

**FORM UR-1**

**NOTICE OF BUDGET HEARING**

A meeting of the Urban Renewal Agency of the City of Salem will be held on June 8, 2026 at 6:00 pm at Loucks Auditorium of the Salem Public Library, 585 Liberty St SE, Salem, OR. At this meeting, deliberation of the budget for the fiscal year beginning July 1, 2026 as approved by the Urban Renewal Agency Budget Committee will take place. Any person may provide public comment or written testimony regarding the Budget Committee approved budget. A summary of the budget is presented below. A copy of the complete budget can be found on the City's website at <https://www.cityofsalem.net/budget>. This budget was prepared on a basis of accounting that is consistent with the basis of accounting used during the preceding year. Major changes, if any, and their effect on the budget are explained below. This budget is for an annual period. Americans with Disabilities Act accommodations for the June 8, 2026 meeting shall be provided upon request with 24 hours advance notice.

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<b>FINANCIAL SUMMARY - RESOURCES</b>			
<b>TOTAL OF ALL FUNDS</b>	<b>Actual Amount Fiscal Year 2025</b>	<b>Adopted Budget This Fiscal Year 2026</b>	<b>Approved Budget Next Fiscal Year 2027</b>
Beginning Fund Balance / Net Working Capital	75,996,860	80,544,550	90,723,430
Federal, State and All Other Grants	3,161,271	0	0
Revenue from Bonds and Other Debt	13,289,987	13,322,170	17,557,550
Interfund Transfers	1,193,510	1,422,300	1,000,000
All Other Resources Except Division of Tax and Special Levy	9,655,631	9,518,150	11,279,900
Revenue from Division of Tax	17,510,797	17,916,523	8,108,561
Revenue from Special Levy	3,530,245	3,649,427	3,640,439
<b>Total Resources</b>	<b>124,338,301</b>	<b>126,373,120</b>	<b>132,309,880</b>

<b>FINANCIAL SUMMARY - REQUIREMENTS BY OBJECT CLASSIFICATION</b>			
Personnel Services	0	0	0
Materials and Services	19,520,735	40,119,190	49,335,360
Capital Outlay	135,945	5,482,500	3,173,500
Debt Service	19,058,078	16,771,590	18,631,650
Interfund Transfers	1,197,600	1,422,300	1,000,000
Contingencies	0	0	0
All Other Expenditures and Requirements	0	0	0
Unappropriated Ending Fund Balance	84,425,942	62,577,540	60,169,370
<b>Total Requirements</b>	<b>124,338,301</b>	<b>126,373,120</b>	<b>132,309,880</b>

<b>FINANCIAL SUMMARY-REQUIREMENTS AND FULL-TIME EQUIVALENT EMPLOYEES (FTE) BY ORGANIZATIONAL UNIT OR PROGRAM</b>			
<b>Name of Organizational Unit or Program</b>	There are no full-time equivalent employees associated with Urban Renewal Area budgets.		
Riverfront Downtown Urban Renewal Area	14,048,380	26,573,750	31,095,900
Fairview Industrial Park Urban Renewal Area	226,292	353,370	429,260
North Gateway Urban Renewal Area	5,260,749	15,326,300	14,418,580
West Salem Urban Renewal Area	2,826,477	3,923,020	5,152,570
Mill Creek Industrial Park Urban Renewal Area	4,917,260	2,548,470	6,168,890
McGilchrist Urban Renewal Area	4,801,748	4,968,440	3,579,800
South Waterfront Urban Renewal Area	485,406	738,280	1,140,470
Jory Apartments Urban Renewal Area	715,345	749,140	811,470
Salem Convention Center	6,630,702	8,614,810	9,343,570
Not Allocated to Organizational Unit or Program	84,425,942	62,577,540	60,169,370
<b>Total Requirements</b>	<b>124,338,301</b>	<b>126,373,120</b>	<b>132,309,880</b>
<b>Total FTE</b>	<b>0</b>	<b>0</b>	<b>0</b>

**STATEMENT OF CHANGES IN ACTIVITIES and SOURCES OF FINANCING**

**URBAN RENEWAL AGENCY (URA) CHANGES IN ACTIVITY**

**Riverfront Downtown URA** -- Increase in appropriation for the downtown parkade improvements as that project is in construction early in FY 2027 and continued funding for several phases of Streetscape Improvements. Decreases experienced in property acquisition / opportunity purchases and the capital grants program.

**Fairview URA** -- Includes awarded grants and administration - FY 2027 includes an increase to the funds committed to future projects.

**North Gateway URA** -- Minor decrease in appropriation with changes related to projects starting and ending. The largest projects are transportation-related such as the Silverton Road and 17th Street turn lane, Portland Road NE Water and Pavement Improvements, and Portalnd Road Bicycle and Pedestrian Path.

**West Salem URA** -- Increase for redevelopment grant program, addition of small projects opportunity fund program.

**Mill Creek Industrial Park URA** -- Increase to the amount committed to future projects.

**McGilchrist URA** -- Continuation of the McGilchrist St SE Corridor Improvements, completion the the McGilchrist St SE Right-of-Way purchases in FY 2026.

**South Waterfront URA** -- Increase in appropriation with the committed to future projects program, continuation of the North Block 45 Redevelopment.

**Jory Apartments URA** -- Tax increment financing district created in FY 2020, providing incentive to developer of affordable housing.

**Salem Convention Center** -- Increased appropriation due to continued increased activity and costs at the Convention Center

**URBAN RENEWAL AGENCY (URA) SOURCES OF FINANCING**

**Beginning Fund Balance / Net Working Capital** -- Year-over-year increase for most URAs in the Debt Service and Capital Improvements funds. McGilchrist and Fairview URAs have decreasing fund balance due to spend down of remaining funds prior to close out.

**Federal, State, and All Other Grants** -- No change.

**Revenue from Bonds and Other Debt** -- Year-over-year increase in short term borrowing in Mill Creek Industrial Park to reach maximum indebtedness.

**Interfund Transfers** -- Slight decrease of appropriation for the transfer of program income to the Convention Center Gain / Loss Reserve Fund to align with anticipated actuals.

**Revenue from Division of Taxes** -- A slight decrease is anticipated in South Waterfront revenue but gains are anticipated in all other URAs. North Gateway and Mill Creek Industrial Park URA have or will reach maximum indebtedness and will no longer will be collecting property tax increment.

**Revenue from Special Levy** -- Increase in proceeds from special levy as compared to prior year budget

<b>STATEMENT OF INDEBTEDNESS</b>		
<b>LONG-TERM DEBT</b>	<b>Estimated Debt Outstanding July 1</b>	<b>Estimated Debt Authorized, But Not Incurred on July 1</b>
General Obligation Bonds	\$0	\$0
Short Term Borrowings	\$0	\$17,545,710
Other Borrowings	\$5,072,000	\$0
<b>Total</b>	<b>\$5,072,000</b>	<b>\$17,545,710</b>