

# Urban Renewal Agency

## Financial Summary FY 2017-18 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.

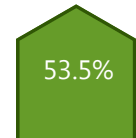
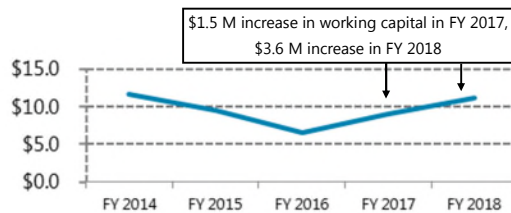
### Resources @ 75% of the Fiscal Year

Fund 265 / Capital Improvements, 5 Year Trend, FY 2014-FY 2018 (in millions)

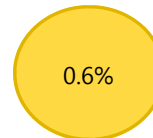
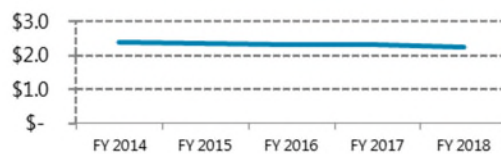
### Expenditures

Actual to Budget Year-over-Year

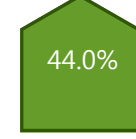
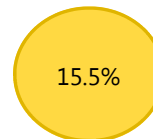
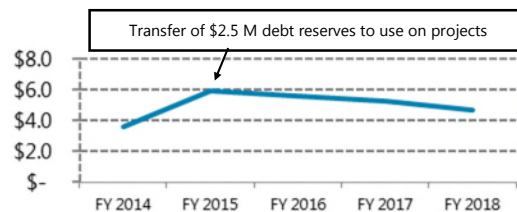
**Riverfront Downtown**—expenses include toolbox loans; capital improvement grants; street, alley, and streetscape improvements; murals and art pedestals; and Salem Convention Center marketing.



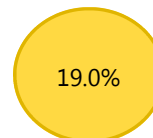
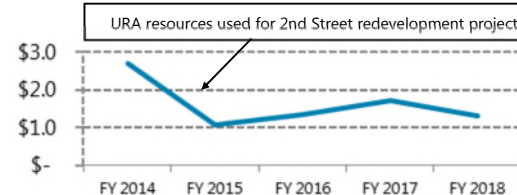
**Fairview Industrial Park**—all existing debt has been retired; available cash can be used for eligible projects.



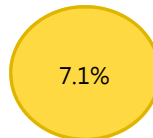
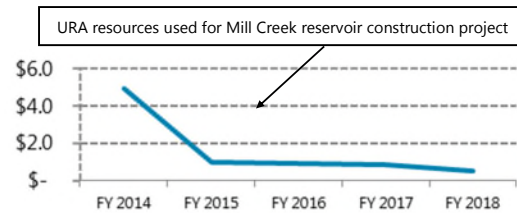
**North Gateway**—all outstanding debt is paid, expenditures include rehabilitation loan and grant program, including investment in CTEC, and improvements to the Portland Road Corridor.



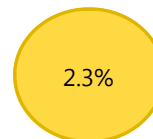
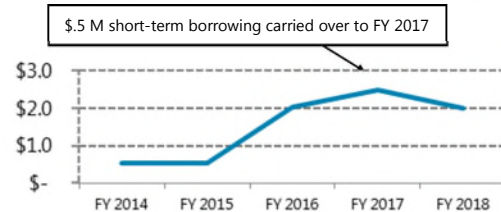
**West Salem**—expenses for toolbox grant program and West Salem Business District feasibility study and zoning code clean up.



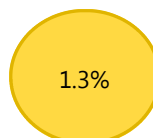
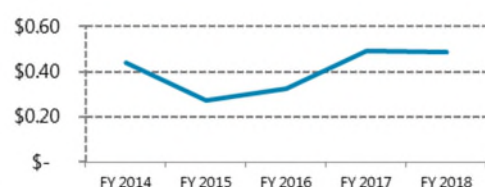
**Mill Creek Industrial Park**—\$2.5 M budgeted for future projects; expenses for improvements to the intersection of Mill Creek Pkwy and Kuebler Blvd and Mill Creek Drive; SEDCOR annual contract.



**McGilchrist**—expenditures for roadway design and permitting for improvements from 12th Street to 25th Street, \$3.6 M budget for right-of-way purchases to implement design



**South Waterfront**—slow progress in this URA for tax increment gains to fund projects; approximately \$450,000 available for future improvements.



