Saint Paul Market Watch

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

Third Semi-Annual Market Watch

This is the third 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, 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.

Highlights for This Issue

- Building and development activity in the city remains strong. Through June 30, 2013, 40 major projects received permits of $1 million or more. Single family home starts and remodels are also up, and the housing market is showing increased sales and prices. With that said, through the first six months of 2013 the total value and number of building permits is about 5% less than for the first half of 2012.

- 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 28% decrease in foreclosures.

- Unemployment has dropped to 5.6%, and the number of jobs in the city has increased by 1.4%.

- The Metropolitan Council has forecasted increases in employment and population. Data from the American Community Survey (ACS) shows a diverse population with highly educated residents, but a high poverty rate.

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Fall 2013

Saint Paul
Market Watch

Fall 2013

Table of Contents

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			◀▶ (black)

Building and Development

# of New Buildings ▼ (neutral)

- ▲ (positive) Residential
- ▼ (neutral) Non-Residential and Mixed Use

Total Permit Value ▼ (neutral)

Single Family Home Permits

- ▼ (neutral) Additions
- ▲ (positive) New construction
- ▲ (positive) Remodels

# of Projects over $1 million ▲ (positive)

38 total projects

Demolitions ▼ (positive)

Foreclosures ▼ (positive)

- ▼ (positive) Pre-foreclosure notices

Vacant Buildings ▼ (positive)

Home Sales

- ▲ (positive) Closed Sales
- ▼ (positive) Distressed Sale Rate
- ▲ (positive) Median Sales Price
- ▼ (positive) Days on the Market

Employment and Wages

Unemployment Rate: 5.6% ▼ (positive)

- Employment # ▲ (positive)
- Labor Force # ▼ (neutral)

Total Jobs: 1.4% ▲ (positive)

- Private 0.9% ▲ (positive)
- Government 3.5% ▲ (positive)

Weekly Wages: ◀▶ (neutral)

$1,073

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

2012 Population Estimate ▲ **290,776***

2030 Population Forecast ▲ **331,000**

2030 Employment Forecast ▲ **220,600**

Demographic Estimates**

Largest Age Group: Ages 20-34

Racial Breakdown:

55.5% White

44.5% Non-white/Hispanic

▲ ***Mobility***

23.8% moved to their current location in past year

◀▶ ***Poverty rate***

23.7% below poverty (Saint Paul)

11.7% below poverty (Minnesota)

◀▶ ***Educational attainment***

14% less than high school graduate

21.8% Bachelor's degree

15.5% Graduate/Professional degree

*2012 population estimate based on 1-year ACS data, which provides the most current estimate.
**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

As of June 30, 2013, Saint Paul saw a total of 37 new buildings with recently completed, inspected, or active permits since the start of the year. If building activity continues at a similar rate, Saint Paul is likely to see a total of 75 new permits by the end of the year. This is fewer than the 102 permitted buildings last year, but numbers from previous years show that 2012 was a particularly strong year for new construction in Saint Paul.

One encouraging piece of information is that Saint Paul had already issued 24 permits for single family homes by mid-year. This figure is already higher than annual totals for the recession years of 2008-2011, and is beginning to approach last year's total of 33 home starts. This indicator could suggest higher levels of confidence in the single-family homeownership market. In addition, since 2010 the city's Housing and Redevelopment Authority has worked to construct some new homes through the Inspiring Communities program.

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

	2007	2008	2009	2010	2011	2012	2013 (6 months)
Residential	57	22	22	19	25	44	24
Single Family Home	44	14	14	17	23	33	24
Duplex	0	2	0	2	1	0	0
Multi-Unit	13	6	8	0	1	11	0
Units	251	145	189	0	44	297	0
Non-Residential	30	28	14	25	40	38	6
Commerical	22	25	9	11	30	32	5
Institutional	8	3	5	14	10	6	1
Mixed Comm/Res	0	0	0	2	2	4	1
Units	0	0	0	108	60	435	174
Accessory Structure	8	5	9	11	8	16	6
Totals*	95	55	45	57	75	102	37

Source: Saint Paul Department of Safety and Inspections

Includes building permits for "New" buildings with the status of "Active/Issued," "Inspected," or "Finaled," indicating active or completed construction activity.
**Totals do not include unit count*

