

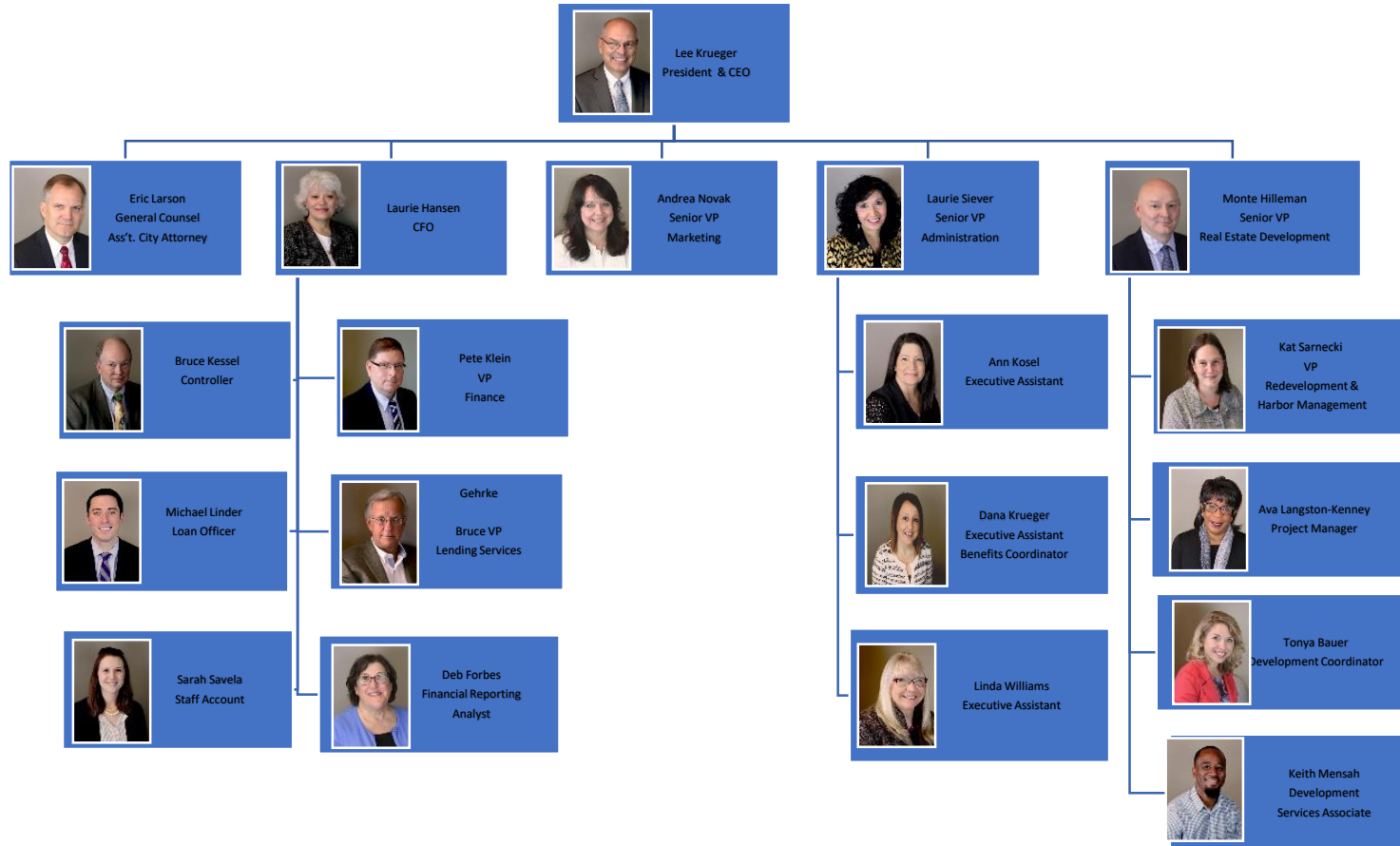


Saint Paul City Council Budget Committee

October 4, 2017



Organizational Chart



Business Lines

- Harbor Management
- Brownfield Redevelopment
- Energy Saving Finance
- Port Consulting Services

Harbor Management



- Own four ports along the Mississippi River in Saint Paul
- 1,200 jobs located on the river
- Approximately 6.9 million tons of commodities passed through in 2015
- The river is Minnesota's gateway to the global market – top exports include corn, soybeans and wheat
- Top imports include sand, gravel, fertilizer, salt, cement and coal

Brownfield Redevelopment



- We acquire polluted, blighted properties the commercial real estate market won't touch
- We invest in the cleanup and return the land for light industrial use
- Measurable results in Port Business Centers
 - 500 businesses
 - 25,000 jobs
 - \$12 million in annual taxes
- Impact to families
 - Low barrier to entry jobs
 - Average wage of \$49,000 per year
 - Benefits

