

Port Authority Funding Partnership for EAB



Property Tax Levy Impact

- Saint Paul Port Authority levies a tax on Saint Paul's property tax base to service its General Obligation Debt
 - G.O. Debt outstanding at 5/12/2020: \$32,040,000 – recently financed Hillcrest acquisition
 - 2020 Certified Debt Levy: \$3,503,037
 - Proposed Issuance: \$17.7M - \$19.9M

Repayment overview:

	<u>2.50%</u>	<u>3%</u>	<u>3.50%</u>
Annual repayment	<u>10 year</u>	<u>15 year</u>	<u>20 year</u>
\$10,000,000	\$1,199,717	\$879,549	\$738,791
\$15,000,000	\$1,799,576	\$1,319,324	\$1,108,187
\$20,000,000	\$2,399,434	\$1,759,098	\$1,477,583
Change in tax on Median Home	<u>10 year</u>	<u>15 year</u>	<u>20 year</u>
\$10,000,000	\$ 8.15	\$ 5.97	\$ 5.02
\$15,000,000	\$ 12.22	\$ 8.96	\$ 7.53
\$20,000,000	\$ 16.30	\$ 11.95	\$ 10.04



Credit Rating/ Debt Management Impact

- City and Port share General Obligation Bond Rating
 - Recently affirmed “AAA-stable” by S&P and Fitch
 - Rating Agency Feedback: A key factor that could cause a downgrade in rating or outlook is growth in the City’s long-term liabilities (debt and pension)
 - Proposed issuance of \$17.7M - 19.9M will count against long-term liabilities score of bond rating criteria
- Prioritizing this project for bonding will reduce opportunities to increase debt funding for other programs such as St. Paul Streets and Capital Improvement Budget projects
- Debt Capacity study underway to provide data for additional context, expected late May-early June 2021