

URBAN RENEWAL AGENCY

FINANCIAL SUMMARY FY 2015-16 Through Q3

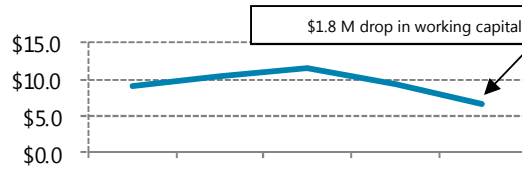


Financial data for Salem’s seven active urban renewal areas is included with this summary report. The Fairview Urban Renewal Area is no longer collecting tax increment, and a special levy was not imposed in FY 2016 for the North Gateway Urban Renewal Area. This report also includes summary financial information for the Salem Convention Center.

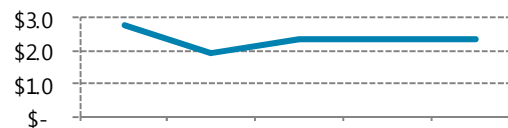
Resources @ 75% of the Fiscal Year

Fund 265 / Construction, 5 Year Trend, FY 2012-FY 2016 (in millions)

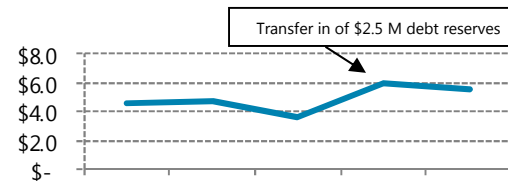
Riverfront Downtown—budget for toolbox loans and grants, Section 108 loan repayment, parking structure projects, streetscape, and Salem Convention Center marketing



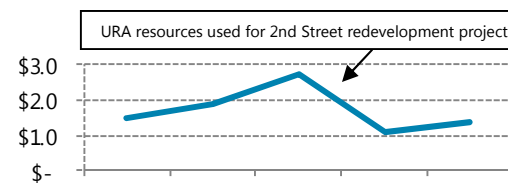
Fairview Industrial Park—all existing debt has been retired; available cash can be used for eligible projects.



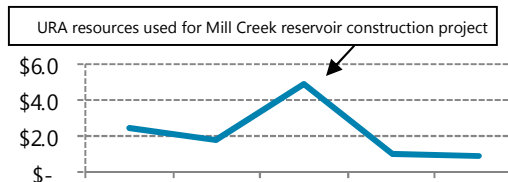
North Gateway—all outstanding debt is paid in anticipation of future investment in the Portland Road Corridor.



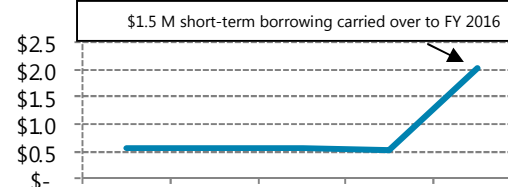
West Salem—budget for grant program and future eligible URA plan projects that align with the priorities of the West Salem Business District Action Plan.



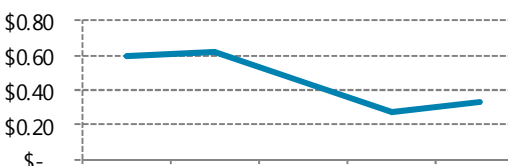
Mill Creek Industrial Park—more than \$2 million budgeted for future projects in the URA; annual payment for SEDCOR.



McGilchrist—\$1.2 million budgeted for roadway design and permitting for improvements from 12th Street to 25th Street.

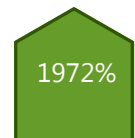
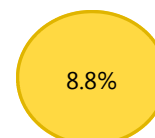
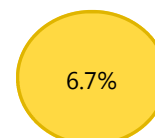
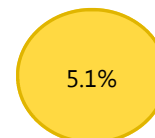
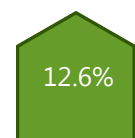
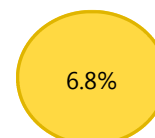
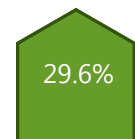
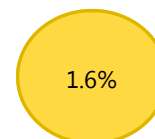
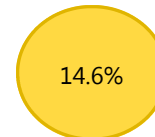


South Waterfront—slow progress in this URA for tax increment gains to fund projects; approximately \$500,000 available for future improvements.