Energy Savings Finance Programs



- Partnership between Saint Paul Port Authority, Xcel Energy, Center for Energy and Environment (CEE), the Minnesota Legislature and U.S. Department of Energy
- Xcel Energy covers most expenses
- Five Year Results
 - 107 completed projects (\$51.8 million)
 - \$27 million from Trillion BTU loans
 - 294 billion BTU savings (\$8.8 million value)
- Statewide program

Energy Savings Finance Programs



- Innovative finance solution for business owners interested in energy efficiency and renewable energy
- Cash positive solution with no upfront costs, 100 percent financing and terms of 10 to 20 years
- Using a voluntary property assessment, payments are added to the property's real estate taxes
- State-wide program



- Extends the knowledge and expertise of a 20-person economic development team to other Minnesota cities and counties
- Additional funding source for future Port Authority projects
- Clients include:
 - City of Red Wing
 - City of Saint Paul
 - City of Sartell
 - Ramsey County
 - League of Minnesota Cities

Strategic Objectives



Joint Strategic Objectives with the City of Saint Paul

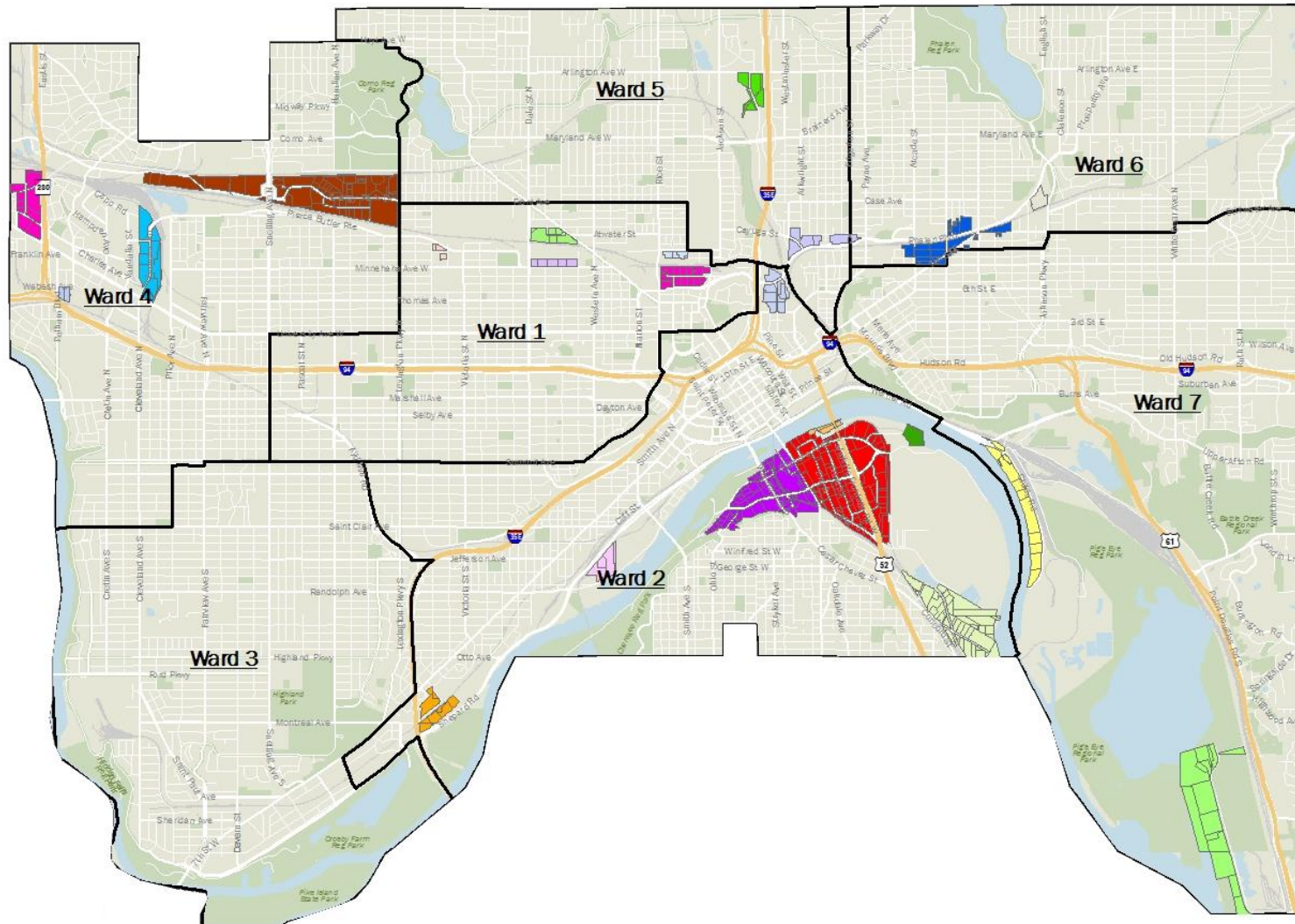
- Saint Paul Police Department Public Safety Training Facility
- Reuse of Former Public Safety Training Facility
- Treasure Island Center
- Police Department Lease at Treasure Island Center
- Midway/Snelling Redevelopment
- Lowertown Ballpark/Midway Stadium
- Viking River Cruises
- River Centre Ramp Redevelopment
- Trillion BTU/MinnPACE
- New Market Tax Credits
- Ecolab Skyway
- Innovation Task Force

