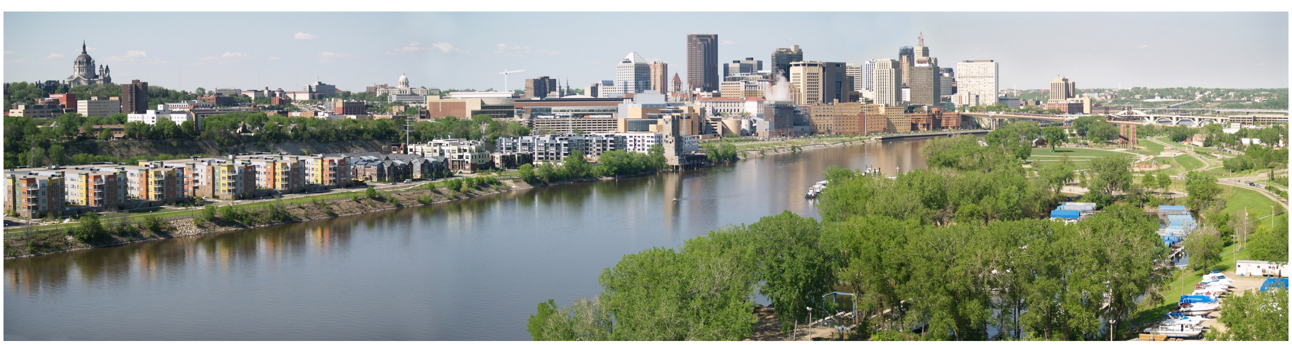
City of Saint Paul
Ramsey County
Saint Paul Public Schools
Saint Paul Port Authority
Ramsey County Regional Railroad Authority




2008 General Obligation Debt Overlapping on the Saint Paul Tax Base



Debt Reported from 2004 to 2008 and Projected from 2009 to 2013

Acknowledgments

Joint Property Tax Advisory Committee

City of Saint Paul

http://www.stpaul.gov/

Christopher B. Coleman, Mayor
Ann Mulholland, Deputy Mayor
Kathy Lantry, Council President
Lee Helgen, Councilmember
Russ Stark, Councilmember

Ramsey County

http://www.co.ramsey.mn.us/

Julie Kleinschmidt, County Manager
Victoria Reinhardt, Commissioner
Rafael Ortega, Commissioner
Janice Rettman, Commissioner

Saint Paul Public Schools

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Valeria Silva, Superintendent
John Brodrick, School Board Member
Anne Carroll, School Board Member
Jean O'Connell, School Board Member
Keith Hardy, School Board Member

Table of Contents

Executive Summary

The Joint Debt Advisory Committee (JDAC)—an ad hoc group of elected officials and professional staff of the City of Saint Paul, Independent School District 625 (Saint Paul Public Schools), Ramsey County (including the Ramsey County Regional Railroad Authority “RCRRA”) and the Saint Paul Port Authority (Port Authority)—has been active on a periodic basis since 1977. State legislation establishing the Truth in Taxation process spurred these jurisdictions to form the Joint Property Tax Advisory Committee (JPTAC) and initiate a number of cooperative ventures to control property taxes within the corporate limits of the City of Saint Paul. The JDAC serves as a subcommittee of the JPTAC to proactively manage the combined debt position of these entities. Its objective is to mitigate the costs of capital financing by coordinating efforts as reflected in the mission statement.

Mission Statement

The City of Saint Paul, the Saint Paul Public Schools, the Saint Paul Port Authority, and Ramsey County (including the Ramsey County Regional Railroad Authority) agree to work together to: coordinate general obligation financing of the area’s capital needs, keep such financing within agreed upon debt level targets, jointly plan for meeting the capital needs of each jurisdiction and monitor associated impacts on property taxes in Saint Paul.

Strategies

To achieve the goals set forth in the Mission Statement, the jurisdictions agree to work to:

Maintain overlapping general obligation debt ratios within a range approved by these jurisdictions for the five-year period of 2009 through 2013;

Notify other jurisdictions when unanticipated capital needs require that the jurisdictions confer on recommendations for rescheduling of debt issuance plans to keep within the adopted target ranges;

Identify annually both the immediate and long range debt-related conditions of these jurisdictions which would impact property taxes of Saint Paul residents, and take appropriate action to remain consistently within the debt levy ranges approved by the jurisdictions; and

Exchange information and expertise during each jurisdiction’s capital improvement budgeting process, such that the jurisdictions can eliminate duplication, share facilities where appropriate, and provide the taxpayers with the greatest return for the jurisdictions’ capital improvements.

The JDAC’s prudent work to improve financial planning and regularly publish a book to coordinate overlapping debt has not gone unnoticed. These efforts continue to contribute to the affirmation of the City’s and County’s AAA credit rating as ranked by Standard & Poor’s and County’s Aaa credit rating as ranked by Moody’s. In 1989, the Government Finance Officers Association (GFOA) recognized the JDAC with its Louisville Award for innovation in financial management and the Award for Excellence for debt management. The Louisville Award is given rarely, and only in recognition of exceptional creativity in addressing public sector financial management issues. Finally, the committee’s successful efforts have also inspired other major public jurisdictions to coordinate debt management.

Indicator Summary

Current JDAC Report Results 2008: (Actual: 2004-2008 and Projected: 2009-2013)

Goal	Result
• Combined net G. O. debt to indicated market value not to exceed 3% - 6% range.	• Objective met. IMV projected to decrease from 2009 to 2013.
• Total net debt per capita shall not exceed $2,000 through 2013.	• Objective met.
• Net G.O. debt service levy per household not to exceed $550.	• Objective met.
• Net G.O. debt service levy per capita to per capita income not to exceed 1%.	• Objective met.
• Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5% through 2013.	• Objective met.

Report Results: 2005

Goal	Result
• Combined debt to indicated market value not to exceed a range of 3% to 6%.	• Objective met. Indicator is expected to decrease from 2.1% in 2005 to 1.8% in 2010.
• Net debt per capita shall not exceed a range of $2,000 to $2,500 through 2010.	• Objective met.
• Net G.O. debt service levy per household not to exceed $550.	• Objective met through 2009. Expected increase up to $559 in 2010.
• Net G.O. debt service levy per capita to per capita income not to exceed 1%.	• Objective met.
• Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%.	• Objective met.

Report Results: 2003

Goal	Result
• Combined debt to indicated market value not to exceed a range of 3% to 6%.	• Objective met.
• Net debt per capita shall not exceed a range of $1,000 to $2,500 through 2008.	• Objective met. Debt per capita values meet the target range through 2008.
• Net G.O. debt service levy per household not to exceed $550.	• Objective met. Expected increase from 2004 to 2008 is $437 to $496.
• Net G.O. debt service levy per capita to per capita income not to exceed 1%.	• Objective met.
• Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%.	• Objective met.

Report Results: 2001

Goal	Result
• Combined debt to indicated market value not to exceed a range of 3% to 6%.	• Objective met.
• Net debt per capita shall not exceed a range of $1,000 to $2,500 through 2005.	• Objective met. Debt per capita values meet the target range through 2005.
• Net G.O. debt service levy per household not to exceed $550.	• Objective met. Expected increase from 2001 to 2005 is $442 to $528.
• Net G.O. debt per capita to per capita income not to exceed a range of 3% to 6%.	• Objective met. The ratio is expected to decrease from 5.7% in 2001 to 5.5% in 2005.
• Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%.	• Objective met.

2008 JDAC Report Recommendations

The JDAC has established the following recommendations:

- The governing boards of all the organizations represented on the Joint Debt Subcommittee adopt the report as a management tool for decision making regarding capital improvements and debt for the next five years.
- The City of Saint Paul, Saint Paul Public Schools, Ramsey County, RCRRA and the Saint Paul Port Authority expand their current efforts at collaborative planning for joint use of current and future facilities, as well as opportunities to transfer facilities among them as facility needs change.
- The participating jurisdictions meet every two years to update this report and evaluate compliance within the adopted target ranges.
- Adopt the most recent Standard & Poor's data for benchmark target ranges for the Net G.O. per Capita Debt Position Indicator.
- The Joint Property Tax Advisory Committee (JPTAC) annually reviews the proposed debt of all the jurisdictions prior to setting the proposed levy.
- The Joint Property Tax Advisory Committee (JPTAC) will examine the following indicators to ensure that they stay within the recommended ranges for the term of this report.

Debt Position Indicators

The new Standard & Poor's ranges for debt position indicators will be used to evaluate Saint Paul's overlapping debt[1]. The range criteria for the indicators are based of the available Standard & Poor's statistical data.

- **Total Net General Obligation G.O. Debt to Indicated Market Value**
  Total Net G.O. Debt shall be at or below the Moderate range of 3% to 6% of Indicated Market Value. See page 11.
- **Total Net G.O. Debt Per Capita**
  Total Net G.O. Debt shall not exceed a Low range of \$1,000 to \$2,000. This is a stricter standard; the old range of \$1,000 to \$2,500 was used in the 2005 Report based upon S&P indicators at that time. See page 13.

Ability-to-Pay Indicators

Ability to Pay Indicators benchmarks were accepted by JPTAC in 2003, 2005 and 2008.

- **Debt Service Levy per Household**
  Debt Service Levy per Household shall not exceed \$550 per household.
- **Debt Service Levy Per Capita to per Capita Income**
  Total Net G.O. Debt Service Levy per Capita shall not exceed 1% of per Capita Income.
- **Debt Service Levy Per Median Taxable Value Home**
  The Effective Tax Rate for Debt Service on a Median Taxable Value Home in Saint Paul shall not exceed 0.5%.

Operational/Capital Finance Interface Indicator

This report also includes an Operational/Capital Finance Interface Indicator for each Jurisdiction.

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[1] State and Local Government Credit Analysis by the Numbers: Standard & Poor's, April 2008.

Methodology

This report (“2008 Report”) addresses debt conditions within the corporate limits of the City of Saint Paul. The report covers two distinct periods: historical (“Actual”) for the years 2004 through 2008, and future (“Projected”) for the years 2009 through 2013. These time periods permit a long-term perspective for debt trends, occurring both within jurisdictions and combined among the jurisdictions. All figures, unless noted otherwise, are in nominal (current) dollars. For the 2008 Report five year averages and trends have been added for the Actual and Projected where appropriate.

The impacts of debt are evaluated by a series of indicators. The JDAC reviewed a range of potentially affected areas and decided to monitor three: debt position, financial operations and ability to pay. Each indicator is profiled as to definition and purpose, and trend/summary. Where available, a benchmark is given.

In recognition of the fact that the City’s ability to repay debt is influenced by the strength and growth potential of its tax base, this report also includes a 2009 economic update for Saint Paul in the section VIII of the Appendix. These are profiled to provide an overview of the state of the City of Saint Paul’s area economy and its tax base.

The informational sources for establishing the indicators are the participating jurisdictions. Wherever possible, information has come from financial reports, capital and operational budgets, and other adopted planning documents of the participating jurisdictions. Where such information did not exist, a decision was made by the professional staff of the participating jurisdiction to develop such information.

The 2008 Report covers certain types of general obligation debt, with general obligation debt being that for which the property taxing powers of the jurisdictions ultimately guarantee debt repayment. General obligation debt which is repaid with a non-levy revenue sources such as traditional municipal utilities (water and sewer), and for which payment is guaranteed by an outside party are excluded from this study. Debt that is included in this study will be referred to throughout the 2008 Report as Net G.O. Debt and is labeled as Total Debt Recognized for the JDAC Report. The appendix contains a detailed listing of each jurisdiction’s debt included in this study.

The City of Saint Paul, in particular, issues many types of debt which are secured solely from non-general property tax revenue sources. Revenue, tax increment (TIF), parking bonds, and certain facility and equipment leases are also excluded from the analysis. In general, capital items acquired through leasing are excluded from this analysis. However, lease payments for the Griffin Building (SPPD headquarters) and Jimmy Lee are included in this study, since the primary source of repayment is general property taxes.

The Ramsey County debt includes two adjustments in the study. First, a portion of the 2000 CIP which financed the Lake Owasso Residence, a portion of the 2002 CIP which financed the Ponds Golf Course, a portion of the 2004 CIP is financed by the Mounds View ISD, the 2001 Minnesota Public Facilities Authority note for the River Centre Pedestrian Connection Project, and the 2002 Street Aid Bonds are supported by non-property tax revenues and have been excluded from this study. Second, the County’s remaining eligible debt is prorated based on the proportion of City property tax base (tax capacity) in the County, both historical and projected, over the study period. For 2008-2013, the City’s share of the Ramsey County tax base is 47.1%.

The Ramsey County Regional Railroad Authority (RCRRA) consists of the seven Ramsey

County commissioners and is considered a component unit of Ramsey County. The RCRRA has the power to levy taxes, issue bonds and enter into contracts and agreements. The RCRRA is reported as a separate entity in this book. The RCRRA estimates it will not be issuing debt from 2009 – 2013 as it is anticipating the project is considered one of national or regional significance which would provide Federal Stimulus dollars for RCRRA's share.

The School District debt does include Certificates of Participation, which in the District's case are paid from tax levies and are secured by the full faith and credit of the District. The debt does not include four Alternative Facility Bond issues, each originally at $11 million, because the 1997 Omnibus Tax Bill (Article I, sections 1, 2 and 3) provides a State grant that reimburses the District for the annual costs of these bond issues.

The Port Authority debt consists of two general obligation debt issuances: the first was issued in 1994 and refunded in 2003, and the second was issued in 2008. In the fall of 2008, the Port issued $8.13 million for the Port Eastside Development Project and expects to issue an additional $8.175 million for this project before the end of 2009. The issues are payable solely from ad valorem taxes spread on all taxable property within the City. A pledge of the full faith and credit of the City backs the general obligation Port Authority issue, and tax levies by the Port Authority were certified upon the sale of the bonds. A bond issue which is payable from tax increments and project revenues is not included into the general obligation debt for Port Authority. All other outstanding debt of the Port Authority is payable solely from various revenue sources, including revenues generated by financed projects, tax increment and reserve funds, and is therefore excluded for the purposes of this report.

Each jurisdiction has maintained its high credit ratings for general obligation bonds. The ratings are as follows:

Jurisdiction	Moody's Investors Service	Standard & Poor's Ratings Services
City of Saint Paul/Port Authority	Aa2	AAA
County of Ramsey	Aaa	AAA
Saint Paul Public Schools	Aa2	AAA

Note: The Saint Paul Port Authority general obligation bonds are secured by the general obligation pledge of the City of Saint Paul, and therefore carry the City's ratings of Aa2 and AAA.

The Role of Debt

All participating jurisdictions use a variety of funding sources to invest in capital assets. Debt is one important source of funding. It represents a long-term commitment of resources to repay obligations. If debt levels become too high, leading to increasing annual draws on the community's resources for debt service, local governments will be faced with critical choices as to their ability to fund operations and provide for future capital investment. Monitoring and managing the individual and combined levels of debt becomes central to assessing the overall financial health of the community. In addition, each participant's overall level of debt and their contributions to the overlapping debt placed on other participants is valuable information.

This report focuses on property tax factors. Property taxes are used to fund both operations and debt service for capital investment. Although the jurisdictions normally use the property tax levy as financing for debt service payments, they have certain authority to use other sources for financing as well.

Table 1, shown on page 7, displays the annual dollar amount of total outstanding Net G.O. Debt by participant and combined over the period 2004 through 2013.

Table 2, on page 8 shows the changes in the annual percentage contributions to the total net G.O. debt burden, or overlapping debt, as a percent of the total net debt of the combined entities.

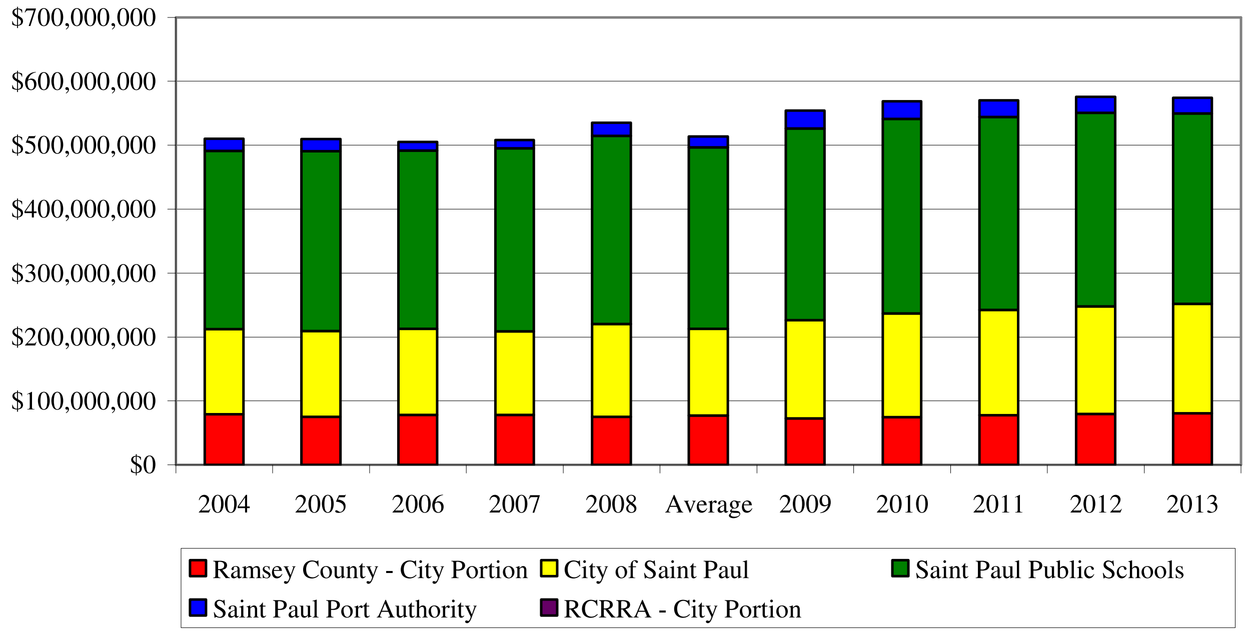
Table 3, on page 9, exhibits the effect of inflation on levels of debt from 2004 to 2008. Total Net G.O. debt is shown both in nominal (actual dollar) terms and in constant 2004 dollars.

Detailed Net G.O. debt for each jurisdiction is described in the Appendix II beginning on page 43.

The committee's findings indicate:

> Total Net G.O. Debt increases for 2004 through 2008 from $510 to $535 million with five year average of $514 M. For the project period from 2009 to 2013 debt increases from $554 million to 574 million with a five year average of $569 million. This represents a change of $64 million over the ten year period or approximately 1.2% per year increase in net G.O. Debt as shown in Table 1 on page 7.
>
> The proportion of net G.O. overlapping debt relative to each jurisdiction has remained relatively constant for the years reported. There are only minor percent changes between taxing jurisdictions from 2004 to 2013 as shown on Table 2 on page 8.
>
> In constant (inflation-adjusted) dollars, total Net G.O. Debt has decreased from $510 million in 2004 to $481 million in 2008 as shown on Table 3 on page 9.

