

URBAN RENEWAL AGENCY

FINANCIAL SUMMARY FY 2016-17 Through Q3

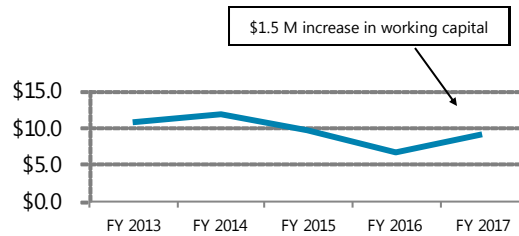


Financial data for Salem's seven active urban renewal areas is included with this summary report. The Fairview Urban Renewal Area is no longer collecting tax increment, and a special levy was not imposed in FY 2017 for the North Gateway Urban Renewal Area. This report also includes summary financial information for the Salem Convention Center.

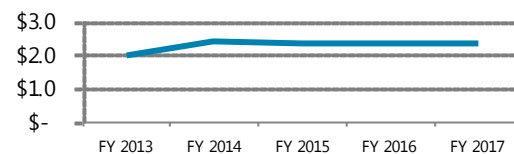
Resources @ 75% of the Fiscal Year

Fund 265 / Construction, 5 Year Trend, FY 2013-FY 2017 (in millions)

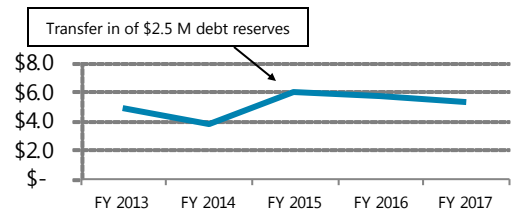
Riverfront Downtown—budget for toolbox loans, capital improvement grants, Section 108 loan repayment, bike lanes downtown on High St. and Church St., streetscape, and Salem Convention Center marketing



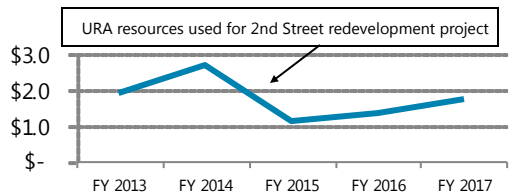
Fairview Industrial Park—all existing debt has been retired; available cash can be used for eligible projects.



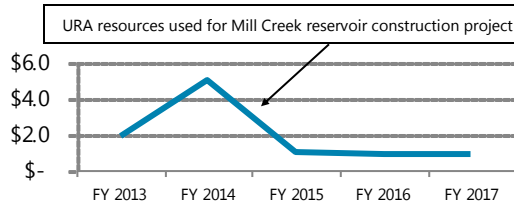
North Gateway—all outstanding debt is paid, budget includes stormwater improvements in Cherry Avenue Industrial Center to support investment in the Portland Road Corridor.



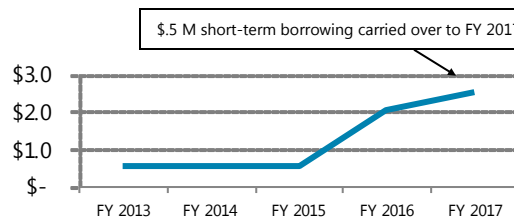
West Salem—budget for grant program and feasibility analysis for phase I transportation improvements recommended by the West Salem Business District Action Plan.



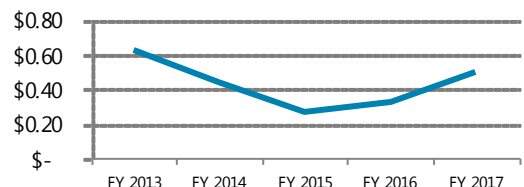
Mill Creek Industrial Park—\$1.4 million budgeted for future projects in the URA, funds to signalize the intersection of Mill Creek Pkwy and Kuebler Blvd, annual payment for SEDCOR.



McGilchrist—\$0.9 million budgeted for roadway design and permitting for improvements from 12th Street to 25th Street.

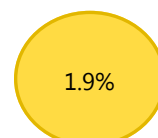
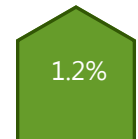
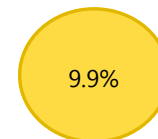
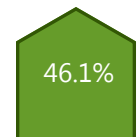
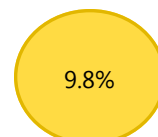
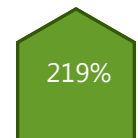
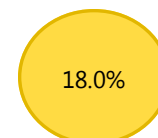
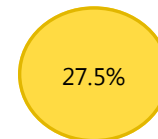
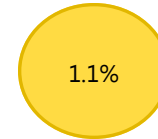
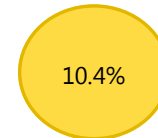


South Waterfront—slow progress in this URA for tax increment gains to fund projects; approximately \$500,000 available for future improvements.



