

Joint Debt Advisory Committee: Impact of General Obligation Debt on Saint Paul Tax Base



2013 Report

Joint Debt Advisory Committee:

City of Saint Paul

Ramsey County

Saint Paul Public Schools

Saint Paul Port Authority

Ramsey County Regional Railroad Authority

Acknowledgments

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Executive Summary

The Joint Debt Advisory Committee (JDAC) is an ad hoc sub-committee of the Joint Property Tax Advisory Committee (JPTAC). The 2013 JDAC report continues a longstanding tradition of cross-jurisdiction communication, planning and coordination. JDAC's goal is to coordinate and monitor the impact of general obligation, property tax supported bonds on the City of Saint Paul proper.

In achieving this goal, JDAC uses actual statistics from 2009 – 2013, as well as projections for 2014 – 2018, and reports the resulting actual and projected debt ratios. Projections have been provided by each of the underlying jurisdictions: Saint Paul, Ramsey County, Saint Paul Public Schools, Saint Paul Port Authority and the Ramsey County Regional Railroad Authority.

Debt ratios are a key component to managing the Saint Paul area debt profile – it is a measure by which the rating agencies determine credit ratings (which directly impacts the cost of borrowing), as well as improving the ability of the jurisdictions to manage their individual and collective indebtedness.

The actual and projected ratios show continued stability in our debt profile, with modest increases in some ratios. The increases in debt ratios are a function of two things: factors in our control (amount of debt outstanding) and factors outside our control (for example, the Indicated Market Value). Given the multi-year economic weakness nationally, property values have dropped. As property values declined, some debt ratios would appear higher even if no new debt was added. Over a ten-year period of time (2009 – projected 2018), the amount of total debt by all jurisdictions increased a manageable 1% per year.

The target goals for the six debt ratios have been met. JDAC recommends the governing bodies of each jurisdiction: adopt the report as a management tool; expand 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; meet every two years to update this analysis; JPTAC annually review proposed debt of all jurisdictions prior to setting levies; and examine the ratios to ensure they remain within the target ranges.

Background

The Joint Debt Advisory Committee (JDAC) is 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, and 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. JDAC's objective is to mitigate the costs of capital financing by coordinating efforts as reflected in the mission statement.

JDAC 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 (G.O.) 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.

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 from Standard & Poor's, the City's AAA credit rating from Fitch and County's Aaa credit rating from 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.

Achieving Goals

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

- Maintain overlapping G.O. debt ratios within a range approved by these jurisdictions for the five-year period of 2014 through 2018;
- 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.

JDAC's Standing Recommendations

The JDAC has established the following long-term recommendations:

- The governing boards of each JDAC member organization should 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 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 adopted target ranges;
- The Joint Property Tax Advisory Committee (JPTAC) annually reviews the proposed debt of all jurisdictions prior to setting the proposed levy; and
- The Joint Property Tax Advisory Committee (JPTAC) will examine the following ratio ratios to ensure that they stay within the recommended ranges for the term of this report.

Debt Ratios

JDAC has established the following ratios to quantify whether goals are being met:

- Debt Burden (Total Net General Obligation G.O. Debt to Indicated Market Value)
- Total Net G.O. Debt Per Capita
- Debt Service Levy Per Median Taxable Value Home
- Debt Service Levy per Household
- Debt Service Levy Per Capita to per Capita Income
- Debt Service Tax Levy as a Percentage of Total Tax Levy

Methodology

This report addresses the municipal debt profile within the corporate limits of the City of Saint Paul, and covers two distinct periods: historical (“Actual”) for the years 2009 through 2013, and future (“Projected”) for the years 2014 through 2018. These provide 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.

The impact of debt is best evaluated by a series of ratios. 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.

Source data for the analysis comes from each participating jurisdiction, including: financial reports, capital and operational budgets, and other adopted planning documents. Where such information did not exist, staff of that jurisdiction made determinations to ensure accurate data.

The 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 2013 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 Jimmy Lee facility 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 that 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. The 2000, 2002 and 2007 CIP issues have been refunded. 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 2013, the City's share of the Ramsey County tax base is 46.9%.

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 issued \$20 million in debt in 2012 for the Union Depot project.

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 five general obligation debt issuances: the first was originally issued in 1994 and refunded in 2003, the second was issued in 2008 for the Port Eastside Development Project, and the 2009 issues totaling \$8.13 million (split between taxable and tax exempt) were issued in 2009 to supplement the 2008 issue. An additional \$8.05 million was issued in 2013 for Development Projects. 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.

In recognition of the fact that the jurisdictions' ability to repay debt is influenced by the strength and growth potential of its tax base, this report also includes an economic update for Saint Paul in the Appendix.

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	Fitch Ratings
City of Saint Paul/Port Authority	Aa1	AAA	AAA
County of Ramsey	Aaa	AAA	N/A
Saint Paul Public Schools	Aa2	AA+	N/A

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 Aa1 and AAA.

RCRRA issued its debt in 2012 through a bank loan with US Bank. The \$20 million in debt was not rated by Moody's or Standard and Poor's.

JDAC Goals – Status Update

JDAC Report Results 2013: (Actual: 2009-2013 and Projected: 2014-2018)

Goal	Result
<ul style="list-style-type: none"> Combined net G. O. debt to indicated market value/economic market value not to exceed 3% - 6% range. 	<ul style="list-style-type: none"> Objective met. EMV projected to remain roughly flat from 2011-2015
<ul style="list-style-type: none"> Total net debt per capita shall not exceed \$2,000 to \$2,500 through 2015. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Net G.O. debt service levy per household not to exceed \$600. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Net G.O. debt service levy per capita to per capita income not to exceed 1%. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%. 	<ul style="list-style-type: none"> Objective met.

Report Results: 2011

Goal	Result
<ul style="list-style-type: none"> Combined net G. O. debt to indicated market value not to exceed 3% - 6% range. 	<ul style="list-style-type: none"> Objective met. IMV projected to decrease from 2009 to 2013.
<ul style="list-style-type: none"> Total net debt per capita shall not exceed \$2,000 to \$2,500 through 2013. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Net G.O. debt service levy per household not to exceed \$600. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Net G.O. debt service levy per capita to per capita income not to exceed 1%. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%. 	<ul style="list-style-type: none"> Objective met.

Report Results: 2008

Goal	Result
<ul style="list-style-type: none"> Combined debt to indicated market value not to exceed a range of 3% to 6%. 	<ul style="list-style-type: none"> Objective met. Indicator is expected to decrease from 2.1% in 2005 to 1.8% in 2010.
<ul style="list-style-type: none"> Net debt per capita shall not exceed a range of \$2,000 to \$2,500 through 2010. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Net G.O. debt service levy per household not to exceed \$550. 	<ul style="list-style-type: none"> Objective met through 2009. Expected increase up to \$559 in 2010.
<ul style="list-style-type: none"> Net G.O. debt service levy per capita to per capita income not to exceed 1%. 	<ul style="list-style-type: none"> Objective met.
<ul style="list-style-type: none"> Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%. 	<ul style="list-style-type: none"> Objective met.

Overview of Debt

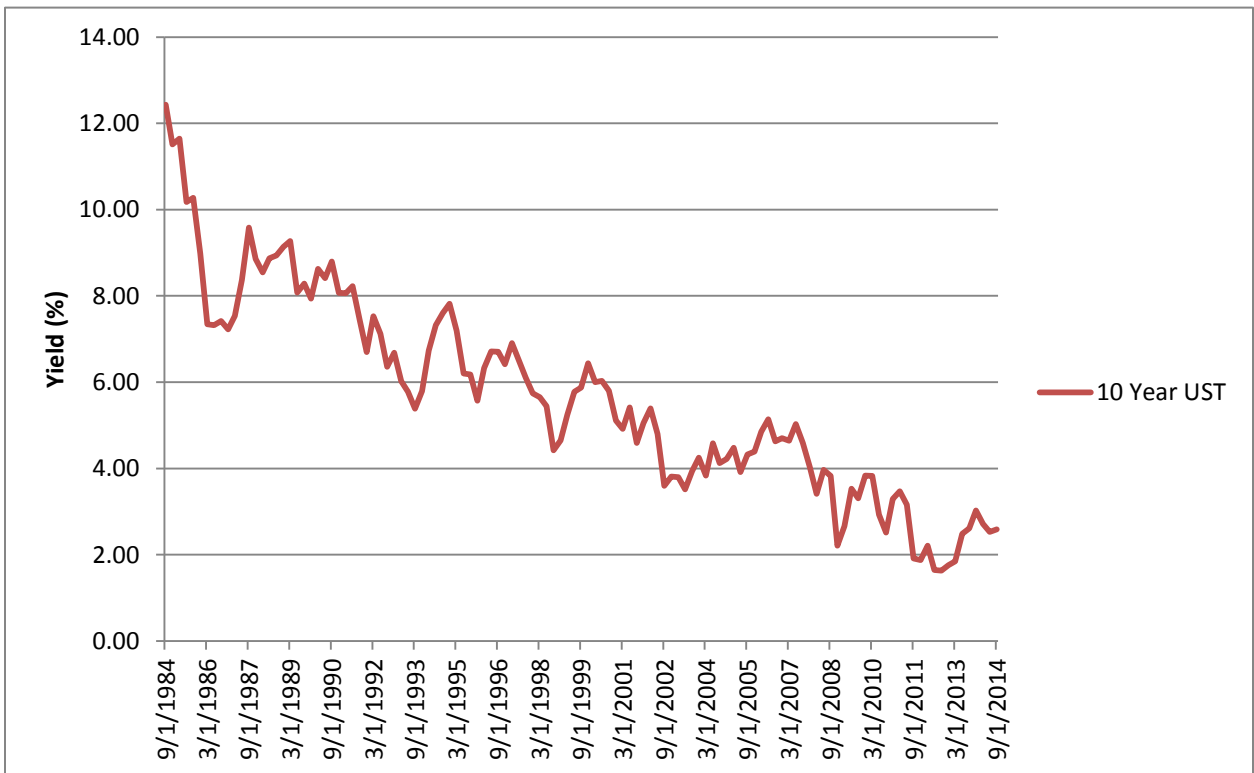
Role of Debt

Jurisdictions have multiple ways to pay for long-term capital assets. Debt is one important source of funding. It represents a long-term commitment of resources to repay obligations for long-term assets. Debt can be a useful tool as the repayment stream matches the useful life of the asset, the people who are benefitting from the asset are paying for it and it smooths expenditures – avoiding material property tax spikes and drops. 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. Therefore, monitoring and managing the individual and combined levels of debt becomes central to assessing the overall financial health of the community.

This report focuses exclusively on property tax supported debt. Although jurisdictions normally use property tax levy as financing for debt service payments, they each have various authority to use other sources for financing as well.

Over the past several years, interest rates have remained close to historic lows, lowering the cost of borrowing to entities. Below is a graph of the 10 Year Treasury, a standard benchmark for interest rates.

10 Year U.S. Treasury Yield - 20 Year History



Source Data for Analysis

Table 1: Total Net G.O. Debt (\$) by Issuer

Net G.O. Debt remains stable over the ten year period

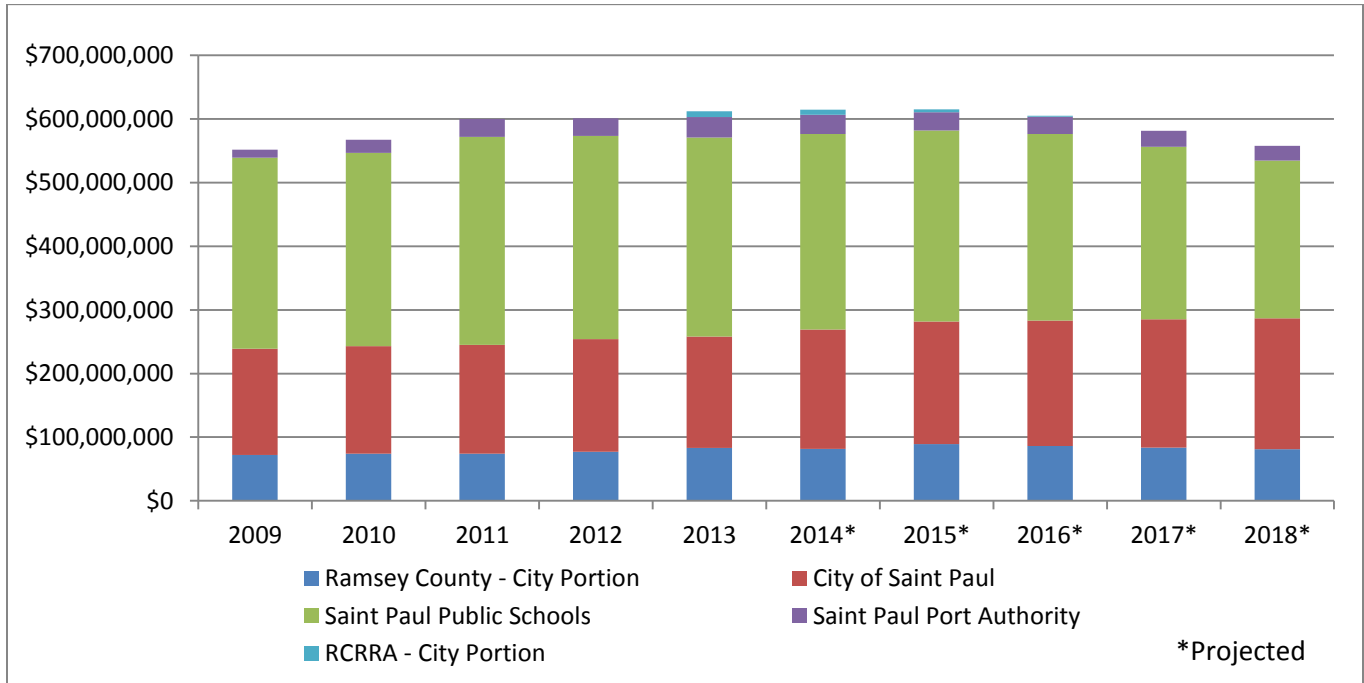


Table: I

Total Net G.O. Debt:	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County - City Portion	\$72,249,875	\$74,282,875	\$74,147,175	\$76,838,375	\$83,252,190	\$76,154,098
City of Saint Paul	166,858,932	168,844,291	170,910,009	177,344,369	174,881,625	\$171,767,845
Saint Paul Public Schools	299,940,337	303,773,435	326,818,423	319,378,353	312,949,389	312,571,987
Saint Paul Port Authority	12,925,000	20,495,000	28,085,000	27,345,000	31,810,000	24,132,000
RCRRA - City Portion	-	-	-	-	9,380,000	1,876,000
Total	\$551,974,144	\$567,395,601	\$599,960,607	\$600,906,097	\$612,273,204	\$586,501,931
	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County - City Portion	\$81,533,305	\$88,973,990	\$85,999,123	\$83,739,481	\$81,160,919	\$84,281,364
City of Saint Paul	187,537,206	192,686,317	197,255,084	201,365,088	205,605,824	196,889,904
Saint Paul Public Schools	307,225,215	300,249,886	293,064,069	271,055,001	247,690,001	283,856,834
Saint Paul Port Authority	30,260,000	28,665,000	27,015,000	25,300,000	23,520,000	26,952,000
RCRRA - City Portion	7,851,060	4,750,970	1,599,290	-	-	2,840,264
Total	\$614,406,786	\$615,326,163	\$604,932,566	\$581,459,570	\$557,976,744	\$594,820,366

Table 2. Total Debt Service Tax Levies (\$)

To pay for the debt as shown in Table 1, the jurisdictions have to levy debt service levies, as shown in Table 2. It provides a history and projection of debt service levies, as well as total levies.

