



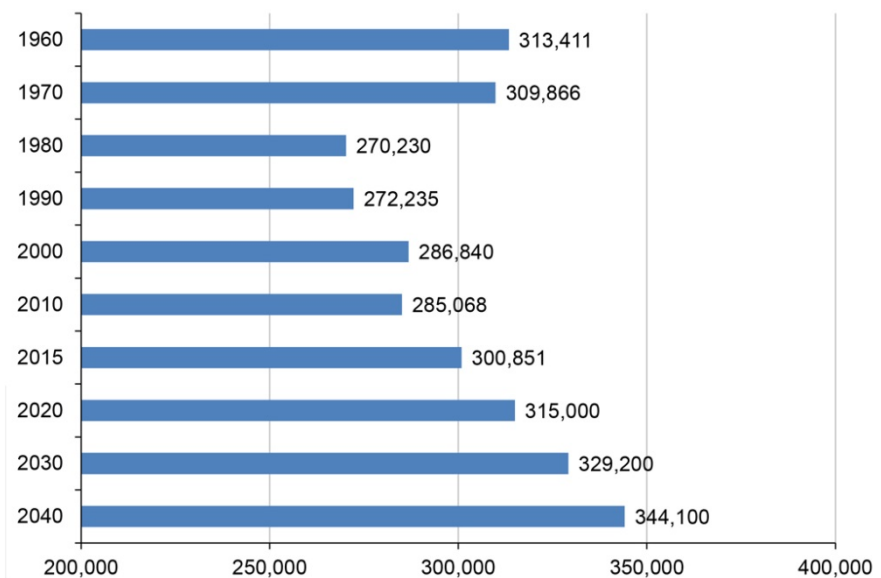
The Most  
Livable City  
in America

Planning and Economic Development  
2017 Budget Proposal  
City Council  
August 17, 2016

VIBRANT  
PLACES  
— AND —  
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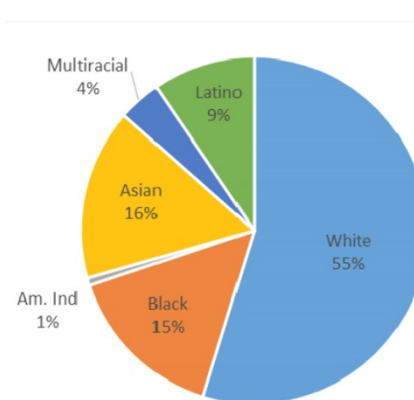
# Demographic Trends

## Saint Paul Population Trends and Projections

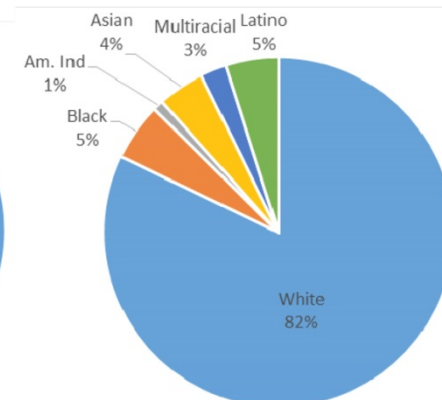


Source: Historic population counts from U.S. Census Bureau Decennial Census; 2015 population from U.S. Census Bureau, Population Estimates Program; Forecasted population data from the Metropolitan Council's 2040 adopted forecasts.

## St. Paul

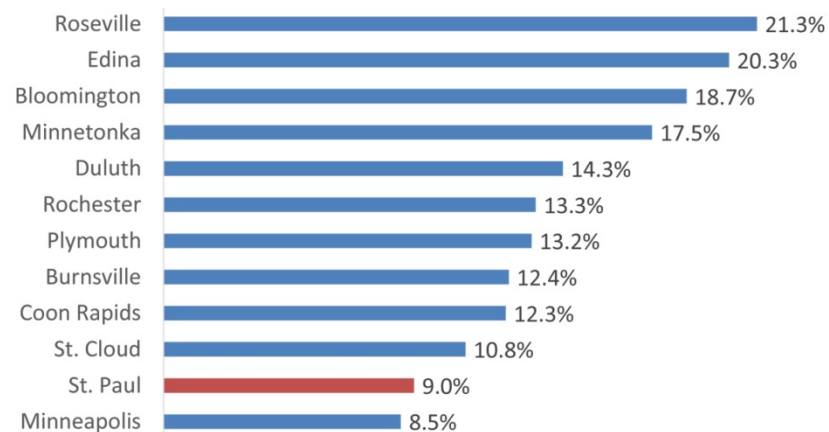


## Minnesota



Source: 2010-2014 American Community Survey, U.S. Census Bureau

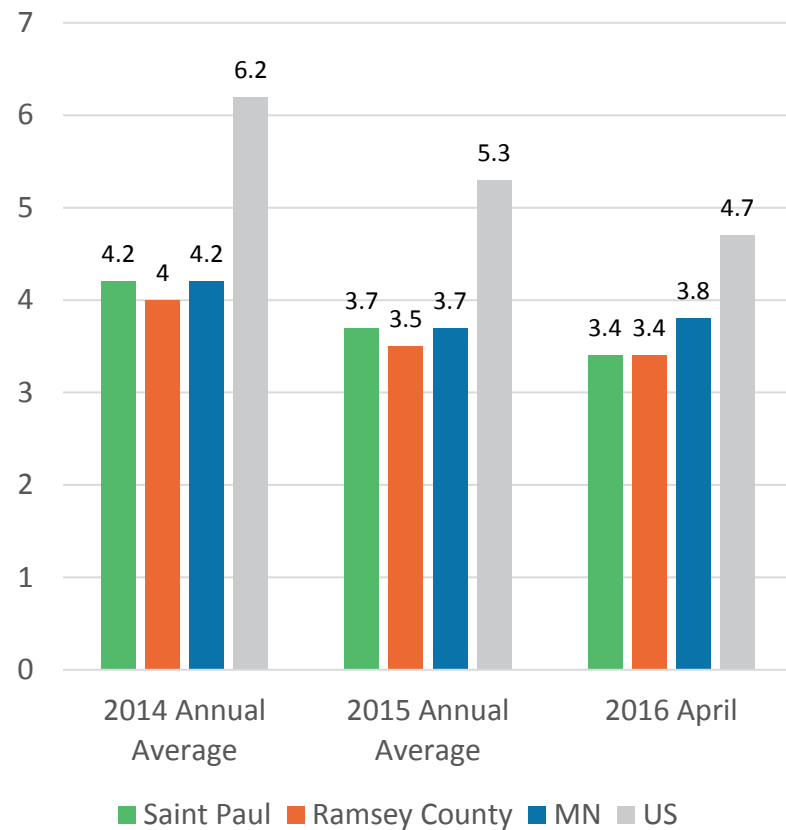
## Percent of the city that is 65+



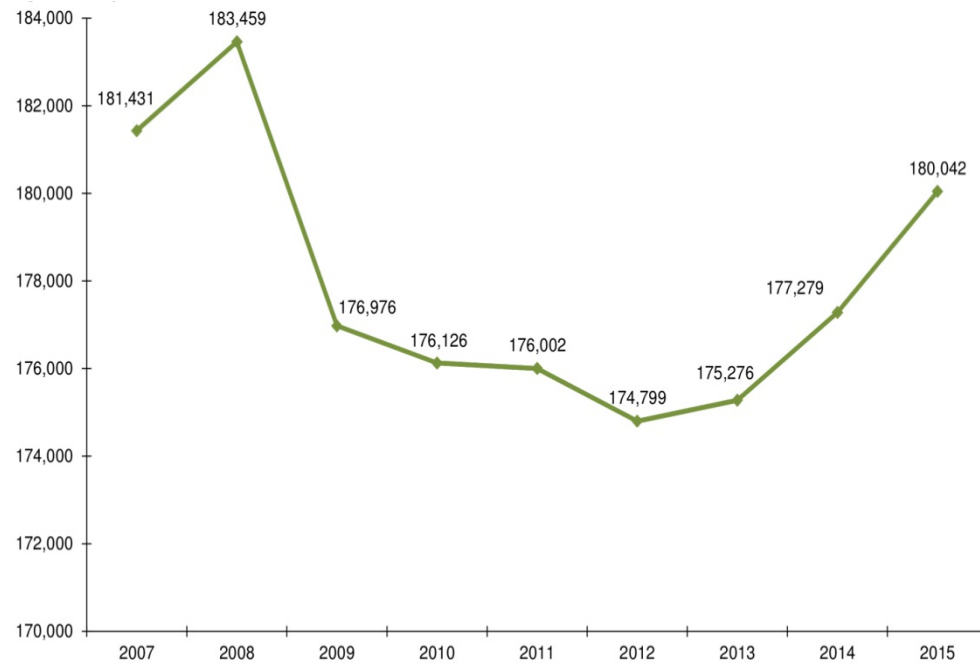
Source: U.S. Census Bureau, American Community Survey 2010-2014