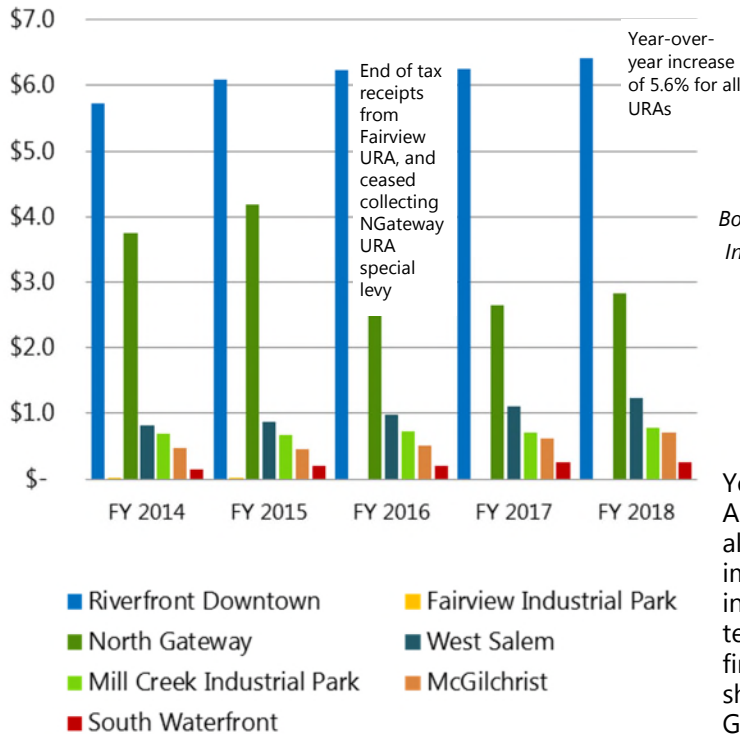
## Status at a Glance

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			
Remaining Debt Capacity	\$229M		\$20.4M	\$24.8M	\$15.0M	\$7.8M	\$22.4M

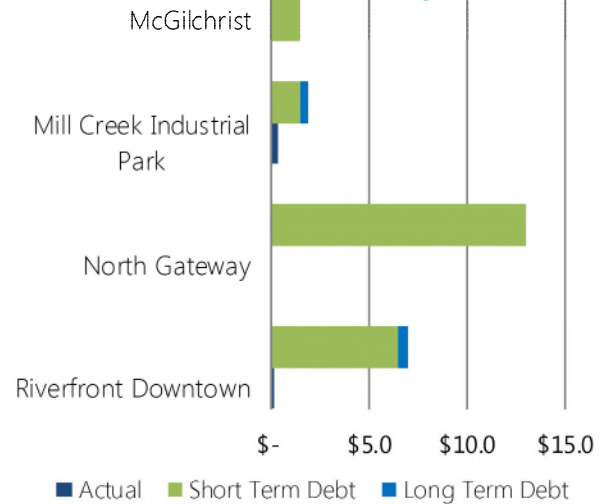
The Tax Allocation Improvement Fund (Capital Improvements) provides for the use of proceeds from bonds or short-term loans to fund a variety of improvement projects to spur redevelopment in an urban renewal area. A second Urban Renewal Agency Fund, the Tax Allocation Bond Debt Fund (Debt Service), provides for the receipt of tax increment revenue 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 2018.

### 5-Year Comparison of URA Tax Revenue through Q3



### FY 2018 URA Debt Service Budget to Actual



Year-to-date debt payments for the Salem Urban Renewal Agency equal \$0.59 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. From FY 2011 through FY 2016, short-term borrowing occurred internally. Beginning in FY 2017, financing was facilitated through an external lender. This shift improves 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 2018 Q3 for the Salem Convention Center Fund are \$3.94 million with expenditures of \$3.25 million for convention services and food and beverage sales. The annual contribution to the Gain / Loss Reserve was also transferred during Q3.

At \$4.40 million, the Gain / Loss Reserve beginning working capital exceeds the \$4 million target. With program income from the Salem Convention Center of \$683,727 and interest earnings of \$49,766, the reserve has a total of \$5.13 million in resources through the period. Year-to-date expenses through Q3 equal just over \$26,400 for LEED recertification, the reserve's share of the URA's banking expenses, and City staff support costs. The reserve was created to support facility improvements and provide resources for maintaining operations during a period of revenue losses. The reserve has only been accessed for improvements during the Convention Center's operation.