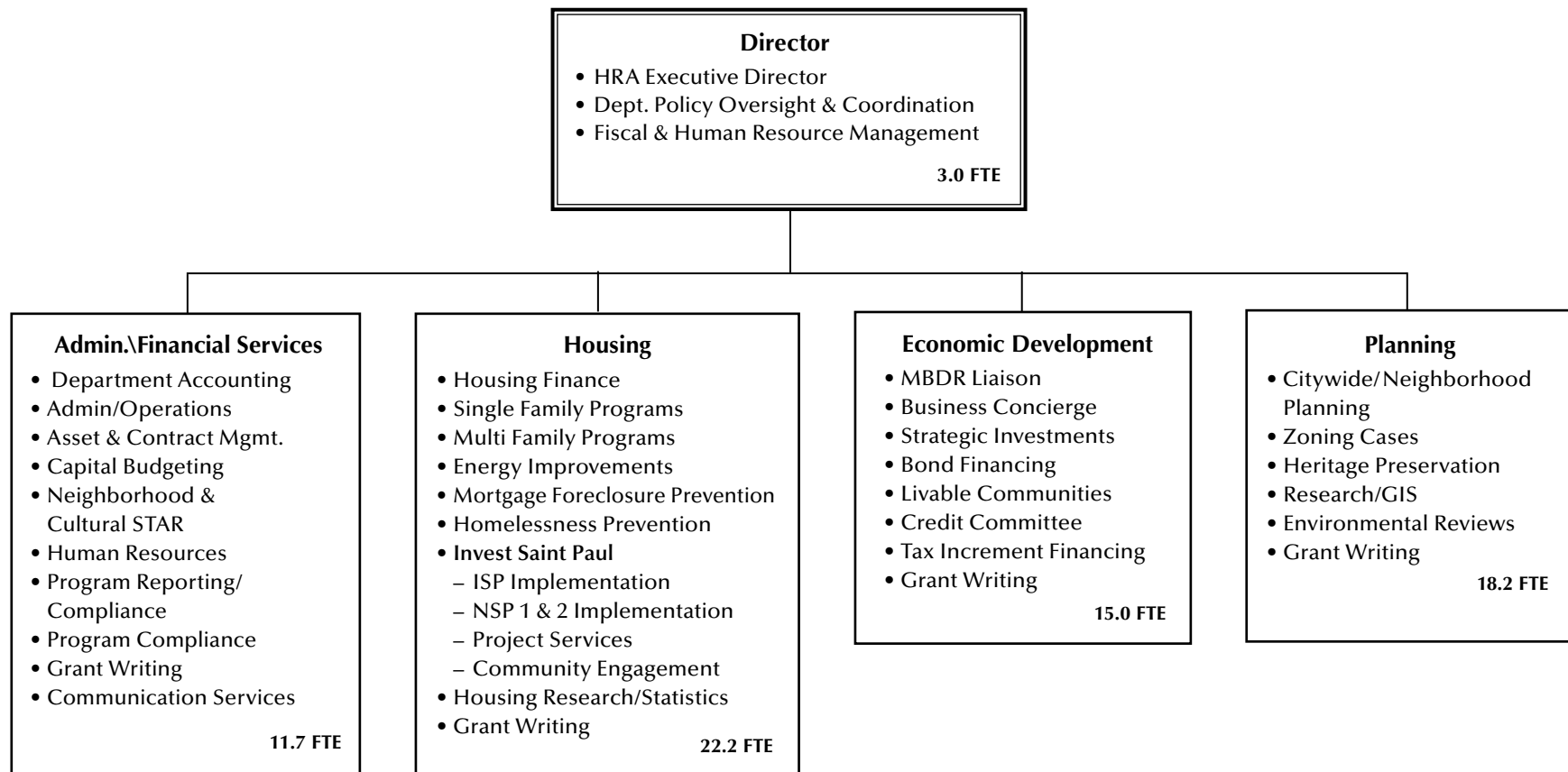


Planning and Economic Development

To actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, sustain, and grow the city's diverse neighborhoods.



(Total 70.1 FTE)

12/19/13

2014 Adopted Budget

Planning and Economic Development

Department Description:

PED's mission is to actively create opportunities and encourage investment for the benefit of Saint Paul residents and business, which preserve, sustain, and grow the city's diverse neighborhoods. We accomplish this by assisting in the production of new housing; the rehabilitation and preservation of existing housing; providing mortgage financing to existing homeowners and new homebuyers; and strategic commercial and economic development investment. These actions are guided by careful neighborhood planning by professional planning staff, community collaboration, and inclusiveness. PED continues to build upon its past accomplishments, while looking forward to help establish Saint Paul as the Most Livable City in America.

Department Facts

- Total General Fund Budget: \$0
- Total Special Fund Budget: \$43,808,151
- Total FTEs: 70.10
- 2014 operations budget is approximately \$9.0 million.
- Administers in excess of \$90 million annually in Federal, State, and local resources.
- Provides housing and economic development products (public lending institution).
- Provides management and contracting for 200+ economic development activities.
- Administers a combined City/HRA loan portfolio of \$140M+.
- Provides planning/zoning/HPC services and administers Parking & Transit Program.

