

**Urban Renewal Agency
Annual Budget
Fiscal Year 2012-13**

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URBAN RENEWAL AGENCY 2012-13 BUDGET MESSAGE

City of Philomath

The 2012-13 budget has been prepared using estimated property tax revenue from the division of taxes only, and does not include any special levy.

2010 witnessed the completion of the steps to expand the existing Urban Renewal District and create a new vision of how Urban Renewal will be used to fund public improvements in the future. The Urban Renewal Agency and Philomath Downtown Association have come together in a partnership that is committed to making dramatic and very visible improvements to Philomath's downtown business area.

The proposed changes will begin with an 8-10 year planning phase that will involve coordination with the Oregon Department of Transportation for scheduled reconstruction of both Main and Applegate Streets. For this fiscal year, staff and the PDA will work with the consulting engineer, Murray Smith & Associates, to complete the construction-ready plans that will compliment the future highway reconstruction work anticipated by ODOT. Public review and comment on the proposed design should take place this fall prior to final adoption of 90% construction-ready plans in December 2012.

The Urban Renewal District has proven to be an important tool in stimulating economic development and improving the livability of Philomath. We expect this new chapter of Urban Renewal activity to produce similar results.

Randy Kugler
City Manager

Joan Swanson
Budget Officer

INFORMATION ABOUT the URBAN RENEWAL AGENCY

In 1990 the City formed an Urban Renewal Agency to provide improvements to blighted areas of the City through the use of tax increment financing. Under the plan, assessments on property within the Urban Renewal District were computed at the January 1, 1991 level.

Declining assessments on properties in the Renewal District interfered with revenue expectations, and it was not until 1993-94 that there was an increase in total assessed value on which to collect revenue for the district.

In 1998 Measure 50 required the District to set a maximum indebtedness. The amount that would be necessary to complete the plan projects was set at \$4.3 million. In 2009 the final projects for the original District were completed.

In 2010 the Urban Renewal District was expanded to include the west end of Applegate Street from just west of 7th Street to 15th Street. The maximum indebtedness was increased to \$14.3 million. Inclusion of this property will allow the city and District to move forward with improvements designed to benefit the downtown business district and new west entrance to the City via Applegate Street.

**PHILOMATH URBAN RENEWAL AGENCY
FISCAL YEAR 2012-13
GENERAL FUND**

	ACTUAL EXPENDED 2008-09	ACTUAL EXPENDED 2009-10	ACTUAL EXPENDED 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	ESTIMATED BUDGET 2013-14	% CHANGE
REVENUE							
23 0 3001 Cash Balance Forward	240,153	27,031	7,113	12,400	47,000	60,000	100%
23 0 3020 Interest on Investments	2,251	134	29	18	400	410	100%
23 0 3646 Loan Proceeds	550,000	0	0	0	0	0	
23 0 3997 Transfer from Urban Renewal-Debt	560,000	0	32,000	100,000	370,000	0	100%
TOTAL REVENUE	1,352,404	27,165	39,142	112,418	417,400	60,410	100%
EXPENDITURES							
MATERIALS AND SERVICES							
23 0 5012 Administrative Overhead	10,056	9,900	10,800	11,568	12,000	12,360	4%
23 0 5015 Advertising and Legal Notices	0	0	2,301	0	0	0	
23 0 5045 Audit Fees	2,000	3,500	2,250	3,000	3,000	3,300	0%
23 0 5146 Consultant Fee	0	5,136	11,754	50,000	350,000	0	100%
23 0 5390 Miscellaneous	19,657	1,266	1,132	2,600	2,150	2,500	-17%
23 0 5567 State Filing Fee	40	250	20	250	250	250	0%
Subtotal Materials and Services	31,753	20,052	28,257	67,418	367,400	18,410	100%
CAPITAL OUTLAY							
23 0 6160 Urban Renewal Project	1,845	0	0	0	0	0	
23 0 6164 Sewer Projects	1,291,775	0	0	0	0	0	
Subtotal Capital Outlay	1,293,620	0	0	0	0	0	
TOTAL EXPENDITURES	1,325,373	20,052	28,257	67,418	367,400	18,410	100%
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	45,000	50,000	42,000	11%
Excess Revenues Over Expenditures	27,031	7,113	10,885	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2012-13 BUDGET NARRATIVE
GENERAL FUND**

