



DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT

2016 PROPOSED PED & HRA BUDGET



19 August 2015

AGENDA



➤ **Introduction**

- PED Mission/Functions/Staffing
- 2016 Priorities

➤ **2016 Budget**

- Proposed PED 2016 Operations Budget
- Proposed HRA 2016 Budget

➤ **PED/HRA Outlook**

- HRA Levy
- HUD Funding
- PED/HRA Operations Outlook
- HRA Parking Fund

PED MISSION

To actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, sustain and grow the city's diverse neighborhoods.

PED Functions

Direction, management, oversight and coordination of Saint Paul's Planning, Housing, and Economic Development functions.

□ **Planning:**

- Staff boards and commissions (Planning & Heritage Preservation Commissions, Neighborhood & Cultural STAR Boards)
- Comprehensive Plan development
- Neighborhood and redevelopment planning (district plans, small area plans, redevelopment sites)
- Zoning application review
- Zoning studies - recent examples include Student Housing, Signage, Urban Agriculture, Lighting
- Historic preservation
- Environmental reviews (EIS, AUAR, EAW, HUD clearances, Section 106) Transportation Planning

□ **Housing**

- Financing affordable and market-rate large multi-family housing projects;
- Home rehabilitation lending - rehab lending and emergency lending
- Mortgage foreclosure counseling
- Administer emergency shelter grant programs
- Administer low income housing tax credit programs
- Manage STAR-funded projects

□ **Economic Development**

- Business recruitment and retention
- Regional leadership work with Greater MSP, Accelerate MSP
- Small business lending;
- Conduit bond financing
- Revenue bond financing
- Tax increment financing
- Financing conduit (for Met Council & State of MN funding)
- Manage STAR-funded projects

□ **STAR Program**

- Administer Neighborhood Sales Tax program
- Administer Cultural Sales Tax program

□ **Parking**

- Manage City's \$100M Parking & Transit Program

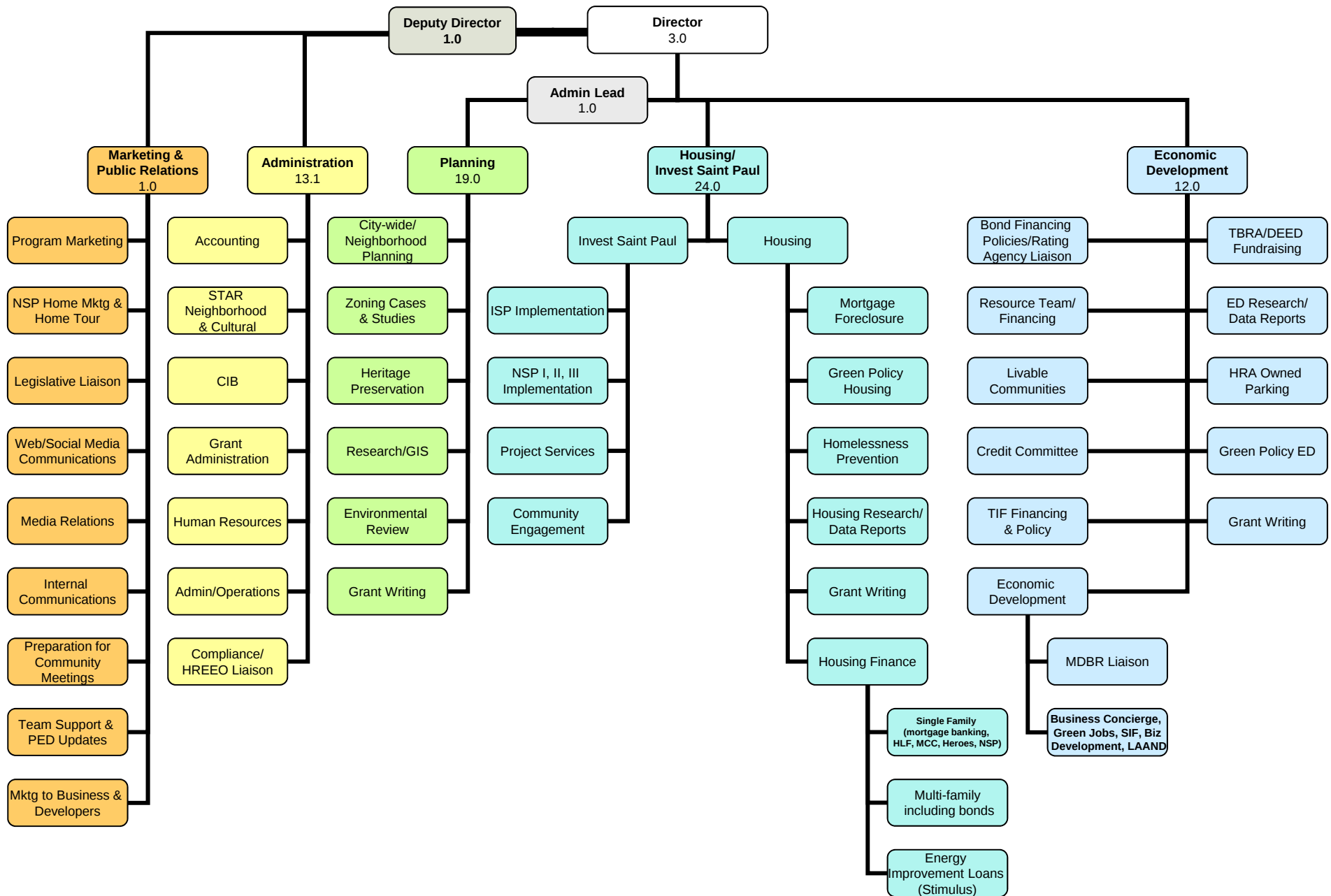
□ **Administration/Finance/Human Resources**

- Manage a portfolio of 1,680 loans (and growing), at an original loan value of approx. \$160 million
- Manage/maintain land owned by the HRA
- PED/HRA COMET implementation
- Internal/External Communications
- Human Resources
- Finance for PED and HRA

□ **Manage/Participate in Large/Multi-Disciplinary Projects**

- Ford Site Planning
- Central Corridor - Corridors of Opportunity implementation; business loan program; storm water management study implementation; brownfield investigation (Phase I & IIs), loan program; Design Center development project review; parking loan program; Betterment financing solution
- Storm Water Management/Water Resources
- Brownfield Redevelopment
- GIS
- Large city-wide projects (e.g., Lowertown Ballpark)
- Redevelopment of large and/or key sites (Midway Site, Willow Reserve, West Side Flats, Central Station Block, etc.)