Table 1: Total Net G.O. Debt by Issuer

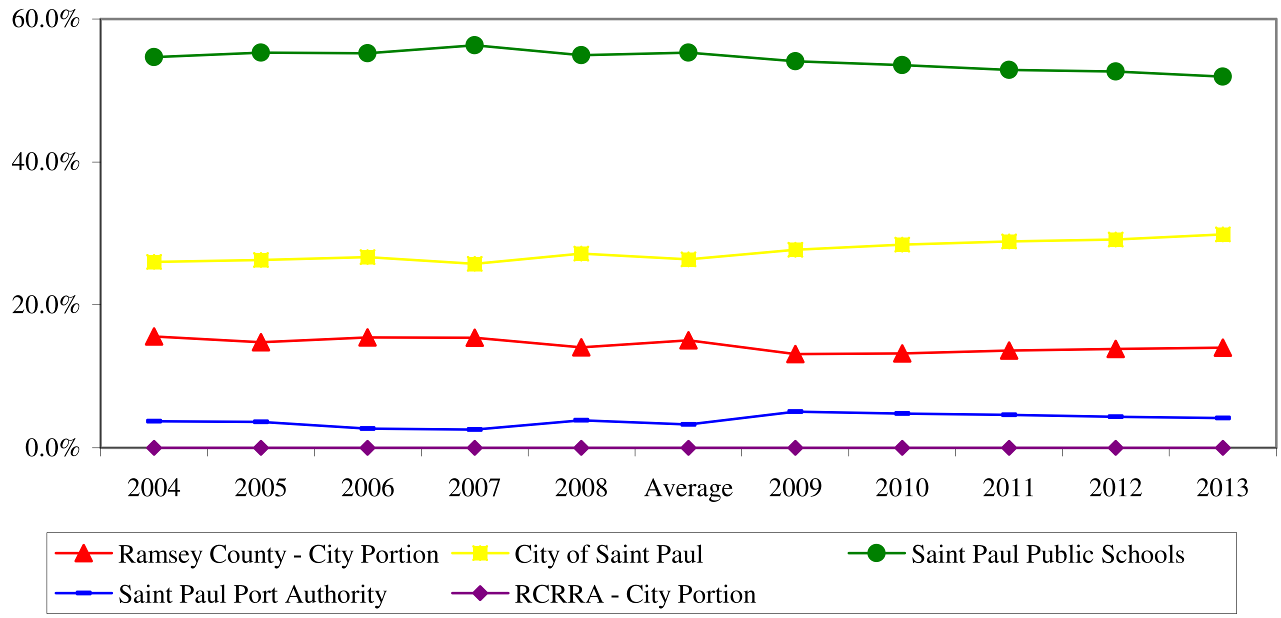


Total Net G.O. Debt:	2004	2005	Actual 2006	2007	2008	Average
Ramsey County - City Portion	$79,453,250	$75,337,375	$78,116,125	$78,215,875	$75,218,700	$77,268,265
City of Saint Paul	132,783,177	133,925,022	134,673,249	130,725,070	145,348,625	$135,491,029
Saint Paul Public Schools	279,023,548	281,770,555	278,750,177	286,153,389	293,960,511	283,931,636
Saint Paul Port Authority	18,900,000	18,370,000	13,470,000	12,925,000	20,495,000	16,832,000
RCRRA - City Portion	-	-	-	-	-	-
Total	$510,159,975	$509,402,952	$505,009,551	$508,019,334	$535,022,836	$513,522,930

	2009	2010	Projected 2011	2012	2013	Average
Ramsey County - City Portion	$ 72,778,920	$ 74,980,845	$ 77,649,060	$ 79,693,200	$ 80,498,610	$77,120,127
City of Saint Paul	153,549,889	161,682,045	164,601,498	167,884,367	171,405,938	163,824,747
Saint Paul Public Schools	299,940,337	304,548,435	301,642,652	303,257,582	298,078,116	301,493,424
Saint Paul Port Authority	28,095,000	27,355,000	26,325,000	25,110,000	23,855,000	26,148,000
RCRRA - City Portion	-	-	-	-	-	-
Total	$554,364,146	$568,566,325	$570,218,210	$575,945,149	$573,837,664	$568,586,299

Trend over ten year period is approximately 1.2% average annual increase in Net G.O. Debt

Table 2: Overlapping Net G.O. Debt as Percent to Total

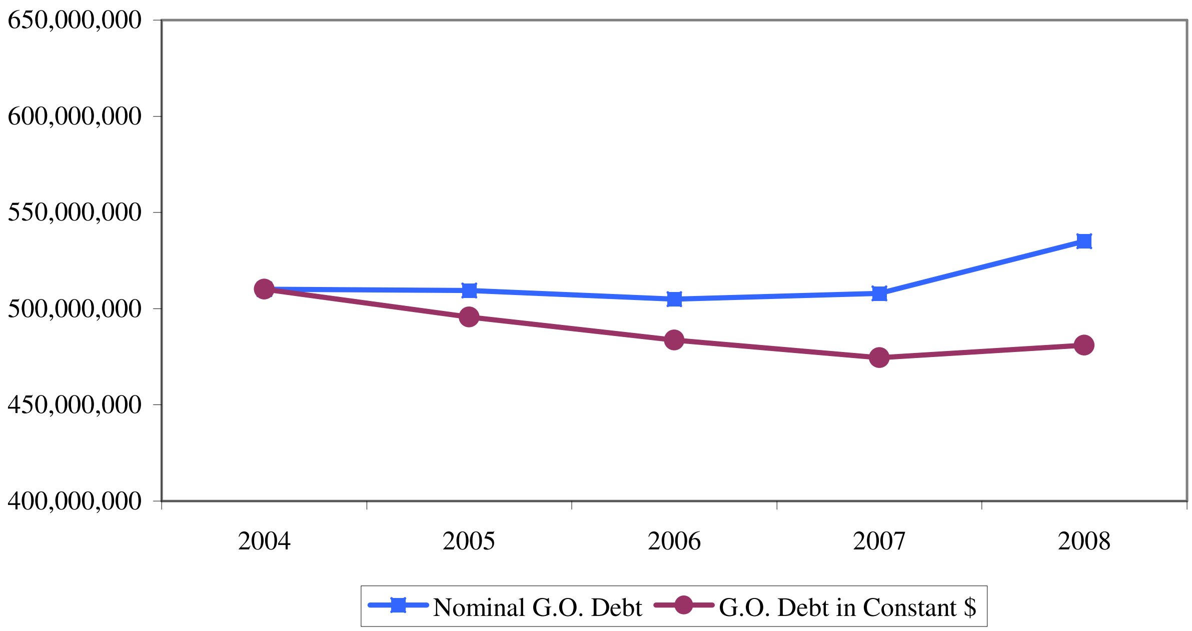


			Actual			
Overlapping Debt as Percent of Total:	**2004**	**2005**	**2006**	**2007**	**2008**	**Average**
Ramsey County - City Portion	15.6%	14.8%	15.5%	15.4%	14.1%	15.1%
City of Saint Paul	26.0%	26.3%	26.7%	25.7%	27.2%	26.4%
Saint Paul Public Schools	54.7%	55.3%	55.2%	56.3%	54.9%	55.3%
Saint Paul Port Authority	3.7%	3.6%	2.7%	2.5%	3.8%	3.3%
RCRRA - City Portion	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

			Projected			
	2009	**2010**	**2011**	**2012**	**2013**	**Average**
Ramsey County - City Portion						
City of Saint Paul	13.1%	13.2%	13.6%	13.8%	14.0%	13.6%
Saint Paul Public Schools	27.7%	28.4%	28.9%	29.1%	29.9%	28.8%
Saint Paul Port Authority	54.1%	53.6%	52.9%	52.7%	51.9%	53.0%
RCRRA - City Portion	5.1%	4.8%	4.6%	4.4%	4.2%	4.6%
	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Trend: There is only a minor percentage change over ten year period.

Table 3: Total Net G.O. Debt—Nominal and 2004 Constant Dollar



Nominal G.O. Debt:	2004	2005	Actual 2006	2007	2008	Average
Ramsey County - City Portion	$79,453,250	$75,337,375	$78,116,125	$78,215,875	$75,218,700	$77,268,265
City of Saint Paul	132,783,177	133,925,022	134,673,249	130,725,070	145,348,625	135,491,029
Saint Paul Public Schools	279,023,548	281,770,555	278,750,177	286,153,389	293,960,511	283,931,636
Saint Paul Port Authority	18,900,000	18,370,000	13,470,000	12,925,000	20,495,000	16,832,000
Total	$510,159,975	$509,402,952	$505,009,551	$508,019,334	$535,022,836	$513,522,930
Consumer Price Index (Mpls/St Paul):	188	193	196	201	209	197

G.O. Debt in Constant Dollars:	2004	2005	Actual 2006	2007	2008	Average
Ramsey County - City Portion	79,453,250	73,308,611	74,811,518	73,045,541	67,624,850	$73,648,754
City of Saint Paul	132,783,177	130,318,548	128,976,062	122,083,701	130,674,673	128,967,232
Saint Paul Public Schools	279,023,548	274,182,741	266,957,993	267,237,683	264,283,158	270,337,025
Saint Paul Port Authority	18,900,000	17,875,313	12,900,168	12,070,614	18,425,888	16,034,397
Total	$510,159,975	$495,685,214	$483,645,742	$474,437,539	$481,008,569	$488,987,408

Trend: In constant dollars Net G.O. Debt is approximately 1.5% average annual decrease.

Overview of Indicators

Debt financing of public infrastructure affects the participating jurisdictions and their citizens in a variety of ways. The focus here is on the way in which the overlapping debt of participating jurisdictions affects property taxes paid by residents within the corporate limits of the City of Saint Paul and the credit ratings assigned to each jurisdiction. In order to examine such effects, the committee has chosen indicators falling into three categories: debt position, citizens' ability to pay and operational/capital finance interface. The indicators were selected because the JPTAC committee feels that they are the best representations of the factors this report intends to address. For each of these areas, indicators of impact have been determined, analyzed and summarized. These indicators provide basic proxies of the jurisdictions' individual and combined impacts. Each indicator is profiled as to definition and purpose and trend/summary. Where available and applicable, a credit industry benchmark is given and used as a basis to analyze the overlapping debt.

Net G.O. Debt to Indicated Market Value and Net G.O. Debt per Capita are the debt position indicators chosen for the 2008 Report. These indicators provide a valuable view of the debt burden on available resources and are factors of consideration during the credit rating process.

Debt Service Levy per Household, Debt Service Levy per Capita to per Capita Income and the Tax Bill for Debt Service Tax Levies of Median Value Home are the Ability-to-Pay indicators. Debt Service Levy per Household shows the tax impact of debt on an individual Saint Paul household. Debt Service Levy per Capita to per Capita Income shows the annual property tax burden placed on the annual income capacity of Saint Paul citizens. The Tax Bill for Debt Service Tax Levies shows the property tax impact for a median priced home in Saint Paul. Examination of these three indicators reveals the general tax impact of Saint Paul's overlapping debt on its citizens.

The 2008 Report also includes an operational/capital finance interface indicator. Debt Service Tax Levy as a Percentage of Total Tax Levy shows the proportional impact of the debt on other components of each jurisdiction's operations.

These indicators are included in this report, not only because they measure the capacity to handle debt burden and stability of financial management; they are also key elements used by rating agencies when determining ratings. The credit rating of a jurisdiction is a critical measure of successful debt management. A strong credit rating means that the issuer is generally able to issue debt to a larger market at a lower interest rate, hence reducing costs to the municipality and its taxpayers.

Detailed information relating to the specifics of each indicator is given in the individual profiles on the following pages.

Debt Position Indicators

A. Total Net G.O. Debt to Indicated Market Value

Definition and Purpose: Debt to Indicated Market Value is a basic credit rating indicator that shows the total net principal amount of debt to the full value of real estate. The ultimate source of repayment for this debt is the general property tax, with such tax levied against the value of all properties. This indicator depicts the overall debt burden as both the amount of debt and the resources for repayment (value) change over time. Low ratios are viewed as positive indicators. Estimated Market Value, Sales Ratio and Indicated Market Value are explained in the Appendix on page 50.

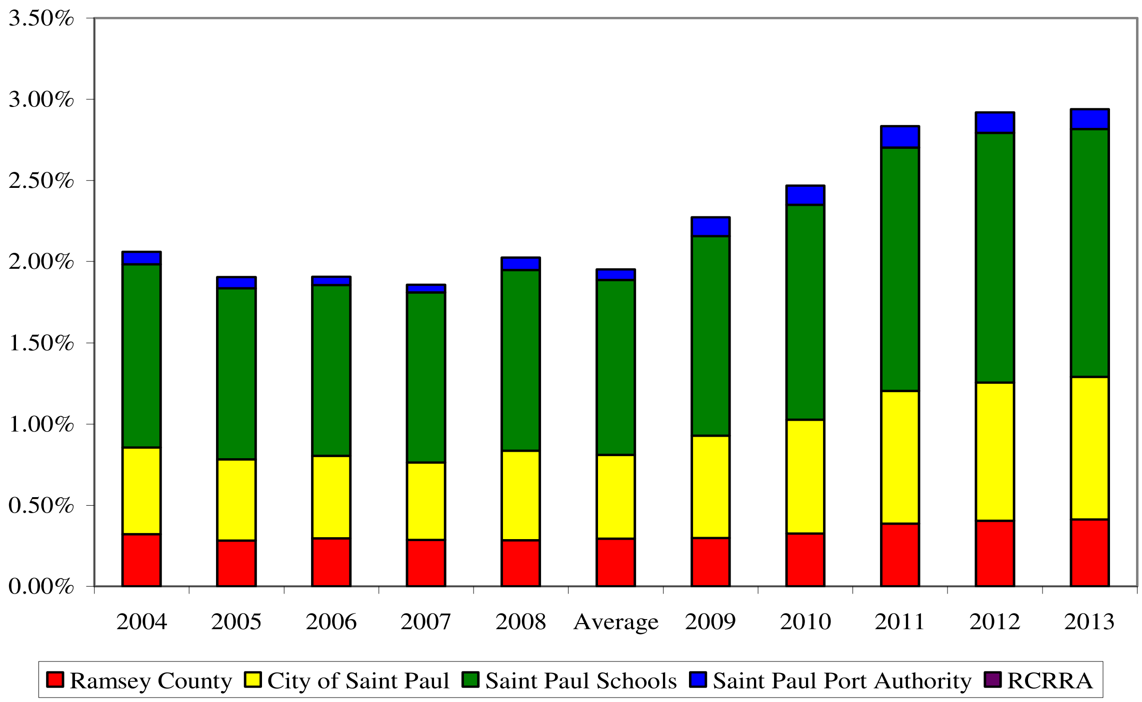
Target Range: Not to exceed 3% - 6%.

Trend/Summary: The combined Net G.O. Debt to Indicated Market Value fluctuated from 2.06% in 2004 to 2.03% in 2008. This indicator is projected to rise from 2.27% in 2009 to 2.94% in 2013. For the years 2009 through 2013, the estimated average is 2.69%. The ratio projected not to exceed 3%.

The target range is met.

Standard & Poor's Ranges for Tax-Backed G.O. Ratios	
Overall Net Debt as % of Market Value	
Low	Below 3%
Moderate	**3% - 6%**
Moderately High	6% - 10%
High	Above 10%

Debt Position Indicator
A. Total Net G.O. Debt to Indicated Market Value



			Actual			
Net G.O. Debt to I.M.V.	2004	2005	2006	2007	2008	Average
Ramsey County	0.32%	0.28%	0.29%	0.29%	0.28%	0.29%
City of Saint Paul	0.54%	0.50%	0.51%	0.48%	0.55%	0.51%
Saint Paul Schools	1.13%	1.05%	1.05%	1.05%	1.11%	1.08%
Saint Paul Port Authority	0.08%	0.07%	0.05%	0.05%	0.08%	0.06%
RCRRA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Debt to Market Value	2.06%	1.90%	1.91%	1.86%	2.03%	1.95%
City I.M.V.	$24,765,421,831	$26,742,814,714	$26,485,609,565	$27,342,005,282	$26,415,766,667	$26,350,323,612

			Projected			
	2009	2010	2011	2012	2013	Average
Ramsey County	0.30%	0.33%	0.39%	0.40%	0.41%	0.37%
City of Saint Paul	0.63%	0.70%	0.82%	0.85%	0.88%	0.78%
Saint Paul Schools	1.23%	1.32%	1.50%	1.54%	1.53%	1.42%
Saint Paul Port Authority	0.12%	0.12%	0.13%	0.13%	0.12%	0.12%
RCRRA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Debt to Market Value	2.27%	2.47%	2.83%	2.92%	2.94%	2.69%
City I.M.V.	$24,391,274,416	$23,023,754,883	$20,123,236,485	$19,720,771,755	$19,519,539,390	$21,355,715,386

Trend: Debt indicator is under 3% for the ten year period.
IMV has fallen (average annual is 2.6%) over the same period.

Debt Position Indicator

B. Total Net G.O. Debt per Capita

Definition and Purpose: This indicator is formulated by dividing the total Net G.O. debt by the total population. It depicts the overall debt burden placed on the citizens of Saint Paul, as both debt levels and populations change over time.

Target Range: Not to exceed $2,000 (new standard for 2008 based on Standard and Poor's credit indicators. The classification for different size cities is removed from S&P methodology.)