Department Goals

- Preserve and improve the City's affordable rental and ownership housing stock.
- Encourage private and public development along the Central Corridor Transit Line.
- Stimulate economic growth and vitality in neighborhoods by making strategic investments in our commercial corridors.

Recent Accomplishments

- Economic Development: additional business development at Hamm's Brewery, J&J Distributing Greenhouse, Ordway Expansion, Metro Business Plan Initiatives, Neighborhood STAR Small Business Improvement Activities, Business Resource Center, Business Attraction, Retention & Citywide Expansion Program.
- Planning: Continued progress with Central Corridor Plans - Parks, Public Art, Stormwater, and Brownfields Assessment Grant, Ford Plant Redevelopment, Districts 1, 3, 9, 10, 11, 13, 14 Neighborhood Plan Updates, Historic 106 Reviews, Commercial and Industrial Zoning Studies.
- Housing Development: Progress continues on the Penfield, West Side Flats, Episcopal Homes, BB Housing, Hamline Station, Old Home Site, Eastside Commons, St. Phillips Gardens.
- Housing assistance: Mortgage Foreclosure Prevention, Single Family Home Loans, Credit and Bankruptcy counseling, HUD NSP rehabilitation and new construction in targeted neighborhoods.

2014 Adopted Budget

Planning and Economic Development

Fiscal Summary

	2012 Actual	2013 Adopted	2014 Adopted	Change	% Change	2013 Adopted FTE	2014 Adopted FTE
Spending							
2300: City Sales Tax	41,726,005	26,416,146	27,586,848	1,170,702	4.4%	-	-
2350: Community Development Block Grant	10,930,394	6,850,000	7,200,000	350,000	5.1%	-	-
7100: Central Services Internal	8,354,804	8,660,869	9,021,303	360,434	4.2%	68.20	70.10
Total	61,011,203	41,927,015	43,808,151	1,881,136	4.5%	68.20	70.10
Financing							
2300: City Sales Tax	39,357,349	26,416,146	27,586,848	1,170,702	4.4%		
2350: Community Development Block Grant	10,930,394	6,850,000	7,200,000	350,000	5.1%		
7100: Central Services Internal	8,647,760	8,660,869	9,021,303	360,434	4.2%		
Total	58,935,503	41,927,015	43,808,151	1,881,136	4.5%		

Budget Changes Summary

In the City Sales Tax fund, sales tax revenue, program income and interest earnings projections are revised with updated assumptions for 2014, and spending is adjusted accordingly. The budget for the STAR programs will increase based on improved 2013-2014 sales tax collections and reprogramming unspent STAR project balances. Additionally, one-time increases to the Neighborhood and Cultural STAR programs from the 2013 budget have been removed from the 2014 budget.

The 2014 budget includes two new positions in PED operations: a Marketing and Public Relations Manager, hired in 2013 with vacancy savings, and a Transit Oriented Development (TOD) Manager. The TOD manager will promote business expansion and job growth along the Green Line corridor.

Through the Housing and Redevelopment Authority, PED will continue funding city functions in the general fund such as HRA legislative support, citizen participation initiatives, intergovernmental relations, Mayor's staff working on city initiatives. PED also funds the Minority Business Development program in the Department of Human Rights and Equal Economic Opportunity.

2300: City Sales Tax**Planning and Economic Development**

City sales tax includes annual half cent sales tax revenue and administration of the Neighborhood and Cultural STAR programs.

		Change from 2013 Adopted		
		Spending	Financing	FTE
<u>Current Service Level Adjustments</u>				
The 2013 budget included two one-time spending items both of which resulted in a one-time increase in the Neighborhood STAR and Cultural STAR annual programs. Additionally, the multi-year STAR transfer to the CCLRT streetscape project concludes in 2013. Current service level changes for the 2014 budget include reversing these program changes, as well as minor adjustments to spending and revenue estimates.				
Remove one-time increase in Neighborhood STAR annual competitive program		(621,026)	(621,026)	-
Remove one-time increase in Cultural STAR annual competitive program		(35,000)	(35,000)	-
Remove STAR transfer to CCLRT Streetscape project		(163,836)	(163,836)	-
Other current service level changes		(19,167)	(19,167)	-
	Subtotal:	(839,029)	(839,029)	-
<u>Mayor's Proposed Changes</u>				
STAR Revenue				
Based on updated estimates for sales tax collections, the budget for the Sales Tax Revitalization (STAR) programs will increase in 2014.				
Increase in 2014 sales tax collection for STAR programs		400,000	400,000	-
	Subtotal:	400,000	400,000	-
<u>Adopted Changes</u>				
STAR Revenue				
Based on updated estimates for 2013-2014 sales tax collections, budgets for the Sales Tax Revitalization (STAR) programs were further adjusted during the Council phase of the 2014 budget process. Unspent STAR project balances will be rolled back into the Cultural and Neighborhood STAR programs, allowing for a one-time increase to those programs.				
Increase in 2013-2014 sales tax collection for STAR programs		1,470,000	1,470,000	-
Unspent STAR project balances		139,731	139,731	-
	Subtotal:	1,609,731	1,609,731	-
Fund 2300 Budget Changes Total		1,170,702	1,170,702	-

2350: Community Development Block Grant

Planning and Economic Development

The Community Development Block Grant (CDBG) program is administered in this fund. Because the annual grant period runs from June to May, program estimates are initially proposed and adopted. Once the final grant award is known, projects are finalized via separate action.