Functional Organization Chart



FY2016 – Sample Key Priorities

Capture Market Momentum

- Position the Ford Site for redevelopment: approve Master Plan, work closely with Ford Land, developers, and community members
- Move major downtown sites toward development (7 Corners Gateway, Macy's, Central Station, Riverview)
- Move toward implementation of West Side Flats development opportunities, including Phase III and land south of Fillmore
- Encourage high density development along the Green Line and other transit corridors

Increase and Improve Housing Options for a Growing Population

- Focus on preservation of affordable housing projects
- Invest in existing housing stock (home improvement loans, etc.)
- NSP and HUD priorities
- Encourage new high density housing projects, especially along transit corridors

Preserve and Increase Jobs and Tax Base

- Attract new jobs, especially downtown and career ladder jobs accessible to city residents
- Implement the Commercial Vitality Zone program
- Implement the 8-80 Vitality Initiative
- Develop new tools identified in the Economic Development Strategy
- Develop appropriate metrics to measure economic development results

Expand Opportunity

- Coordinate economic development and housing investments in underserved portions of the City
- Expand and implement the department's Racial Equity Workplan to close racial gaps in employment and housing

Increase Department Effectiveness

- Design and implement a central loan servicing function
- Institutionalize other central functions, including grants management, compliance, competitive grants, Resource Team, Credit Committee, etc.

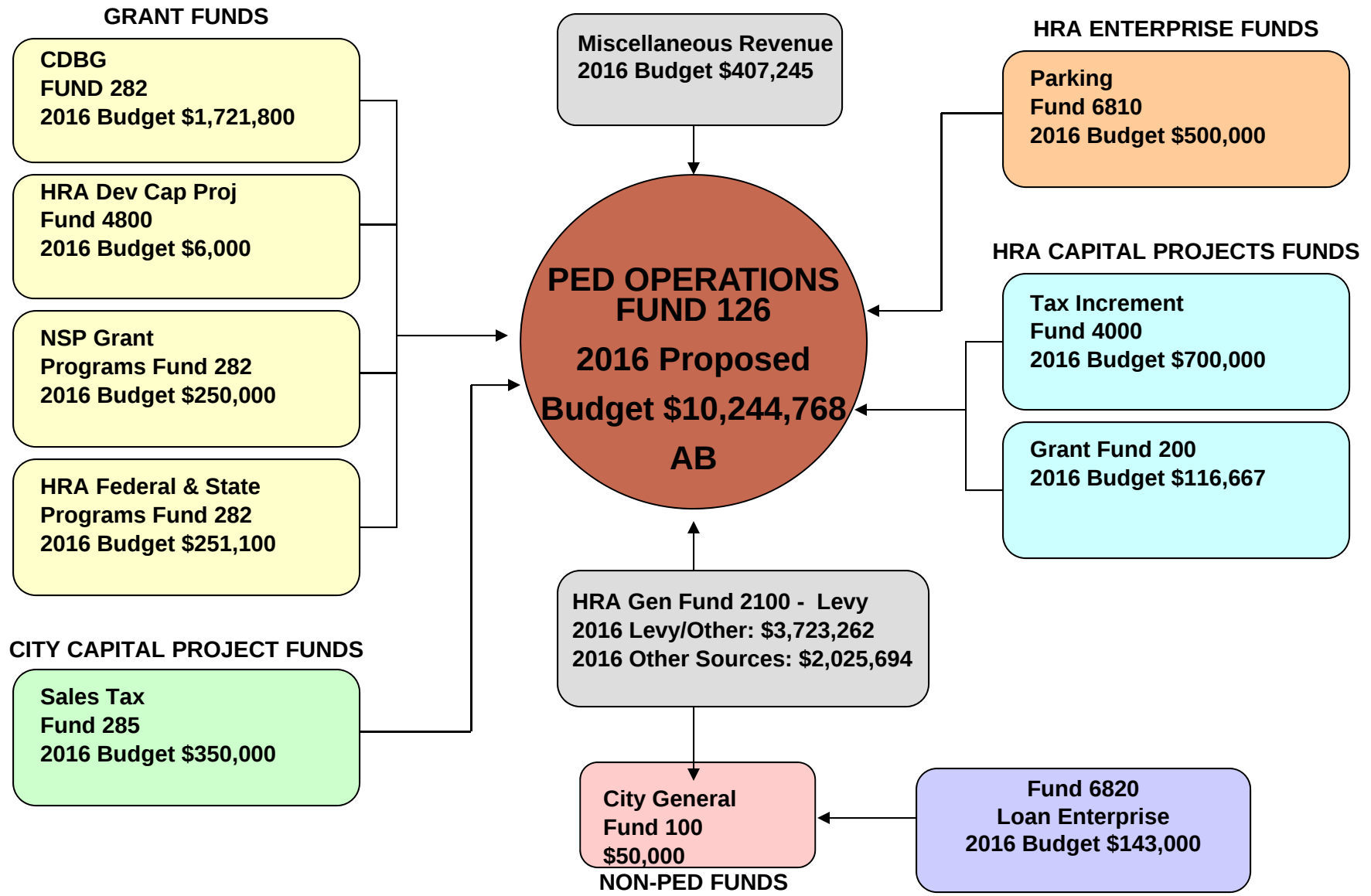
PROPOSED 2016 PED BUDGET

2016 PED Operating Major Budget Changes



□ Increase in existing personnel costs	\$353,667
□ 8-80 Fellow	\$109,306
□ Historic Preservation Specialist	\$96,695
□ Historic survey (grant match)	\$25,000
□ TOD Manager (grants ending)	\$120,000