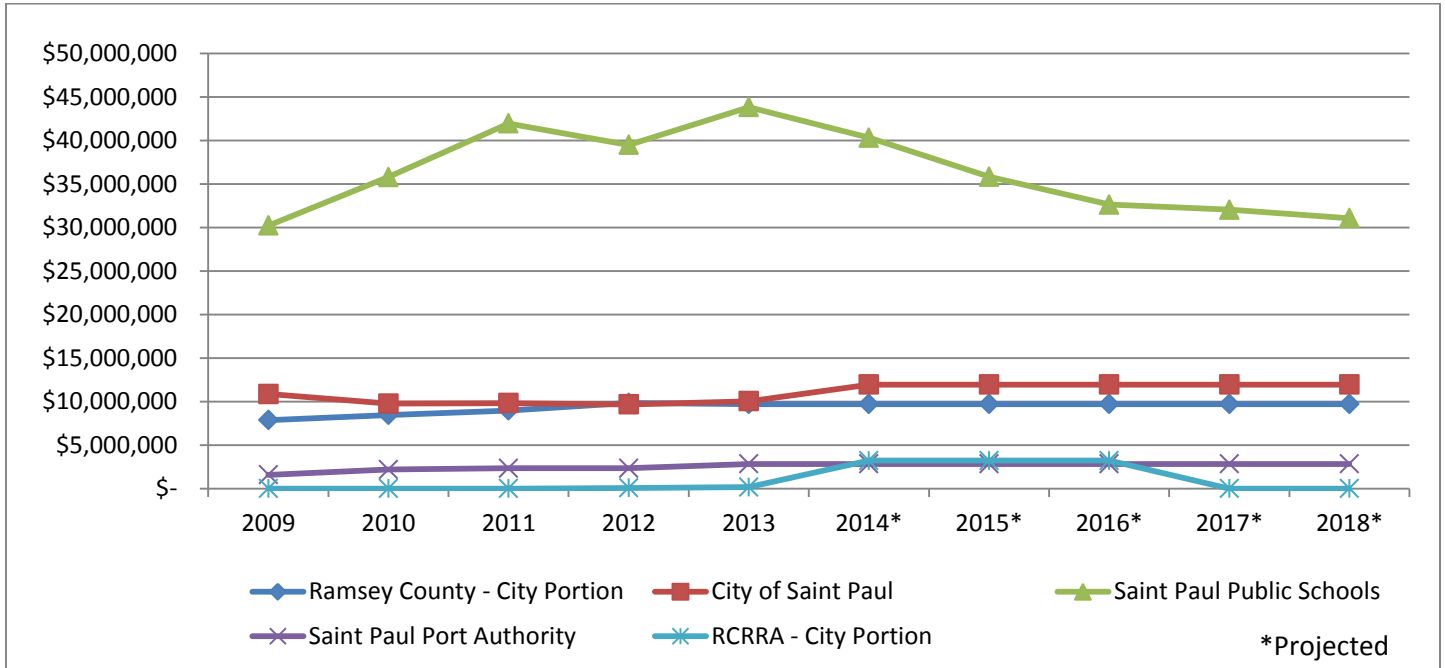


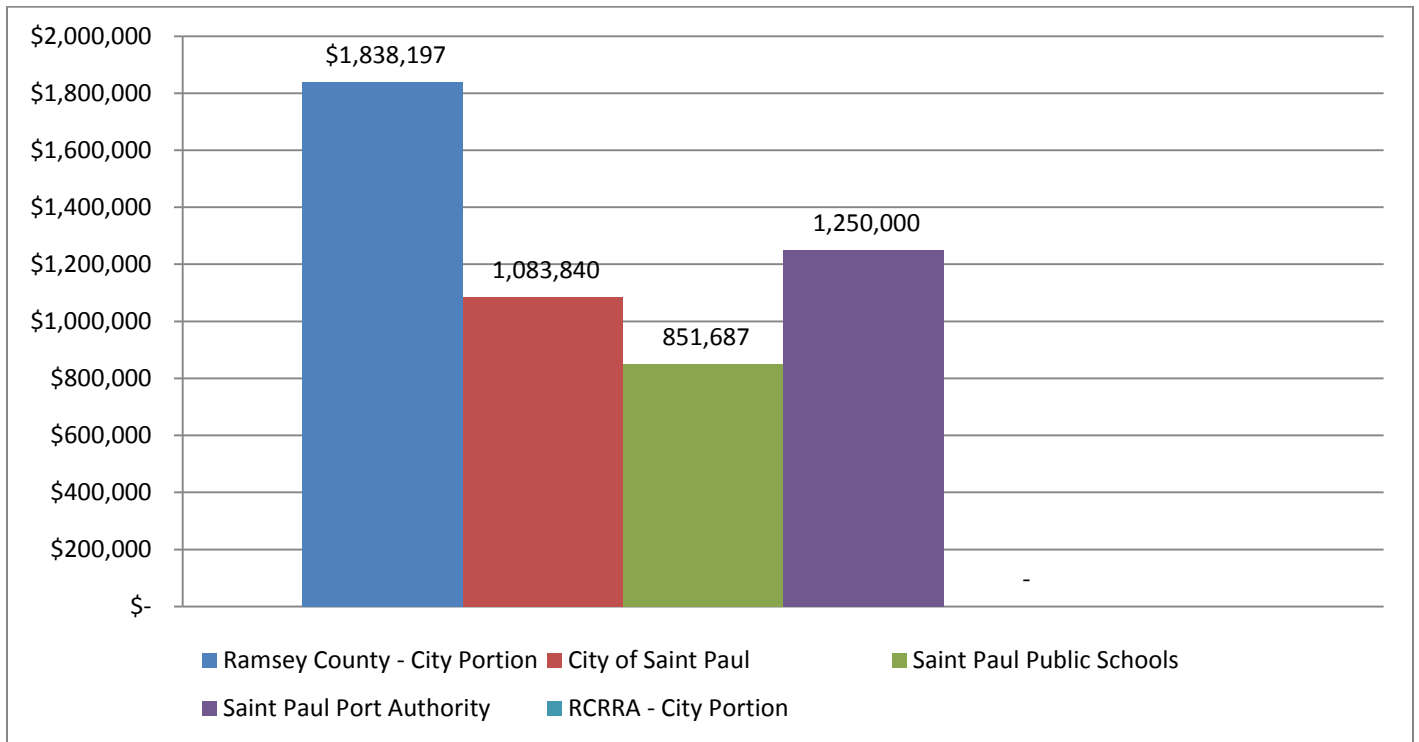
Table: II

Net Debt Service Tax Levies

	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County - City Portion	\$ 7,870,103	\$ 8,463,853	\$ 8,981,328	\$ 9,832,500	\$ 9,708,300	\$ 8,971,217
City of Saint Paul	\$ 10,865,320	\$ 9,761,438	\$ 9,815,423	\$ 9,671,043	\$ 10,050,902	\$ 10,032,825
Saint Paul Schools	\$ 30,233,162	\$ 35,814,161	\$ 41,970,427	\$ 39,498,061	\$ 43,852,360	\$ 38,273,634
Saint Paul Port Authority	\$ 1,585,000	\$ 2,188,000	\$ 2,345,000	\$ 2,344,000	\$ 2,841,000	\$ 2,260,600
RCRRA - City Portion	\$ -	\$ -	\$ -	\$ 81,159	\$ 169,615	\$ 50,155
Total	50,553,585	56,227,452	63,112,178	61,426,763	66,622,177	59,588,431

	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County - City Portion	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300
City of Saint Paul	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160
Saint Paul Schools	40,327,197	35,836,752	32,653,054	32,059,711	31,084,849	34,392,313
Saint Paul Port Authority	2,835,000	2,835,000	2,835,000	2,835,000	2,835,000	2,835,000
RCRRA - City Portion	3,227,681	3,228,156	3,223,051	-	-	1,935,778
Total	68,047,338	63,557,368	60,368,565	56,552,171	55,577,309	60,820,550

Table 3. Projected Change of Debt Service Tax Levies from 2009-2018



Change in Debt Service Tax Levies	2009	2018	Projected 10 year Change	% Change	% of Total Change
Ramsey County - City Portion	\$ 7,870,103	\$ 9,708,300	\$ 1,838,197	18.93%	36.59%
City of Saint Paul	10,865,320	11,949,160	1,083,840	9.07%	21.57%
Saint Paul Schools	30,233,162	31,084,849	851,687	2.74%	16.95%
Saint Paul Port Authority	1,585,000	2,835,000	1,250,000	44.09%	24.88%
RCRRA - City Portion	-	-	-	0.00%	0.00%
Total	\$ 50,553,585	\$ 55,577,309	5,023,724	9.04%	100.00%

Debt Ratios

Overview of Debt Ratios

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 tracks several ratios: the first two ratios are industry standards used by the rating agencies and investors, while the remaining are designed to help the governing bodies understand the impact on the tax base.

- A. Debt Burden: Net G.O. Debt to Indicated Market Value/Economic Market Value
- B. Net G.O. Debt per Capita
- C. Tax Rate for Debt Service Tax Levies of Median Value Home
- D. Debt Service Tax Levy as a Percentage of Total Tax Levy
- E. Debt Service Levy per Household
- F. Debt Service Levy per Capita to per Capita Income

Debt ratios measure the capacity to manage the debt burden and stability of financial management and provide rating agencies key information in determining the credit rating. Better credit ratings mean lower interest rates, 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 Ratios

A. Debt Burden (Total Net G.O. Debt divided by Indicated Market Value/Economic Market Value)

Definition: Debt Burden is an industry standard ratio showing the total net principal amount of debt to the full value of real estate, as a percentage. It simply shows how leveraged the tax base is, as a percent. This ratio is key, as ultimately, the tax base is repaying the debt in the form of levy. The higher the debt burden, the more leveraged a community is – with less flexibility to issue more debt in the future. Low debt burden is a credit positive. Estimated Market Value, Sales Ratio and Indicated Market Value/Economic Market Value are explained on page 13.

Factors: Since the time of the last report, market values have stabilized following a significant drop. Even if there was no change in the amount of debt, the debt burden would increase due to national economic impacts. For this reason, almost all communities have seen rises in their debt burdens, much as Saint Paul is witness to, however Market values are projected to increase beginning in 2014

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

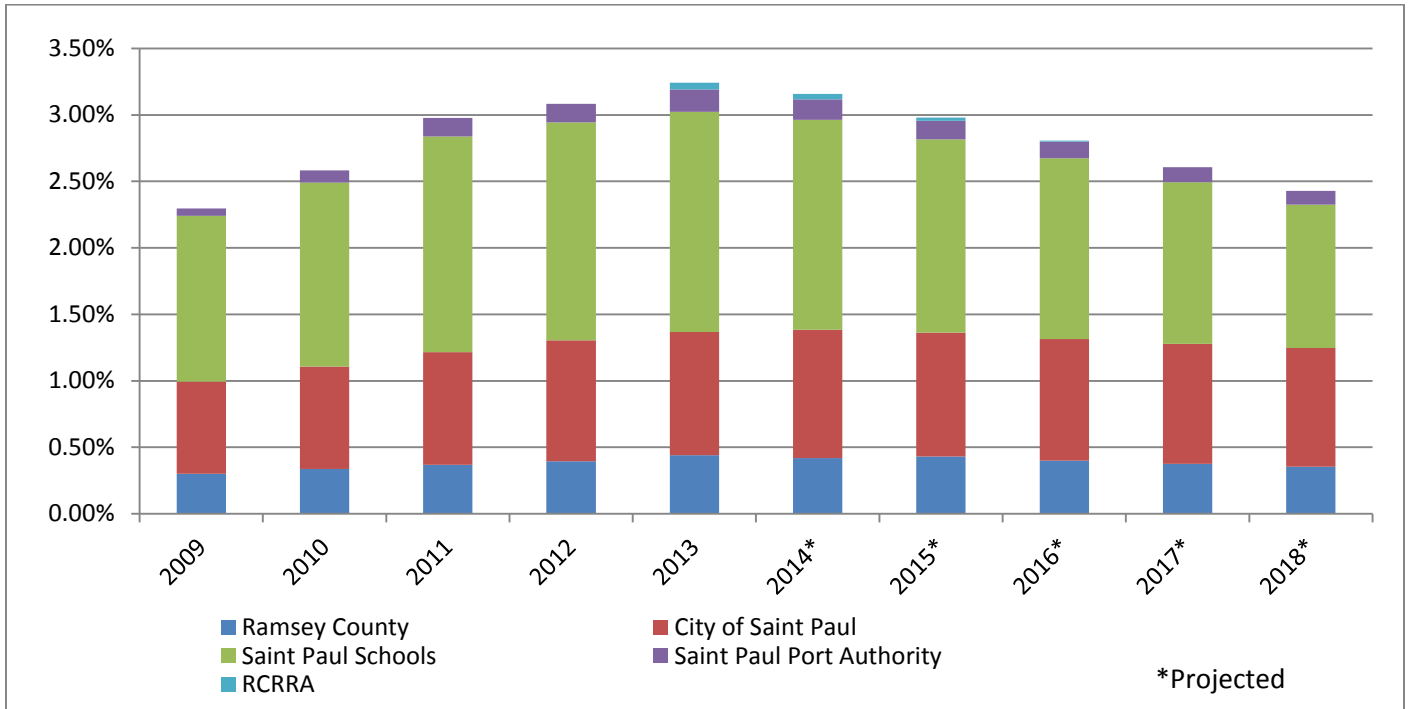
Trend: The combined Net G.O. Debt to Indicated Market Value fluctuated from 2.30% in 2009 to 3.24% in 2013. This indicator is projected to fall from 3.16% in 2014 to 2.43% in 2016. For the years 2014 through 2018, the estimated average is 2.80%. The projected ratio does not exceed 3.25% for the next 5 years.

The target range is met.

Standard & Poor's Ranges for Tax-Backed G.O. Ratios	
Debt Burden	
Low	Below 3%
Moderate	3% - 6%
Moderately High	6% - 10%
High	Above 10%

A. Debt Burden (Total Net G.O. Debt divided by Indicated Market Value/Economic Market Value)

The average for the previous ten year period has remained in the 3-6% target range. Despite the tax base decline of over 25% in the last five years, the debt burden remains extremely close to the target of 3% and is projected to decline below 3% as market values being to recover. The debt burden increase primarily reflects the tax base valuation decline, not new debt.



Net G.O. Debt to I.M.V./E.M.V.	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County	0.30%	0.34%	0.37%	0.39%	0.44%	0.37%
City of Saint Paul	0.69%	0.77%	0.85%	0.91%	0.93%	0.83%
Saint Paul Schools	1.25%	1.38%	1.62%	1.64%	1.66%	1.51%
Saint Paul Port Authority	0.05%	0.09%	0.14%	0.14%	0.17%	0.12%
RCRRA	0.00%	0.00%	0.00%	0.00%	0.05%	0.01%
Total Debt to Market Value	2.30%	2.58%	2.98%	3.08%	3.24%	2.84%
City I.M.V./E.M.V	\$24,049,087,234	\$21,959,237,136	\$20,154,846,082	\$19,483,213,536	\$18,883,162,763	\$20,905,909,350
Net G.O. Debt to I.M.V./E.M.V.	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County	0.42%	0.43%	0.40%	0.38%	0.35%	0.40%
City of Saint Paul	0.96%	0.93%	0.92%	0.90%	0.89%	0.92%
Saint Paul Schools	1.58%	1.45%	1.36%	1.21%	1.08%	1.34%
Saint Paul Port Authority	0.16%	0.14%	0.13%	0.11%	0.10%	0.13%
RCRRA	0.04%	0.02%	0.01%	0.00%	0.00%	0.01%
Total Debt to Market Value	3.16%	2.98%	2.81%	2.61%	2.43%	2.80%
City I.M.V./E.M.V	\$19,453,105,246	\$20,657,574,843	\$21,554,888,250	\$22,309,309,339	\$22,978,588,619	\$21,390,693,259

A. Debt Burden (Total Net G.O. Debt divided by Indicated/Economic Market Value)

History of Indicated Market Value & Economic Market Value

Indicated Market Value (IMV) has been replaced by a new metric, Economic Market Value (EMV), to better represent the true or full market value of the City. The EMV 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 2009-2013 was determined by the State Department of Revenue, and the ratio for pay years 2014-2018 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 arm's length selling price when the property changes hands.

Taxes Payable Year	Estimated Market Values	Imputed Market Value 1996- 2010, Economic market Value 2010 - 2018	21 month Sales Ratios	Real or Projected Assessed Market Value Change	Growth in Imputed or Economic Value
1997	\$ 7,573,546,000	\$ 8,396,392,461	90.2%		
1998	\$ 7,954,086,450	\$ 8,977,524,210	88.6%	5.0%	6.9%
1999	\$ 8,488,585,500	\$ 9,779,476,382	86.8%	6.7%	8.9%
2000	\$ 9,169,403,301	\$ 11,237,013,849	81.6%	8.0%	14.9%
2001	\$ 11,065,165,900	\$ 14,204,320,796	77.9%	20.7%	26.4%
2002	\$ 13,046,883,300	\$ 17,512,595,034	74.5%	17.9%	23.3%
2003	\$ 15,532,144,700	\$ 22,062,705,540	70.4%	19.0%	26.0%
2004	\$ 17,583,449,500	\$ 24,765,421,831	71.0%	13.2%	12.3%
2005	\$ 19,629,226,000	\$ 26,742,814,714	73.4%	11.6%	8.0%
2006	\$ 21,320,915,700	\$ 26,485,609,565	80.5%	8.6%	-1.0%
2007	\$ 23,295,388,500	\$ 27,342,005,282	85.2%	9.3%	3.2%
2008	\$ 23,923,671,700	\$ 26,415,766,667	90.6%	2.7%	-3.4%
2009	\$ 22,976,580,500	\$ 24,049,087,234	94.8%	-4.0%	-9.0%
2010	\$ 21,668,377,100	\$ 21,959,237,136	98.1%	-5.7%	-8.7%
2011	\$ 20,193,026,000	\$ 20,154,846,082	99.7%	-6.8%	-8.2%
2012	\$ 19,330,133,200	\$ 19,483,213,536	99.2%	-4.3%	-3.3%
2013	\$ 18,383,581,566	\$ 18,883,162,763	97.2%	-4.9%	-3.1%
2014	\$ 18,384,135,833	\$ 19,453,105,246	94.4%	0.0%	3.0%
2015	\$ 19,707,326,400	\$ 20,657,574,843	95.4%	7.2%	6.2%
2016	\$ 20,692,692,720	\$ 21,554,888,250	96.0%	5.0%	4.3%
2017	\$ 21,416,936,965	\$ 22,309,309,339	96.0%	3.5%	3.5%
2018	\$ 22,059,445,074	\$ 22,978,588,619	96.0%	3.0%	3.0%
2019	\$ 22,721,228,426	\$ 23,667,946,277	96.0%	3.0%	3.0%

Trend/Summary: The Indicated Market Value/Economic Market Value (IMV/EMV) during the actual and projected period from 2009-2018 decreased (4.5%) from \$24.050 million to \$22.979 million. IMV/EMV from 2009-2013 decreased by 27%. EMV projection for 2014-2018 increases by 18%.

**Imputed Market Value calculated by dividing total Estimated Market Value by the MN DOR school aid ratio for the relevant year*

*** Economic Market Value (2011 and thereafter) is calculated by dividing the Estimated Market Value by the relevant 12 month blended direct ratio*

Debt Ratios

B. Total Net G.O. Debt per Capita

Definition: Debt per capita 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. While this is an industry standard used by rating agencies and investors, it can be skewed, minimizing its usefulness. Taxes to repay debt are levied on the tax base, not population. For example, take two identical community's with the same tax base, and same amount of debt. The bedroom community will have a lower debt per capita, while a well-diversified community with industrial, retail and residential will have a higher debt per capita. It is for this reason, that debt per capita, while helpful, can be skewed or misinterpreted. Thus, debt burden is relied upon more than debt per capita.

Target Range: Not to exceed \$2,500

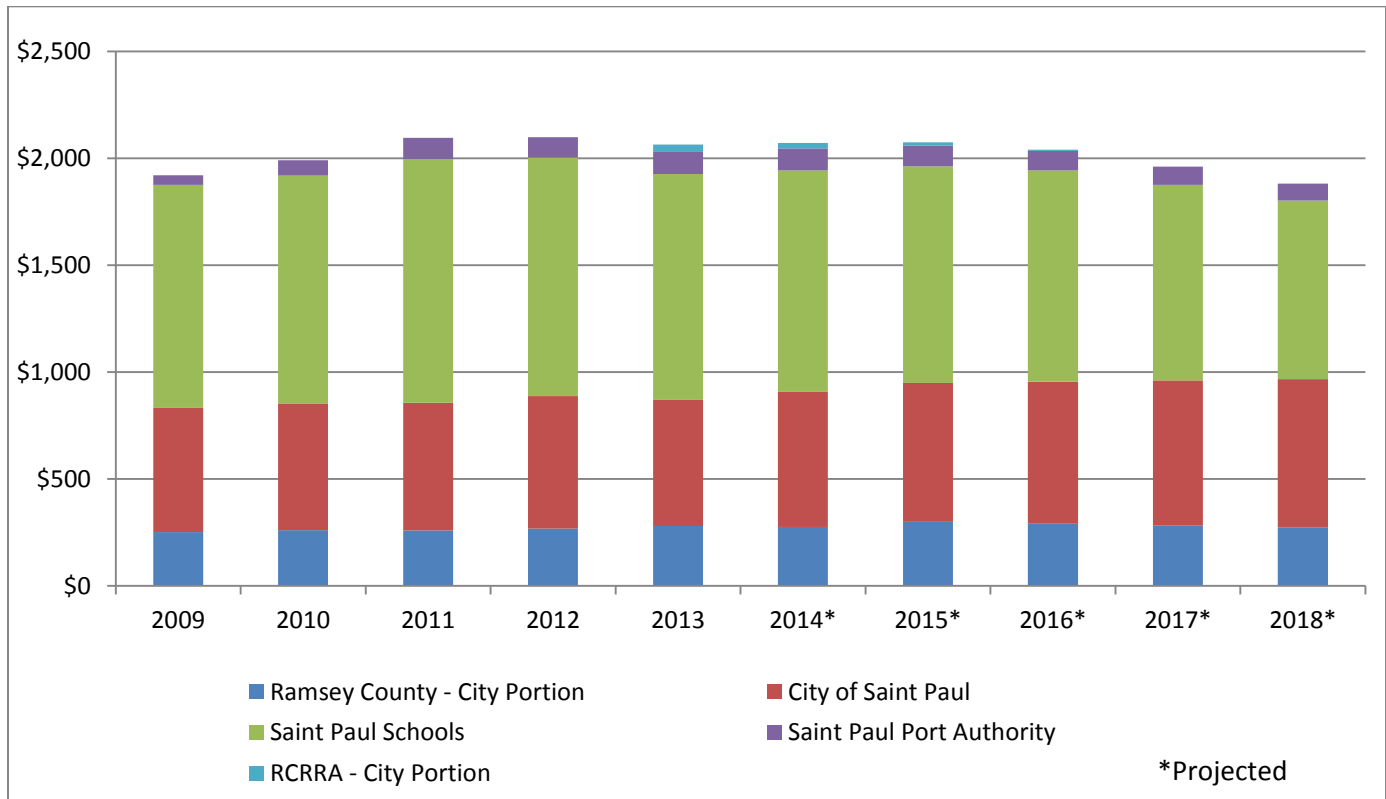
Trend: Net G.O. debt per capita increased from \$1,920 in 2009 to \$2,065 in 2013. Net G.O. debt per capita is projected to decrease from \$2,072 in 2014 to \$1,882 in 2018. For the projected years 2014 through 2018, City population is assumed to have no growth.

