SAINT PAUL

The Most Livable City in America

Saint Paul Market Watch

A Summary of Development, Economic, and Demographic Trends in the Capital City

Fourth Semi-Annual Market Watch

This is the fourth issue of the Saint Paul Market Watch report. The purpose of this report is to summarize the ways that Saint Paul is changing in response to an evolving social and economic landscape. The data presented in this report is sourced from a number of organizations, such as the U.S. Census Bureau, the Minnesota Department of Employment and Economic Development, and the City of Saint Paul. Much of the data collected has not been previously reported to the public, although some may be available through other sources. By consolidating this information in a single report, we can better capture and report on activity occuring within our city.

This issue looks at three primary areas of change in the city. First, we look at trends in housing and development, from demolition and foreclosures to investment in residential and commercial construction. Second, we profile the current state of employment among Saint Paul residents and workers, looking at changes in jobs and wages by industry in the city, and identifying changes in employment in the public and private sectors. Finally, we look at the social and demographic characteristics of the city.

Saint Paul Market Watch is published semi-annually, and the indicators featured will continue to expand and evolve to best capture the changes occurring within the city. We welcome your suggestions, comments, or questions. Please contact Jake Reilly at jake.reilly@ci.stpaul.mn.us or 651-266-6618. Dean Porter contirbuted significant research and analysis for this report.

Highlights for This Issue

- Building and development activity in the city remains strong. Nearly $450 million in permits were issued in the 12 months between September 2012 and September 2013. This is the highest total for a 12 month period in the past seven years. Single family home starts and remodels are also up, and the housing market is showing increased sales and prices.

- At the end of 2013, Saint Paul will end with the fewest number of foreclosures in a year since 2005. From 2012 to 2013, there has been a 31% decrease in foreclosures.

- Unemployment has dropped to 4.5% for the last quarter of 2013, and a 5.3% average for 2013. The number of jobs in the city has increased slightly between the second quarter of 2012 and the second quarter of 2013.

- Demographic data shows that Saint Paul's population has become more racially and ethnically diverse since 2000, and that there are more residents in the city with college degrees.

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Saint Paul
Market Watch

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MARKET WATCH SUMMARY

The summary below shows a directional trend or data point for key trends in the report. Up or down arrows indicate that a number or rate has increased or decreased from the previous year of data.

These summary pages are intended to provide the "basics" of the Market Watch report without all of the details. Positive trends in both directions represent changes that are generally good for the city and negative trends represent detrimental changes. Some directional trends are characterized as neutral, because the change is not necessarily good or bad for the city.

	Positive Trends	Negative Trends	Neutral Trends
Increasing	▲ (green)	▲ (red)	▲ (black)
Decreasing	▼ (green)	▼ (red)	▼ (black)
Little or no change			◀▶

Building and Development

# of new Buildings ▼

- ▲ Residential
- ▼ Non-residential and mixed use

Total permit value ▼

Number of permits ▲

Single-family home permits ▲

- ▼ Addition value
- ▲ New construction value
- ▲ Remodel value

Projects over $1 million ▲

39 total projects

Demolitions ▼

Foreclosures ▼

Vacant buildings ▼

Home Sales

- ▲ Non-distressed sales
- ▼ Distressed sales rate
- ▲ Median sales price
- ▼ Days on the market

Employment and Wages

Unemployment rate: 4.5% ▼

- Employment # ▲
- Labor force # ▲

Total jobs: 0.25% ▲

- Private -0.1% ◀▶
- Government 3.5% ▲

Weekly wages: ◀▶

$1,041

MARKET WATCH SUMMARY

The summary of key trends in Saint Paul is continued on this page, which summarizes demographic data and changes in the city.

	Positive Trends	Negative Trends	Neutral Trends
Increasing			
Decreasing			
Little or no change			

Population and Demographics

Demographic change, 2000 to 2012*

Age groups with large population gains: 45-64 and 20-34

Age groups with large population losses: 5-14; 35-44; 75+

Changes in Race and Ethnicity

Asian, Black/African American, Latino/Hispanic populations

White population

Place of origins

Saint Paul residents born outside Minnesota

Saint Paul residents born in Minnesota

Poverty rate

23.7% below poverty (Saint Paul)

Educational attainment

College educated residents

Residents with high school diploma or less

*Demographic estimates are based on 3-year ACS data from 2010-2012 counts. This data is more accurate than 1-year estimates for examining demographic breakdowns of the population.

LARGE CONSTRUCTION PROJECTS

New Buildings

The city's Department of Safety and Inspections (DSI) issued 79 permits for new buildings through the full year of 2013. This total does not necessarily mean that 79 individual buildings were permitted, because multiple permits are issued for certain projects. This is fewer than the 102 permits for new buildings last year, but this is still the second highest total in the past six years.

The city also saw a considerable amount of new residential construction activity in the past year. There were 43 new single family home permits in the past year, the highest total since 2007. This suggests higher levels of confidence in the single-family homeownership market. It should be noted that some new single-family homes were constructed through the Inspiring Communities program. Since 2010, the city's Housing and Redevelopment Authority has worked to construct new homes through the program.

TABLE 1 - NEW BUILDING PERMITS EXCEEDING $50,000 (2013 $)

	2007	2008	2009	2010	2011	2012	2013
Residential	51	24	22	19	25	43	47
Single-Family Home	43	15	14	17	23	32	43
Duplex	0	2	0	2	1	0	0
Multi-Unit	8	7	8	0	1	11	4
Units	507	313	6	0	44	295	9
Mixed Comm/Res	0	0	0	2	2	3	2
Units	0	0	0	108	2	435	174
Accessory Structure	9	7	9	13	11	15	14
Non-Residential	30	29	14	25	40	37	16
Commerical	22	26	9	11	30	31	13
Institutional	8	3	5	14	10	6	3
Totals*	90	60	45	59	78	98	79

**Totals do not include unit count*

Dataset includes building permits for "New" buildings with the status of "Active/Issued," "Inspected," or "Finaled," indicating active or completed construction activity. Some projects may have permits pulled in one year, with construction continuing into the next year. Particularly large and complex projects may have multiple permits pulled for construction. As a result, these tallies do not represent an exact count of unique buildings permitted in any given year.

"Accessory Structure" could include Antenna, Carport, Garage, Shed, Pool-In Ground, Pool-Above Ground, Tower, Tank, Gazebo, or Other Accessory Structure

Source: Saint Paul Department of Safety and Inspections

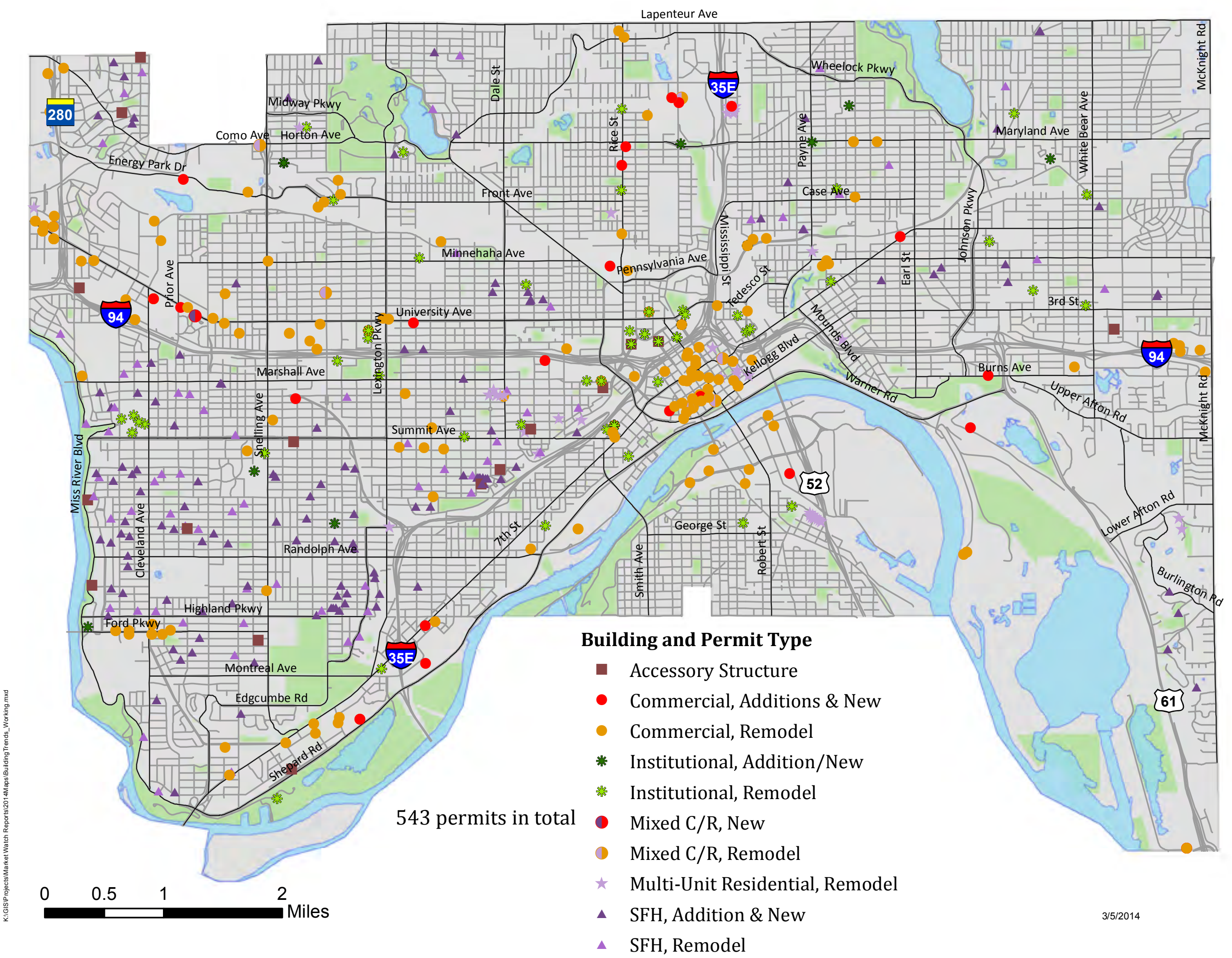
LARGE CONSTRUCTION PROJECTS

Location of Projects Over $50,000

This map shows locations of major construction projects in 2013. The map shows significant development activity in downtown Saint Paul. The majority of this is remodeling of commercial, mixed-use, and apartment buildings. There is also considerable institutional and commercial remodeling activity on the edge of, and just outside of, downtown. Outside of downtown, there are a large number of projects in the southwest quadrant of the city. These are primarily permits for new home construction and permits for improvements (additions and remodels) to existing homes.

There are several other smaller patterns of building activity including commercial and institutional uses along Rice St, a cluster of single family home projects north of Como Ave in far northwest Saint Paul, and a cluster of commercial permits near Interstate 94 on the far east end of the city. Beyond this, a number of other projects are scattered throughout the entire northern half of the city. On the whole, many areas in Saint Paul saw significant investment in the past year.

FIGURE 1 - LOCATION OF BUILDING PERMITS FOR NEW BUILDINGS, ADDITIONS AND REMODELS OVER $50,000 (2013 $)



Source: Saint Paul Department of Safety and Inspections

BUILDING PERMIT SUMMARY

Total Permit Value

The data suggest strong building activity between the third quarter of 2012 and the third quarter of 2013. The rolling annual trend line shows that nearly $450 million in permits were issued in this 12 month period. That total represents the strongest activity since prior to 2007 (this report uses data from 2007-2013). However, the annual total for building permit activity in 2013 is slightly lower ($339 million) than the previous year's total of $351 million, due to slower activity in the fourth quarter of 2013.

In 2013, more than half of all dollars spent on development activities went toward remodeling existing structures. This is consistent with the years 2011 and 2012. The year 2013 also included major addition projects that contribute to the highest total value in that permit category of the past seven years. Although there were a higher number of new construction projects permitted in 2013, the total dollar value spent on these projects was lower. Many new 2013 projects were single family homes and there were fewer large projects. Many projects that received permits in 2012 were still under construction in 2013.

FIGURE 2 - COMBINED TOTAL VALUE OF SELECT BUILDING PERMIT TYPES, ROLLING ANNUAL AVERAGE (2013 $)*

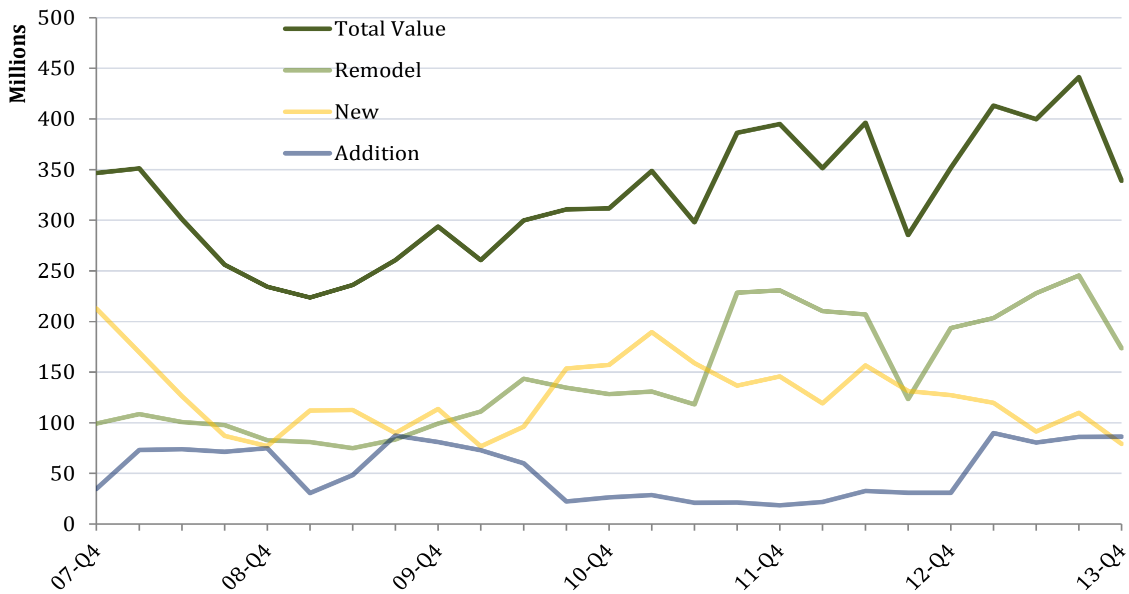


TABLE 2 - COMBINED TOTAL VALUE OF BUILDING PERMITS, IN MILLIONS (2013 $)

Year	2007	2008	2009	2010	2011	2012	2013*
Addition	$34.7	$74.8	$80.9	$26.3	$18.6	$30.8	$86.2
New	$212.8	$76.8	$113.5	$157.1	$145.7	$127.4	$79.2
Remodel	$99.2	$82.7	$99.3	$128.2	$230.7	$193.4	$173.5
Total Value	$346.7	$234.3	$293.7	$311.6	$395.0	$351.6	$339.0

**The "rolling annual average" trendline is included to put quarterly fluctuations in context with long term trends. Fluctuations are usually the result of temporarily elevated building activity, or because of large single-project permits within a particular quarter. Seasonality may also impact these figures.*

Source: Saint Paul Department of Safety and Inspections, data compiled by PED

BUILDING PERMIT SUMMARY

Total Number of Permits

The total number of building permits issued in Saint Paul has increased for each of the past six years. Major increases in the number of permits issued took place in 2010 and in 2013. The large increase in total permits issued for 2013 was primarily due to an increase in the number of permits issued for remodel projects.

The number of permits issued for new construction has also been elevated over the past three years. The number of permits for addtions has fluctuated somewhat without major increases.

