



City of Saint Paul Department of Planning & Economic Development

2012 Proposed Budget For PED & HRA

24 August 2011



Agenda

Introduction

- 2012 Priorities

2012 Budget

- PED Proposed 2012 Operations Budget with Assistance to City
- HRA Proposed 2012 Budget
- Parking Update

PED/HRA Outlook

- Significant Decisions/Staff Changes/CDBG changes
- HRA Levy
- Fund 145/Fund 117 – Funding Projection

Mission Statement

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**.

Example 2012 Key Priorities

Administration:

- Assess & plan for PED's Future (Springsted)
- Prepare for COMET & GAZBY 54

Economic Development

- Work with regional partners to implement Regional Entrepreneurial Action Plan, and MSP Export Plan
- Implement Commercial Corridor Business Plans
- Fund and complete parking program for CC
- Ensure Ready for Rail loans are processed
- Continue work on large projects such as Hamms & Schmidt Brewery
- Ford – AUAR

Housing

- Continue NSP implementation work
- Continue Mortgage Foreclosure Prevention
- Complete Lofts Lease-Up & Penfield closing
- Other large housing projects, such as Rolling Hills and St. Alban's Park

Planning

- Central Corridor (examples)
 - Planning for Implementation of Public Systems (streets, alleys, parking, etc.)
 - Zoning Study Follow-up
 - LISC CC Affordable Housing Plan
 - EPA Brownfields Assessment Grant
 - Development Guide/Project Review
 - Parks/Public Realm Implementation Planning

The background image is a faded, light blue-toned photograph of a city skyline. In the foreground, a bridge with multiple arches spans a body of water. The water reflects the bridge and the buildings in the background. The skyline includes several tall buildings, with one prominent skyscraper on the left side. The overall scene is bright and clear, suggesting a sunny day.

Proposed 2012 PED Budget

PED Operations 2012 Proposed Budget: Spending

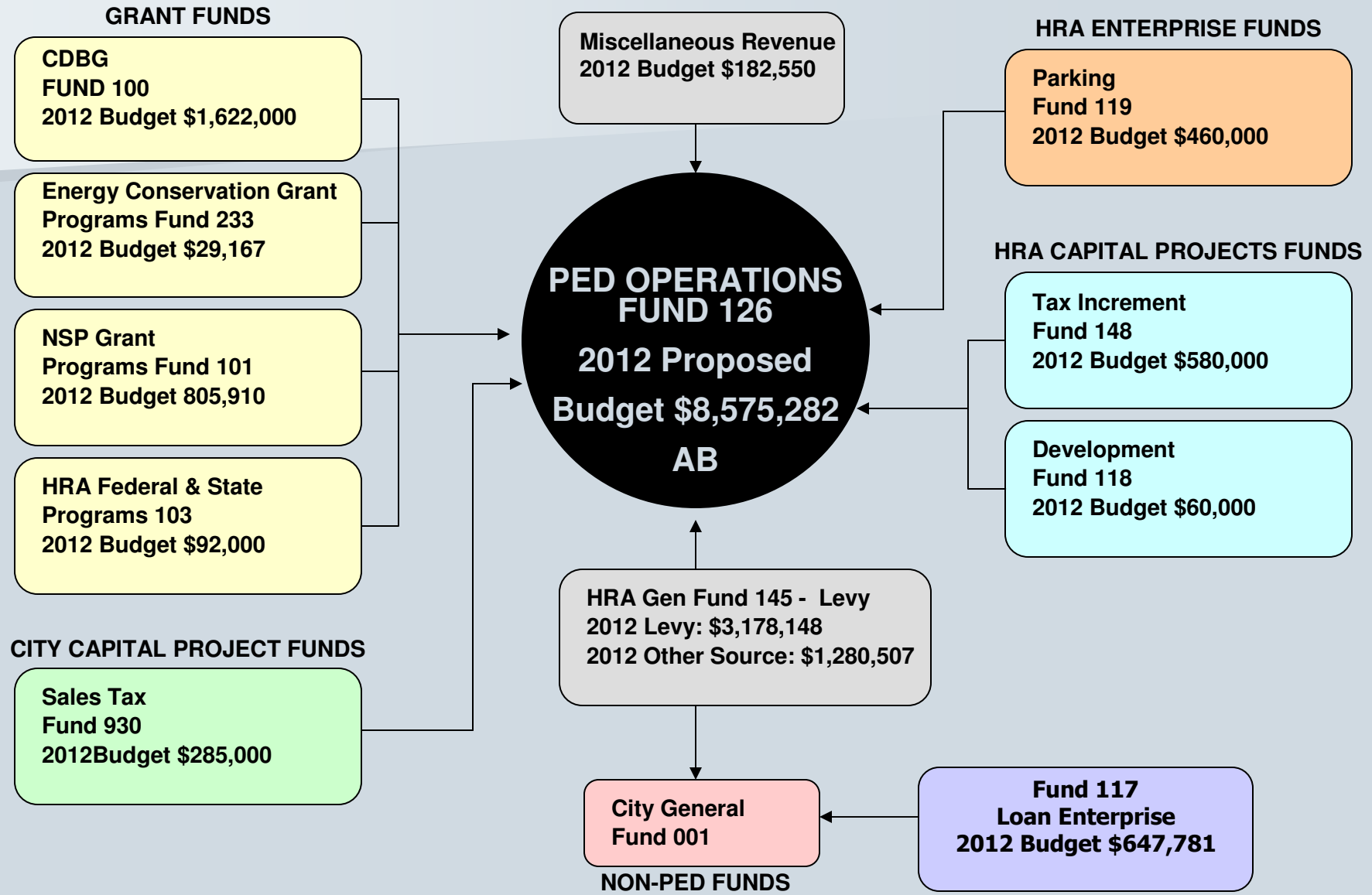
Category	FY2010	FY2011	FY2012
Salaries	5,187,261	5,133,722	5,062,884
Services\Equipment	1,289,727	1,447,237	1,485,305
Fringe Benefits	1,699,270	1,795,614	1,808,738
Misc. Transfers	520,481	219,506	218,355
Totals	8,696,739	8,596,079	8,575,282