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

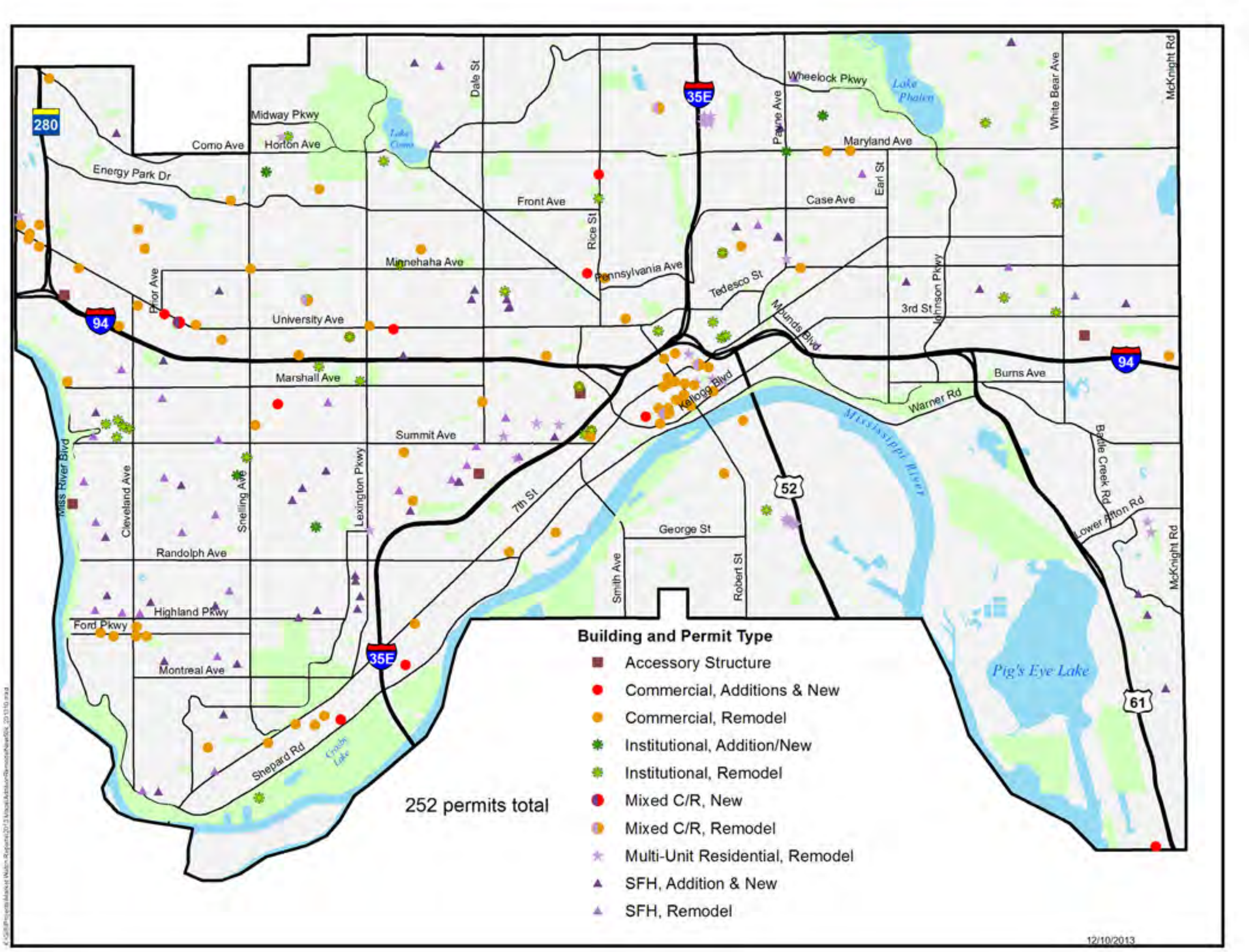
LARGE CONSTRUCTION PROJECTS

Location of Projects Over $50,000

This map shows locations of major construction projects through the first half of 2013. There is a cluster of commercial and multi-unit residential remodel projects in downtown. In addition, the first half of 2013 saw continued investment along the Green Line light rail corridor. In particular, there is commercial building activity near the Westgate Station area (Hwy 280 and University) and heading east towards the Raymond and Snelling Avenue stations. Most projects are remodels with some addition and new construction activity.

Moving beyond downtown and the Green Line, most projects are in the southwestern part of the city. This is where most single family home remodels, additions and new construction are taking place. There are also some noticeable clusters of institutional remodeling near Cleveland and Summit, and commercial remodeling activity near Ford and Cleveland and along West 7th and Shepard Road. Finally, there is some investment, though it is less prominent, throughout the entire northern half of the city.