FIGURE 3 - NUMBER OF SELECT BUILDING PERMITS, ROLLING ANNUAL AVERAGE*

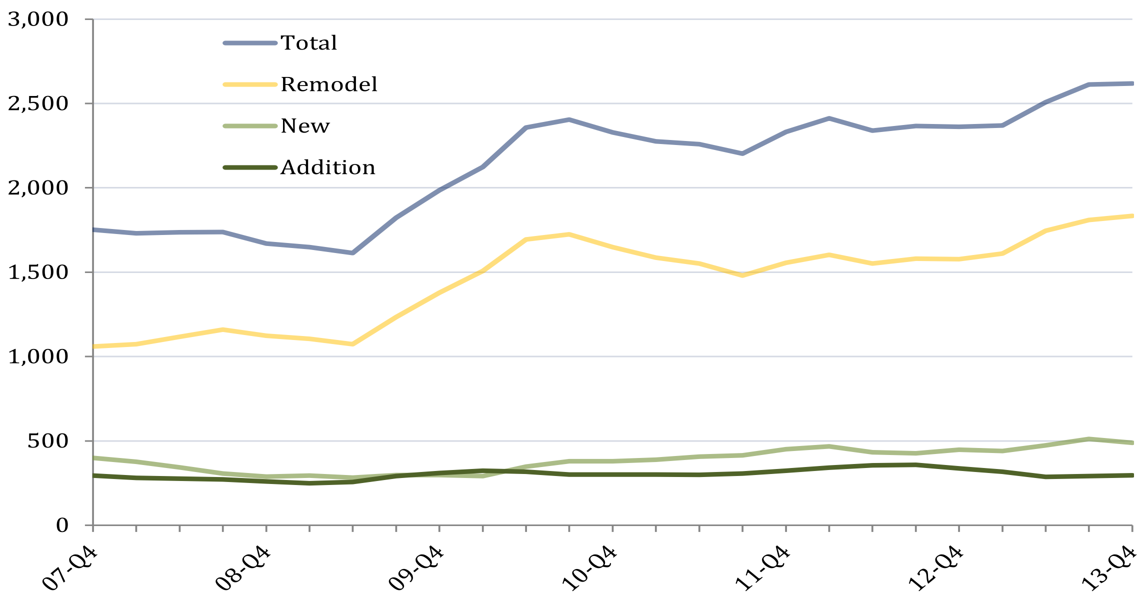


TABLE 3 - NUMBER OF SELECT BUILDING PERMITS IN SAINT PAUL, ANNUAL TOTALS

Year	2007	2008	2009	2010	2011	2012	2013
Addition	294	259	310	300	324	337	296
New	399	288	297	380	451	448	489
Remodel	1,059	1,123	1,379	1,649	1,556	1,577	1,834
Total Value	1,752	1,670	1,986	2,329	2,331	2,362	2,619

Note: permit value and number totals for past years may vary between this and past reports. This is due to an additional effort to eliminate duplicate permits in this year's report. There are certain instances in which a permit record for a building shows up twice due to the necessity of obtaining a building permit for various types of work: electrical, plumbing, etc. In addition, 44 permits associated with LRT facility development between 2010 and 2012 were eliminated from this analysis.

**The "rolling annual average" trendline is included to put quarterly fluctuations in context with long term trends. Fluctuations are usually the result of temporarily elevated building activity, or because of large single-project permits within a particular quarter. Seasonality may also impact these figures.*

Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

MAJOR CONSTRUCTION PROJECTS

Residential Projects

In 2013, four major multi-family residential construction projects were issued permits worth more than $1 million. The projects with the highest issued permit values include the new Victoria Park Apartments, and a remodel of the Wall Street Building.

TABLE 4 - RECENT ACTIVE OR COMPLETED RESIDENTIAL CONSTRUCTION PROJECTS OVER $1 MILLION (2013 $)

Address	Description	Building Type	Activity	Permit value	# Residential Units
261 5TH ST E	Wall Street Building	Residential (Multi-Fam)	Remodel	$12,700,000	88
740 VICTORIA ST S	Victoria Park Apartments	Residential (Multi-Fam)	New	$19,070,000	215
180 WAYZATA ST	Lewis Park Apartments	Residential (Multi-Fam)	Remodel	$4,135,745	103
2060 CARTER AVE	Alpha Gamma Rho Educational Foundation	Residential (Multi-Fam)	Addition	$1,950,000	17
1006 SUMMIT AVE	Horace Irvine House, Governor's Residence	Single Family Dwelling	Remodel	$1,800,000	1
1584 AMES AVE	Roosevelt Public Housing	Residential (Multi-Fam)	New	$1,015,400	6

Permit value is the total permit value for permits issued in the year 2013 only. Because many large projects take multiple years to complete, the permit value above may be lower than the total project cost. Some projects under construction in 2013 were issued permits in previous years, at an earlier stage in the development process. Permit value stated in the table represents the total value of individual permits issued in 2013 with individual value over $1 million. For example, if a project has one permit for $8 million and one permit for $1 million, the total permit value would be $9 million. Smaller permits for these projects are not included in the totals.

Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

MAJOR CONSTRUCTION PROJECTS

Commercial, Mixed-Use, and Institutional Construction

Commercial, mixed-use, and institutional construction activity was very active in 2013. A total of 39 projects were issued at least one permit worth $1 million or more.

More than half of the projects (22) were commercial (including industrial) or mixed-use. The remaining 17 were institutional. The largest permitted projects include a remodel and repair of the State Capitol, an addition to the Ordway, and an addition to the Janet Wallace Fine Arts Center at Macalester College.

TABLE 5 - RECENT ACTIVE OR COMPLETED NON-RESIDENTIAL CONSTRUCTION PROJECTS OVER $1 MILLION (2013 $)

Address	Description	Building Type	Activity	Permit value	Res. units
75 REV DR MARTIN LUTHER KING JR BLVD	State Capitol Grounds	Institutional	Remodel and Repair	$42,337,000.00	
345 WASHINGTON ST	The Ordway Theater	Commercial	Addition	$29,500,000.00	
130 MACALESTER ST	Janet Wallace Fine Arts Center - Macalester College	Institutional	Addition	$18,165,077.00	
345 SMITH AVE N	Children's Hospital	Institutional	Remodel	$14,000,000.00	
1880 UNIVERSITY AVE W	Episcopal Homes Housing - Main	Mixed C/R	New	$11,589,113.00	***174***
640 JACKSON ST	Regions Hospital	Institutional	Remodel	$11,516,092.00	
1515 BREWSTER ST	Hmong Academy	Institutional	Addition	$9,998,863.00	
1200 PAYNE AVE	Arlington Hills Community Center	Institutional	New	$9,000,000.00	
1679 RED ROCK ROAD	Gerdau Ameristeel US	Commercial / Industrial	New	$7,800,000.00	
160 ISABEL ST E	Roosevelt Magnet School	Institutional	Remodel	$5,055,000.00	
1954 UNIVERSITY AVE W	Habitat for Humanity	Commercial	New	$5,000,000.00	
333 SMITH AVE N	United Hospital	Institutional	Remodel and Repair	$4,700,000.00	
1999 SHEPARD ROAD	Johnson Brother's Liquor Company	Commercial / Industrial	Addition	$3,300,000.00	
1363 BUSH AVE	Parkway Elementary School (K-6)	Institutional	Remodel	$3,200,000.00	
310 5TH ST E	Lowertown Ballpark	Commercial	Remodel / Demolition	$3,000,000.00	
910 MONTREAL CIRCLE	Crosby Lake Business Park	Commercial / Industrial	Addition	$2,246,000.00	
115 10TH ST E	Lund's Grocery Store at The Penfield	Commercial	Remodel	$2,175,990.00	
720 WATER ST W	Lilydale Regional Park	Institutional	Repair	$2,000,000.00	
1645 ENERGY PARK DRIVE	Wellington Management, Inc	Commercial	Remodel	$1,900,000.00	

Permit value is the total permit value for permits issued in 2013 and 2012. Since some projects take multiple years to complete, the permit value above may be lower than the total project cost.

Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

MAJOR CONSTRUCTION PROJECTS

Commercial, Mixed-Use, and Institutional Construction

This list includes a wide variety of projects located in various parts of the city.

TABLE 6 - RECENT ACTIVE OR COMPLETED NON-RESIDENTIAL CONSTRUCTION PROJECTS OVER $1 MILLION (2013 $), CONTINUED

Address	Description	Building Type	Activity	Permit value	Res. Units
175 10TH ST E	Embassy Suites	Commercial	Remodel	$1,820,800.00	
191 PENNSYLVANIA AVE W	Brightfarms Greenhouse	Commercial / Industrial	New	$1,800,000.00	
111 KELLOGG BLVD E	Kellogg Square Building	Mixed C/R	Remodel	$1,800,000.00	***477***
46 5TH ST E	Vertical Connection Tower	Commercial	New	$1,669,619.00	
50 SHERBURNE AVE	State of Minnesota Administration	Institutional	Remodel	$1,620,000.00	
101 5TH ST E	US Bank Center	Commercial	Remodel	$1,484,885.00	
345 WABASHA ST N	Lowry Square	Mixed C/R	Remodel	$1,445,637.00	***113***
750 MISSISSIPPI RIVER BLVD S	Keystone Communities Assisted Living	Institutional	Addition	$1,353,000.00	
1701 PIERCE BUTLER ROUTE	Crane Maintenance Facility	Commercial / Industrial	Repair	$1,339,000.00	
474 CONCORDIA AVE	Minnesota Society for Respiratory Care	Commercial	Addition	$1,300,000.00	
753 7TH ST E	Cerenity Garden Assisted Living	Institutional	Remodel	$1,200,000.00	
1975 FORD PKWY	New Horizon Academy	Commercial	Remodel	$1,200,000.00	
332 MINNESOTA ST	First National Bank Building	Commercial	Remodel	$1,165,000.00	
295 STATE ST	J & P Trading	Commercial	Addition	$1,145,880.00	
1280 CONCORDIA AVE	Concordia Health Center - Dining Hall and Annex	Institutional	Remodel	$1,138,000.00	
75 5TH ST W	Landmark Center - Minnesota Museum of Art	Commercial	Repair	$1,135,765.00	
348 HAMLINE AVE S	Randolph Heights Elementary School	Institutional	Addition	$1,099,700.00	
1028 VAN SLYKE AVE	Twin Cities German Immersion School	Institutional	Remodel	$1,069,725.00	
310 SMITH AVE N	Richie Medical Plaza	Commercial	Remodel	$1,046,825.00	
1760 AMES PLACE	Ames Elementary School	Institutional	Remodel	$1,019,000.00	

Source: Saint Paul Department of Safety and Inspections, data compiled by PED

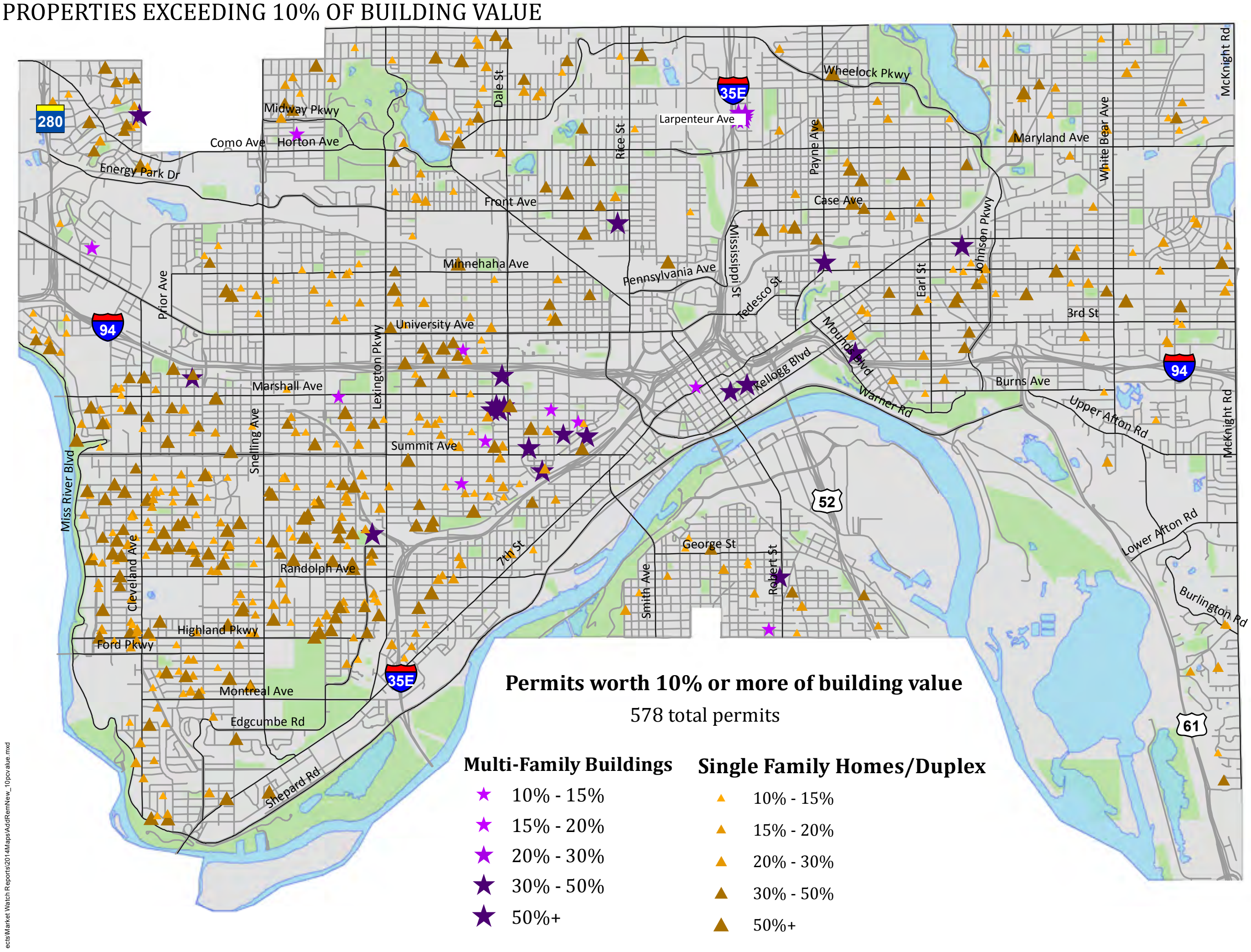
RESIDENTIAL IMPROVEMENTS

Residential Permits Exceeding 10% of Building Value

Figure 4 below shows location of residential permits relative to building value, according to the Ramsey County Assessor's Office. This figure demonstrates major renovation activity (>50% of building value) in southwestern Saint Paul. In addition, the map shows construction activity throughout the entire portion of the city north of I-94. In general, there appears to be widespread interest in making improvements to single-family homes throughout the city.

This figure is helpful because it provides a comprehensive picture of city-wide investment in single-family homes and other small properties; as opposed to only focusing on larger projects. For example, a permit for a $35,000 remodel of a $100,000 home would not be included on Figure 3. Figure 4 would include this remodel because it demonstrates a significant investment (35%) relative to the value of the building.

FIGURE 4 - 2013 LOCATIONS OF ADDITIONS AND REMODELS TO RESIDENTIAL PROPERTIES EXCEEDING 10% OF BUILDING VALUE



Source: Ramsey County Assessor's Office, Saint Paul Department of Safety and Inspections, map created by PED.

RESIDENTIAL IMPROVEMENTS

Total Value, Single-Family Home Permits

Building permit data demonstrates increased investment in building, improving, and renovating single-family homes in Saint Paul. The total value of addition, remodel, and new construction projects permitted for single-family homes in 2013 was $42.7 million. This represents the highest level of interest in single-family home construction during the time of this study (which includes permit data collected since 2007).

The value of permits for new construction ($11.2 million) was much higher than 2012, and approached 2007 levels. The amount spent on remodeling has been increasing steadily since 2009. Some new single-family homes were constructed through the Inspiring Communities program. Since 2010, the city's Housing and Redevelopment Authority has worked to construct new homes through the program.

