

URBAN RENEWAL AGENCY 2013-14 BUDGET MESSAGE

City of Philomath

The 2013-14 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 90% construction design and landscaping plans. The parties will continue our project coordination with ODOT once ODOT completes its Preliminary Pavement Report this summer. Other tasks to be completed will include the utility coordination and project phasing.

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 2013-14
GENERAL FUND**

	ACTUAL EXPENDED 2009-10	ACTUAL EXPENDED 2010-11	ACTUAL EXPENDED 2011-12	ADOPTED BUDGET 2012-13	PROPOSED BUDGET 2013-14	ESTIMATED BUDGET 2014-15	% CHANGE
REVENUE							
23 0 3001 Cash Balance Forward	27,031	7,113	10,885	47,000	670,000	893,000	100%
23 0 3020 Interest on Investments	134	29	186	400	3,140	4,000	100%
23 0 3030 Interest on Tax Collections	0	0	0	0	1,100	1,200	100%
23 0 3110 Property tax increment	0	0	0	0	444,760	458,100	100%
23 0 3115 Prior Year Tax Increment	0	0	0	0	9,000	9,500	100%
23 0 3997 Transfer from Urban Renewal-Debt	0	32,000	100,000	370,000	0	0	-100%
TOTAL REVENUE	27,165	39,142	111,071	417,400	1,128,000	1,365,800	170%
EXPENDITURES							
MATERIALS AND SERVICES							
23 0 5012 Administrative Overhead	9,900	10,800	11,568	12,000	12,240	12,610	2%
23 0 5015 Advertising and Legal Notices	0	2,301	0	0	0	0	
23 0 5045 Audit Fees	3,500	2,250	2,000	3,000	6,000	6,200	100%
23 0 5146 Consultant Fee	5,136	11,754	49,138	350,000	215,000	0	-39%
23 0 5390 Miscellaneous	1,266	1,132	1,123	2,150	1,720	1,950	-20%
23 0 5567 State Filing Fee	250	20	20	250	40	40	-84%
Subtotal Materials and Services	20,052	28,257	63,849	367,400	235,000	20,800	-36%
TOTAL EXPENDITURES	20,052	28,257	63,849	367,400	235,000	20,800	-36%
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	50,000	893,000	1,345,000	100%
Excess Revenues Over Expenditures	7,113	10,885	47,222	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2013-14 BUDGET NARRATIVE
GENERAL FUND**

REVENUE

Cash Balance Forward	670,000	Estimated cash balance at June 30, 2013
Interest on Investments	3,140	Estimated interest income
Interest on Tax Collections	1,100	Interest on tax collections held at Benton County before they are turned over to the City
Current Year Property Tax Increment	444,760	Estimated property tax increment. Assume collection rate of 95%
Prior Year Property Tax Increment	<u>9,000</u>	Collection of prior years tax increment
TOTAL REVENUE	<u>1,128,000</u>	

MATERIALS AND SERVICES

Administrative Overhead	12,240	To reimburse General Fund for cost of staff time and a portion of other administrative costs
Audit Fees	6,000	Annual audit of the Urban Renewal Agency
Consultant fee	215,000	Engineering consultant to create construction-ready plans for future improvements in conjunction with ODOT's proposed reconstruction of Main Street
Miscellaneous	1,720	Miscellaneous expenses
State Filing Fee	<u>40</u>	Fee required to file Urban Renewal Agency audit
TOTAL MATERIALS AND SERVICES	<u>235,000</u>	

**PHILOMATH URBAN RENEWAL AGENCY
FISCAL YEAR 2013-14
DEBT SERVICE FUND**

	ACTUAL EXPENDED 2009-10	ACTUAL EXPENDED 2010-11	ACTUAL EXPENDED 2011-12	ADOPTED BUDGET 2012-13	PROPOSED BUDGET 2013-14	ESTIMATED BUDGET 2014-15	% CHANGE
REVENUE							
24 0 3001	Cash Balance Forward	50,715	2,842	38,905	315,000	0	0
24 0 3020	Interest on Investments	248	534	1,014	4,000	0	0
24 0 3030	Interest on Tax Collections	785	1,187	1,316	1,500	0	0
24 0 3110	Property Tax Increment	387,017	431,452	407,126	419,100	0	0
24 0 3115	Prior Year Tax Increment	7,003	7,576	10,934	10,400	0	0
	TOTAL REVENUE	445,768	443,591	459,295	750,000	0	0
DEBT SERVICE							
24 0 7180	Key Bank - Principal	80,000	227,000	43,000	0	0	0
24 0 7080	City of Philomath - Principal	333,000	135,000	0	0	0	0
24 0 7580	Key Bank - Interest	11,260	7,986	570	0	0	0
24 0 7550	City of Philomath - Interest	18,666	2,700	0	0	0	0
	Subtotal Debt Service	442,926	372,686	43,570	0	0	0
TRANSFERS							
24 0 8900	Urban Renewal - General Fund	0	32,000	100,000	370,000	0	0
	Subtotal Debt Service	0	32,000	100,000	370,000	0	0
	TOTAL EXPENDITURES	442,926	404,686	143,570	370,000	0	0
24 0 9500	UNAPPROPRIATED ENDING BAL	0	0	0	380,000	0	0
	Excess Revenues Over Expenditures	2,842	38,905	315,725	0	0	0