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



Source: Saint Paul Department of Safety and Inspections

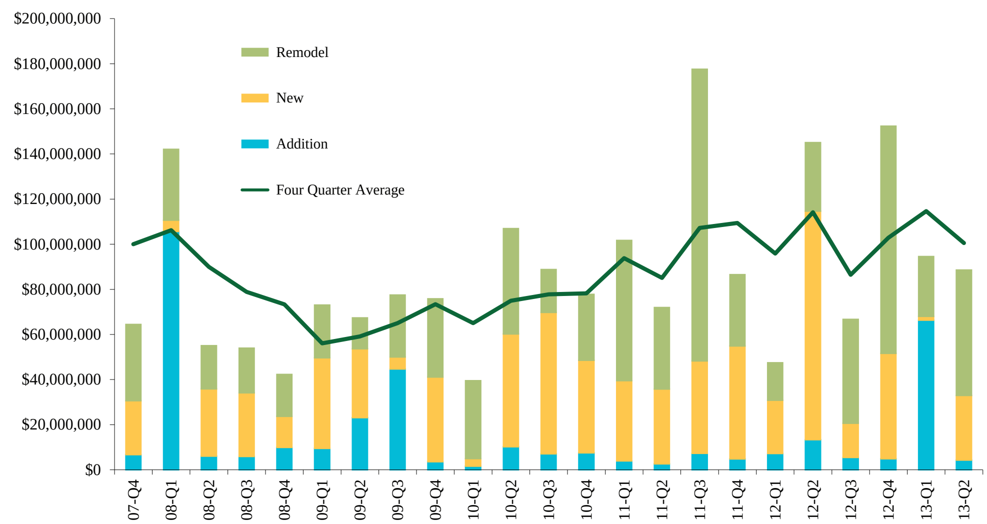
BUILDING PERMIT SUMMARY

Total Permit Value

The total value of major permitted construction projects (both residential and non-residential) in the first half of 2013 was $183.1 million. This is about 5% less than for the first half of 2012, when there was $192.5 million in total permit value. Thus far, addition activity is up, but remodeling activity has slowed, and new construction activity has decreased.

Several large addition projects near the beginning of the year made significant contributions to this total, and as a result, the city has already seen more than twice as much addition activity as in 2012. As mentioned, remodeling activity is down ($82.1 million so far), but total remodel values are still likely to surpass annual totals for 2007-2010.

FIGURE 2 - COMBINED TOTAL VALUE OF SELECT BUILDING PERMITS TYPES, BY QUARTER (IN 2013 $)*



Source: Saint Paul Department of Safety and Inspections, data compiled by PED
**The "Four Quarter Average" trendline is included to put quarterly fluctuations in context with long term trends.. Fluctuations are usually the result of large single-project permits within a particular quarter. Seasonality may also impact these figures.*

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

Permit Type	2007	2008	2009	2010	2011	2012	2013*
Addition	$50.16	$127.54	$80.88	$26.31	$18.59	$30.85	$70.67
New	$251.11	$76.72	$113.53	$157.11	$159.90	$186.83	$30.24
Remodel	$98.91	$89.09	$99.20	$129.55	$259.23	$193.87	$82.20
Grand Total	$400.18	$293.35	$293.62	$312.97	$437.72	$411.56	$183.11

**As of June 30, 2013*

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

MAJOR CONSTRUCTION PROJECTS

Residential Projects

In 2013, four major residential construction projects were issued permits worth more than $1 million. The largest projects were the new Victoria Park Apartments and a remodel of the Wall Street Building.

TABLE 3 - RECENT ACTIVE OR COMPLETED RESIDENTIAL CONSTRUCTION PROJECTS OVER $1 MILLION (2013$)

Address	Description	Building Type	Activity	Permit value	Number of res. units
740 VICTORIA ST S	Victoria Park Apartments	Residential (Multi-Fam)	New	$19,070,000	215
261 5TH ST E	Wall Street Building	Residential (Multi-Fam)	Remodel	$12,700,000	88
2060 CARTER AVE	Alpha Gamma Rho Educational Foundation	Residential (Multi-Fam)	Addition	$1,950,000	17
1584 AMES AVE	Roosevelt Public Housing	Residential (Multi-Fam)	New	$1,015,400	6

Source: Saint Paul Department of Safety and Inspections, data compiled by PED. Permit value is the total permit value for permits issued in 2012 and 2013. Since some projects take multiple years to complete, the permit value above may be lower than the total project cost.