PED Operating Budget Funding Sources (with 2016 proposed budget)



AB = Annual Budget
MYB = Multi-Year Budget

Fund 117 no longer supports PED Operations Fund 126

PED OPERATING FINANCING

	FY2014	FY2015	FY2016
Grant Funds	\$2,639,396	\$2,292,000	\$2,365,900
HRA General Funds (#145)	\$3,222,704	\$4,363,440	\$4,613,841
Conduit Bond Fees	\$1,249,671	\$1,236,000	\$1,135,115
HRA Dev Cap. Proj. Fund (#118)	\$6,830	\$-0-	\$6,000
HRA Parking Fund (#119)	\$499,209	\$537,000	\$500,000
Tax Increment Revenue	\$545,776	\$576,000	\$700,000
STAR (#930)	\$468,168	\$350,000	\$350,000
Fees/Services/Private Grants	\$585,465	\$264,650	\$573,912
	\$9,217,219	\$9,619,090	\$10,244,768

PED OPERATING SPENDING

	FY2014	FY2015	FY2016*
Salaries	\$5,280,391	\$5,553,059	\$5,967,080
Fringe Benefits	\$2,410,251	\$2,289,475	\$2,435,122
SUBTOTAL - PERSONNEL	\$7,690,642	\$7,842,534	\$8,402,202
Services/Equipment	\$1,339,695	\$1,591,767	\$1,653,131
Misc. Transfers	\$186,882	\$184,789	\$189,435
TOTALS	\$9,217,219	\$9,619,090	\$10,244,768

*Personnel costs constitute 82% of PED's operating budget.

SUPPORT FOR OTHER CITY DEPARTMENTS

DEPARTMENT	AMOUNT	FUNDING SOURCE
HREEO	\$784,048	HRA Loan Enterprise Fund 6820
Parking Meter Maintenance	\$345,000	HRA Parking Fund 6810
Technology	\$268,564	HRA General Fund 2100 and PED Operations Fund 780
HRA Board of Commissioners	\$183,233	HRA General Fund 2100
Policy Analyst	\$84,322	HRA General Fund 2100
Mayor's Office	\$163,908	PED Operations Fund 780
Parks Right Track	\$66,437	HRA General Fund 2100
TOTAL	\$1,895,512	

2016 Sales Tax Revenue

2016 SALES TAX REVENUES

(updated 8/03/2015)

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Sales Tax Revenue	\$8,000,000	\$1,700,000	\$3,300,000	\$4,000,000	\$17,000,000
Sales Tax Above 2015 Budget	\$675,000	\$75,000		\$0	\$750,000
STAR Program Balances	\$0	\$0			\$0
Loan Repayments	\$413,838	\$7,605			\$421,443
Interest Earnings - Sales Tax Revenue	\$15,000				\$15,000
STAR Subtotal:	\$9,103,838	\$1,782,605	\$3,300,000	\$4,000,000	\$18,186,443

2016 SALES TAX SPENDING

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Neighborhood STAR program	\$1,866,623				\$1,866,623
Investment Services	\$15,000				\$15,000
Transfer to General Debt Service Budget	\$3,500,000				\$3,500,000
Sales Tax Inflation - City Projects				\$500,000	\$500,000
2007 Economic Development Bonds Debt Service	\$2,197,215				\$2,197,215
Cultural STAR Program		\$1,732,605			\$1,732,605
Cultural STAR for Children's Museum		\$50,000			\$50,000
RiverCentre Complex			\$2,300,000		\$2,300,000
RCVA Funding			\$1,000,000		\$1,000,000
2014 Sales Tax Revenue Bond Debt Service				\$2,500,000	\$2,500,000
Pay-go Economic Development				\$1,000,000	\$1,000,000
City Capital Project Activity	\$1,525,000				\$1,525,000
STAR Subtotal:	\$9,103,838	\$1,782,605	\$3,300,000	\$4,000,000	\$18,186,443

Economic Pay Go Fund



Ford Site Planning (consultants) \$200,000

- Vision marketing
- Rezoning (review draft ordinance)
- Infrastructure – integrated design
- Real Estate Dev Consultant
- TIGER grant planning match

Design Center \$50,000

Commercial Vitality Zone \$750,000

- 2 implementation zones (Como/Front/Dale and Arcade & East 7th)
- 1 predevelopment zone (Lower Rice Street)



PROPOSED 2016 HRA BUDGET

2016 HRA Major Budget Changes



- Include Great Minnesota Fix Up Grant \$500,000
- Increase in PED Operating support \$355,516
- Include TIF District advances \$300,000
- Disparity Study \$300,000

City of Saint Paul Housing and Redevelopment Authority

Financing Sources:

	Adopted FY2014	Adopted FY2015	Proposed FY2016
HRA General Fund	\$5,707,085	\$7,118,806	\$7,857,695
HRA Debt Service Funds*	\$33,734,519	\$12,107,976	\$10,785,894
Loan Enterprise Fund	\$2,307,403	\$1,822,479	\$2,670,294
Parking Enterprise Fund	<u>\$19,980,217</u>	<u>\$21,545,444</u>	<u>\$21,826,593</u>
TOTALS	\$61,729,224	\$42,594,705	\$43,140,476

*1996 Sales Tax Bonds were defeased in 2014.