FIGURE 5 - VALUE OF SELECT SINGLE FAMILY HOME PERMITS, ROLLING ANNUAL AVERAGE* (2013 $)

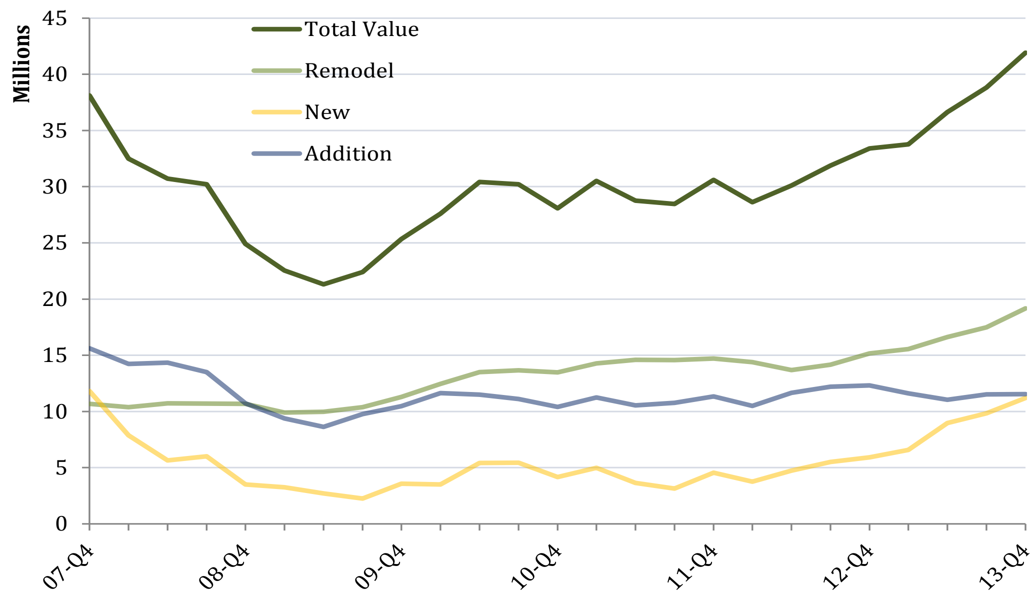


TABLE 7 - TOTAL ANNUAL VALUE OF SELECT PERMITS FOR SINGLE-FAMILY HOMES, IN MILLIONS (2013 $)

Year	2007	2008	2009	2010	2011	2012	2013
Addition	$15.7	$10.8	$10.6	$12.5	$11.6	$12.6	$11.6
New	$11.8	$4.1	$3.6	$4.5	$4.9	$5.9	$11.2
Remodel	$11.6	$11.9	$12.7	$14.5	$16.0	$17.8	$19.9
Total Value	$39.1	$26.7	$26.9	$31.5	$32.5	$36.3	$42.7

**The "rolling annual average" trendline is included to put quarterly fluctuations in context with long-term trends. Fluctuations are usually the result of temporarily elevated building activity, or because of large single-project permits within a particular quarter. Seasonality may also impact these figures.*

Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

RESIDENTIAL IMPROVEMENTS

Total Number, Single-Family Home Permits

The total number of addition, remodel, and new building permits issued for single-family homes has been increasing since 2009. The large increase in total permits issued is primarily due to an increase in the number of permits issued for remodel projects.

As mentioned earlier, the number of permits issued for new construction also increased in 2013. The number of permits for additions has fluctuated somewhat without major increases.

FIGURE 6 - NUMBER OF SELECT SINGLE-FAMILY HOME PERMITS, ROLLING ANNUAL AVERAGE* (2013 $)

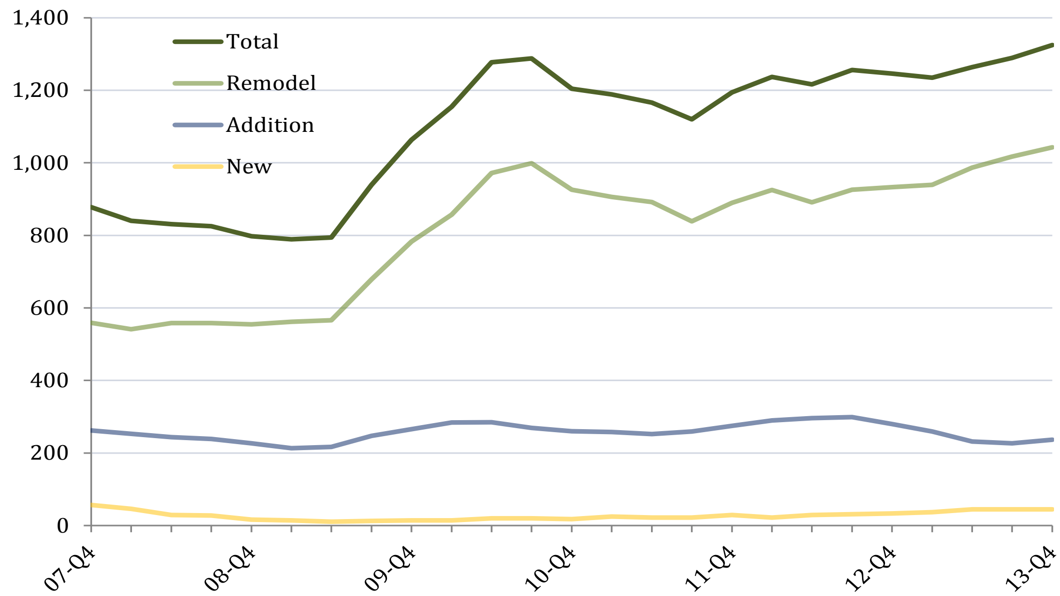


TABLE 8 - TOTAL NUMBER OF SELECT PERMITS FOR SINGLE FAMILY HOMES

Year	2007	2008	2009	2010	2011	2012	2013
Addition	262	227	266	260	275	280	237
New	57	16	14	18	29	33	45
Remodel	559	555	783	926	890	933	1,043
Total Number	878	798	1,063	1,204	1,194	1,246	1,325

**The "rolling annual average" trendline is included to put quarterly fluctuations in context with long-term trends. Fluctuations are usually the result of temporarily elevated building activity, or because of large single-project permits within a particular quarter. Seasonality may also impact these figures.*

Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

DEMOLITIONS

Building Demolitions

A total of 33 building demolition permits were issued in 2013; most were for demolitions of residential buildings. Figure 7 shows the locations of these demolitions across the city for 2013. Most demolitions were in the north-central part of the city.

Table 9 highlights the number of demolitions across the city dating back to 2007. There were fewer demolitions in 2013 than any of the past six years.

Demolitions peaked in 2009, due to the rise in vacant and abandoned buildings resulting from the foreclosure crisis, as well as increased local initiatives to eliminate vacant buildings in poor condition.

Permits issued for demolitions include permits issued for activity undertaken through local government initiatives such as Inspiring Communities.

FIGURE 7 - LOCATIONS OF BUILDING DEMOLITIONS IN 2013

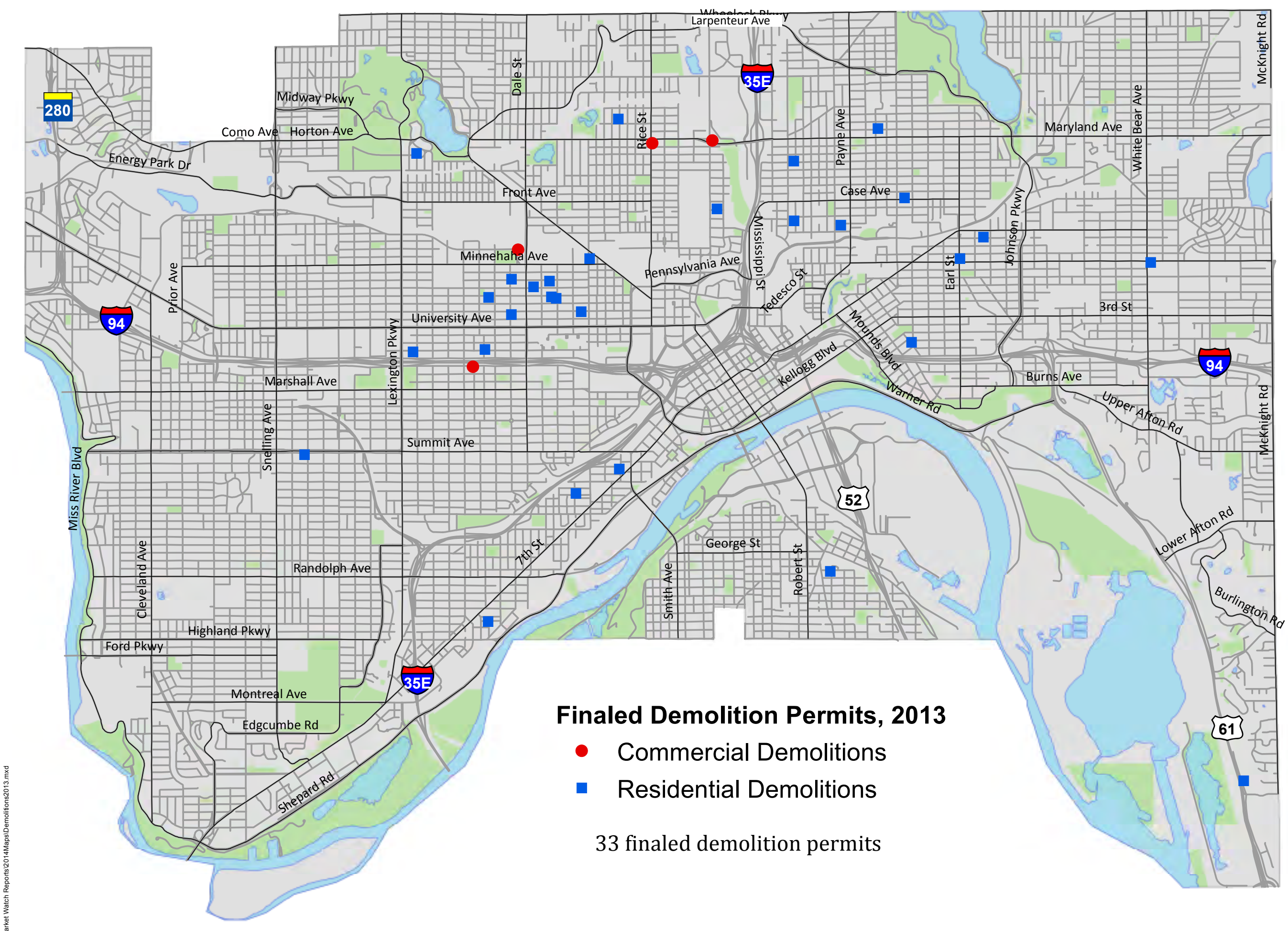


TABLE 9 - DEMOLITIONS PER YEAR - 2007-2013*

Year	2007	2008	2009	2010	2011	2012	2013
Commercial	48	34	32	30	27	25	4
Residential	83	108	124	75	95	101	29
Total Demolitions	131	142	156	105	122	126	33

**Does not include demolitions of accessory structures.*

FORECLOSURES

Number of Foreclosures

There were 733 foreclosures in Saint Paul in 2013. This is the first year since 2005 with fewer than 1,000 foreclosures in the city. Figure 8 shows that Saint Paul's foreclosure rate continued to decrease in 2013, and that the rate has been falling since mid-2010. These numbers illustrate a 31% reduction in the number of foreclosures from 2012 to 2013.

FIGURE 8 - FORECLOSURE TALLY, ROLLING ANNUAL AVERAGE*, 2005-2013

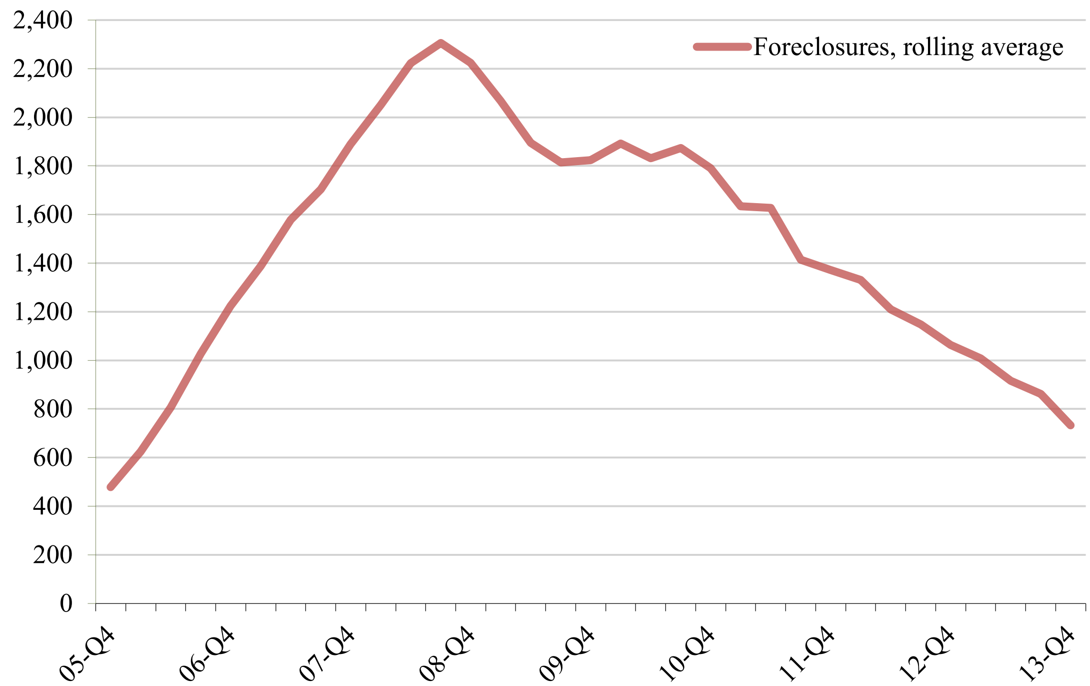


TABLE 10 - TOTAL NUMBER OF FORECLOSURES - 2007-2013

Year	2007	2008	2009	2010	2011	2012	2013
Number of foreclosures	1,889	2,224	1,824	1,790	1,372	1,064	733

**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.

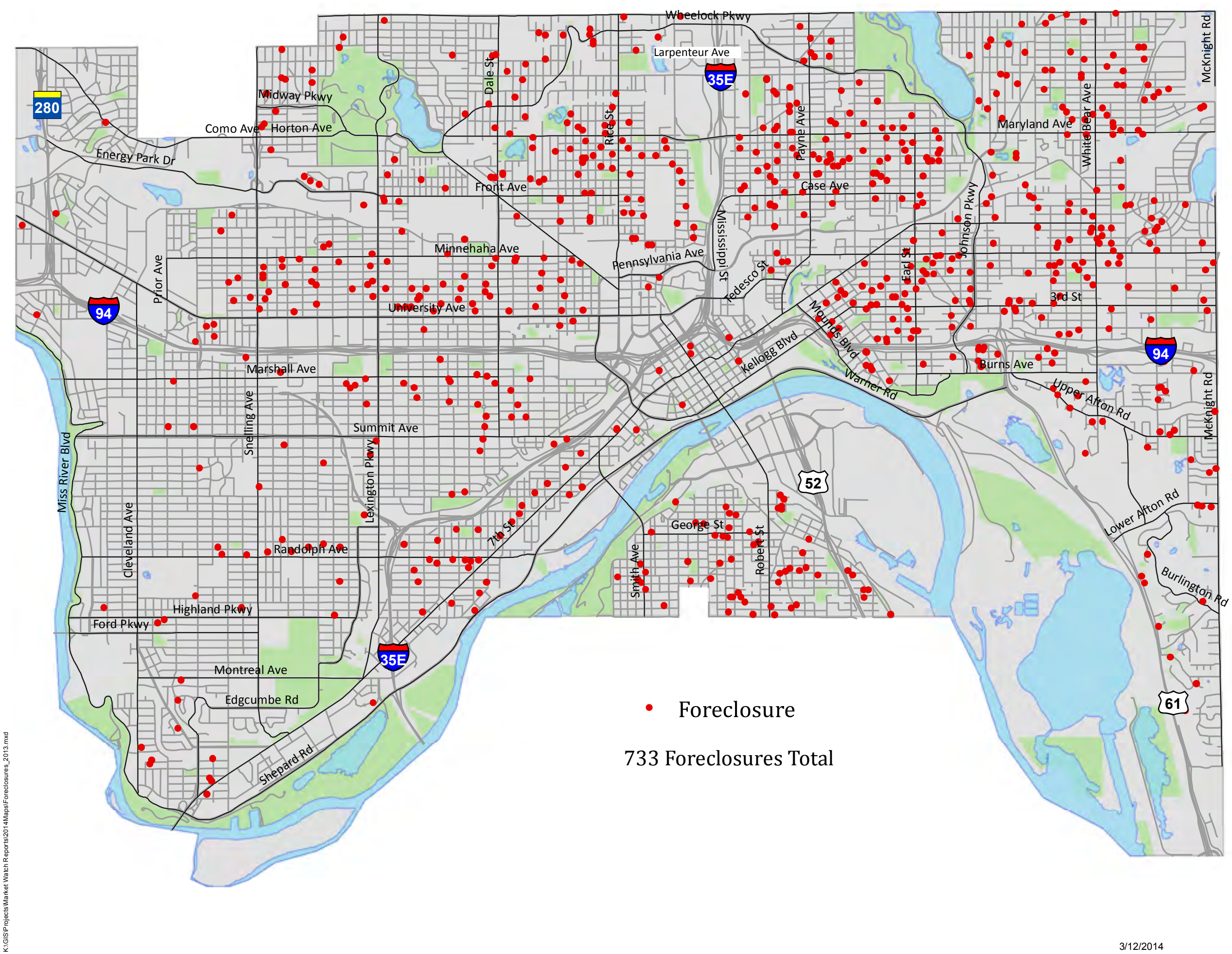
FORECLOSURES

Location of Foreclosures

Figure 9 demonstrates modest concentrations of foreclosures within ISP priority areas. This is a significant improvement from the recession years of 2008-2010 when these areas had particularly high concentrations of foreclosures.

