



STPAUL.GOV

CITY OF SAINT PAUL

2022 PROPOSED STAR BUDGET



St. Paul's Sales Tax

- Local option ½ cent sales tax in Saint Paul – began in 1993
 - Amended 6 times
 - 1997, 1998, 2003, 2005, 2009, and 2013
- 2013 (Current Law)
 - Taxing Authority expires in 2042
 - 40% used for RiverCentre or Economic Development
 - 60% STAR Programs
 - Neighborhood STAR – Capital projects
 - Cultural STAR - Capital projects and Operating Support

2021 Sales Tax Revenue

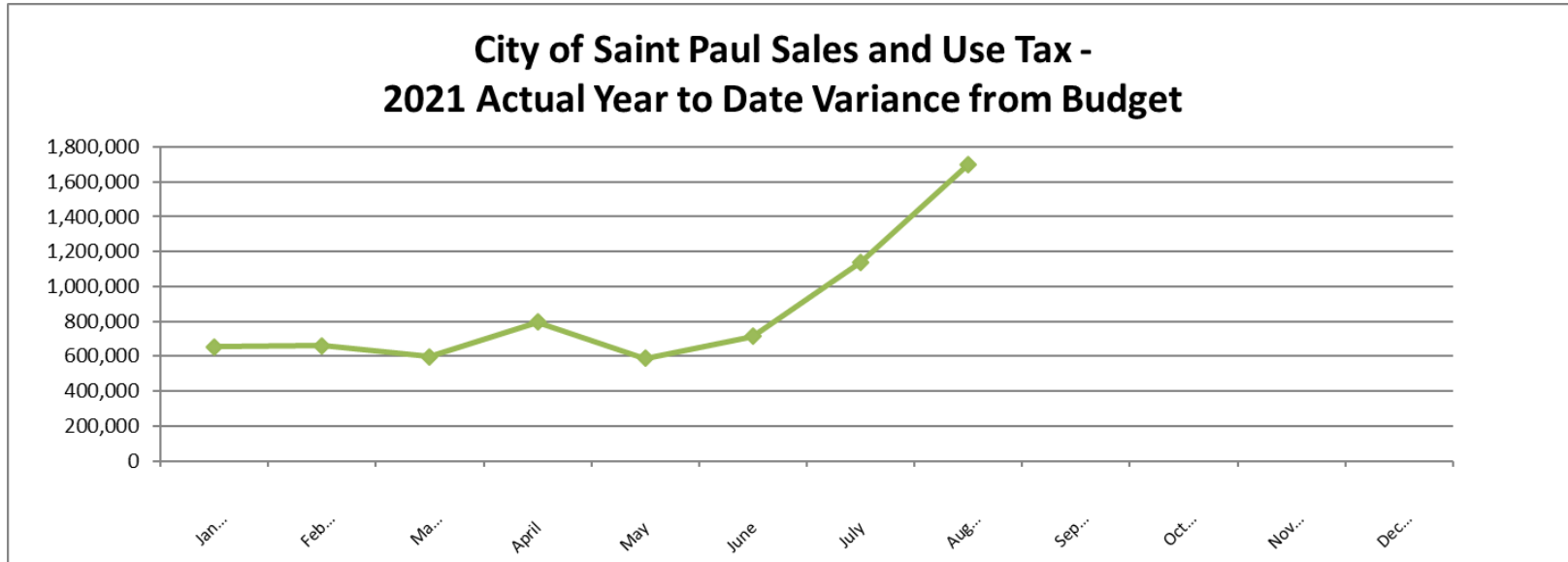
- August 2021 year to date revenues show a positive variance of 15.41%

Month	Net Sales Tax Received					2021		Variance from Budget	
	2016	2017	2018	2019	2020	Budget	Actual	By Month	Year to Date
January	1,703,564	1,724,892	1,711,904	1,794,923	1,808,306	1,574,160	2,226,992	41.47%	41.47%
February	1,560,947	1,369,929	1,433,342	1,544,990	1,456,726	1,326,132	1,332,408	0.47%	22.73%
March	1,478,221	1,403,979	1,490,512	1,396,722	1,472,375	1,303,785	1,242,641	-4.69%	14.22%
April	1,687,742	1,614,748	1,640,203	1,553,060	1,453,403	1,431,133	1,627,332	13.71%	14.09%
May	1,453,038	1,555,989	1,325,526	1,705,484	1,202,379	1,303,895	1,096,309	-15.92%	8.45%
June	1,339,308	1,469,843	1,520,196	1,633,347	1,341,701	1,315,053	1,442,610	9.70%	8.65%
July	1,465,374	1,500,226	1,517,628	1,557,315	1,406,247	1,340,689	1,765,861	31.71%	11.87%
August	1,778,796	1,747,931	1,416,622	1,589,711	1,474,498	1,441,648	2,003,334	38.96%	15.41%
September	1,624,491	1,712,754	1,563,336	1,679,325	1,418,795	1,440,053			
October	1,690,661	1,666,008	1,661,423	1,625,795	1,523,102	1,470,351			
November	1,589,993	1,524,045	1,791,376	1,813,809	1,807,803	1,535,171			
December	1,451,175	1,620,938	1,685,656	1,570,266	1,408,924	1,392,930			
Total Receipt	18,823,311	18,911,280	18,757,724	19,464,749	17,774,259		12,737,486		75.48%
Adopted Budget	17,250,000	17,750,000	18,000,000	18,750,000	18,750,000	16,875,000			
Budget Variance	1,573,311	1,161,280	757,724	714,749	-975,741		1,700,991		
Actuals vs. Prior Year (\$)	832,632	87,970	-153,557	553,468	-1,690,490				
Actuals vs. Prior Year (%)	4.42%	0.47%	-0.82%	2.84%	-9.51%				