The target range 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

B. Total Net G.O. Debt per Capita

Total Debt per Capita averages approximately \$2,000 over the ten year period, however the out year projections exceed the target

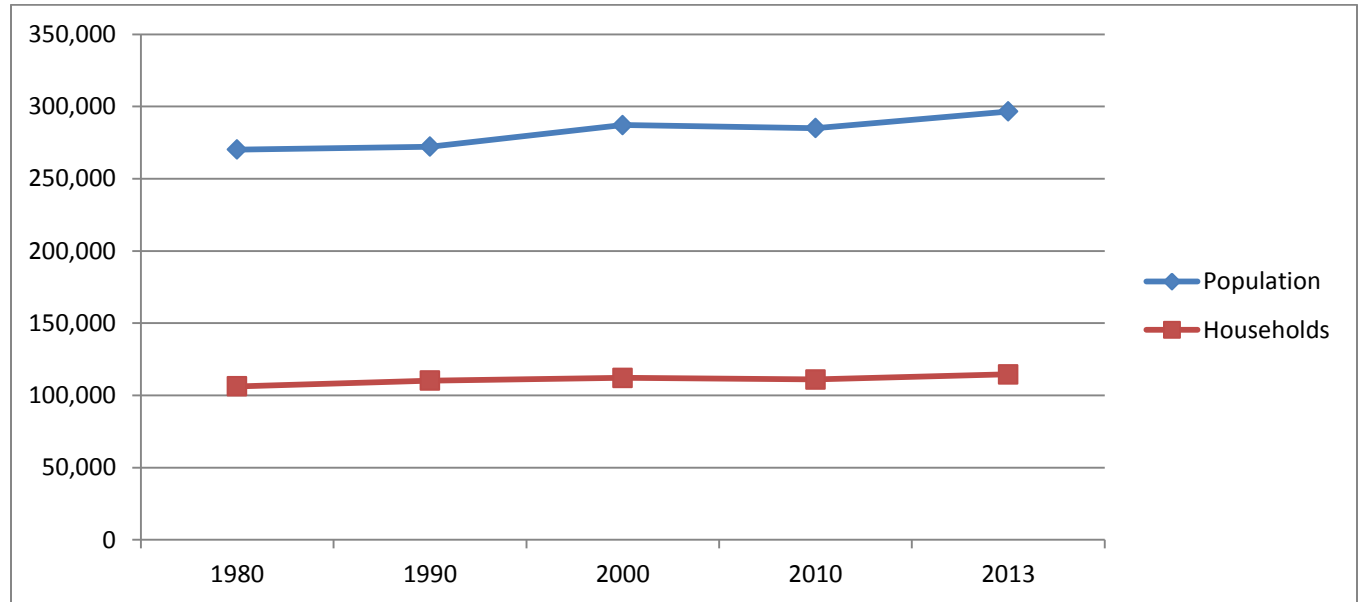


G.O. Debt per Capita	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County	\$251	\$261	\$259	\$268	\$281	\$264
City of Saint Paul	\$580	\$592	\$597	\$619	\$590	\$596
Saint Paul Schools	\$1,043	\$1,066	\$1,141	\$1,115	\$1,055	\$1,084
Saint Paul Port Authority	\$45	\$72	\$98	\$95	\$107	\$84
RCRRRA	\$0	\$0	\$0	\$0	\$32	\$6
Total Debt per Capita	\$1,920	\$1,990	\$2,095	\$2,098	\$2,065	\$2,034
City Population	287,501	285,068	286,367	286,367	296,542	288,369

G.O. Debt per Capita	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County	\$275	\$300	\$290	\$282	\$274	\$284
City of Saint Paul	\$632	\$650	\$665	\$679	\$693	\$664
Saint Paul Schools	\$1,036	\$1,013	\$988	\$914	\$835	\$957
Saint Paul Port Authority	\$102	\$97	\$91	\$85	\$79	\$91
RCRRRA	\$26	\$16	\$5	\$0	\$0	\$10
Total Debt per Capita	\$2,072	\$2,075	\$2,040	\$1,961	\$1,882	\$2,006
City Population	296,542	296,542	296,542	296,542	296,542	296,542

B. Total Net G.O. Debt per Capita

Population Trends



Year	Population		Households	
	Metro*	Saint Paul	Metro*	Saint Paul
2013	2,952,212	296,542	1,163,838	114,606
2010	3,229,833	285,068	1,272,677	111,001
2000	2,642,056	287,151	1,021,454	112,109
1990	2,228,729	272,235	875,504	110,249
1980	1,985,873	270,230	721,444	106,223

*Seven-county metropolitan area

Source: U.S. Census 1980, 1990, 2000, 2010, Metropolitan Council Estimates for 2013

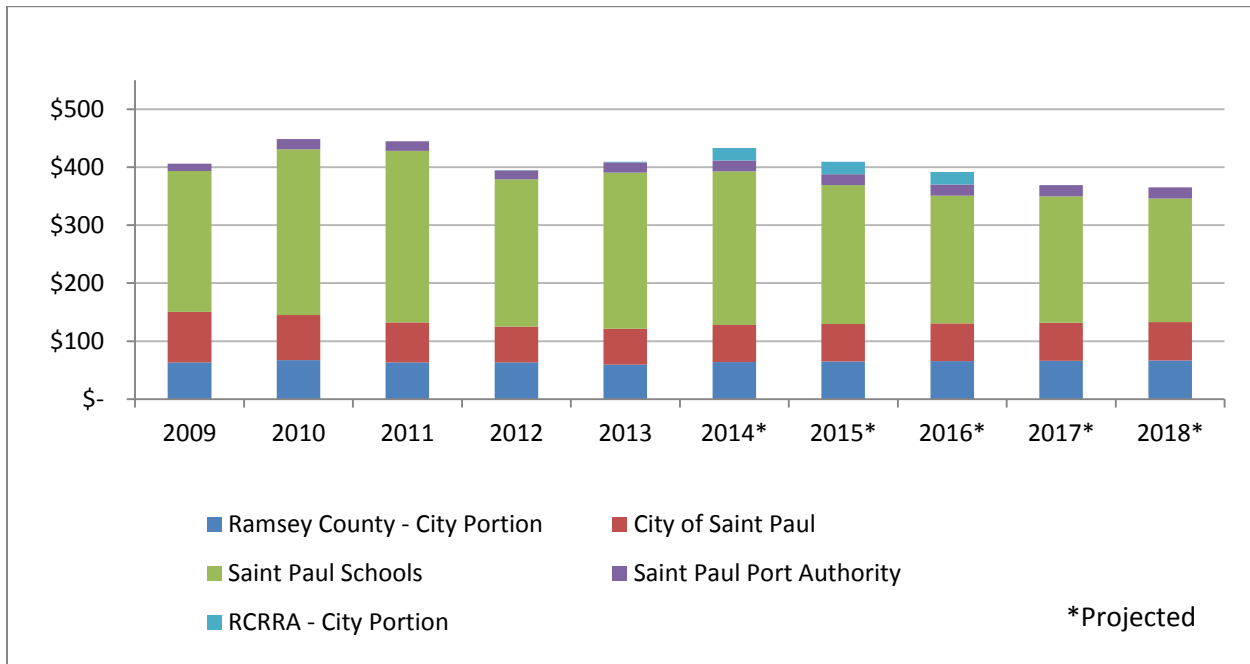
Trend: Population and households in the City of Saint Paul have remained relatively flat when compared to the recent growth in the 7 County Twin Cities Metropolitan area since 2000. The slower rate of growth may cause the debt per capita ratio to increase even with no new debt added. The total debt has increased by a manageable 1% per year, well below the rate of inflation, minimizing the impact of slowing population growth on the debt per capita ratio.

Debt Ratios

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

Definition:	This ratio estimates the change in property tax rates for debt service for a residential property with the annual median value in Saint Paul. See page 23 for detailed explanation of the debt service levies, debt tax rates and median property values tables. This ratio is not used by rating agencies or investors – so there are no industry standards by which to compare.
Target Range:	Effective Tax Rate of less than 0.5%
Trend:	<p>Over the period from 2009 to 2013, the fluctuation in the debt service tax bill for a median priced house in Saint Paul reflected the recent fall and subsequent stabilization in the Median Taxable Value and change in the debt service tax levies. The effective tax rate increased from 0.241% to 0.390%. The five year average annual increase is 12.3%. It is projected to decrease from 0.371% to 0.263% for the years 2014 through 2018 as market values are projected to increase.</p> <p>For the years 2014 through 2018, the median value home is assumed to increase from 145,000 to 167,200.</p> <p>The target range is met.</p>

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



	2009	2010	2011	Actual 2012	2013	Average
Median Value Home Taxable Value	\$ 168,100 168,100	\$ 155,500 155,500	\$ 149,300 125,500	\$ 133,700 108,500	\$ 130,500 105,000	\$ 147,420 132,520
Ramsey County - City Portion	\$ 63	\$ 67	\$ 63	\$ 63	\$ 60	\$ 63
City of Saint Paul	87	78	69	62	62	72
Saint Paul Schools	243	286	296	254	269	269
Saint Paul Port Authority	13	17	17	15	17	16
RCRRA - City Portion	-	-	-	1	1	0
Total Tax Bill	\$ 406	\$ 448	\$ 445	\$ 395	\$ 409	421
Effective Tax Rate for Debt	0.241%	0.288%	0.354%	0.364%	0.390%	0.328%

	2014	2015	2016	2017	2018	Average
Median Value Home Taxable Value	\$ 145,000 120,800	\$ 152,300 128,800	\$ 157,600 134,500	\$ 162,300 139,700	\$ 167,200 145,000	\$ 156,880 133,760
Ramsey County - City Portion	\$ 64	\$ 65	\$ 65	\$ 66	\$ 67	\$ 65
City of Saint Paul	79	80	81	81	82	80
Saint Paul Schools	265	239	220	218	213	231
Saint Paul Port Authority	19	19	19	19	19	19
RCRRA - City Portion	21	22	22	-	-	13
Total Tax Bill	\$ 448	\$ 425	\$ 407	\$ 384	\$ 381	409
Effective Tax Rate for Debt	0.371%	0.330%	0.303%	0.275%	0.263%	0.308%

Debt Ratios

D. Debt Service Levy per Household

Definition: 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 ratio measures the annual debt service 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 Rate for debt service (which is based on property values rather than income). Similar to debt per capita, this ratio is helpful, but can be incorrectly misconstrued and misleading. Nonetheless, it is another metric to assess how leveraged the tax base is.

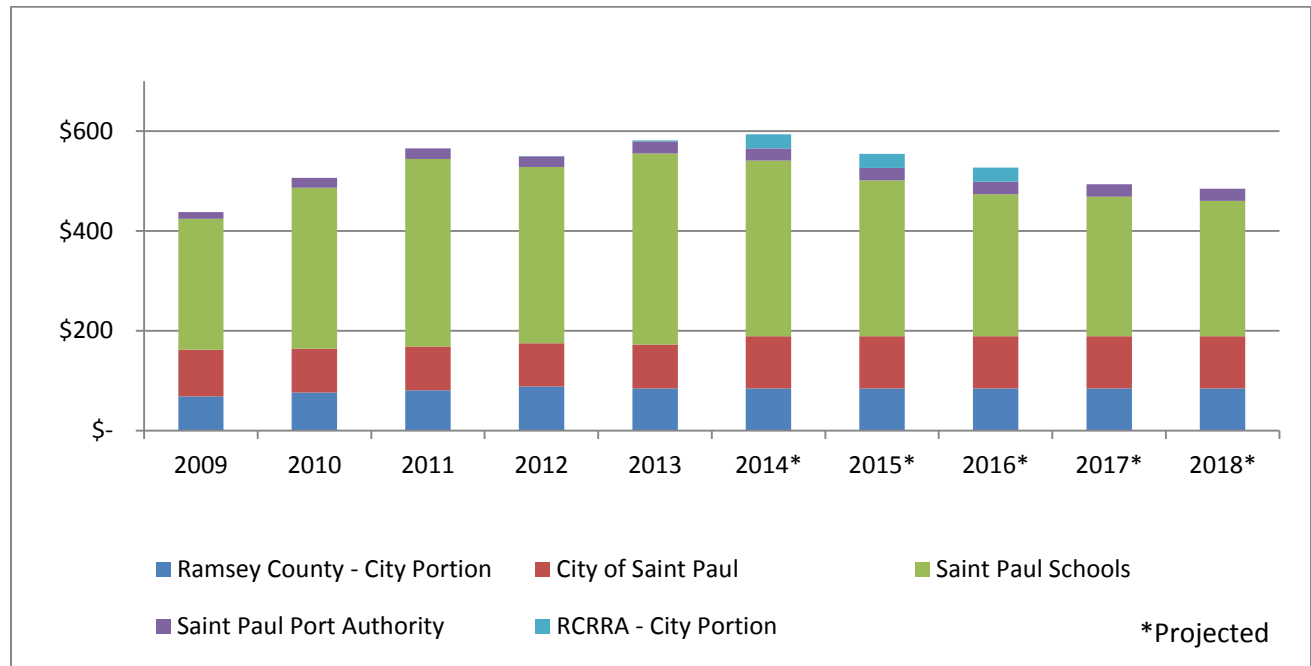
Target Range: Not to exceed \$600.

Trend: The combined debt service levy per Household increased from \$438 in 2009 to \$581 in 2013, a five year average of \$528. The combined debt service levy per household is expected to decrease from \$594 to \$485 in the years 2014 to 2018 with a five year average of \$531.

The target is met.

For the years 2014 through 2018 the number of households assumes no growth.

D. Debt Service Levy per Household



Debt Service Levy per Household	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County - City Portion	\$ 68	\$ 76	\$ 80	\$ 88	\$ 85	\$ 80
City of Saint Paul	94	88	88	87	88	89
Saint Paul Schools	262	323	376	354	383	339
Saint Paul Port Authority	14	20	21	21	25	20
RCRRA - City Portion	-	-	-	1	1	0
Total	\$ 438	\$ 507	\$ 565	\$ 550	\$ 581	528
Number of City Households	115,435	111,001	111,620	111,620	114,606	112,856

Debt Service Levy per Household	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County - City Portion	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85	\$ 85
City of Saint Paul	104	104	104	104	104	104
Saint Paul Schools	352	313	285	280	271	300
Saint Paul Port Authority	25	25	25	25	25	25
RCRRA - City Portion	28	28	28	-	-	17
Total	\$ 594	\$ 555	\$ 527	\$ 493	\$ 485	531
Number of City Households	114,606	114,606	114,606	114,606	114,606	114,606

Debt Ratios

E. Debt Service Levy per Capita to per Capita Income

Definition: 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 ratios.

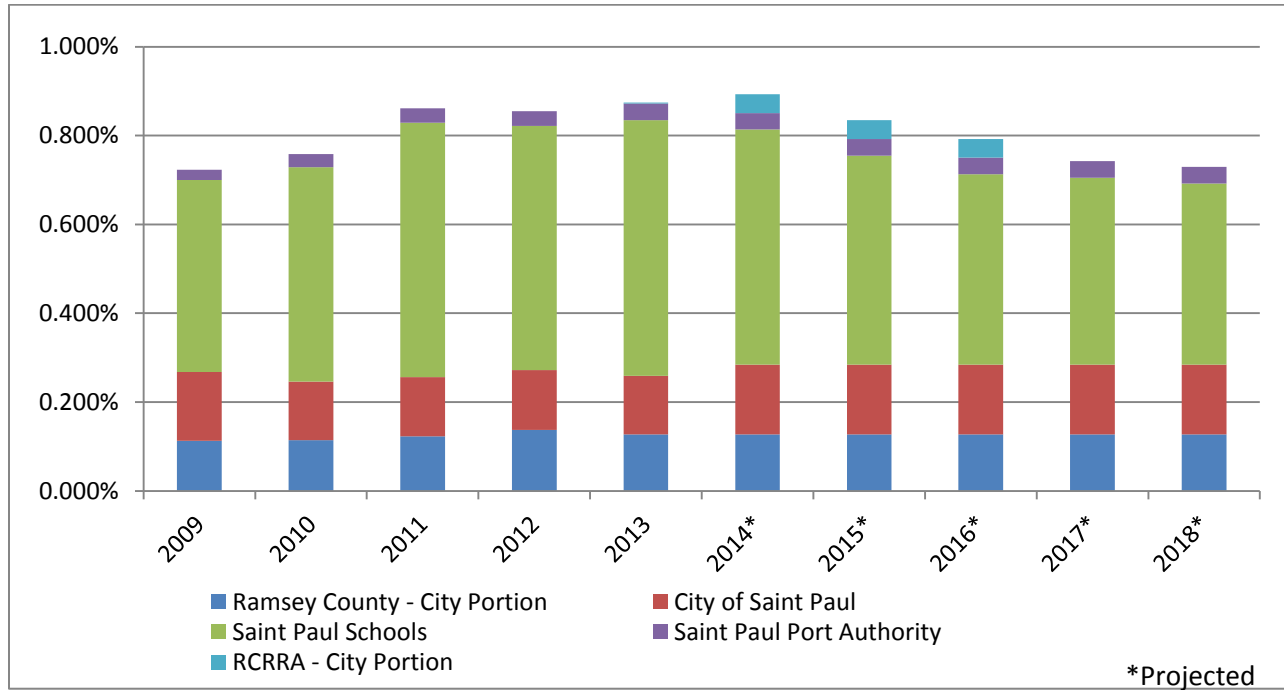
Target Range: Not to exceed 1%.

