ 28,843,828	19.06%	Certified Ad	\$ 10,767,265	10.07%
2	Certified Ad Services	13,954,008	9.22%	California Compress Company	7,089,698	6.63%
3	Daoudian Investments LLC	13,684,300	9.04%	Frank Solomon Jr.	3,000,000	2.81%
4	Edward Hunt	6,646,600	4.39%	MVP Hydratech, Inc.	2,189,890	2.05%
5	Welch's Overall Cleaning Co Inc	5,256,363	3.47%	Integrated Grain & Milling Inc.	2,118,376	1.98%
6	Calaveras Materials Inc	4,534,737	3.00%	Belmont Palm Properties	1,532,811	1.43%
7	Helen Chavez Hansen Trustee	4,383,176	2.90%	MB Technology	1,496,153	1.40%
8	Pleasant Mattress Co Inc	4,256,691	2.81%	Shehadey & Shehadey	1,433,353	1.34%
9	MVP Hydratech, Inc.	3,580,746	2.37%	Michael & Catherine Mygrant	1,366,323	1.28%
10	Baloian Packing Co Inc	3,514,396	2.32%	Larry Shehady	1,257,240	1.18%
		<u>88,654,845</u>	<u>58.59%</u>		<u>32,251,109</u>	<u>30.17%</u>
	All Other Taxpayers	<u>62,659,836</u>	<u>41.41%</u>	All Other Taxpayers	<u>74,663,044</u>	<u>69.83%</u>
	Total	<u>\$ 151,314,681</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
2007-2008 based on Project Area taxable value of \$151,314,681
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Fresno Investments LLC	\$ 22,718,791	8.82%	SDG Fresno	\$ 14,210,204	6.54%
2	Glaxo Smithkline	16,688,496	6.48%	Fresno Investments LLC	13,919,794	6.41%
3	Fresno 41 Venture LLC	11,353,578	4.41%	C&S Logistics of Fresno LLC	7,970,000	3.67%
4	Frank Caglia Trustee	10,226,713	3.97%	Suburban Propane LP	6,305,411	2.90%
5	Sunset Waste Holdings LLC	10,145,776	3.94%	Fresno Beverage Company Inc	5,178,673	2.38%
6	Foster Poultry Farms	9,354,900	3.63%	Frank Caglia Trustee	4,821,890	2.22%
7	C&S Logistics of Fresno LLC	8,470,273	3.29%	Fambro Warehouse Co	4,657,050	2.14%
8	Barley Equities II LLC	7,742,900	3.01%	DBSI Fresno Forms LLC	4,619,038	2.13%
9	Cossette Investment Company Inc	7,111,422	2.76%	Freshki Estate I LLC	3,405,180	1.57%
10	Suburban Propane LP	6,981,231	2.71%	Sonny & Nagina Rani Ahuja Trustees	3,351,920	1.54%
		<u>110,794,080</u>	<u>43.01%</u>		<u>68,439,160</u>	<u>31.52%</u>
	All Other Taxpayers	<u>146,829,006</u>	<u>56.99%</u>	All Other Taxpayers	<u>148,709,044</u>	<u>68.48%</u>
	Total	<u>\$ 257,623,086</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
2007-2008 based on Project Area taxable value of \$257,623,086
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	2007-2008 Taxable Value	% of Total Value	Assessee	2004-2005 Taxable Value	% of Total Value
1	Capri Sun Inc	\$ 65,252,445	12.83%	Capri Sun Inc	\$ 66,368,157	16.57%
2	Hub Acquisition Trust	64,941,939	12.77%	Hub Acquisition Trust	61,201,004	15.28%
3	Lyons Magnus Inc	31,734,171	6.24%	Lyons Magnus Inc	27,532,728	6.88%
4	Miller Milling Co Limited Partnership	26,393,554	5.19%	Miller Milling Co Limited Partnership	17,748,692	4.43%
5	New World Pasta Company	11,334,700	2.23%	New World Pasta Company	11,646,100	2.91%
6	HD Development of Maryland Inc	10,433,280	2.05%	HD Development of Maryland Inc	10,160,500	2.54%
7	Robert & Janell Smitcamp	9,132,715	1.80%	Container Corporation of America	9,162,618	2.29%
8	Cornnuts Inc	8,910,402	1.75%	Cornnuts Inc	7,989,373	2.00%
9	KB Home South Bay Inc	8,778,925	1.73%	Prado 2255 South Maple LLC	7,478,700	1.87%
10	AEK Orchard Square LLC	8,479,420	1.67%	Ralphs Grocery Company	6,912,777	1.73%
		<u>245,391,551</u>	<u>48.24%</u>		<u>226,200,649</u>	<u>56.49%</u>
	All Other Taxpayers	<u>263,273,144</u>	<u>51.76%</u>	All Other Taxpayers	<u>174,231,484</u>	<u>43.51%</u>
	Total	<u>\$ 508,664,695</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
2007-2008 based on Project Area taxable value of \$508,664,695
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
1999	\$ 6,755,000	\$ 23,200,000	\$ 3,070,000	\$ 280,100	\$ 7,160,343
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

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			
\$ 59,360,958	\$ -	\$ 99,826,401	2779.41%	5,997	1664605.65%
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%

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

<u>Fiscal Year</u>	<u>Tax Allocation Bonds</u>	<u>Percent of Actual Taxable Value of Property</u>
1999	\$ 6,755,000	2.329%
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%

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**

<u>Project Area</u>	<u>Estimated Population in Project Area</u>	<u>Estimated Median Household Income in Project Area</u>	<u>Per Capita Personal Income</u>	<u>Project Area Square Miles</u>
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.