2021 Sales Tax Revenue Cont.

- Collections through August 2021 are \$1,700,991 (15.41%) above budget
- 2021 collections through August are \$1,121,851 (9.66%) more than same period in 2020





Sales Tax Rate Analysis

	St. Paul	Duluth	Bloomington	Minneapolis	Rochester
Sales and Use Tax - State	6.875%	6.875%	6.875%	6.875%	6.875%
Liquor - State Gross Receipts Tax	2.50%	2.50%	2.50%	2.50%	2.50%
Sales and Use Tax- County	-	-	0.15%	0.15%	-
Transit Sales and Use Tax- County	0.50%	0.50%	0.50%	0.50%	0.50%
Sales and Use Tax - Local Jurisdiction	0.50%	1.50%	-	0.50%	0.75%
Downtown Area Tax (Restaurants & Liquor)	-	-	-	3.00%	-
Food and Beverage	-	2.25%	-	-	-
Liquor tax - local jurisdiction	-	-	3.00%	-	-
Lodging Tax (more than 30 rooms in Duluth, 50 in St. Paul)	7.00%	5.50%	7.00%	3.00%	7.00%
Lodging Tax (less than 30 rooms in Duluth, 50 in St. Paul)	3.00%	3.00%	7.00%		7.00%
Admission/Entertainment Tax	-	-	3.00%	3.00%	-

Total Sales	7.875%	8.875%	7.525%	8.025%	8.125%
Total Lodging	14.875%	14.375%	14.525%	14.025%	15.125%
Total Downtown Restaurant	7.875%	11.125%	7.525%	11.025%	8.125%
Total Downtown w/ Liquor	10.375%	13.625%	13.025%	13.525%	10.625%
Minimum Rate	7.875%	8.875%	7.525%	8.025%	8.125%
Max Rate	14.875%	14.375%	14.525%	14.025%	15.125%

2021 Amended STAR Budget

Line #		Neighborhood STAR Budget	Cultural STAR Budget	RiverCentre Budget	Economic Development Budget	Totals Budget
1	2021 Sales Tax Revenue Base	\$8,577,573	\$1,427,500	\$1,899,231	\$4,970,696	\$16,875,000
2	Sales Tax Above 2020 Budget	\$396,240	\$61,289	\$0	\$155,363	\$612,893
3	Sales Tax Above 2019 Budget	\$463,274	\$51,475	\$0	\$0	\$514,749
4	Loan Repayments	\$363,338	\$0	\$0	\$12,342	\$375,679
5	Interest Earnings - Sales Tax Revenue	\$37,500	\$0	\$0	\$0	\$37,500
6	Interest Earnings - Debt Service Reserve	\$39,375	\$0	\$92,438	\$0	\$131,813
7	STAR Subtotal:	\$9,877,300	\$1,540,264	\$1,991,669	\$5,138,401	\$18,547,634

2021 SALES TAX SPENDING

		Neighborhood STAR Budget	Cultural STAR Budget	RiverCentre Budget	Economic Development Budget	Totals Budget
Pledged Debt Service						
8	2014 Economic Development Bond Debt Service				\$2,500,000	\$2,500,000
9	2019 Refinanced Bonds Debt Service	\$2,938,425				\$2,938,425
10	RiverCentre Complex Debt Service			\$772,669		\$772,669
11	STAR Subtotal:	\$2,938,425	\$0	\$772,669	\$2,500,000	\$6,211,094
12	Neighborhood STAR program	\$1,150,574				\$1,150,574
13	Investment Services	\$15,000				\$15,000
14	Additional Neighborhood STAR funds	\$271,953				\$271,953
15	Year Round STAR from 2019 above budget	\$476,348				\$476,348
16	Transfer to General Debt Service Budget	\$3,500,000				\$3,500,000
17	Debt Service for City Capital Fleet	\$1,525,000				\$1,525,000
18	Cultural STAR Program		\$1,265,264			\$1,265,264
19	Cultural STAR for Library Materials		\$175,000			\$175,000
20	Events for Neighborhood Cultural Orgs in Downtown		\$100,000			\$100,000
21	RCVA Pay-go Funding			\$1,219,000		\$1,219,000
22	City Capital Projects				\$200,000	\$200,000
23	Pay-go Economic Development for RCVA				\$956,000	\$956,000
24	Public Works Pedestrian Safety				\$82,401	\$82,401
25	Housing Trust Fund				\$1,400,000	\$1,400,000
26	STAR Subtotal:	\$6,938,875	\$1,540,264	\$1,219,000	\$2,638,401	\$12,336,540
27	STAR Total:	\$9,877,300	\$1,540,264	\$1,991,669	\$5,138,401	\$18,547,634



