

**Philomath Urban Renewal Agency
Annual Budget
Fiscal Year 2020-21**

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**Urban Renewal Agency
Fiscal Year 2020-21
BUDGET MESSAGE**

Dear Budget Committee and Citizens of Philomath:

This document contains the proposed budget for operating the City of Philomath Urban Renewal Agency for fiscal year 2020-21.

The Urban Renewal Agency is budgeted to collect \$661,000 in property taxes this fiscal year and \$60,000 in interest. The majority of this money is to be spent on the Downtown Safety and Streetscapes Project. This project includes ODOT reconstructing the road surface and the Urban Renewal Agency paying to widen sidewalks, narrow crosswalks and add pedestrian amenities such as benches, trash receptacles and decorative lighting to the downtown area.

The City has successfully worked with the Oregon Department of Transportation (ODOT) to receive \$6.2 million dollars and Benton County and Corvallis Area Metropolitan Planning Organization (CAMPO) to receive \$520,000 for this project. The focus this year is on supporting the contracted engineer, Murraysmith, in finalizing the engineering for this project scheduled for construction in 2022.

Special thanks to the Budget Committee for the important role you have taken on in reviewing these 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 2020-21
GENERAL FUND**

	ACTUAL EXPENDED 2016-17	ACTUAL EXPENDED 2017-18	ACTUAL EXPENDED 2018-19	ADOPTED BUDGET 2019-20	PROPOSED BUDGET 2020-21	ESTIMATED BUDGET 2021-22	% CHANGE
REVENUE							
23 0 3001 Cash Balance Forward	1,883,977	5,401,220	3,011,026	3,390,000	3,800,000	2,975,000	12%
23 0 3020 Interest on Investments	46,486	68,610	84,377	80,000	60,000	75,000	-25%
23 0 3030 Interest on Tax Collections	1,044	1,233	4,859	1,300	1,000	1,300	-23%
23 0 3110 Property tax increment	498,901	546,053	551,797	570,000	661,800	695,000	16%
23 0 3115 Prior Year Tax Increment	7,984	6,412	20,468	7,800	7,900	7,900	1%
23 0 3646 Loan Proceeds	3,446,168	0	0	0	0	800,000	
TOTAL REVENUE	5,884,560	6,023,528	3,672,527	4,049,100	4,530,700	4,554,200	12%
EXPENDITURES							
MATERIALS AND SERVICES							
23 0 5012 Administrative Overhead	18,156	42,720	42,840	45,480	44,424	46,164	-2%
23 0 5015 Advertising and Legal Notices	603	836	819	1,000	2,000	3,000	100%
23 0 5045 Audit Fees	2,600	3,710	1,830	4,000	4,500	5,000	13%
23 0 5265 Engineering	13,103	9,289	17,809	500,000	0	0	-100%
23 0 5290 Ethics Commission Fee	31	76	76	80	549	600	100%
23 0 5390 Miscellaneous	390	0	0	1,990	11,277	13,906	100%
23 0 5567 State Filing Fee	40	40	250	250	250	250	0%
Subtotal Materials and Services	34,923	56,671	63,624	552,800	63,000	68,920	-89%
CAPITAL OUTLAY							
23 0 6160 Urban Renewal Project	0	0	0	0	1,140,000	4,235,000	100%
23 0 6162 Property Acquisition	0	0	0	300,000	0	0	-100%
23 0 6164 Sewer Projects	46,445	933,338	0	0	0	0	
23 0 6169 Water Projects	230,013	1,794,305	0	70,000	125,000	0	79%
Subtotal Capital Outlay	276,458	2,727,643	0	370,000	1,265,000	4,235,000	100%
DEBT SERVICE							
23 0 7180 Loan Principal	90,000	115,000	115,000	120,000	125,000	125,000	4%
23 0 7580 Loan Interest	36,097	113,188	109,726	106,300	102,700	98,950	-3%
23 0 7580 Bond Issuance Costs	45,862	0	0	0	0	0	
Subtotal Capital Outlay	171,959	228,188	224,726	226,300	227,700	223,950	1%
TOTAL EXPENDITURES	483,340	3,012,502	288,350	1,149,100	1,555,700	4,527,870	35%
23 0 9500 UNAPPROPRIATED ENDING BAL	0	0	0	2,900,000	2,975,000	26,330	3%
Excess Revenues Over Expenditures	5,401,220	3,011,026	3,384,177	0	0	0	

**PHILOMATH URBAN RENEWAL AGENCY
2020-21 BUDGET NARRATIVE
GENERAL FUND**

REVENUE

Cash Balance Forward	3,800,000	Estimated cash balance at June 30, 2020
Interest on Investments	60,000	Estimated interest income
Interest on Tax Collections	1,000	Interest on tax collections held at Benton County before they are turned over to the City
Current Year Property Tax Increment	661,800	Estimated 6% increase over 2019-20 tax levy. The collections are estimated at 95% of taxes imposed.
Prior Years Tax Increment	<u>7,900</u>	Collection of prior years tax increment
TOTAL REVENUE	<u><u>4,530,700</u></u>	

MATERIALS AND SERVICES

Administrative Overhead	44,424	To reimburse General Fund for cost of staff time and a portion of other administrative costs
Advertising and Legal Notices	2,000	Advertising and legal notices
Audit Fees	4,500	Annual audit of the Urban Renewal Agency
Ethics Commission Fee	549	State mandated charge to support Oregon Government Ethics Commission
Miscellaneous	11,277	Miscellaneous expenses
State Filing Fee	<u>250</u>	Fee required to file Urban Renewal Agency audit
TOTAL MATERIALS AND SERVICES	<u><u>63,000</u></u>	

CAPITAL OUTLAY

Urban Renewal Project	1,140,000	Complete design for downtown safety and streetscape project including street, sidewalk, storm water and pedestrian amenities
Water Projects	<u>125,000</u>	Abandon waterline on Pioneer Street that runs under a garage. New waterline under the railroad at 13th Street.
TOTAL CAPITAL OUTLAY	<u><u>1,265,000</u></u>	

DEBT SERVICE

Loan Principal	125,000	Principal payment on 2016 Bonds
Loan Interest	<u>102,700</u>	Interest on 2016 Bonds
TOTAL DEBT SERVICE	<u><u>227,700</u></u>	