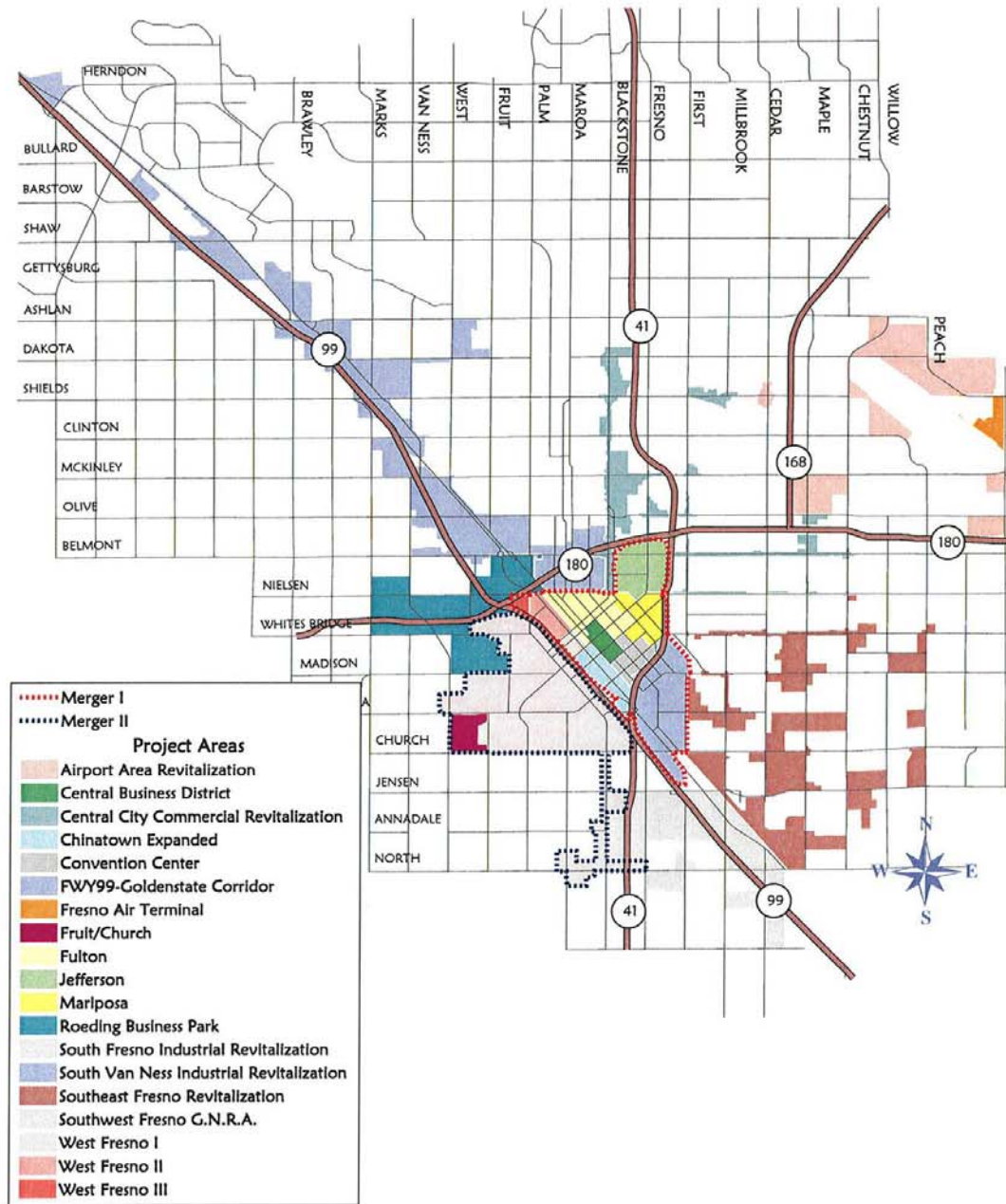
**REDEVELOPMENT AGENCY
OF THE CITY OF FRESNO
OPERATING INFORMATION
FULL TIME EQUIVALENT REDEVELOPMENT
GOVERNMENT EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

Fiscal Year	Function			
	Management	Administrative	Financial	Redevelopment
1999	2	3	1	10
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