2022 Mayor's Proposed STAR Budget

Line #		Neighborhood STAR Budget	Cultural STAR Budget	RiverCentre Budget	Economic Development Budget	Totals Budget
1	2022 Sales Tax Revenue Base	\$9,044,908	\$1,750,000	\$2,003,259	\$4,701,833	\$17,500,000
2	Sales Tax Above 2021 Budget	\$0	\$0	\$0	\$0	\$0
3	Loan Repayments	\$494,523	\$0	\$0	\$145,248	\$639,771
4	Interest Earnings - Sales Tax Revenue	\$0	\$0	\$0	\$0	\$0
5	Interest Earnings - Debt Service Reserve	\$0	\$0	\$0	\$0	\$0
6	STAR Subtotal:	\$9,539,431	\$1,750,000	\$2,003,259	\$4,847,081	\$18,139,771

2021 SALES TAX SPENDING

		Neighborhood STAR	Cultural STAR	RiverCentre	Economic Development	Totals
	Pledged Debt Service	Budget	Budget	Budget	Budget	Budget
7	2014 Economic Development Bond Debt Service				\$2,497,081	\$2,497,081
8	2019 Refinanced Bonds Debt Service	\$2,960,162				\$2,960,162
9	RiverCentre Complex Debt Service			\$784,259		\$784,259
10	STAR Subtotal:	\$2,960,162	\$0	\$784,259	\$2,497,081	\$6,241,502
11	Neighborhood STAR program	\$1,539,269				\$1,539,269
12	Investment Services	\$15,000				\$15,000
13	Transfer to General Debt Service Budget	\$3,500,000				\$3,500,000
14	Debt Service for City Capital Fleet	\$1,525,000				\$1,525,000
15	Cultural STAR Program		\$1,475,000			\$1,475,000
16	Cultural STAR for Library Materials		\$175,000			\$175,000
17	Events for Neighborhood Cultural Orgs in Downtown		\$100,000			\$100,000
18	RCVA Pay-go Funding			\$1,219,000		\$1,219,000
19	City Capital Projects				\$200,000	\$200,000
20	Pay-go Economic Development for RCVA				\$750,000	\$750,000
21	Public Works Pedestrian Safety				\$0	\$0
22	Housing Trust Fund				\$1,400,000	\$1,400,000
23	STAR Subtotal:	\$6,579,269	\$1,750,000	\$1,219,000	\$2,350,000	\$11,898,269
24	STAR Total:	\$9,539,431	\$1,750,000	\$2,003,259	\$4,847,081	\$18,139,771



2022 Mayor's Proposed STAR Budget - Revenue

- 3.7% increase of sales tax revenue
 - Net sales tax receipts for the State of Minnesota were 9.7% above the February Forecast and about 14% higher than during the same period last year.
- Increased amount of loan repayments
- Decreased interest earnings

Takeaways

- 2022 budget is up over 2021, but down compared to historic levels
- Recent collections have been decent, but there's still a lot of uncertainty

Summary of Revenues: July-September 2021

(\$ in millions)	February Forecast ²	Actual	\$ Difference	% Difference
Individual Income Tax	\$3,022	\$3,177	\$155	5.1%
General Sales Tax	1,361	1,492	132	9.7
Corporate Franchise Tax	398	759	361	90.5
Other Revenues	535	545	10	1.9
Total Revenues¹	\$5,316	\$5,974	\$657	12.4%

1. Totals may not add due to rounding.

2. Adjusted for legislative changes.

*October 2021 Revenue and Economic Update
State of Minnesota, Minnesota Management and Budget*



2022 Mayor's Proposed STAR Budget - Expenditures

Sales Tax Debt Outstanding

- 2019A RiverCentre Complex Debt Service (Arena Bonds)
- 2019B/C Refinanced Bond Debt Service (ISP and Parking Ramp)
- 2014 Economic Development Bond Debt Service (8-80 Bonds)

Takeaways

- 2022 budget is up over 2021, but down compared to historic levels
- Recent collections have been decent, but there's still a lot of uncertainty
- Housing Trust Fund 4th year financing
- Decrease transfer to RCVA for economic development purposes
- Increase to Neighborhood and Cultural STAR programs

QUESTIONS