



Staff Report

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Version: 1

Date: 1/24/2022

Item #: 3.2a.

TO: Urban Renewal Agency Board

THROUGH: Steve Powers, Executive Director

FROM: Josh Eggleston, AIC Chief Financial Officer

SUBJECT:

Fiscal Year 2020-21 Urban Renewal Agency Annual Financial Report

Ward(s): All Wards

Board Member(s): All Board Members

Neighborhood(s): All Neighborhoods

Result Area(s): Good Governance

SUMMARY:

Under Oregon Revised Statutes (ORS) 457.460, each year an urban renewal agency must prepare a report on its finances and file that report with the governing body of the municipality where the agency is located.

ISSUE:

Shall the Urban Renewal Agency Board approve and forward to City Council the Urban Renewal Agency Financial Report for FY 2020-21, as required under ORS 457.460?

RECOMMENDATION:

Approve and forward to City Council the Urban Renewal Agency Annual Financial Report for FY 2020-21.

FACTS AND FINDINGS:

ORS 457.460 requires an urban renewal agency to report:

1. The tax increment revenue received in FY 2020-21 and budgeted in FY 2021-22.

2. The debt service payments made in FY 2020-21 and budgeted in FY 2021-22.
3. The amount of debt issued in FY 2020-21 and budgeted in FY 2021-22.
4. The amount and purpose of actual expenditures in FY 2020-21, and budgeted expenditures in FY 2021-22.
5. An analysis of the impact, if any, of the urban renewal plan on the tax collections for FY 2020-21 for all taxing districts included under ORS 457.430.
6. The maximum indebtedness for each urban renewal area included in an urban renewal plan of the agency, including the amount of indebtedness incurred through the end of the immediately preceding fiscal year.

The City's Finance Department will ensure that the notice is published as required by ORS 457.460. The statement is on file with the City Recorder, 555 Liberty Street SE, Room 205, Salem, OR 97301, and is available to all interested persons.

Requirements 1-4 are displayed in the table below. Expenditures by project can be found on page 71 of the Annual Financial Report of the Urban Renewal Agency located through the link below.

<https://www.cityofsalem.net/citydocuments/ura-annual-financial-report-fy-21.pdf>

	ORS 457 Requirement	Actual 2020-21	Budget 2021-22
Debt Service Fund			
Beginning balance		\$ 4,728,768	\$ 4,617,760
Tax increment revenue received	1	15,931,086	16,980,430
Debt service expenditures	2	(15,625,827)	(17,438,780)
Debt issuance proceeds received		-	-
Refunding debt		-	-
Other revenue sources		1,119,496	205,500
Other expenditures		-	-
Ending balance		\$ 6,153,523	\$ 4,364,910
Improvements Fund			
Beginning balance		\$ 36,943,699	\$ 49,476,200
Debt issuance proceeds received	3	23,101,200	15,140,000
Improvement expenditures	4	(12,316,274)	(70,579,670)
Other revenue sources		1,622,135	5,963,470
Ending balance		\$ 49,350,760	\$ -

The table below meets requirement 5 and shows FY 2020-21 tax increment revenue that would have gone to the taxing districts if the urban renewal areas had not been in place. An expanded view of

the tax increment revenue table below, including the breakout of tax increment revenue by Urban Renewal Plan Area, can be found on page 74 of the Annual Financial Report of the Urban Renewal located through the link above.

Taxing District	Total
Chemeketa Community College	\$ 525,866
Chemeketa CC bonds after 2001	27,909
Chemeketa Regional Library	68,726
City of Salem	4,899,485
City of Salem bonds after 2001	126,513
Marion County	2,217,217
MC & 4-H Extension Service District	36,646
Marion Soil & Water	36,646
Polk County	183,893
Polk 4-H/M Garden/Ag/Forest Ext Dist	6,846
Polk Soil/Water Conservation Dist	5,193
Salem Area Mass Transit	639,290
Salem-Keizer School Dist	3,798,435
Salem-Keizer SD bonds prior to 2001	293,570
Willamette Regional ESD	249,280
Total	\$ 13,115,515

The table below meet requirement 6 and shows the maximum indebtedness by area. This information can also be found on page 74 of this same document.

URBAN RENEWAL AGENCY OF THE CITY OF SALEM, OREGON
Maximum Indebtedness
For the fiscal year ended June 30, 2021

Urban Renwal District	Maximum Indebtedness	Borrowed to Date	Borrowing Capacity Remaining	Outstanding Debt
Riverfront/Downtown	\$ 315,000,000	\$ 129,132,345	\$ 185,867,655	\$ 10,588,000
Fairview	6,286,000	6,281,615	4,385	-
North Gateway	101,466,402	79,498,004	21,968,399	-
West Salem	31,000,000	13,227,425	17,722,575	-
Mill Creek	26,000,000	15,836,299	10,163,701	8,317,901
McGilchrist	11,000,000	7,500,000	3,500,000	-
South Waterfront	24,000,000	3,577,000	20,423,000	-
Jory Apartments	20,725,125	-	20,725,125	-
				<u>\$ 18,905,901</u>

BACKGROUND:

The City's independent auditor, Grove, Mueller and Swank, P.C., have completed the audit of the Urban Renewal Agency for the year end date of June 30, 2021. Their review resulted with an unmodified opinion and no significant findings.

The Annual Financial Report of the Urban Renewal Agency was presented at the joint meeting of the Salem City Council Finance Committee and the Urban Renewal Agency Finance Committee on January 24, 2022.

Jennifer Mattechek, CPA
Chief Accountant

Attachments:

1. None