

**Urban Renewal Agency
Annual Budget
Fiscal Year 2011-12**

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URBAN RENEWAL AGENCY 2011-12 BUDGET MESSAGE

City of Philomath

The 2011-12 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 on the selection of a consulting engineering firm to begin development of construction-ready plans that will compliment the future highway reconstruction work anticipated by ODOT.

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 2011-12
GENERAL FUND**

	ACTUAL EXPENDED 2007-08	ACTUAL EXPENDED 2008-09	ACTUAL EXPENDED 2009-10	ADOPTED BUDGET 2010-11	PROPOSED BUDGET 2011-12	ESTIMATED BUDGET 2012-13	% CHANGE
REVENUE							
23 0 3001 Cash Balance Forward	158,375	240,153	27,031	13,150	12,400	45,000	-6%
23 0 3020 Interest on Investments	11,846	2,251	134	30	18	163	-40%
23 0 3646 Loan Proceeds	0	550,000	0	0	0	0	
23 0 3997 Transfer from Urban Renewal-Debt	150,000	560,000	0	32,000	100,000	0	100%
TOTAL REVENUE	320,221	1,352,404	27,165	45,180	112,418	45,163	100%
EXPENDITURES							
MATERIALS AND SERVICES							
23 0 5012 Administrative Overhead	9,732	10,056	9,900	10,800	11,568	11,913	7%
23 0 5045 Audit Fees	2,000	2,000	3,500	2,500	3,000	3,500	20%
23 0 5146 Consultant Fee	0	0	5,136	16,000	50,000	20,000	100%
23 0 5390 Miscellaneous	1,015	19,657	1,266	280	2,600	2,500	100%
23 0 5567 State Filing Fee	150	40	250	250	250	250	0%
Subtotal Materials and Services	12,897	31,753	20,052	29,830	67,418	38,163	100%
CAPITAL OUTLAY							
23 0 6160 Urban Renewal Project	67,171	1,845	0	0	0	0	
23 0 6164 Sewer Projects	0	1,291,775	0	0	0	0	
Subtotal Capital Outlay	67,171	1,293,620	0	0	0	0	
TOTAL EXPENDITURES	80,068	1,325,373	20,052	29,830	67,418	38,163	100%
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	15,350	45,000	7,000	100%
Excess Revenues Over Expenditures	240,153	27,031	7,113	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2011-12 BUDGET NARRATIVE
GENERAL FUND**

REVENUE

Cash Balance Forward	12,400	Estimated cash balance at June 30, 2011
Interest on Investments	18	Estimated interest income
Transfer from Urban Renewal Debt	<u>100,000</u>	Transfer to General Fund to pay operating expenses
TOTAL REVENUE	<u>112,418</u>	

MATERIALS AND SERVICES

Administrative Overhead	11,568	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	50,000	Engineering consultant to create construction-ready plans for future improvements in conjunction with ODOT's proposed reconstruction of Main Street
Miscellaneous	2,600	Miscellaneous expenses
State Filing Fee	<u>250</u>	Fee required to file Urban Renewal Agency audit
TOTAL MATERIALS AND SERVICES	<u>67,418</u>	

**PHILOMATH URBAN RENEWAL AGENCY
FISCAL YEAR 2011-12
DEBT SERVICE FUND**

	ACTUAL EXPENDED 2007-08	ACTUAL EXPENDED 2008-09	ACTUAL EXPENDED 2009-10	ADOPTED BUDGET 2010-11	PROPOSED BUDGET 2011-12	ESTIMATED BUDGET 2012-13	% CHANGE
REVENUE							
24 0 3001	232,226	399,223	50,715	1,000	33,000	332,000	100%
24 0 3020	14,001	5,425	248	60	960	2,000	100%
24 0 3030	885	770	785	840	940	950	12%
24 0 3110	392,537	387,633	387,017	398,100	442,100	455,400	11%
24 0 3115	5,867	5,609	7,003	5,900	7,500	7,650	27%
TOTAL REVENUE	645,516	798,660	445,768	405,900	484,500	798,000	19%
DEBT SERVICE							
24 0 7180	75,000	80,000	80,000	220,000	50,000	0	-77%
24 0 7080	0	82,000	333,000	140,000	0	0	-100%
24 0 7580	21,293	18,110	11,260	10,900	2,500	0	-77%
24 0 7550	0	7,835	18,666	3,000	0	0	-100%
Subtotal Debt Service	96,293	187,945	442,926	373,900	52,500	0	-86%
TRANSFERS							
24 0 8900	150,000	560,000	0	32,000	100,000	0	100%
Subtotal Debt Service	150,000	560,000	0	32,000	100,000	0	100%
TOTAL EXPENDITURES	246,293	747,945	442,926	405,900	152,500	0	-62%
24 0 9500	0	0	0	0	332,000	798,000	100%
Excess Revenues Over Expenditures	399,223	50,715	2,842	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2011-12 BUDGET NARRATIVE
DEBT SERVICE FUND**

REVENUE

Cash Balance Forward	33,000	Estimated cash balance at June 30, 2011
Interest on Investments	960	Estimated interest income
Interest on Tax Collections	940	Interest on tax collections held at Benton County before they are turned over to the City
Current Year Property Tax Increment	442,100	Estimated property tax increment. Assume collection rate of 95%
Prior Year Property Tax Increment	<u>7,500</u>	Collection of prior years tax increment
TOTAL REVENUE	<u><u>484,500</u></u>	

DEBT SERVICE

Key Bank - Principal	50,000	Final principal payment
Key Bank - Interest	<u>2,500</u>	Estimated interest portion of loan payment
TOTAL DEBT SERVICE	<u><u>52,500</u></u>	

TRANSFERS

To Urban Renewal - General Fund	<u>100,000</u>	Transfer to cover operating costs of the Urban Renewal Agency
TOTAL TRANSFERS	<u><u>100,000</u></u>	