PED/HRA OUTLOOK

HRA PROPERTY TAX LEVIES, VALUES & RATES

HRA PROPERTY TAX LEVIES, PROPERTY VALUES AND RATES

Last Ten Fiscal Years

LEVY - PAYABLE	2007	2008	2009	2010	2011	2012	2013	2014	2015	Projected 2016	Projected 2017
Total Tax Capacity (Real and Personal Property and Fiscal Disparity)	\$ 253,000,058	\$ 275,575,863	\$ 279,306,301	\$ 266,352,654	\$ 251,419,935	\$ 229,240,115	\$ 216,428,822	\$ 218,772,524	\$ 234,360,867	\$ 234,360,867	\$ 234,360,867
Taxable Market Value (Real and Personal Property and Fiscal Disparity)	21,103,230,000	23,071,399,600	22,776,772,200	21,581,473,800	20,065,253,800	18,163,450,800	18,187,359,400	18,388,992,700	18,425,451,200	19,709,227,700	19,709,227,700
Tax Capacity Rate	0.4140%	0.4470%	0.8980%	1.2720%	1.2620%	1.4180%	1.4820%	1.4445%	1.3860%	1.3860%	1.3860%
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0144%	0.0144%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%
Maximum Tax Levy per State Law	\$ 3,038,865	\$ 3,038,865	\$ 4,213,703	\$ 3,992,573	\$ 3,712,072	\$ 3,360,238	\$ 3,364,661	\$ 3,401,964	\$ 3,408,708	\$ 3,646,207	\$ 3,646,207
Actual Tax Levy Certified	1,057,307	1,215,903	2,278,148	3,178,148	3,178,148	3,178,148	3,178,148	3,178,148	3,278,148	3,278,148	3,278,148
Actual Levy under Maximum	\$ 1,981,558	1,822,962	1,935,555	814,425	533,924	182,090	186,513	223,816	130,560	368,059	368,059
% of Actual Levy to Maximum	34.79%	40.01%	54.07%	79.60%	85.62%	94.58%	94.46%	93.42%	96.17%	89.91%	89.91%

Data for this table is obtained from the City of Saint Paul Comprehensive Annual Financial Report, the Housing and Redevelopment Authority of the City of Saint Paul Comprehensive Annual Financial Report, and the City of Saint Paul Office of Financial Services.

Beginning in 2013, Taxable Market Value is replaced with Total Estimated Market Value
The levy is based on prior year's market value but is applied to current year's net tax capacity



SAINT PAUL HOUSING AND URBAN DEVELOPMENT PROGRAMS (HUD)

Funding Allocations	FY2013	FY2014	FY2015	Projected FY2016
Community Development Block Grant Program	\$6,669,327	\$6,505,834	\$6,384,098	\$6,100,000
HOME Program	\$1,532,991	\$1,597,773	\$1,427,984	\$1,400,000
Emergency Shelter Block Grant Program	\$459,933	\$541,808	\$579,908	\$580,000
Totals	\$8,662,251	\$8,645,415	\$8,391,990	\$8,080,000

PED/HRA OUTLOOK

Funds 6820 & 2100

	Projected 2014	Projected 2015	Projected 2016	Projected 2017	Projected 2018
Beginning HRA General Fund 2100 Fund Balance	11,903,735	10,935,403	8,460,489	5,094,824	1,340,053
Beginning HRA Loan Enterprise Fund 6820 Cash Balance	5,509,542	5,252,584	3,662,330	2,924,436	1,946,148
Operating (Shortfall)/Surplus	62,871	(3,309,055)	(3,319,511)	(3,909,809)	(4,319,622)
Penfield Apartments Repayment	1,261,515	0	0	0	0
Transfer to Disposition Strategy	(940,000)	0	0	0	0
HREEO Transfer: HREEO/MBDR/Section 3 Expenses	(742,120)	(756,113)	(784,048)	(823,250)	(864,413)
Year-End Obligations (Repay Advances from Other Funds)	(815,094)	0	0	0	0
Year-End Commitments	(52,462)	0	0	0	0
Ending HRA Fund 2100 and 6820 Fund/Cash Balance	<u>16,187,987</u>	<u>12,122,819</u>	<u>8,019,260</u>	<u>3,286,201</u>	<u>(1,897,834)</u>

Assumptions:

Projected 2015 through 2018 reflects current conduit bond fees that are scheduled to be received.

Projected 2016 through 2018 assumes no rate increase for the HRA tax levy.

Assumes HRA levy for Lofts debt payments is replaced with Lofts excess cash from rental income and transferred back to Fund 2100.

Projected 2016 through 2018 assumes no cash proceeds will be received from sales of land.