# Economic Trends

## Saint Paul Unemployment Trends



## Jobs in Saint Paul

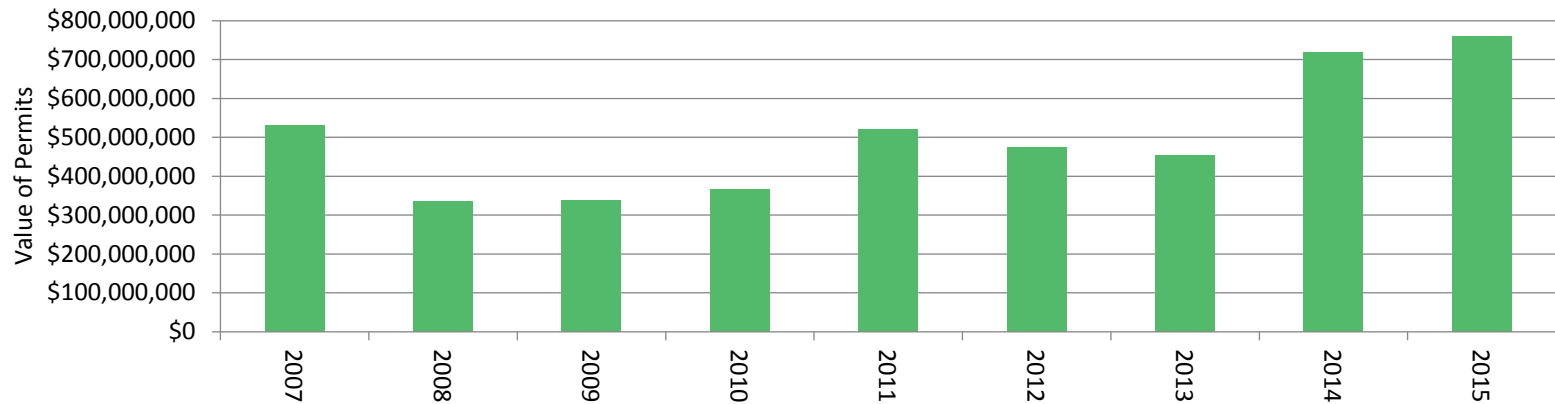


Jobs indicates the number of positions within the city of St. Paul, regardless of which city the employee lives in. Total jobs statistics are based on second quarter estimates, which tend to be relatively predictive of the annual average.

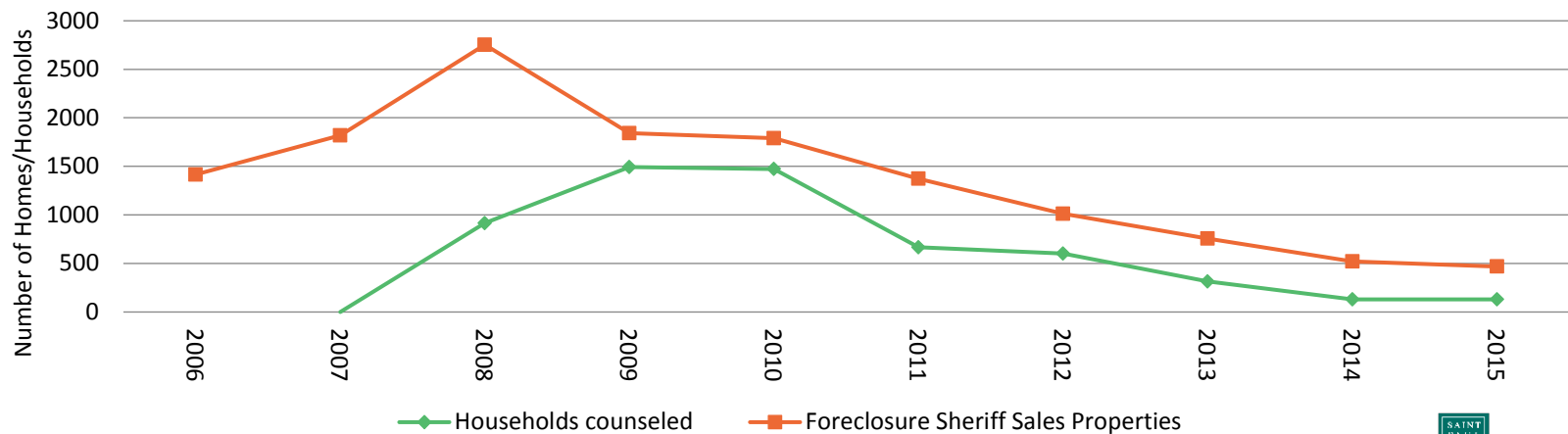
Source: Minnesota Department of Employment and Economic Development, compiled by Saint Paul Planning and Economic Development.

# Economic Trends

## Annual Building Permits Issued by the City: Value of Permits

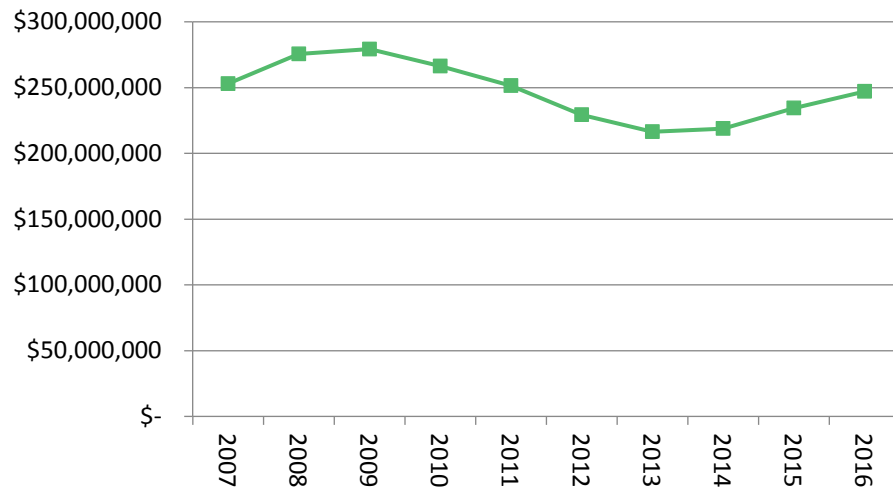


## Foreclosures down

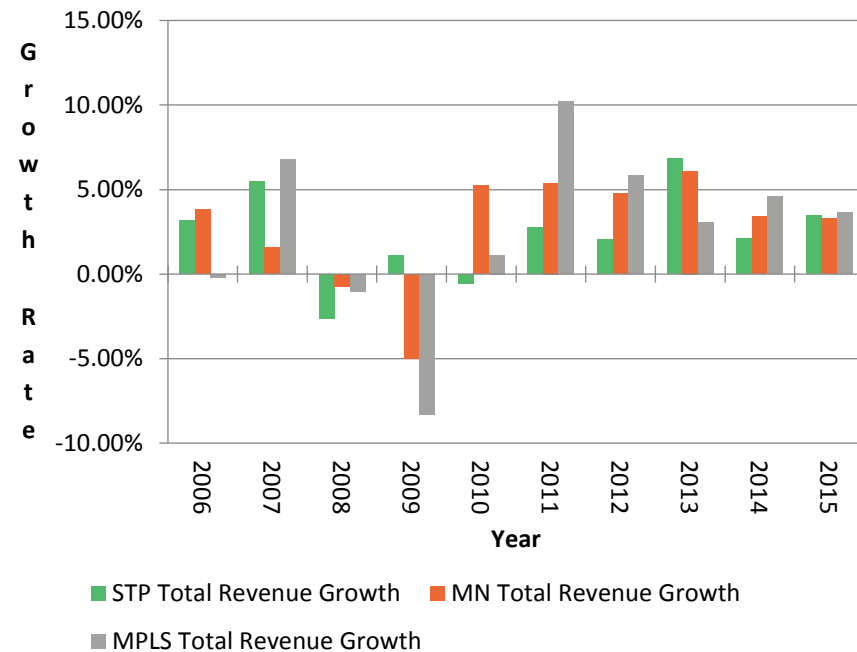


# Economic Trends

## Total Tax Capacity



## Sales and Use Tax Growth Rates



# Supporting and Shaping Investment

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## Major Planning and Zoning Studies

2014: 19

2015: 18

## Heritage Preservation Commission Reviews

2014: 39

2015: 43

## Zoning Application Reviews

2014: 54

2015: 60

## Administrative Reviews

2014: 342

2015: 397

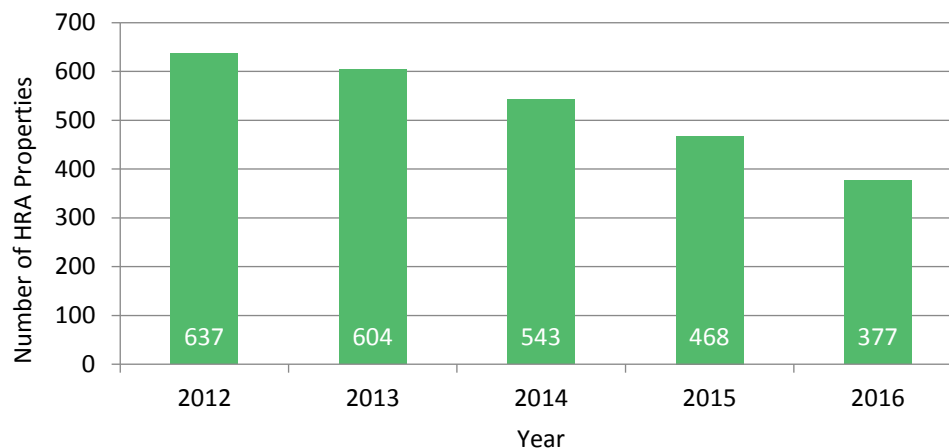
## Historic Preservation Reconnaissance Surveys for demolition legislative hearings

