

URBAN RENEWAL AGENCY FINANCIAL SUMMARY—Q2 FY 2019

Capital Improvements Fund *(values in millions)*

Resources—5 Year Trend
FY 2015 Q2 through FY 2019 Q2

Expenditures FY 2019
Actual to Budget Year-over-Year

Financial data for Salem’s seven active urban renewal areas is included with this summary report. While the Fairview Urban Renewal Area (URA) has funding available to accomplish projects, tax increment is no longer collected. Of Salem’s URAs, only Riverfront Downtown imposes a special levy.

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.

Q2 FY 2019 By the Numbers

Fund 220—Debt

Total Resources—\$21.53M
Total Expenditures—\$0.42M

Fund 265—Capital Improvements

Total Resources—\$36.78M
Total Expenditures—\$8.80M

Fund 345—Convention Center

Total Resources—\$2.56M
Total Expenditures—\$1.53M

Fund 428—Convention Center Gain / Loss Reserve

Total Resources—\$4.92M
Total Expenditures—\$17,110

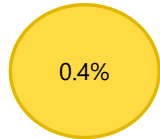
Serving the Community

Through Q2, the Urban Renewal Agency funded \$2.21M in grants and loans to help businesses locate and expand in the McGilchrist, North Gateway, and Riverfront Downtown URAs.

Agency funds supported \$2.66M of improvements to streets, alleyways, and streetscape including over \$2.10M along Portland Road in the North Gateway URA.

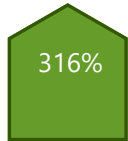
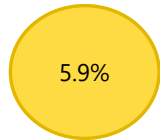
Property acquisition in the North Gateway and Riverfront Downtown URAs totaled \$3.27M.

Fairview Industrial



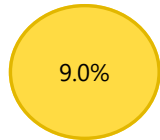
Expenses of \$10,196 in FY 2019 vs \$9,573 in FY 2018

McGilchrist



Expenses of \$523,663 in FY 2019 vs \$113,586 in FY 2018

Mill Creek



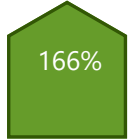
Expenses of \$380,202 in FY 2019 vs \$166,132 in FY 2018

North Gateway



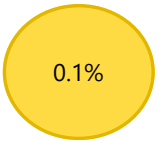
Expenses of \$4.93M in FY 2019 vs \$1.61M in FY 2018

Riverfront Downtown



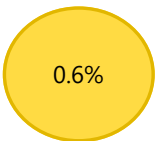
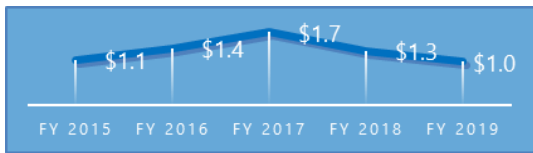
Expenses of \$2.93M in FY 2019 vs \$1.10M in FY 2018

South Waterfront



Expenses of \$1,244 in FY 2019 vs \$4,518 in FY 2018

West Salem



Expenses of \$28,507 in FY 2019 vs \$166,098 in FY 2018

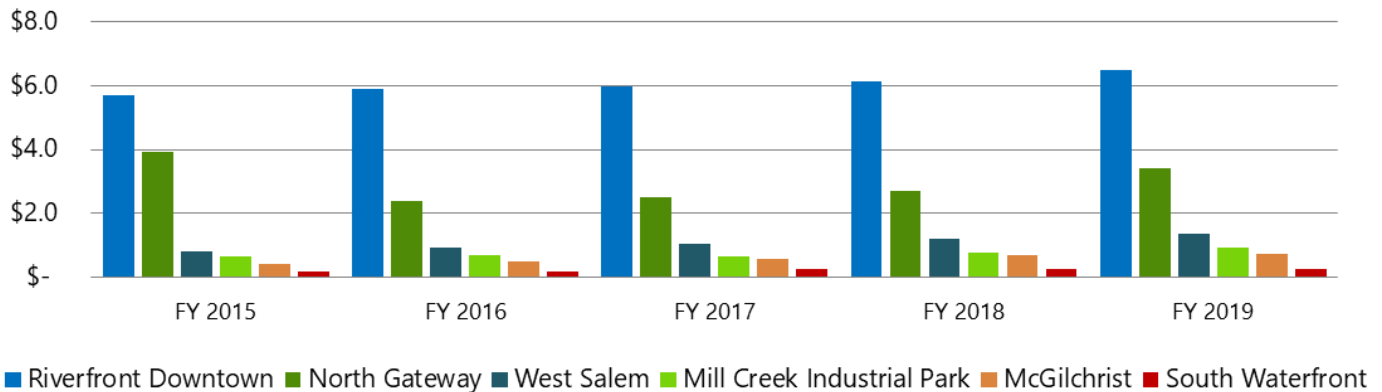
STATUS AT A GLANCE

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 2018	✓		✓		✓	✓	
Debt Retirement	2024	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 through Q2 in Salem's urban renewal areas. The comparison is only current-year property taxes. In total through Q2 of FY 2019, the six URAs have realized \$13.22M in current-year receipts and an additional \$416,681 for all prior years, including a longstanding arrearage payment of \$289,235. Total tax receipts of \$13.64M through December 31, 2018 equate to 98.3 percent of the amount anticipated in the budget. Receipts through the second quarter for the past five years have represented 90.1 percent to 92.9 percent of the amount received for the entire fiscal year.

FY 2015 through FY 2019 Q2 URA Tax Revenue Comparison



FY 2019 Q2 URA Debt Service

FY 2019 debt payments for the Salem Urban Renewal Agency are budgeted at \$17.78M. Of this amount, approximately \$1.23M will be applied to long-term indebtedness in the Riverfront Downtown and Mill Creek URAs. Through Q2, \$424,105 has been spent on this obligation.

The balance of debt service—\$16.56M—represents du jour or short-term borrowings planned for all six tax-collecting URAs. Short-term borrowings create the required indebtedness allowing tax increment revenue to be available for improvement projects. Borrowings are planned for January / February 2019.

Salem Convention Center (SCC) and Gain / Loss Reserve

Resources through FY 2019 Q2 for the SCC Fund were \$2.56M with expenditures of \$1.53M for convention services and food and beverage sales.

The fund budget includes an annual transfer to the Gain / Loss Reserve from Convention Center program income. No transfer has occurred yet in FY 2019. The budget corrects an issue with the program income being realized in one year and transferred in the next. During the current fiscal year both the FY 2018 and FY 2019 program income transfers are planned, which will provide the appropriate schedule going forward.

The Gain / Loss Reserve opened the fiscal year with beginning working capital in excess of the reserve target at \$4.87M. Interest revenue through Q2 adds \$45,930 for total resources of \$4.92M. Year-to-date expenses are less than \$20,000 and primarily administrative.