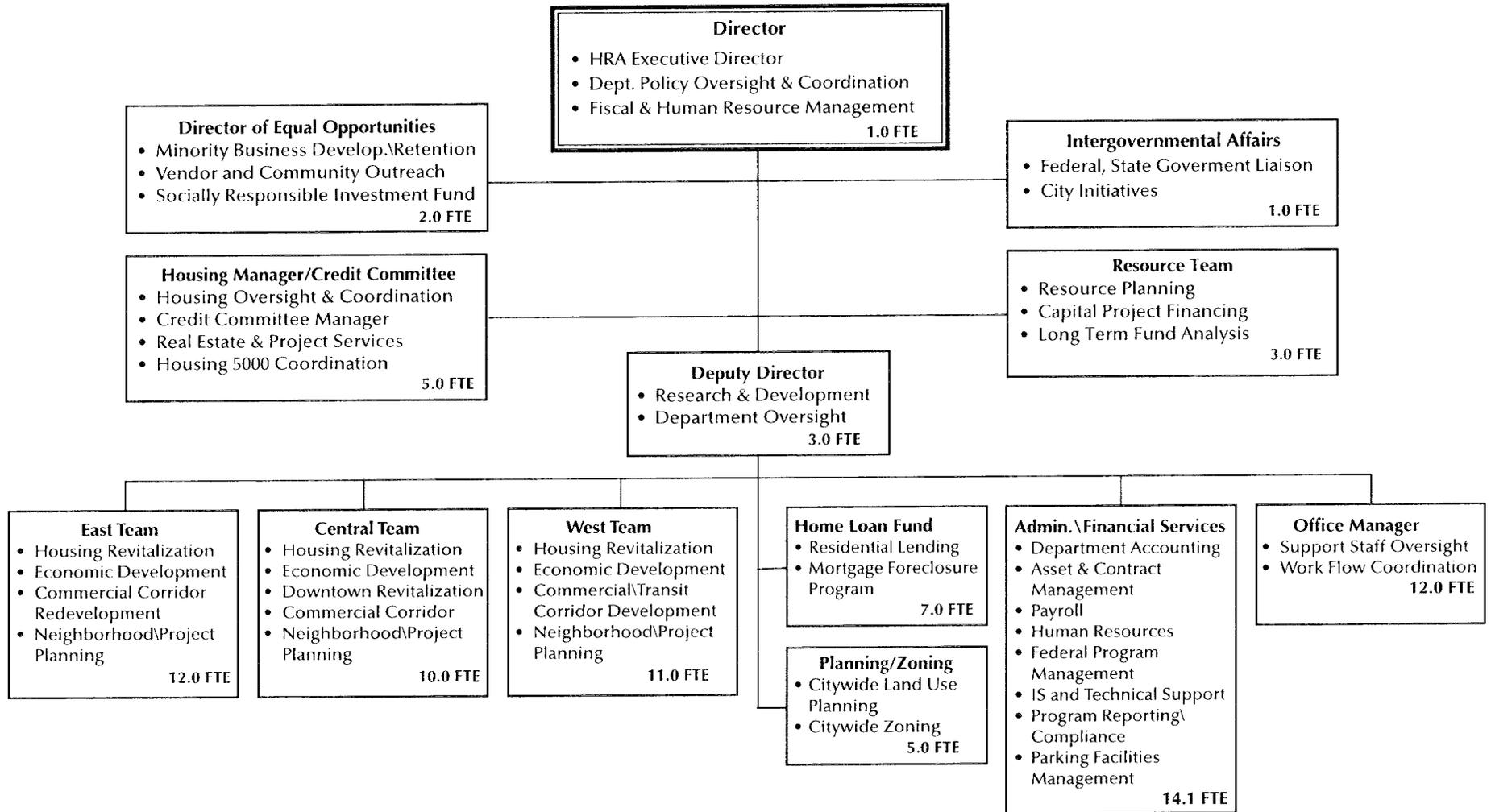


Planning and Economic Development

In partnership with our community, promote investment and increase value in Saint Paul's housing and economic development initiatives.



(Total 86.1 FTEs)

About the Department of Planning and Economic Development

What We Do (Description of Services)

- PED's mission is to stimulate job creation and promote investment that maintains and expands Saint Paul's tax base. This is accomplished through the production of new housing, and strategic commercial and economic development initiatives. Through careful planning, and building on past accomplishments, PED will successfully define and implement its future vision.
- PED staff provide sound administration, oversight, coordination, and fiscal management of more than \$164 million dollars, including over \$85 million in annual expenditures.
- PED administers a combined City/HRA loan portfolio in excess of 1,300 loans, with a value of \$79 million dollars.
- PED's annual operations budget is financed solely with non-general funds, and PED receives no general fund tax levy support.
- Staff manage more than 200 agreements with community organizations that provide neighborhood input and involvement, housing revitalization, economic development, and crime prevention initiatives.
- The Minority Business Expansion and Retention Program and Vendor Outreach Program provide opportunities for both new start-up businesses and under-represented businesses to become active and successful in participating in city contracting opportunities.