Total of **\$882,781** (10.3% of PED Operating Budget) in financial support for City:
\$647,781 for HREEO; **\$107,000** for staff in Mayor's; City Council Analyst -
\$84,000 & Citizen Participation staff **\$18,000**; and **\$26,000** for OFS staff

PED Operations 2012 Proposed Budget: Financing

	FY2010	FY2011	FY2012
Federal Grant Funds	\$2,072,544	\$2,583,007	\$2,549,077
HRA General Funds (#145)	\$4,408,342	\$3,503,348	\$3,483,055
Conduit Bond Fees	\$846,000	\$975,100	\$975,600
HRA Dev Cap. Proj. Fund (#118)	\$43,000	\$53,000	\$60,000
HRA Parking Fund (#119)	\$400,000	\$440,000	\$460,000
Tax Increment Revenue	\$517,000	\$500,000	\$580,000
STAR (#930)	\$170,000	\$201,805	\$285,000
Fees/Services	\$239,853	\$339,819	\$182,550
Downtown Capital Projects Fund	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
	<u>\$8,696,739</u>	<u>\$8,596,079</u>	<u>\$8,575,282</u>

PED Operating Budget Funding Sources (with 2012 proposed budget)



AB = Annual Budget
MYB = Multi-Year Budget

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Proposed 2012 HRA Budget

Housing and Redevelopment Authority of the City of Saint Paul

Historical

<i>Financing Sources:</i>	<i>FY2010</i>	<i>FY2011</i>	<i>FY2012</i>
HRA General Fund	8,116,658	5,639,533	5,720,924
HRA Debt Service Fund	29,893,055	26,996,060	29,594,407
Federal\ State Programs	2,400,000	2,400,000	2,400,000
Loan Enterprise Fund	1,779,600	1,695,133	3,216,042
Parking Enterprise Fund	<u>21,651,556</u>	<u>19,486,106</u>	<u>18,021,754</u>

			<i>Proposed</i>
TOTALS	\$63,840,869	\$56,216,832	\$58,953,127

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

**SUMMARY OF FINANCING SOURCES - 2012 PROPOSED BUDGET
ALL HRA FUNDS**

	HRA General Fund	HRA Debt Service Fund	HRA Federal & State Programs Fund	HRA Tax Increment Fund	HRA Loan Enterprise Fund	HRA Parking Enterprise Fund	Grand Total 2012 Proposed Budget
Fund Balances/Retained Earnings (Negative amount is addition to fund balance)	\$ 1,056,195	\$ (4,218,633)			\$ 946,764	\$ 1,467,438	\$ (748,236)
Property Taxes (Including Tax Increments)	2,574,788	11,041,062				1,050,000	14,665,850
Intergovernmental Revenue	116,000	19,836,988	2,400,000		105,000		22,457,988
Investment Income	260,000	565,000			20,000	36,525	881,525
Revenue Bond Fees	1,164,144	-					1,164,144
Loan Repayments	-	250,000			500,000		750,000
Land Sales	-	-					-
Parking Revenues	-	-				10,996,054	10,996,054
Other User Charges	10,000	193,336			20,000		223,336
Transfers from Other Funds	539,797	1,926,654			87,475	4,471,737	7,025,663
Lofts at Farmers Market Proceeds	-	-			1,536,803		1,536,803
TOTAL FINANCING SOURCES	\$ 5,720,924	\$ 29,594,407	\$ 2,400,000	\$ -	\$ 3,216,042	\$ 18,021,754	\$ 58,953,127

