

FOR AGENCY MEETING OF: June 11, 2007

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AGENDA ITEM NO.: \_\_\_\_\_

TO: URBAN RENEWAL AGENCY BOARD  
*Robert G. Wells*  
THROUGH: ROBERT G. WELLS, URBAN RENEWAL AGENCY ADMINISTRATOR  
FROM: DEBRA NEVILLE, BUDGET OFFICER *Debra Neville*  
SUBJECT: PUBLIC HEARING ON THE FY 2007-08 SALEM URBAN RENEWAL  
AGENCY BUDGET

ISSUE:

That the Urban Renewal Agency Board hold a public hearing on the FY 2007-08 Salem Urban Renewal Agency budget.

RECOMMENDATION:

The Urban Renewal Agency Board hold a public hearing and deliberate on the Budget Committee recommended FY 2007-08 Salem Urban Renewal Agency budget.

BACKGROUND:

The Salem Budget Committee recommended a budget to the Urban Renewal Agency Board on May 16, 2007. The Board is required to hold a public hearing on the recommended budget and adopt a final budget prior to July 1, 2007. The Urban Renewal Agency Board may amend the Budget Committee's recommended budget with the following restrictions:

1. Property tax levies cannot be increased in total beyond the amount approved by the Budget Committee.
2. Each fund's recommended expenditures cannot be increased by more than ten percent.

**FACTS AND FINDINGS:**

1. The Urban Renewal Agency budget accounts for revenues and expenditures within the Pringle Creek, Riverfront/Downtown, Fairview, North Gateway, West Salem, Mill Creek Industrial Park and McGilchrist urban renewal areas.

There are four funds which have been established for the purpose of managing Salem's urban renewal program. The first fund is the Tax Allocation Bond Debt Fund which accounts for the principal and interest payments on indebtedness within the urban renewal areas. The second fund is the Tax Allocation Improvement Fund accounting for the staff and materials supporting urban renewal activities. It is also the fund where construction projects for urban renewal areas are budgeted.

During 2006-07, two funds for managing the operations of the Salem Conference Center were established. The Salem Conference Center Fund was established to account for activities such as conference room sales and use, and food and beverage services. The other fund is the Conference Center Fund which houses the gain/loss reserve.

2. On May 16, 2007 the Budget Committee recommended a FY 2007-08 budget to the Urban Renewal Agency Board. Below is a summary of the Budget Committee's recommended expenditure budget for the Salem Urban Renewal Agency. Specific detail is available in the budget document and supporting materials.

**Budget Committee Recommended 2007-08  
Urban Renewal Agency Budget**

|                                  |                    |
|----------------------------------|--------------------|
| A. Tax Allocation Bond Debt Fund |                    |
| 1. Pringle Creek                 | \$ 530             |
| 2. Riverfront/Downtown           | 5,755,440          |
| 3. West Salem                    | 70,650             |
| 4. Fairview                      | 131,930            |
| 5. North Gateway                 | 3,860,240          |
| 6. Mill Creek Industrial Park    | 0                  |
| 7. McGilchrist                   | <u>61,250</u>      |
|                                  | <u>\$9,880,040</u> |

|                                                          |               |                     |
|----------------------------------------------------------|---------------|---------------------|
| B. Tax Allocation Improvement Fund                       |               |                     |
| 1. Pringle Creek                                         | 732,920       |                     |
| 2. Riverfront/Downtown                                   | 10,844,330    |                     |
| 3. West Salem                                            | 74,370        |                     |
| 4. Fairview                                              | 2,597,200     |                     |
| 5. North Gateway                                         | 11,141,27     |                     |
| 6. Mill Creek Industrial Park                            | 10,600,000    |                     |
| 7. McGilchrist                                           | 60,500        |                     |
| 8. South Waterfront                                      | <u>25,500</u> |                     |
|                                                          |               | <u>\$36,076,090</u> |
| C. Salem Conference Center                               |               | <u>\$2,576,550</u>  |
| D. Conference Center (Gain/Loss Reserve)                 |               | <u>\$1,365,500</u>  |
| Total Budget Committee Recommended Agency 2007-08 Budget |               | <u>\$49,898,180</u> |

3. The Urban Renewal Agency Board can deliberate on the recommended budget as well as any changes that the Board may want to make. The Board is asked to approve any changes made this evening so the City Attorney can prepare the necessary budget resolution by the June 25, 2007 meeting. The budget resolution will also include some additional amendments that will be presented at the June 25 meeting.

Additional amendments will include rebudgeted purchase orders and carryover projects. Accounting regulations require the City to rebudget outstanding purchase orders and carryover projects prior to June 30. In order to provide the most up-to-date information, it is best to wait until the June 25 Board meeting. All of the outstanding purchase orders and carryover projects have been previously approved as part of the FY 2006-07 budget. A detailed list will be provided to the Board at the June 25, 2007 meeting.