This year's data also shows modest concentrations of foreclosures in the northeastern part of the city, in the West Side neighborhood (south of the Mississippi River), and along the northeast portion of the West 7th Street corridor. Southwestern Saint Paul continues to experience a relatively low number of foreclosures.

FIGURE 9 - LOCATIONS OF FORECLOSED PROPERTIES, 2013



Source: Ramsey County Sheriff's Office and PED staff.

VACANT BUILDINGS

Number of Vacant Buildings

Through March of 2014, the number of registered vacant buildings in Saint Paul had fallen 44% since 2008. The tally has fallen each year since 2008. The 2013 vacant building tally is as of June 30, 2013 and the 2014 tally is as of March 10, 2014. This is due to data limitations that limit the ability of city staff to collect point-in-time tallies for vacant buildings.

FIGURE 10 - NUMBER OF REGISTERED VACANT BUILDINGS

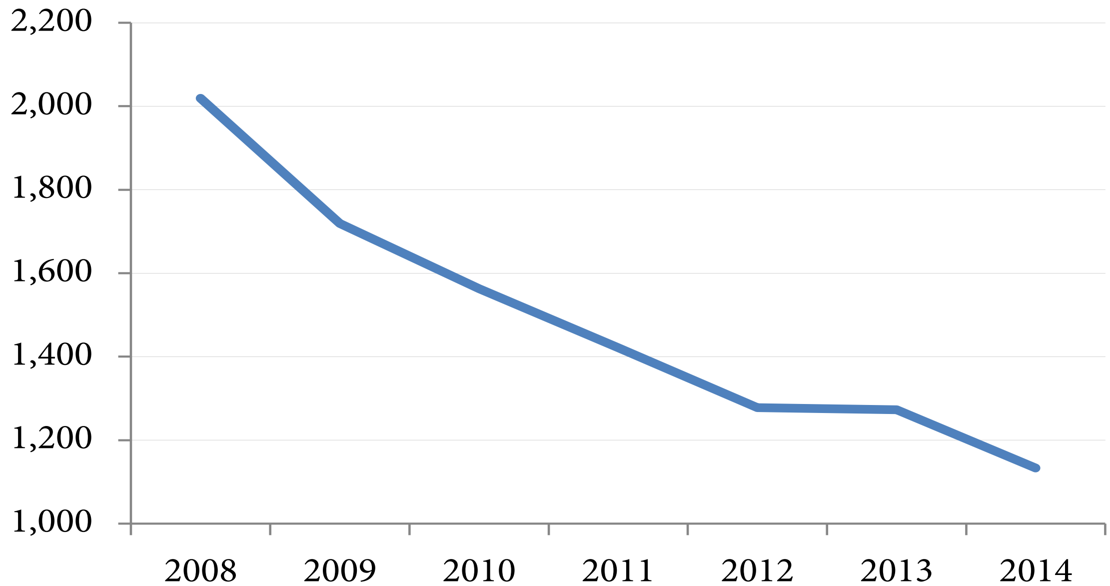


TABLE 11 - TOTAL NUMBER OF VACANT BUILDINGS - 2007-2013

Year	2008	2009	2010	2011	2012	2013	2014	Change 2008-2014
Number of Vacant Buildings	2,019	1,719	1,563	1,422	1,278	1,273	1,133	-886

Note: The City of Saint Paul has ordinances regulating vacant and unoccupied structures and requires property owners to register these buildings with the Department of Safety and Inspections. A Registered Vacant Building is defined as an unoccupied building that meets one or more of the following criteria: unsecured, secured by other than normal means, a dangerous structure, condemned, has multiple housing or building code violations, condemned and illegally occupied, or has been unoccupied for a period of time longer than one year, during which time an enforcement officer has issued an order to correct nuisance conditions.

Source: Saint Paul Department of Safety and Inspections Registered Vacant Building List, data archived and compiled by PED.

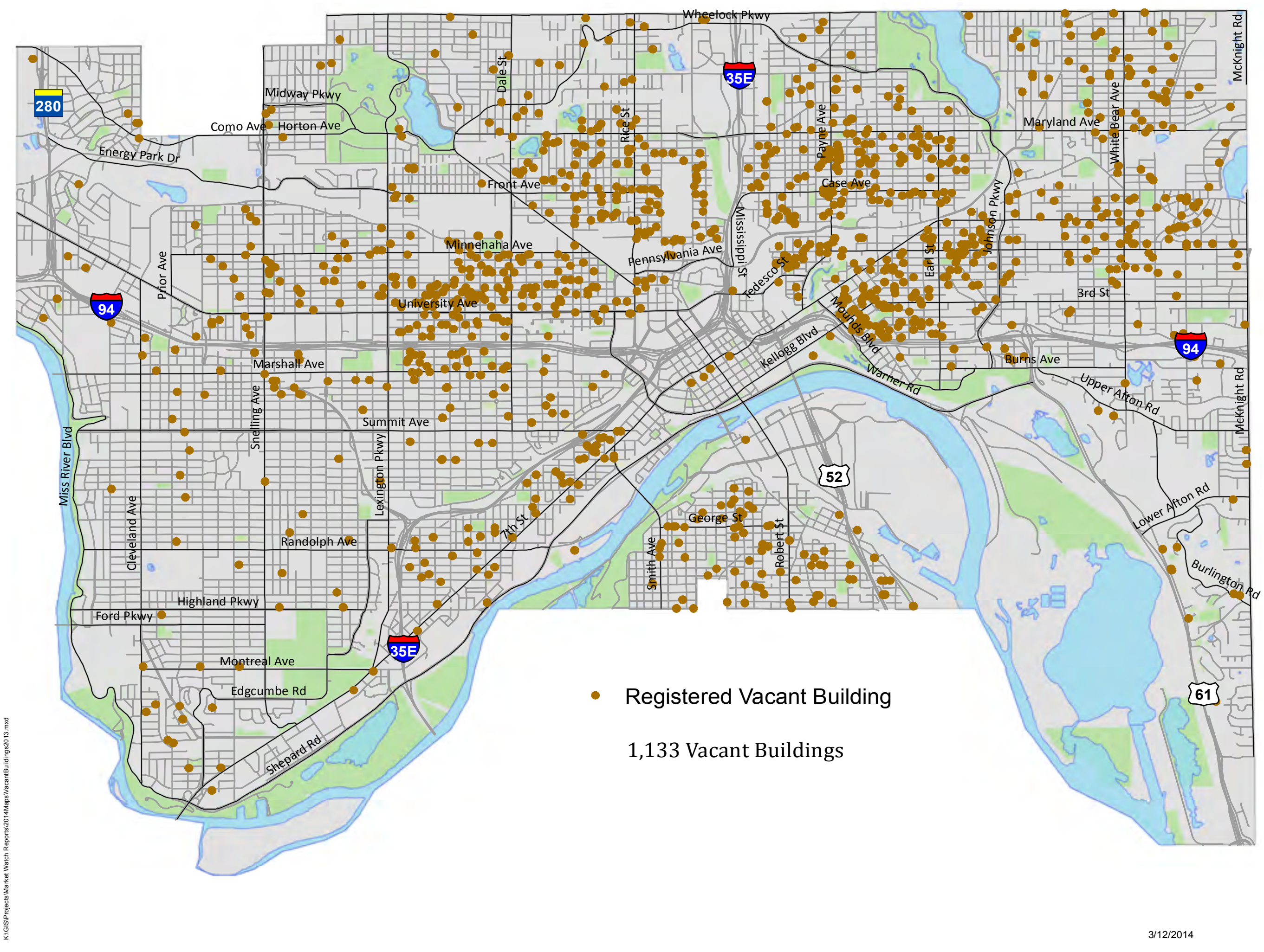
VACANT BUILDINGS

Location of Vacant Buildings

Figure 11 shows the location of vacant buildings in Saint Paul through the first half of 2013. The map indicates some concentration of vacant buildings north and east of downtown, and to a lesser degree in the Frogtown area along University Avenue.

These areas were hit particularly hard by the foreclosure crisis and recession. The Inspiring Communities program is one effort by the Saint Paul Housing and Redevelopment Authority designed to reduce the number of vacant and underutilized buildings, and spur additional investment in these neighborhoods. As the data on the previous page indicates the overall number of vacant buildings has decreased since this initiative began in 2009.

FIGURE 11 - LOCATIONS OF VACANT BUILDINGS AS OF JUNE 30, 2013



Source: Saint Paul Department of Safety and Inspections, data compiled by PED.

HOME SALES

Closed Sales & Distressed Sales Rate

Figures 12 and 13 suggest that the home sales market improved between 2012 and 2013. There were 2,474 non-distressed sales in 2013, even higher than the 2007 total of 2,419. The increase for this figure reflects an overall increase in the number of closed sales, as well as decreasing rates of distressed sales.

Improvements for both of these figures are encouraging signs for Saint Paul's housing market. With that said, the distressed sales rate is still elevated when compared with 2007 (see note below).

The distressed sales rate was only 14% in 2007, but spiked during the recession. It stayed above 50% for 2009-2011 before falling in 2012 and 2013. The distressed sales rate in 2013 was 31%.

FIGURE 12 - NUMBER OF CLOSED SALES

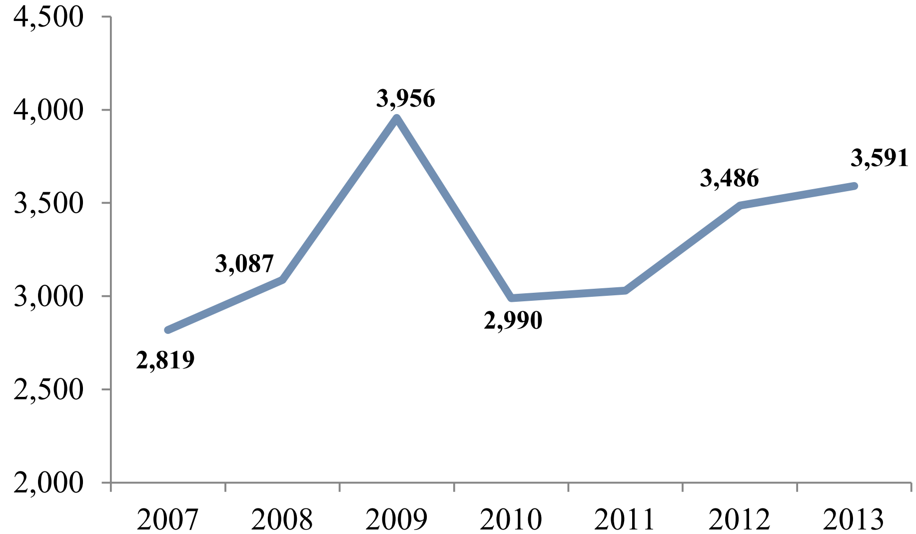
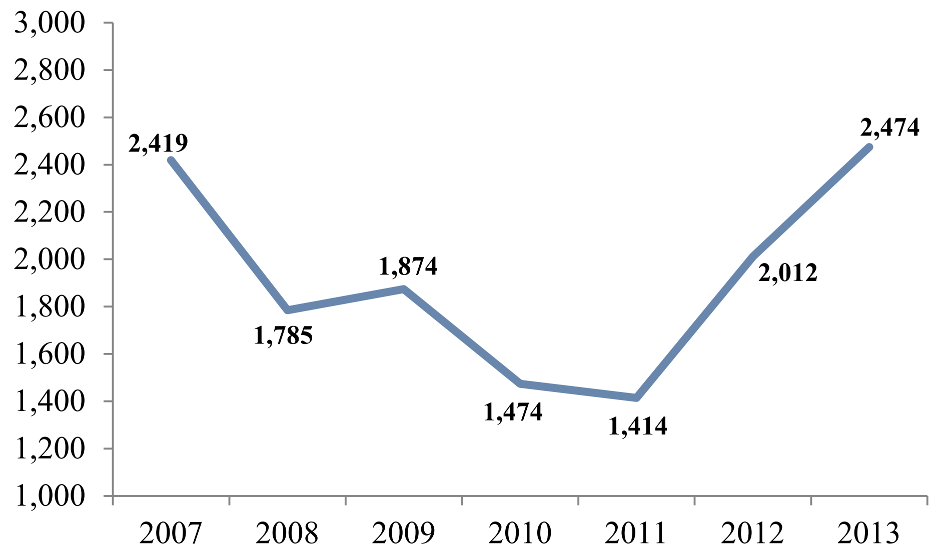


FIGURE 13 - NON-DISTRESSED* CLOSED SALES



**Non-distressed home sales represent home sales that are not foreclosures or short sales.*

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

HOME SALES

Median Sales Price & Days on the Market

The median price of Saint Paul homes sold in 2013 was nearly $144,000. This figure is a marked improvement from the depressed sales prices of 2009-2011 and is comparable to the median home price for 2008. As Figure 14 shows this is still much lower than before the recession in 2007.

Homes are also selling quickly, with the average time on the market at 88 days for the year 2013. This is many fewer days than any of the previous six years. Taken together, these trends suggest an increasing level of interest in buying and selling homes in Saint Paul.

FIGURE 14 - MEDIAN SALES PRICE

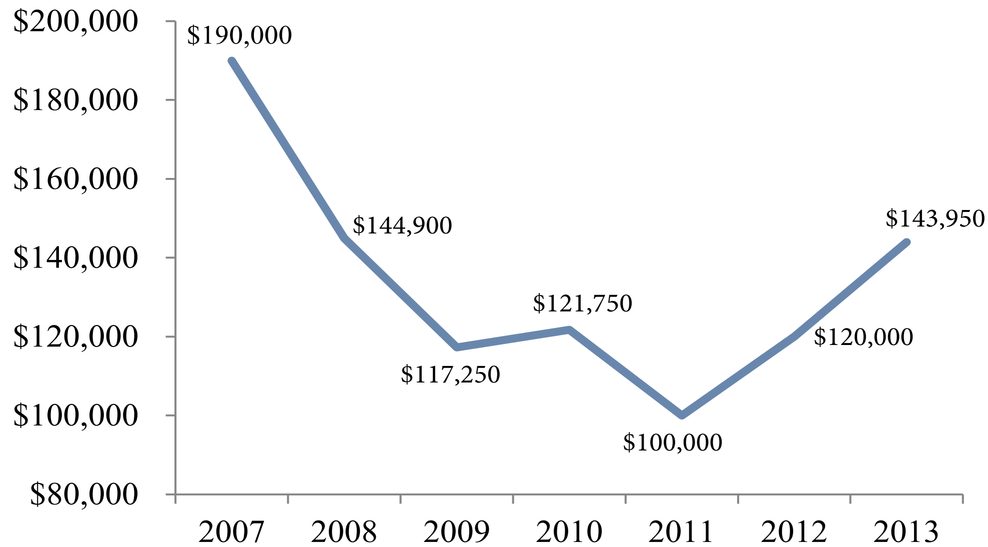
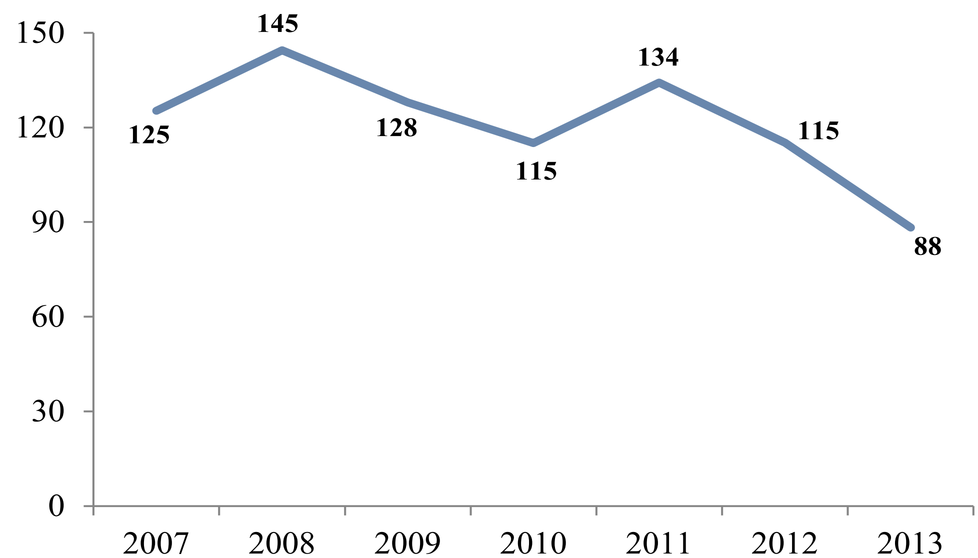