Expenditures

Actual to Budget Year-over-Year



STATUS AT A GLANCE

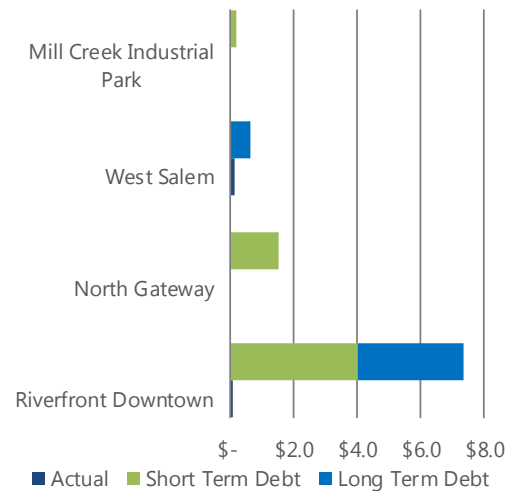
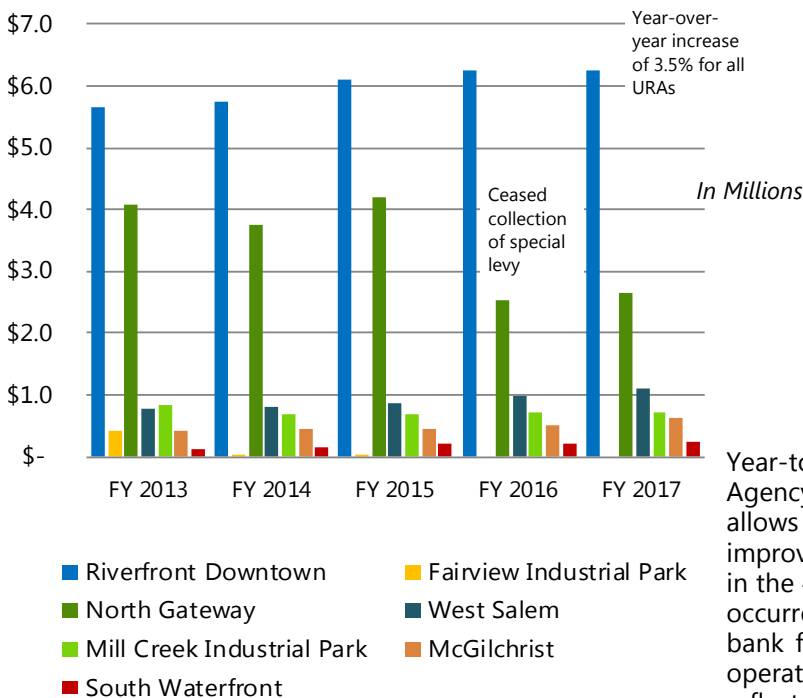
Urban Renewal Area Status	Riverfront Downtown	Fairview	North Gateway	West Salem	Mill Creek	McGilchrist	South Waterfront
Maximum Tax Collected	✓		✓	✓	✓	✓	✓
Special Levy Imposed	✓						
Ceased Tax Levy		✓					
Long Term Debt	✓			✓	✓		
Short Term Debt	✓		✓		✓		
Existing Debt Retirement	2018	2014	2015	2018			

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 2016-17.

FY 2016-17 URA Debt Service Budget to Actual

5 Year Comparison of URA Tax Revenue through Q3



Year-to-date debt payments for the Salem Urban Renewal Agency equal \$0.23 million. Long-term and short-term debt allows tax increment revenue to be available for improvement projects. Debt service payments will be made in the 4th quarter. Since FY 2011, short-term borrowing has occurred internally and this year will be facilitated through bank financing. This shift will improve transparency in the operating budget for the General Fund as it will no longer reflect URA loan costs.

SALEM CONVENTION CENTER (SCC) and GAIN / LOSS RESERVE

Revenues through FY 2017 Q3 for the Salem Convention Center Fund are \$3.02 million with expenditures of \$2.48 million for convention services and food and beverage sales. The annual contribution to the Gain / Loss Reserve was also transferred during Q3.

At \$4.31 million, the Gain / Loss Reserve beginning working capital exceeds the \$4 million target. With program income from the Salem Convention Center of \$304,367 and interest earnings of \$35,056, the reserve has a total of \$4.65 million in resources through the period. Year-to-date expenses through Q3 equal just over \$2,100 for the reserve's share of the URA's banking expenses. Reserve project expenditures 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.