MAJOR CONSTRUCTION PROJECTS

Commercial, Mixed-Use and Institutional Construction

Commercial, mixed-use, and institutional construction activity was very active through the first half of 2013. A total of 36 projects had a value of more than $1 million. This includes projects in progress or completed in 2013. This half-year figure is also higher than the 2012 full year total of 33 projects.

More than half of the projects (18) were commercial or mixed-use, and the remaining 15 were institutional. The largest permitted projects include additions to The Ordway, Janet Wallace Fine Arts Center at Macalester College, and a remodel of the Children's Hospital building.

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

Address	Description	Building Type	Activity	Permit value	# residential units
345 Washington St.	The Ordway Theater	Commercial	Addition	$29,500,000	
130 Macalester St	Janet Wallace Fine Arts Center - Macalester	Institutional	Addition	$18,165,077	
345 Smith Ave N	Children's Hospital	Institutional	Remodel	$14,000,000	
1880 University Ave W	Episcopal Homes - Main	Mixed (C/R)	New	$11,589,113	174
640 Jackson St	Regions Hospital	Institutional	Remodel	$11,516,092	
1678 Red Rock Rd	Gerdau - Ameristeel US	Commercial	New	$9,564,000	
1515 Brewster St	Hmong Academy	Institutional	Addition	$9,998,863	
1200 Payne Ave	Payne-Maryland Community Center	Institutional	New	$9,000,000	
75 Rev. Dr. Martin Luther King Jr. Blvd	State Capital Grounds	Institutional	Remodel	$8,000,000	
160 Isabel St E	Roosevelt Magnet School (K-3)	Institutional	Remodel	$5,055,000	
1954 University Ave W	Habitat for Humanity	Commercial	New	$5,000,000	
1999 Shepard Rd W	Johnson Brothers Liqour Co.	Commercial	Addition	$3,990,000	
333 Smith Ave N	United Hospital	Institutional	Remodel	$3,200,000	
1363 Bush Ave	Parkway Elementary (K-6)	Institutional	Remodel	$3,200,000	
910 Montreal Cir	Crosby Lake Business Park	Commercial	Addition	$2,246,000	
175 10th St	Embassy Suites	Commercial	Remodel	$2,232,047	
115 10th St E	Lunds Grocery Store	Commercial	Remodel	$2,175,990	
1645 Energy Park Dr	Not available	Commercial	Remodel	$1,900,000	

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

Commercial, Mixed-Use and Institutional Construction

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

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

Address	Description	Building Type	Activity	Permit value
191 Pennsylvania Ave W	Brightfarms Greenhouse	Commercial	New	$1,800,000
46 5th St E	Vertical Connection	Infrastructure	New	$1,669,619
50 Sherburne Ave	State of MN Admin.	Institutional	Remodel	$1,620,000
101 5th St E	US Bank Center	Commercial	Remodel	$1,484,885
345 Wabasha St N	Lowry Square	Mixed (C/R)	Remodel	$1,445,637
474 Concordia Ave		Commercial	Addition	$1,300,000
1975 Ford Pkwy	New Horizon Academy	Commercial	Remodel	$1,200,000
753 7th St E	Dellwood Garden	Institutional	Remodel	$1,200,000
332 Minnesota St	First National Bank Bldg.	Commercial	Remodel	$1,165,000
295 State St		Commercial	Addition	$1,145,880
1280 Concordia Ave	Dining Hall & Annex (Wing of 275 N Syn)/ Health Ctr. - Concordia	Institutional	Remodel	$1,138,000
348 Hamline Ave S	Randolph Heights School (K-6)	Institutional	Addition	$1,099,700
1028 Van Slyke Ave	Twin Cities German Immersion School	Institutional	Remodel	$1,069,725
310 Smith Ave N	Richie Medical Plaza	Commercial	Remodel	$1,157,825
295 State St		Commercial	Addition	$1,145,880
1760 Ames Place	Ames Elementary School	Institutional	Remodel	$1,019,000
325 Randolph Ave	River Bend Business Park	Commercial	Remodel	$1,015,074
80 Snelling Ave	Buffalo Wild Wings	Commercial	Remodel	$1,000,000