2014: 24

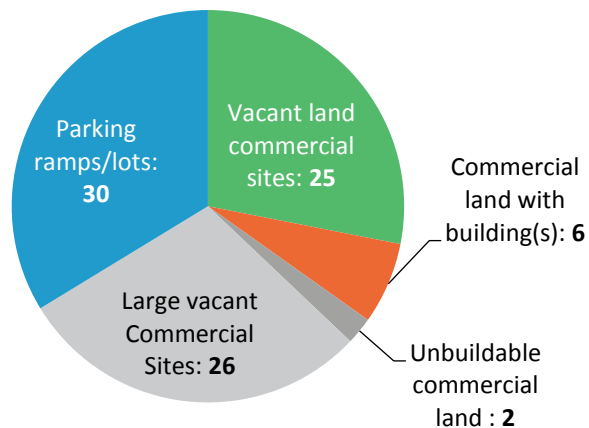
2015: 41

# Supporting and Shaping Investment

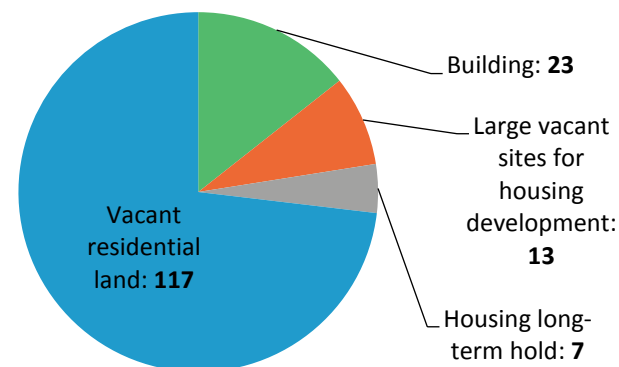
## HRA Property inventory



## HRA Commercial Property



## HRA Residential Property



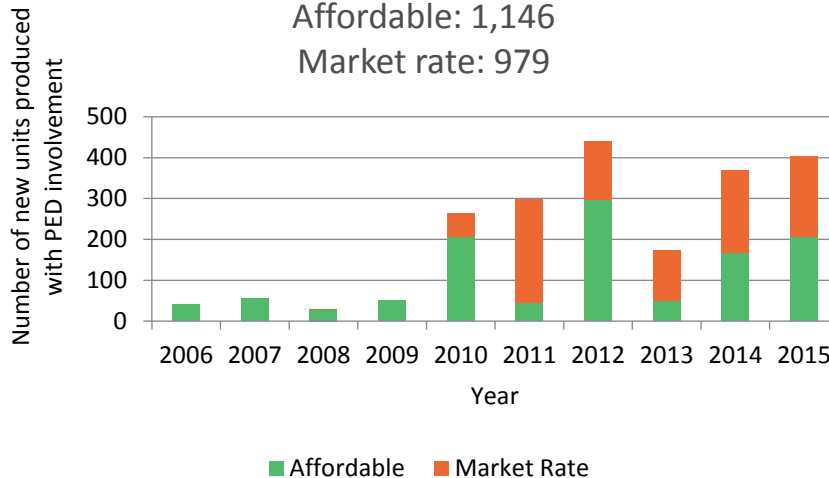
# Supporting and Shaping Investment

## 10-year Multifamily Housing Production, 2006-2015

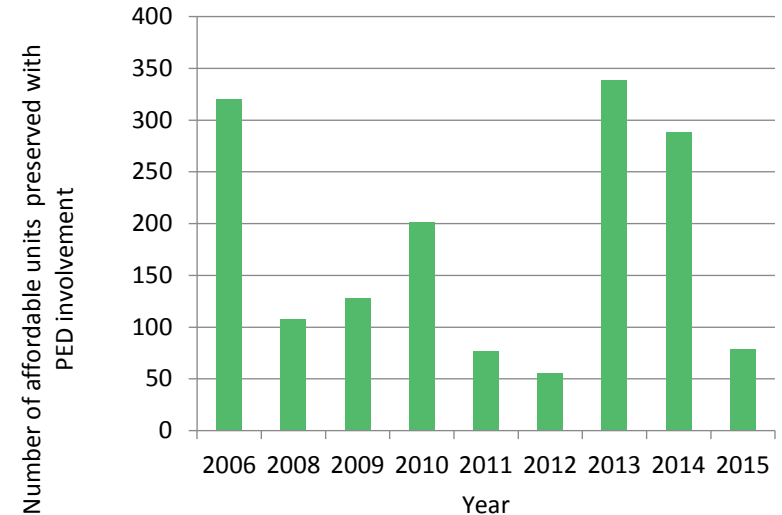
2,158 New Construction Units

Affordable: 1,146

Market rate: 979



1,596 Affordable Units Preserved



### 2015: \$6 million in grants secured to support development and vitality

- Real estate and brownfield cleanup development pass-through
- Funds to support professional expertise
  - West Side Flats brownfields investigation – EPA
  - Ford site rail spur study – TIGER
  - Hill Historic District Survey – MN Legacy
- 8 80 Vitality Fellow



# Supporting and Shaping Investment

## Inspiring Communities Demographics

	Ownership		Rental	
	IC Homes	Saint Paul	IC Homes	Saint Paul
<b>Female Head of Household</b>	<b>35%</b>	36%	<b>81%</b>	64%
<b>Average Household Size</b>	<b>3.1</b>	2.65	<b>4</b>	2.33
<b>Household Median Income</b>	<b>\$52,166</b>	\$75,488	<b>\$21,545</b>	\$29,935
<b>Race</b>				
Black/African American	<b>31%</b>	6%	<b>60%</b>	24.1%
Asian	<b>14%</b>	8.4%	<b>17%</b>	14%
Native Hawaiian/Pacific Islander	<b>2%</b>	0.3%	-	0.1%
American Indian/Alaskan Native	<b>2%</b>	0.7%	<b>2%</b>	1.6%
White/Caucasian	<b>51%</b>	82.5%	<b>21%</b>	54.3%
Other	-	2.4%	-	5.9%
Hispanic	<b>9%</b>	33%	<b>2%</b>	67%
Previous Renter	<b>82%</b>	-	-	-
Previous Saint Paul Resident	<b>60%</b>	-	-	-

# Supporting and Shaping Investment

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## 2015 Business Outreach and Assistance



**New business and commercial real estate financing: 21**

Business fund loans: 2

Ready for Rail: 1

STAR: 18



**Business Concierge Services/ Technical Assistance: 188**



**Business Visits by City and Partners: 112**

# PED/HRA Revenues – Housing and Urban Development Programs (HUD)

<b>Funding Allocations</b>	<b>FY 2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>Projected FY2017</b>
Community Development Block Grant Program*	\$6,505,834	\$6,384,098	\$6,347,173	\$6,250,000
HOME Program	\$1,597,773	\$1,427,984	\$1,482,826	\$1,400,000
Emergency Shelter Block Grant Program	\$541,808	\$579,908	\$574,696	\$550,000
<b>Totals</b>	<b>\$8,645,415</b>	<b>\$8,391,990</b>	<b>\$8,404,695</b>	<b>\$8,200,000</b>

\* 20% of the annual CDBG allocation to the City goes to PED for staffing for CDBG program administration  
30% goes to PED programs including Inspiring Communities, homeownership rehab loans, and business loans

50% goes to contracts with community partners including District Council community engagement and CDC-operated programs and to other City departments including DSI for building demolitions

## Community Development Block Grants (CDBG)

- Ability to charge staff time has declined from \$2+ million to \$1.2 m in 2017.
- A “bank” of CDBG dollars carried over for staffing costs was entirely depleted in early 2016.
- Future budgets for staff charges to CDBG will be limited to 20% of the current Federal funding allocation (\$6.3 m in 2016)
- Allocations have been stable in the past two years, but declined by 26% since 2010.

