

URBAN RENEWAL AGENCY

FINANCIAL SUMMARY—YEAR END FY 2016



Fund 265 / Construction

Resources—5 Year Trend

FY 2012 through FY 2016

Expenditures

Actual to Budget Year-over-Year

Financial data for Salem's seven active urban renewal areas is included with this summary report. The Fairview Urban Renewal Area (URA) is no longer collecting tax increment, and a special levy was not imposed in FY 2016 for the North Gateway Urban Renewal Area.

Year-to-year expenditure variances as illustrated on this page generally relate to the timing and completion of projects within the URA.

This report also includes summary financial information for the Salem Convention Center

FY 2016 BY THE NUMBERS

Fund 265 / Construction

Total Resources—\$25.85M
Total Expenditures—\$5.64M

Fund 220 / Debt

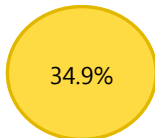
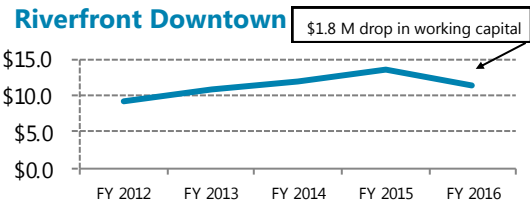
Total Resources—\$33.62M
Total Expenditures—\$17.61M

SERVING THE COMMUNITY

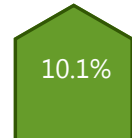
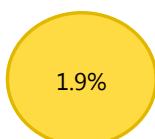
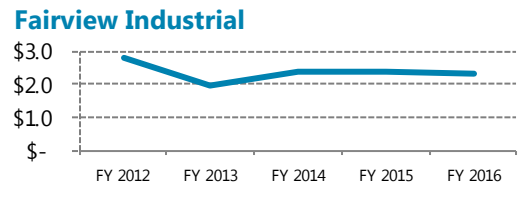
The Urban Renewal Agency funded \$1.1 million in grants to help businesses locate and expand in the City's **West Salem, North Gateway, and Riverfront Downtown** urban renewal areas, leveraging \$4.6 million in private investment.

The Salem City Council approved a reduction in development fees for projects locating within the Mill Creek Corporate Center in in the **Mill Creek Industrial Park URA**, located in southeast Salem.

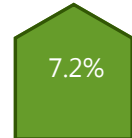
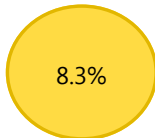
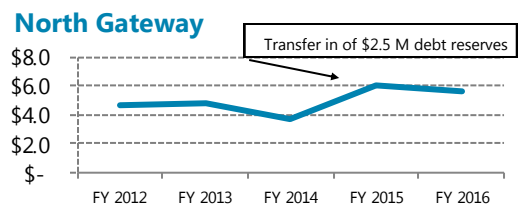
Re-certified the **Mill Creek Corporate Center** (and the Salem Renewable Energy and Technology Center) as state certified, shovel ready parcels.



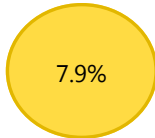
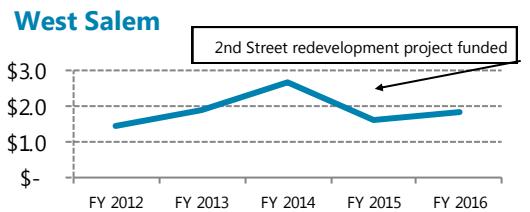
Expenses of \$4,167,966 in FY 2016 vs \$7,822,392 in FY 2015



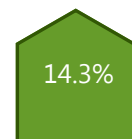
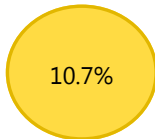
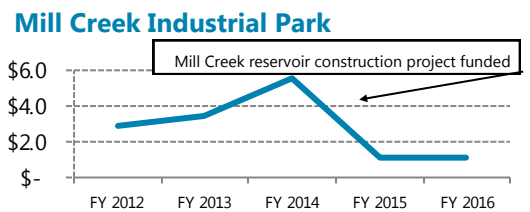
Expenses of \$43,577 in FY 2016 vs \$39,595 in FY 2015



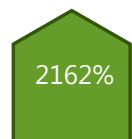
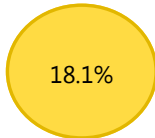
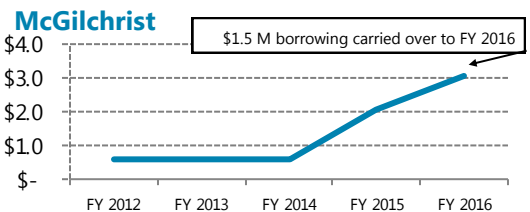
Expenses of \$469,704 in FY 2016 vs \$438,020 in FY 2015



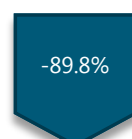
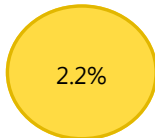
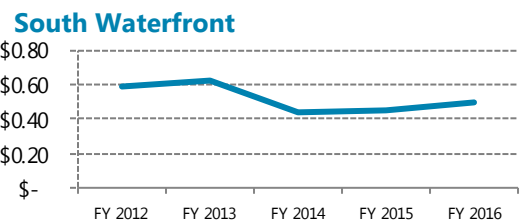
Expenses of \$151,753 in FY 2016 vs \$237,656 in FY 2015