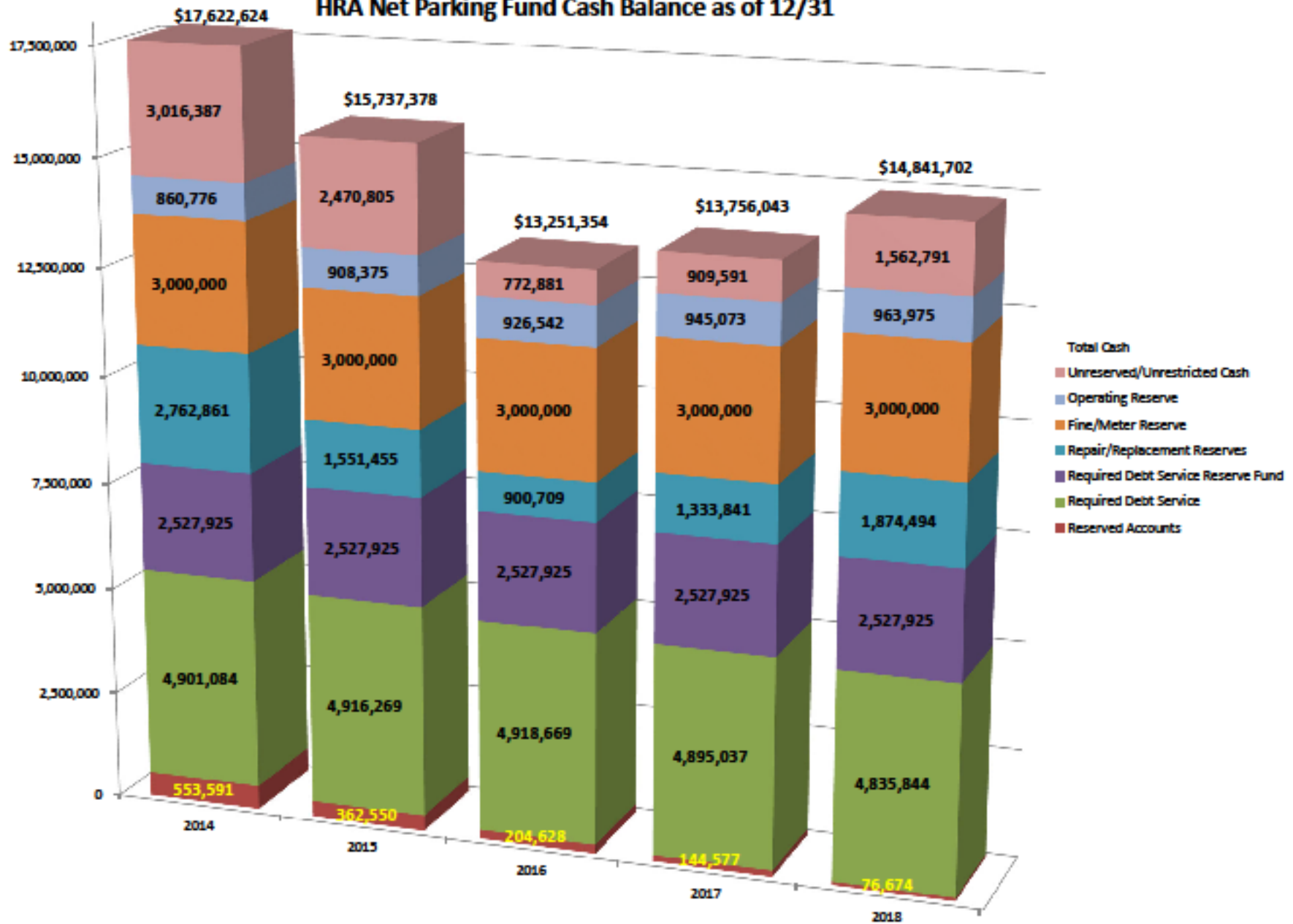
Projected 2017 and 2018 assumes 5% inflationary increases for administration and maintenance expenses.

Includes \$200,000 for both 2015 and 2016 from Star pay-go for Ford Site pre-development expenses.

HRA PARKING FUND								
SUMMARY OF OPERATIONS								
			Actual	Actual	Actual	Actual	Projected	Projected
			2011 ⁽¹⁾	2012	2013	2014	2015	2016
Operating Revenue ⁽²⁾			10,966,910	10,950,041	12,303,238	12,351,868	12,617,893	12,622,895
Non-operating revenues ⁽³⁾			2,608,298	2,452,807	2,783,581	2,844,390	2,499,871	2,491,967
	Total Revenue		13,575,208	13,402,849	15,086,819	15,196,259	15,117,764	15,114,862
Operating Expenses ⁽⁴⁾			(5,252,624)	(5,306,586)	(6,060,334)	(6,242,405)	(6,711,049)	(7,843,330)
Capital repairs			(557,013)	(774,309)	(496,399)	(719,490)	(3,229,039)	(2,525,000)
Debt Service			(6,104,694)	(6,084,451)	(6,071,866)	(6,088,379)	(5,971,771)	(5,987,556)
	Total Expenses		(11,914,331)	(12,165,346)	(12,628,599)	(13,050,274)	(15,911,859)	(16,355,886)
Annual Net Revenue/(Net Deficit) ⁽⁵⁾			1,660,877	1,237,503	2,458,220	2,145,985	(794,095)	(1,241,024)
(1) 2011 Gross operating revenue includes one-time revenue of \$155,000 for business interruption at 5th & Minn. Lot, and \$23,000 for business interruption at Farmers Market.								
(2) For Actual 2014, the top five performing ramps (Lawson, Block 19, Lowertown, Robert St & Kellogg) generated \$8,977,130 of the operating revenue, which represents 73% of the total above. Of the \$8.98 million revenue from these five ramps, 68% was generated from monthly contracts, with the balance comprising daily and event parking. 2013 was 69% of total revenue and 65% from monthly contracts.								
(3) Includes WTC rent and TIF receipts for debt service, monthly deposits toward WTC repair replacement account, interest earnings, and property tax shortfall for Lawson. 2013 includes \$31,681 payment for easement for Lowertown ramp. 2013 and 2014 include Public Works parking meter loan repayments of \$360,000 and \$327,044, respectively (no loan repayments after 2014).								
(4) Operating Expenditures include wages and benefits for ramp operators and PED staff, utility expenses, routine repair/maintenance (non-capital), insurance, special assessments, telephone, snow removal, security, advertising, management fees and bank charges. 2015 includes \$345,000 for Parking meter expenses included as contribution to outside agency operational expense. 2016 includes \$500,000 contingency expense for Neighborhood parking strategies and \$500,000 contribution to River Center for repairs. See next schedule for additional details.								
For Actual 2014, the top five performing ramps (Lawson, Block 19, Lowertown, Robert St & Kellogg) incurred \$3,398,414 of operating expenditures, which is 37.9% of their associated \$8,977,130 operating revenue.								
(5) Deficits are covered by accumulated cash reserves within the Parking Fund.								