## Neighborhood Stabilization Program (NSP)

- Stimulus program: New allocations ended in 2010.
- Staff charges to this source have declined:
  - 2011-2013: \$760,00 average
  - 2015, 2016, 2017: \$80,000 each year

# PED/HRA Revenues – Fees, 2011-2015

	2011	2012	2013	2014	2015
ZONING FEES	\$75,355	\$70,180	\$47,600	\$61,879	\$67,023
LOAN ORIGATION AND CLOSING FEES (STAR, business and housing loans, pass through grants, real estate closing fees)	\$114,669	\$90,998	\$116,359	\$114,384	\$96,573
APPLICATION FEE (financing, conduit bonds and pass through grants, attorney fee)	\$122,156	\$164,868	\$232,988	\$364,447	\$262,837
CONDUIT BOND SERVICE FEES	\$1,198,746	\$2,289,624	\$1,262,497	\$1,538,704	\$2,282,579
<b>TOTAL</b>	<b>\$1,510,926</b>	<b>\$2,615,670</b>	<b>\$1,659,444</b>	<b>\$2,079,414</b>	<b>\$2,709,012</b>

## Notes:

- Zoning fees are driven mostly by economic conditions.
- Application fees are highly influenced by fees from larger projects and economic conditions can affect them.
- Includes fees charged for City Attorney services and developer deposit fees retained.

# PED/HRA Revenues – HRA levy

HRA levy is capped by State statute at 0.0185% of the City's taxable market value

	FY2013	FY2014	FY2015	FY2016	Projected FY2017
Maximum tax levy per state statute	\$3,364,661	\$3,401,964	\$3,408,708	\$3,646,207	\$3,804,307
Actual tax levy	\$3,178,148	\$3,178,148	\$3,278,148	\$3,278,148	\$3,278,148
Actual levy under maximum	\$186,513	\$223,816	\$130,560	\$368,059	\$526,159

# PED/HRA Revenues – Parking Fund and Land Sale Proceeds

## Parking revenues continue to be strong

- 2014 actual \$12.3 m
- 2015 actual \$13.5 m
- Q1 2016 actual \$3.7 m – trending over \$12.6 m budgeted



Projected unrestricted  
cash end 2016: \$2.8 m



## Significant recent and pending **land sales**

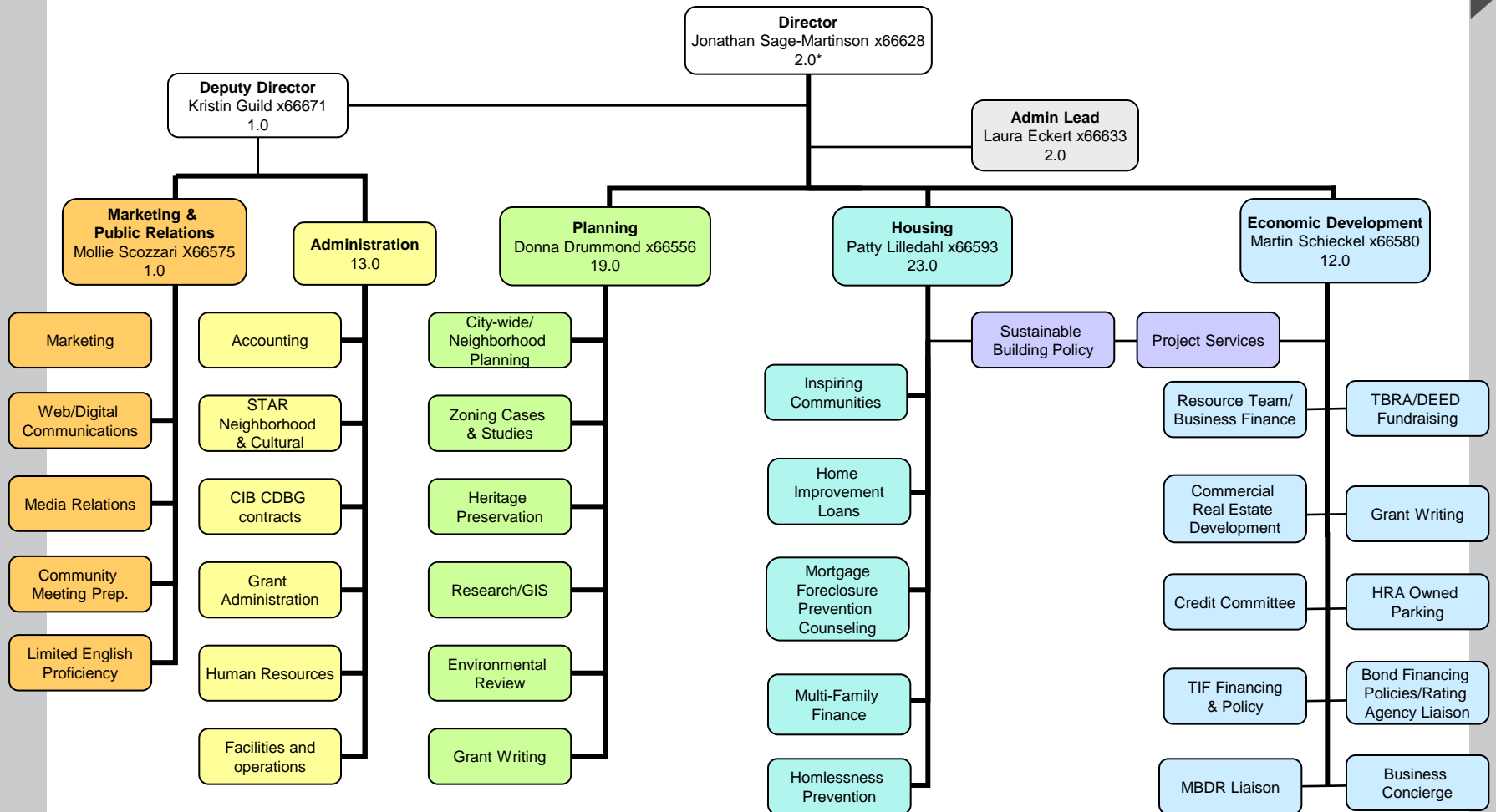
- Victoria Park (2015): \$2.976m – all to HRA Loan Enterprise Fund
- The Lofts (2015): \$12.879m - \$2 m to HRA Loan Enterprise Fund after debt & other funds were repaid
- Penfield: pending sale

# PED Strategic Goals for 2017

- Capture market momentum
  - Snelling-Midway
  - Ford site
  - Downtown sites
  - West Side Flats
- Increase and improve housing options for growing the population
  - Preserve affordable housing
  - Invest in existing housing stock
- Preserve and increase jobs and tax base
  - Attract new jobs, especially downtown and career ladder jobs
  - Invest strategically in catalytic projects
  - Implement updated Economic Development strategy, including metrics for ED results
- Expand access to opportunity and housing choice
  - Coordinate ED and Housing investments to maximize access to jobs and housing opportunities
  - Create new affordable rental housing outside of areas of concentrated poverty where 50% or more of residents are people of color (ACP50 Census Tracts)
  - Address racial disparities in home ownership
  - Support small and minority-owned business growth
- Increase department effectiveness
  - Refine organizational structure and staffing plans
  - Centralize key administrative functions
  - Develop and refine systems