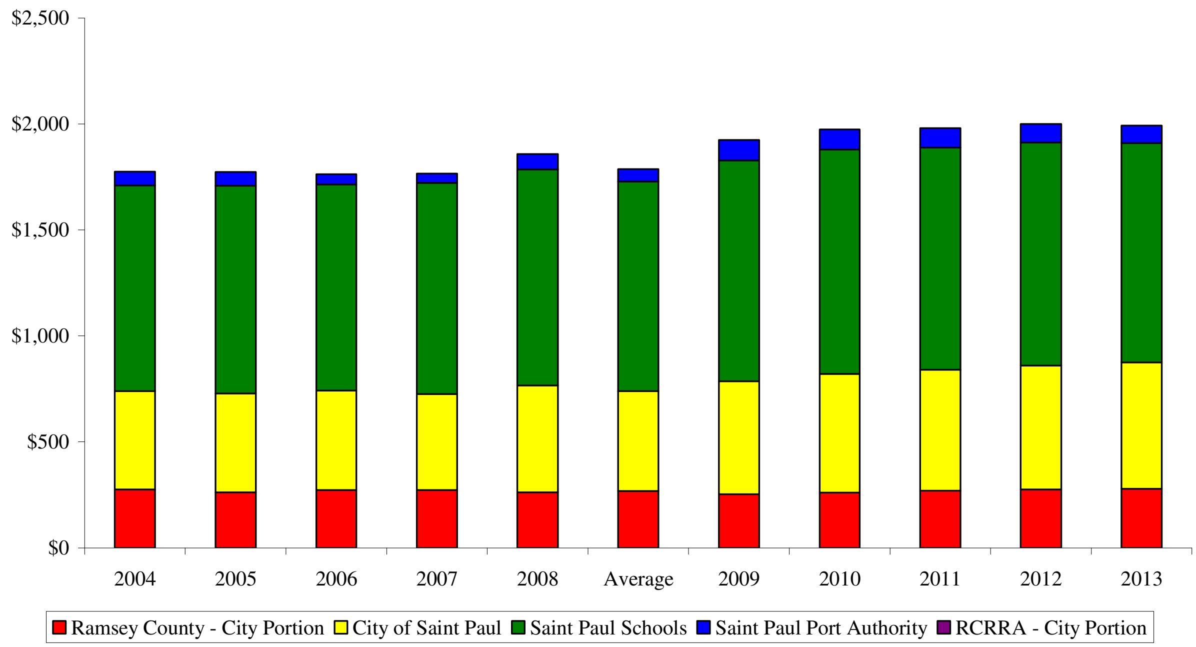
Trend/Summary: Net G.O. debt per capita increased from $1,775 in 2004 to $1,857 in 2008. Net G.O. debt per capita is projected to increase from $1,925 in 2009 to $1,992 in 2013. For the projected years 2009 through 2013, City population is assumed to have no growth.

The target range of low is met.

Standard & Poor's Ranges for Tax-Backed G.O. Ratios	
Overall Net Debt per Capita	
Very Low	Below $1,000
Low	**$1,000 - $2,000**
Moderate	$2,000 - $5,000
High	Above $5,000

Debt Position Indicator

B. Total Net G.O. Debt per Capita



G.O. Debt per Capita	Actual 2004	2005	2006	2007	2008	Average
Ramsey County	$276	$262	$273	$272	$261	$269
City of Saint Paul	$462	$466	$470	$454	$505	$471
Saint Paul Schools	$971	$980	$973	$995	$1,021	$988
Saint Paul Port Authority	$66	$64	$47	$45	$71	$59
RCRRA	$0	$0	$0	$0	$0	$0
Total Debt per Capita	$1,775	$1,773	$1,762	$1,766	$1,857	$1,787
City Population	287,410	287,385	286,620	287,669	288,055	287,428

	Projected 2009	2010	2011	2012	2013	Average
Ramsey County	$253	$260	$270	$277	$279	$268
City of Saint Paul	$533	$561	$571	$583	$595	$569
Saint Paul Schools	$1,041	$1,057	$1,047	$1,053	$1,035	$1,047
Saint Paul Port Authority	$98	$95	$91	$87	$83	$91
RCRRA	$0	$0	$0	$0	$0	$0
Total Debt per Capita	$1,925	$1,974	$1,980	$1,999	$1,992	$1,974
City Population	288,055	288,055	288,055	288,055	288,055	288,055

Trend: Debt indicator during the ten year period on average is below $2,000 per capita.

Ability-to-Pay Indicators

Introduction to Total Debt Service Tax Levies

The following table is used in the three Ability-to-Pay Indicators to show the impact of the portion of debt service levy to total levy that is applicable to Saint Paul resident or household.

Debt Service Tax to Total Tax Levies for Each Jurisdictions

	Actual					
Debt Service Tax Levies	2004	2005	2006	2007	2008	Average
Ramsey County (Saint Paul)	$8,406,459	$8,406,459	$8,113,342	$8,113,342	$8,050,830	$8,218,086
City of Saint Paul	12,854,715	8,601,652	8,660,089	11,816,238	10,231,416	$10,432,822
Saint Paul Public Schools	27,637,507	27,895,902	29,856,801	33,432,281	29,628,253	$29,690,149
Saint Paul Port Authority	1,061,000	1,005,000	1,004,000	1,007,000	913,000	$998,000
Ramsey County Regional Rail Auth	0	0	0	0	0	$0
Total	$49,959,681	$45,909,013	$47,634,232	$54,368,861	$48,823,499	$49,339,057

	Projected					
	2009	2010	2011	2012	2013	Average
Ramsey County (Saint Paul)	$8,177,323	$8,750,067	$9,353,728	$10,138,786	$10,138,786	$9,311,738
City of Saint Paul	11,369,076	10,261,301	10,261,301	10,261,301	10,261,301	$10,482,856
Saint Paul Public Schools	30,233,162	33,810,760	37,463,059	36,767,366	36,630,393	$34,980,948
Saint Paul Port Authority	1,585,000	2,288,000	2,399,000	2,396,000	2,397,000	$2,213,000
Ramsey County Regional Rail Auth	0	0	0	0	0	$0
Total	$51,364,561	$55,110,128	$59,477,088	$59,563,453	$59,427,480	$56,988,542

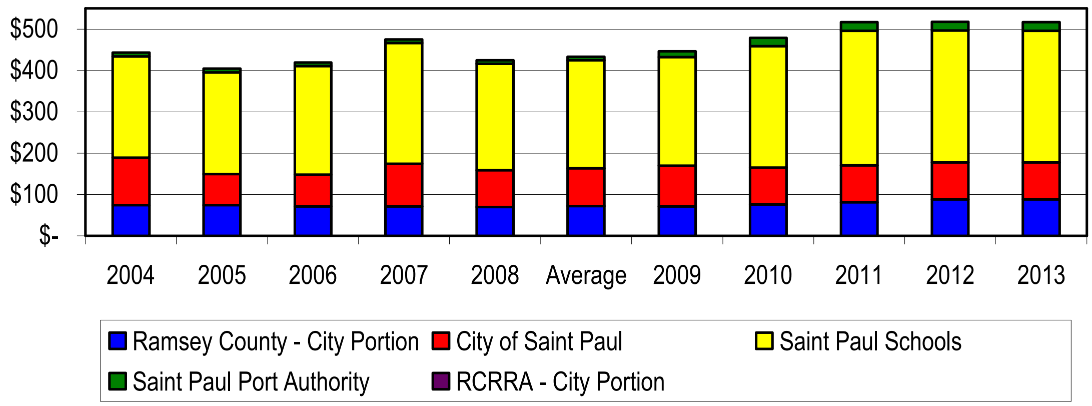
	Actual					
Total Net Tax Levies	2004	2005	2006	2007	2008	Average
Ramsey County (Saint Paul)	$190,164,964	$198,864,950	$209,635,475	$222,718,780	$233,697,277	$211,016,289
City of Saint Paul	63,927,263	63,927,263	65,845,514	71,771,611	82,642,837	$69,622,898
Saint Paul Public Schools	73,808,113	72,927,731	86,663,102	99,153,940	102,927,399	$87,096,057
Saint Paul Port Authority	2,443,000	2,317,175	2,316,608	2,716,050	3,025,000	$2,563,567
Ramsey County Regional Rail Auth	2,450,980	3,333,300	10,447,800	19,939,000	19,939,000	$11,222,016
Total	$232,957,714	$236,966,320	$264,849,875	$299,372,022	$308,137,678	$268,456,722

	Projected					
	2009	2010	2011	2012	2013	Average
Ramsey County (Saint Paul)	$244,795,108	$252,138,961	$252,703,129	$267,494,223	$267,494,223	$256,925,129
City of Saint Paul	89,254,264	94,609,521	94,609,521	94,609,521	94,609,521	$93,538,470
Saint Paul Public Schools	106,979,636	111,127,136	116,265,468	120,916,087	125,752,730	$116,208,211
Saint Paul Port Authority	3,697,000	4,400,000	4,554,000	4,551,000	4,552,000	$4,350,800
Ramsey County Regional Rail Auth	19,939,000	19,939,000	19,939,000	19,939,000	19,939,000	$19,939,000
Total	$324,700,421	$338,365,133	$343,923,188	$355,537,412	$360,375,055	$344,580,242

A. Debt Service Levy per Household

Definition and Purpose:	The property tax can be viewed as the price government charges for its services. These services are broadly divided into operations (such as public safety, street maintenance, etc.) and infrastructure investment (such as pay-as-you-go capital and debt service). This indicator measures the annual debt service property tax levy per household (annual price of debt). The purpose is to show how this price to the citizens for debt service changes over time with annual debt levies variations. This indicator is not a representation of the tax bill for debt service (which is based on property values rather than income). A sample tax bill for debt service for a median value home is provided on page 21.
Target Range:	Not to exceed $550.
Trend/Summary:	The combined debt service levy per Household decreased from $443 in 2004 to $424 in 2008, a five year average of $433. The combined debt service levy per household is expected to increase from $446 to $516 in the years 2009 to 2013 with a five year average of $495. The target is met. For the years 2009 through 2013 the number of households assumes no growth.

Ability-to-Pay Indicator
A. Debt Service Levy per Household



Debt Service Levy per Household		2004		2005		Actual 2006		2007		2008		Average
Ramsey County - City Portion	$	75	$	74	$	71	$	71	$	70	$	72
City of Saint Paul		114		76		76		103		89		92
Saint Paul Schools		245		246		263		292		257		261
Saint Paul Port Authority		9		9		9		9		8		9
RCRRA - City Portion		-		-		-		-		-		-
Total	$	443	$	404	$	419	$	475	$	424		433
Number of City Households		112,668		113,587		113,574		114,409		115,088		113,865

		2009		2010		2011		Projected 2012		2013		Average
Ramsey County - City Portion	$	71	$	76	$	81	$	88	$	88	$	81
City of Saint Paul		99		89		89		89		89		91
Saint Paul Schools		263		294		326		319		318		304
Saint Paul Port Authority		14		20		21		21		21		19
RCRRA - City Portion		-		-		-		-		-		-
Total	$	446	$	479	$	517	$	518	$	516		495
Number of City Households		115,088		115,088		115,088		115,088		115,088		115,088

Ability to Pay Indicator

B. Debt Service Levy per Capita to per Capita Income

Definition and Purpose: This indicator is formulated by dividing the Debt Service Property Tax Levy per Capita by per Capita Income. It depicts the annual debt service property tax levy burden placed on the income capacity of Saint Paul citizens as both debt and income levels change over time. Low ratios are viewed as positive indicators.

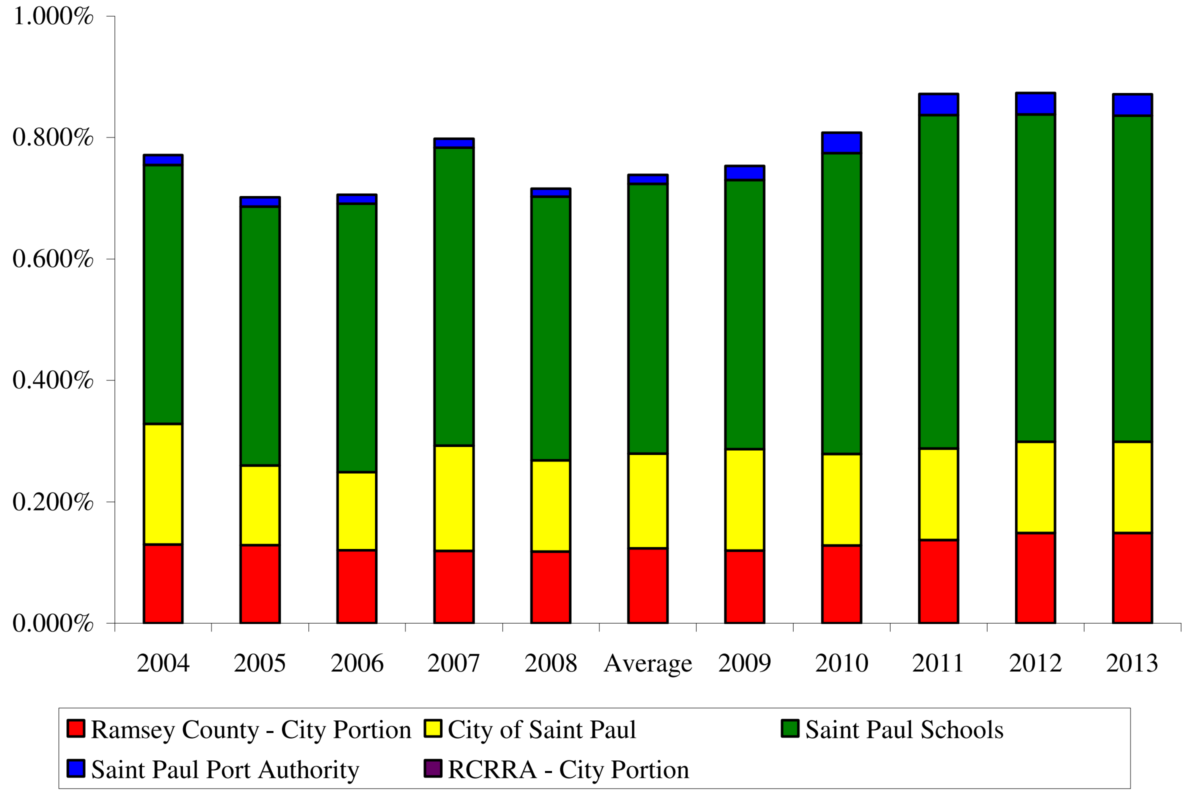
Target Range: Not to exceed 1%.

Trend/Summary: Net Debt Service Property Tax Levy per Capita to per Capita Income decreased from 0.77% in 2004 to 0.72% in 2008, and the five year averages is 0.74%. For 2009 to 2013 the projected percent increases from 0.75% to 0.87%, with a five year projected average of 0.84%.

For the years 2009 through 2013, per capita income assumes no growth.

The target range is met.

Ability-to-Pay Indicator
B. Debt Service Levy per Capita to per Capita Income



Debt Service Tax Levy per Capita to per Capita Income	Actual 2004	2005	2006	2007	2008	Average
Ramsey County - City Portion	0.130%	0.129%	0.120%	0.119%	0.118%	0.123%
City of Saint Paul	0.198%	0.132%	0.128%	0.173%	0.150%	0.156%
Saint Paul Schools	0.427%	0.426%	0.442%	0.491%	0.434%	0.444%
Saint Paul Port Authority	0.016%	0.015%	0.015%	0.015%	0.013%	0.015%
RCRRA - City Portion	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total	0.771%	0.702%	0.706%	0.798%	0.716%	0.739%
City per Capita Income	$22,533	$22,759	$23,541	$23,675	$23,675	$23,237

	Projected 2009	2010	2011	2012	2013	Average
Ramsey County - City Portion	0.120%	0.128%	0.137%	0.149%	0.149%	0.137%
City of Saint Paul	0.167%	0.150%	0.150%	0.150%	0.150%	0.154%
Saint Paul Schools	0.443%	0.496%	0.549%	0.539%	0.537%	0.513%
Saint Paul Port Authority	0.023%	0.034%	0.035%	0.035%	0.035%	0.032%
RCRRA - City Portion	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
Total	0.753%	0.808%	0.872%	0.873%	0.871%	0.836%
City per Capita Income	$23,675	$23,675	$23,675	$23,675	$23,675	$23,675

Figures reported are for the years taxes are payable.

Ability-to-Pay Indicator

C. Tax Bill for Debt Service Tax Levies for Median Value Home for Saint Paul

Definition and Purpose: A major portion of the Net G.O. Debt covered in this report will be repaid by property taxes. An indicator of the burden of this debt is how the amount of the tax bill for this debt service changes over time for representative residential properties. This indicator estimates the change in property tax bills for debt service for a property with the annual median value in Saint Paul. See page 50 for detailed explanation of the debt service levies, debt tax rates and median property values tables.

Target Range: Effective Tax Rate of less than 0.5%

Trend/Summary: Over the period from 2004 to 2008, the fluctuation in the debt service tax bill for a median priced house in Saint Paul reflected the recent fall in the Median Taxable Value and change in the debt service tax levies. The effective tax rate decreased from 0.30% to 0.21%. The five year average annual decrease is 3.52%. It is projected to increase from 0.24% to 0.31% for the years 2009 through 2013.

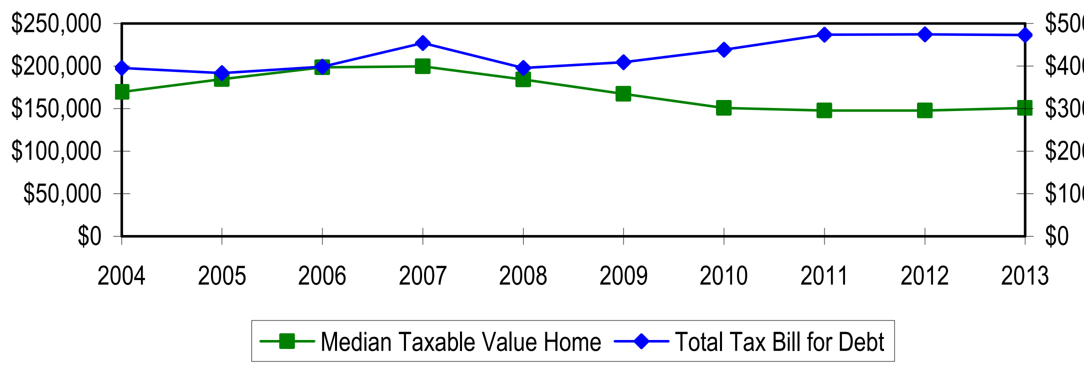
For the years 2009 through 2013, the median value home is assumed to decrease from 167,400 to 150,600.

The target range is met.