		Change from 2013 Adopted		
		Spending	Financing	FTE
<u>Adopted Changes</u>				
Community Development Block Grant				
Projections for the 2014 Community Development Block Grant program were revised based on the 2013 grant award.				
Community Development Block Grant		350,000	350,000	-
Subtotal:		350,000	350,000	-
Fund 2350 Budget Changes Total		350,000	350,000	-

7100: Central Services Internal**Planning and Economic Development**

PED operations are all budgeted in the Central Service Internal fund.

		Change from 2013 Adopted		
		<u>Spending</u>	<u>Financing</u>	<u>FTE</u>
<u>Current Service Level Adjustments</u>				
In 2013, PED used vacancy savings to hire a Marketing and Public Relations Manager. Current service level changes in the 2014 proposed budget include fully funding the Marketing/PR position, as well as other minor adjustments to spending and revenue.				
Staff changes		95,623	95,623	1.00
Other current service level changes		149,376	149,376	-
	Subtotal:	244,999	244,999	1.00
<u>Mayor's Proposed Changes</u>				
Transit Oriented Development Manager				
PED will hire a TOD Manager to serve as a coordinator for development projects along the LRT Green Line and future St Paul transitways. The position will be funded through outside contributions.				
Staff changes		123,584	123,584	1.00
	Subtotal:	123,584	123,584	1.00
<u>Adopted Changes</u>				
Payroll Centralization				
The rollout of the Time Tracking and Attendance Scheduling Solution (TASS) component of the COMET project has allowed for a more centralized approach to the City's payroll function. As a result, the 2014 proposed budget shifts payroll personnel out of operating departments and into the Human Resources budget. This change consolidates payroll staff into one department, redeploys some existing resources, and results in net savings to the City. The impact of payroll centralization on the Planning and Economic Development department is reflected here.				
Staffing changes		(8,149)	(8,149)	(0.10)
	Subtotal:	(8,149)	(8,149)	(0.10)
Fund 7100 Budget Changes Total		360,434	360,434	1.90

CITY OF SAINT PAUL
Department Budget Summary
(Spending and Financing)

Department: PLANNING ECONOMIC DEVELOPMENT

Budget Year: 2014

		2011 Actuals	2012 Actuals	2013 Adopted	2014 Adopted	Change From 2013 Adopted
<u>Spending by Fund</u>						
2300	CITY SALES TAX	34,345,143	41,726,005	26,416,146	27,586,848	1,170,702
2350	COMMUNITY DEVELOP BLOCK GRANT	10,257,317	10,930,394	6,850,000	7,200,000	350,000
2400	CITY GRANTS	13,660,703	18,382,090			
7100	CENTRAL SERVICES INTERNAL	7,641,902	8,354,804	8,660,869	9,021,303	360,434
TOTAL SPENDING BY FUND		65,905,066	79,393,294	41,927,015	43,808,151	1,881,136
<u>Spending by Major Account</u>						
	EMPLOYEE EXPENSE	6,088,809	6,791,374	6,948,068	7,371,658	423,590
	SERVICES	4,791,005	5,456,107	2,938,293	3,001,748	63,455
	MATERIALS AND SUPPLIES	75,166	64,527	55,200	55,800	600
	CAPITAL OUTLAY		7,654	1,535,000	1,535,000	
	PROGRAM EXPENSE	20,272,671	19,578,081	8,825,427	9,253,272	427,845
	TRANSFER OUT AND OTHER SPEND	34,677,415	47,495,550	21,625,027	22,590,673	965,646
TOTAL SPENDING BY MAJOR ACCOUNT		65,905,066	79,393,294	41,927,015	43,808,151	1,881,136
<u>Financing by Major Account</u>						
GENERAL FUND REVENUES						
SPECIAL FUND REVENUES						
	BUDGET ADJUSTMENTS			656,026	649,731	(6,295)
	TAXES	15,620,488	15,940,712	15,550,000	16,400,000	850,000
	INTERGOVERNMENTAL REVENUE	22,271,312	25,950,671	6,350,000	6,700,000	350,000
	FEES SALES AND SERVICES	8,052,918	9,896,207	8,660,869	8,897,719	236,850
	INTEREST EARNINGS	1,629,353	781,504	441,881	372,138	(69,743)
	DEBT FINANCING	1,067,721	1,409,105	438,239	324,979	(113,260)
	TRANSFERS IN OTHER FINANCING	18,199,151	23,221,792	9,830,000	10,463,584	633,584
TOTAL FINANCING BY MAJOR ACCOUNT		66,840,943	77,199,992	41,927,015	43,808,151	1,881,136