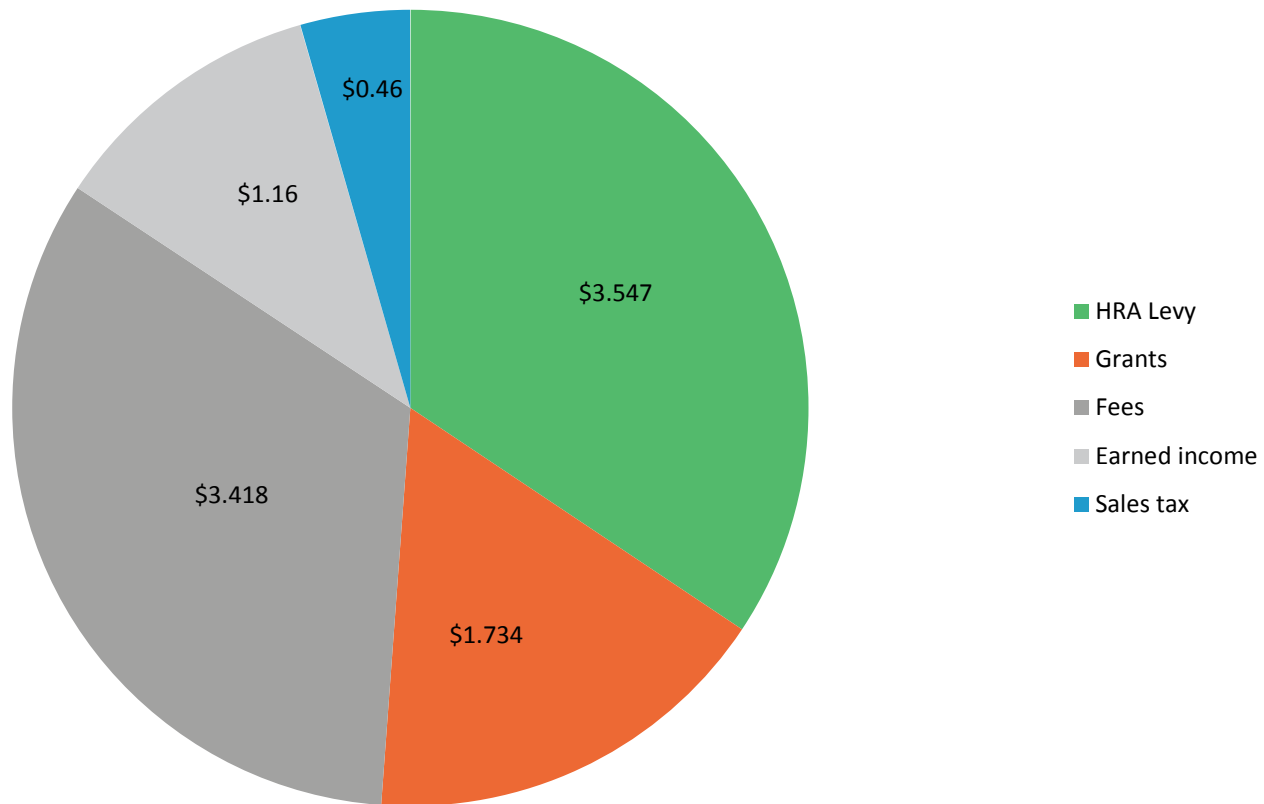


# PED Budget Proposal – Staffing levels



\* One additional FTE housed in the Mayor's office – Joe Spencer

## PED Operations Sources, in \$ millions, Total \$10.319M



## PED Operations Uses

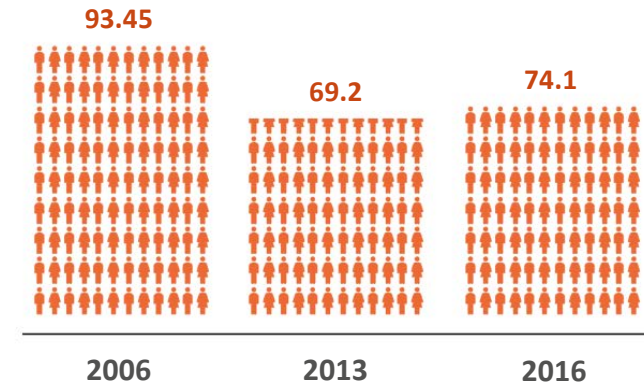
Category	FY2015	FY2016	FY2017
Salaries	5,553,059	5,967,080	6,105,624
Fringe Benefits	<u>2,289,475</u>	<u>2,435,122</u>	<u>2,309,671</u>
<b>Sub-Total Personnel</b>	<b>7,842,534</b>	<b>8,402,202</b>	<b>8,415,295</b>
Services/Supplies/Equip.	1,591,767	1,653,131	1,713,921
Misc. Transfers	184,789	189,435	190,243
<b>Total</b>	<b>9,619,090</b>	<b>10,244,768</b>	<b>10,319,459</b>

FY2017 Personnel costs (PED and in other departments) constitute 81.5% of PED's operating budget. 63% of the operating budget is PED staff salary and fringe, 14% is support for other departments, remainder is rent, professional services and equipment

# PED Operations Uses

- Staffing trends

- 2006 – FTEs 93.45
- 2013 – FTEs 69.2
  - 24.25 FTEs cut between 2006 and 2012
- 2016 – FTEs 74.1
  - .9 added in 2014, 4 added in 2015/2016



- Overhead – rent and equipment stable
- Operating support for other departments

		2014	2015	2016	2017	Change from
		Budget	Budget	Budget	Budget	2014
HREEO / MBDR Support		\$742,120	\$756,113	\$784,048	\$819,540	\$77,420
HRA Board of Commissioners		\$183,233	\$183,233	\$183,233	\$183,233	\$0
Policy Analyst		\$84,322	\$84,322	\$84,322	\$84,322	\$0
Mayor's Office staffing		\$221,441	\$220,542	\$226,022	\$240,314	\$18,873
Right Track		\$0	\$66,437	\$66,437	\$66,437	\$66,437
General Govt Staff	Citizen Participation	\$18,486	\$18,486	\$18,486	\$18,486	\$0
	Intergovernmental Relations	\$40,000	\$40,000	\$40,000	\$40,000	\$0
	<b>Totals</b>	<b>\$1,289,602</b>	<b>\$1,369,133</b>	<b>\$1,402,548</b>	<b>\$1,452,332</b>	<b>\$162,730</b>
	<b>% of PED operations budget</b>	<b>14.3%</b>	<b>14.2%</b>	<b>14%</b>	<b>14%</b>	

# PED/HRA Capital Sources

- Federal grants (CDBG, HOME, ESG)
- State and regional grants (including brownfield and redevelopment grants and state bonds)
- Revenue bonds
- Tax Increment Finance
- STAR
- Affordable Housing Tax Credits
- Parking Fund
- HRA Loan Enterprise Fund

# PED Budget Overview – HRA Outlook

**HRA Outlook**  
**HRA General Fund 2100 and Loan Enterprise Fund 6820**  
**Updated Projections July 28, 2016 including \$8.4 Million of Penfield Sales Proceeds**

	<b>Actual 2014</b>	<b>Actual 2015</b>	<b>Projected 2016</b>	<b>Projected 2017</b>	<b>Projected 2018</b>	<b>Projected 2019</b>	<b>Projected 2020</b>
Beginning HRA General Fund 2100 Fund Balance	11,903,735	12,022,240	12,458,608	10,206,973	7,338,673	4,224,670	857,593
Beginning HRA Loan Enterprise Fund 6820 Cash Balance	5,509,542	6,160,852	7,655,623	13,375,795	9,871,987	9,282,063	8,347,081
Operating (Shortfall)/Surplus	1,190,420	239,812	(3,647,415)	(5,552,568)	(2,859,801)	(3,432,609)	(3,660,650)
Penfield Apartments Repayment	1,261,515	0	0	0	0	0	0
Sales Proceeds/Released Reserves from the Lofts and Victoria Parl	0	5,051,126	300,000	0	0	0	0
Sales Proceeds from the Penfield	0	0	8,400,000	0	0	0	0
Transfer to Disposition Strategy	(940,000)	0	0	0	0	0	0
Transfer to City General Fund (Disparity Study for 2016)	0	0	(300,000)	0	0	0	0
HREEO Transfer: HREEO/MBDR/Section 3 Expenses	(742,120)	(756,113)	(784,048)	(819,540)	(844,126)	(869,450)	(895,534)
Sales Proceeds to Identified Projects	0	(2,288,443)	(500,000)	0	0	0	0
Year-End Commitments	0	(315,243)	0	0	0	0	0
Ending HRA Fund 2100 and 6820 Fund/Cash Balance	18,183,092	20,114,231	23,582,768	17,210,660	13,506,733	9,204,674	4,648,490
Reserves:							
Restricted for Outstanding Admin. Advances Receivable	692,050	1,047,962	1,018,321	1,312,321	1,476,262	1,611,179	1,698,442
Restricted Accumulated Conduit Bond Fees	6,370,768	7,172,276	5,476,450	2,684,299	0	0	0
Restricted Accumulated HUD Rental Rehab Program Income	773,865	815,483	800,000	800,000	800,000	800,000	800,000
15% Operating Spending Reserve	1,183,446	1,128,174	2,088,122	2,053,730	1,661,004	1,703,000	1,746,256
Total Reserves	9,020,129	10,163,895	9,382,893	6,850,350	3,937,266	4,114,179	4,244,698
Ending Fund/Cash Balance Over/(Under) Reserves	<u>9,162,963</u>	<u>9,950,336</u>	<u>14,199,875</u>	<u>10,360,310</u>	<u>9,569,467</u>	<u>5,090,495</u>	<u>403,792</u>

**Assumptions:**

Projected 2016 through 2024 reflects current conduit bond fees that are scheduled to be received. Projected 2016 includes estimated conduit bond closing fees.

Projected 2017 assumes an increase of \$268,449 in the HRA tax levy, of which \$263,080 will actually be received due to 2% shrinkage.

Projected 2018 through 2020 assumes no increases in the HRA tax levy.

HRA levy used for Lofts debt payments was replaced by transferring Lofts excess cash from rental income back to Fund 2100 for years 2014-2015.

Projected 2018 through 2020 assumes 3% inflationary increases for operating expenses.

Projected 2016 assumes Fund 6820 spending budget balances for Economic Development Programs on 12/31/2015 will be used in 2016.

# PED Budget Overview – HRA Outlook

## HRA Outlook HRA General Fund 2100 and Loan Enterprise Fund 6820 July 28, 2016 Updated Projection for 2017 Comparison to June 2015 Projection

	<b>2017 Projection June 2015</b>	<b>2017 Projection Current</b>	<b>2017 Change in Projection</b>
Projected HRA Fund 2100 and 6820 Beginning Fund/Cash Balance	8,019,260	23,582,768	15,563,508 <sup>1</sup>
General Operating (Shortfall)/Surplus	(4,558,125)	(6,907,388)	(2,349,263)
Conduit Bond Fees and Expenses	(174,934)	76,149	251,083
Advance Principal Repayments/Advances to Other Funds	0	459,131	459,131
Ending HRA Fund 2100 and 6820 Fund/Cash Balance	<u>3,286,201</u>	<u>17,210,660</u>	<u>13,924,459</u>
Reserves:			
Restricted for Outstanding Admin. Advances Receivable	0	1,312,321	1,312,321
Restricted Accumulated Conduit Bond Fees	0	2,684,299	2,684,299
Restricted Accumulated HUD Rental Rehab Program Income	0	800,000	800,000
15% Operating Spending Reserve	0	2,053,730	2,053,730
Total Reserves	<u>0</u>	<u>6,850,350</u>	<u>6,850,350</u>
Revised Ending Fund/Cash Balance Over/(Under) Reserves	<u><u>3,286,201</u></u>	<u><u>10,360,310</u></u>	<u><u>7,074,109</u></u>

<sup>1</sup> The change in projected 2017 beginning balances is higher because 2014 and 2015 actual spending for general administration was less, actual 2015 conduit bond fee revenue was higher, projected 2016 and 2017 ongoing conduit bond fee revenue is higher due to new issuances, and a portion of the sales proceeds from the Lofts, Victoria Park, and the Penfield was retained in fund balance.