FIGURE 15 - DAYS ON THE MARKET



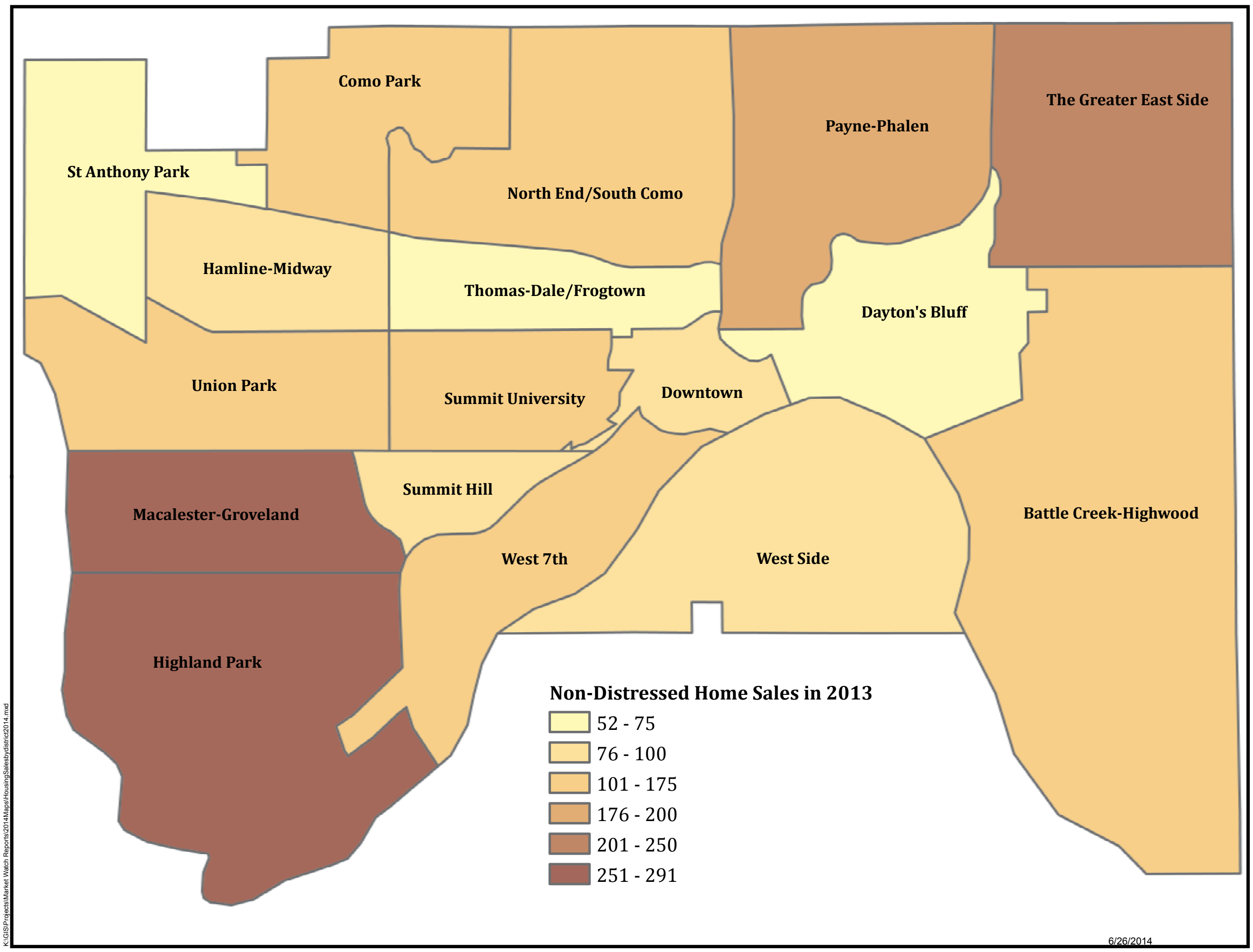
Source: MLS data from the Minneapolis Area Association of Realtors and 10K Research.

HOME SALES

Location of Home Sales, by District

Every planning district in Saint Paul had more sales in 2013 than in 2012. Figure 16 shows the location of non-distressed home sales by planning district in Saint Paul through the end of 2013. The following three neighborhoods had more than 200 non-distressed sales in 2013: Macalester-Groveland, Highland Park, and The Greater East Side. Higher home sales totals in neighborhoods can indicate interest in living and investing in those areas.

FIGURE 16 - 2013 HOME SALES BY PLANNING DISTRICT*



** Note: The boundary of Planning Districts 6 and 10 was changed effective January 2014. The real estate market and research firm from whom data is retrieved have not yet recognized this change.*

Non-distressed home sales represent home sales that are not foreclosures or short sales.

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

EMPLOYMENT OF SAINT PAUL RESIDENTS

Employment and Labor Force Past Year

Employment is measured as the number of Saint Paul residents who are currently employed, regardless of whether those residents work in Saint Paul or in another city. This is different from the analysis of jobs on the following pages, which measures the number of people who work in the city, regardless of where they live.

Saint Paul is experiencing employment growth. Through the end of 2013, Saint Paul's residents held 141,091 jobs, an increase of 1.2% more jobs than one year prior. Saint Paul's employment growth rate was similar to the seven-county metro, where the number of employed residents grew by 18,665, also an increase of about 1.2%. Table 12 shows some growth in the labor force, but labor force growth was lower than employment growth.

TABLE 12 - LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

	12-Q4	13-Q1	13-Q2	13-Q3	13-Q4
Saint Paul - Not seasonally adjusted					
Labor Force	147,602	146,907	149,136	149,191	147,784
Employment	139,406	138,327	140,957	141,038	141,091
Unemployment Rate	5.6%	5.8%	5.5%	5.5%	4.5%
Metro - Not seasonally adjusted					
Labor Force	1,625,126	1,620,162	1,641,810	1,641,111	1,629,938
Employment	1,544,730	1,532,780	1,561,922	1,562,813	1,563,395
Unemployment Rate	4.9%	5.4%	4.9%	4.8%	4.1%
Saint Paul - Rolling Annual Average*					
Labor Force	147,105	147,517	147,965	148,209	148,255
Employment	138,048	138,634	139,328	139,932	140,353
Unemployment Rate	6.2%	6.0%	5.8%	5.6%	5.3%
Metro - Rolling Annual Average					
Labor Force	1,617,344	1,622,447	1,628,353	1,632,052	1,633,255
Employment	1,529,685	1,536,179	1,543,863	1,550,561	1,555,228
Unemployment Rate	5.4%	5.3%	5.2%	5.0%	4.8%

**Although seasonally adjusted data is not available for Saint Paul, examining a rolling average of the past 12 months of employment data helps to account for seasonal fluctuation in employment trends. An example of how to read the chart: the rolling average unemployment rate for Saint Paul in 13-Q2 is 5.8%. This means that the average unemployment rate for the period of 12-Q2 to 13-Q2 is 5.8%.*

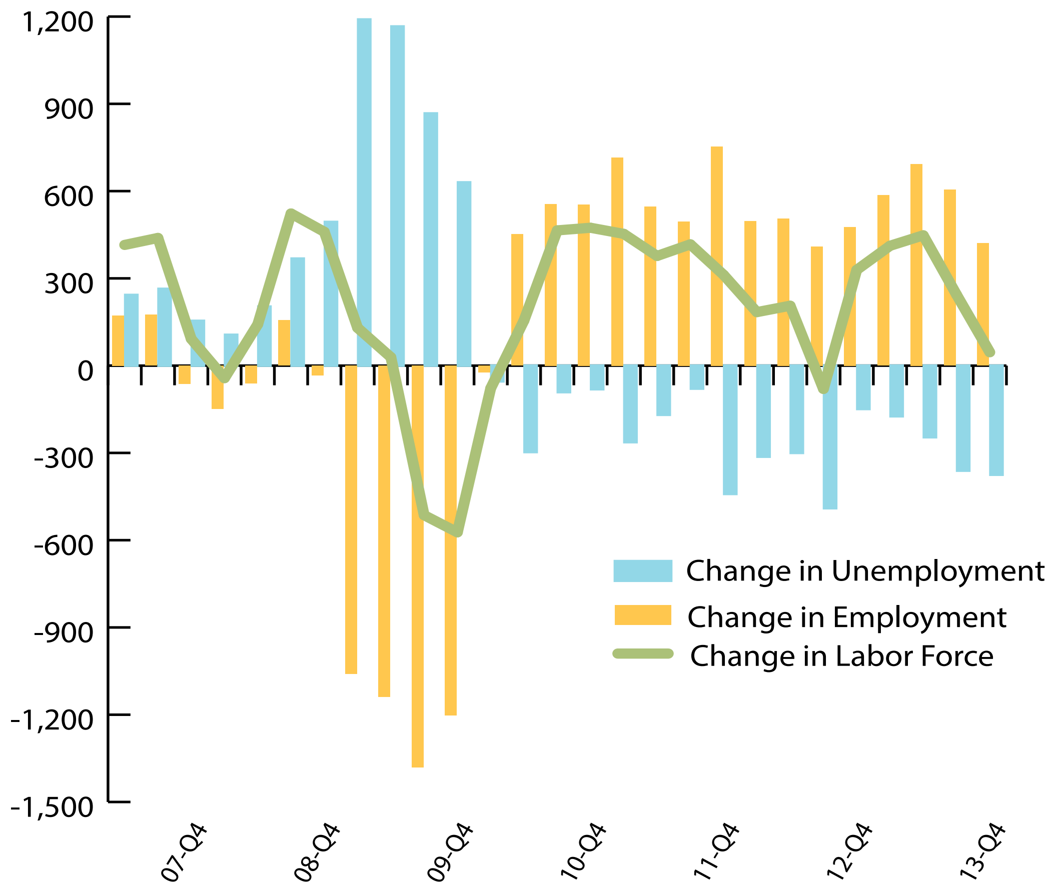
Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

Employment and Labor Force Trend

The labor force is the total number of residents in Saint Paul classified as either employed or unemployed. Unemployed residents only include persons actively seeking employment.

Figure 17 shows steady employment growth since 2010, making up for large losses experienced in 2008 and 2009 during the height of the recession. The graph also shows consistent growth in the labor force since 2010. Employment growth has exceeded labor force growth, resulting in a steady drop in the unemployment rate since 2010.

FIGURE 17 - CHANGES IN SAINT PAUL EMPLOYMENT, UNEMPLOYMENT, AND LABOR FORCE (TREND LINE BASED ON ROLLING ANNUAL AVERAGE)



Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

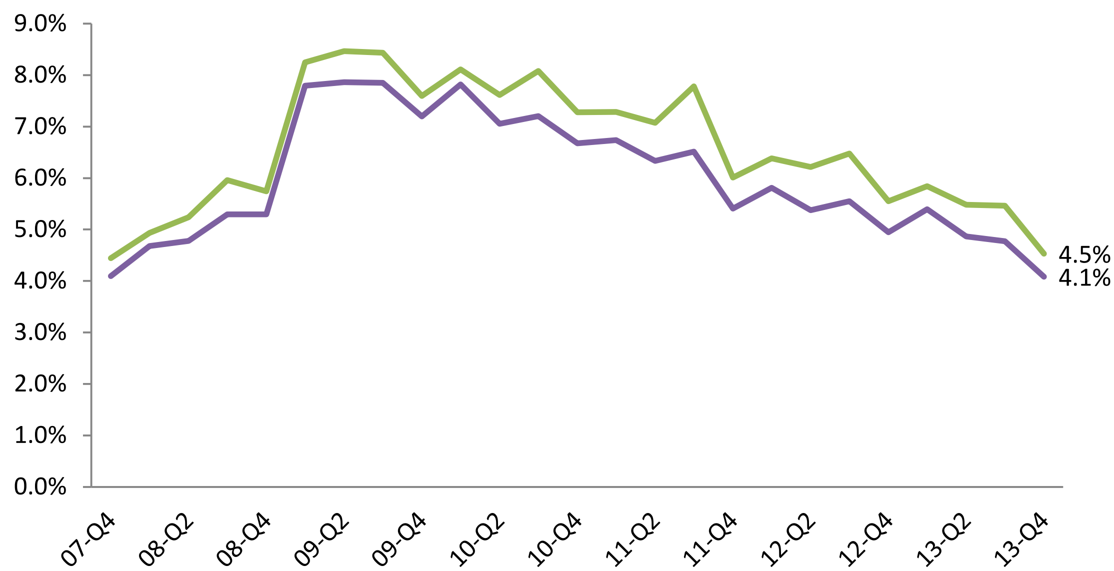
EMPLOYMENT OF SAINT PAUL RESIDENTS

Unemployment Rate

Saint Paul's unemployment rate continues to improve steadily. Figure 18 shows an unemployment rate of 4.5% for the last quarter of 2013, compared with 5.6% one year prior. As shown on the previous page the annual average unemployment rate for 2013 (5.3%) was also lower than 2012 (6.2%).

The unemployment rate is higher in Saint Paul than for the seven-county metro, but Saint Paul has seen greater overall improvement over the past year. Metro area unemployment dropped from 4.9% for 12-Q4 to 4.1% in 13-Q4.

FIGURE 18 - UNEMPLOYMENT RATE, NOT SEASONALLY ADJUSTED



Source: Minnesota Department of Employment and Economic Development - Local Area Unemployment Statistics

Annual Job Trends

Figure 19 shows the total number of jobs located in Saint Paul for for the years 2007-2013. The trend line is based on the second quarter estimates for each year, which tends to be relatively predictive of the annual average.

The graph shows a large drop in employment totals between 2008 and 2009, reflecting the worst downward trend of the recession. From there second quarter employment totals dropped somewhat through the second quarter of 2012. The number of jobs in Saint Paul increased slightly between 2012 and 2013.

FIGURE 19 - ALL JOBS IN SAINT PAUL, 2007-2013

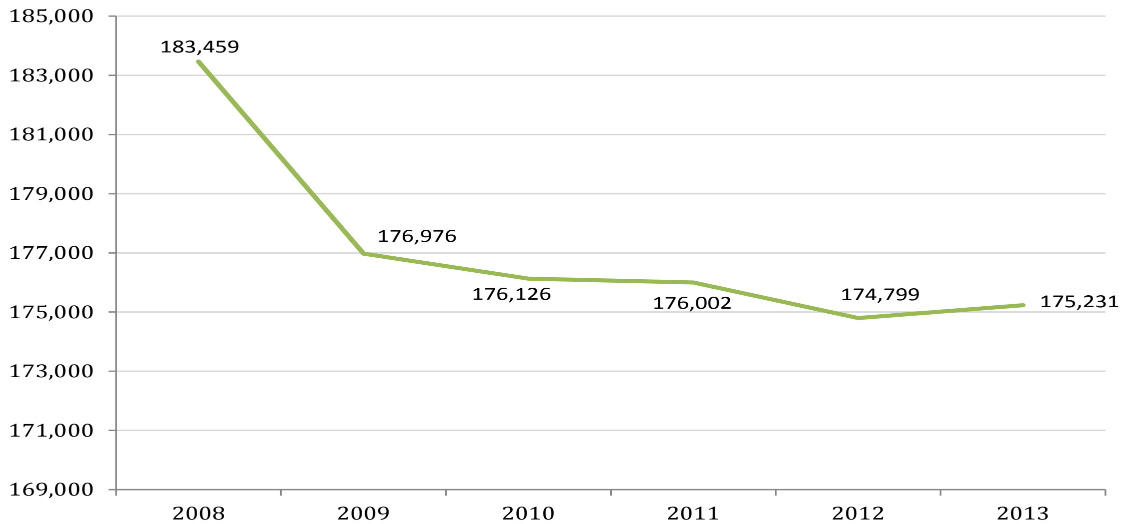


TABLE 13 - ALL JOBS IN SAINT PAUL, 2012-2013

	12-Q1	12-Q2	12-Q3	12-Q4	13-Q1
Total Jobs in Saint Paul	170,116	174,752	174,265	175,990	172,532
Private Jobs	134,682	138,484	139,158	139,344	135,866
Change from Prev Qtr	-5,372	3,802	674	186	-3,478
Total Government Jobs	35,433	36,267	35,106	36,646	36,665
Change from Prev Qtr	-72	834	-1,161	1,540	19
Local Government Jobs*	15,677	16,200	15,001	16,586	16,636
Change from Prev Qtr	-76	523	-1,199	1,585	50
State Government Jobs	16,847	17,145	17,156	17,129	17,171
Change from Prev Qtr	41	298	11	-27	42
Federal Government Jobs	2,908	2,922	2,948	2,930	2,857
Change from Prev Qtr	-37	14	26	-18	-73

**Local Government includes city, county, and school employees.*

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

Changes by sector, 2012-2013

The tables below show the number of jobs in the city and changes in jobs broken down by public and private sector over the last four quarters. The most recent numbers (through 13-Q1) show an increase of 2,416 more jobs than one year ago, including 1,184 additional private sector jobs. These figures reflect 1.4% overall growth, with about half of overall growth in the private sector. Most of the jobs lost in early 2012 were recovered by 12-Q4, but losses early in 2013 offset some of those gains.

