

**Urban Renewal Agency
Annual Budget
Fiscal Year 2016-17**

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Urban Renewal Agency FISCAL YEAR 2016-17 BUDGET MESSAGE

Dear Members of the Budget Committee:

The Proposed 2016-17 Budget has been prepared using estimated property tax revenue from the division of taxes and does not include any special levy.

Streetscape improvements on Main Street and Applegate Street are on hold until ODOT determines whether or not it will fund its highway construction portion of the project with 2018-21 Fix-It State Transportation Improvement Program (STIP) funds. If so, efforts will focus in on preparing for construction of the entire project area. If not, the Agency will consider constructing both the highway and streetscape portions of the project in the commercial core area of Main Street (between 12th Street and 15th Street) as early as FY2017-18.

In preparation for future improvements to Main Street, the Urban Renewal Area was amended last year to include approximately .24 total acres of land centered directly above 5200 linear feet of water and sewer pipelines on Main Street. Up to \$4.3 million of water and waste water line replacement projects will be engineered and constructed through the summer of summer of 2017. The waste water line replacement has been a Council Goal for a number of years.

Additionally, the Agency specifically identified a piece of property on Main Street it desired to acquire for future use. The Renewal Plan specifies off-street parking and a public restroom facility within the redevelopment area. Efforts are underway to perform environmental site assessments now with purchase and demolition of the existing structures totaling no more than \$350,000 to be completed during FY2016-17. Internal preliminary planning will finish out the year with no new construction taking place this year.

Special thanks to the Budget Committee for the important role you have take on in reviewing the budget documents. We welcome and look forward to your feedback.

Respectfully submitted,

Chris Workman, 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 2016-17
GENERAL FUND**

	ACTUAL EXPENDED 2012-13	ACTUAL EXPENDED 2013-14	ACTUAL EXPENDED 2014-15	ADOPTED BUDGET 2015-16	PROPOSED BUDGET 2016-17	ESTIMATED BUDGET 2017-18	% CHANGE
REVENUE							
23 0 3001 Cash Balance Forward	47,222	660,805	1,052,062	1,494,000	1,900,000	350,000	27%
23 0 3020 Interest on Investments	897	4,710	6,661	20,000	11,000	1,000	-45%
23 0 3030 Interest on Tax Collections	0	1,177	1,311	1,200	1,200	1,200	0%
23 0 3110 Property tax increment	0	424,736	465,973	490,000	507,800	523,000	4%
23 0 3115 Prior Year Tax Increment	0	8,453	9,713	9,200	9,500	9,500	3%
23 0 3646 Loan Proceeds	0	0	0	4,000,000	3,400,000	0	-15%
23 0 3997 Trans. from Urban Renewal-Debt	370,000	0	0	0	0	0	
TOTAL REVENUE	418,119	1,099,881	1,535,720	6,014,400	5,829,500	884,700	-3%
EXPENDITURES							
MATERIALS AND SERVICES							
23 0 5012 Administrative Overhead	12,000	12,240	10,836	11,400	18,156	19,000	59%
23 0 5015 Advertising and Legal Notices	939	870	845	3,000	3,000	900	0%
23 0 5045 Audit Fees	1,000	3,153	1,372	2,450	2,600	3,000	6%
23 0 5146 Consultant Fee	124,954	31,273	32,705	0	0	0	
23 0 5265 Engineering	0	0	83	300,000	100,000	0	-67%
23 0 5390 Miscellaneous	26	82	4,387	6,510	5,704	1,760	-12%
23 0 5567 State Filing Fee	40	200	20	40	40	40	0%
Subtotal Materials and Services	138,959	47,818	50,248	323,400	129,500	24,700	-60%
CAPITAL OUTLAY							
23 0 6162 Property Acquisition	0	0	0	0	350,000	0	100%
23 0 6160 Urban Renewal Project	0	0	0	500,000	5,000,000	0	100%
Subtotal Capital Outlay	0	0	0	500,000	5,350,000	0	100%
DEBT SERVICE							
23 0 7180 Loan Principal	0	0	0	115,000	100,000	100,000	-13%
23 0 7580 Loan Interest	0	0	0	276,000	200,000	200,000	-28%
Subtotal Capital Outlay	0	0	0	391,000	300,000	300,000	-23%
TOTAL EXPENDITURES	138,959	47,818	50,248	1,214,400	5,779,500	324,700	100%
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	4,800,000	50,000	560,000	-99%
Excess Revenues Over Expenditures	279,160	1,052,063	1,485,472	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2016-17 BUDGET NARRATIVE
GENERAL FUND**

REVENUE

Cash Balance Forward	1,900,000	Estimated cash balance at June 30, 2016
Interest on Investments	11,000	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	507,800	Estimated property tax increment. Assume collection rate of 95%
Prior Years Tax Increment	9,500	Collection of prior years tax increment
Loan Proceeds	<u>3,400,000</u>	Bond sale to raise funds for Main and Applegate water and sewer projects
TOTAL REVENUE	<u><u>5,829,500</u></u>	

MATERIALS AND SERVICES

Administrative Overhead	18,156	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	2,600	Annual audit of the Urban Renewal Agency
Engineering	100,000	Engineering to complete construction plans
Miscellaneous	5,704	Miscellaneous expenses
State Filing Fee	<u>40</u>	Fee required to file Urban Renewal Agency audit
TOTAL MATERIALS AND SERVICE	<u><u>129,500</u></u>	

CAPITAL OUTLAY

Property Acquisition	350,000	\$250,000 to purchase lot on Main Street, \$50,000 environmental testing, \$50,000 building demolition
Urban Renewal Project	<u>5,000,000</u>	Replace water and sewer lines on Main and Applegate Street generally between 7th and 14th Streets. Water \$3 million, Sewer \$2 million.
TOTAL CAPITAL OUTLAY	<u><u>5,350,000</u></u>	

DEBT SERVICE

Loan Principal	100,000	Potential principal payment if bonds are sold
Loan Interest	<u>200,000</u>	Potential interest payment if bonds are sold
TOTAL DEBT SERVICE	<u><u>300,000</u></u>	

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