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	3/27/2008	8/31/1963	8/6/1998	86
Chinatown Expanded (Rehab)	8/22/1965	3/27/2008		8/6/1998	48
Chinatown Expanded	8/6/1998	3/27/2008	5/18/2006	8/6/1998	132
Convention Center	2/12/1982	3/27/2008	11/24/2005	8/6/1998	120
Fulton	8/6/1998	3/27/2008	N/A	8/6/1998	280
Jefferson	1/18/1985	3/27/2008	N/A	8/6/1998	300
Mariposa	2/14/1969	3/27/2008	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	3/27/2008	N/A	8/6/1998	46
West Fresno II	1/19/1964	3/27/2008	N/A	8/6/1998	108
West Fresno III	2/14/1969	8/6/1998	N/A	8/6/1998	34
<u>Merger Project No. 2</u>					
Fruit/Church	12/9/1971	3/27/2008	N/A	12/17/1998	143
Southwest Fresno GNRA	2/14/1969	3/27/2008	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	3/27/2008	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					14,034

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)**

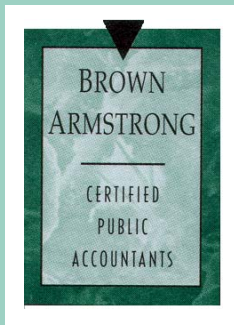
	Original Plan Duration	Current Plan Duration	Debt Establish Limit	Debt Repmt Limit	Eminent Domain Limit
<u>Merger Project No. 1</u>					
Central Business District	3/16/2001	1/1/2012	1/1/2009	1/1/2019	8/6/2010
Chinatown Expanded (Rehab)	1/1/2009	1/1/2012	1/1/2009	1/1/2019	8/6/2010
Chinatown Expanded	2/28/2026	2/28/2028	2/28/2016	2/28/2036	5/18/2018
Convention Center	2/12/2012	1/12/2025	1/1/2014	1/12/2032	11/24/2017
Fulton	7/6/2028	7/6/2029	7/6/2018	7/6/2043	8/6/2010
Jefferson	1/18/2015	12/18/2027	12/18/2014	12/18/2034	1/18/2009
Mariposa	2/14/1999	1/14/2012	1/14/2009	1/14/2019	8/6/2010
South Van Ness Industrial	7/6/2028	7/6/2029	7/6/2018	7/6/2043	8/6/2010
West Fresno I	11/1/1999	1/1/2012	1/1/2009	1/1/2019	8/6/2010
West Fresno II	1/19/1999	1/1/2012	1/1/2009	1/1/2019	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	10/7/2011	10/7/2021	11/16/2010
Southwest Fresno GNRA	2/14/1999	1/14/2012	1/14/2009	1/14/2019	11/16/2010
Airport Area Revitalization	7/19/2029	7/19/2030	7/19/2019	7/19/2044	8/20/2011
Central City Commercial Revital	8/24/2029	8/24/2030	8/24/2019	8/24/2044	9/24/2011
Freeway 99-Golden State Blvd	7/5/2033	7/5/2034	7/5/2023	7/5/2048	8/5/2015
Fresno Air Terminal	7/18/2028	7/18/2029	7/18/2029	8/18/2028	8/18/2000
Roeding Business Park	7/16/2036	7/16/2037	7/16/2016	7/16/2041	1/18/2015
South Fresno Industrial Revitalization	7/12/2029	7/12/2030	7/12/2019	7/12/2044	8/12/2011
Southeast Fresno Revitalization	7/12/2029	7/12/2030	7/12/2019	7/12/2044	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 6/08
<u>Merger Project No. 1</u>			
Central Business District		\$16m	\$ 8,760,410
Chinatown Expanded (Rehab)			682,098
Chinatown Expanded	\$12m	\$32m	3,978,018
Convention Center	\$21m	\$51m	10,316,701
Fulton	\$32m		2,076,855
Jefferson	\$99m	\$235m	5,726,235
Mariposa		\$50m	20,160,720
South Van Ness Industrial	\$111m		1,352,086
West Fresno I		\$9m	4,228,501
West Fresno II		\$60m	23,769,853
West Fresno III		\$8m	-
<u>Merger Project No. 2</u>			
Fruit/Church		\$21m	6,125,871
Southwest Fresno GNRA		\$113m	47,279,090
Airport Area Revitalization	\$33m	\$40m	14,229,409
Central City Commercial Revital	\$38m	\$54m	2,758,005
Freeway 99-Golden State Blvd			6,002,532
Fresno Air Terminal	\$85.25m	\$85.25m	7,231,016
Roeding Business Park	\$93m		4,127,821
South Fresno Industrial Revitalization	\$32m	\$20m	5,291,985
Southeast Fresno Revitalization	\$48m	\$52m	10,836,536
Totals			<u>\$ 184,933,742</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

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Brooke N. DeCuir, CPA
Kenneth J. Witham, CPA
Clint W. Baird, CPA
Jose Garcia, CPA
Adrian Rich, CPA
Lance Larralde, CPA

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, 2008, and have issued our report thereon dated December 22, 2008. 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 PAULDEN
McCOWN STARBUCK THORNBURGH & KEETER
ACCOUNTANCY CORPORATION



Bakersfield, California
December 22, 2008