Trend: Net Debt Service Property Tax Levy per Capita to per Capita Income increased from 0.723% in 2009 to 0.875% in 2013, and the five year averages is 0.814%. For 2014 to 2018 the projected percent increases from 0.893% to 0.730%, with a five year projected average of 0.798%.

For the years 2014 through 2018, per capita income assumes no growth.

The target range is met.

E. Debt Service Levy per Capita to per Capita Income



Debt Service Tax Levy per Capita to per Capita Income	Actual					Average
	2009	2010	2011	2012	2013	
Ramsey County - City Portion	0.113%	0.114%	0.123%	0.137%	0.127%	0.123%
City of Saint Paul	0.155%	0.132%	0.134%	0.135%	0.132%	0.138%
Saint Paul Schools	0.432%	0.483%	0.573%	0.550%	0.576%	0.523%
Saint Paul Port Authority	0.023%	0.030%	0.032%	0.033%	0.037%	0.031%
RCRR - City Portion	0.000%	0.000%	0.000%	0.000%	0.002%	0.000%
Total	0.723%	0.758%	0.861%	0.855%	0.875%	0.814%
City per Capita Income	\$24,325	\$26,015	\$25,587	\$25,066	\$25,686	\$25,336
Debt Service Tax Levy per Capita to per Capita Income	Projected					Average
	2014	2015	2016	2017	2018	
Ramsey County - City Portion	0.127%	0.127%	0.127%	0.127%	0.127%	0.127%
City of Saint Paul	0.157%	0.157%	0.157%	0.157%	0.157%	0.157%
Saint Paul Schools	0.529%	0.470%	0.429%	0.421%	0.408%	0.452%
Saint Paul Port Authority	0.037%	0.037%	0.037%	0.037%	0.037%	0.037%
RCRR - City Portion	0.042%	0.042%	0.042%	0.000%	0.000%	0.025%
Total	0.893%	0.834%	0.793%	0.742%	0.730%	0.798%
City per Capita Income	\$25,686	\$25,686	\$25,686	\$25,686	\$25,686	\$25,686

Figures reported are for the years taxes are payable.

Debt Ratios

F. Debt Service Tax Levy to Total Tax Levy

Definition:

The total tax levy is comprised of an operating levy and a debt service levy. 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:

The County's ratio of debt service to total increased from 6.8% in 2009 to 7.8% in 2013. The five year average is 7.1%. For the Projected period 2014-2018 the ratio is expected to remain stable at 7.8%. The five year average is 7.8%.

The City's ratio decreased from 12.5% in 2009 to 10.1% in 2013 for a five year average of 10.7%. For the Projected period 2014-2018 the total is expected to remain stable at 12.0%. The five year average is 12.0%.

The School District's ratio increased from 28.3% in 2009 to 32.8% in 2013. The five year average is 32.8%. For the Projected period 2014-2018 the total decreases from 29.6 % to 20.1%. The five year average is 23.6%.

The Port Authority's ratio of debt service to total increased from 42.9% in 2009 to 61.1% in 2013. The five year average is 53.9%. For the Projected period 2014-2018 the total is expected to remain stable at 61.0%. The five year average is 61.0%.

The RCRRA began levying the maximum levy of \$19,939,000 annually to fund operations and capital budgets. After issuing bonds in 2012 a portion of this has been used for the repayment of debt. The ratio increased from 0.0% in 2009 to 1.8% in 2013 for a five year average of 0.5%. For the Projected period 2014-2018 the ratio is expected to decrease from 34.5% to 0.0% as the debt is repaid. The five year average is 20.7%.

Debt Ratios

F. Debt Service Tax Levy to Total Tax Levy

Net Debt Service Tax Levies

	2009	2010	Actual 2011	2012	2013	Average
Ramsey County - City Portion	\$ 7,870,103	\$ 8,463,853	\$ 8,981,328	\$ 9,832,500	\$ 9,708,300	\$ 8,971,217
City of Saint Paul	\$ 10,865,320	\$ 9,761,438	\$ 9,815,423	\$ 9,671,043	\$ 10,050,902	\$ 10,032,825
Saint Paul Schools	\$ 30,233,162	\$ 35,814,161	\$ 41,970,427	\$ 39,498,061	\$ 43,852,360	\$ 38,273,634
Saint Paul Port Authority	\$ 1,585,000	\$ 2,188,000	\$ 2,345,000	\$ 2,344,000	\$ 2,841,000	\$ 2,260,600
RCRRA - City Portion	\$ -	\$ -	\$ -	\$ 81,159	\$ 169,615	\$ 50,155
Total	50,553,585	56,227,452	63,112,178	61,426,763	66,622,177	59,588,431

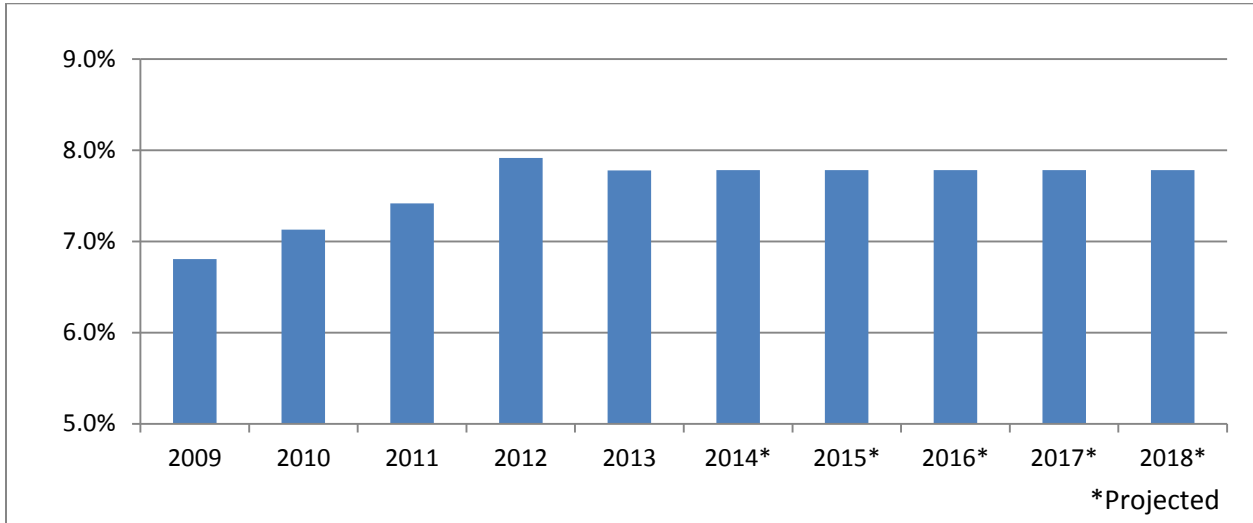
	2014	2015	Projected 2016	2017	2018	Average
Ramsey County - City Portion	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300
City of Saint Paul	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160
Saint Paul Schools	40,327,197	35,836,752	32,653,054	32,059,711	31,084,849	34,392,313
Saint Paul Port Authority	2,835,000	2,835,000	2,835,000	2,835,000	2,835,000	2,835,000
RCRRA - City Portion	3,227,681	3,228,156	3,223,051	-	-	1,935,778
Total	68,047,338	63,557,368	60,368,565	56,552,171	55,577,309	60,820,550

	2009	2010	Actual 2011	2012	2013	Average
Ramsey County - City Portion	115,633,568	118,730,201	121,063,327	124,221,573	124,822,995	\$ 120,894,333
City of Saint Paul	87,142,264	92,497,521	92,497,520	97,809,058	99,396,152	93,868,503
Saint Paul Schools	106,979,636	111,692,236	121,744,538	126,072,576	133,719,340	120,041,665
Saint Paul Port Authority	3,697,000	4,299,700	4,456,700	3,855,700	4,652,700	4,192,360
RCRRA - City Portion	9,471,025	9,471,025	9,391,269	9,471,025	9,351,391	9,431,147
Total	322,923,493	336,690,683	349,153,354	361,429,932	371,942,578	348,428,008

	2014	2015	Projected 2016	2017	2018	Average
Ramsey County - City Portion	124,720,215	124,720,215	124,720,215	124,720,215	124,720,215	\$ 124,720,215
City of Saint Paul	99,396,152	99,396,152	99,396,152	99,396,152	99,396,152	99,396,152
Saint Paul Schools	136,373,528	141,841,209	146,096,445	150,479,339	154,993,719	145,956,848
Saint Paul Port Authority	4,646,700	4,646,700	4,646,700	4,646,700	4,646,700	4,646,700
RCRRA - City Portion	9,351,391	9,351,391	9,351,391	9,351,391	9,351,391	9,351,391
Total	374,487,986	379,955,667	384,210,903	388,593,797	393,108,177	384,071,306

Debt Service Levy to Total Tax Levy

Ramsey County



Ramsey County

	2009	2010	2011	2012	2013	Average
Debt Service Tax Levies	\$ 16,568,638	\$ 17,818,638	\$ 19,068,638	\$ 20,700,000	\$ 20,700,000	\$ 17,818,638
Total Net Tax Levies	\$ 243,439,091	\$ 249,958,318	\$ 257,034,664	\$ 261,519,101	\$ 266,147,110	\$ 250,144,024
Debt Service Levy to Total	6.8%	7.1%	7.4%	7.9%	7.8%	7.1%

	Projected					Average
	2014	2015	2016	2017	2018	Average
Debt Service Tax Levies	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000
Total Net Tax Levies	\$ 265,927,964	\$ 265,927,964	\$ 265,927,964	\$ 265,927,964	\$ 265,927,964	\$ 265,927,964
Debt Service Levy to Total	7.8%	7.8%	7.8%	7.8%	7.8%	7.8%

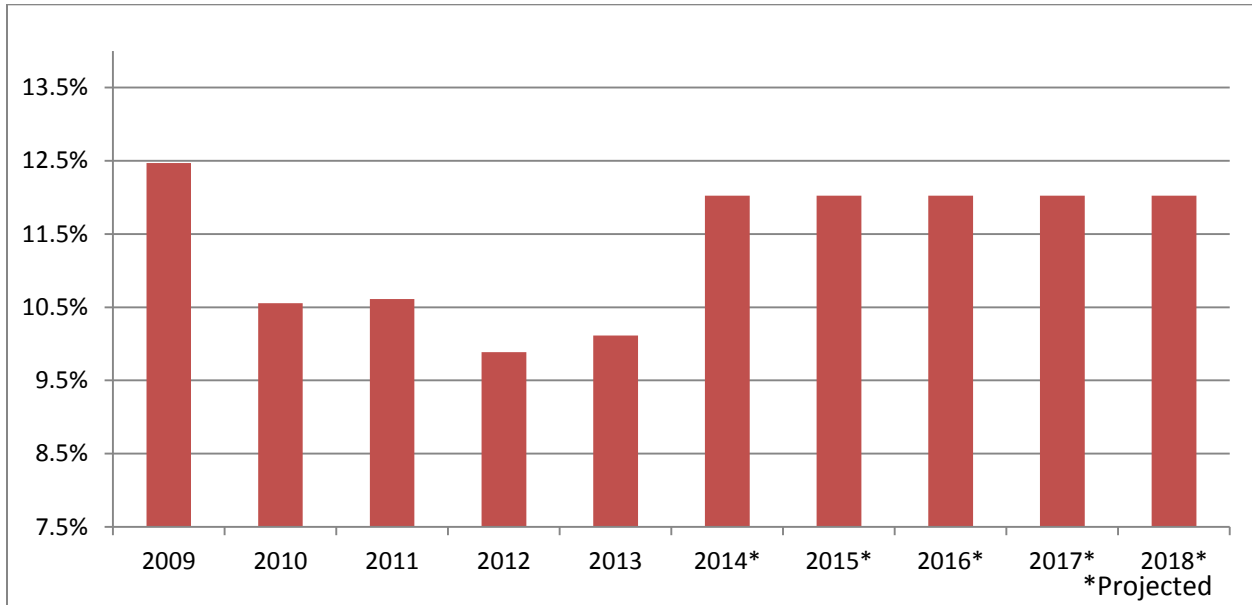
Note: The tax levy amounts shown above represent levies spread on all taxable property within Ramsey County, not just the portion attributable to the City of Saint Paul.

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.

Debt Service Levy to Total Tax Levy

City of Saint Paul



City of Saint Paul	Actual					Average
	2009	2010	2011	2012	2013	
Debt Service Tax Levies	10,865,320	9,761,438	9,815,423	9,671,043	10,050,902	10,032,825
Total Net Tax Levies	87,142,264	92,497,521	92,497,520	97,809,058	99,396,152	93,868,503
Debt Service Levy to Total	12.5%	10.6%	10.6%	9.9%	10.1%	10.7%

City of Saint Paul	Projected					Average
	2014	2015	2016	2017	2018	
Debt Service Tax Levies	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160	11,949,160
Total Net Tax Levies	99,396,152	99,396,152	99,396,152	99,396,152	99,396,152	99,396,152
Debt Service Levy to Total	12.0%	12.0%	12.0%	12.0%	12.0%	12.0%

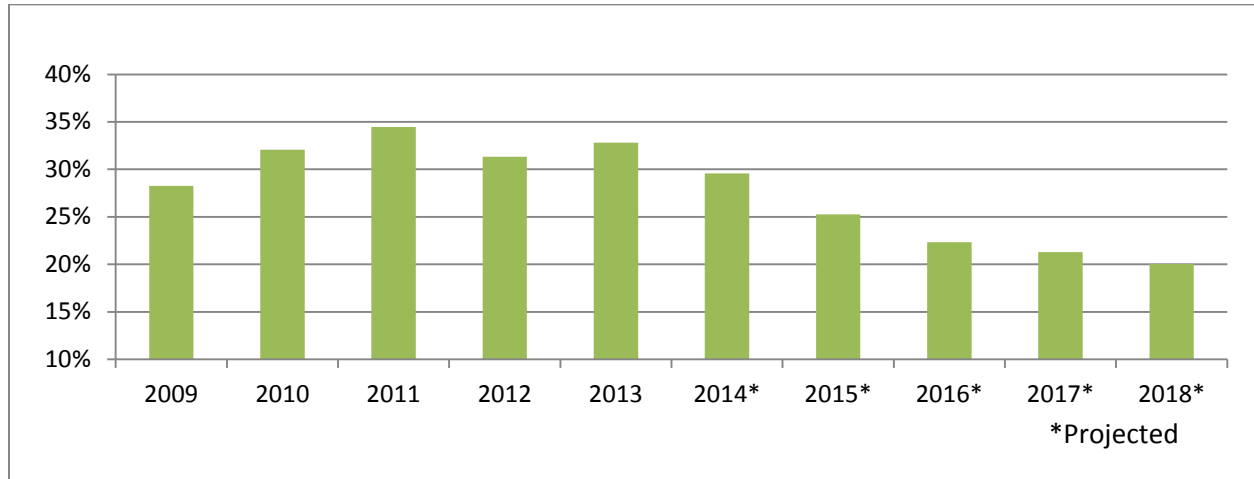
Note: Consistent with the City’s debt fund policy we are using a combination of fund balance and levy to pay net GO debt.

Beginning in 2014 the Saint Paul Public Library Agency GO debt levy was added to the City’s GO Debt Levy. In the past the Total Net Tax Levy has included the mandatory/discretionary levy imposed by the City on behalf of the Port Authority, this levy is now included in the Port Authority total on subsequent tables.

Figures reported are for the years taxes are payable.

Debt Service Levy to Total Tax Levy

Saint Paul Public Schools

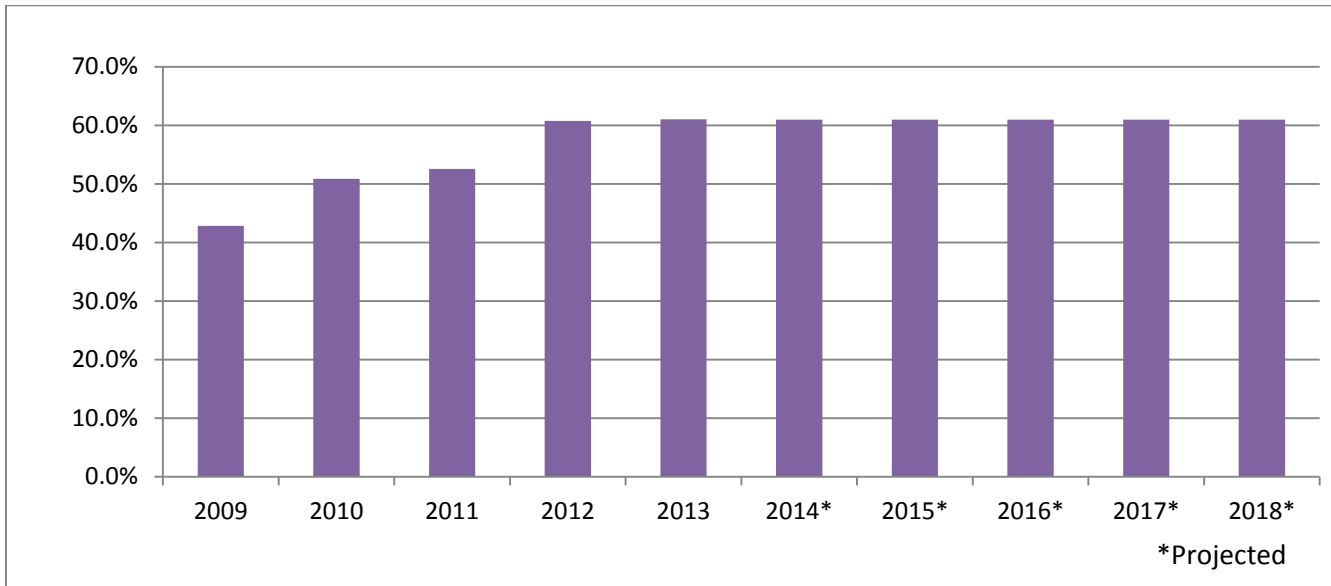


Saint Paul Schools	Actual					Average
	2009	2010	2011	2012	2013	
Debt Service Tax Levies	\$ 30,233,162	\$ 35,814,161	\$ 41,970,427	\$ 39,498,061	\$ 43,852,360	\$ 41,773,616
Total Net Tax Levies	\$ 106,979,636	\$ 111,692,236	\$ 121,744,538	\$ 126,072,576	\$ 133,719,340	\$ 127,178,818
Debt Service Levy to Total	28.3%	32.1%	34.5%	31.3%	32.8%	32.8%
Saint Paul Schools	Projected					Average
	2014	2015	2016	2017	2018	
Debt Service Tax Levies	\$ 40,327,197	\$ 35,836,752	\$ 32,653,054	\$ 32,059,711	\$ 31,084,849	34,392,313
Total Net Tax Levies	\$ 136,373,528	\$ 141,841,209	\$ 146,096,445	\$ 150,479,339	\$ 154,993,719	145,956,848
Debt Service Levy to Total	29.6%	25.3%	22.4%	21.3%	20.1%	23.6%

Note: Figures reported are for the years taxes are payable.