Ability-to-Pay Indicator

C. Tax Bill for Debt Service Tax Levies for Median Value Home in Saint Paul

Median Value Home
Taxable Value vs. Tax Bill for Debt



Actual

	2004	2005	2006	2007	2008	Average
Median Value Home	$ 169,700	$ 184,500	$ 198,500	$ 199,500	$ 184,300	$ 187,300
Taxable Value	$ 132,200	$ 157,800	$ 178,400	$ 191,900	$ 183,900	$ 168,840
Ramsey County - City Portion	$ 67	$ 70	$ 68	$ 68	$ 65	$ 68
City of Saint Paul	$ 102	$ 72	$ 72	$ 99	$ 83	$ 86
Saint Paul Schools	$ 219	$ 233	$ 250	$ 279	$ 240	$ 244
Saint Paul Port Authority	$ 8	$ 8	$ 8	$ 8	$ 7	$ 8
RCRRA - City Portion	$ -	$ -	$ -	$ -	$ -	$ -
Total Tax Bill	$ 396	$ 383	$ 399	$ 454	$ 395	$ 405
Effective Tax Rate for Debt	0.30%	0.24%	0.22%	0.24%	0.21%	0.24%

Projected

	2009	2010	2011	2012	2013	Average
Median Value Home	$ 167,400	$ 150,600	$ 147,600	$ 147,600	$ 150,600	$ 152,760
Taxable Value	$ 167,400	$ 150,600	$ 147,600	$ 147,600	$ 150,600	$ 152,760
Ramsey County - City Portion	$ 65	$ 70	$ 74	$ 81	$ 81	$ 74
City of Saint Paul	$ 91	$ 82	$ 82	$ 82	$ 82	$ 83
Saint Paul Schools	$ 241	$ 269	$ 298	$ 293	$ 292	$ 278
Saint Paul Port Authority	$ 13	$ 18	$ 19	$ 19	$ 19	$ 18
RCRRA - City Portion	$ -	$ -	$ -	$ -	$ -	$ -
Total Tax Bill	$ 409	$ 439	$ 473	$ 474	$ 473	$ 454
Effective Tax Rate for Debt	0.24%	0.29%	0.32%	0.32%	0.31%	0.30%

Operational/Capital Finance Interface Indicator
Debt Service Tax Levy to Total Tax Levy

Definition and Purpose: The total tax levy has an operational component and a debt service component. This indicator shows the proportional share that represents the debt service component and illustrates over time any pressure it may exert, either on the total levy or on the operational components. This indicator is specific to each jurisdiction and not applicable to the combined jurisdictions.

Trend/Summary: The County's ratio of debt service to total decreased from 9.3% in 2004 to 7.3% in 2008. The five year average is 8.2%. For the Projected period 2009-2013 the total increase is from 7.1% to 8.0%. The five year average is 7.7%.

The City's ratio decreased from 20.1% in 2004 to 12.4% in 2008 for a five year average of 15%. For the Projected period 2009-2013 the total decrease is from 12.7% to 10.8%. The five year average is 11.2%.

The School District's ratio decreased from 37.4% in 2004 to 28.8% in 2008. The five year average is 34.1%. For the Projected period 2009-2013 the total increase is from 28.3 % to 29.1%. The five year average is 30.1%.

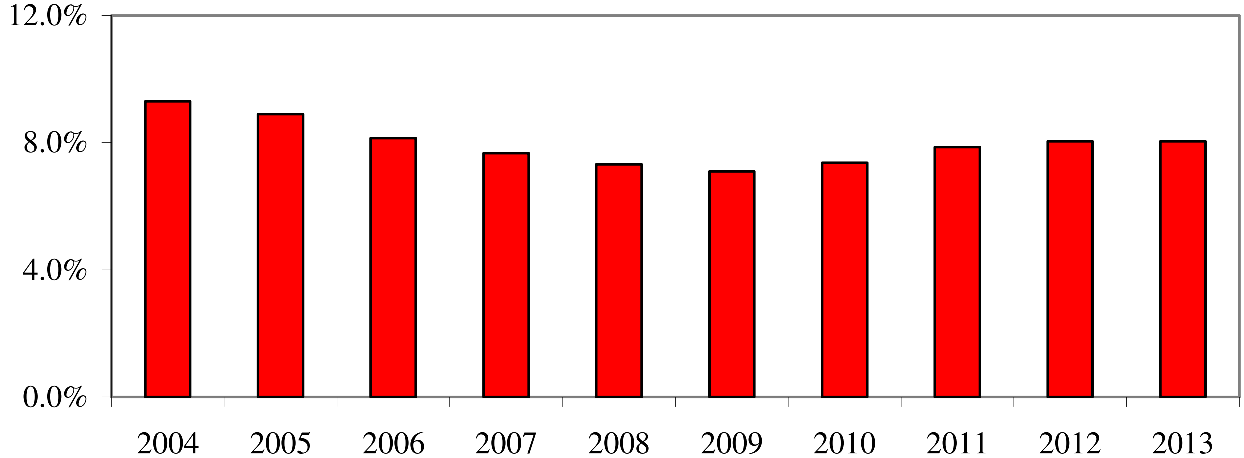
The Port Authority's ratio of debt service to total decreased from 43.4% in 2004 to 30.2% in 2008. The five year average is 38.9%. For the Projected period 2009-2013 the total increase is from 42.9% to 52.7%. The five year average is 50.9%.

RCRRA has issued no debt to date. In 2007, RCRRA began levying the maximum levy of $19,939,000 annually to fund operations and capital budgets. RCRRA estimates it will not be issuing debt in 2009-2013 as it is hoping the Union Depot project is considered one of national or regional significance which would provide Federal Stimulus dollars for RCRRA's share.

Operational/Capital Finance Interface Indicator

Debt Service Tax Levy to Total Tax Levy

Ramsey County



Ramsey County	Actual 2004	2005	2006	2007	2008	Average
Debt Service Tax Levies	$ 17,697,808	$ 17,697,808	$ 17,080,720	$ 17,080,720	$ 17,093,058	$ 17,330,023
Total Net Tax Levies	$ 190,164,964	$ 198,864,950	$ 209,635,475	$ 222,718,780	$ 233,697,277	$ 211,016,289
Debt Service Levy to Total	9.3%	8.9%	8.1%	7.7%	7.3%	8.2%

	Projected 2009	2010	2011	2012	2013	Average
Debt Service Tax Levies	$ 17,361,620	$ 18,577,636	$ 19,859,295	$ 21,526,085	$ 21,526,085	$ 19,770,144
Total Net Tax Levies	$ 244,795,108	$ 252,138,961	$ 252,703,129	$ 267,494,223	$ 267,494,223	$ 256,925,129
Debt Service Levy to Total	7.1%	7.4%	7.9%	8.0%	8.0%	7.7%

Note: The tax levy amounts shown above represent levies spread on all taxable property within Ramsey County, not just the portion attributable to the City of Saint Paul.

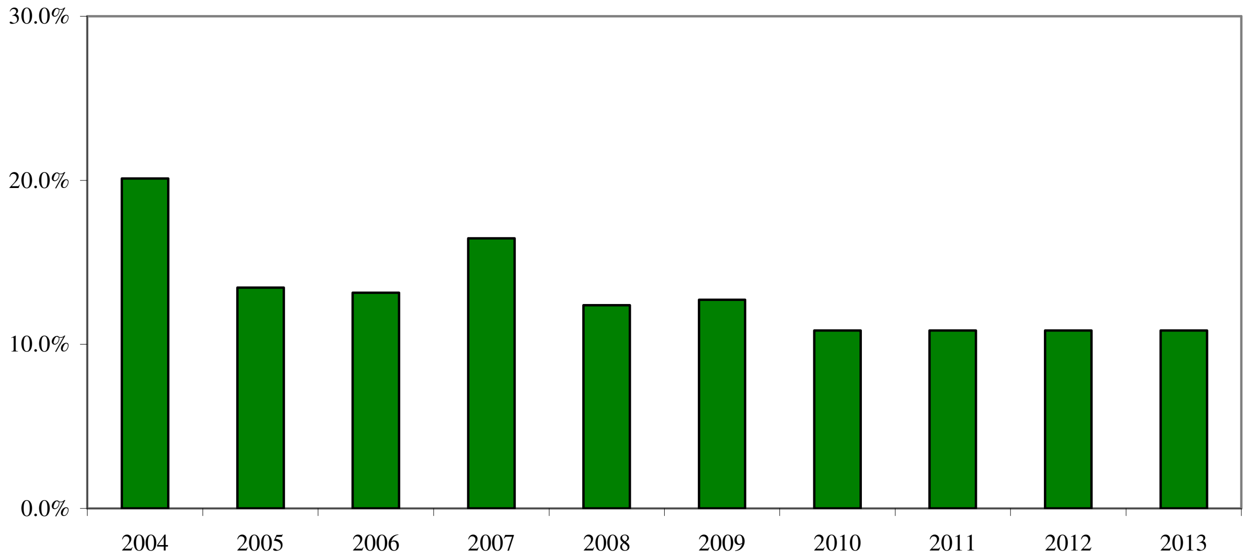
Figures reported are for the years taxes are payable.

Does not include library debt as this levy is suburban and attributes to Ramsey County only.

Operational/Capital Finance Interface Indicator

Debt Service Levy to Total Tax Levy

City of Saint Paul



City of Saint Paul	2004	2005	2006 (Actual)	2007	2008	Average
Debt Service Tax Levies	12,854,715	8,601,652	8,660,089	11,816,238	10,231,416	10,432,822
Total Net Tax Levies	63,927,263	63,927,263	65,845,514	71,771,611	82,642,837	69,622,898
Debt Service Levy to Total	20.1%	13.5%	13.2%	16.5%	12.4%	15.0%

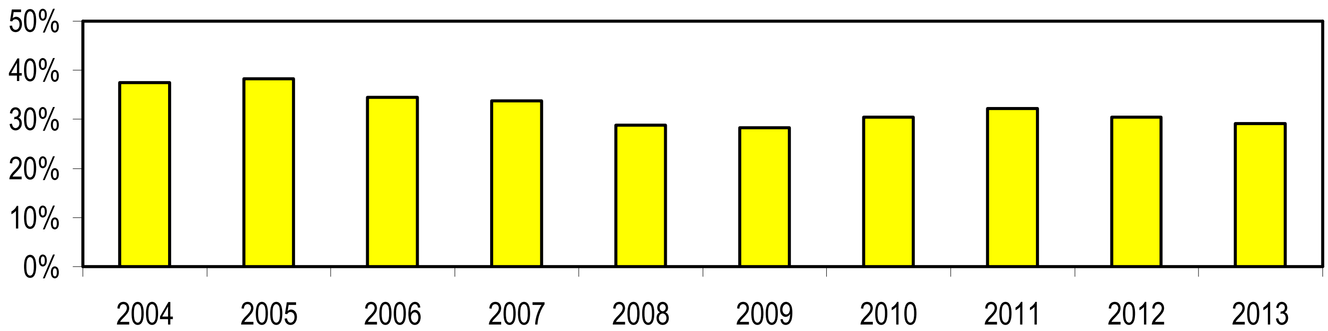
	2009	2010	2011 (Projected)	2012	2013	Average
Debt Service Tax Levies	11,369,076	10,261,301	10,261,301	10,261,301	10,261,301	10,482,856
Total Net Tax Levies	89,254,264	94,609,521	94,609,521	94,609,521	94,609,521	93,538,470
Debt Service Levy to Total	12.7%	10.8%	10.8%	10.8%	10.8%	11.2%

Note: Consistent with the City’s debt fund policy we are using a combination of fund balance and levy to pay net GO debt.
The Total Net Tax Levy includes the mandatory/discretionary levy imposed by the City on behalf of the Port Authority.
Figures reported are for the years taxes are payable.

Operational/Capital Finance Interface Indicator

Debt Service Levy to Total Tax Levy

Saint Paul Public Schools



			Actual			
Saint Paul Schools	**2004**	**2005**	**2006**	**2007**	**2008**	**Average**
Debt Service Tax Levies	$ 27,637,507	$ 27,895,902	$ 29,856,801	$ 33,432,281	$ 29,628,253	$ 29,690,149
Total Net Tax Levies	$ 73,808,113	$ 72,927,731	$ 86,663,102	$ 99,153,940	$ 102,927,399	$ 87,096,057
Debt Service Levy to Total	37.4%	38.3%	34.5%	33.7%	28.8%	34.1%

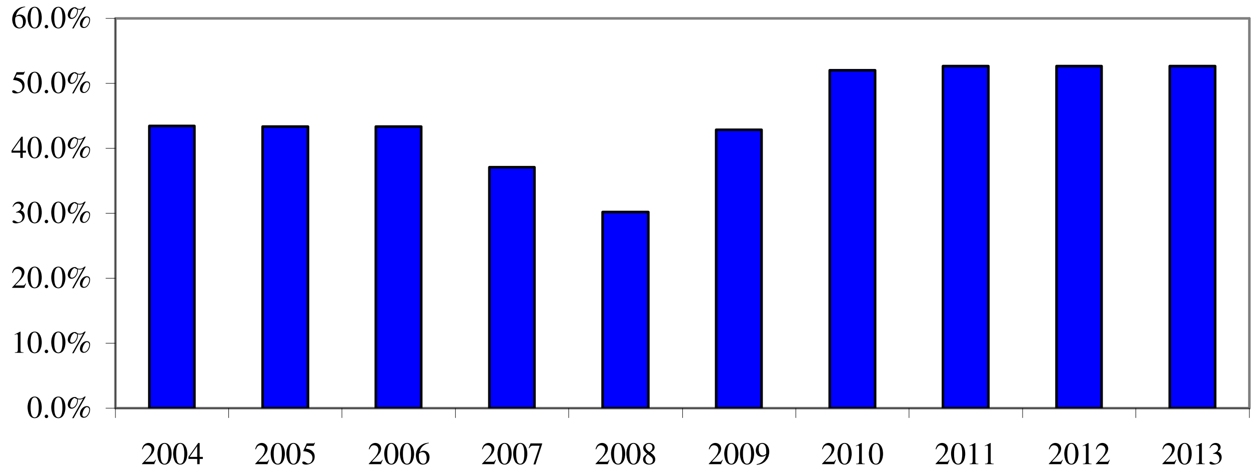
			Projected			
	2009	**2010**	**2011**	**2012**	**2013**	**Average**
Debt Service Tax Levies	$ 30,233,162	$ 33,810,760	$ 37,463,059	$ 36,767,366	$ 36,630,393	34,980,948
Total Net Tax Levies	$ 106,979,636	$ 111,127,136	$ 116,265,468	$ 120,916,087	$ 125,752,730	116,208,211
Debt Service Levy to Total	28.3%	30.4%	32.2%	30.4%	29.1%	30.1%

Figures reported are for the years taxes are payable.

Operational/Capital Finance Interface Indicator

Debt Service Levy to Total Tax Levy

Saint Paul Port Authority



		Actual				
Saint Paul Port Authorit	2004	2005	2006	2007	2008	Average
Debt Service Tax Levies	$ 1,061,000	$ 1,005,000	$ 1,004,000	$ 1,007,000	$ 913,000	998,000
Total Net Tax Levies	$2,443,000	$2,317,175	$2,316,608	$2,716,050	$3,025,000	2,563,567
Debt Service Levy to Total	43.4%	43.4%	43.3%	37.1%	30.2%	38.9%
			Projected			
	2009	2010	2011	2012	2013	Average
Debt Service Tax Levies	$ 1,585,000	$ 2,288,000	$ 2,399,000	$ 2,396,000	$ 2,397,000	2,213,000
Total Net Tax Levies	$ 3,697,000	$ 4,400,000	$ 4,554,000	$ 4,551,000	$4,552,000	4,350,800
Debt Service Levy to Total	42.9%	52.0%	52.7%	52.6%	52.7%	50.9%

Note: The Total Net Tax Levy includes the mandatory/discretionary levy imposed by the City on behalf of the Port Authority.

Figures reported are for the years taxes are payable.

Operational/Capital Finance Interface Indicator

Debt Service Levy to Total Tax Levy

Ramsey County Regional Railroad Authority

Actual

Ramsey County Regional Rail Authority		2004		2005		2006		2007		2008	Average
Debt Service Tax Levies	$	-	$	-	$	-	$	-	$	-	0
Total Net Tax Levies	$	2,450,980	$	3,333,300	$	10,447,800	$	19,939,000	$	19,939,000	11,222,016
D.S. Levy to Total		0.0%		0.0%		0.0%		0.0%		0.0%	0.0%

Projected

Ramsey County Regional Rail Authority		2009		2010		2011		2012		2013	Average
Debt Service Tax Levies	$	-	$	-	$	-	$	-	$	-	0
Total Net Tax Levies	$	19,939,000	$	19,939,000	$	19,939,000	$	19,939,000	$	19,939,000	19,939,000
Debt Service Levy to Total		0.0%		0.0%		0.0%		0.0%		0.0%	0.0%

Note: $1.5 billion is provided for projects of national or regional significance. Funds are available through September 11, 2011. Federal share is up to 100%. RCRRA has applied for these funds and if received debt would not need to be issued.

In 2006 and 2007, the $19,939,000 levy in each year includes $4,435,000 for debt service. If these dollars are not used for debt service, they will be used to fund capital projects. The RCRRA has buying down interest costs on any potential debt issues by paying for the capital projects in cash.

The $19,939,000 annual levy is to fund RCRRA's operating and capital budget.

The tax levy amounts shown above represent levies spread on all taxable property within Ramsey County, not just the portion attributable to the City of Saint Paul.

Capital Investment Strategies and Initiatives by Jurisdiction

Each participating jurisdiction is making infrastructure investments to accomplish its specific initiatives. These initiatives are based on the individual conditions and objectives of each jurisdiction. This section summarizes—by participant—these conditions, objectives and initiatives.

Ramsey County

Ramsey County provides services to its residents in five major areas: Human Services, Public Safety and Justice, Public Health, Parks and Public Works and Central Administration. The County owns a large number of facilities and other infrastructure throughout the County necessary in providing these services. Ramsey County has a capital improvement program process and bonding authority to finance its capital needs of all of these facilities.

Capital Improvement Plan

The Capital Improvement Plan is the County's long-term plan for the management of its infrastructure assets. The Plan establishes the long-range projected financing levels needed to preserve and maintain the County's investment in its infrastructure assets. The Plan prioritizes projects based on a ranking system and useful life, which provides for effective utilization of available outside funding sources (Federal, State, other) in addition to County funding. The County financing of projects include tax levy, debt issuance, rental revenues and outside sources.

The County Board established the Capital Improvement Plan process, including a citizens' advisory committee, in 1987. The Capital Improvement Plan Advisory Committee (CIPAC) is made up of fourteen citizens appointed by the seven County Commissioners. Ramsey County's Capital Improvement Plan (CIP) budget process begins with departments requesting projects for $25,000 or more. CIP projects are currently divided into four categories: 1) Regular Projects, 2) Major Projects, 3) Equipment Replacement Schedule and 4) Building Improvements. Major Projects, Equipment Replacement Schedule Projects and Building Improvements are separated from what are generally considered more regular capital maintenance projects for discussion and recommendation purposes.

Major Projects

Major Projects are defined as projects over $1 million in size. Departments submit their project requests annually to the County Manager. The County manager then analyzes the requests and makes a recommendation to the County Board of which projects should be funded. The County Board, using the County Manager's recommendations, prioritize which project(s), if any, will be included in the annual bond sale. Projects are considered for financing in future years, depending upon their priority and the County's debt levels, as well as debt service compared to benchmarks.