HRA PARKING FUND					
PROJECTED AVAILABLE CASH AFTER RESERVES AND RESTRICTIONS					
FOR THE YEARS ENDED DECEMBER 31					
	Estimated	Projection	Projection	Projection	Projection
	2014	2015	2016	2017	2018
Beginning Cash Balance	16,852,222	18,664,551	15,737,378	13,251,354	13,756,043
Less Cash with Fiscal Agent	(1,100,913)	(1,041,927)	-	-	-
ADJUSTED BEGINNING CASH BALANCE	15,751,309	17,622,624	15,737,378	13,251,354	13,756,043
Revenue	15,196,259	15,117,764	15,114,862	15,093,201	14,408,014
Expenses	(6,242,405)	(6,711,049)	(7,843,330)	(6,952,006)	(7,267,318)
Operating Income	8,953,854	8,406,715	7,271,532	8,141,195	7,140,696
Less Debt Service	(6,088,379)	(5,971,771)	(5,987,556)	(5,991,506)	(4,895,037)
Net Income After Debt Service	2,865,475	2,434,944	1,283,976	2,149,689	2,245,659
Repairs & Maintenance	(719,490)	(3,229,039)	(2,525,000)	(1,300,000)	(1,160,000)
Net Revenue	2,145,985	(794,095)	(1,241,024)	849,689	1,085,659
Transfers out/adjustments **	367,097	345,000	1,000,000	-	-
NET CASH PROVIDED/(USED)	2,513,082	(449,095)	(241,024)	849,689	1,085,659
TOTAL PARKING FUND CASH	18,264,391	17,173,529	15,496,354	14,101,043	14,841,702
Less Transfers Out					
Parking meter operating expenses *	-	(345,000)	(345,000)	(345,000)	-
Parking meter implementation	-	-	(450,000)	-	-
Parking meter implementation loan	-	-	(450,000)	-	-
Contribution to Rivercentre	-	(440,000)	(500,000)	-	-
Contingency for NH parking improv. Prog.	-	-	(500,000)	-	-
Other Contingency	(641,767)	(651,151)	-	-	-
NET PARKING FUND CASH	17,622,624	15,737,378	13,251,354	13,756,043	14,841,702
RESERVES AND RESTRICTIONS					
A. Reserved Accounts	553,591	362,550	204,628	144,577	76,674
B. Required Debt Service	4,901,084	4,916,269	4,918,669	4,895,037	4,835,844
C. Required Debt Service Reserve Fund	2,527,925	2,527,925	2,527,925	2,527,925	2,527,925
D. Repair/Replacement Reserves	2,762,861	1,551,455	900,709	1,333,841	1,874,494
E. Fine/Meter Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
F. Operating Reserve	860,776	908,375	926,542	945,073	963,975
TOTAL RESERVES/RESTRICTIONS	14,606,236	13,266,573	12,478,473	12,846,453	13,278,911
UNRESERVED/UNRESTRICTED CASH	3,016,387	2,470,805	772,881	909,591	1,562,791

HRA Net Parking Fund Cash Balance as of 12/31





DEPARTMENT OF PLANNING & ECONOMIC DEVELOPMENT



www.stpaul.gov/ped

2016 Council Proposed Budget Questions

- 1) *Please summarize the major spending and financing changes included in your department's 2016 budget proposal. Please list the dollar amounts associated with these changes.*

PED Operations Budget Changes:

The 2016 proposed budget includes two new positions (off set by grants or new fees), matching funding for historic survey work, the completion of a two year personnel grant, and a significant inflationary increase for personnel costs.

- 8-80 Vitality Fellow, (\$109,306)
- 8-80 Vitality Fellow grant from the Knight Foundation, \$109,306
- Historic Preservation Specialist, (\$96,695)
- Proposed new fees for historic review, estimated at \$52,000
- Matching funds for historic survey grants, (\$25,000)
- TOD Manager position grants expiration, (\$120,000)
- Inflation for Personnel and Fringe expenses, (\$353,667)

HRA Budget:

Through the Housing and Redevelopment Authority, PED will continue funding city functions such as human rights, parking meter repair and maintenance, technology, and the Right Track program. In 2016, the HRA budget will also support a portion of the City's disparity study, (\$300,000).

- 2) *How will services be affected by the proposed budget changes (please provide specific examples)?*

The changes to the 2016 proposed budget will allow us to maintain all existing services and programs. In addition, they will allow us to greatly improve historic preservation services. Given the strengthening economy and investment in historic structures, we are experiencing a significant backlog in design review. This summer, turn around on design reviews have been 14-21 days, with a backlog of 65 reviews. The increased staffing capacity for historic preservation should significantly reduce this wait time and improve customer service. Finally, the 2016 proposed budget will increase the speed and breadth of improving the City's public realm through the hiring of the 8-80 Vitality Fellow.

- 3) *Please list any grants that are ending that have a significant impact on your budget? How are you handling it? What large grants are you applying for that will have long-term budget impacts or match requirements?*

In early 2016, the grants from the Central Corridor Funders Collaborative and the McKnight Foundation that covered the TOD Manager position will be exhausted. The 2016 proposed budget includes moving this position to full funding from city and HRA resources. PED also plans to apply for historic survey grants to more quickly advance our

historic survey work, especially in federal and state designated areas. We have set aside \$25,000 in the 2016 proposed budget as a required match for these larger grants.

- 4) Please describe FTE changes in your department's proposed 2016 budget? What types of position(s) and how many are being affected? If FTEs are being eliminated, please indicate if the position(s) are currently vacant or filled. If FTEs are being added, please describe the duties of the new position(s) and the need for the additional position(s).**

In 2016, two new positions will be added:

- 8-80 Vitality Fellow - to expand the City's 8-80 Vitality Initiative, needed to embed the principles of the 8-80 Vitality Initiative across all departments
- Historic Preservation Specialist - to assist with historic design reviews and historic survey work, needed to keep pace with the investment in historic structures in local, state, and federal historic districts

- 5) What innovations has your department recently accomplished? What innovations are you currently working on or planning for in the future?**

In 2015, PED partnered with Public Works and Parks and Recreation to launch 15 unique projects as part of the 8-80 Vitality Fund. These projects have required the three departments to work together in new ways and while the projects are still underway, we believe they will lead to better economic and social outcomes.

