

**Urban Renewal Agency  
Annual Budget  
Fiscal Year 2015-16**

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## **Urban Renewal Agency 2015-16 BUDGET MESSAGE**

Dear Members of the Budget Committee:

The 2015-16 Budget has been prepared using estimated property tax revenue from the division of taxes and does not include any special levy.

Last year, the City applied for a federal transportation TIGER 6 grant for the Downtown Multimodal Connectivity and Streetscapes Improvement Project. Unfortunately, our application was denied despite having strong support from the community, ODOT and elected officials at the local, county and state levels. Our focus has since shifted to splitting the project into four phases and prioritizing portions of the project that can be completed prior to ODOT's work on reconstructing Hwy 20/34.

This year, staff will work with the city engineer on designing the replacement water and waste water lines within the project area and the Urban Renewal District. We are also planning to move or bury the power lines. The Agency will sell approximately \$4 million dollars in bonds to raise funds to pay for these and other projects. Reconstruction and streetscape improvements to Main Street and Applegate Street will be on hold until ODOT deems the highway to be in bad enough condition to warrant it. Meanwhile, the Agency will continue to take on projects identified in the Renewal Plan and apply for grants where available to help supplement the costs.

The Urban Renewal District will play a vital role in the future development of Philomath's downtown. It will prove to be a valuable tool in stimulating economic development and improving the livability of Philomath for years to come.

Special thanks to the Budget Committee for the important role you have taken on. We welcome your questions as you look to adopt the FY2015-16 Budget.

Respectfully submitted,

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Chris Workman, City Manager

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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 7<sup>th</sup> Street to 15<sup>th</sup> 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 2015-16**  
**GENERAL FUND**

	ACTUAL EXPENDED 2011-12	ACTUAL EXPENDED 2012-13	ACTUAL EXPENDED 2013-14	ADOPTED BUDGET 2014-15	PROPOSED BUDGET 2015-16	ESTIMATED BUDGET 2016-17	% CHANGE
<b>REVENUE</b>							
23 0 3001 Cash Balance Forward	10,885	47,222	660,805	1,080,000	1,494,000	4,800,000	38%
23 0 3020 Interest on Investments	186	897	4,710	5,951	20,000	30,000	100%
23 0 3030 Interest on Tax Collections	0	0	1,177	1,200	1,200	1,300	0%
23 0 3110 Property tax increment	0	0	424,736	472,000	490,000	505,000	4%
23 0 3115 Prior Year Tax Increment	0	0	8,453	9,000	9,200	9,500	2%
23 0 3646 Loan Proceeds	0	0	0	4,000,000	4,000,000	0	0%
23 0 3997 Transfer from Urban Renewal-Debt	100,000	370,000	0	0	0	0	
<b>TOTAL REVENUE</b>	<b>111,071</b>	<b>418,119</b>	<b>1,099,881</b>	<b>5,568,151</b>	<b>6,014,400</b>	<b>5,345,800</b>	<b>100%</b>
<b>EXPENDITURES</b>							
<b>MATERIALS AND SERVICES</b>							
23 0 5012 Administrative Overhead	11,568	12,000	12,240	10,836	11,400	12,000	5%
23 0 5015 Advertising and Legal Notices	0	939	870	3,000	3,000	3,000	0%
23 0 5045 Audit Fees	2,000	1,000	3,153	2,325	2,450	2,600	5%
23 0 5146 Consultant Fee	49,138	124,954	31,273	100,000	0	25,000	-100%
23 0 5265 Engineering	0	0	0	0	300,000	160,000	100%
23 0 5390 Miscellaneous	1,123	26	82	1,950	6,510	2,160	100%
23 0 5567 State Filing Fee	20	40	200	40	40	40	0%
Subtotal Materials and Services	<b>63,849</b>	<b>138,959</b>	<b>47,818</b>	<b>118,151</b>	<b>323,400</b>	<b>204,800</b>	<b>174%</b>
<b>CAPITAL OUTLAY</b>							
23 0 6160 Urban Renewal Project	0	0	0	3,000,000	500,000	4,750,000	-83%
Subtotal Capital Outlay	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000,000</b>	<b>500,000</b>	<b>4,750,000</b>	<b>-83%</b>
<b>DEBT SERVICE</b>							
23 0 7180 Loan Principal	0	0	0	0	276,000	276,000	100%
23 0 7580 Loan Interest	0	0	0	0	115,000	115,000	100%
Subtotal Capital Outlay	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>391,000</b>	<b>391,000</b>	<b>100%</b>
<b>TOTAL EXPENDITURES</b>	<b>63,849</b>	<b>138,959</b>	<b>47,818</b>	<b>3,118,151</b>	<b>1,214,400</b>	<b>5,345,800</b>	<b>-61%</b>
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	2,450,000	4,800,000	0	96%
Excess Revenues Over Expenditures	47,222	279,160	1,052,063	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY  
2015-16 BUDGET NARRATIVE  
GENERAL FUND**

**REVENUE**

Cash Balance Forward	1,494,000	Estimated cash balance at June 30, 2015
Interest on Investments	20,000	Estimated interest income
Interest on Tax Collections	1,200	Interest on tax collections held at Benton County before they are turned over to the City
Current Year Property Tax Increment	490,000	Estimated property tax increment. Assume collection rate of 95%
Prior Years Tax Increment	9,200	Collection of prior years tax increment
Loan Proceeds	<u>4,000,000</u>	Bond sale to raise funds for an Urban Renewal project
<b>TOTAL REVENUE</b>	<b><u>6,014,400</u></b>	

**MATERIALS AND SERVICES**

Administrative Overhead	11,400	To reimburse General Fund for cost of staff time and a portion of other administrative costs
Advertising and Legal Notices	3,000	Legal notices for bond sale and RFP for construction
Audit Fees	2,450	Annual audit of the Urban Renewal Agency
Engineering	300,000	Engineering to complete construction plans
Miscellaneous	6,510	Miscellaneous expenses
State Filing Fee	<u>40</u>	Fee required to file Urban Renewal Agency audit
<b>TOTAL MATERIALS AND SERVICE</b>	<b><u>323,400</u></b>	

**CAPITAL OUTLAY**

Urban Renewal Project	<u>500,000</u>	The first portion of a \$2.3 million dollar water & sewer replacement project in the downtown urban renewal area.
	<b><u>500,000</u></b>	The project would be completed in the following fiscal year.

**DEBT SERVICE**

Loan Principal	276,000	Potential principal payment if bonds are sold
Loan Interest	<u>115,000</u>	Potential interest payment if bonds are sold
<b>TOTAL DEBT SERVICE</b>	<b><u>391,000</u></b>	