

City of Saint Paul Financial Analysis

1	<u>File ID Number:</u>	Ord 10-59		
2				
3	<u>Budget Affected:</u>	Operating Budget	Financial Services	General Fund
4				
5	<u>Total Amount of Transaction:</u>	n/a		
6				
7	<u>Funding Source:</u>	Other	Please Specify:	EPUC Franchise Fee
8				
9	<u>Charter Citation:</u>	Legislative Code, Appendix G		
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12 Fiscal Analysis

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14 Extension of the franchise ordinance for the Energy Park Utility Company. The current franchise agreement would expire on July 1, 2012. The Port
15 Authority is in the process of converting the existing 2 pipe energy system to a 4 pipe system. In order to issue debt to finance the conversion, the
16 franchise agreement needs to be extended to the maximum term allowable of 20 years. The franchise fee to the City will be 6.8% of gross earnings with
17 a minimum annual fee of \$159,000. The franchise fee percentage is less than the previous fee of 8.0% but actual revenue to the City will increase due
18 to the increased gross earnings.

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