Many of the job losses in 12-Q1 and 13-Q1 were in employment services, such as job placement services. The health care and social assistance sector lost jobs in 12-Q1, but gains in 2012 and 2013 more than offset those losses. Food services also lost jobs in 12- Q1, but the sector largely recovered by 13-Q1. In addition, the city reported a loss in manufacturing jobs in 12-Q1, in part due to the Ford Plant closing in 11-Q4, and has not fully replaced those jobs.
On balance, these changes reflect a modest, but encouraging, increase in opportunities to work in Saint Paul.

TABLE 14 - CHANGES IN PRIVATE AND GOVERNMENT SECTOR JOBS, 2012-2013

	Numerical Change	**Percent Change**
Total, All Ownerships	432	0.25%
Private Sector	-192	-0.14%
Government Sector	624	1.72%

TABLE 15 - CHANGE IN JOBS BY TYPE OF GOVERNMENT, 2012-2013

	Numerical Change	**Percent Change**
Federal Government	-110	-3.8%
State Government	116	0.7%
Local Government*	617	3.8%

**Local Government includes city, county, and school employees.*

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

JOBS IN SAINT PAUL

Sectors that gained the most jobs

Over the 12 month period from Q2-2012 to Q2-2013, **Health Care and Social Assistance** added the most jobs (1,700) of any industry in the city. This industry also saw the most growth between 2008 and 2013. Other industries with considerable growth between 2012 and 2013 include: **Educational Services** (660 jobs), **Construction** (593 jobs) and **Accomodation and Food Services** (509 jobs). **Construction** recovered some jobs lost between 2008 and 2012. Overall, 10 out of 18 sectors that reported data added jobs between 2012 and 2013. Only four of 18 sectors saw cumulative job growth between 2008 and 2013.

Sectors that lost the most jobs

The two sectors with the greatest numerical losses included **Administrative, Support, Waste and Remediation Services** (loss of 2,131 jobs), and **Management of Companies and Enterprises** (loss of 530 jobs). Overall, 8 out of 18 sectors lost jobs over the past 12 months; this is compared with losses in 14 out of 18 sectors reporting data for the previous year.

TABLE 16 - CHANGES IN EMPLOYMENT BY INDUSTRY, 2008-2013

Industry Group	2008	2012	2013	Change '08-'13	% Change '08-'13	Change '12-'13	% Change '12-'13
Health Care and Social Assistance	37,031	38,944	40,645	3,614	9.8%	1,701	4.4%
Educational Services	16,892	17,717	18,377	1,485	8.8%	660	3.7%
Construction	5,748	4,025	4,618	(1,130)	-19.7%	593	14.7%
Accommodation and Food Services	11,309	10,230	10,739	(570)	-5.0%	509	5.0%
Public Administration	22,748	21,802	22,144	(604)	-2.7%	342	1.6%
Retail Trade	9,644	9,303	9,584	(60)	-0.6%	281	3.0%
Finance and Insurance	14,118	12,142	12,390	(1,728)	-12.2%	248	2.0%
Information	4,833	4,039	4,188	(645)	-13.3%	149	3.7%
Utilities	728	878	955	227	31.2%	77	8.8%
Wholesale Trade	5,666	4,831	4,864	(802)	-14.2%	33	0.7%
Professional, Scientific, and Technical Services	6,847	7,100	7,067	220	3.2%	(33)	-0.5%
Real Estate and Rental and Leasing	2,904	2,505	2,430	(474)	-16.3%	(75)	-3.0%
Other Services (except Public Administration)	7,664	6,676	6,573	(1,091)	-14.2%	(103)	-1.5%
Manufacturing	9,098	7,869	7,626	(1,472)	-16.2%	(243)	-3.1%
Arts, Entertainment, and Recreation	4,715	4,192	3,893	(822)	-17.4%	(299)	-7.1%
Transportation and Warehousing	4,474	3,859	3,360	(1,114)	-24.9%	(499)	-12.9%
Management of Companies and Enterprises	5,225	4,665	4,135	(1,090)	-20.9%	(530)	-11.4%
Admin, Support, Waste, Remediation Services	11,016	11,424	9,293	(1,723)	-15.6%	(2,131)	-18.7%
Total, All Industries	**183,459**	**174,799**	**175,231**	**-8,228**	**-4.5%**	**432**	**0.2%**

See Appendix A for a brief description of each industry by NAICS code, as defined by the U.S. Census Bureau. More detail can be found at http://www.census.gov/eos/www/naics/2007NAICS/2007_Definition_File.pdf.

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

Changes in industry specialization, continued

Table 16 shows location quotients (LQ) for Saint Paul for the years 2008, 2012 and 2013, as sorted by the change in LQ between the second quarter of 2012 and the second quarter of 2013.

Industries with greatest drop in specialization (LQ) between 2012 and 2013 include Admin, Support, Waste, Remediation Services; Management of Companies and Enterprises; and Transportation and Warehousing.

Industries with the greatest increases in specialization (LQ) include Construction, Utilities, Information, Public Administration and Educational Services. Industries with the greatest increases between 2008 and 2013 include Utilities, Educational Services, Health Care and Social Assistance and Public Administration.

TABLE 17 - LOCATION QUOTIENTS FOR INDUSTRY GROUPS IN SAINT PAUL: 2008, 2012, AND 2013*

Industry Group	2008	2012	2013	Change '08-'13	Change '12-'13
Construction	0.70	0.59	0.66	-0.04	0.07
Utilities	0.77	0.95	1.02	0.25	0.07
Information	1.15	1.07	1.13	-0.02	0.06
Public Administration	2.70	2.71	2.76	0.06	0.05
Educational Services	1.13	1.19	1.23	0.10	0.05
Health Care and Social Assistance	1.34	1.37	1.41	0.07	0.04
Accommodation and Food Services	0.77	0.73	0.76	-0.01	0.03
Finance and Insurance	1.51	1.35	1.37	-0.14	0.02
Retail Trade	0.48	0.50	0.52	0.04	0.02
Wholesale Trade	0.62	0.57	0.57	-0.05	0.00
Manufacturing	0.40	0.39	0.38	-0.01	-0.01
Other Services (except Public Administration)	1.29	1.20	1.18	-0.11	-0.01
Professional, Scientific, and Technical Services	0.76	0.83	0.80	0.04	-0.03
Arts, Entertainment, and Recreation	1.34	1.22	1.18	-0.16	-0.03
Real Estate and Rental and Leasing	1.13	0.98	0.94	-0.19	-0.04
Transportation and Warehousing	0.66	0.63	0.56	-0.10	-0.07
Management of Companies and Enterprises	1.08	0.95	0.83	-0.25	-0.12
Admin, Support, Waste, Remediation Services	1.26	1.31	1.07	-0.19	-0.24
Total, All Industries	**1.00**	**1.00**	**1.00**	**0.00**	**0.00**

**Reference area is the state of Minnesota. LQ is a relative measure of industry concentration in Saint Paul. A higher LQ means that jobs in that industry are concentrated in Saint Paul relative to the state of Minnesota.*

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

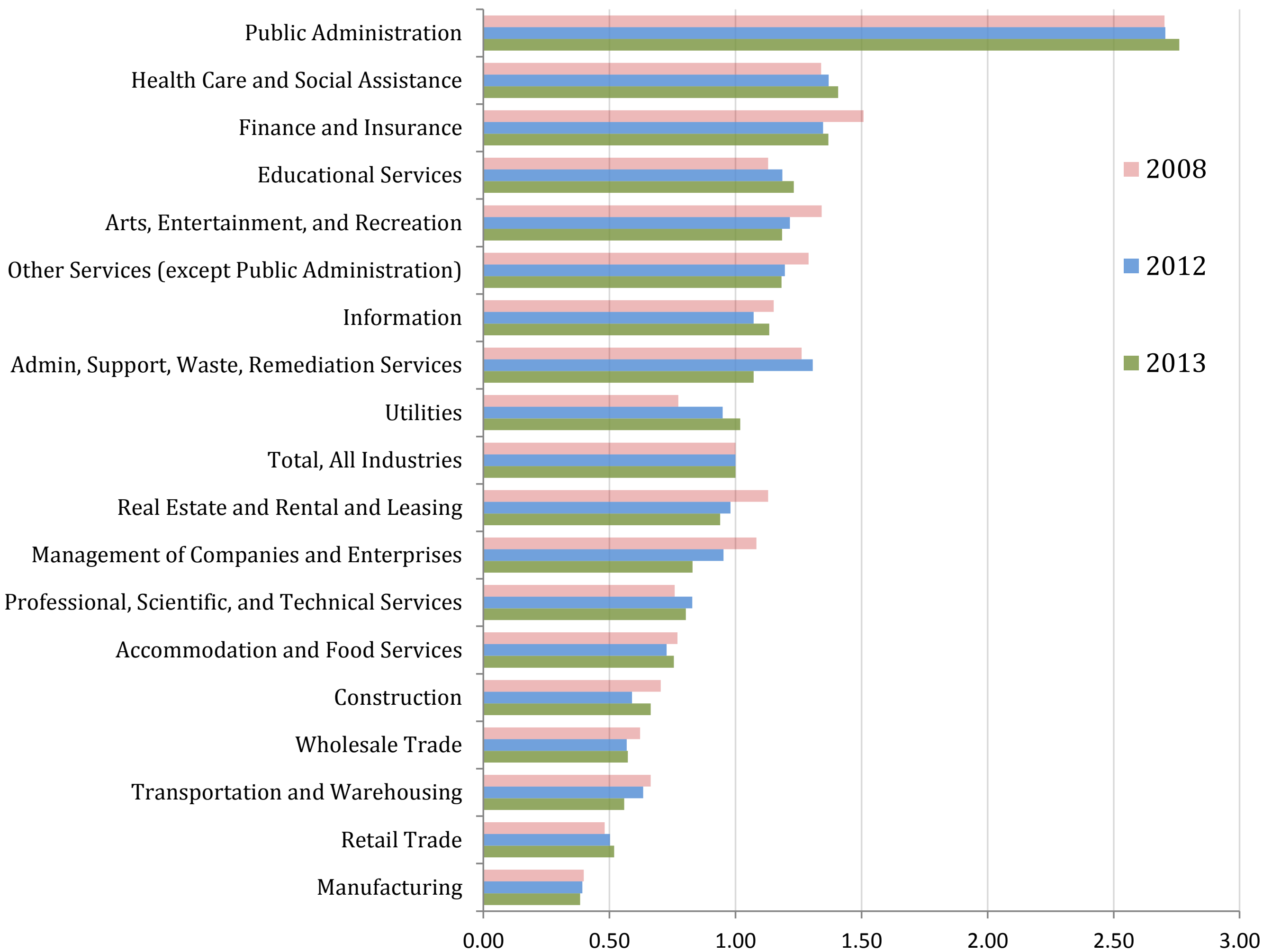
JOBS IN SAINT PAUL

Industry specialization in Saint Paul

Figure 19 graphically represents location quotients (LQ) for Saint Paul for the years 2008, 2012 and 2013. Increases in LQ represent increasing specialization, as measured by concentration of jobs in Saint Paul. Falling LQ represent decreasing specialization for that industry. Specialization is measured relative to the state of Minnesota.

Saint Paul's greatest specialization is in **Public Administration** (increasing), **Health Care and Social Assistance** (increasing), **Finance and Insurance** (fell after 2008 and increased between 2012 and 2013); and **Educational Services** (increasing). Saint Paul also has some degree of specialization in **Arts, Entertainment and Recreation**; **Other Services; Information**; **Admin, Support, Waste and Remediation Services**; and **Utilities**. These industries have experienced various changes in LQ over the past few years, as shown below.

FIGURE 20 - LOCATION QUOTIENTS FOR INDUSTRY GROUPS IN SAINT PAUL: 2008, 2012 AND 2013*



**Reference area is the state of Minnesota. LQ is a relative measure of industry concentration in Saint Paul. A higher LQ means that jobs in that industry are concentrated in Saint Paul relative to the state of Minnesota.*

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

WAGES

Average Weekly Wages

The average weekly wage in Saint Paul as of the first quarter of 2013 was $1,041, which is $5 more than one year prior. This figure indicates that wages in the city are relatively stable.

The graph shows that this trend is relatively consistent with state and metro level changes over the past year.

FIGURE 21 - AVERAGE WEEKLY WAGES, 2007-2013 (ADJUSTED TO 2013 $)

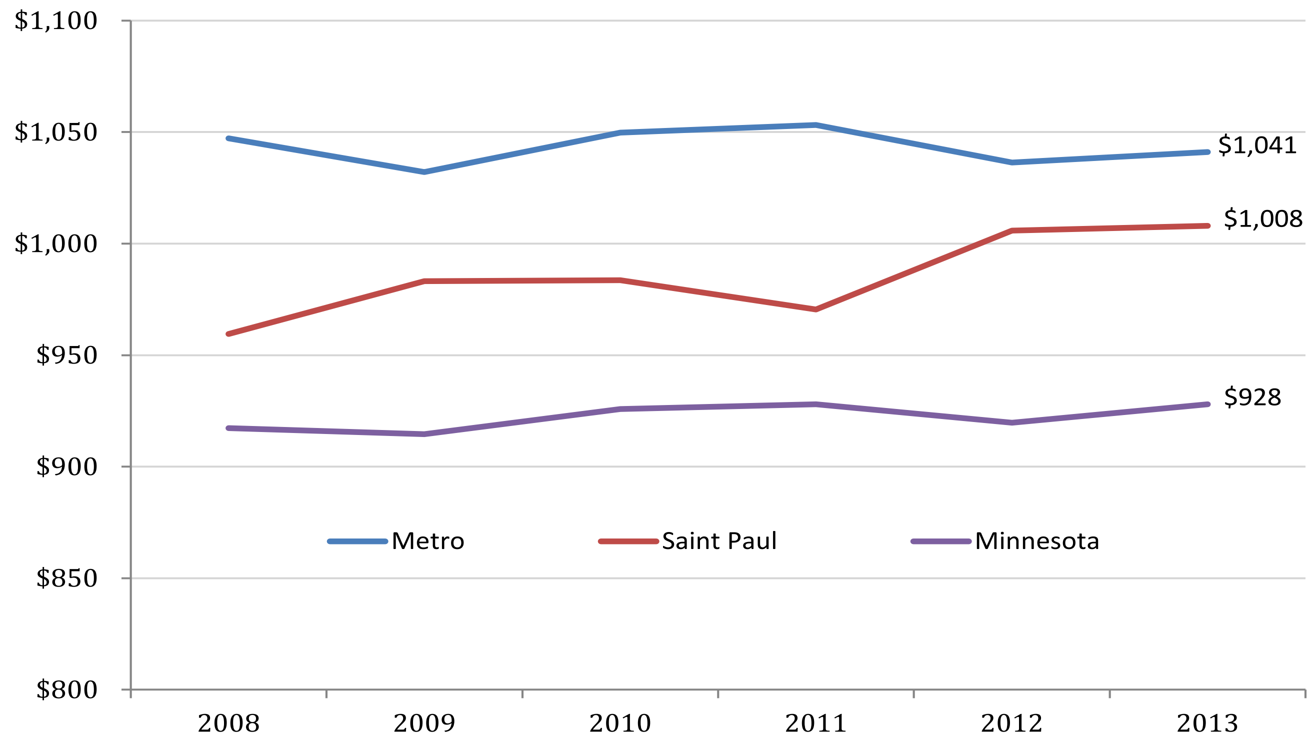


TABLE 18 - AVERAGE WEEKLY WAGES, 2007-2013 (ADJUSTED TO 2013 $)