In 2008, the County completed the expansion and renovation of the Community Corrections Facility. The total cost of this project was $17 million, which is financed over three years. The new expansion area is 53,000 square feet, which will provides additional inmate beds, an area for female inmates, additional program office and storage space and 50 additional parking spaces. The remodeled space is 37,800 square feet and includes mechanical and electrical upgrades.

In 2008, the County purchased and renovated a property at 90 West Plato. The total project cost was $5,360,000. Ramsey County's Property Records and Revenue division and Public Health have moved into this building.

Regular Projects (Between $25,000 and $1,000,000)

The County Board established the following priorities for rating individual capital projects: 1) Protect Life/Safety, 2) Maintain Public Health, 3) Replace Facility, 4) Maintain Physical Property, 5) Reduce Operating Costs, 6) Protect Property, 7) Provide Public Service, 8) Provide Public Convenience and 9) Enhance County Image. CIPAC members individually rank requested regular projects. Staff from various County departments also individually rate the regular projects, and the two rankings are then combined. This combined rank is used to set overall regular CIP project request priorities for the Capital Improvement Program Five-Year Plan, and the annual amount to be financed from bonds. Most of the CIP regular projects are repair/replacement and maintenance projects that maintain capital facilities and infrastructure. These projects should help improve operating efficiencies and offset increased costs for operations and repairs.

The conditions of roads are evaluated, based on objective measurement criteria, with a pavement management system. The findings are reviewed by representatives of municipalities for project recommendations.

Equipment Replacement Schedule

This program provides for scheduled replacement of equipment for Parks and Recreation, Public Works, Community Corrections and Sheriff's Departments from tax levy funds in the operating budget. Funds are used annually to purchase equipment such as squad cars, road construction, maintenance equipment and grounds maintenance equipment.

Building Improvements

In 1996, the Capital Improvement Program (Citizens) Advisory Committee (CIPAC) recommended, and the County Board approved, the use of dedicated rental revenues from occupants in County-owned buildings to finance scheduled building improvements. A six-year plan is prepared annually to fund the building improvements/maintenance from the rental revenue. The pay-as-you-go financing method, from the rental revenues, is used for improvements/maintenance such as replacing carpet, roof repair and energy system upgrades.

The funding, operated as Internal Services Funds, is done for the Ramsey County Government Center-East and West buildings, the Juvenile and Family Justice Center, the Law Enforcement Center, the Public Works Facility, the Sheriff Patrol Station and the Suburban Court Facility.

Comprehensive Capital Assets Management and Preservation Plan (CCAMPP)

The CCAMPP has been approved by the County Board. An inventory of capital assets is maintained to evaluate the condition of each asset and identify predictable life cycle requirements and/or replacement schedules for each class of asset. The classes of assets are buildings/grounds, mobile equipment and roads. This information is used to determine present and future needs that require capital infrastructure or equipment. The costs are calculated to preserve capital assets based on the present and future needs.

Also included in the Plan is a Building Condition Report, which provides life cycle cost analysis and is used in the long-range facility planning of the County.

Debt Strategy

In November 1992, Ramsey County became the only Home Rule Charter County in the State of Minnesota. Most debt and building fund levy limits and other restrictions established under previous statutes no longer apply, giving Ramsey County the opportunity—and the responsibility—to establish realistic and affordable capital improvement levies for debt service and a Capital Improvement and Equipment Replacement levy (pay-as-you-go). The debt limit applies to all local governmental units in Minnesota. This limit is 3% of the market value of all taxable property in the County. With this in mind, the following policy was established:

1) A long-range finance plan (10 years) for regular capital maintenance projects and major building projects.

2) A responsible debt level in accordance with industry benchmarks.

In addition, the County participates with the City of Saint Paul, Saint Paul Public Schools and Saint Paul Port Authority to review overall general obligation debt on the Saint Paul tax base through the work of the JDAC of the Joint Property Tax Advisory Committee.

Ramsey County Regional Railroad Authority

The Ramsey County Board of Commissioners organized the Ramsey County Regional Railroad Authority (RCRRA) in 1987 for the purpose of planning and providing transit services in Ramsey County. The RCRRA is a political subdivision of Minnesota. It is governed by the seven Ramsey County Commissioners and is considered a component unit of Ramsey County.

Long Range Capital Plan

The RCRRA adopted a long-range capital plan in 2005. The plan extends through 2014 and includes construction of a light rail transit corridor between downtown Saint Paul and downtown Minneapolis, development of a multi modal transit hub at the historic Union Depot in downtown Saint Paul and purchase of rights of way to preserve options for rail transit corridors. The RCRRA share of the capital costs of the projects in the plan are estimated at $181 million through 2014. The plan calls for 80% of the cost, or $145 million, to be debt financed and 20% of the cost, or $36 million, to be financed with cash reserves. $1.5 billion in Federal Stimulus is provided for projects of national or regional significance. Funds are available through September 11, 2011. If the RCRRA is granted these dollars, issuing debt will not be needed.

Major Initiatives

Two major projects are underway and commonly known as: Central Corridor and Union Depot.

The Central Corridor is the primary east/west route between downtown Saint Paul and downtown Minneapolis. Construction of light rail transit (LRT) along the corridor will connect five major activity centers—the two downtowns, the University of Minnesota, the Midway area and the State Capitol complex. Nearly 120,000 people reside in the corridor and it is home to 280,000 jobs today, with an expected number of 345,000 by 2030. LRT ridership is anticipated to be 43,940 per day in 2030.

The Central Corridor LRT line will be part of the regional transit system and will connect to the Hiawatha LRT corridor at the Metrodome. The terminus will be at the proposed Minneapolis multimodal station, which will also serve the Northstar commuter rail line.

The capital cost for the Central Corridor was estimated at $840 million in 2007 dollars. The cost has recently been escalated to reflect year of construction. The line is now anticipated to open in 2014, and the current cost estimate is $909 million.

The Federal Transit Administration is expected to pay one half of the capital costs. The State, the Counties Transit Improvement Board (CTIB) and Ramsey and Hennepin County Regional Railroad Authorities will pay the other half of the costs with the CTIB paying more than half the cost and the state and the two counties paying the remainder.

The Union Depot is an historic building located in downtown Saint Paul that is envisioned as functional transportation facility that can accommodate existing and future downtown and long distance transfers and trips. The Depot will be a multimodal transit hub where Amtrak, Central LRT, intercity buses and Metro Transit buses will connect. Eventually, commuter rail and high-speed rail will also connect at the Depot.

The Depot opened in 1923 and hosted passenger rail service until 1971. The concourse has been used as a warehouse by the United State Post Office since that time. Acquisition of property necessary to complete the project began in 2005 with the purchase of ten acres east of the Depot. Also in 2005, the Post Office agreed to relocate its operations to Eagan to free up property critical to the project. Negotiations for the purchase of the concourse from the Post Office are nearing completion.

The capital cost for the Union Depot is estimated at $361 million in 2003 dollars. The RCRRA share of the cost is estimated at $125.2 million. To date, the Union Depot project has been awarded a $50 million federal grant from the National and Regional Significance Fund and a $3.5 million state bonding award.

City of Saint Paul

Saint Paul is the State Capital and Minnesota's second largest city. The City covers an area of 56 square miles, and is situated wholly in Ramsey County.

Major Initiatives

1. Continued Housing Development

Market-rate housing: In the past decade, the City has developed entirely new urban villages at the southwest corner of the City (Gateway Village), on the river front (Upper Landing), in the North Quadrant of downtown. The successful completion of the *Housing 5000 Program*, which exceeded its goal of developing 5,000 units of new or substantially rehabilitated housing in the four years ending on December 31, 2005, has been followed by continued housing development, although at a slower pace. Downtown has continued to see significant market rate housing developments such as the Fitzgerald Condominiums next to the Fitzgerald Theater, River Park Lofts near Mears Park, and Printers Row in the North Quadrant. New market rate housing projects are planned at The Penfield, 2700 University Avenue, and on the West Side Flats.

Affordable Housing: Affordable housing continues to be developed all over the City. Downtown has seen affordable housing developed in the Crane-Ordway building, Wacouta Commons, the Upper Landing, and the Commerce Building. In the neighborhoods, affordable housing has been developed in the Winnipeg Apartments on Rice Street, Phalen Crossing in Phalen Village, the Dale Street Townhomes, and Sholom Home. Just east of Lexington Parkway, 48 units of supportive housing for the long term homeless are being developed, and on Old Hudson Road, an old hotel is being converted into 110 units of senior housing.

2. An integrated economic development strategy: To maintain economic growth, the City has developed the *Saint Paul Economic Development Strategy 2008 – 2009*. The plan includes the following strategies:

A renewed economic development partnership: To implement this economic development strategy, the City has reinvigorated the Economic Development Partnership (a formal partnership agreement among the City, the Chamber of Commerce, Capital City Partnership, Riverfront Corporation, and the Port Authority), outlining areas of responsibility for the various partners.

A reorganized Department of Planning and Economic Development: Reflecting a renewed interest in economic development (after many years focusing on housing development), the City has reorganized PED to create an Economic Development Division and hired an Economic Development Manager.

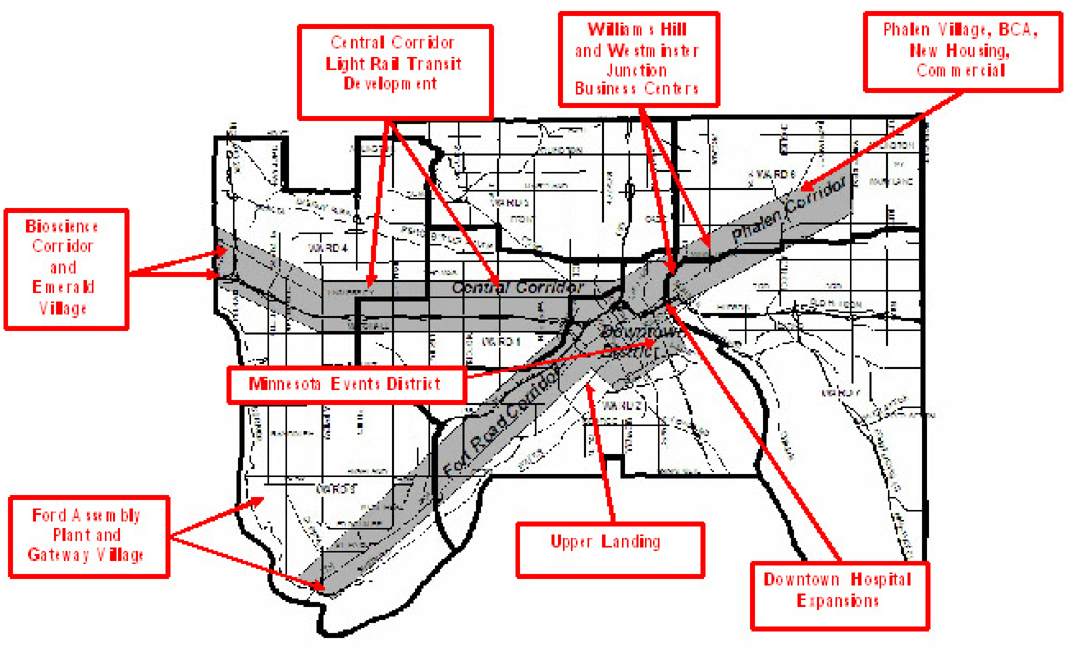
Business retention and attraction: Retention activities include pro-active business retention visits, a Rapid Response Team, annual business surveys, a redesigned Business Resource Center, and industry cluster strategies for health care and "back streets" businesses like manufacturing and service enterprises. An example of the City's retention activities is the new Mississippi Market on West Seventh Street, which was forced to move by an expansion of the College of St. Catherine. Attraction a activities include strategies to attract life science, high-tech, "green" manufacturing, ethnic businesses, and stores like the new Trader Joes at Randolph and Lexington.

Invest Saint Paul business outreach activities: Activities are targeted to the Invested Saint Paul areas and include outreach to businesses in the ISP areas, an economic analysis of neighborhood commercial corridors, and acquisition of strategic commercial properties.

Minority Business Development: Activities include the HRA disparity study, the City Compliance Report Card, the Construction Partnership Program, the Socially Responsible Investment Fund, the Small Developer Ownership Construction Program, the Apprenticeship Opportunity Program, partnerships with many community-based organizations, and the creation of a new department to combine its human rights and targeted vendor development programs in order to increase the amount of publicly-financed work performed by targeted vendors.

Competitive industry clusters: the City has made significant progress in anchoring its competitive industry clusters. Health care is the largest and fastest-growing cluster, with 36,000 employees, and the City has helped finance the expansion of United, Children's, Regions, and Saint Joseph's hospitals. Public administration, with 22,000 employees, is the second largest cluster, and the Port Authority has helped finance the construction of two state office buildings. With about a dozen colleges and universities, many of which have expanded in the past few years, education is the third largest sector, with about 16,000 employees. Finance, and particularly insurance, is the fourth largest sector, with about 14,000 employees, and the City has helped both Travelers Insurance and Securian expand in the past few years.

Economic development opportunity sites: The City has developed five alternative redevelopment scenarios for the Ford Assembly Plant Site, which Ford is planning on closing in 2011. The State of Minnesota has funded a study, led by PED, of the green manufacturing potential of the Ford Site. Planning continues for redeveloping 60 acres of 3M property just south of the Phalen Corridor which the Port Authority purchased in 2008.



3. Downtown District: The downtown extends from the State Capitol campus on the north to the West Side Flats across the river. Major developments include:

The Minnesota Events District: RiverCentre opened in 1998, the Xcel Hockey Arena opened in 2000, and the RiverCentre tunnel (linking them to the skyway system and downtown hotels) opened in 2002. With this world class facility, Saint Paul attracted the Republican National Convention in 2008. Recently, the City succeeded in getting state approval for financing improvements for the Minnesota Events District.

Fitzgerald Park: In the past decade, the north edge of downtown has grown into a cultural district, with the McNally Smith Music College, the Saint Paul Music Academy, a new Minnesota Public Radio building (which more than doubled its size), and the Fitzgerald Theater all within a block of the future Fitzgerald Park.

4. Central Corridor Revitalization: final federal approval for this project is expected within weeks, and the line should be up and running by 2014.

Central Corridor Development Strategy: Ramsey County and the Metropolitan Council lead the construction planning, but the City is leading the longer term development planning, and has completed the *Central Corridor Development Strategy* and 7 Station Area Plans and is working on three more "infill" station area plans.

Parking Program: The City is taking the lead to address the loss of parking along the Central Corridor. They have developed a $1 million program with integrated strategies to better manage on-street parking and improve off-street parking resources.

Preliminary construction: Utility relocations have already begun on the downtown section of the Central Corridor Light Rail Transit line, and construction of the line itself is expected to start in 2010.

Recent housing investments: Major housing projects have been completed in the Central Corridor in anticipation of LRT development. Just west of Highway 280, 575 units of new housing have been developed at Emerald Village. Just east of Raymond, 344 units of affordable rental housing for artists have been developed at Carleton Place Lofts. Episcopal Homes has completed two new senior housing buildings at the southwest corner of Fairview and University. And at the southwest corner of Dale and University, 98 units of affordable rental housing in 3 floors sits above the Rondo Library, while across the street Frogtown Square, with 50 units of senior housing on 3 floors above new retail space, is close to starting construction.

Recent economic developments: Just west of Highway 280 is Saint Paul's state-designated Bioscience Zone, anchored by a $24 million, 125,000-square-foot bioscience incubator operated by University Enterprise Laboratories. At Fairview Avenue, the huge Griggs Midway Building has been renovated. At the southwest corner of Lexington and University, the Wilder Foundation headquarters, a new ALDI grocery, and a new TCF Bank have been completed. The Central Corridor continues to attract new retail businesses, with Menards, CVS Pharmacy and Wal-Mart all opening new stores in the past six years. At Marion and University, the Hmong Professional Building has opened in a renovated building that used to be an automobile dealership.

5. Phalen Corridor Revitalization: Formerly a blighted and underutilized industrial corridor served by railroads, the Phalen Corridor runs northeast from downtown to the Phalen Village neighborhood.

Phalen Boulevard: The last section of the new 2½-mile, $61 million Phalen Boulevard -- the first new road built in Saint Paul in more than 20 years -- opened four years ago.

Phalen Village: At the east end of Phalen Boulevard is Phalen Village, with new and rehabilitated housing adjacent to a repositioned commercial center and a new $60 million building for the State Bureau of Criminal Apprehension. The new CUB store in Phalen Village will be Leed-certified "Gold."

Williams Hill and Westminster Junction Business Centers: At the west end of Phalen Boulevard are the Metro Transit Bus Barns, the Williams Hill Business Center, and the Westminster Junction Business Center, with two HealthPartners medical facilities, which together have almost 2,000 new jobs developed on former brownfields that used to have only 50 jobs.

6. Responding to the housing crisis: Saint Paul, like most other cities, has been hit hard by the mortgage foreclosure crisis, and has developed integrated strategies to overcome it.

Invest Saint Paul: The City used its data on physical condition and the County's data on social problems to identify four areas of chronic disinvestment, within which it is targeting its resources through the program called Invest Saint Paul. In this area, the City has contracted with 4 CDCs and 3 district councils to provide community outreach and engagement to the residents. The City sold bonds backed by the revenue generated by the half cent sales tax to spend on strategic acquisitions and other improvements in the ISP areas.

Identifying and securing vacant houses: Though many vacant houses are reoccupied, the City's Department of Safety and Inspections is aggressively tracking them to make sure that they are secured if they are worth saving, demolished if they are not, and converted back to single family use, if they have been subdivided.

Preventing foreclosures: PED has 7 full time free counselors (who work with home owners facing foreclosure), a mortgage foreclosure hotline, and magnetic signs on City vehicles advertising the foreclosure hotline. The City has tailored its existing programs to the new challenge, like the HUD-certified Mortgage Foreclosure Prevention Program (with its multi-lingual counselors who advocate to prevent foreclosures), and developed new programs.

New partnerships: The City is partnering with statewide organizations like the Minnesota Foreclosure Partners Council (co-chaired by PED's director), national organizations like the National Community Stabilization Trust, and local community-based organizations like CDCs and district councils in the Invest Saint Paul areas.

7. Preserving the City's Infrastructure: The City maintains its facilities through a Capital Improvement Budget process that involves citizens in ranking and recommending projects through an open and competitive process.

A commitment to maintain the City's infrastructure: The CIB process is built on the philosophy that the City must preserve the fiscal integrity of its operating, debt service and capital improvement budgets by engaging in careful and thorough analysis of each capital improvement proposal, including the long-range impact on operating costs and revenue generation.