Debt Service Levy to Total Tax Levy

Saint Paul Port Authority



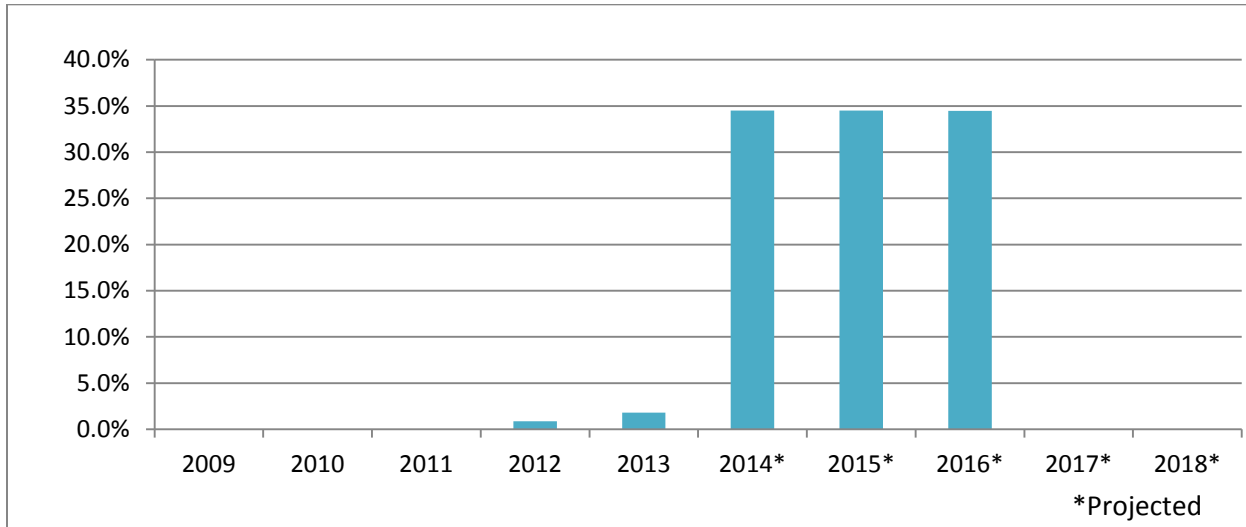
Saint Paul Port Authority	Actual					Average
	2009	2010	2011	2012	2013	
Debt Service Tax Levies	\$ 1,585,000	\$ 2,188,000	\$ 2,345,000	\$ 2,344,000	\$ 2,841,000	2,260,600
Total Net Tax Levies	\$3,697,000	\$4,299,700	\$4,456,700	\$3,855,700	\$4,652,700	4,192,360
Debt Service Levy to Total	42.9%	50.9%	52.6%	60.8%	61.1%	53.9%
	Projected					
	2014	2015	2016	2017	2018	Average
Debt Service Tax Levies	\$ 2,835,000	\$ 2,835,000	\$ 2,835,000	\$ 2,835,000	\$ 2,835,000	2,835,000
Total Net Tax Levies	\$4,646,700	\$4,646,700	\$4,646,700	\$4,646,700	\$4,646,700	4,646,700
Debt Service Levy to Total	61.0%	61.0%	61.0%	61.0%	61.0%	61.0%

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.

Debt Service Levy to Total Tax Levy

Ramsey County Regional Railroad Authority



Actual							
Ramsey County Regional Rail Authority	2009	2010	2011	2012	2013		Average
Debt Service Tax Levies	\$ -	\$ -	\$ -	\$ 170,861	\$ 361,653		106,503
Total Net Tax Levies	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000		19,939,000
D.S. Levy to Total	0.0%	0.0%	0.0%	0.9%	1.8%		0.5%

Projected							
Ramsey County Regional Rail Authority	2014	2015	2016	2017	2018		Average
Debt Service Tax Levies	\$ 6,882,048	\$ 6,883,062	\$ 6,872,177	\$ -	\$ -		4,127,457
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	34.5%	34.5%	34.5%	0.0%	0.0%		20.7%

Note: The \$19,939,000 annual levy is to fund RCRRA's operating and capital budget. Debt service is paid out of this total.

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.

The new 39,000 square-foot 402 University Building will bring together the County’s Behavioral Health Services in a facility that will provide for Detoxification, Chemical Health Assessment, Crisis Assessment and Counseling, and Civil Commitment proceedings. The building site is adjacent to the Ramsey County Law Enforcement Center, located northeast of the downtown area of the city of Saint Paul and east of Interstate I-35. The Second Judicial District Commitment Court and selected Crisis Center services within

the new building will operate on a day schedule, while the Detoxification program will operate 24 hours a day, 7 days a week. Construction on the building began in November 2010. The project was substantially completed in August 2011 and the building was occupied in September 2011.

Metro Square Office Building

The 385,000 square-foot building in downtown Saint Paul was purchased and renovated to house 600 employees for the County Attorney, Information Services, Human Resources, Correction, Property Management, Payroll and Project Remand departments. The building was completed in the summer of 2012 and all departments have moved in. The total cost of the project was \$20.7 million.

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 Courthouse, Ramsey County Government Center – East, Metro Square, the Juvenile and Family Justice Center, the Law Enforcement Center, the Public Works Facility, 90 West Plato, 911 Dispatch Center, 402 University, 5 S. Owasso Boulevard, the Correctional Facility, the Sheriff Patrol Station, the Library Facilities 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 Regional Railroad Authority (RCRRA) was formed in 1987 for the purpose of planning and providing transit services in Ramsey County. RCRRA is a political subdivision of Minnesota governed by the seven Ramsey County Commissioners. Recognizing the importance of transit for mobility and economic development, RCRRA plans, educates, coordinates, implements and funds transit options within Ramsey County. Regional Railroad Authority leadership and employees are active participants in planning and developing other transit corridors that will serve the region.



Long Range Capital Plan

Along-range capital plan was adopted by RCRRRA in 2005 that included the construction of a light rail transit corridor, the development of a multi modal transit and transportation hub, and purchase of right-of-way segments to preserve options for future transit corridors. The capital plan is reviewed annually and updated as needed.

Major Initiatives

The Central Corridor (Green Line) route between downtown Saint Paul and downtown Minneapolis is complete. Testing of the light rail vehicles and driver training along the line has begun. Economic development along the route is strong and many expected benefits are now being realized. The RCRRRA leadership and staff team led the planning effort for the Green Line before transferring responsibility for engineering, construction, and operation to the Metropolitan Council. RCRRRA committed to pay 7% of the total project cost, up to \$67 million. Payments began in 2009. In 2012 and 2013, annual payment amounts of \$11,200,000 were made. The funding commitment will be fulfilled in December 2014 with 2014 payments totaling \$13,665,617.

Construction at Union Depot is complete. The majestic historic landmark's renovation, restoration and new construction were finished in 2012, ahead of schedule and under budget. More than 2,200 skilled workers were on-site during the construction project and 2,200 off-site jobs, including architects, engineers, fabricators and truck drivers were also created. The total project cost was \$243 million, including \$105 million of RCRRRA levy. In 2012, RCRRRA borrowed \$20 million from US Bank for cash flow purposes to fund the Central Corridor obligation and Union Depot renovation costs. Interest payments began in 2012 and a final interest/principal payment will occur in 2017.

Union Depot re-opened as a multi-modal transit and transportation hub on December 8, 2012. The celebration drew well over 25,000 community members, laborers, elected officials, and former railroad employees including engineers and Red Caps.

Union Depot currently serves Metro Transit, Minnesota Valley Transit Authority, Jefferson Lines, Greyhound, megabus.com and two casino bus lines. Track for passenger rail service is in place in order to serve Amtrak. Light rail service will be available in June 2014 at the Green Line's Union Depot station near the North Plaza. Bicycle storage is available inside a retail space being held for a bicycle center. Bicyclists have access to parking options across the property, including the bus platform, to encourage multi-modal trips. Connections to two regional bike trails exist from Union Depot. Additional transportation amenities at Union Depot include four electric vehicle charging stations and preferred parking for low-emission vehicles. Occupied tenant spaces include a large restaurant, transportation provider ticket offices and traditional offices. Minor improvements continue for future office, transit, transportation and retail tenants, but the building improvements are minimal at this time.

Finally, indoor spaces provide commuters with comfortable access to buses, electronic charging, meeting spaces and free wi-fi. Visitors can enjoy picnic areas, a rail fan observation area and a wide range of public events.

With completion of the Green Line and Union Depot's renovation, RCRRRA efforts are focused on developing regional transit corridors that will connect at Union Depot. Corridors in the planning stages include: Riverview, Rush Line, Gateway, Robert Street, Red Rock and Minnesota High-Speed Rail. To keep the proposed Rush Line corridor intact, RCRRRA determined the need to purchase the segment of the former Burlington Northern Santa Fe right-of-way between Beam Avenue and north of I-694 in Maplewood, Minnesota. In 2012, the RCRRRA authorized and directed staff to negotiate a purchase

agreement with the City of Maplewood, consistent with the Board's direction. In 2013, the land in the right-of-way was purchased from the City of Maplewood for \$401,562.

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.

Saint Paul is committed to strong financial management actions. In addition to the annual adopted operating budget, the City adopts an annual Capital Improvement Budget and Program.



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

Highlights

1. Lowertown Ballpark: Construction is well under way on the City's new Regional Ballpark with an anticipated opening date in May 2015. The Ballpark will replace the existing Midway Stadium and will be the home of the St. Paul Saints Baseball team. In addition to the economic development benefits of the new ballpark in Lowertown, the Port Authority will be able to clean-up and market the old ballpark site for industrial development.

2. Ford Site Planning: The Ford plant closure was announced in 2006, with final closure occurring at the end of 2011. Demolition and environmental remediation are under way, and when completed, will provide for one of the largest redevelopment opportunities in recent history at a prime location within the Highland Park neighborhood.

3. 8-80 Vitality Fund: Based on the work of internationally renowned urban designer Gil Penalosa, this fund will allow the building of bold and vibrant places across the City with the goal of making Saint Paul an 8-80 City that works for people of all ages, from 8 to 80. Enabled by a successful refunding of the 1996 Sales Tax bonds used to finance the Civic Center, the Mayor has proposed \$40 million dollars of new Sales tax supported bonds to fund economic development projects in 2015 which include the renovation of the Palace theatre downtown, Street reconstruction city-wide, Grand rounds bike lane construction and improvements at Dickerman Park along the Central Corridor Green Line.

4. Seven Corners: The City has received two proposals in response to a Request for Proposals issued to redevelop the Seven Corners Gateway site adjacent to the Xcel Energy Center. The site is currently a parking lot and the developers were asked to embrace the City's vision of a high-density, mixed-use site with a thriving street level to complement the existing entertainment district surrounding the Xcel Area. This development is complemented by the sale and redevelopment of the nearby, former Seven Corners Ace Hardware site which was purchased by Opus Development Co. for an anticipated mixed-use project.

5. Housing Projects & Redevelopment: The City has successfully brought forward various housing projects such as the Penfield Housing lofts with a new downtown upscale grocery, Farmer's Market Lofts, and Frogtown Square subsequently encouraging new private sector investment in housing with projects such as the Schmidt Artist Lofts, Pioneer Endicott Building, Post Office and Rayette Lofts.

6. Downtown Businesses: Local downtown businesses such as US Bank, Comcast and Infor have recently renewed their leases and West Academic moving downtown marks the return of the company's presence in Saint Paul. Recent reports from the Saint Paul Building Owners & Managers Association shows that the office vacancy rate in downtown has fallen to a 5-year low.

7. Various Other projects: - Opening in May of 2014, the \$14.87 million Arlington Hills Community Center includes a new library, rec center and community gathering space anchoring the Payne-Phalen corridor which is gaining momentum with new businesses and restaurants.

- A \$14 million project to renovate the Sun Ray & Highland Libraries was included in the 2014 Capital Improvement budget and will bring these facilities up to 21st century Library standards. The \$14 million remodel is scheduled be completed and the Libraries to reopen in November of 2014.

- The former Hamm's Brewery on the East side was sitting vacant since 1997 and one half of the building was purchased by the City in 2002. In 2014 three businesses moved in, retrofitting the 150 year old building with spaces for a local craft Brewery, a new Distillery and an Aquaponics facility to efficiently raise fish and grow vegetables indoors.

Saint Paul Public Schools

With approximately 39,000 students Saint Paul Public Schools (SPPS) is Minnesota's second largest school district in the state. 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 education energy that supplements classroom lessons and helps all students and staff develop a better understanding of the world in which they live.

Student Demographics (2012-2013)

Student Enrollment

• Early Childhood Special Education	801
• Pre-Kindergarten	1,401
• Kindergarten	3,479
• Elementary (1-6)	17,427
• Secondary (7-12 and Area Learning Centers)	<u>16,155</u>
• Enrollment Grand Total	39,263

Saint Paul's students are:

- Asian American (31.4%)
- African American (29.6%)
- White American (23.7%)
- Latino/Hispanic American (13.6%)
- American Indian (1.7%)

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

• K-12 Teachers	3,221
• Principals & Other Administration	263
• Paraprofessionals	988
• Support Staff	<u>1,300</u>
• TOTAL EMPLOYEES	5,602

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-three elementary schools (K-6, K-8 or 1-8), six junior/middle schools (6-8), six 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 71 facilities and leases 3, comprising a total of 7.3 million square feet. Approximately 50 percent of the buildings owned by Saint Paul Public Schools are more than 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 2011-2012 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 through 2013. In 2014 the District will levy for the deferred maintenance projects.

Construction Projects recently completed or currently underway

- Renovation of first floor to accommodate the programming of the Supportive Experiential Education (SEED) program
- Space planning and interior renovation to create a Community Education/Early Childhood Family Education/Itinerant staff office area hub at 271 Belvidere and Homecroft
- Office Remodel and Miscellaneous Site Improvements at Saint Paul Music Academy
- Renovation and remodeling of 65 Kellogg Boulevard building and Humboldt Junior High building to accommodate the Open World Learning Community and Creative Arts High School
- Interior renovation at Galtier Magnet
- Baker Center renovation at Cherokee Heights
- Security panel improvements at various district buildings
- Various Improvements at Parkway Middle School Montessori

Deferred maintenance projects recently completed or currently underway include

- Roof replacement projects at EXPO Magnet, Groveland Park, Homecroft, Nokomis-South, Washington Technology Magnet, St. Paul Music Academy and 65 East Kellogg
- Paving replacements and repairs at Battle Creek Middle School, Linwood Monroe and St. Paul Music Academy
- Ventilation improvements at Homecroft, Harding Senior High and EXPO Magnet
- Electrical equipment replacement at 1930 Como, Hancock-Hamline and Highland Park campus
- Flooring replacements at Harding Senior High, Como Senior High, Highland Middle School, Johnson Senior High, Ramsey Junior High, Humboldt Junior High and Nokomis South

- Window replacements and glazing at Harding Senior High, Riverview, Bridgeview and Four Seasons
- Boiler Replacements at Ames Elementary, Highland Park Senior High, Humboldt Senior High and Como Elementary

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.

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. City Council consent is required prior to the issuance of general obligation bonds, or the creation of development districts.

The Port Authority has 21 business centers. A summary of several of the more recent is as follows:

	Acres	Developed	Jobs	Taxes (a)
Beacon Bluff	65	44%	315	\$730
Arlington	20	100%	560	\$700
Chatsworth	4	100%	60	\$180
Crosby Lake	27	100%	850	\$850
Energy Lane	8	100%	160	\$380
Great Northern North & South	29	100%	860	\$1,280
River Bend	22	75%	300	\$700
Westminster Junction	19	100%	800	\$2,240
Williams Hill	27	100%	440	\$870

(a) In thousands.

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

Projected Annual General Obligation Bonding Assumptions (in millions)

Ramsey County	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Regular Projects	0.000	3.500	3.500	3.500	3.500
Major Building Projects	9.500	26.950	7.500	7.500	7.500
SUBTOTAL	\$9.500	\$30.450	\$11.000	\$11.000	\$11.000
City of Saint Paul					
Property Tax Financed					
- Capital Improvement	11.000	11.000	11.000	11.000	11.000
- Street Improvement Assessment	12.500	12.500	12.500	12.500	12.500
- Public Safety Bonds	0.000	0.000	0.000	0.000	0.000
- Parks / Library Agency Bonds	7.000	0.000	0.000	0.000	0.000
SUBTOTAL	\$30.500	\$23.500	\$23.500	\$23.500	\$23.500
Saint Paul Public Schools					
Property Tax Financed					
- Deferred Maintenance	0.000	0.000	0.000	0.000	0.000
- Capital Improvement	15.000	15.000	15.000	15.000	15.000
SUBTOTAL	\$15.000	\$15.000	\$15.000	\$15.000	\$15.000
Saint Paul Port Authority					
	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	\$0.000	\$0.000	\$0.000	\$0.000	\$0.000
Ramsey County Regional Railroad Authority					
	0.000	0.000	0.000	0.000	0.000
SUBTOTAL	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
TOTAL	\$55.000	\$68.950	\$49.500	\$49.500	\$49.500

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

A. Ramsey County

The following table consists of all County general obligation debt outstanding as of December 31, 2013, 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 which financed the Lake Owasso Residence, a portion of the 2002 CIP which financed the Ponds Golf Course, a portion of the 2004 CIP that 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. All of these issues have outside revenue which is used to pay the debt. The 2000, 2002 and 2007 CIP issues have been refunded. 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
2009	152,105,000	0	152,105,000	47.500%	72,249,875
2010	156,385,000	0	156,385,000	47.500%	74,282,875
2011	157,425,000	0	157,425,000	47.100%	74,147,175
2012	161,765,000	0	161,765,000	47.500%	76,838,375
2013	177,510,000	0	177,510,000	46.900%	83,252,190
2014	164,345,000	9,500,000	173,845,000	46.900%	81,533,305
2015	159,260,000	30,450,000	189,710,000	46.900%	88,973,990
2016	172,367,000	11,000,000	183,367,000	46.900%	85,999,123
2017	167,549,000	11,000,000	178,549,000	46.900%	83,739,481
2018	162,051,000	11,000,000	173,051,000	46.900%	81,160,919

Ramsey County Regional Railroad Authority

Payable Year	Existing Railroad Net G.O. Debt	Projected New G.O. Debt	Total Railroad Net G.O. Debt	% Applicable to St. Paul	St. Paul Portion of Railroad Net G.O. Debt
2009	0	0	0	47.500%	0
2010	0	0	0	47.500%	0
2011	0	0	0	47.500%	0
2012	0	0	0	47.500%	0
2013	20,000,000	0	20,000,000	46.900%	9,380,000
2014	16,740,000	0	16,740,000	46.900%	7,851,060
2015	10,130,000	0	10,130,000	46.900%	4,750,970
2016	3,410,000	0	3,410,000	46.900%	1,599,290
2017	0	0	0	46.900%	0
2018	0	0	0	46.900%	0

Note: Projections for the percent applicable to Saint Paul in 2014 through 2018 assume a stable 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, 2013.