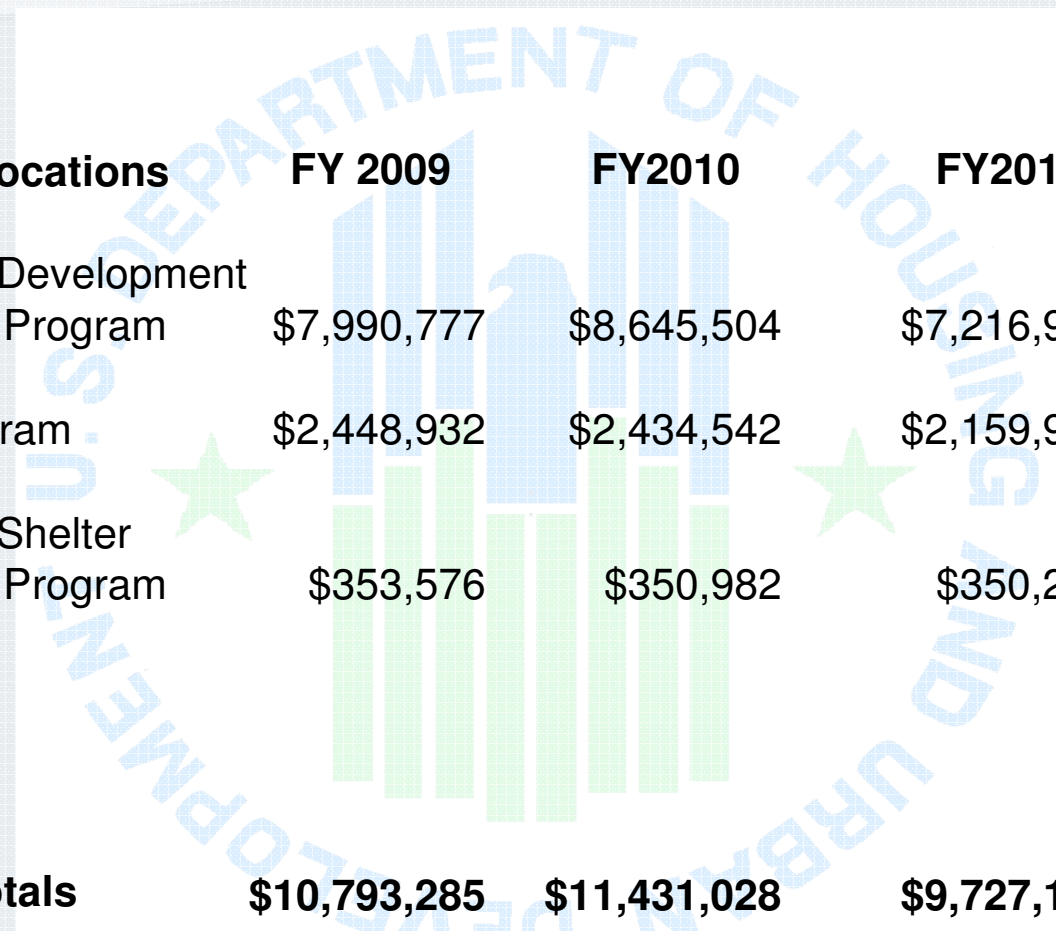
Parking Program Update

- Parking Study Completed October 2009, with restructuring completed in July 2010
- Parking fund is now solvent and should remain so over the long-term
- Required reserves fully funded; other prudent reserves (per internal policies) fully funded as well
- Proposal to lend Public Works \$1.5 million for parking meter replacement.
 - Fully amortizing loan: 5 year term at 3% interest
 - Repayment from city-wide parking meter revenues

The background image is a faded, light blue-toned photograph of a city skyline. In the foreground, a bridge with a dark metal railing and a stone pier is visible, extending from the right side towards the center. The bridge's reflection is clearly visible in the calm water below. In the background, a dense urban skyline is visible under a clear sky. Notable buildings include a tall, white skyscraper with a pointed top (resembling the Empire State Building) and several other high-rise buildings of varying heights and architectural styles. The overall scene is bright and clear, suggesting a sunny day.