2017 Budget

	2016 Budget	2016 Projection	2017 Budget	Budget Change Increase/(Decrease)	% of Revenues
REVENUES:					
Mandatory Levy	\$ 900,000	\$ 900,000	\$ 900,000	\$	19%
TIF Recoveries	385,018	520,902	385,000	(18)	8%
Fiscal and administrative fees	1,047,537	920,870	975,336	(72,201)	20%
Interest on loans	1,250,896	1,015,756	824,701	(426,195)	17%
Reimbursed direct labor	50,900	50,828	50,500	(400)	1%
Other operating revenue	82,337	82,337	84,138	1,801	2%
Interest on investments	24,000	104,322	27,000	3,000	1%
Grant income	1,550,000	1,550,000	1,550,000	-	32%
Total Revenues	5,290,688	5,145,016	4,796,675	(494,013)	100%
EXPENSES:					
Personnel costs	2,966,415	2,548,052	2,719,346	(247,069)	
Professional services:					
Audit fees	56,100	55,150	56,100	-	
Attorney costs	272,400	274,357	279,300	6,900	
Other professional fees	222,955	213,360	224,250	1,295	
Total professional services	551,455	542,867	559,650	8,195	
Other general costs:					
Office rent	241,802	225,451	239,019	(2,783)	
Insurance	104,713	98,948	106,722	2,009	
General & administrative expenses	194,425	164,424	194,469	44	
Equipment maintenance	82,773	76,017	88,864	6,091	
Depreciation	173,509	157,973	131,097	(42,412)	
Marketing	82,500	118,517	106,500	24,000	
Development	384,000	396,246	487,500	103,500	
Interest expense	415,288	219,432	85,064	(330,224)	
Property Maintenance	58,500	58,329	48,500	(10,000)	
Total other general costs	1,737,510	1,515,337	1,487,735	(249,775)	
Total Expenses	5,255,380	4,606,257	4,766,731	(488,649)	
Net Operating Income	35,308	538,759	29,944	(5,364)	
OTHER REVENUES(EXPENSES):					
Total Other Revenue (Expense)	-	(344,040)	-	-	
Net Income (Loss) from Administrative & Development Operations	35,308	194,718	29,944	(5,364)	

- Renewed Focus for 2017/2018
- Phase One: Research Project
 - Partnership with East Side Funders and the Carlson School of Management
 - Goal One: Understand the demographics in Port Business Centers
 - Goal Two: Gauge the effectiveness of our Workforce Agreements
 - Goal Three: Identify disconnects between employers, potential employees and local workforce development agencies
 - Goal Four: Leveraging the results, develop an actionable plan to better support equitable access to opportunities in Port Business Centers
 - Goal Five: Leverage the results to review and modify as needed the structure of our Workforce Agreements

Business Centers and Terminals



Business Centers and Terminals

Business Center	Ward	Year Established	# of Companies	# of Jobs	2016 Taxes
Chatsworth	1	2010	2	82	\$181,646.00
Empire Builder	1	1985	22	1,303	\$788,205.00
Great Northern North	1	2000	5	550	\$643,700.00
Great Northern South	1	2003	4	214	\$535,894.00
North Rice	1	1993	3	15	\$165,302.00
Barge Terminal 2	2	1960	1	10	\$48,032.00
Crosby Lake	2	1995	6	459	\$858,694.00
Northport	2	1980	2	80	\$169,738.00
River Bend	2	1998	8	445	\$666,094.00
Riverview	2	1962	109	5,932	\$4,886,084.00
Riverview West	2	1974	95	2,712	\$4,809,410.00
Southport	2	1964	14	147	\$452,864.00
Williams Hill	2	1997	8	400	\$750,522.00
Energy Park	4	1980	91	5,477	\$6,993,962.00
Midway	4	1976	43	1,132	\$1,284,044.00
Pelham	4	2011	4	78	\$141,996.00
Westgate	4	1987	57	2,361	\$2,176,872.00
Arlington Jackson	5	1996	5	573	\$606,162.00
Westminster Junction	5	2003	16	1,170	\$2,486,092.00
Beacon Bluff	6	2010	8	468	\$887,985.00
Barge Terminal 1	7	1934	11	252	\$480,193.00
Red Rock	7	1964	8	615	\$1,289,330.00
Total			522	24,475	\$31,302,821.00

Business Centers and Terminals

Ward	2016 SPPA Business Center Property Tax Dollars	# of SPPA Business Centers	% Property Tax to Total
1	\$2,314,747.00	5	7%
2	\$12,641,438.00	8	40%
3	\$-	0	0%
4	\$10,596,874.00	4	34%
5	\$3,092,254.00	3	10%
6	\$887,985.00	1	3%
7	\$1,769,523.00	2	6%
Total	\$31,302,821.00	23	