Ramsey County General Obligation Debt Outstanding - 12/31/2013

Issue	Principal	Debt Service Payment Source
2004 Capital Improvement Plan Series 2004D	\$ 10,485,000	Property Taxes
2005 Capital Improvement Plan Series 2005A	\$ 580,000	Property Taxes
2005 CIP Refunding Series 2005B	\$ 7,020,000	Property Taxes
2006 Capital Improvement Plan Series 2006A	\$ 3,935,000	Property Taxes
2007 Capital Improvement Plan Series 2007A	\$ 13,785,000	Property Taxes
2008 Capital Improvement Plan Series 2008A	\$ 4,220,000	Property Taxes
2009 Capital Improvement Plan Series 2009A (BAB)	\$ 4,555,000	Property Taxes
2010 CIP Refunding Series 2010A	\$ 4,835,000	Property Taxes
2010 CIP Improvement Plan Series 2010B (BAB)	\$ 6,070,000	Property Taxes
2010 CIP Improvement Plan Series 2010C (RZEDB)	\$ 7,770,000	Property Taxes
2011 Capital Improvement Plan Series 2011A	\$ 17,200,000	Property Taxes
2011 CIP Refunding Series 2011A	\$ 31,580,000	Property Taxes
2012 Capital Improvement Plan Series 2012A	\$ 17,590,000	Property Taxes
2012 CIP Refunding Series 2012B	\$ 13,185,000	Property Taxes
2013 Capital Improvement Plan 2013A	\$ 22,700,000	Property Taxes
2013 Capital Improvement Plan 2013B TCAAP	\$ 12,000,000	Property Taxes
Total Debt Recognized for JDAC Report	\$ 177,510,000	
2001 GO Notes (Pedestrian Connection)	\$ 4,912,000	
2005 CIP Refunding Series B: Lake Owasso Portion	\$ 1,900,000	
2011 CIP Refunding Series 2011B (Ponds)	\$ 1,660,000	
2012 CIP Refunding Series 2012C (State Street)	\$ 3,155,000	
2004 Mounds View ISD Lease	\$ 155,000	
2007 CIP Series 2007A (Nursing Home)	\$ 1,730,000	
Total Debt Excluded (Other Revenue Sources)	\$ 13,512,000	
Total G.O. Debt	\$ 191,022,000	

II. Table 1 (Continued)

B. City of Saint Paul

Consists of general obligation debt as of December 31, 2013

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, 2013.

City of Saint Paul General Obligation Debt Outstanding - 12/31/2013

Issue	Principal	Debt Service Payment Source
Capital Improvements	\$ 60,795,000	Property Taxes
Street Improvements	\$ 60,768,750	Property Taxes
Library Agency Bonds	\$ 13,880,000	Property Taxes
Public Safety Bonds	\$ 31,460,000	Property Taxes
Recreational Facilities	\$ 6,590,000	Property Taxes
Total Debt Recognized for JDAC Report	\$ 173,493,750	
Street Improvements (Assessments)	\$ 20,256,250	Street Assessments
DSI Note	\$ 563,917	Permit and Licence Fees
COMET	\$ 16,655,000	Departmental Surcharge
Block 39/Lawson	\$ 20,695,000	Parking Revenues
Block 39/Lawson	\$ 2,540,000	Tax Increments
Koch Mobil	\$ 2,325,000	Tax Increments
Midway Marketplace	\$ 2,010,000	Tax Increments
Riverfront Development	\$ -	Tax Increments
U.S. Bank Operations Center	\$ 10,430,000	Tax Increments
City Hall Annex Lease	\$ 1,070,481	Rent Payments
Water Loan (PFA)	\$ 933,644	Water Utility Revenues
Sewer Loan (PFA)	\$ 7,562,769	Sewer Utility Revenues
Total Debt Excluded (Other Revenue Sources)	\$ 85,042,061	
Total G.O. Debt	\$ 258,535,811	

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, 2013, 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, known 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, tuck-pointing, 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. Beginning in 2014, the District will fund its deferred maintenance with a pay-as-you-go levy, instead of issuing alternative bonds.

In February 2009, the District completed a Facilities Condition and Educational Adequacy Assessment (FCA/EAA), a comprehensive district-wide 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, 2013.

Saint Paul Public Schools General Obligation Debt Outstanding - 06/30/2013

Issue	Principal	Debt Service Payment Source
2003B School Building Bonds	\$ 520,000	Property Taxes
2003C School Building Bonds	\$ 710,000	Property Taxes
2004B School Building Bonds	\$ 2,385,000	Property Taxes
2004C School Building Bonds	\$ 5,304,590	Property Taxes
2005A School Building Bonds	\$ 3,450,000	Property Taxes
2005B Ref Bonds (99C, 00A, 00B)	\$ 30,250,000	Property Taxes
2006A School Building Bonds	\$ 4,410,000	Property Taxes
2007A School Building Bonds	\$ 21,340,000	Property Taxes
2008A School Building Bonds	\$ 22,450,000	Property Taxes
2008B Refunding Bonds (96C,99B)	\$ 3,590,000	Property Taxes
2009B School Building Bonds	\$ 8,705,000	Property Taxes
2009C Refunding Bonds (02C, 02D)	\$ 2,530,000	Property Taxes
2009D Qualified School Construction Bonds	\$ 16,115,000	Property Taxes
2010A Refunding Bonds (01B, 01C))	\$ 9,330,000	Property Taxes
2010B School Building Bonds	\$ 7,130,000	Property Taxes
2010C Qualified School Construction Bonds	\$ 18,250,000	Property Taxes
2011A School Building Bonds	\$ 25,065,000	Property Taxes
2011C Refunding Bonds (02A, 02B)	\$ 16,010,000	Property Taxes
2012A School Building Bonds	\$ 24,980,000	Property Taxes
2012B Refunding Bonds (03B, 03C, 04B)	\$ 28,355,000	Property Taxes
2013A School Building Bonds	\$ 24,485,000	Property Taxes
2012B Refunding Bonds (05A, 06A)	\$ 28,635,000	Property Taxes
1990B Certificates of Participation	\$ 717,720	Property Taxes
1993C Certificates of Participation	\$ 812,079	Property Taxes
2006B Refunding Certificate (95C COP)	\$ 5,495,000	Property Taxes
2006C Refunding Certificate (97B COP)	\$ 4,835,000	Property Taxes
2009A Refunding Certificate (99A COP)	\$ 5,610,000	Property Taxes
2011B Refunding Certificate (02E COP)	\$ 2,955,000	Property Taxes
Total Debt Recognized for JDAC Report	\$ 324,424,389	
2012B Refunding in escrow (03B, 03C, 04B)	\$ 30,650,000	
2013B Refunding in escrow (05A, 06A)	\$ 30,465,000	
State Aid 1994-1997 Alt Bonds (2004C)	\$ 3,985,410	State Aid
Total Debt Excluded (Other Revenue Sources)	\$ 65,100,410	
Total G.O. Debt	\$ 389,524,799	

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, 2013 and excludes all revenue debt.

**Port Authority of Saint Paul
General Obligation Debt Outstanding - 12/31/2013**

<u>Issue</u>	<u>Principal</u>	<u>Debt Service Payment Source</u>
2003-8 Crosby/Jackson Refunding	\$9,300,000	G.O Debt Levy
2008-6 3M Plant acquisition	\$7,065,000	G.O Debt Levy
2009-15 3M Plant Redevelopment	\$5,340,000	G.O Debt Levy
2009-16 3M Plant Redevelopment	\$2,055,000	G.O Debt Levy
2013-1 General Obligation Taxable Improvement	\$8,050,000	G.O Debt Levy
Total Debt Recognized for JDAC Report	\$ 31,810,000	
2002-4 Williams Hill Business Center	\$3,535,000	Tax Increments/G.O. Credit Enhancement
Total Debt Excluded	<u>\$ 3,535,000</u>	
Total G.O. Debt	\$ 35,345,000	

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.

**Ramsey County Regional Railroad Authority
General Obligation Debt Outstanding - 12/31/2013**

<u>Issue</u>	<u>Principal</u>	<u>Debt Service Payment Source</u>
2012A Limited Tax Obligation Note (Union Depot)	\$9,955,000	Levy
2012B Limited Tax Obligation Notes	\$7,380,000	Levy
Total Debt Recognized for JDAC Report	\$ 17,335,000	
Total G.O. Debt	\$ 17,335,000	

VIII. Economic Update for Saint Paul (May 2014)

Several factors weigh into the ability of an issuer to repay its debt. The report in large measure focuses on the amount of debt outstanding – which is in the issuers’ control. Additional factors include the local economic condition – as the local tax base ultimately pays the debt service on the bonds. However, this factor is somewhat outside the immediate control of the issuer. The final appendix provides statistic data that defines the historic, current and (when available) projected condition of Saint Paul’s local economy.

Saint Paul is characterized by its:

- Diverse, local economy
- Stable metro population
- Well-educated population
- High income levels
- Real estate and tax trends
- Unemployment rate consistently below U.S. average

The diverse local economy is evidenced by the 2013 NAICS Super Sector data.

NAICS Super-Sector	Employment	% of Total Employment by NAICS Super-Sector
Education and Health Services	59,062	35.91%
Public Administration	22,144	13.46
Professional and Business Services	20,714	12.60
Trade, Transportation and Utilities	18,800	11.43
Financial Activities	14,838	9.02
Leisure and Hospitality	14,617	8.89
Manufacturing	7,710	4.69
Other Services	6,579	4.00
Total	164,464	100.00%

(a) 2013 second quarter data; most recent information available.

(b) State and Federal data confidentiality restrictions preclude the release of information that, directly or indirectly, can be attributed to a specific employer.

Source: Minnesota Department of Employment and Economic Development, <http://www.positivelyminnesota.com>.

Saint Paul benefits from its diverse private employers as well as its strong government and non-profit presence.

Private Employers in the City

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
3M Company	Industrial and consumer products	11,000
Securian Financial Group	Insurance and annuities	2,489
Ecolab Inc.	Chemical products and cleaning systems	2,485
The Traveler's Companies, Inc.	Insurance	2,200
U.S. Bancorp	Financial Services	2,000
Marsden	Janitorial services	1,545 ^(a)
Abbey Care Inc.	Home health care services	1,100
Merrill Corp.	Management consulting	820
Green Tree Servicing LLC	Mortgage Lending Services	715
RockTenn Recycling	Recycled paper products	700 ^(b)
Canadian Pacific Railway	Transportation	690 ^(a)
People Incorporated	Mental Health Services	631
Infor, formerly Lawson Software	Computer consulting/software development	575
Hubbard Broadcasting	Television station	500

Non-Profit and Government Employers in the City

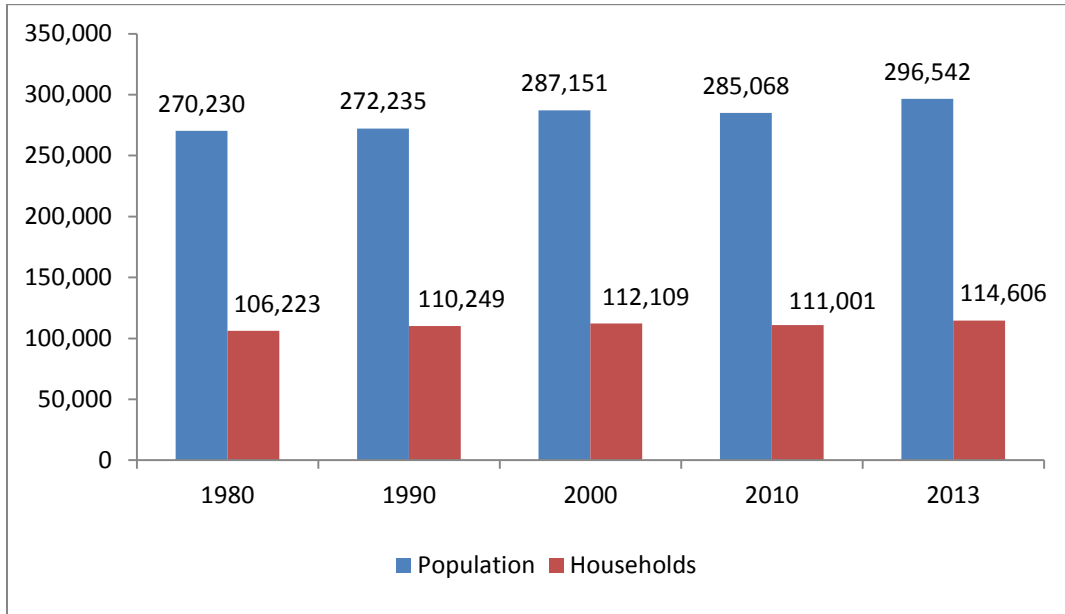
<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Employment</u>
University of Minnesota	Post-secondary education	22,929 ^(a)
State of Minnesota	State government	15,427 ^(a)
HealthEast	Health care	4,323
Independent School District No. 625	Public education	6,255
Regions Hospital	Health care	4,442
Ramsey County	County government	4,297 ^(a)
United Hospital	Health care	3,400
City of Saint Paul	City government	2,868 ^{(a)(c)}
University of St. Thomas	Post-secondary education	1,991 ^(a)
Children's Hospital and Clinics of Minnesota	Health care	1,376
Science Museum of Minnesota	Museum	612

^(a) Includes full- and part-time employees.

^(b) Includes employees throughout the State of Minnesota.

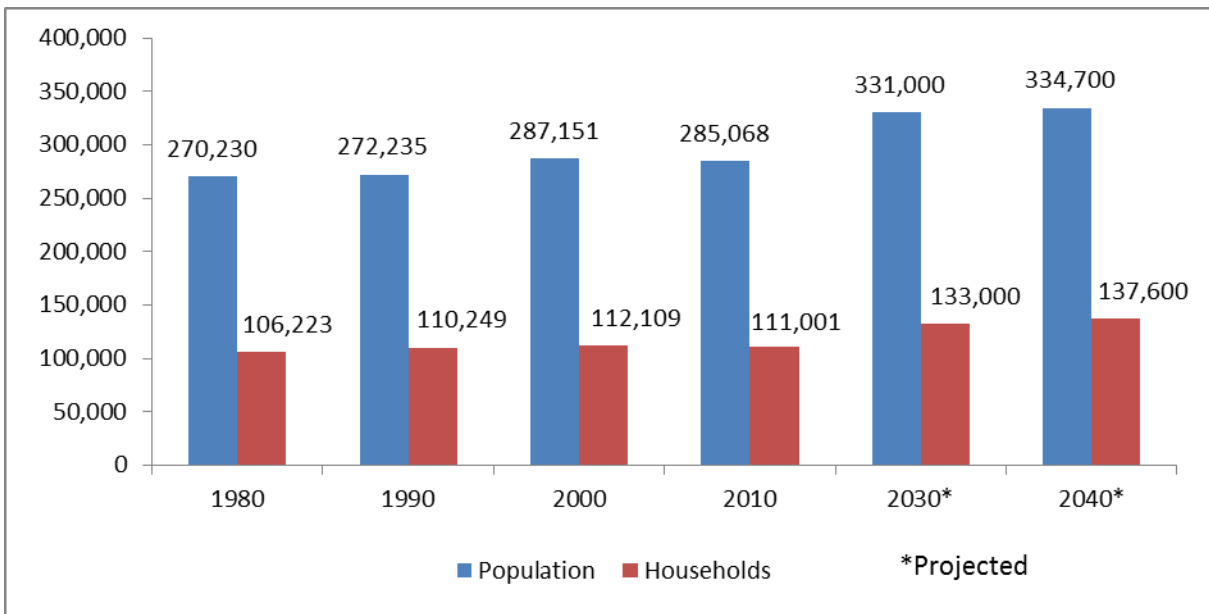
^(c) Includes 993 sworn police and fire employees.

Saint Paul has grown since 1980, with stable growth in both population as well as households.



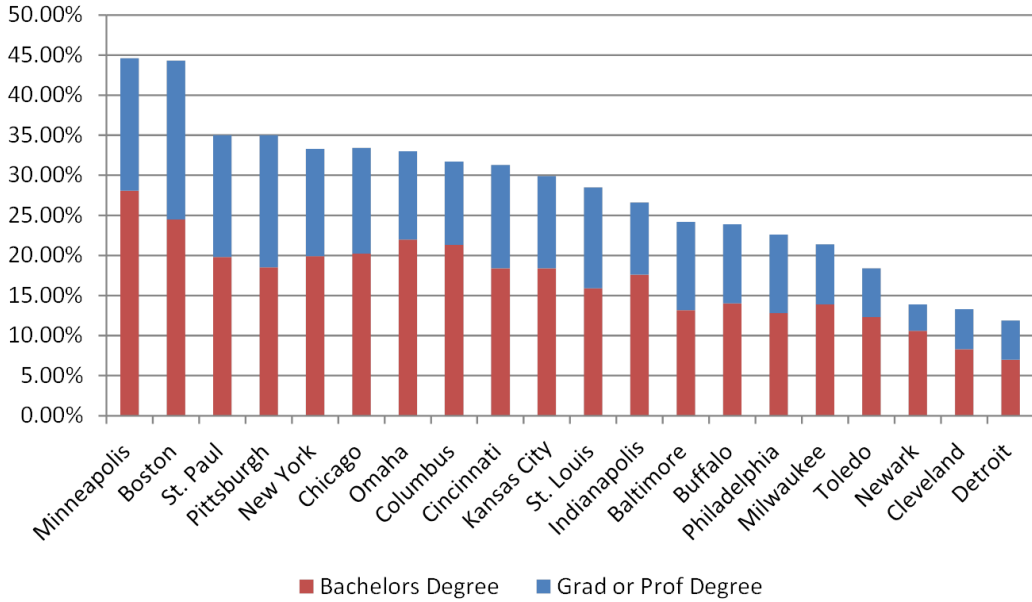
Source: US Census data 1980, 1990, 2000, 2010, Metropolitan Council estimates for 2013

The Metropolitan Council projects steady and manageable population growth for Saint Paul through 2040, typical for a fully mature City.



Source: Metropolitan Council "Thrive MSP 2040" Projections

Saint Paul has a well educated population compared to its peer group, positioning the City and the Twin Cities region for future economic strength, as well as research and development initiatives.