PED is working to expand our paperless grant processing systems. Having moved to a paperless system for the Cultural STAR program, we are currently investigating the possibility of moving the Neighborhood STAR program and Planning Commission to paperless systems in 2016. The paperless processes save the City significant time and money.

PED reclassified a city planner position in 2015 to add a GIS (geographic information systems) specialist, which has greatly improved the department's ability to use data and mapping to analyze the impacts of policies, plans and programs that PED either administers or has proposed.

- 6) Is your department anticipating any additional large budget needs or pressures in the future? How does your department plan to address changing service demands as a result of future demographic changes?**

PED is not anticipating any short term budget issues. As a department that does not rely on general fund resources, we judiciously track and monitor expenditures and revenues; constantly seek out funding opportunities; and plan ahead as much as possible to identify long term needs for the department. With that in mind, we are always watching the HRA fund balances to ensure there are sufficient resources available in the future. Ensuring as many proceeds from the sale of assets as possible are returned to the HRA fund balances will help us maintain this fund into the future.

7) *If you had additional funding, what would you add to your budget to improve service delivery to the public?*

While we are ahead of our original implementation schedule, funding to complete the Inspiring Communities program is needed. Resources to assist in the development of affordable housing and provide rehab assistance to lower income homeowners remain needs as well. For economic development, demand for small business loans and grants continues to exceed the funds available.

Other items requested of all departments:

PED Fees:

PED will be proposing to add fees for heritage preservation permit reviews for the first time with a series of amendments to Chapter 73 of the City's code governing heritage preservation. These will be brought forward to the Heritage Preservation Commission and then Mayor and Council for consideration in Fall 2015. More analysis needs to be done on staff costs before final fees are proposed, but these are initial estimated fees:

- Fence/retaining walls - \$50*
- Signs/awnings - \$75*
- Repairs/rehab. - \$40*
- Demolition reviews (administrative) - \$200*
- Mechanical - \$25*
- After-the-fact reviews - +\$50
- New construction/alterations - \$250-950 (avg. \$400)
- Historic use variance - \$700
- Demolition reviews (HPC) - \$350
- Appeals - \$450

*Fees are lower for staff-only administrative reviews.

Assumption – approximately 440 permit reviews of various types for 2016 (10% increase from 2014).

Total estimated fees – approx. \$52,000 annually

FINANCIAL SUMMARY FOR 2016 CITY COUNCIL BUDGET COMMITTEE PRESENTA

Fund Name: PED OPERATIONS (780)

	2014 Actual	2015 Budget	2016 Proposed Budget
Expenditures:			
Salaries	5,280,391	5,553,059	5,967,080
Fringe Benefits	2,410,251	2,289,475	2,435,122
Sub-Total Personnel	7,690,642	7,842,534	8,402,202
Services/Materials/Equip *	1,339,695	1,591,767	1,653,131
Transfers Out/Other Spending	186,882	184,789	189,435
Total Expenditures	9,217,219	9,619,090	10,244,768
Financing:			
Administration fee revenue	8,001,118	7,603,000	7,811,829
Other fee & misc revenue	339,848	264,650	407,245
Non-operating revenue	225,625	-	-
Estimated transfer from 2100	650,628	1,751,440	2,025,694
Total Financing	9,217,219	9,619,090	10,244,768

2016 SALES TAX REVENUES

(updated 8/03/2015)

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Sales Tax Revenue	\$8,000,000	\$1,700,000	\$3,300,000	\$4,000,000	\$17,000,000
Sales Tax Above 2015 Budget	\$675,000	\$75,000		\$0	\$750,000
STAR Program Balances	\$0	\$0			\$0
Loan Repayments	\$413,838	\$7,605			\$421,443
Interest Earnings - Sales Tax Revenue	\$15,000				\$15,000
STAR Subtotal:	\$9,103,838	\$1,782,605	\$3,300,000	\$4,000,000	\$18,186,443

2016 SALES TAX SPENDING

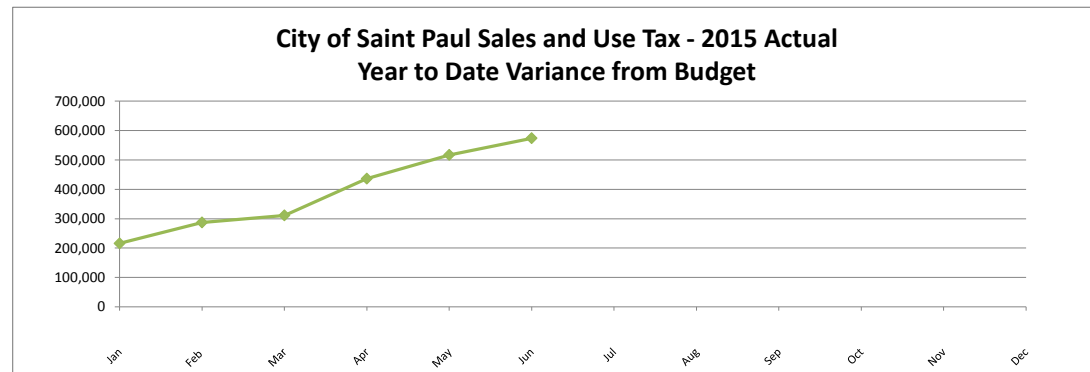
	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Neighborhood STAR program	\$1,866,623				\$1,866,623
Investment Services	\$15,000				\$15,000
Transfer to General Debt Service Budget	\$3,500,000				\$3,500,000
Sales Tax Inflation - City Projects				\$500,000	\$500,000
2007 Economic Development Bonds Debt Service	\$2,197,215				\$2,197,215
Cultural STAR Program		\$1,732,605			\$1,732,605
Cultural STAR for Children's Museum		\$50,000			\$50,000
RiverCentre Complex			\$2,300,000		\$2,300,000
RCVA Funding			\$1,000,000		\$1,000,000
2014 Sales Tax Revenue Bond Debt Service				\$2,500,000	\$2,500,000
Pay-go Economic Development				\$1,000,000	\$1,000,000
City Capital Project Activity	\$1,525,000				\$1,525,000
STAR Subtotal:	\$9,103,838	\$1,782,605	\$3,300,000	\$4,000,000	\$18,186,443