REVENUE

Cash Balance Forward	47,000	Estimated cash balance at June 30, 2012
Interest on Investments	400	Estimated interest income
Transfer from Urban Renewal Debt	<u>370,000</u>	Transfer to General Fund to pay operating expenses
TOTAL REVENUE	<u>417,400</u>	

MATERIALS AND SERVICES

Administrative Overhead	12,000	To reimburse General Fund for cost of staff time and a portion of other administrative costs
Audit Fees	3,000	Annual audit of the Urban Renewal Agency
Consultant fee	350,000	Engineering consultant to create construction-ready plans for future improvements in conjunction with ODOT's proposed reconstruction of Main Street
Miscellaneous	2,150	Miscellaneous expenses
State Filing Fee	<u>250</u>	Fee required to file Urban Renewal Agency audit
TOTAL MATERIALS AND SERVICES	<u>367,400</u>	

**PHILOMATH URBAN RENEWAL AGENCY
FISCAL YEAR 2012-13
DEBT SERVICE FUND**

	ACTUAL EXPENDED 2008-09	ACTUAL EXPENDED 2009-10	ACTUAL EXPENDED 2010-11	ADOPTED BUDGET 2011-12	PROPOSED BUDGET 2012-13	ESTIMATED BUDGET 2013-14	% CHANGE	
REVENUE								
24 0 3001	Cash Balance Forward	399,223	50,715	2,842	33,000	315,000	380,000	100%
24 0 3020	Interest on Investments	5,425	248	534	960	4,000	5,000	100%
24 0 3030	Interest on Tax Collections	770	785	1,187	940	1,500	1,600	60%
24 0 3110	Property Tax Increment	387,633	387,017	431,452	442,100	419,100	431,200	-5%
24 0 3115	Prior Year Tax Increment	5,609	7,003	7,576	7,500	10,400	10,600	39%
	TOTAL REVENUE	798,660	445,768	443,591	484,500	750,000	828,400	55%
DEBT SERVICE								
24 0 7180	Key Bank - Principal	80,000	80,000	227,000	50,000	0	0	-100%
24 0 7080	City of Philomath - Principal	82,000	333,000	135,000	0	0	0	
24 0 7580	Key Bank - Interest	18,110	11,260	7,986	2,500	0	0	-100%
24 0 7550	City of Philomath - Interest	7,835	18,666	2,700	0	0	0	
	Subtotal Debt Service	187,945	442,926	372,686	52,500	0	0	-100%
TRANSFERS								
24 0 8900	Urban Renewal - General Fund	560,000	0	32,000	100,000	370,000	0	100%
	Subtotal Debt Service	560,000	0	32,000	100,000	370,000	0	100%
	TOTAL EXPENDITURES	747,945	442,926	404,686	152,500	370,000	0	100%
24 0 9500	UNAPPROPRIATED ENDING BAL	0	0	0	332,000	380,000	828,400	14%
	Excess Revenues Over Expenditures	50,715	2,842	38,905	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2012-13 BUDGET NARRATIVE
DEBT SERVICE FUND**

REVENUE

Cash Balance Forward	315,000	Estimated cash balance at June 30, 2012
Interest on Investments	4,000	Estimated interest income
Interest on Tax Collections	1,500	Interest on tax collections held at Benton County before they are turned over to the City
Current Year Property Tax Increment	419,100	Estimated property tax increment. Assume collection rate of 95%
Prior Year Property Tax Increment	<u>10,400</u>	Collection of prior years tax increment
TOTAL REVENUE	<u>750,000</u>	

TRANSFERS

To Urban Renewal - General Fund	<u>370,000</u>	Transfer to cover operating costs of the Urban Renewal Agency
TOTAL TRANSFERS	<u>370,000</u>	