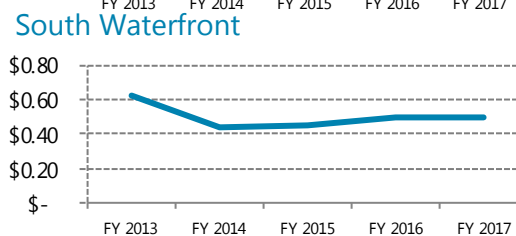
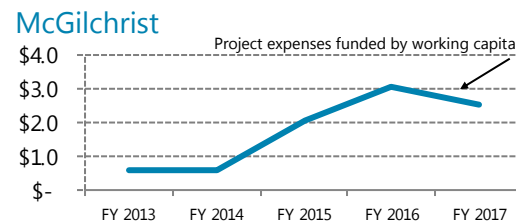
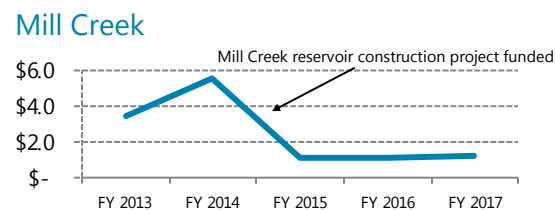
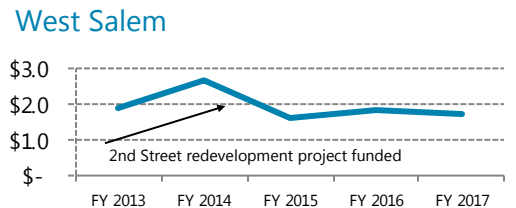
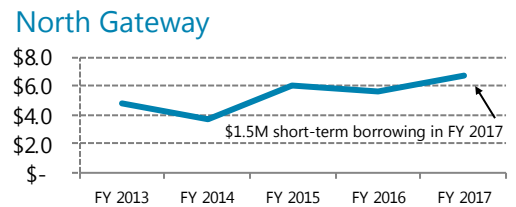
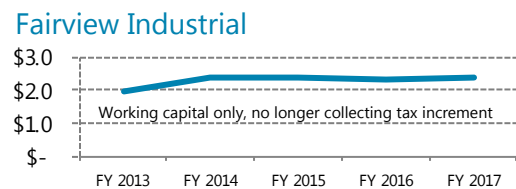
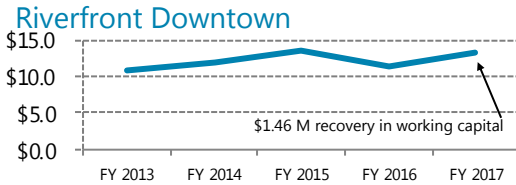


Fund 265 / Capital Improvements

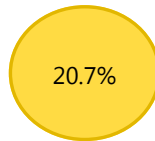
Resources—5 Year Trend

FY 2013 through FY 2017

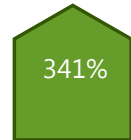
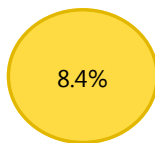


Expenditures

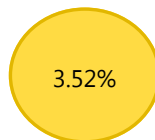
Actual to Budget Year-over-Year



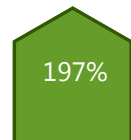
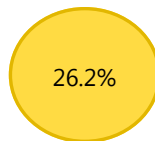
Expenses of \$2,348,758 in FY 2017 vs \$4,167,966 in FY 2016



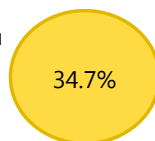
Expenses of \$192,156 in FY 2017 vs \$43,577 in FY 2016



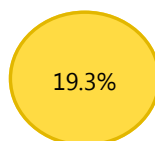
Expenses of \$2,340,201 in FY 2017 vs \$469,704 in FY 2016



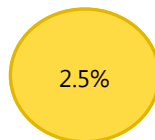
Expenses of \$451,142 in FY 2017 vs \$151,753 in FY 2016



Expenses of \$812,439 in FY 2017 vs \$250,549 in FY 2016



Expenses of \$526,890 in FY 2017 vs \$548,670 in FY 2016



Expenses of \$11,916 in FY 2017 vs \$12,333 in FY 2016

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

Year-to-year expenditure variances as illustrated on this page generally relate to the timing and completion of projects within the URA.

This report also includes summary financial information for the Salem Convention Center

FY 2017 By the Numbers

Fund 265 / Capital Improvements

Total Resources—\$28.17M
Total Expenditures—\$6.68M

Fund 220 / Debt

Total Resources—\$28.32M
Total Expenditures—\$9.71M

Serving the Community

The Urban Renewal Agency funded \$2.62 million in grants and loans to help businesses locate and expand in the City's Fairview, West Salem, North Gateway, and Riverfront Downtown urban renewal areas.