Capital Improvement Budget Process: City departments, District councils and other parties annually submit proposals for capital projects. These proposals are evaluated and prioritized by the Saint Paul Long-Range Capital Improvement Budget Committee (CIB Committee) and its task forces. Based on the recommendations of the CIB Committee, the City Council adopts an annual capital budget and a five-year *Tentative Program of Commitments*, which estimates future appropriations needed to complete initiated projects. Projects are categorized with one of eleven capital functions: Streets, Street Lighting, Traffic Engineering, Bridges, Sewers, Parks and Open Spaces, Libraries, Housing and Economic Development, Police, Fire and Safety, and Special Facility Support. The City received State approval to extend the issue of CIB Bonds from 10 up to 30 years. The purpose of the extension was to better match the asset life to the term of the CIB debt.

Saint Paul Public Schools

With more than 38,000 students, Saint Paul Public Schools (SPPS) is Minnesota's second-largest school district. Through highly trained and deeply dedicated staff, innovative education programs, and the support of our community, we offer students and families a world of opportunities

We are lucky to be located in Saint Paul, Minnesota's capital city and one of the state's most dynamic and caring communities. Our location provides students with the opportunity to learn through partnerships and collaborations, including those with the Office of the Mayor, and many businesses and organizations.

Our student population is diverse. Students hail from countries throughout the world, speak more than 70 languages and dialects, and come to the district with an array of educational experiences and skills. Their experiences help us create a multicultural educational energy that supplements classroom lessons and helps all students and staff develop a better understanding of the world in which they live.

Student Demographics (2008-2009)
Student Enrollment

- Early Childhood Special Education 685
- Kindergarten 3,185
- Elementary (1-6) 17,301
- Secondary (7-12 and Area Learning Centers) 17,298
- Total Enrollment Reported to State 38,469
- Early Kindergarten (4-year-old kindergarten) 1,185
- Enrollment Grand Total 39,654
-

Saint Paul's students are:

- Asian American (29.9% or 11,416)
- African American (29.9% or 11,515)
- White American (25% or 9,614)
- Latino/Hispanic American (13.7% or 5,263)
- American Indian (1.7% or 661)

Percentages are rounded to the nearest tenth

Our district is located in Minnesota's capital city--a diverse urban center that provides students and schools with opportunities beyond the classroom. All of our schools and programs have partnerships with business, arts and cultural organizations that provide valuable enrichment opportunities.

Saint Paul also provides the district with a talented pool of education professionals.

Employees

- 3,395 K- 12 Teachers
- 201 Principals & Other Administration
- 1,226 Paraprofessionals
- 1,233 Support Staff
- TOTAL EMPLOYEES 6,055

People choose to work in our district because they are committed to helping all students learn to the best of their abilities. By employing a highly skilled, highly dedicated team of professionals, we increase our students' chances of turning educational challenges into opportunities.

Families choose from neighborhood schools, magnet/specialty schools and extended day programs. All Saint Paul Public Schools offer rigorous curriculum and specialized programs targeted at a variety of student groups, such as English language learner (ELL) curriculum, gifted services and International Baccalaureate pre-college programs. All of these are designed to challenge every student to reach his or her fullest potential and succeed in school and in life.

Schools and Buildings

To serve its diverse student population, the District operates schools located throughout the City of Saint Paul that function not only as educational hubs, but also as community gathering spots where meetings, elections, and celebrations are held throughout the year.

Saint Paul Public Schools operates forty-six elementary schools (K-6, K-8 or 1-8), eight junior/middle schools (6-8), seven senior high schools (9-12), a special education school, an Open School (K-12), a variety of alternative learning centers, and administrative facilities. In all, the School District owns 72 facilities and leases 12, comprising a total of 7.3 million square feet. Approximately 50 percent of the buildings owned by Saint Paul Public Schools are more that 50 years old.

When school is not in session, District buildings become community gathering spots. Each November, thousands of Saint Paul residents visit their neighborhood schools to vote. Thousands more visit schools for Community Education activities, including personal growth programs, family education, employment training, adult literacy programs and more. Schools are also used for community gatherings and non-district sporting events.

Facilities Management and Funding

To ensure that the schools and facilities are meeting the needs of students and the community, Operations Department manages buildings and their operating and construction funds. In the 2008-2009 school year, revenue from bond sales totaled $26 million. Saint Paul Public Schools continues to sell $15 million per year through 2016 in capital bonding to finance improvements to its buildings and another $11 million per year in alternative bonding to finance deferred maintenance projects throughout the School District.

Construction Projects recently completed or currently underway

- Acquisition and construction of Gordon Parks High School
- New entry addition at Hayden Heights Elementary School, 1863 E. Clear Avenue
- Construction of media center addition at Hazel Park Middle School, 1140 White Bear Avenue
- New entry addition and remodeling at Highland Park Senior High School, 1015 S. Snelling Avenue

- Technology infrastructure upgrades at various schools

Deferred maintenance projects recently completed or currently underway include

- Roof replacement projects at Mississippi Elementary School, 1575 L'Orient Street
- Parkway Elementary School, 1363 Bush Avenue
- District Service Facility, 1930 Como Avenue,
- Franklin Elementary School, 690 Jackson Street
- Farnsworth Elementary School, 1290 Arcade Street
- Harding Senior High School, 1540 E. Sixth Street
- Lighting replacements at Como Park Elementary, 780 W. Wheelock Parkway
- Franklin Elementary School, 690 Jackson Street
- Horace Mann Elementary School, 2001 Eleanor Avenue
- Bruce Vento Elementary School, 409 Case Avenue
- Linwood School, 90 S. Western Avenue
- Piping Replacements at Battle Creek Elementary, 60 S. Ruth Street
- North End Elementary School, 27 E. Geranium Avenue
- Harding Senior High School, 1540 E. Sixth Street
- Prosperity Heights Elementary School, 1305 Prosperity Avenue
- Window replacement at Parkway Elementary School, 1363 Bush Avenue, Webster Elementary School, 707 Holly Avenue, and Murray Junior High School, 2200 Buford Avenue
- Window replacement at Highland Park Junior High School, 975 S. Snelling Avenue

Saint Paul Port Authority

The Saint Paul Port Authority, authorized by the Minnesota Legislature and organized in 1932, contributes to the Twin Cities East Metro area growth and prosperity by providing businesses with clean land on which to expand, space on the Mississippi River to receive and ship commodities efficiently, loans for real estate and equipment purchases and workforce development programs for businesses.

A seven-member Board of Commissioners governs the Port Authority. The Mayor, with the approval and consent of the Saint Paul City Council, appoints the Board to overlapping six-year terms. Two Board members must also be City Council members.

The Port Authority provides four primary business lines for its industrial customers: Brownfield redevelopment, asset-based financing, workforce development and harbor management.

The Port Authority also is active in East Metro economic development through partnerships with neighboring communities and regional organizations, and it manages nearly $200 million in loans and properties on behalf of private investors.

The Port Authority may, after holding a public hearing, create development districts within its area of jurisdiction, make public improvements, and acquire and lease or sell land and buildings for industrial uses. The Port Authority also may acquire, construct, lease and sell industrial commercial and other revenue-producing projects, enter into revenue agreements for the financing thereof, and issue bonds payable from revenues derived from such agreements. State-delegated Port Authority powers include: (1) Acquiring property by condemnation and (2) Levying ad valorem taxes to pay debt service on general obligation bonds issued by the Port Authority, both of which require approval of the Saint Paul City Council. City Council consent also is required prior to the issuance of Port Authority general obligation bonds, or the creation of development districts.

The Port Authority, as an industrial development organization, has 20 fully-developed business centers in Saint Paul. The following is a summary of the centers developed during the period of this report as well as those with outstanding general obligation bonds:

East Side 3M Campus
In 2008, 35 acres in the 46.5 acre campus were acquired, with an option to purchase the remaining acres. Preliminary site investigation, community forums, and historic preservation activities are ongoing. Environmental remediation and redevelopment will be continuing over the next several years which should result in an increase in jobs and tax base. $8.13M of Port G.O. bonds were issued in 2008 and another 8.175M are planned before end of 2009.

Arlington
Established in 1997, this 20-acre business center is adjacent to Interstate 35E north of downtown Saint Paul, between Maryland Avenue and Arlington Street. Four buildings now occupy the site, employing more than 540 people and generating nearly $610,000 annually in property taxes.

Crosby Lake
Established in 1996, this 27-acre business center, once used to store petroleum products, runs along Shepard Road on the bluffs overlooking the Mississippi River at Interstate 35E in Saint Paul. Six companies now occupy the site, employing nearly 410 people and generating almost $660,000 annually in property taxes.

Energy Lane
During 2003, this 110,000 square foot business center on the last remaining four-acre parcel in the Energy Park Business Center at Lexington Avenue and Energy Park Drive was developed jointly with a regional developer, and is fully occupied and generating $240,000 in annual property taxes.

Globe
In 2005, this site immediately south of the Westminster Junction Business Center, was acquired and environmental remediation was performed. It is anticipated that the site will be sold for construction of a 91,500 square foot business center, which should generate in excess of $270,000 in annual property taxes and 90 jobs.

Great Northern North and South
The Great Northern Business Center, a 29 acre project generally bound by Dale and topping Streets and Como and Minnehaha Avenues, contains nine businesses, with 460,000 square feet of office showroom space, employing in excess of 790 employees and generating more than $1,147,000 a year in property taxes.

Griffin
In 2007 this site, immediately east of the Westminster Junction Business Center, was acquired and environmental remediation was performed. It is anticipated that the site will be sold for construction of a total 137,000 square feet of business center space, which should generate in excess of $375,000 in annual property taxes and 130 jobs.

River Bend
Established in 1998, the Port Authority and a local developer are jointly developing this 22 acre business center along Shepard Road and Randolph Avenue in St Paul. It is anticipated that once complete, there will be 220,000 square feet of office and showroom space constructed employing 350 individuals and generating $380,000 in annual property taxes. At the present time, it is approximately 50% complete.

Westminster Junction
The Westminster Junction Business Center is a 24-acre business center located less than a quarter mile east from Interstate 35E on the new Phalen Boulevard. It has generated more than 465 jobs with more than $1.82 million in annual property taxes. The new Phalen Boulevard is serving as an impetus for rehabilitation and new construction in the surrounding residential and commercial area.

Williams Hill
Established in 1998, this 27-acre, fully developed business center is along East University Avenue and Interstate 35E in Saint Paul. Eight companies now occupy six buildings on the site, employing 425 people and generating more than $820,000 annually in property taxes.

Appendix

This Appendix contains statistical data, sources and detailed footnotes that support the analysis contained in this report, as well as recent additional information on the Economy in Saint Paul.

I. Projected Annual General Obligation Bonding Assumptions

Ramsey County	2009	2010	2011	2012	2013
Regular Projects	2.500	2.500	2.500	2.500	2.500
Major Building Projects	3.600	14.000	16.000	16.000	16.000
SUBTOTAL	6.100	16.500	18.500	18.500	18.500
City of Saint Paul					
Property Tax Financed					
- Capital Improvement	4.500	3.000	11.000	11.000	11.000
- Street Improvement Assessment	10.225	12.500	12.500	12.500	12.500
`- Public Safety Bonds	15.235	0.000	0.000	0.000	0.000
- Parks / Library Agency Bonds	0.000	14.000	0.000	0.000	0.000
SUBTOTAL	29.960	29.500	23.500	23.500	23.500
Saint Paul Public Schools					
Property Tax Financed					
- Deferred Maintenance	11.000	11.000	11.000	11.000	11.000
- Capital Improvement	15.000	15.000	15.000	15.000	15.000
SUBTOTAL	26.000	26.000	26.000	26.000	26.000
Saint Paul Port Authority					
	8.175	0.000	0.000	0.000	0.000
SUBTOTAL	8.175	0.000	0.000	0.000	0.000
Ramsey County Regional Railroad Authority					
	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	0.000	0.000	0.000	0.000	0.000
TOTAL	70.235	72.000	68.000	68.000	68.000

II. Table 1: Total Net General Obligation Debt by Issuer (Detail by Year)

Total general obligation debt by issuer consists of the following types of debt:

A. Ramsey County

The following table consists of all County general obligation debt outstanding as of December 31, 2008, with the exception of library bonds paid by taxes collected outside Saint Paul. Certificates of Participation issued in April 1996, which are not backed by the full faith and credit of the County, are also excluded. Also excluded are a portion of the 2000 CIP issue which financed the Lake Owasso Residence, the 2001 Minnesota Public Facilities Authority loan for the RiverCentre Pedestrian Connection Project, a portion of the 2002 CIP issue which financed the Ponds Golf Course, a portion of the 2004 CIP issue which is financed by the Mounds View ISD, the 2002 Street Aid Bonds and the 2003 Public Facility Lease Revenue Series A issue for the Griffin Building. All of these issues have outside revenue which is used to pay the debt. Four of these issues are general obligation debt. In addition, the amount of general obligation debt shown is the net amount applicable to just the City's property value as a percent of the entire County value in taxable net tax capacity. The full debt amount and applicable Saint Paul share is as follows:

Ramsey County

Payable Year	Existing Countywide Net G.O. Debt	Projected New G.O. Debt	Total County Net G.O. Debt	% Applicable to St. Paul	St. Paul Portion of County Net G.O. Debt
2004	167,270,000	0	167,270,000	47.500%	79,453,250
2005	158,605,000	0	158,605,000	47.500%	75,337,375
2006	164,455,000	0	164,455,000	47.500%	78,116,125
2007	164,665,000	0	164,665,000	47.500%	78,215,875
2008	159,700,000	0	159,700,000	47.100%	75,218,700
2009	148,420,000	6,100,000	154,520,000	47.100%	72,778,920
2010	142,695,000	16,500,000	159,195,000	47.100%	74,980,845
2011	146,360,000	18,500,000	164,860,000	47.100%	77,649,060
2012	150,700,000	18,500,000	169,200,000	47.100%	79,693,200
2013	152,410,000	18,500,000	170,910,000	47.100%	80,498,610

Note: Projections for the percent applicable to Saint Paul in 2009 through 2013 assume a stabilized share of the County's total debt to be applicable to the City of Saint Paul.

II. Table 1 (Continued)

A. Ramsey County

The following table lists general obligation debt included and excluded for Ramsey County for the year ending December 31, 2008.

Ramsey County
General Obligation Debt Outstanding - 12/31/2008

Issue		Principal	Debt Service Payment Source
1999 Capital Improvement Plan Series A	$	2,240,000	Property Taxes
2001 Capital Improvement Plan Series A	$	7,125,000	Property Taxes
2002 Capital Improvement Plan Series A	$	29,455,000	Property Taxes
2002 CIP Refunding Series 2002B	$	19,360,000	Property Taxes
2003 Capital Improvement Plan Series A	$	21,925,000	Property Taxes
2004 CIP Refunding Series 2004B	$	8,985,000	Property Taxes
2004 Capital Improvement Plan Series A	$	22,350,000	Property Taxes
2005 Capital Improvement Plan Series A	$	1,845,000	Property Taxes
2005 CIP Refunding Series 2005B	$	14,260,000	Property Taxes
2006 Capital Improvement Plan Series A	$	5,950,000	Property Taxes
2007 Capital Improvement Plan Series A	$	20,105,000	Property Taxes
2008 Capital Improvement Plan Series A	$	6,100,000	Property Taxes
Total Debt Recognized for JDAC Report	**$**	**159,700,000**	
2001 General Obligation Notes (Pedestrian Connection)	$	5,897,000	Lease Payments
2002 Capital Improvement Plan Series A (Ponds)	$	2,765,000	Fees
2002 Street Aid Bonds Series C	$	3,835,000	State Aid
2003 Public Facility Lease Revenue Series A	$	11,890,000	Lease Payments
2004 Mounds View ISD Lease	$	855,000	Revenue
2005 CIP Refunding: Lake Owasso Portion	$	2,935,000	State Medicaid
Total Debt Excluded (Other Revenue Sources)	$	28,177,000	
Total G.O. Debt	**$**	**187,877,000**	

II. Table 1 (Continued)

B. City of Saint Paul

Consists of general obligation debt as of December 31, 2008

The following types of debt are included in this report:

- Capital Improvement (CIB)
- Special assessment street improvement (levy portion)
- Public Safety
- Leases payable from property tax

The following types of debt are excluded from this report:

- Debt which is not secured by the City's G.O. pledge
- Water and sewer revenue debt
- Debt supported by other sources (parking and tax increment)
- Special assessment street improvement (assessment portion)

The following table lists general obligation debt included and excluded for the City of Saint Paul for the year ending December 31, 2008.

City of Saint Paul
General Obligation Debt Outstanding - 12/31/2008

Issue		Principal	Debt Service Payment Source
Capital Improvements	$	77,050,000	Property Taxes
Street Improvements	$	26,408,625	Property Taxes
Library Agency Bonds	$	11,880,000	Property Taxes
Public Safety Bonds	$	10,510,000	Property Taxes
Jimmy Lee Lease	$	7,610,000	Property Taxes
Griffin Building Lease (Police Headquarters)	$	11,890,000	Property Taxes
Total Debt Recognized for JDAC Report	**$**	**145,348,625**	
Street Improvements (Assessments)	$	23,786,375	Street Assessments
DSI Note	$	1,500,000	Permit and Licence Fees
Block 39/Lawson Project - Revenue Supported	$	21,255,000	Parking Revenues
Block 39/Lawson	$	10,435,000	Tax Increments
Koch Mobil	$	3,895,000	Tax Increments
Midway Marketplace	$	4,055,000	Tax Increments
Riverfront Development	$	4,755,000	Tax Increments
City Hall Annex Lease	$	4,228,250	Rent Payments
Water Loan (PFA)	$	2,115,307	Water Utility Revenues
Sewer Loan (PFA)	$	12,986,596	Sewer Utility Revenues
Sewer Bonds	$	2,840,000	Sewer Utility Revenues
Total Debt Excluded (Other Revenue Sources)	$	91,851,528	
Total G.O. Debt	**$**	**237,200,153**	

II. Table 1 (Continued)

C. Saint Paul Public Schools

Saint Paul Public Schools debt consists of all the School District general obligation debt outstanding as of June 30, 2008, including Certificates of Participation, which are secured by the full faith, credit and taxing power of the District. These figures increased over the past years due to several major factors impacting the need for capital funding. Some of these factors will continue into the future, and others are no longer an issue for the District.

In the mid-80's through the late 90's, rapid enrollment growth was a significant factor in capital funding. This growth fueled the need for construction of one new high school and two new elementary schools funded from the proceeds of the sale of Certificates of Participation. In 2006 the District constructed a new alternative high school which now houses programs formerly housed in leased facilities. The district has significantly reduced leased space in recent years and anticipates further reduction in the future. District enrollment has been declining in recent years and therefore, new debt for the construction of new buildings is not anticipated in the near future.