Statistical Profile

- PED administers more than \$80 million annually in Federal, State, Local funds. The 2005 operating budget is \$8.9 million, with 92.2 FTE.
- PED receives no general fund tax levy support.
- PED employees serve as both City and Saint Paul HRA staff.
- PED initiates over 200 funding agreements annually, including housing, economic development, public services.
- PED's loan portfolio numbers 1,300; valued at \$79+ million.

2004-2005 Accomplishments

- By year's end, PED anticipates the completion of the Housing 5000 Initiative; providing 5,000 new housing units in less than 4 years, with at least 20% of units affordable in accordance with the program goals. In addition to Housing 5000 new housing production, PED will participate in the rehabilitation, preservation, home purchase and mortgage foreclosure prevention of approximately 1,000 housing units.
- PED staff are working with the City of Saint Paul/Ramsey County Homeless Advisory Board, and will prepare a Homeless Plan by September 2005.
- Continued success of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships will increase technical and financial resources for women, minorities, and small businesses. PED has set a goal of at least 15% participation in department projects.
- Established Gander Mountain's new corporate headquarters in downtown Saint Paul, bringing 230 good paying jobs, with the potential of an additional 160 employees as part of a future expansion. Enabled Saint Paul Radiology to remain in Saint Paul, retaining 120 jobs and generating \$3.2 million in capital improvements.
- The Business Retention, Expansion and Recruitment program has begun an aggressive campaign, with an annual goal of making 2,500 personal calls to area businesses in conjunction with the Mainstreet and Commercial Corridor efforts.
- PED provides coordination, oversight and management of the City's Federal Department of Housing and Urban Development programs. Recent completion and approval of HUD's 5-Year Consolidated Plan will provide the City of Saint Paul with \$14.3 million in 2005 for housing, economic development, job creation, public improvements, and public service activities, principally for low and moderate income persons.

Planning and Economic Development Key Performance Measures

Performance Objective: Produce and preserve 1,600 units of housing through new construction and rehabilitation, including supportive housing to end long term homelessness with 30% of the units affordable at 50% of the area median income.

Performance Indicator: Verification of creation of housing units

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New and Substantially rehabilitated housing units	1,829	1,804	1,600	1,600

Performance Objective: Complete 21 significant planning projects in 2006

Performance Indicator: Plans/projects will be completed by staff, and have been forwarded to the Planning Commission and/or the Mayor and City Council for review and approval.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Completion of significant planning documents.	17	22	21	21

Performance Objective: Increase covered employment in the city by at least 2,000 jobs.

Performance Indicator: Review of state job creation and employment data

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
New covered employment in Saint Paul			2,000	2,000

Performance Objective: Complete 2,500 Business Retention, Expansion, and Recruitment Calls

Performance Indicator: Conduct and complete 2,500 business surveys annually along Mainstreet and significant business corridors

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Staff will make 2,500 BRE calls			1,000	2,500

Performance Objective: Award at least 15% of the total development costs of department projects to MBE, WBE, and SBE companies.

Performance Indicator: Department contract awards represent at least 15% of the total costs to MBE, WBE, and SBE companies.

MEASURES:	2003 Actual	2004 Actual	2005 Estimated	2006 Projected
Award 15% of Total Development Cost to MBE, WBE, and SBE companies			15% Award	15% Award
Assistance to Start Up Businesses			100	120
Provision of technical services to minority, women and small businesses			200	300
Financial Assistance to MBE, WBE, SBE			10	20