Federal Funding & PED Outlook

SAINT PAUL HOUSING AND URBAN DEVELOPMENT PROGRAMS (HUD)



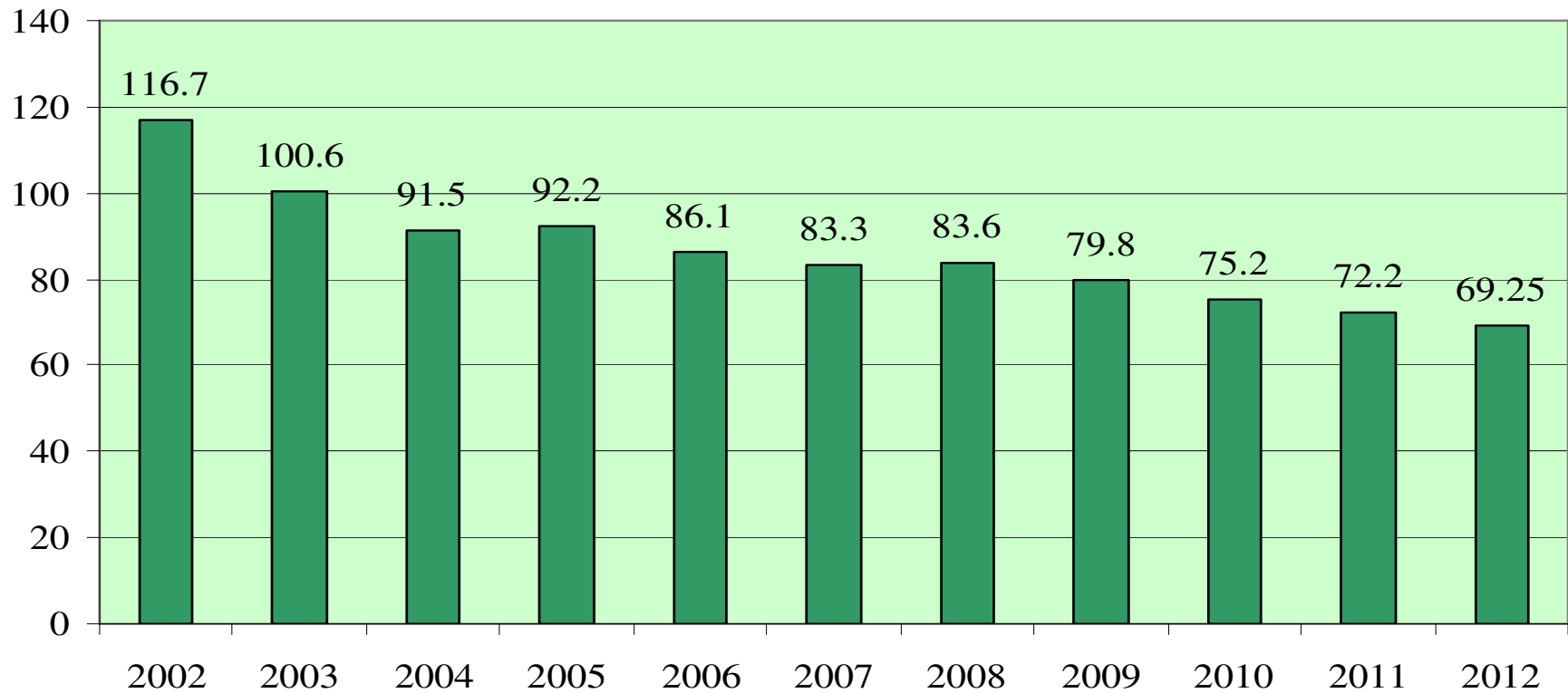
Funding Allocations	FY 2009	FY2010	FY2011	Projected FY2012
Community Development Block Grant Program	\$7,990,777	\$8,645,504	\$7,216,949	\$6,000,000
HOME Program	\$2,448,932	\$2,434,542	\$2,159,920	\$2,000,000
Emergency Shelter Block Grant Program	\$353,576	\$350,982	\$350,266	\$350,000
Totals	\$10,793,285	\$11,431,028	\$9,727,135	\$8,350,000

Significant Changes in CDBG

- Reduction in total CDBG (Grant + Program Income) results in a reduction of admin fees payable to the HRA.
- CDBG Program reduced \$857k in 2006 (9.5%)
- CDBG Program reduced \$284k in 2009 (3.4%)
- CDBG Program reduced \$1.428 Million in 2011 (16%)
- From 2006 – 2011: \$750k in Admin. lost
- CDBG 2012 could lose an additional \$380K+ in Admin

Significant Staffing Changes

PED FTE's 2002 - 2012



Total of 20 (23%) positions lost to cost reduction/ cost containment/budget balancing since 2006. PED/HRA continues to support staff positions in Mayor's Office, OFS, HREEO, and City Council.