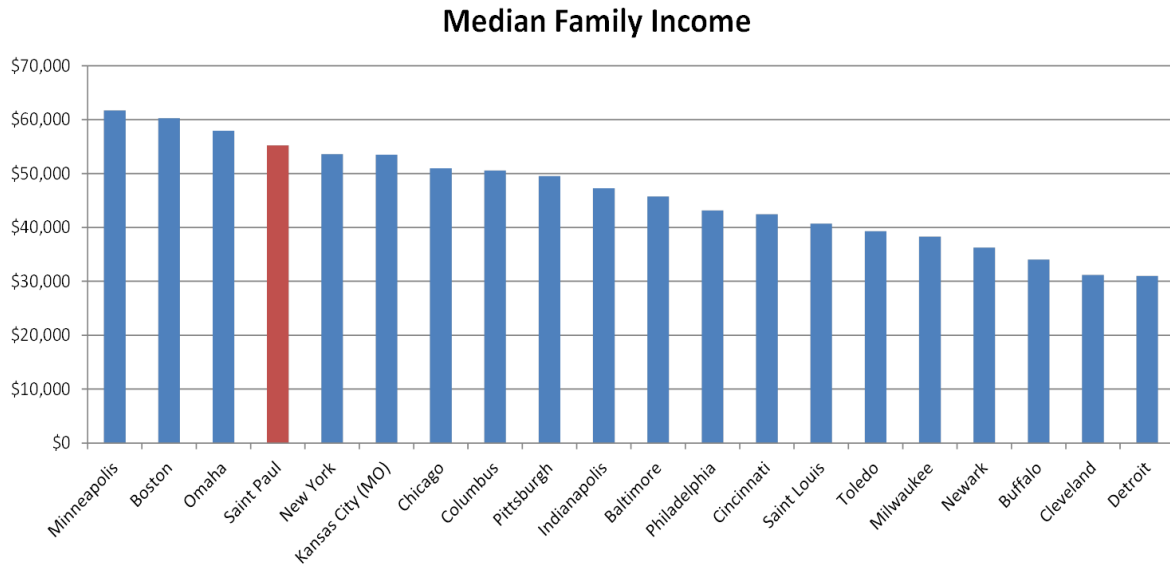
The number of colleges and universities within the City and surrounding area ensure a source of well-educated employees for local employers.

<u>College/University</u>	<u>Fall 2012 Enrollment^(a) (Head Count)</u>
University of Minnesota (metro campuses)	51,853
University of St. Thomas ^(b)	10,316
Metropolitan State University	8,527
Saint Paul College	6,746
St. Catherine University ^(b)	5,074
Hamline University	4,683
Concordia University	2,969
Macalester College	2,070
William Mitchell College of Law	927
Luther Seminary	764
College of Visual Arts	179

(a) Includes full- and part-time students. Latest information available.

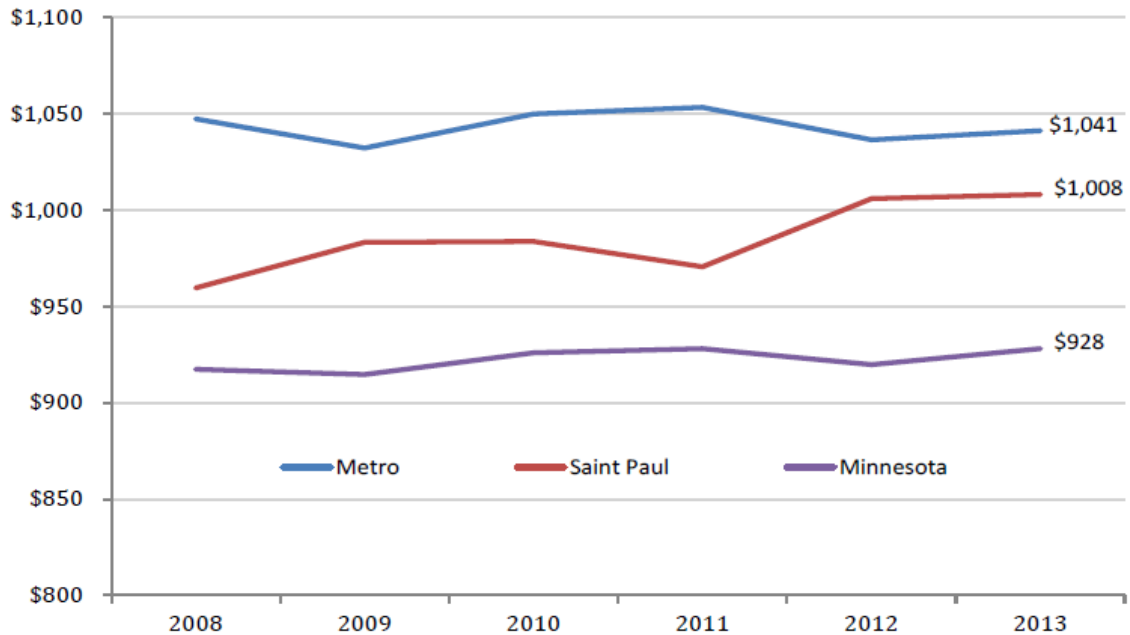
(b) Includes both Minneapolis and Saint Paul campuses. The main campuses for both the University of St. Thomas and St. Catherine University are located in Saint Paul.

Compared to our peer group, the Twin Cities, and Saint Paul has strong wealth indices.



Source: US Census Data 2012 American Community Survey

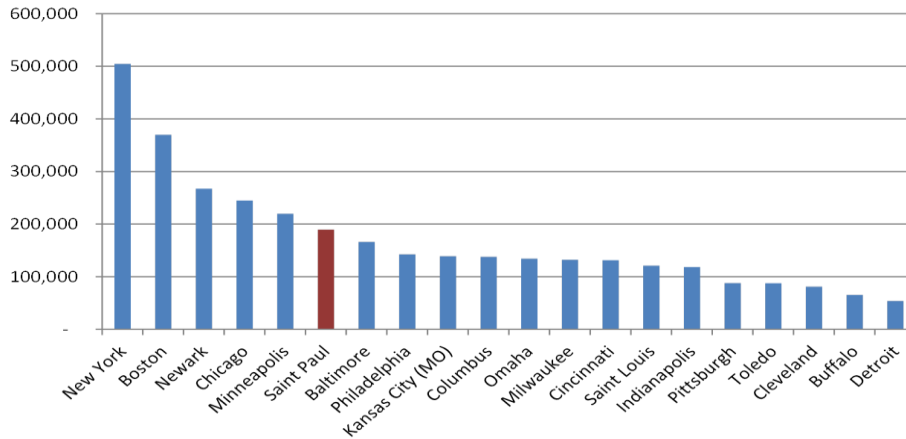
Average weekly wages in the City, which fall between those of the larger Metropolitan area and the State, have been steadily increasing since 2011, outpacing the growth in the Metro area.



Source: City of Saint Paul PED "Saint Paul Market Watch" report Spring 2014

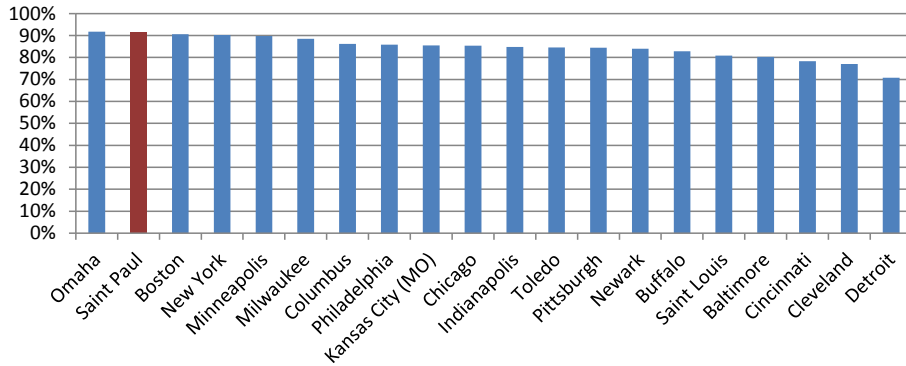
Despite our higher wealth indices, Saint Paul remains relatively affordable as evidenced by our median value of owner-occupied housing units.

Owner-occupied units, median value



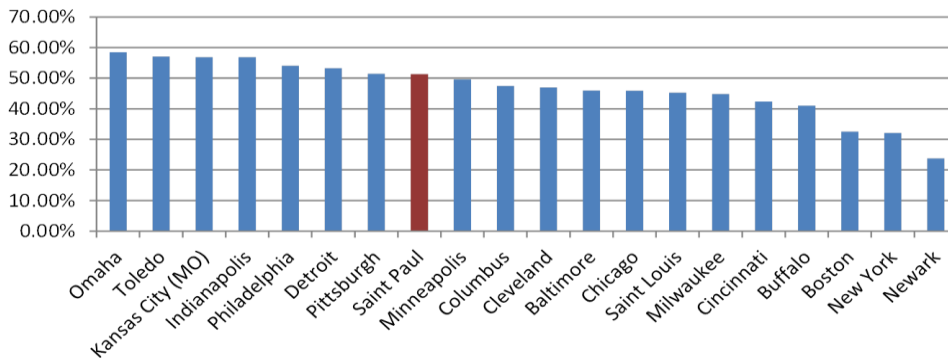
While vacant housing threatens many communities nationally, Saint Paul fares very well compared to our peer group, topping 90%.

Percent of occupied housing units



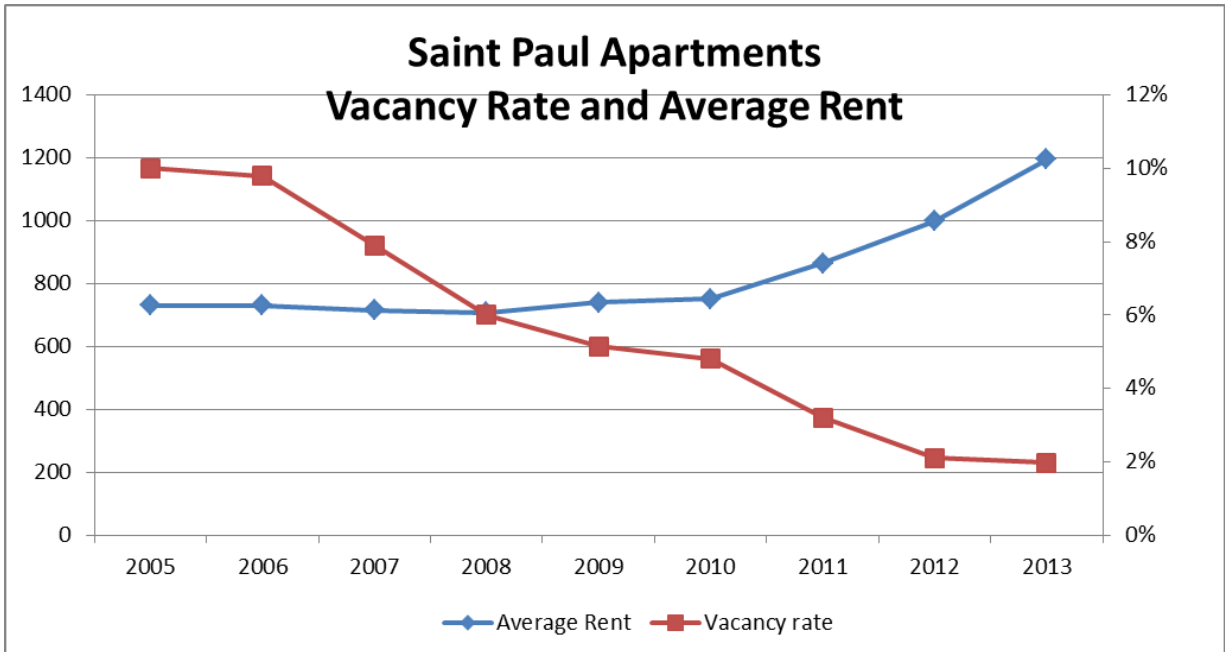
Additionally, Saint Paul's housing stock represents an average mix of owner-occupied and rental units.

Percent of owner-occupied housing units



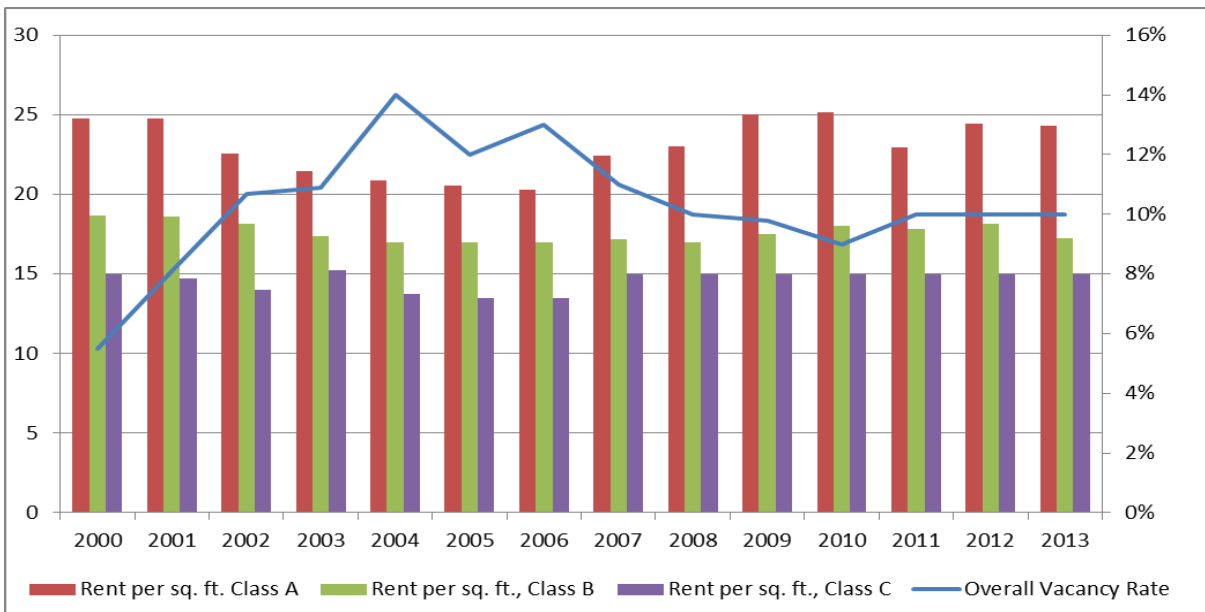
Source: US Census Data 2012 American Community Survey

Similar to national trends, apartment vacancy rates have decreased, while rents have increased.



Source: Marquette Advisors "Apartment Trends" Report

Office rents have proven resilient during the economic recession, while vacancy rates have been relatively stable.

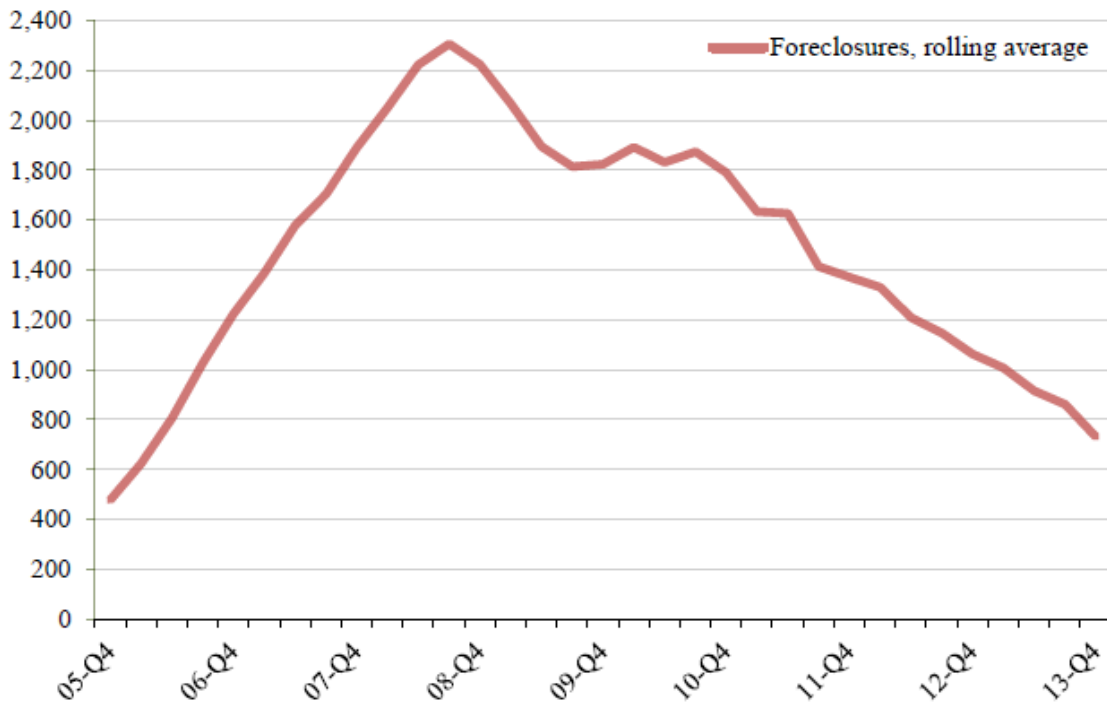


Source: Greater Saint Paul Building Owners and Managers Association "2013 Market Report"

The challenges in the national housing market have not left Saint Paul untouched. Following years of strong housing value appreciation, median values for homes in Saint Paul declined every year since 2008. Values began to stabilize in 2013 and 2014 assessed values have rebounded significantly, highlighting the strength of the housing market in the City.

Median Assessed		
Year	Value	% Change
2005	184,500	-
2006	198,500	7.6%
2007	199,500	0.5%
2008	184,300	-7.6%
2009	168,100	-8.8%
2010	155,500	-7.5%
2011	149,300	-4.0%
2012	133,700	-10.4%
2013	130,500	-2.4%
2014	145,000	11.1%

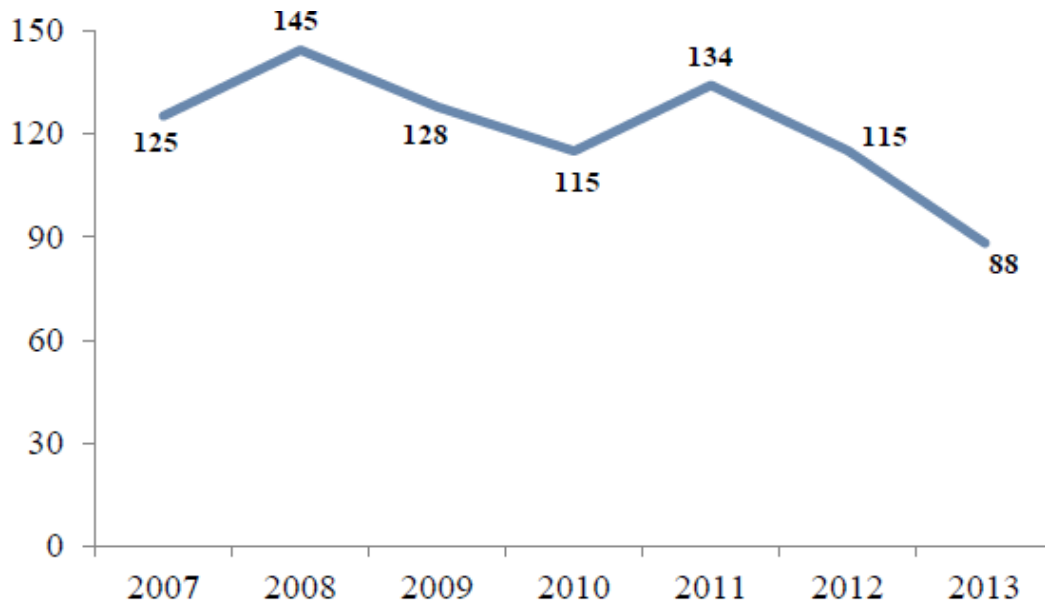
Encouraging signs can be seen in the real estate market as foreclosures have declined significantly from their 2008 peak.