# PED Budget Proposal – HRA levy proposal

HOUSING AND REDEVELOPMENT AUTHORITY OF THE CITY OF SAINT PAUL

## HRA PROPERTY TAX LEVIES AND PROPERTY VALUES

LEVY - PAYABLE	2009	2010	2011	2012	2013	2014	2015	Final 2016	Projected 2017	Proposed 2017
Taxable Market Value (Real and Personal Property)	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	20,563,957,400	20,563,957,400
State Law Maximum Levy Rate (% of Taxable Market Value)	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%	0.0185%
Maximum Tax Levy per State Law	\$ 4,213,703	\$ 3,992,573	\$ 3,712,072	\$ 3,360,238	\$ 3,364,661	\$ 3,401,964	\$ 3,408,708	\$ 3,646,207	\$ 3,804,332	\$ 3,804,332
Actual Tax Levy Certified	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	3,546,597
Actual Levy under Maximum	1,935,555	814,425	533,924	182,090	186,513	223,816	130,560	368,059	526,184	257,735
% of Actual Levy to Maximum	54.07%	79.60%	85.62%	94.58%	94.46%	93.42%	96.17%	89.91%	86.17%	93.23%

Market Value data provided by Ramsey County

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

**\$268,449 HRA levy increase proposed**



# 2017 Major Budget Changes

• Job Opportunity Fund	\$2,000,000
• Business Assistance Fund (increase from \$350,000)	\$100,000
• Small Rental Rehab Loan Program	\$750,000
• Historic Survey grant match (increase from \$25,000)	\$15,000
• Community engagement	\$26,400

## **Economic Development Strategy Goals:**

- Increase the number of jobs in Saint Paul and access to jobs and opportunity for residents
- Grow Saint Paul's tax base
- Lower unemployment among the city's diverse populations with disproportionately high unemployment rates

## **PED investments supporting the ED strategy:**

1. Economic Development Team Staffing:
  - Increased ED staff by 30% (from 10 in 2014 to 13 in 2016)
  - By late 2016, early 2017, we expect to be fully staffed again
2. \$6.4 m in STAR loans and grants to businesses, 2011-2015
3. Continue the Commercial Vitality Zone, proposing another \$750,000
4. Cultural STAR has shifted to the ED team
5. Broadening business outreach and concierge services to a larger team
6. Website improvements

# Economic Development Proposed Investments

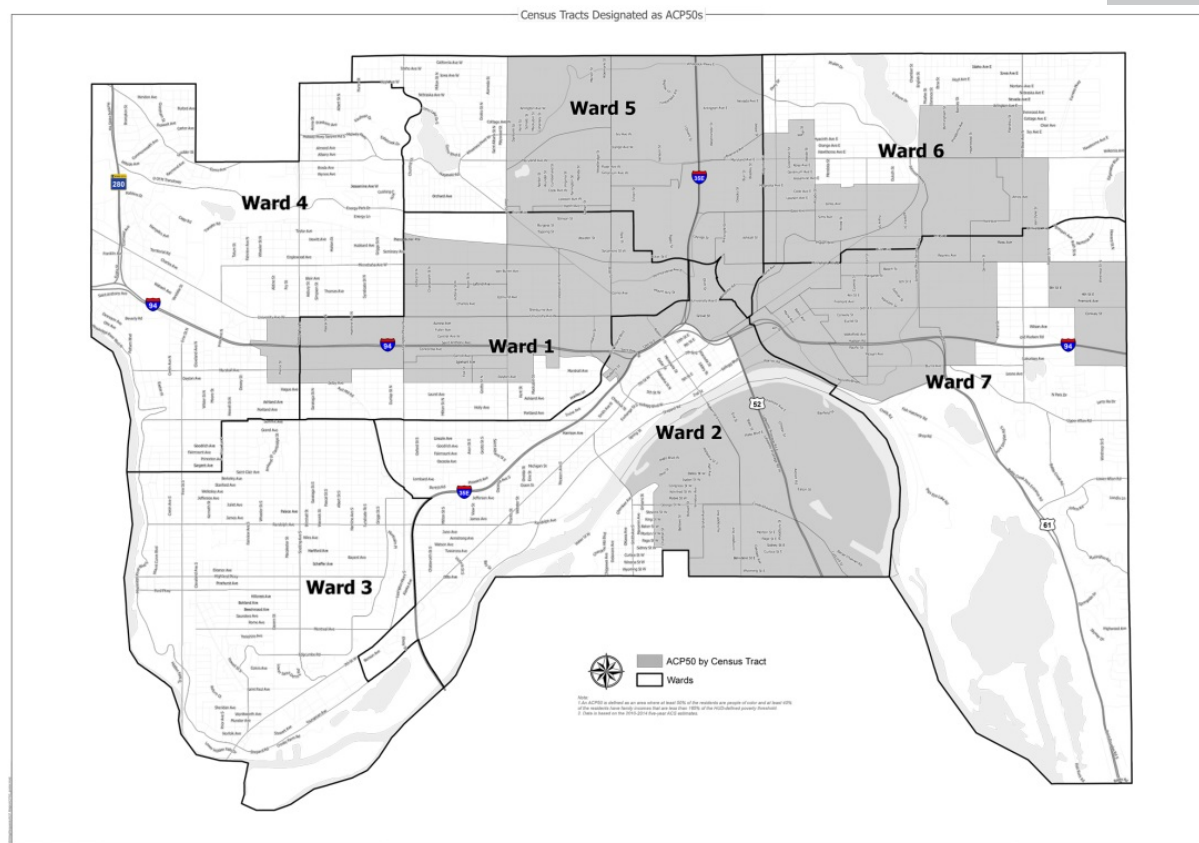
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## 1. Job Opportunity Fund

- Targeted investments in job creation in ACP50 areas
- Combination loan/grant
- Match required for leverage

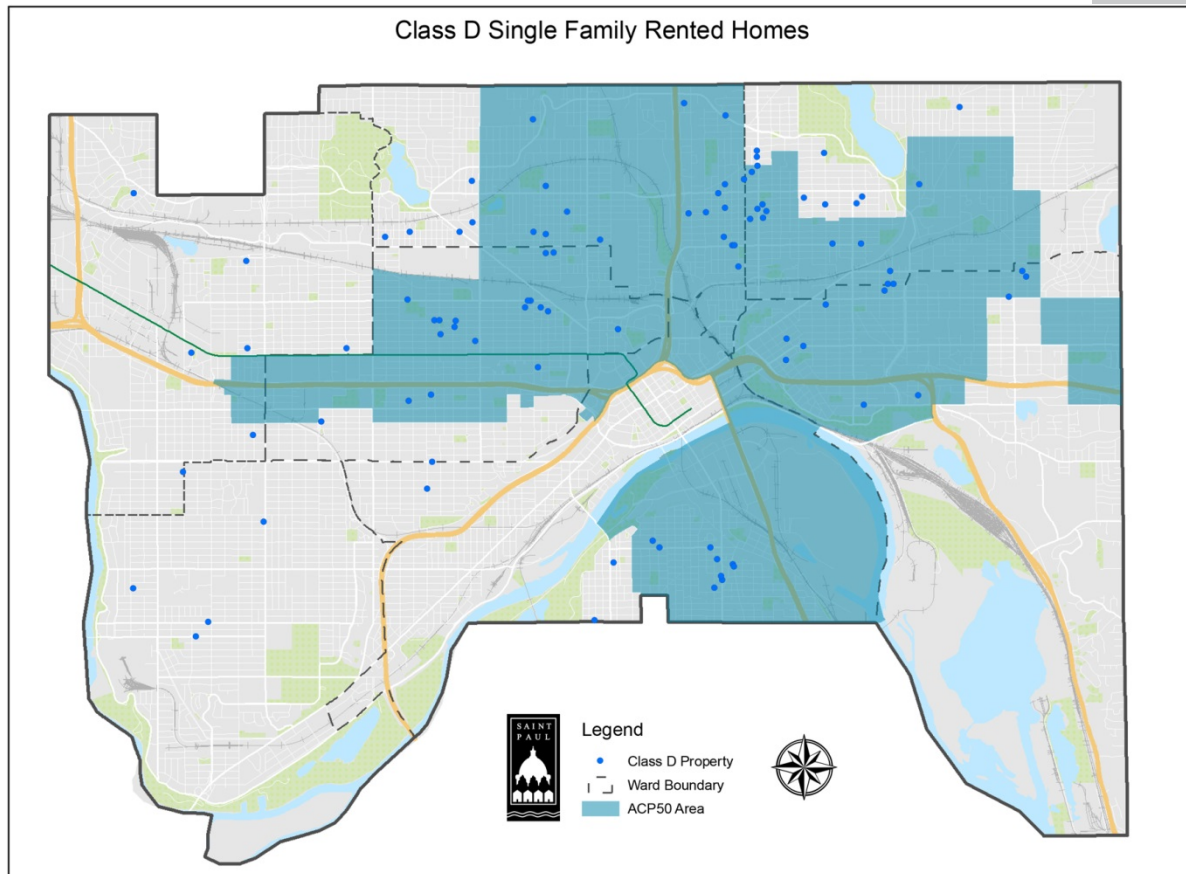
## 2. Business Assistance Fund

- Increase allocation from \$350,000 to \$450,000 for business loans citywide



# Small Rental Rehab Loan Program

- Partnership with DSI to finance needed investments in single family and duplex rental housing with violations
- Loans for code compliance work in Class D properties within ACP50 areas
- Loans forgiven if no further violations and affordable rents maintained