A second factor has been the changing demographics of the District and the changing needs of the new students coming into the schools. The District has faced a need to remodel space and make smaller learning environments to accommodate the needs of these students. Other issues related to changing student needs for facilities have arisen due to changes in technology use in schools and the growth of early education programs requiring new and different types of spaces in schools. The District has sold $15 million in general obligation bonds, know as capital bonds, for the past eleven years to fund these improvements and will continue to do so for the next eight years.

In addition, the age of the District's buildings and the growing need to deal with deferred maintenance, code requirements and environmental safety mandates that arise in older buildings is a major factor contributing to the District's capital funding needs. Approximately 50 percent of District buildings are more than 50 years old. Major areas of expenditure include roof repair, tuckpointing, architectural barrier removal, painting, piping replacement, paving replacement and repair, HVAC system repair and modification, etc. The District has issued $11 million in general obligation bonds, known as alternative bonds, for the past fifteen years to address these issues in District buildings and will continue to do so for the foreseeable future.

In February 2009, the District completed a Facilities Condition and Educational Adequacy Assessment (FCA/EAA), a comprehensive districtwide assessment of its facilities. This assessment included a capacity analysis, an educational adequacy assessment, a building condition assessment, and review of all site and building systems with a life cycle renewal forecast. This assessment identified approximately $208.9 million in facility condition deficiencies and $108.8 million in correctable educational adequacy deficiencies. Correction of these identified deficiencies will guide the District's capital expenditures in future years.

II. Table 1 (Continued)

C. Saint Paul Public Schools

The following table lists general obligation debt included and excluded for the Saint Paul Public Schools for the year ending June 30, 2008.

Saint Paul Public Schools
General Obligation Debt Outstanding - 06/302008

Issue		Principal	Debt Service Payment Source
1996C Refunding Bonds (91A, 92A GOs)	$	7,125,000	Property Taxes
1999B School Building Bonds	$	6,550,000	Property Taxes
1999C School Building Bonds	$	595,000	Property Taxes
2000A School Building Bonds	$	1,310,000	Property Taxes
2000B School Building Bonds	$	960,000	Property Taxes
2001A QZAB's	$	6,000,000	Property Taxes
2001B School Building Bonds	$	3,535,000	Property Taxes
2001C School Building Bonds	$	10,835,000	Property Taxes
2002A School Building Bonds	$	9,155,000	Property Taxes
2002B School Building Bonds	$	12,560,000	Property Taxes
2002C Refunding Bonds (93C GO)	$	3,850,000	Property Taxes
2002D Refunding Bonds (94B GO)	$	8,860,000	Property Taxes
2003B School Building Bonds	$	9,395,000	Property Taxes
2003C School Building Bonds	$	12,820,000	Property Taxes
2004B School Building Bonds	$	22,780,000	Property Taxes
2004C School Building Bonds	$	12,773,270	Property Taxes
2005A School Building Bonds	$	23,530,000	Property Taxes
2005B Ref Bonds (99C, 00A, 00B)	$	43,335,000	Property Taxes
2006A School Building Bonds	$	24,230,000	Property Taxes
2007A School Building Bonds	$	25,630,000	Property Taxes
1990B Certificates of Participation	$	3,052,855	Property Taxes
1993A Certificates of Participation	$	1,480,000	Property Taxes
1993C Certificates of Participation	$	2,174,386	Property Taxes
1999A Certificates of Participation	$	9,425,000	Property Taxes
2002E Refunding Cert (94C COP)	$	10,010,000	Property Taxes
2006B Refunding Cert (95C COP)	$	13,205,000	Property Taxes
2006C Refunding Cert (97B COP)	$	8,785,000	Property Taxes
Total Debt Recognized for JDAC Report	**$**	**293,960,511**	
2005B Ref in escrow (99C, 00A, 00B)	$	27,370,000	
State Aid 1994-1997 Alt Bonds (2004C)	$	9,596,730	State Aid
Total Debt Excluded (Other Revenue Sources)	$	36,966,730	
Total G.O. Debt	**$**	**330,927,241**	

II. Table 1 (Continued)

D. Saint Paul Port Authority

Saint Paul Port Authority debt consists of all Port Authority general obligation debt outstanding as of December 31, 2008 and excludes all revenue debt.

Port Authority of Saint Paul
General Obligation Debt Outstanding - 12/31/2008

Issue	Principal	Debt Service Payment Source
2003 Crosby/Jackson Refunding	$12,365,000	G.O Debt Levy
2008-6 3M Plant acquistion	$8,130,000	G.O Debt Levy
Total Debt Recognized for JDAC Report	**$ 20,495,000**	
2002 Williams Hill Business Center	$4,280,000	Tax Increments/G.O. Credit Enhancement
Total Debt Excluded	$ 4,280,000	
Total G.O. Debt	**$ 24,775,000**	

E. Ramsey County Regional Railroad Authority

The Ramsey County Regional Railroad Authority (RCRRA) was organized in 1987 for the purpose of planning and providing transit services in Ramsey County. The RCRRA is a political subdivision of Minnesota and governed by the seven Ramsey County Commissioners. Any debt issued will be independent of Ramsey County's debt and need not have the County's rating but it will overlap Saint Paul.

RCRRA estimates it will not be issuing debt from 2009-2013. The Union Depot project is considered one of national or regional significance which could provide significant Federal funding or other Federal dollars. The RCRRA will issue debt if sufficient federal funds are not provided.

III. Table 2: Overlapping Net G.O. Debt as Percent to Total

The percentages shown in Table 2 are calculated from the debt figures used in Table 1.

IV. Table 3: Total Net G.O. Debt - Nominal and Constant 2004 Dollar

The inflation adjusted numbers for Net G.O. Debt are based on the debt figures from Table 1 and Twin Cities Consumer Price Index figures from the U.S. Department of Labor; Bureau of Labor Statistics.

V. Debt Position Indicators

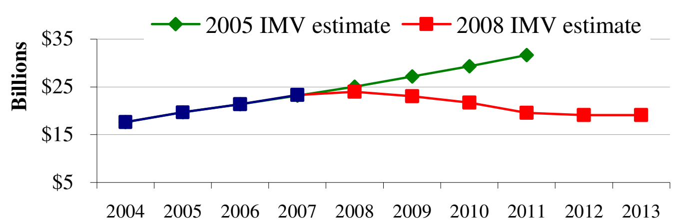
A. Total Net G.O. Debt to Indicated Market Value

This indicator uses the same debt figures developed in Table 1. Indicated Market Value (IMV) is also known as the true or full market value. The IMV is based on the County Assessor's Estimated Market Value for the City divided by the sales ratio for each year. The ratio for pay years 2004-2008 was determined by the State Department of Revenue, and the ratio for pay years 2009-2013 was estimated by the County Assessor's Office. The sales ratio represents the overall relationship between the Estimated Market Value of property within the community and the actual arms length selling price when the property changes hands.

Assesment Year	Payable Year	Estimated Market Value	Indicated Market Value*	21 month Sales Ratios	Real or Projected Estimated Market Value Change	Change in Indicated Value
1996	1997	$7,573,546,000	$8,396,392,461	90.20%		
1997	1998	$7,954,086,450	$8,977,524,210	88.60%	5.00%	6.92%
1998	1999	$8,488,585,500	$9,779,476,382	86.80%	6.70%	8.93%
1999	2000	$9,169,403,301	$11,237,013,849	81.60%	8.00%	14.90%
2000	2001	$11,065,165,900	$14,204,320,796	77.90%	20.70%	26.41%
2001	2002	$13,046,883,300	$17,512,595,034	74.50%	17.90%	23.29%
2002	2003	$15,532,144,700	$22,062,705,540	70.40%	19.70%	25.98%
2003	2004	$17,583,449,500	$24,765,421,831	71.00%	12.90%	12.25%
2004	2005	$19,629,226,000	$26,742,814,714	73.40%	11.30%	7.98%
2005	2006	$21,320,915,700	$26,485,609,565	80.50%	7.90%	-0.96%
2006	2007	$23,295,388,500	$27,342,005,282	85.20%	7.60%	3.23%
2007	2008	$23,932,684,600	$26,415,766,667	90.60%	1.70%	-3.39%
2008	2009	$22,976,580,500	$24,391,274,416	94.20%	-4.30%	-7.66%
2009	2010	$21,688,377,100	$23,023,754,883	94.20%	-5.30%	-5.61%
2010	2011	$19,519,539,390	$20,123,236,485	97.00%	-10.00%	-12.60%
2011	2012	$19,129,148,602	$19,720,771,755	97.00%	-2.00%	-2.00%
2012	2013	$19,129,148,602	$19,519,539,390	98.00%	0.00%	-1.02%

* Imputed by dividing total estimated market value by the MN DOR school aid ratio for the relevant year
The data is actual through payable 2009 and projected for the years beyond

Source: Ramsey County Assessor



Trend/Summary: The Indicated Market Value (IMV) during the actual and projected period from 2004-2013 decreased (27%) from $24.765 million to $19.519 million. IMV from 2004-2008 increases by 7%. IMV projection for 2009-2013 decreases by 20%.

B. Total Net G.O. Debt Per Capita

Saint Paul population for 2009 – 2013 is held flat (no growth) at 288,055 (Twin Cities Region Population and Household Estimates - Metropolitan Council 4/1/08).

VI. Ability-to-Pay Indicators

A. Debt Service Levy per Household

Debt service levies are the tax levies spread by each entity annually to pay for debt service solely supported by taxes. The Ramsey County levies represent only the portion spread on the City of Saint Paul tax base. The proportional amount applied is the same percent detailed in the notes on page 44. City's households of 115,088 is from Twin Cities Region Population and Household Estimates - Metropolitan Council 4/1/08.

B. Total Net G. O. Debt Service Levy Per Capita to Per Capita Income

This indicator uses Per Capita Income obtained from the U.S. Bureau of Labor Statistics. Figures for 2008-2013 assume no growth.

C. Tax Bill for Debt Service Tax Levies - Saint Paul Resident

Debt service levies are the tax levies spread by each entity annually to pay for debt service solely supported by taxes. The debt service levies are net of Market Value Credits (MVC) paid directly to the entity by the State. The County determines the taxable value of a median home value. The tax capacity of a median value home is then determined by multiplying the class rate by the taxable value. The tax capacity is then multiplied by the tax rate for debt for each entity. This results in the tax bill for debt service of a median value home in Saint Paul. The City's annual taxable values of a median value home, tax capacity of median value home and tax rate for debt of each jurisdiction as furnished by the County are as follows:

Assessment Year	2004	2005	2006	2007	2008	Average
Tax Capacity - St Paul	$166,905,143	$189,071,923	$213,227,021	$229,756,376	$227,235,969	$205,239,286
Median Value	$169,700	$184,500	$198,500	$199,500	$184,300	$187,300
Taxable Value	$132,200	$157,800	$178,400	$191,900	$183,900	$168,840
Tax Capacity	$1,322	$1,578	$1,784	$1,919	$1,839	$1,688
Effective Tax Rate	0.30%	0.24%	0.22%	0.24%	0.21%	0.24%

Assessment Year	2009	2010	2011	2012	2013	Average
Tax Capacity - St Paul	$210,255,229	$189,230,000	$185,445,000	$185,445,000	$189,154,000	$191,905,846
Median Value	$167,400	$150,600	$147,600	$147,600	$150,600	$152,760
Taxable Value	$167,400	$150,600	$147,600	$147,600	$150,600	$152,760
Tax Capacity	$1,674	$1,506	$1,476	$1,476	$1,506	$1,528
Effective Tax Rate	0.24%	0.29%	0.32%	0.32%	0.31%	0.30%

VII. Operational/Capital Finance Interface Indicator

A. Debt Service Tax Levy to Total Tax Levy

Debt service tax levies are the same figures described under the Ability-to-Pay Indicators in this Appendix, with the exception of the County and RCRRA, which represent the full County levy rather than the portion attributable only to the City.

VIII. 2009 Economic Update for Saint Paul (May 2009)

A. Demographics

The Minneapolis-Saint Paul Metro Area has Generally Positive Demographic Characteristics

- Total estimated population of the seven-county Minneapolis-Saint Paul metropolitan area is 2,849,003, up 27,224 from 2006. The area has gained approximately 197,000 people since 2000.[2]
- The seven-county Minneapolis-Saint Paul Metro area population is projected to grow by nearly 966,000 people by 2030, a 36.6% increase from the 2000 population.
- Saint Paul is projected to see its population increase by 44,160 by 2030, an increase of 15% over 2000 population estimates.
- Over 470,000 new households will be added to the metro area, a 46% increase by 2030. 1,300 of these new households will be in the City of Saint Paul.[3]

Saint Paul's Population Remains a Healthy Local Component of the Metro Area[4]

- For the past two decades, Saint Paul's population has grown. A growth of nearly 15,000 (+5.5%) was reported between 1990 and 2000, following a growth of a little more than 2,000 (+0.7%) between 1980 and 1990.
- Saint Paul's estimated population for 2007 is 287,669.

Table 1. Saint Paul Population, 1930–2000, 2004-2007

Year	Population	10-Year Growth Rate (Census Years)	Year	Population	10-Year Growth Rate (Census Years)
1930	271,606		1990	272,235	0.7%
1940	287,736	5.9%	2000	287,151	5.5%
1950	311,349	8.2%	2004	287,410	N/A
1960	313,411	0.7%	2005	287,385	N/A
1970	309,866	–1.1%	2006	286,620	N/A
1980	270,230	–12.8%	2007	287,669	N/A

Data Source: 1930-2000 U.S. Census; 2004 - 2007 data are from the Minnesota State Demographic Center.

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[2] Minnesota State Demographic Center. Available at: http://www.demography.state.mn.us/estimates.html

[3] Metropolitan Council, *2030 Regional Development Framework*, updated January, 2008. Available at: http://www.metrocouncil.org/planning/framework/Framework.pdf

[4] The following population data are from the U.S. Census for the period of 1930-2000, and the Minnesota State Demographic Center for 2004-2007.

- While population growth has been relatively flat between 2000 and 2007, the total number of households grew by 2,300 from 2000-2007 to a total of 114,409. The one year increase in number of households in St. Paul was 835.

Table 2. Saint Paul Households, 1980–2000, 2006, 2007

Year	Households	Growth
1980	106,223	-
1990	110,249	4,026
2000	112,109	1,860
2006	113,574	1,465 (since 2000)
2007	114,409	2,300 (since 2000)

Data Source: U.S. Census for 1980-2000; 2006 and 2007 data are from the Minnesota State Demographic Center.

B. Diverse, Healthy Job Base Supports High Incomes

Minneapolis-Saint Paul Area Employment Base Compares Favorably to Other Metros

- In 2007 82% of Minneapolis-Saint Paul metro area residents over the age of 16 participated in the labor force, giving the metro area the highest level of labor force participation among the 25 largest MSAs.[5]
- According to the Metropolitan Council, the annual unemployment rate was 4.3% in 2007. The national unemployment rate was 4.6% during the same year.[6]
- The 13-county Minneapolis-St. Paul MSA has added 46,200 jobs between 2000 and 2008.[7]
- By 2030, the Minneapolis-Saint Paul Metro Area is projected to gain 563,000 jobs, a 36% increase from 2000. The Met Council forecasts that about half of the new jobs will locate in developed areas with established transportation, water and wastewater infrastructure, regional parks, entertainment and retail amenities, such as Minneapolis, Saint Paul and adjacent suburbs.[8]

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[5] 2007 American Community Survey. Available at: http://www.census.gov. As reported by the Metropolitan Council, "Regional Economic Indicators 2008", available at http://www.metrocouncil.org/metroarea/regIndicators2008.pdf

[6] Bureau of Labor Statistics, Local Area Unemployment Statistics and MN DEED, as reported by the Metropolitan Council, "Regional Economic Indicators 2008", available at http://www.metrocouncil.org/metroarea/regIndicators2008.pdf

[7] Metropolitan Council, *2007 Regional Economic Indicators*. Available at: http://www.metrocouncil.org/metroarea/regIndicators2009.pdf.

[8] Metropolitan Council, *2030 Regional Development Framework*, updated January, 2007. Available at: http://www.metrocouncil.org/planning/framework/Framework.pdf

- The Metropolitan Council also reports that St. Paul is expected to gain approximately 24,000 jobs from 2010-2030.[9]

- Due to strong labor force participation and good-paying jobs, the Minneapolis-Saint Paul area ranked 4th among the 25 largest MSAs in median household income ($63,898) in 2007.[10]

- In 2007 Minneapolis-Saint Paul ranked 6th among the 25 largest MSAs in per capita income ($32,372).[9]

- The area's Gross Metro Product was $180 billion in 2006 ($172 billion in 2005), and ranked 14th among 25 largest MSAs.[11]

Saint Paul Employment Levels Reflect a Healthy Job Market

- Compared among 20 large northeast and Midwest cities[12], Saint Paul had the 6th lowest annual unemployment rate in 2007 (4.6%).[13]

- For 2007, the City's 4.6% annual unemployment rate was on par with both the Minnesota and U.S. rate of 4.6%.[14]

- Over the years, Saint Paul has consistently registered an unemployment rate equal to or lower than that of the U.S. as a whole.

- Even as unemployment continues to rise, Saint Paul has been able to maintain a rate lower than the United States total. As of February 2009 (the last month for which data is available), Saint Paul's unemployment rate was 0.7% less than at of the United States (8.2 versus 8.9, respectively).

- Saint Paul's February 2009 unemployment rate was also 0.6% lower than that of Minnesota.