Expenses of \$250,549 in FY 2016 vs \$219,267 in FY 2015



Expenses of \$548,670 in FY 2016 vs \$24,246 in FY 2015



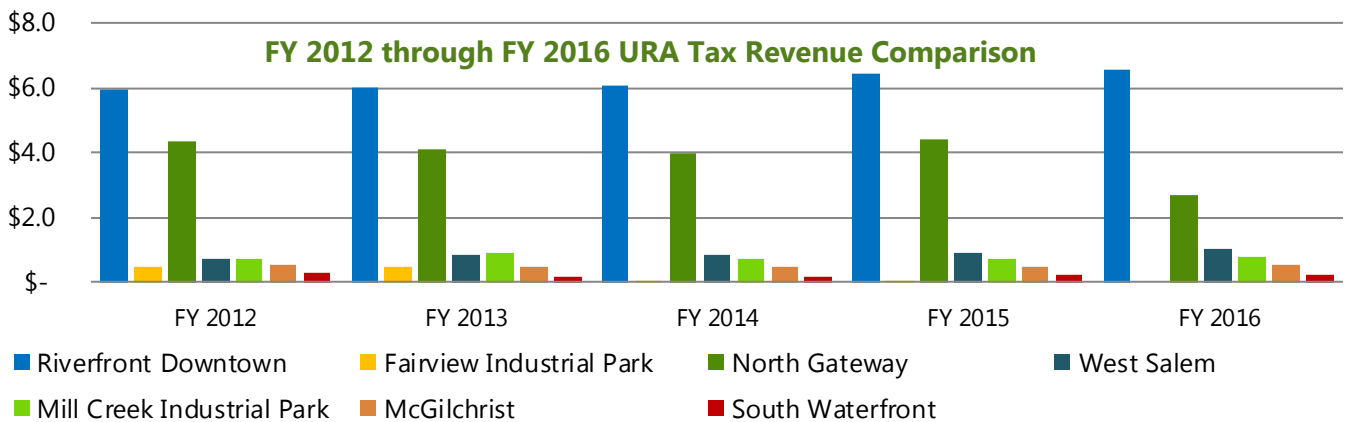
Expenses of \$12,333 in FY 2016 vs \$120,837 in FY 2015

STATUS AT A GLANCE

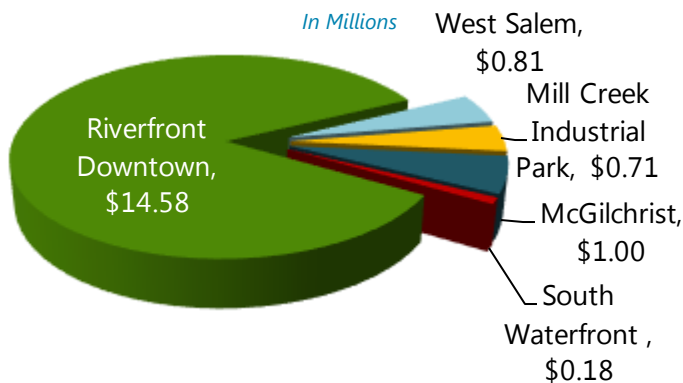
Urban Renewal Area Status	Riverfront		North		South		
	Downtown	Fairview	Gateway	West Salem	Mill Creek	McGilchrist	Waterfront
Maximum Tax Collected	✓		✓	✓	✓	✓	✓
Special Levy Imposed	✓						
Ceased Tax Levy		✓					
Long Term Debt	✓			✓	✓		
Short Term Debt	✓			✓	✓	✓	✓
Existing Debt Retirement	2018	2014	2015	2018			

The Tax Allocation Improvement Fund (Construction), with financial data appearing on page 1 of this summary, provides for the use of proceeds from bonds or short-term loans to fund a variety of improvement projects to spur redevelopment in an urban renewal area. A second Urban Renewal Agency Fund, the Tax Allocation Bond Debt Fund, provides for the receipt of tax increment revenue, which is derived from an increase in property values during the life of an urban renewal area. The tax increment revenue is used to repay the debt that supports the urban renewal area's redevelopment projects. And to collect the tax increment, the urban renewal area must have debt.

The graphics below provide a five year history of tax increment collections in Salem's urban renewal areas and the year end debt repayment for FY 2016.



FY 2016 URA Debt Service Payments



FY 2016 debt payments for the Salem Urban Renewal Agency totaled \$17.29 million. Increased debt service costs for the Riverfront Downtown URA relate to a debt refinancing, which is anticipated to save approximately \$598,000 in interest payments over the debt term.

Debt service for short-term borrowings was paid in all five of the URAs represented in the above chart. Short-term borrowings allow tax increment revenue to be available for improvement projects.

SALEM CONVENTION CENTER (SCC) and GAIN / LOSS RESERVE

Resources through FY 2016 year end for the Salem Convention Center Fund are \$4.24 million with expenditures of \$3.73 million for convention services and food and beverage sales and the annual transfer to the Gain / Loss Reserve.

The Gain / Loss Reserve opened the fiscal year with beginning working capital in excess of the \$4 million target. Working capital of \$4.22 million plus program income from the Salem Convention Center of \$302,507 and interest earnings of \$34,330 provide a total of \$4.55 million in resources for the fiscal year. A total of \$249,054 was spent.

Expenditures from the reserve are intended to support improvements to the facility. The reserve also was created to provide resources for maintaining operation of the Convention Center during a period of revenue losses. The reserve has never been accessed for this purpose during the center's operation.