**HRA PARKING FUND  
SUMMARY OF OPERATIONS**

	Actual 2012	Actual 2013	Actual 2014	Actual 2015	Y-T-D Actual 2016	Projected 2016	Budget 2017
Operating Revenue <sup>(1) (2)</sup>	10,766,952	12,070,474	12,351,868	13,511,002	6,958,949	13,629,511	13,586,861
Non-operating revenues <sup>(3)</sup>	2,635,896	3,016,347	2,979,525	2,579,423	756,837	2,502,247	2,484,115
<b>Total Revenue</b>	<b>13,402,848</b>	<b>15,086,821</b>	<b>15,331,393</b>	<b>16,090,425</b>	<b>7,715,786</b>	<b>16,131,758</b>	<b>16,070,976</b>
Operating Expenses <sup>(4)</sup>	(5,306,586)	(6,060,334)	(6,274,331)	(6,529,723)	(2,871,048)	(8,322,576)	(7,891,899)
Capital repairs	(774,309)	(496,399)	(719,490)	(926,113)	(462,838)	(2,525,000)	(2,084,000)
Debt Service	(6,084,451)	(6,071,866)	(6,088,379)	(5,971,771)	(2,868,528)	(5,987,556)	(5,991,506)
<b>Total Expenses</b>	<b>(12,165,346)</b>	<b>(12,628,599)</b>	<b>(13,082,200)</b>	<b>(13,427,607)</b>	<b>(6,202,414)</b>	<b>(16,835,132)</b>	<b>(15,967,405)</b>
<b>Annual Net Revenue/(Net Deficit) <sup>(5)</sup></b>	<b>1,237,502</b>	<b>2,458,222</b>	<b>2,249,193</b>	<b>2,662,818</b>	<b>1,513,372</b>	<b>(703,374)</b>	<b>103,571</b>

(1) Increase in operating revenue from 2013 to 2015 is due to rate increases (partial for 2013 and full year for 2014) and increase in usage for daily and event parking. Decrease in 2017 is projected due to loss of Fox lot (125 spaces). The Ryan Lot will also be lost (144 spaces). Ryan lot revenues (2016 avg. \$28,880/month) will be loss to the general fund, not the parking fund.

(2) For Actual 2015, the top performing ramps (Block 19, Robert St, Kellogg, Smith Lowertown, 7A, & Lawson) generated \$11,790,851 of the operating revenue, which represents 87.3% of the total above. Of the \$11.8 million revenue from these ramps, 57.5% (\$6,777,157) was generated from monthly contracts, with the balance comprising daily and event parking. 2014 was 88.8% of total revenue and 57.9% 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. 2014 includes \$51,224 loss of business payment (5th & Minnesota lot) from Met Council due to light rail project. 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 2015, the top performing ramps (see #2 above) incurred \$5,890,237, of operating expenditures, which is 50% of their associated \$11,790,851 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**

	Actual 2014	Actual 2015	Projection 2016	Budget 2017	Projection 2018	Projection 2019	Projection 2020
Beginning Cash Balance	16,852,222	18,100,141	20,134,817	17,063,747	16,176,679	15,447,206	16,037,009
Less Cash with Fiscal Agent	(1,100,913)	(1,041,927)	(1,300,097)	-	-	-	-
<b>ADJUSTED BEGINNING CASH BALANCE</b>	<b>15,751,309</b>	<b>17,058,214</b>	<b>18,834,720</b>	<b>17,063,747</b>	<b>16,176,679</b>	<b>15,447,206</b>	<b>16,037,009</b>
Revenue	15,331,394	16,090,425	16,131,758	16,070,976	15,371,892	15,834,542	15,834,542
Expenses	(6,274,331)	(6,529,722)	(8,322,576)	(7,891,899)	(8,453,152)	(8,856,802)	(9,032,439)
<b>Operating Income</b>	<b>9,057,063</b>	<b>9,560,703</b>	<b>7,809,182</b>	<b>8,179,077</b>	<b>6,918,740</b>	<b>6,977,740</b>	<b>6,802,103</b>
Less Debt Service	(6,088,379)	(5,971,771)	(5,987,556)	(5,991,506)	(4,895,037)	(4,832,175)	(4,843,375)
<b>Net Income After Debt Service</b>	<b>2,968,684</b>	<b>3,588,932</b>	<b>1,821,626</b>	<b>2,187,571</b>	<b>2,023,703</b>	<b>2,145,565</b>	<b>1,958,728</b>
Repairs & Maintenance	(719,490)	(926,113)	(2,525,000)	(2,084,000)	(2,760,000)	(1,565,000)	(2,085,000)
Net Revenue	2,249,194	2,662,818	(703,374)	103,571	(736,297)	580,565	(126,272)
Adjust for accruals (prior/cur yr)	(300,522)	(233,312)	297,865	(24,639)	6,825	9,238	3,162
Add back Rivercentre, Hamm's, NH improv.	-	440,000	1,414,456	1,068,436	1,058,702	1,120,753	1,224,346
<b>NET CASH PROVIDED/(USED)</b>	<b>1,948,672</b>	<b>2,869,506</b>	<b>1,008,947</b>	<b>1,147,369</b>	<b>329,229</b>	<b>1,710,555</b>	<b>(123,110)</b>
<b>TOTAL PARKING FUND CASH</b>	<b>17,699,981</b>	<b>19,927,720</b>	<b>19,843,668</b>	<b>18,211,115</b>	<b>16,505,909</b>	<b>17,157,762</b>	<b>15,913,899</b>
Less Transfers Out							
Xfer to GF-Prg meter oper. Exp. *	-	(345,000)	(345,000)	(345,000)			
Xfer to GF (PW)-replace downtown meters				(480,000)			
Xfer to GF (PW)-replace capitol area meters				(141,000)			
Xfer to GF-Public Works add'l meter exp.		(308,000)	(488,000)				
Xfer to GF-Public Works safe routes			(104,000)				
Contribution to General Fund-Rivercentre	-	(440,000)	(500,000)	(500,000)	(500,000)	(500,000)	(500,000)
Hamm's payment to subcontractor			(414,456)				
Contingency for NH parking improv. Prog.	-	-	(500,000)	(568,436)	(558,702)	(620,753)	(724,346)
Xfer for Soccer stadium			(285,314)				
Xfer for Other Contingency	(641,767)	-	(143,151)	-			
<b>NET PARKING FUND CASH</b>	<b>17,058,214</b>	<b>18,834,720</b>	<b>17,063,747</b>	<b>16,176,679</b>	<b>15,447,206</b>	<b>16,037,009</b>	<b>14,689,554</b>
<b>RESERVES AND RESTRICTIONS</b>							
A. Reserved Accounts	559,623	311,245	213,886	175,914	175,914	175,914	185,914
B. Required Debt Service	4,916,269	4,916,269	4,918,669	4,895,037	4,835,844	4,842,387	4,843,335
C. Required Debt Service Reserve Fund	2,527,925	2,527,925	2,527,925	2,527,925	2,527,925	2,527,925	2,527,925
D. Repair/Replacement Reserves	2,762,861	2,041,312	2,467,554	2,329,382	1,512,382	1,865,382	1,573,382
E. Fine/Meter Reserve	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
F. Operating Reserve	687,436	1,087,098	1,108,840	1,131,016	1,153,637	1,176,709	1,176,709
<b>TOTAL RESERVES/RESTRICTIONS</b>	<b>14,454,113</b>	<b>13,883,849</b>	<b>14,236,874</b>	<b>14,059,275</b>	<b>13,205,701</b>	<b>13,588,318</b>	<b>13,307,265</b>
<b>UNRESERVED/UNRESTRICTED CASH</b>	<b>2,604,101</b>	<b>4,950,872</b>	<b>2,826,873</b>	<b>2,117,404</b>	<b>2,241,505</b>	<b>2,448,691</b>	<b>1,382,288</b>

**RESERVES AND RESTRICTIONS**

A. Amounts are defined per executed agreements for World Trade Center Ramp (including capital repairs), Lawson Retail and Farmer's Market (including capital repairs)

B. Funds held for debt service due the following fiscal year as required in Bond Indentures for the Parking Facilities and Lawson Bonds

C. Funds held in Bond Indenture required Debt Service Reserve Fund for Parking Facilities Bonds

D. The amount shown in Repair/Replacement Reserves intentionally exceeds the Bond Indenture required deposits. The amount is determined by adding an amount equal to the average of 5 subsequent years of the projected capital expenditures and subtracting the projected expenditures of the current year. It does not include the WTC and Farmer's Market since they are included in (A) above.