Sample Significant Decisions (2006 to present)

- HRA issued \$10 Million in loans, with repayment expectations of only \$500,000.
- To assist City, HRA pre-paid 1.4 million for Penfield site.
- HRA was required by OFS to write-off a \$5.5 Million District Heating Note; the full amount was due to HRA in 2014. (The Note was re-issued to the City, leaving HRA out entire balance.)
- Paid \$2.5 million to reimburse State for excess W.Midway TIF (related to Science Museum)
- West Midway Residence acquisition cost \$1.14 million

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

HRA PROPERTY TAX LEVIES, PROPERTY VALUES AND RATES
Last Ten Fiscal Years

LEVY - PAYABLE	2003	2004	2005	2006	2007	2008	2009	2010	2011	Proposed 2012
Total Tax Capacity (Real and Personal Property and Fiscal Disparity)	\$ 167,879,885	\$ 180,113,604	\$ 202,575,538	\$ 206,800,972	\$ 213,588,418	\$ 229,527,555	\$ 227,235,989	\$ 210,255,229	\$ 195,001,787	\$ 195,001,787
Taxable Market Value (Real and Personal Property and Fiscal Disparity)	12,643,120,100	14,214,708,900	16,403,703,100	18,550,595,100	21,103,230,000	23,071,399,600	22,776,772,200	21,581,473,800	20,085,253,800	18,200,000,000
Tax Capacity Rate	0.4970%	0.4580%	0.4400%	0.4340%	0.4140%	0.4470%	0.4470%	0.4470%	0.4470%	0.4470%
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0144%	0.0185%	0.0185%	0.0185%	0.0185%
Maximum Tax Levy per State Law	\$ 1,820,609	\$ 2,046,918	\$ 2,362,133	\$ 2,671,286	\$ 3,038,865	\$ 3,038,865	\$ 4,213,703	\$ 3,992,573	\$ 3,712,072	\$ 3,367,000
Actual Tax Levy Certified	\$ 840,174	\$ 840,174	\$ 898,988	\$ 979,895	1,057,307	1,215,903	2,278,148	3,178,148	3,178,148	3,178,148
Actual Levy under Maximum	\$ 980,435	\$ 1,206,744	\$ 1,483,147	\$ 1,891,391	\$ 1,981,558	1,822,962	1,935,555	814,425	533,924	188,852
% of Actual Levy to Maximum	48.15%	41.05%	38.06%	36.88%	34.79%	40.01%	54.07%	79.60%	85.62%	94.39%

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.

Unaudited

PED/HRA OUTLOOK

Funds 117 & 145

	Projected 2011	Projected 2012	Projected 2013	Projected 2014	Projected 2015	Projected 2016
PED Reserve	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000	2,800,000
Remaining HRA & PED Fund Balance to support Operations	9,640,202	8,242,221	6,259,197	4,559,163	1,303,935	0
Operating Shortfall	(1,295,848)	(1,335,243)	(1,852,253)	(2,607,447)	(2,760,442)	(2,937,965)
Additional Budget Cuts Required					2,104,288	3,585,746
HREEO Transfer:MBDR/Section 3 expenses	(662,133)	(647,781)	(647,781)	(647,781)	(647,781)	(647,781)
Land Sales	560,000		800,000			
Ending HRA & PED Fund and Cash Balance - Dec 31	11,042,221	9,059,197	7,359,163	4,103,935	2,800,000	2,800,000

Assumptions:

- 5% (\$2.8M) of \$56,000,000_ for PED Operating Reserve
- Fund 145 Revenue and Expenses are balanced equal except for covering Fund 126 shortfall
- Fund 117 will have land sales of \$560,000 in 2011 and \$800,000 in 2013
- A portion of Fund 145 Levy is pledged for the Lofts debt payments; rental income however should be sufficient to pay debt.
- HRA budget at \$56,000,000 (net Lofts)

20-Jun-11



City of Saint Paul Planning and Economic Development