Planning & Economic Development

Department/Office Director: **SUSAN E KIMBERLY**

	2003 2nd Prior Exp. & Enc.	2004 Last Year Exp. & Enc.	2005 Adopted	2006 Mayor's Proposed	2006 Council Adopted	Change from Mayor's Proposed	2005 Adopted
<u>Spending By Unit</u>							
001 GENERAL FUND	793,278	84,357	109,083				-109,083
100 COMMUNITY DEVELOPMENT BLOCK GRANT	8,688,961	6,703,286	11,854,000	11,350,000	11,350,000		-504,000
101 NEIGHBORHOOD REVITALIZATION PROG	1,039,264	1,483,278					
108 SECTION 108 PROGRAMS	3,409						
126 PED OPERATIONS FUND	7,957,764	7,690,463	8,975,468	8,771,419	8,771,419		-204,049
133 HOUSING INFO OFFICE - PED	9	-9					
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	7,422,720	3,896,282					
Total Spending by Unit	25,905,405	19,857,657	20,938,551	20,121,419	20,121,419	0	-817,132
<u>Spending By Major Object</u>							
SALARIES	5,209,044	4,940,833	5,636,051	5,426,913	5,426,913		-209,138
SERVICES	4,874,106	4,445,372	1,480,176	1,428,354	1,489,473	61,119	9,297
MATERIALS AND SUPPLIES	37,523	42,633	79,470	75,411	75,411		-4,059
EMPLOYER FRINGE BENEFITS	1,727,314	1,609,434	1,736,754	1,729,322	1,668,203	-61,119	-68,551
MISC TRANSFER CONTINGENCY ETC	14,029,244	8,811,940	11,991,100	11,446,419	11,446,419		-544,681
DEBT							
STREET SEWER BRIDGE ETC IMPROVEMENT							
EQUIPMENT LAND AND BUILDINGS	28,174	7,445	15,000	15,000	15,000		
Total Spending by Object	25,905,405	19,857,657	20,938,551	20,121,419	20,121,419	0	-817,132
Percent Change from Previous Year		-23.3%	5.4%	-3.9%	0.0%	0.0%	-3.9%
<u>Financing By Major Object</u>							
GENERAL FUND	793,278	84,357	109,083				-109,083
SPECIAL FUND							
TAXES							
LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	7,012,197	7,189,907	9,854,000	9,350,000	9,350,000		-504,000
FEES, SALES AND SERVICES	8,104,585	8,089,428	8,975,468	8,726,768	8,726,768		-248,700
ENTERPRISE AND UTILITY REVENUES	44,245	28,200	2,000,000	2,000,000	2,000,000		
MISCELLANEOUS REVENUE	1,783,367	561,493					
TRANSFERS	7,841,494	5,618,669					
FUND BALANCES				44,651	44,651		44,651
Total Financing by Object	25,579,166	21,572,054	20,938,551	20,121,419	20,121,419	0	-817,132
Percent Change from Previous Year		-15.7%	-2.9%	-3.9%	0.0%	0.0%	-3.9%

2006 Budget Plan

2006 Priorities

- FY2006 will be an extremely challenging year for PED. Shrinking financial resources and increased needs continue to be a reality. Assessing economic impact and targeting resources will be paramount. The creation of new partnerships, maintaining current revenue streams, and cultivating new financial opportunities are clearly goals for 2006. PED staff welcome the challenge.
- Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
- Produce and preserve 1,600 units of housing through new construction and rehabilitation including supportive housing to end long term homelessness with 30% of the units affordable @ 50% of the area median income (AMI).
- Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities. In the Mainstreet Program Corridors, complete 2,500 Business Retention, Expansion and Recruitment calls.
- Continue and expand the efforts of the Minority Business Development and Retention Program, Vendor Outreach and Small Business Expansion Programs. Provide the following services to MBE, WBE and SBE businesses: Assist 120 start up businesses; provide technical and support services to 300 businesses; provide business loans to twenty businesses. PED vendor awards on all projects will be at least 15% of total development costs.
- Complete comprehensive, professional planning work on 14 major city plans and 7 smaller initiatives.
- Pursue Federal, State and local funding opportunities, create new intergovernmental partnerships.
- Engage all sectors of the community to promote responsible decision making.

2006 Budget Explanation

Base Adjustments

The 2005 adopted budget was adjusted to set the budget base for 2006. The base includes the anticipated growth in salaries and fringes for 2006 for employees related to the bargaining process.

Mayor's Recommendations

PED receives no city General Fund operational resources. The Department's 2006 operating budget request is \$8.771 million. This figure is \$204,049 less than the 2005 adopted budget, and \$446,382 less than the 2006 base budget base budget.

The proposed 2006 PED staff complement is 86.1 FTE, or 6.1 FTE less than 2005. PED expects to accomplish its priorities within available fiscal and staff resources.

An annual \$78,483 General Fund repayment to the Community Development Block Grant fund is now in the NHPI budget. \$30,600 for the Historic Preservation Commission is now budgeted in the General Government Accounts

Council Actions

The City Council adopted the Department of Planning and Economic Development budget and recommendations as proposed by the Mayor, and approved the following changes:

- accepted the plan for the payback of the West Midway Tax Increment Financing decertification, including the pledge of HRA financing for the general fund and the Internal Loan agreement,
- provided for a cost of living increase for the Non-profit Contract Performance Program in the CDBG fund, and
- decreased the budget for fringe benefits based on the revised estimate of retiree insurance costs.

The 2006 adopted budget is nothing for the general fund, and \$20,121,419 in special funds.