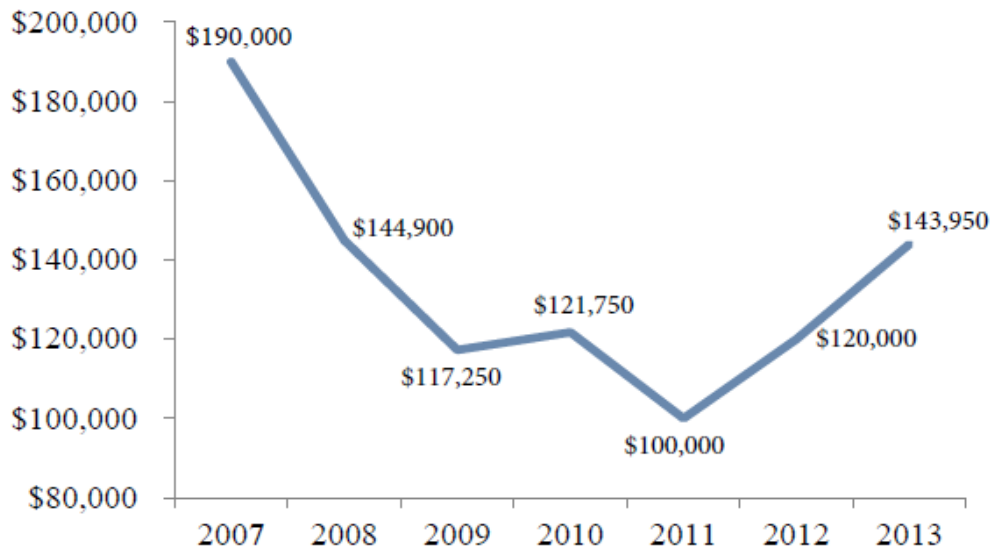
**The "rolling annual average" trendline is included to put quarterly fluctuations in the foreclosure tally in context with long-term trends.*

Sources: Ramsey County Sheriff's Office. Graph includes data through 13-Q2; Saint Paul Department of Safety and Inspections, data compiled by PED.

Homes are selling more quickly as shown by the number of days on the market,

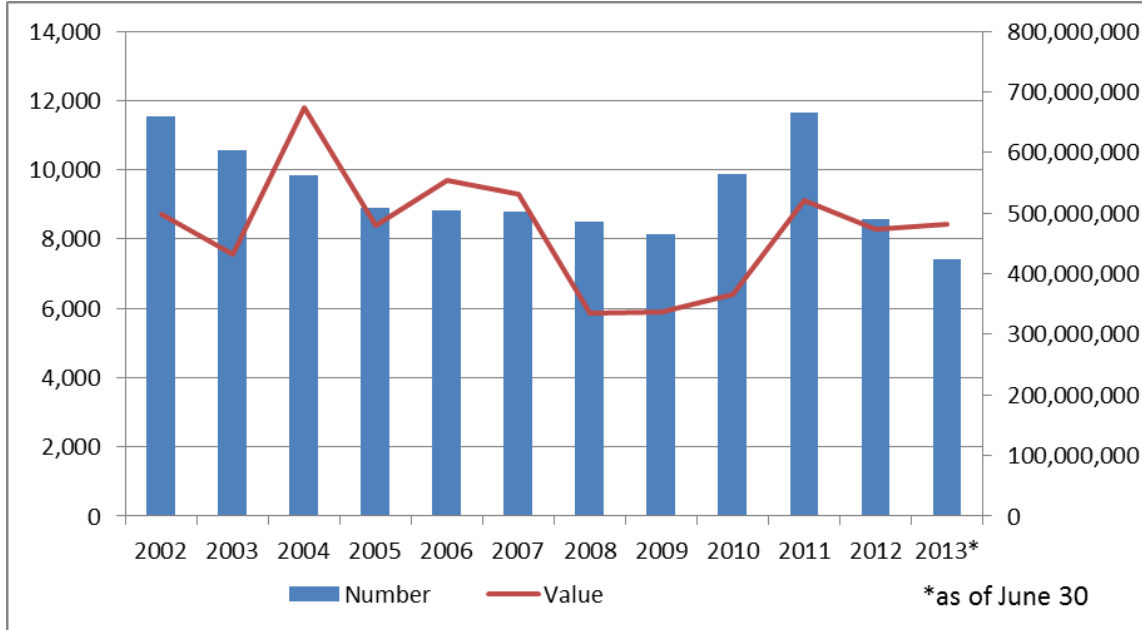


and at higher prices as shown by the median sales price data.



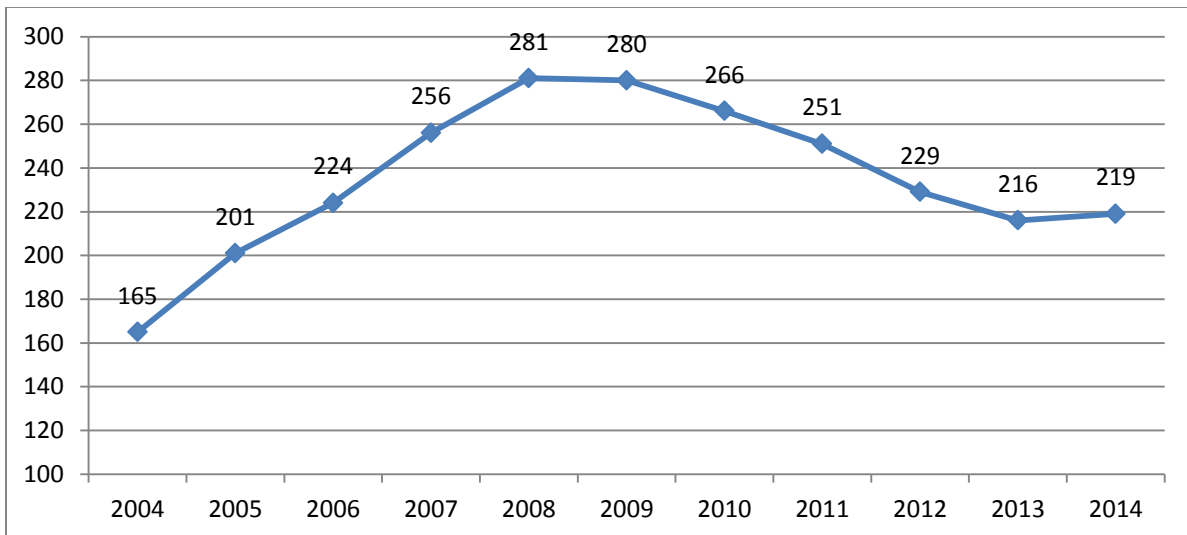
Source: MLS data from the Minneapolis Area Association of Realtors and 10K Research.

In addition to valuation declines, the national housing crisis also resulted in a slowing in the number and valuation of permits. In the City, the number of permits peaked in 2002, with permit value and number bottoming out in 2009. Since then, permit growth has stabilized and is projected to increase in 2013.



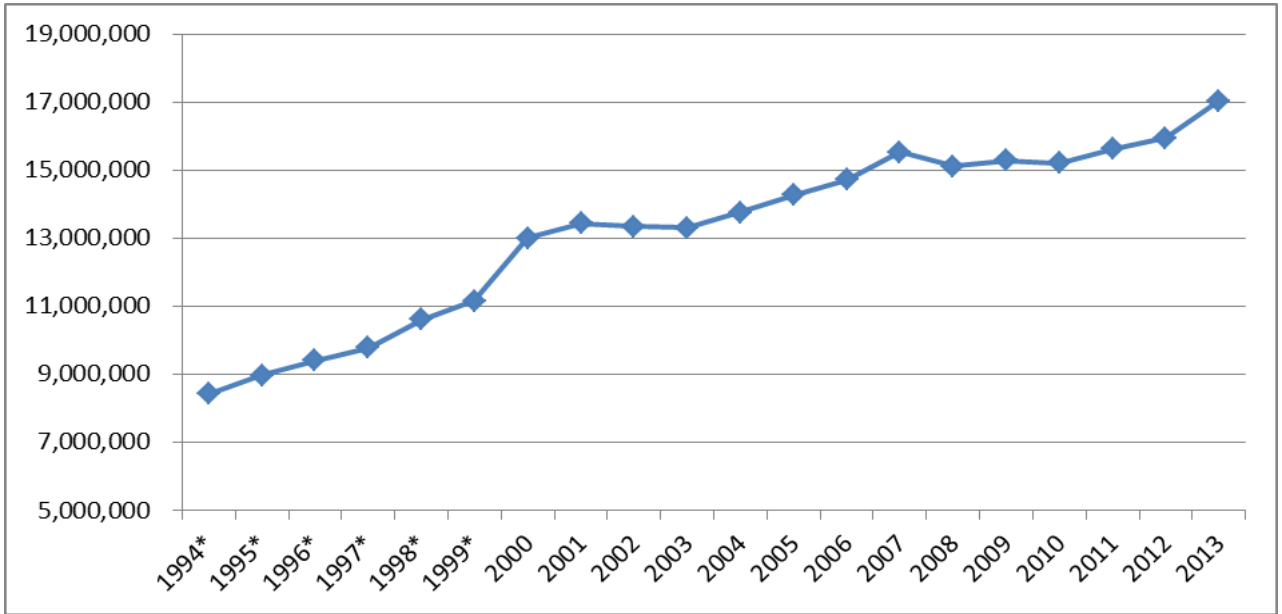
Source: City of Saint Paul Department of Safety and Inspections

Overall, the City’s overall tax base (noted below in billions) had declined as a result of the national economic recession and subsequent housing depreciation, similar to most regions of the country. Improving real estate metrics are an encouraging sign and with values on the rise, the City’s tax base appears to have stabilized with an increase for taxes payable in 2014.



Source: Ramsey County Assessor

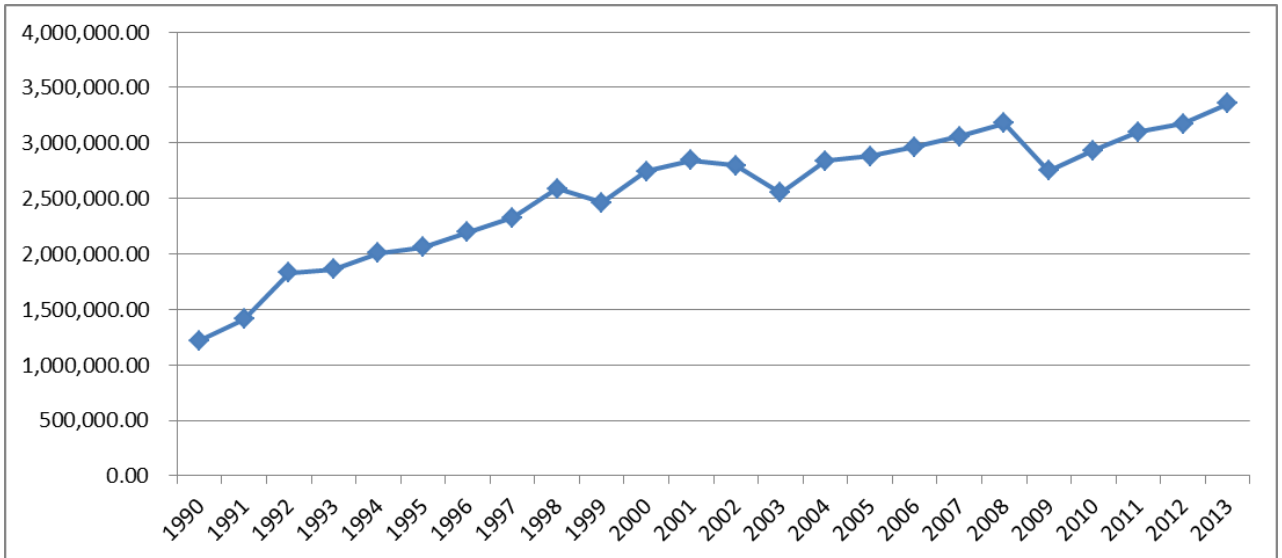
Another sign of economic recovery and the strength of the local economy, Saint Paul's Sales and Use Tax receipts have grown significantly, despite the national economic downturn,



*Collections prior to 2000 do not include Use Tax

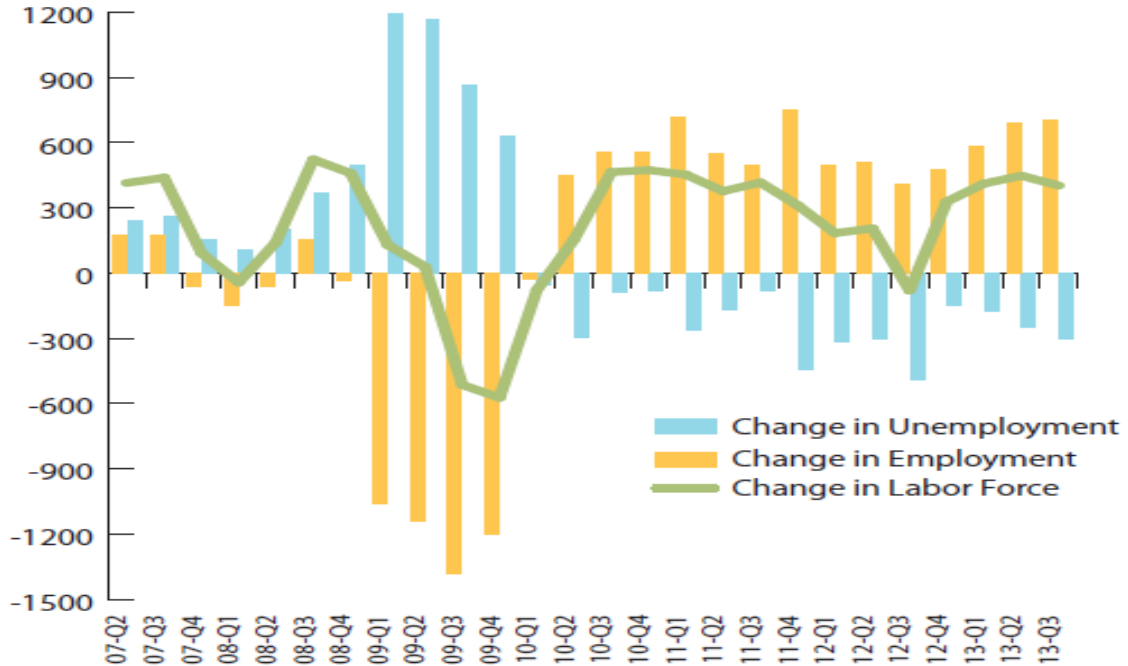
Source: City of Saint Paul

as has the city's Hotel and Motel tax receipts.



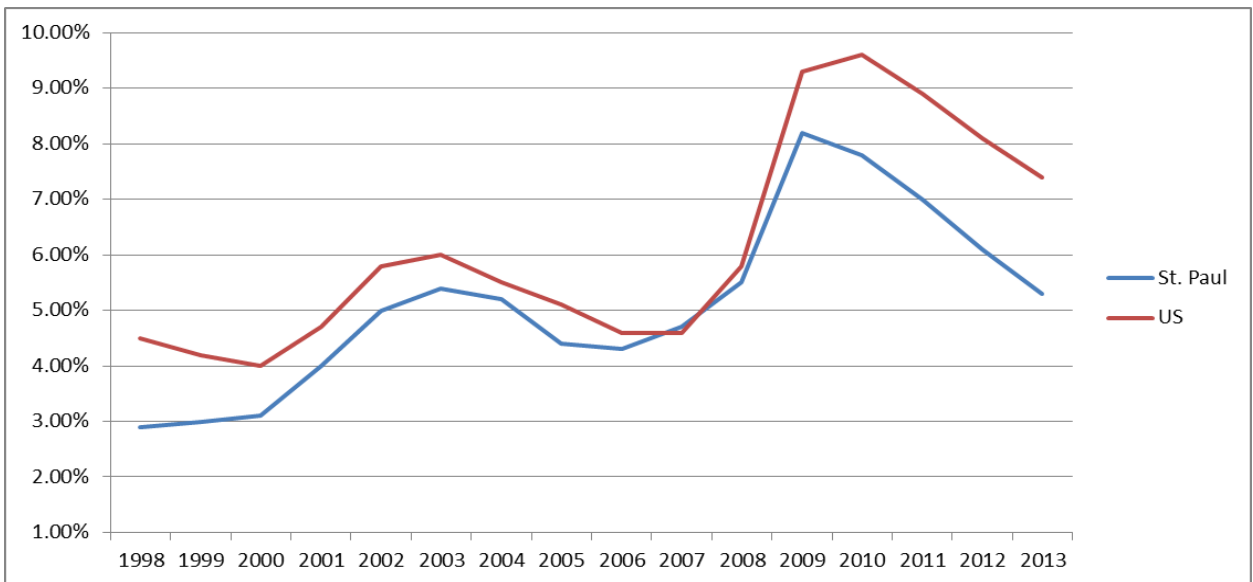
Source: City of Saint Paul

A final indicator of Saint Paul's economic condition is unemployment in the City. As shown below, trends in Saint Paul employment, unemployment and labor force data display encouraging progress in the ongoing recovery from the economic downturn, with 14 straight months of growth in employment and declining unemployment rates.



Source: City of Saint Paul PED "Saint Paul Market Watch" report Fall 2013

Saint Paul's unemployment history also compares very favorably to national averages both recently and in the long term, evidencing the City's economic diversity.



Source: MN Department of Employment & Economic Development Local Area Unemployment Statistics

IX. Other Acknowledgments

Professional Staff

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Chris Samuel, Property Records and Revenue

Stephen Baker, Assessor

Saint Paul Public Schools

Marie Schrul, Controller

Melanie Spellerberg, Accountant

Raydenne Hagan

Saint Paul Port Authority

Laurie Hansen, Chief Financial Officer

Bruce Kessel, Controller