City of Saint Paul Sales and Use Tax 2015 Receipts to Date

Month	Net Sales Tax Received					2015		Variance from Budget	
	2010	2011	2012	2013	2014	Budget	Actual	By Month	Year to Date
January	1,601,608	1,503,790	1,601,325	1,549,578	1,595,736	1,627,535	1,843,199	13.25%	13.25%
February	1,187,793	1,018,584	1,164,590	1,342,220	1,980,177	1,251,401	1,323,123	5.73%	9.98%
March	1,144,579	1,224,171	1,149,902	1,215,774	1,256,411	1,256,351	1,280,339	1.91%	7.53%
April	1,309,505	1,364,165	1,533,070	1,469,714	1,322,612	1,435,837	1,560,687	8.70%	7.83%
May	1,167,960	1,287,400	1,248,434	1,306,938	1,328,804	1,319,298	1,399,830	6.10%	7.50%
June	1,280,425	1,306,191	1,222,010	1,371,420	1,415,963	1,353,374	1,410,401	4.21%	6.96%
July	1,259,736	1,085,062	1,325,388	1,329,276	1,411,172	1,321,019	-	-	-
August	1,326,053	1,271,356	1,473,530	1,590,687	1,603,211	1,543,883	-	-	-
September	1,114,319	1,626,109	1,274,194	1,413,204	1,545,600	1,457,651	-	-	-
October	1,387,521	1,296,374	1,247,166	1,498,719	1,386,303	1,371,851	-	-	-
November	1,204,189	1,381,584	1,500,006	1,495,968	1,500,078	1,437,190	-	-	-
December	1,220,298	1,255,702	1,201,097	1,450,926	1,043,925	1,124,612	-	-	-
Total Receipt	15,203,987	15,620,487	15,940,712	17,034,422	17,389,992	16,500,000	8,817,578		53.44%
Total Budget	14,850,000	15,200,000	15,200,000	15,550,000	16,250,000	16,500,000			
Budget Variance	353,987	420,487	740,712	1,484,422	1,139,992		573,783		
Actuals vs. Prior Year (\$)	-84,199	416,500	320,225	1,093,710	355,570				
Actuals vs. Prior Year (%)	-0.55%	2.67%	2.01%	6.42%	2.04%				

Summary Year to Date Analysis

- Actual collection for year to date (June 2015) vs. 2015 budget shows a positive variance of \$573,783 or 7%
- Actual year to date (June 2015) collection for the same period in 2014 shows a negative variance of \$82,125 or -0.9%



Cumulative '15 Budget to Actual	\$ Amt YTD from 2015 Budget
6.96%	573,783

% Actual YTD from '14	\$ Amt YTD from '14
-0.92%	(82,125)

- The local sales tax of 1/2 cent or 0.50% applies to retail sales made in the City. The City's 0.50% Use tax applies to items or services purchased for use within the City without paying local sales to the seller.



2015 SALES TAX REVENUES

(updated 12/02/2014)

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Sales Tax Revenue	\$8,250,000	\$1,650,000	\$3,100,000	\$3,500,000	\$16,500,000
Sales Tax Above Mayor's 2015 Proposed	\$225,000	\$25,000		\$0	\$250,000
Sales Tax Above 2014 Budget	\$990,000	\$110,000		\$0	\$1,100,000
STAR Program Balances	\$30,139	\$13,125			\$43,264
Transfer from Parking Fund			\$440,000		\$440,000
Loan Repayments	\$490,114	\$7,515			\$497,629
Interest Earnings - Sales Tax Revenue	\$100,000				\$100,000
STAR Subtotal:	\$10,085,253	\$1,805,640	\$3,100,000	\$3,500,000	\$18,490,893
 Parking Fund Subtotal:	 \$0	 \$0	 \$440,000	 \$0	 \$440,000

2015 SALES TAX SPENDING

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
Neighborhood STAR program	\$1,762,468				\$1,762,468
Neighborhood STAR Additional					\$0
Transfer to General Debt Service Budget	\$3,500,000				\$3,500,000
2007 Economic Development Bonds Debt Service	\$2,197,785				\$2,197,785
Cultural STAR Program		\$1,657,515			\$1,657,515
Cultural STAR Additional		\$10,125			\$10,125
Cultural STAR for Children's Museum		\$50,000			\$50,000
Cultural STAR for Library Materials		\$88,000			\$88,000
RiverCentre Complex			\$2,100,000		\$2,100,000
RCVA Funding			\$1,000,000		\$1,000,000
RCVA Parking Ramp Funding			\$440,000		\$440,000
Projected 2014 Sales Tax Revenue Bond Debt Service				\$2,500,000	\$2,500,000
Pay-go Economic Development				\$1,000,000	\$1,000,000
City Capital Project Activity	\$1,525,000				\$1,525,000
Additional Fire Capital	\$1,100,000				\$1,100,000
STAR Subtotal:	\$10,085,253	\$1,805,640	\$3,100,000	\$3,500,000	\$18,490,893
 Parking Fund Subtotal:	 \$0	 \$0	 \$440,000	 \$0	 \$440,000