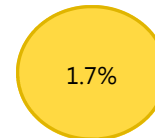


Expenditures

Actual to Budget Year-over-Year



Expenses in FY 2016 = \$268,000



Expenses in FY 2016 = \$9600

STATUS AT A GLANCE

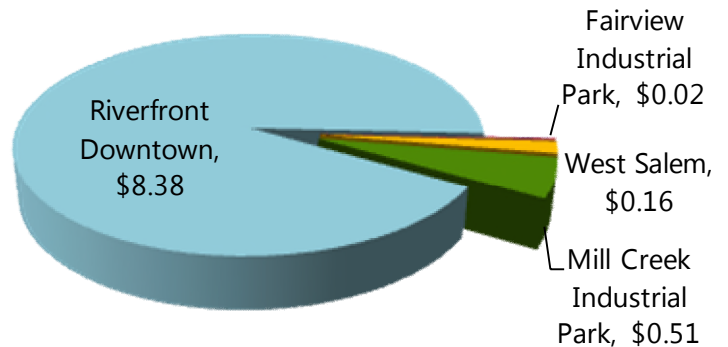
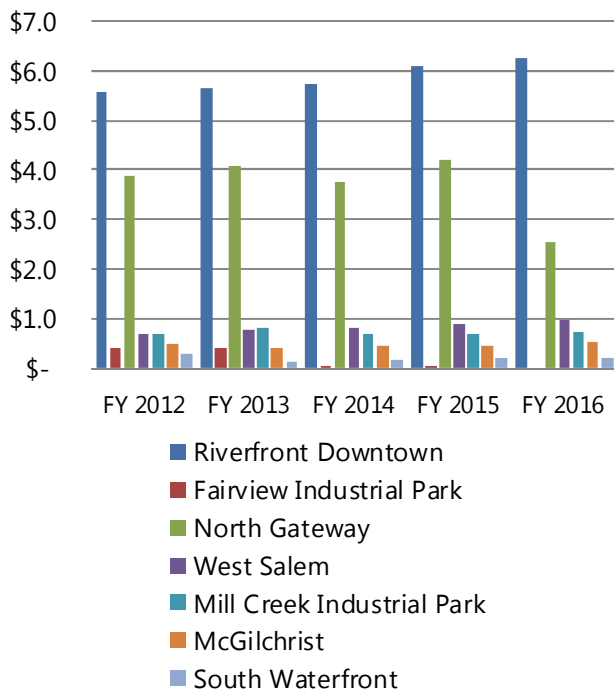
Urban Renewal Area Status	Riverfront		North				South
	Downtown	Fairview	Gateway	West Salem	Mill Creek	McGilchrist	Waterfront
Maximum Tax Collected	✓		✓	✓	✓	✓	✓
Special Levy Imposed	✓						
Ceased Tax Levy		✓					
Long Term Debt	✓			✓	✓		
Short Term Debt	✓			✓	✓	✓	✓
Existing Debt Retirement	2018	2014	2015	2018			

The Tax Allocation Improvement Fund (Construction), with financial data appearing on page 1 of this summary, provides for the use of proceeds from bonds or short-term loans to fund a variety of improvement projects to spur redevelopment in an urban renewal area. A second Urban Renewal Agency Fund, the Tax Allocation Bond Debt Fund, provides for the receipt of tax increment revenue, which is derived from an increase in property values during the life of an urban renewal area. The tax increment revenue is used to repay the debt that supports the urban renewal area's redevelopment projects. And to collect the tax increment, the urban renewal area must have debt.

The graphics below provide a five year history of tax increment collections in Salem's urban renewal areas and the year-to-date (through Q3) debt repayment for FY 2015-16.

FY 2015-16 URA Debt Payment through Q3

5 Year Comparison of URA Tax Revenue through Q3



Year-to-date debt payments for the Salem Urban Renewal Agency equal \$9.07 million. Increased debt service costs for the Riverfront Downtown Urban Renewal Area (budget = \$6.61 M, actual = \$8.38 M) relate to a debt refinancing that occurred earlier in the fiscal year, which is anticipated to save approximately \$598,000 in interest payments over the debt term.

Additional debt service will be paid by several urban renewal areas later in the fiscal year for short-term borrowings that allow tax increment revenue to be available for improvement projects.

SALEM CONVENTION CENTER (SCC) and GAIN / LOSS RESERVE

Revenues through FY 2016 Q3 for the Salem Convention Center Fund are \$3.17 million with expenditures of \$2.62 million for convention services and food and beverage sales.

The Gain / Loss Reserve opened the current fiscal year with beginning working capital in excess of the \$4 million target. Working capital of \$4.22 million plus program income from the Salem Convention Center of \$302,507 and interest earnings of \$24,348 provide a total of \$4.54 million in resources through the period. Through Q3, \$25,411 has been spent in FY 2016. Expenditures from the reserve are intended to support improvements to the facility. The reserve also was created to provide resources for maintaining operation of the Convention Center during a period of revenue losses. The reserve has never been accessed for this purpose during the center's operation.