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[9] Metropolitan Council, *2030 Regional Development Framework - Revised Forecasts as of December 10, 2008*. Available at http://www.metrocouncil.org/Reports/index.htm.
[10] Dollars are adjusted for inflation. Source: 2007 American Community Survey. Available through the American Fact Finder at: http://www.census.gov.
[11] Metropolitan Council, *2009 Regional Economic Indicators*. Available at: http://www.metrocouncil.org/metroarea/regIndicators2009.pdf
[12] The comparison cities are Baltimore, Boston, Buffalo, Chicago, Cincinnati, Cleveland, Columbus, Detroit, Indianapolis, Kansas City, Milwaukee, Minneapolis, New York, Newark, Omaha, Philadelphia, Pittsburgh, St. Louis and Toledo.
[13] Bureau of Labor Statistics, Local Area Unemployment Statistics. Available at: http://www.bls.gov/lau/home.htm#data
[14] Minnesota Department of Employment and Economic Development. Available at: http://www.deed.state.mn.us

Table 3. Unemployment Rate: Saint Paul, Minnesota, U.S., 1994–March, 2009

Year	Saint Paul	Minnesota	U.S.
1994	4.0%	4.1%	6.1%
1995	3.6%	3.7%	5.6%
1996	3.9%	3.9%	5.4%
1997	3.2%	3.3%	4.9%
1998	2.9%	2.7%	4.5%
1999	3.0%	2.8%	4.2%
2000	3.1%	3.1%	4.0%
2001	4.0%	3.8%	4.7%
2002	5.0%	4.5%	5.8%
2003	5.4%	4.9%	6.0%
2004	5.1%	4.6%	5.6%
2005	4.3%	4.2%	5.1%
2006	4.2%	4.0%	4.6%
2007	4.6%	4.6%	4.6%
Dec 2008	6.6%	6.8 %	7.1%
Jan 2009	7.8%	8.5%	8.5%
Feb 2009	8.2%	8.7%	8.9%
March 2009	8.5%	8.9%	9.0%

Source: Minnesota Department of Employment and Economic Development, http://www.deed.state.mn.us

Saint Paul is Economically Diverse

Data organized according to the North American Industry Classification System (NAICS) illustrate the diversity of Saint Paul's economy.

- Saint Paul's employment is reported here across ten "super sectors."
- Employment in Saint Paul is not overly reliant on slowing and cyclical sectors, like manufacturing, but rather is based on stable and growing industries such as education and health services and public administration.
- Saint Paul's largest employment sector is Education and Health Services (51,906 jobs 3rd Quarter 2008; 28.7% of total). Other large super sectors include Public Administration (22,495 jobs; 12.4% of total) and Trade, Transportation and Utilities (20,667 jobs; 11.4% of total).[15]

[15] Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at http://www.deed.state.mn.us/lmi/tools/qcew.htm.

Table 4. 2008 Saint Paul Employment by NAICS Super Sector

NAICS Super Sector	2008, 3rd Quarter	
	Employment	% of Total
Education and Health Services	51,906	28.7%
Public Administration	22,495	12.4%
Trade Transportation and Utilities	20,667	11.4%
Leisure and Hospitality	16,206	9.0%
Financial Activities	10,527	5.8%
Manufacturing	8,780	4.9%
Other Services	7,929	4.4%
Professional and Business Services	5,486	3.0%
Construction	5,269	2.9%
Information	4,192	2.3%
Industries not Reported	27,566	15.2%
TOTAL	181,023	100.0%

The Department of Employment and Economic Development revised their methods to calculate data in 2006. Data for some industries are not presented to avoid disclosure of data for individual enterprises.

NAICS: North American Industry Classification System - recently replaced the Standard Industrial Classification (SIC) system to provide a uniform and up-to-date classification of employers throughout all NAFTA countries. Source: Minnesota Department of Employment and Economic Development

Income and Wages in Saint Paul Rate Reflect a Strong Local Economy

Earnings of Saint Paul Residents

- Among 20 large northeast and Midwest cities, Saint Paul ranks 3rd highest in median household income ($45,560) and second highest in median family income ($56,824). St. Paul ranks 7th among these 20 cities in per capita income ($24,325).[16]
- The Twin Cities metro area has the second lowest poverty rate, measured as the percentage of people whose income to poverty level ratio is less than 1.00.[17]

Wages Paid for Jobs in Saint Paul

- In 2007, Saint Paul employers paid an average of $48,203 to employees annually (roughly 5.2% more than the prior year). While the average wage in St. Paul is lower than neighboring Minneapolis ($58,030) and Bloomington ($54,687), Saint Paul did see the greatest percentage increase in wages from 2006-2007 among the three.[18]

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[16] 2007 American Community Survey, through the American Fact Finder. Available at: http://www.census.gov.
[17] 2007 American Community Survey, though the American Fact Finder. Available at: http://www.census.gov.
[18] Minnesota Department of Employment and Economic Development's Quarterly Census Employment and Wages (QCEW) tool, available at http://www.deed.state.mn.us/lmi/tools/qcew.htm.

C. Economic Vitality Indicators for Saint Paul

Real Estate Trends: Office Space and Rents [19]

- Saint Paul's downtown office space market has 17,102,737 total square feet of competitive, government, and owner-occupied office space available. This represents a decrease of 170,663 square feet over 2007 levels. The removal of two buildings from the inventory – Mears Park Center, which is being converted to residential space and 360 Cedar, which is off the market because it may become part of an upcoming transit plan - accounts for the majority of this decrease.
- After decreasing by 2% from 2006 to 2007, the overall vacancy rate of all downtown office space fell another 1% from 11% 10% in 2008. After gains in total occupied space and low vacancy rates through 2001, the addition of new office space and a post-2001 slowdown caused overall vacancy rates to climb to 14% in 2004. Since 2004, rates have stabilized, reaching a five year low of 10% in 2008.
- Overall, 50% of total office space is competitive, 31% is government space, and 19% is owner-occupied.
- Since 1995, the total amount of downtown office space has increased by 2.62 million square feet.
- 2008's overall vacancy rate for competitive office space in Saint Paul decreased to 19.6% from 21.7% in 2007. Between 2007 and 2008, the competitive (non-owner occupied, non-government) Class A office space vacancy rate decreased from 12.8% to 9.5% , the Class B office space vacancy rate decreased from 22.4% to 19.8%, and the Class C office space vacancy rate increased from 33.7% to 37.0%.
- Rents for Class A and B office space have declined since the peak of 1999-2000. Rents have stayed fairly constant from 2007 to 2008.

Table 5. Saint Paul Central Business District Office Space and Rents: 1995–2008

Year	Universe, SF	Occupied, SF	Overall Vac Rate	Competitive Vac Rate	Rent per SF: A	Rent per SF: B	Rent per SF: C
1995	14,486,177	13,045,375	9.9%	16.8%	$15.29	$14.25	$10.00
1996	14,339,368	13,188,427	8.0%	13.6%	$18.00	$15.33	$11.63
1997	14,195,304	13,418,602	5.5%	9.2%	$20.85	$16.00	$12.75
1998	14,064,795	13,496,557	4.0%	6.8%	$23.85	$17.86	$14.25
1999	14,256,481	13,622,006	4.5%	7.5%	$25.78	$18.57	$13.00
2000	15,657,821	14,796,811	5.5%	9.1%	$24.74	$18.66	$14.95
2001	16,482,859	15,140,456	8.1%	13.9%	$24.77	$18.60	$14.70
2002	16,738,565	14,948,287	10.7%	18.4%	$22.53	$18.13	$14.00

[19] Data from St. Paul Building Owners and Managers Association, *Market Report: Minnesota's Sesquicentennial 1858-2008*, October 8, 2007. Available at http://www.bomastpaul.org.

Year	Universe, SF	Occupied, SF	Overall Vac Rate	Competitive Vac Rate	Rent per SF: A	Rent per SF: B	Rent per SF: C
2003	16,806,489	15,016,211	10.9%	19.4%	$21.45	$17.36	$15.25
2004	16,521,388	14,211,701	14.0%	25.0%	$20.87	$17.00	$13.75
2005	16,460,028	14,486,338	12.0%	21.4%	$20.53	$17.00	$13.50
2006	17,691,716	15,378,606	13.0%	24.6%	$20.30	$17.00	$13.50
2007	17,273,400	15,375,644	11.0%	21.7%	$22.45	$17.20	$15.00
2008	17,102,737	15,392,463	10.0%	19.6%	$23.03	$17.00	$15.00

Source: St. Paul Building Owners and Managers Association, *Market Report 2007*, October 8, 2007. Available at http://www.bomastpaul.org.

Real Estate Trends: Home Prices

- Since 1996, the median sales price of existing Saint Paul homes has more than doubled. For the five-year period of 1996–2002, the increase in prices has been in excess of 10%. Mirroring a national slowdown in the housing market, Saint Paul's home prices declined slightly in 2007.[20]
- St. Paul was not immune to the decline in the housing market in 2008, showing a significant drop in housing prices. However, St. Paul was not hit much harder than Minneapolis, which also saw a steep decline in the median housing price (21.71% reduction).[21]
- However, parts of St. Paul actually saw increases in property values from 2007-2008, including Downtown St Paul/Capital Heights area (5.99% increase in the median home price). Other areas of St. Paul saw only moderate decreases in property values, such as the Mac/Groveland/River Road Area (-5.36%) and the Como neighborhood (-7.98%). [22]

Table 6. Median Sales Price of Saint Paul Homes

Year	Median Price	Annual % Change	Year	Median Price	Annual % Change
1996	$80,000		2003	$170,000	8%
1997	$84,000	5%	2004	$179,900	6%
1998	$92,000	10%	2005	$195,000	8%
1999	$104,000	13%	2006	$199,000	2%
2000	$120,000	15%	2007	$190,000	-5%
2001	$140,000	17%	2008	$145,200	-23.6%
2002	$158,000	13%			

Data Source: Saint Paul Area Association of Realtors.

[20] Saint Paul Area Association of Realtors. Available at: http://www.spaar.com/.
[21] Saint Paul Area Association of Realtors, "2008 vs. 2007 Home Sales and Median Prices 13-County Metro", Available at: http://www.spaar.com/.
[22] Saint Paul Area Association of Realtors, "2008 vs. 2007 Home Sales and Median Prices 13-County Metro", Available at: http://www.spaar.com/.

High Home-Ownership and Low Residential Vacancy Rates

- Ranked among 20 large northeast and Midwest cities, Saint Paul is 6th highest in percent of owner occupied housing units. (58.0%).[23]

- The Twin Cities MSA ranked 2nd among the 25 largest MSAs in ownership rates among households at 74%.[24]

- The median value of owner-occupied houses in Saint Paul is 8th highest compared to 20 Midwest and northeast peer cities ($208,500).[25]

- Minneapolis-Saint Paul ranked 7th in affordable housing among the 25 largest MSAs, with 72% of homes affordable to a median income family as of the third quarter of 2008.[26]

- Household budget stress is relatively low in metro area compared to the largest 25 MSAs. The Twin Cities currently ranks 6th lowest for housing-cost-burned residents.[27]

Real Estate Trends: Rental Housing [28]

- Saint Paul's rental market was extremely tight in the late 1990s and early 2000s, with one and two bedroom rental vacancy rates hovering around the exceptionally low 1% level. Between 2002 and 2004, one and two bedroom apartment vacancy rates increased, reaching levels of up to 7%. Since 2005 vacancy rates have fluctuated, ranging anywhere from a low of 2.2% in 2008 for one bedroom apartments to a high of 4.3% in 2007 for two bedroom apartments.

- Average monthly rents rose by 33% between 1996 and 2000. Between 2001 and 2008, rents for one-bedroom units increased by almost 14%; two-bedroom unit rents increased by over 12.5%.

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[23] 2007 American Community Survey, through the American Fact Finder. Available at: http://www.census.gov

[24] Metropolitan Council, Regional Economic Indicators 2009. Available at: http://www.metrocouncil.org/metroarea/RegIndicators2009.pdf

[25] 2006 American Community Survey, through the American Fact Finder. Available at: http://www.census.gov

[26] Affordable housing data is from Metropolitan Council, Regional Economic Indicators 2009. Available at: http://www.metrocouncil.org/metroarea/RegIndicators2009.pdf

[27] Household budget stress information is from Metropolitan Council, Regional Economic Indicators 2009. Available at: http://www.metrocouncil.org/metroarea/RegIndicators2009.pdf

[28] Apartment Search (1996–2000) and GVA Marquette Advisors (2001–2008); data are from third quarter of each year.

Saint Paul Apartments: Average Rents and Vacancy Rates

Data Sources: Apartment Search (1996–2000) and GVA Marquette Advisors (2001–2008); data are from third quarter of each year.

Local Sales and Use Tax Base Continues to Grow[29]

- Saint Paul began collecting a ½¢ sales tax at the end of 1993, and added a use tax in 2000. Annual net sales and use tax revenues have increased from $8.4 million in 1994 to $15.1 million in 2008. The sales estimate to decrease to $14.3 million in 2009.

Table 7. Saint Paul Net Sales and Use Tax Revenues, 1994–2009

Year	Revenues	Annual Growth Rate	Year	Revenues	Annual Growth Rate
1994	$8,417,038		2002	$13,344,192	-0.7%
1995	$8,968,166	6.5%	2003	$13,312,005	-0.2%
1996	$9,399,710	4.8%	2004	$13,762,357	3.4%
1997	$9,774,540	4.0%	2005	$14,271,686	3.7%
1998	$10,613,117	8.6%	2006	$14,726,439	3.2%
1999	$11,151,817	5.1%	2007	$15,532,942	5.5%
2000	$13,007,632	16.6%	2008	$15,120,105	-2.7%
2001	$13,432,180	3.3%	2009 (est.)	$14,300,000	

* Collection of use tax began in 2000. Source: City of Saint Paul Office of Financial Services

[29] Saint Paul Office of Financial Services

Hotel Room Tax Revenues [30]

- Due to the stability in occupancy and the growth in room rates, hotel room tax revenues have more than doubled since 1990, climbing from $1.2 million in that year to $3.2 million in 2008. Revenues are expected to decrease slightly in 2009, but are expected to remain strong at just under $3.0 million.

Table 8. Saint Paul Hotel Room Tax Revenues, 1990–2009

Year	Revenues	Annual % Change	Year	Revenues	Annual % Change
1990	$1,216,564		2000	$2,746,161	11.51%
1991	$1,413,928	16.22%	2001	$2,842,772	3.52%
1992	$1,828,616	29.33%	2002	$2,795,810	-1.65%
1993	$1,863,337	1.90%	2003	$2,550,721	-8.77%
1994	$2,007,384	7.73%	2004	$2,836,543	11.21%
1995	$2,062,561	2.75%	2005	$2,879,891	1.53%
1996	$2,196,894	6.51%	2006	$2,964,945	2.95%
1997	$2,326,747	5.91%	2007	$3,059,498	3.19%
1998	$2,588,622	11.25%	2008	$3,180,782	3.96%
1999	$2,462,644	-4.87%	2009 Est.	$2,980,950	-6.28%

Source: Saint Paul Office of Financial Services

Hotel Occupancy and Room Rate Trends [31]

- From July 2007 through July 2008, downtown Saint Paul's hotel rooms had an occupancy rate of 69.7%.
- Average daily room rates for downtown hotels during this same time period were $92.62, a 6.6% increase over the July 2006-July 2007 period.

The Population is Well-Educated and Enrollment is Stable at Saint Paul Colleges and Universities [32]

Metro Educational Attainment

- Of all adults ager 25 and older, 36.8% have Bachelor's degrees or higher, making Minneapolis-Saint Paul 3rd among the 25 largest Metropolitan Statistical Areas (MSAs).
- The Minneapolis-St. Paul MSA has the highest percentage of high school graduates among adults age 25 and older among the 25 largest MSAs. 92.5% of adults in the metro have high school diplomas.

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[30] Saint Paul Office of Financial Services

[31] Capital City Partnership 2008 Annual Report and 2009 Initiatives. Available here: http://www.capitalcitypartnership.com/files/AnnualReport2008.pdf

[32] 2007 American Community Survey, through the American Fact Finder. Available at: http://www.census.gov.

Saint Paul Educational Attainment

- In 2007, 38.4% of adults age 25 or older had a bachelors degree or higher in St. Paul.[33] Compared among the 20 city reference group, Saint Paul ranked 3rd highest in percent of population over 25 years with a bachelor's degree.

- When compared to 20 large northeastern and Midwest cities, Saint Paul has the highest percentage of residents over 25 with high school diplomas. 88.1% of Saint Paul residents have earned a high school degree or higher.

Table 9. Local College and University Enrollment – Fall 2007[34]

College / University	Fall 2006 Enrollment*	Fall 2007 Enrollment
University of Minnesota (metro campuses)	50,402	50,883
University of St. Thomas (a)	10,712	10,984
Metropolitan State University	6,638	6,819
College of St. Catherine (a)	5,244	5,238
Hamline University	5,108	5,445
Saint Paul College	4,806	4,990
Concordia University	2,185	2,797
Macalester College	1,918	1,920
William Mitchell College of Law	1,101	1,062
Luther Seminary (b)	819	-
College of Visual Arts	169	178

*Note - 2006 numbers have been updated as needed to match numbers from the 2007 report (available here: http://www.ohe.state.mn.us/pdf/enrollment/basicdata/basicData2007.pdf)
Source: Minnesota Office of Higher Education, http://www.mheso.state.mn.us, 2008 data are not yet available.
(a) Includes both Minneapolis and Saint Paul campuses. Main campuses for the University of St. Thomas and the College of St. Catherine are located in Saint Paul. (b) According to the report, this institution no longer participates in a state-funded student financial aid program, so data reporting is on a voluntary basis.

Building Permit Activity in Saint Paul Remain Stable

- Building permits peaked at a total valuation of over $673 million in 2004. Between 1998 and 2006, the value of housing permits issued by the City increased by 40.5%.

- Building permit valuations have been affected by current economic conditions, and have decreased from 2007-2008.

[33] 2007 American Community Survey, through the American Fact Finder. Available at: http://www.census.gov.
[34] Minnesota Office of Higher Education, August 2008—Minnesota Postsecondary Education Enrollment, Fall 2007, Available http://www.ohe.state.mn.us/pdf/enrollment/basicdata/basicData2007.pdf

Table 10. Annual Building Permits Issued by the City, 1998 – 2008

Year	Number	Value
1998	8,909	$395,002,812
1999	10,993	$437,622,506
2000	10,612	$405,886,895
2001	11,444	$414,778,340
2002	11,557	$498,371,219
2003	10,577	$432,220,911
2004	9,835	$673,664,737
2005	8,905	$479,840,220
2006	8,818	$555,104,063
2007	8,802	$530,995,699
2008	8,498	$335,663,606

Source: Saint Paul Department of Safety and Inspections.

2009 Update on Unemployment, Foreclosures and Vacant Buildings in Saint Paul

- **Unemployment:** increased to 8.4% as of July 2009, which is more favorable than the national rate of 9.7% for the same time period.

- **Foreclosure:** property foreclosures have gone up since 2005, increasing annually to 2,289 in 2008, compared to 635 in 2005 however, the increased foreclosures only account for approximately 2% of the total housing stock in Saint Paul. In addition to efforts at the state and local level to mitigate this growing problem, the city has also begun aggressive efforts to counsel residents undergoing foreclosure, reaching 1,200 households between October 2008 and June 30, 2009. The city's proactive efforts in addressing these issues will help to offset any continued foreclosure pressures as the economic downturn continues.

- **Vacant buildings:** As of July 31, 2009, 1,820 properties in the City are vacant. This is down 183 from the peak at the end of 2008 at 2,003.

IX. Other Acknowledgments

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Notes

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