E. The City has pledged \$3M in Meter/Fine revenue to the Parking Facilities Bonds, revenue in the parking fund would be used first and is therefore reserved for that purpose

F. In order to prudently manage cash flow in the parking system, 45 days of expenses are held in reserves

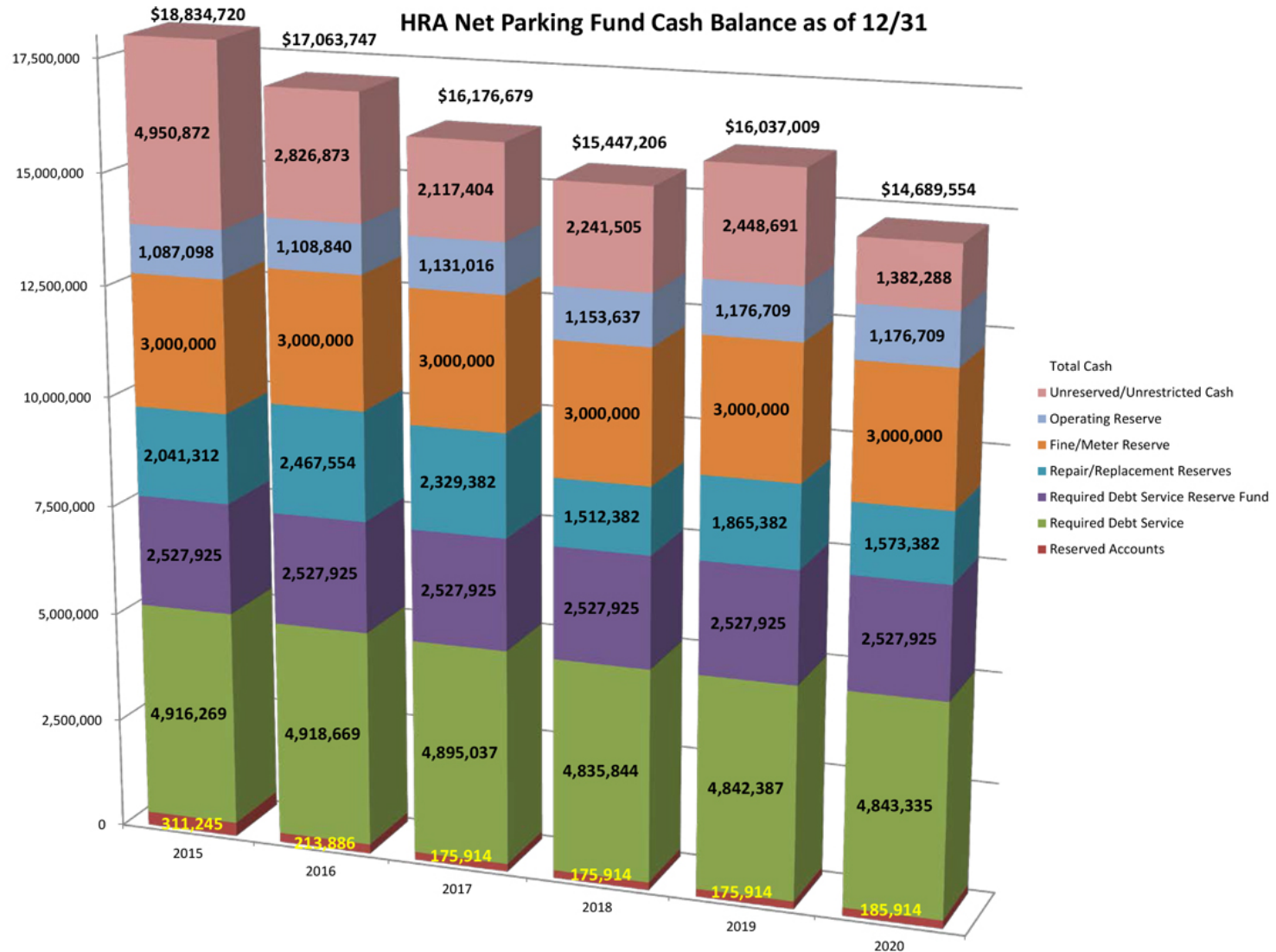
\* Transfer for Parking Meter operational expenses is authorized for 2015 and 2016 and proposed for 2017. Therefore no transfers are projected for 2018-2020.

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# Parking Fund



## PED Budget Proposal – Parking Fund uses

<b>Transfer for Parking Meter Operational Expenses</b>	<b>\$345,000</b>
<b>Public Works Parking Meter replacement</b>	<b>\$621,000</b>
<b>Structural Repairs to RiverCentre Ramp</b>	<b>\$500,000</b>
<b>Neighborhood Parking Improvement Program</b>	<b>\$568,436</b>
<b>Total uses:</b>	<b>\$2,034,436</b>



# PED Budget Proposal – STAR Pay Go Economic Development Fund

## **Ford site predevelopment work - \$200,000**

- \$50,000 match commitment for the TIGER rail spur study
- \$40,000 match commitment for McKnight \$60,000 grant to do Ford urban design plan
- \$35,000 for continuation of real estate advisory services
- \$75,000 for the next phase Ford Energy system study

## **Design Center City staffing - \$50,000**

## **Commercial Vitality Zone - \$750,000**

- Catalytic projects in one to two implementation zones each year - \$300,000-\$350,000
- Predevelopment planning work in one other area each year - \$50,000
- PED staffing costs - \$75,000

# PED Budget Proposal – STAR

## 2017 SALES TAX REVENUES

(updated 07/19/16)

	<u>Neighborhood STAR Budget</u>	<u>Cultural STAR Budget</u>	<u>RiverCentre Budget</u>	<u>Economic Development Budget</u>	<u>Totals Budget</u>
2017 Sales Tax Revenue	\$8,675,000	\$1,775,000	\$3,300,000	\$4,000,000	\$17,750,000
Sales Tax Above 2016 Budget	\$0	\$0	\$0	\$0	\$0
Sales Tax Above 2015 Budget	\$0	\$0	\$0	\$0	\$0
STAR Program Balances	\$0	\$0	\$0	\$0	\$0
Loan Repayments	\$393,663	\$2,488			\$396,151
Interest Earnings - Sales Tax Revenue	\$80,000				\$80,000
<b>STAR Subtotal:</b>	<b>\$9,148,663</b>	<b>\$1,777,488</b>	<b>\$3,300,000</b>	<b>\$4,000,000</b>	<b>\$18,226,151</b>

## 2017 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	\$1,910,971				\$1,910,971
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	\$2,197,692				\$2,197,692
Cultural STAR Program		\$1,342,488			\$1,342,488
Cultural STAR for Library Materials		\$175,000			\$175,000
Cultural STAR for Ordway		\$210,000			\$210,000
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
<b>STAR Subtotal:</b>	<b>\$9,148,663</b>	<b>\$1,777,488</b>	<b>\$3,300,000</b>	<b>\$4,000,000</b>	<b>\$18,226,151</b>

# PED Budget Proposal – Penfield proceeds proposal

## Penfield Proceeds ~\$15M

### Uses:

- Pay off Golf Debt \$4.3M
- Return to Parking Fund \$2.3M
- Return to HRA Enterprise Loan Fund \$6.4M
- Job Opportunity Fund \$2M

#### HRA Enterprise Loan Fund - \$6.4M

- HREEO funding
- Business Assistance Fund
- Strategic Investment Fund
- Predevelopment
- Home rehab loans
- Mortgage foreclosure prevention

#### Job Opportunity Fund - \$2M

- Jobs located in areas of concentrated poverty where 50% or more of residents are people of color (ACP50 Census Tracts)
- Priority for projects that create jobs and provide a match

# 2017 Metrics and outcomes

## Housing

- 290 affordable dwelling units created and preserved
- 30 affordable homeownership units created
- 35 homeowner assistance loans to renovate single family houses
- 10 new loans to landlords of Class D properties for code compliance work

## Economic Development

- Double business visits by PED and partners from 112 in 2015 to 224 in 2017
- 250 new jobs in 2017 connected to PED/HRA business financing
- Increase jobs in Saint Paul by 1,000 jobs

- Planning

- Progress on comprehensive plan, to be finalized and adopted in 2018

## Racial equity

- Increase representation of people of color on PED staff
- All new hires culturally competent
- Additional programs evaluated using the racial equity assessment tool



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August 17, 2016

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