Average Weekly Wages (2013 $)							Changes in Wages	
Year	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**Change 2008-2013**	**Change 2012-2013**
Metro	$1,047	$1,032	$1,050	$1,053	$1,036	$1,041	$-6	$5
Saint Paul	$960	$983	$984	$970	$1,006	$1,008	$48	$2
Minnesota	$917	$915	$926	$928	$920	$928	$11	$8

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

WAGES

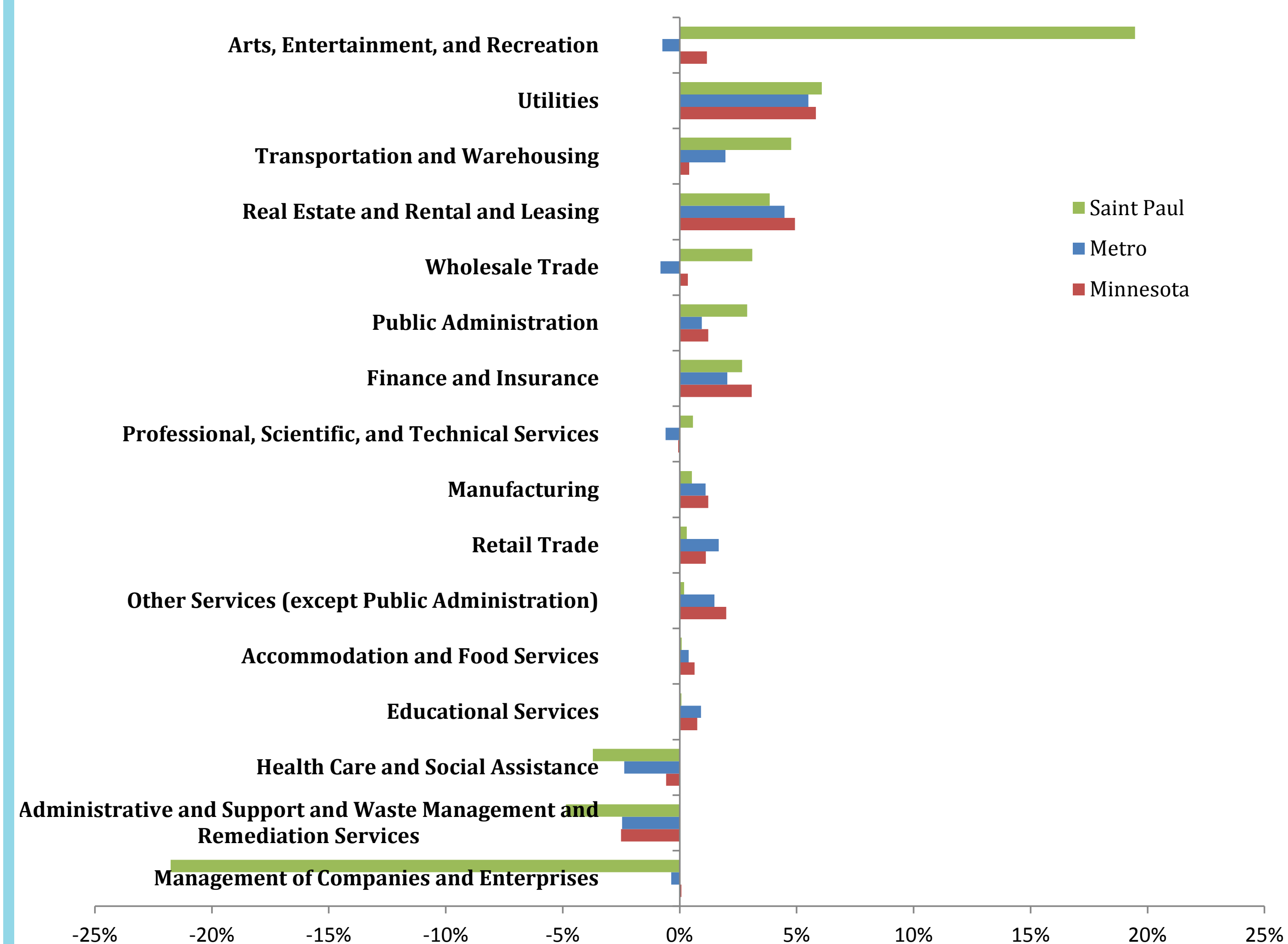
Comparing Change in Wages by Industry

Saint Paul saw increased wages in 13 of 16 sectors that reported wage data for 2012 and 2013, and falling wages in three sectors. Major changes according to industry sector are summarized below. Data on the following page compares changes in jobs to changes in wages by industry.

Wages in Saint Paul saw steeper declines in three sectors: **Health Care and Social Assistance** (despite job gains), **Admin, Support, Waste, Remediation Services;** and **Management of Companies and Enterprises.**

Saint Paul saw greater percent increases than the state and metro in seven sectors. **Arts, Entertainment and Recrecation** experienced considerable wage growth of 19.5%, much larger than the state and metro. **Utilites; Transportation and Warehousing** also saw wage growth that outstripped the metro. Real Estate and Rental and Leasing saw growth, but less so than the state and metro.

FIGURE 22 - PERCENT CHANGE IN WAGES, BY INDUSTRY, 12-Q2 TO 13-Q2 (2013 $)



Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

Comparing Changes in Jobs and Wages, by Industry Sector

As the table below shows, seven sectors are experiencing both employment growth and wage growth. **Health Care and Social Assistance** is experiencing employment growth but average wages are decreasing. Six sectors saw increases in average wages, but also experienced job losses.

TABLE 19 - COMPARING CHANGES IN JOBS AND WAGES

Industry Group	Job Gains	% Change '12-'13	% Change (Wages) '12-'13
Health Care and Social Assistance	1,701	4.4%	-3.7%
Educational Services	660	3.7%	0.1%
Construction	593	14.7%	Not reported
Accommodation and Food Services	509	5.0%	0.1%
Public Administration	342	1.6%	2.9%
Retail Trade	281	3.0%	0.3%
Finance and Insurance	248	2.0%	2.7%
Utilities	77	8.8%	6.1%
Wholesale Trade	33	0.7%	3.1%
Professional, Scientific, and Technical Services	(33)	-0.5%	0.6%
Real Estate and Rental and Leasing	(75)	-3.0%	3.8%
Other Services (except Public Administration)	(103)	-1.5%	0.2%
Manufacturing	(243)	-3.1%	0.5%
Arts, Entertainment, and Recreation	(299)	-7.1%	19.5%
Transportation and Warehousing	(499)	-12.9%	4.8%
Management of Companies and Enterprises	(530)	-11.4%	-21.8%
Admin, Support, Waste, Remediation Services	(2,131)	-18.7%	-4.9%
Total, All Industries	432	0.2%	0.2%

Figures are based on second quarter estimates, which tend to be relatively predictive of the annual average.

Source: Minnesota Department of Employment and Economic Development - Quarterly Census of Employment and Wages.

POPULATION AND EMPLOYMENT FORECASTS

Population and Jobs

The graphs below combine historical employment and population data from several sources with forecasted figures from the Metropolitan Council. The Metropolitan Council preliminary forecasts indicate that Saint Paul will add approximately 40,000 residents (14% growth) and more than 45,000 jobs by 2030 (26% growth).

The current population estimate for the city is 290,700, representing an estimated increase of more than 2,000 residents since 2011. Continued population growth is consistent with this recent trend and future growth is expected to surpass the city's historical population peak of 313,000 residents in 1960. Forecasts also suggest that the city will experience significant economic growth in the coming years despite employment losses and slow growth since the onset of the recession.

FIGURE 23 - SAINT PAUL EMPLOYMENT AND FORECASTED CHANGE

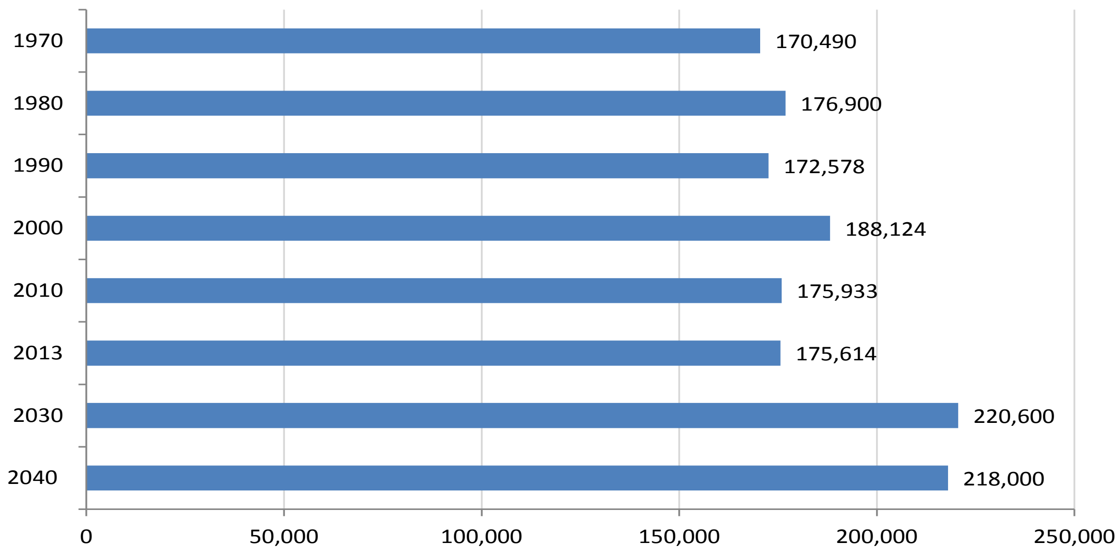
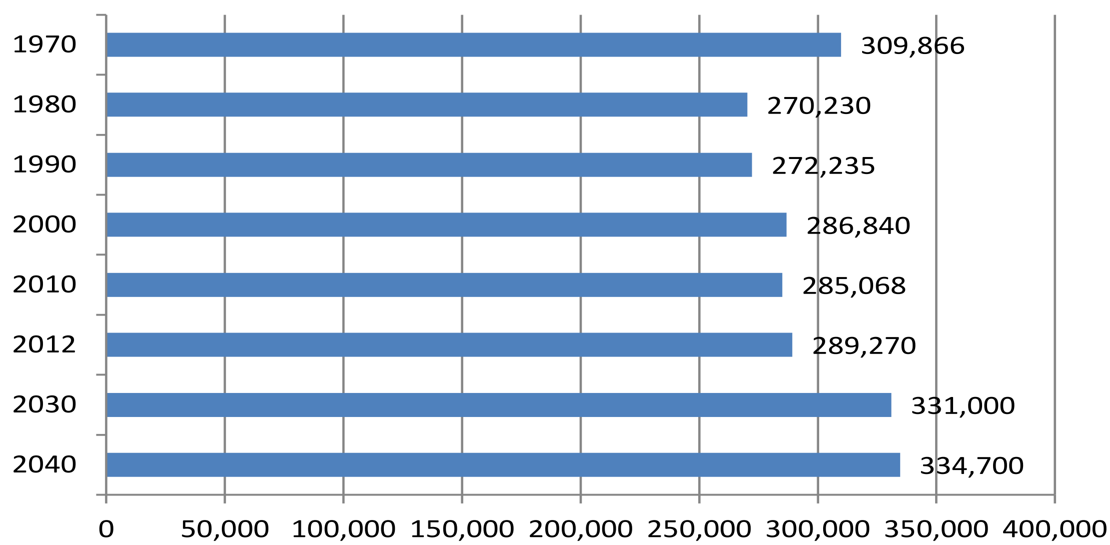


FIGURE 24 - SAINT PAUL POPULATION AND FORECASTED CHANGE



2012 population estimate from the U.S. Census Bureau, 2012 1-year ACS. 2013 employment data is based on 2nd quarter DEED QCEW estimates.

Source: Historic and forecasted population data from the Metroplitan Council's 2040 adopted forecasts.

Population by Age

Table 19 summarizes change in population by age between 2000 and the most recent population estimates, based on three years of data collected between 2010 and 2012. Changes for key population groups are summarized on the next page, which graphically represents these changes.

TABLE 20 - POPULATION BY AGE, SAINT PAUL, CHANGES SINCE 2000

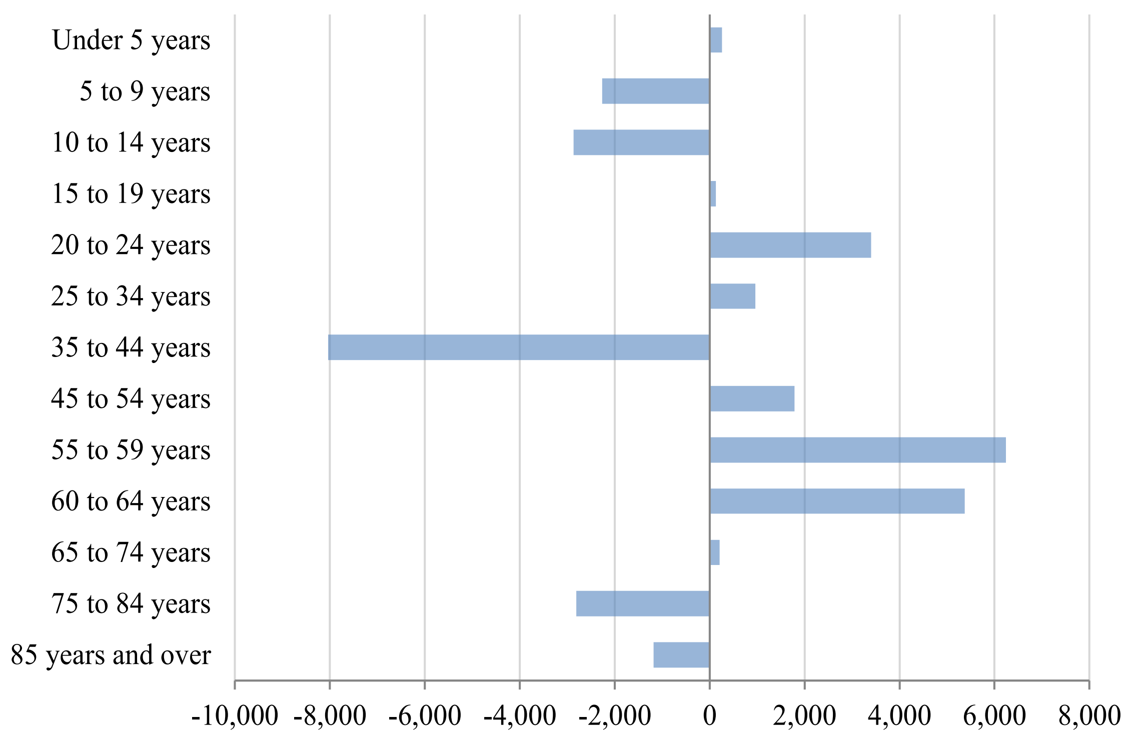
Age Group	2000	2008-2010	2010-2012	Change 2000 to 2012 (% change)
Under 5 years	21,747	22,275	22,005	258 (1.2%)
5 to 9 years	22,273	18,919	20,005	-2,268 (-10.2%)
10 to 14 years	21,572	18,162	18,703	-2,869 (-13.3%)
15 to 19 years	22,233	22,800	22,366	133 (0.6%)
20 to 24 years	25,947	27,916	29,349	3,402 (13.1%)
25 to 34 years	48,210	49,082	49,173	963 (2.0%)
35 to 44 years	43,792	35,418	35,754	-8,038 (-18.4%)
45 to 54 years	34,035	36,514	35,822	1,787 (5.3%)
55 to 59 years	9,974	16,323	16,216	6,242 (62.6%)
60 to 64 years	7,721	11,087	13,095	5,374 (69.6%)
65 to 74 years	13,292	12,674	13,499	207 (1.6%)
75 to 84 years	11,180	8,471	8,368	-2,812 (-25.2%)
85 years and over	5,175	4,171	3,992	-1,183 (-22.9%)
Total Population	**287,151**	**283,812**	**288,347**	**1,196 (0.4%)**

Source: U.S. Census Bureau, 2000 Census Summary File 2; 2008-2010 and 2010-2012 ACS 3-Year Estimates, Table DP-05; the U.S. Census is a survey of all residents whereas the ACS is a random sample survey of residents used to produce estimates on a more regular basis.