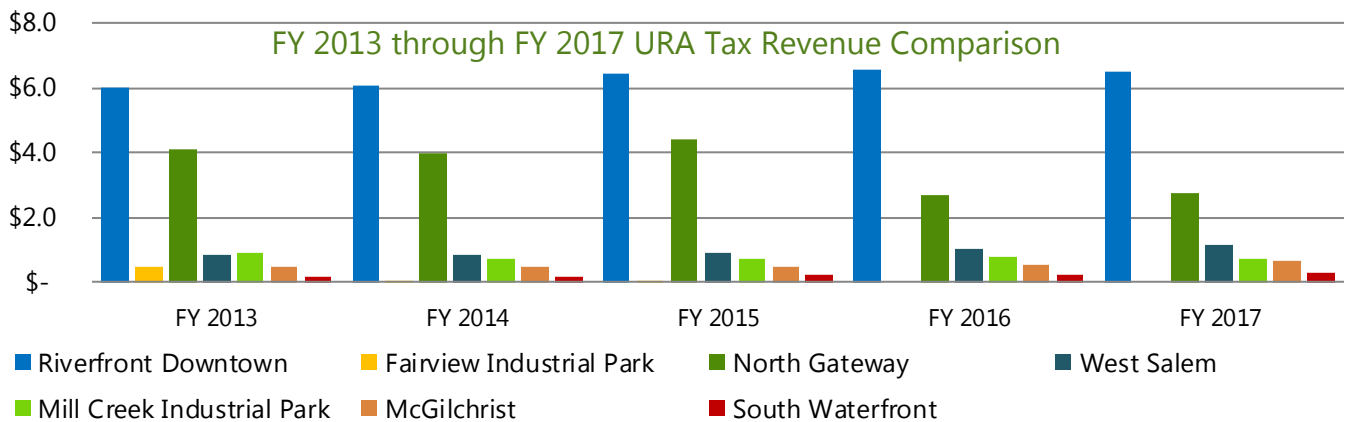
During FY 2017, Urban Renewal Agency funds supported more than \$1.26 million in transportation system improvements including signal work at Union / Commercial streets and a left turn lane removal in the Riverfront Downtown URA, ongoing work on Kuebler at the Parkway in the Mill Creek URA, and design of improvements to 12th Street in the McGilchrist URA.

STATUS AT A GLANCE

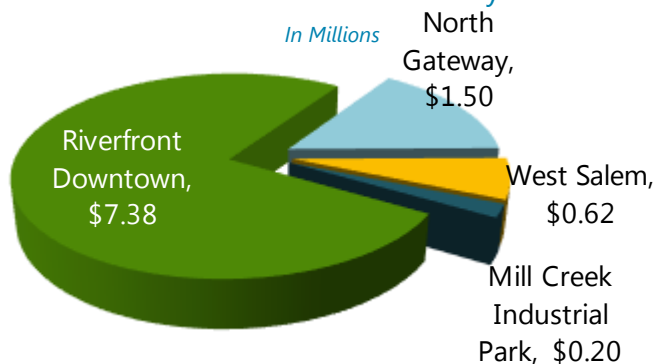
Urban Renewal Area Status	Riverfront		North			South	
	Downtown	Fairview	Gateway	West Salem	Mill Creek	McGilchrist	Waterfront
Maximum Tax Collected	✓		✓	✓	✓	✓	✓
Special Levy Imposed	✓						
Ceased Tax Levy		✓					
Long Term Debt	✓			✓	✓		
Short Term Debt FY 2017	✓		✓	✓			
Debt Retirement	2018	2014	2015	2018			

The Tax Allocation (Capital) Improvement Fund, 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 debt repayment for FY 2017.



FY 2017 URA Debt Service Payments



FY 2017 debt payments for the Salem Urban Renewal Agency totaled \$9.71 million. Of this amount, just over \$4 million was used for repayment of long-term indebtedness.

The balance of debt service was paid on short-term borrowings in three of the four URAs represented in the above chart—Riverfront Downtown, North Gateway, and Mill Creek. Short-term borrowings create the required indebtedness allowing tax increment revenue to be available for improvement projects.

Salem Convention Center (SCC) and Gain / Loss Reserve

Resources through FY 2017 for the SCC Fund were \$5.14 million with expenditures of \$4.25 million for convention services and food and beverage sales and the annual transfer to the Gain / Loss Reserve.

While year end expenditures in the SCC Fund did not exceed fund resources, expenses did exceed budget authority. One cause of this issue is a reporting lag from the convention center operators to the City's accounting staff. The solutions to prevent a reoccurrence of this imbalance are easily implemented. In FY 2018, appropriation authority will be transferred from contingency well in advance of the fiscal year closing. For upcoming fiscal years, more appropriation authority will be requested at budget adoption for the fund.

The Gain / Loss Reserve opened the fiscal year with beginning working capital in excess of the reserve target at \$4.3 million. With revenues of \$354,737 and SCC project expenses of \$262,688 funded by the reserve, working capital increased \$92,049 by year end.