Population by Age

Some key trends of note are the increasing the population of residents between 45 and 65 (increase of 11,616 residents), as well as increases in the population of residents aged 20 to 34 (increase of 4,365 residents). During the same time period, Saint Paul lost population of residents between 5 and 14 years old, as well as residents aged 35-44. In addition, Saint Paul lost population for age cohorts over 75 years of age.

FIGURE 25 - CHANGES IN AGE COHORTS, 2000 TO 2010-2012



Source: U.S. Census Bureau, 2010-2012 ACS 3-Year Estimates, Table S0101

Race and Ethnicity

The figure and table below show changes in the racial and ethnic makeup of the city by population. The city added Black/African American residents; Hispanic residents; Asian residents; and residents of two or more races. The city lost White residents during the same time period. These changes suggest increasing racial and ethnic diversity in the City of Saint Paul.

FIGURE 26 - CHANGES IN RACE AND ETHNICITY OF SAINT PAUL RESIDENTS, 2010-2012

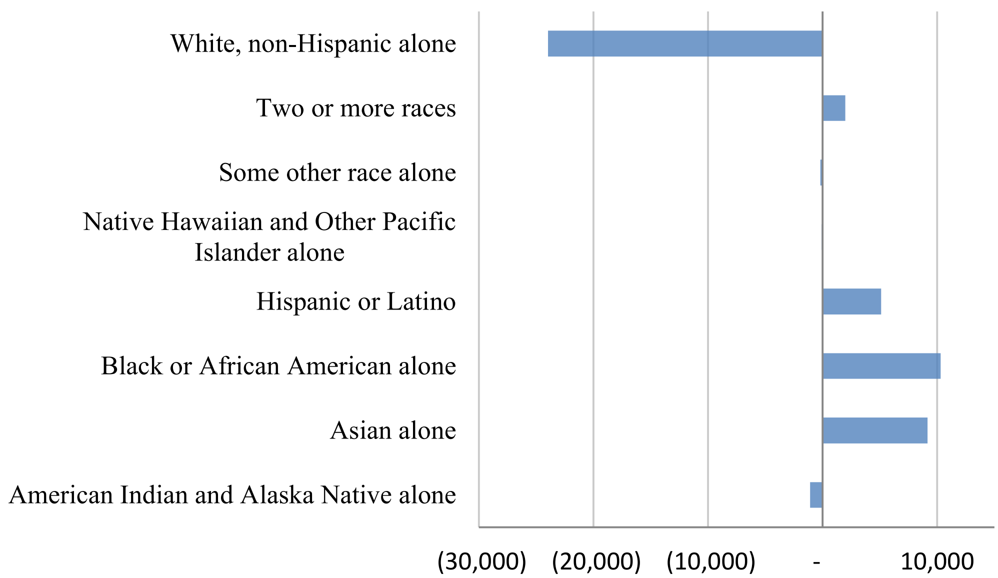


TABLE 21 - RACE AND ETHNICITY OF SAINT PAUL RESIDENTS

Race or Ethnicity	2000	2010	2012
American Indian and Alaska Native alone	2,806	2,327	1,728
Asian alone	35,311	42,202	44,465
Black or African American alone	32,818	41,725	43,115
Hispanic or Latino	22,715	27,826	27,816
Native Hawaiian and Other Pacific Islander alone	178	178	80
Some other race alone	572	495	386
Two or more races	8,853	9,143	10,830
White, non-Hispanic alone	183,898	159,916	159,927
Total Population	**287,151**	**283,812**	**288,347**

Source: U.S. Census Bureau, 2009-2011 and 2010-2012 ACS Demographic and Housing Estimates - Table DP-05

Where were Saint Paul residents born?

The latest data show that Saint Paul has more foreign-born residents, and more residents born outside Minnesota, than in 2000. In addition, the city added residents in both of these categories between the 2008-2010 ACS and the 2010-2012 ACS. These data suggest additional migration to Saint Paul, either from abroad or from other states.

FIGURE 27 - PLACE OF BIRTH FOR SAINT PAUL RESIDENTS

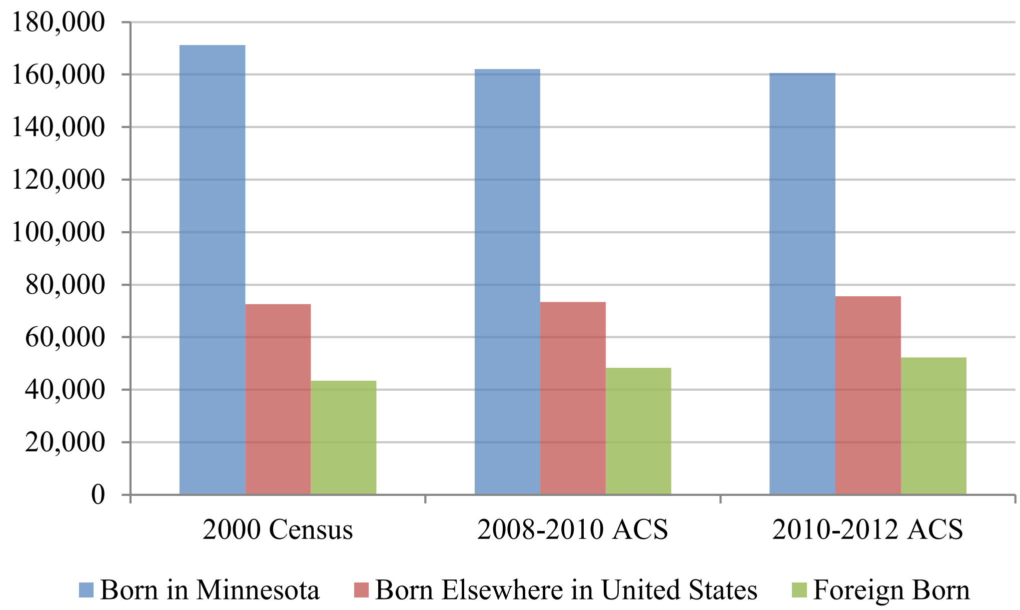


TABLE 22 - PLACE OF BIRTH OF SAINT PAUL RESIDENTS

Place of Birth	2000	2010	2012
Born in Minnesota	171,175	162,062	160,563
Born Elsewhere in United States	72,566	73,414	75,539
Foreign Born	43,410	48,336	52,245

Source: U.S. Census Bureau, 2009-2011 and 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02.

Changes in Poverty Rates

The latest three year estimates show a 23.7% poverty rate for Saint Paul, with 66,535 residents in poverty. This rate increased from 15.6% in 2000. It also is more than double the state of Minnesota's rate of 11.7%.

Saint Paul has also seen the number of residents below 150% of the poverty level increase from 24.8% to 35.0% between 2000 and 2010-2012. These trends suggest that the impact of poverty is a growing issue in Saint Paul.

FIGURE 28 - CHANGES IN POVERTY RATES OVER TIME

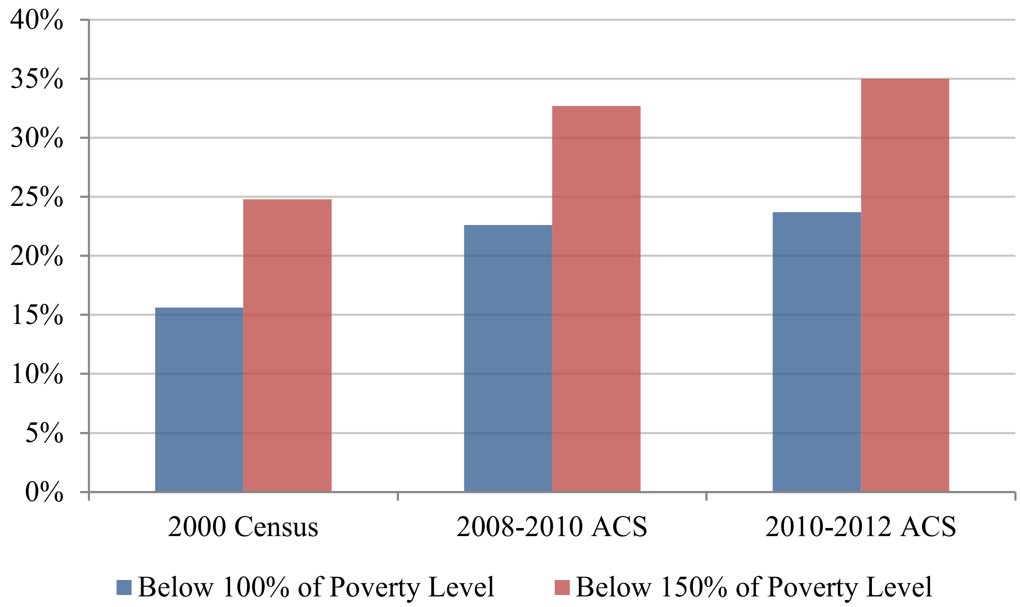


TABLE 23 - SAINT PAUL POVERTY RATES OVER TIME

Indicator	2000	2010	2012
Below 100% of Poverty Level	15.6%	22.6%	23.7%
Below 150% of Poverty Level	24.8%	32.7%	35.0%

Source: U.S. Census Bureau, 2000 Census, 2008-2010 ACS and 2010-2012 ACS. Data originally reported in the Metropolitan Council's Community Profile for Saint Paul

Educational Attainment of Residents

The number of residents with high levels of education (Graduate/Professional and Bachelors degrees) that live in Saint Paul has increased since 2000. In contrast, the number of residents with less education has decreased. Taken together, these trends may reflect highly educated residents moving into Saint Paul and residents with less education leaving Saint Paul.

FIGURE 29 - CHANGE IN EDUCATIONAL ATTAINMENT, RESIDENTS OLDER THAN 25 YEARS, 2000 TO 2010-12

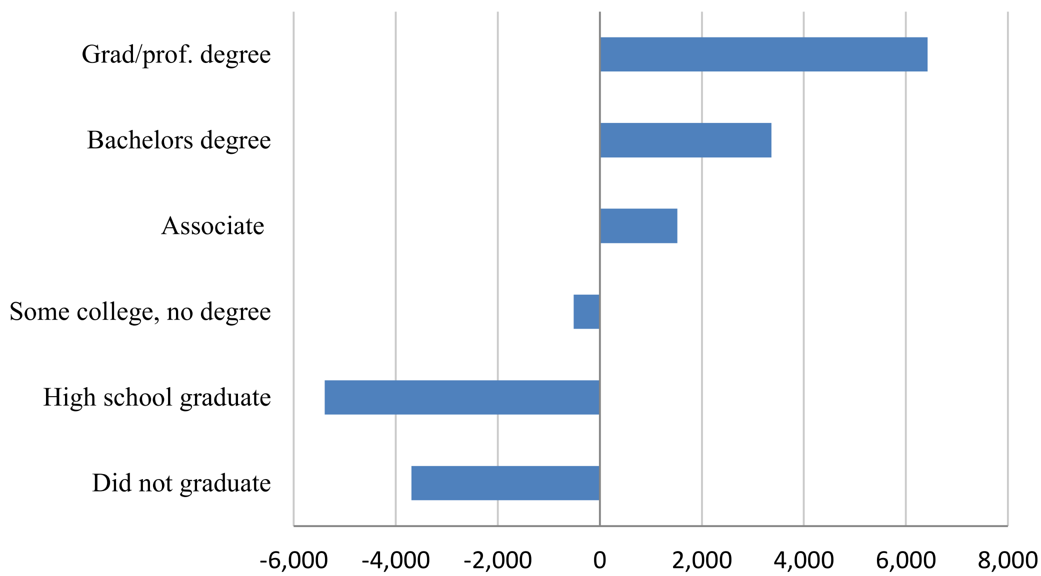


TABLE 24 - EDUCATIONAL ATTAINMENT, RESIDENTS OLDER THAN 25 YEARS, 2000 TO 2010-12

Education Level	2000	2010	2012
Total population over 25 years	174,204	173,740	175,919
Grad/prof. degree	20,885	26,066	27,311
Bachelors degree	34,903	38,012	38,268
Associate	9,775	10,925	11,297
Some college, no degree	35,679	33,073	35,166
High school graduate	44,680	41,233	39,289
Did not graduate	28,282	24,431	24,588

Source: U.S. Census Bureau, 2000 Census, 2008-2010 ACS and 2010-2012 ACS. Data originally reported in the Metropolitan Council's Community Profile for Saint Paul

Definitions of Industry Sectors

Employment information used in this report, obtained from the Minnesota Department of Employment and Economic Development, employs the federal North American Industry Classification System (NAICS). This standard is used by Federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. business economy. Definitions for each of these major sectors are described below. More detailed information about the classification of jobs by industry can be found at: http://www.census.gov/eos/www/naics/2007NAICS/2007_Definition_File. pdf

Accommodation and Food Services (Sector 72) comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation and food services establishments because the two activities are often combined at the same establishment.

Administrative and Support and Waste Management and Remediation Services (Sector 56) comprises establishments performing routine support activities for the day-to-day operations of other organizations. These essential activities are often undertaken in-house by establishments in many sectors of the economy. Activities performed include: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services

Arts, Entertainment, and Recreation (Sector 71) includes a wide range of establishments that operate facilities or provide services to meet varied cultural, entertainment, and recreational interests of their patrons. This sector comprises (1) establishments that are involved in producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) establishments that preserve and exhibit objects and sites of historical, cultural, or educational interest; and (3) establishments that operate facilities or provide services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Construction (Sector 23) comprises establishments primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems).

Educational Services (Sector 61) comprises establishments that provide instruction and training in a wide variety of subjects. This instruction and training is provided by specialized establishments, such as schools, colleges, universities, and training centers. These establishments may be privately owned and operated for profit or not for profit, or they may be publicly owned and operated. They may also offer food and/or accommodation services to their students.

Finance and Insurance (Sector 52) comprises establishments primarily engaged in financial transactions (those involving the creation, liquidation, or change in ownership of financial assets) and/or in facilitating financial transactions.

Health Care and Social Assistance (Sector 62) comprises establishments providing health care and social assistance for individuals. The sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The services provided by establishments in this sector are delivered by trained professionals.

Information (Sector 51) comprises establishments engaged producing and distributing information and cultural products, providing the means to transmit or distribute these products as well as data or communications, and (c) processing data.

Definitions of Industry Sectors (continued)

Management of Companies and Enterprises (Sector 55) comprises (1) establishments that hold the securities of (or other equity interests in) companies and enterprises for the purpose of owning a controlling interest or influencing management decisions or (2) establishments (except government establishments) that administer, oversee, and manage establishments of the company or enterprise and that normally undertake the strategic or organizational planning and decision making role of the company or enterprise.

Manufacturing (Sectors 31-33) comprises establishments engaged in the mechanical, physical, or chemical transformation of materials, substances, or components into new products

Other Services (except Public Administration) (Sector 81) comprises establishments engaged in providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photo-finishing services, temporary parking services, and dating services. Private households that engage in employing workers on or about the premises in activities primarily concerned with the operation of the household are included in this sector. Excluded from this sector are establishments primarily engaged in retailing new equipment and also performing repairs and general maintenance on equipment.

Professional, Scientific, and Technical Services (Sector 54) comprises establishments that specialize in performing professional, scientific, and technical activities for others. These activities require a high degree of expertise and training.

Public Administration (Sector 92) consists of establishments of federal, state, and local government agencies that administer, oversee, and manage public programs and have executive, legislative, or judicial authority over other institutions within a given area. These agencies also set policy, create laws, adjudicate civil and criminal legal cases, provide for public safety and for national defense.

Real Estate and Rental and Leasing (Sector 53) comprises establishments primarily engaged in renting, leasing, or otherwise allowing the use of tangible or intangible assets, and establishments providing related services.

Retail Trade (Sectors 44 & 45) comprises establishments engaged in retailing merchandise, generally without transformation, and rendering services incidental to the sale of merchandise.

Transportation and Warehousing (Sectors 48 & 49) includes industries providing transportation of passengers and cargo, warehousing and storage for goods, scenic and sightseeing transportation, and support activities related to modes of transportation.

Utilities (Sector 22) comprises establishments engaged in the provision of the following utility services: electric power, natural gas, steam supply, water supply, and sewage removal

Wholesale Trade (Sector 42) comprises establishments engaged in wholesaling merchandise, generally without transformation, and rendering services incidental to the sale of merchandise. The merchandise described in this sector includes the outputs of agriculture, mining, manufacturing, and certain information industries, such as publishing.