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

ADDITIONS AND REMODELS

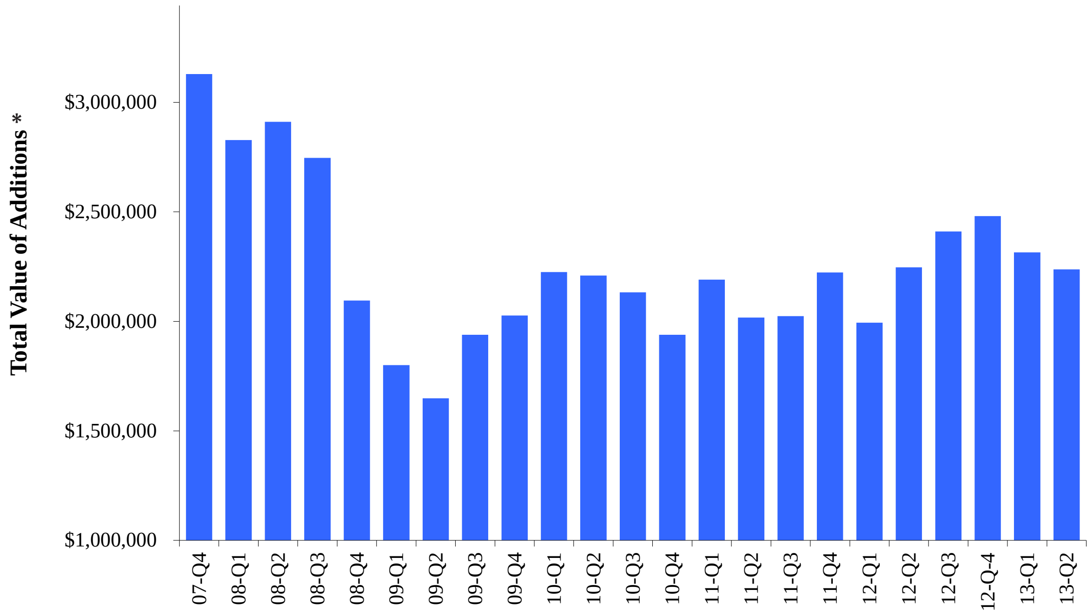
Additions to Single-Family Homes

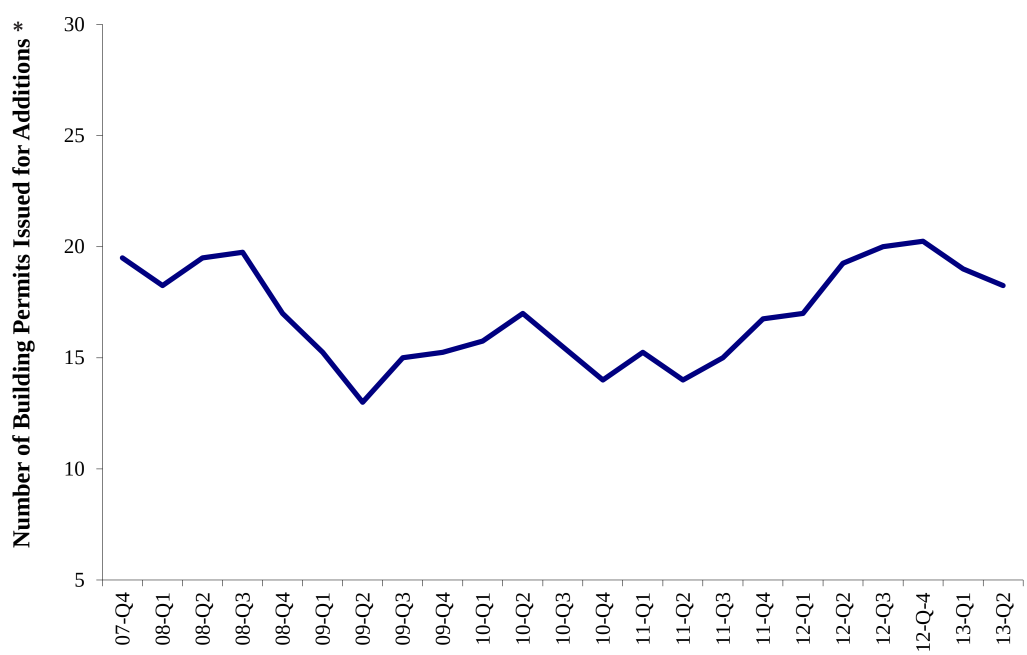
The number of single family home additions peaked last year, (2012), but the four quarter average as of 13-Q2 is still higher than it was during the recession years of 2008-2011.

In addition, the total value of single family home additions has dropped from 2012. Over the last four quarters, an average of about $2.25 million was invested in additions, compared with a figure closer to $2.5 million for 2012.

FIGURE 3 - TOTAL VALUE AND NUMBER OF PERMITS FOR SINGLE FAMILY HOME ADDITIONS EXCEEDING $50,000 (2013 $), FIGURES BASED ON FOUR QUARTER AVERAGES*

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



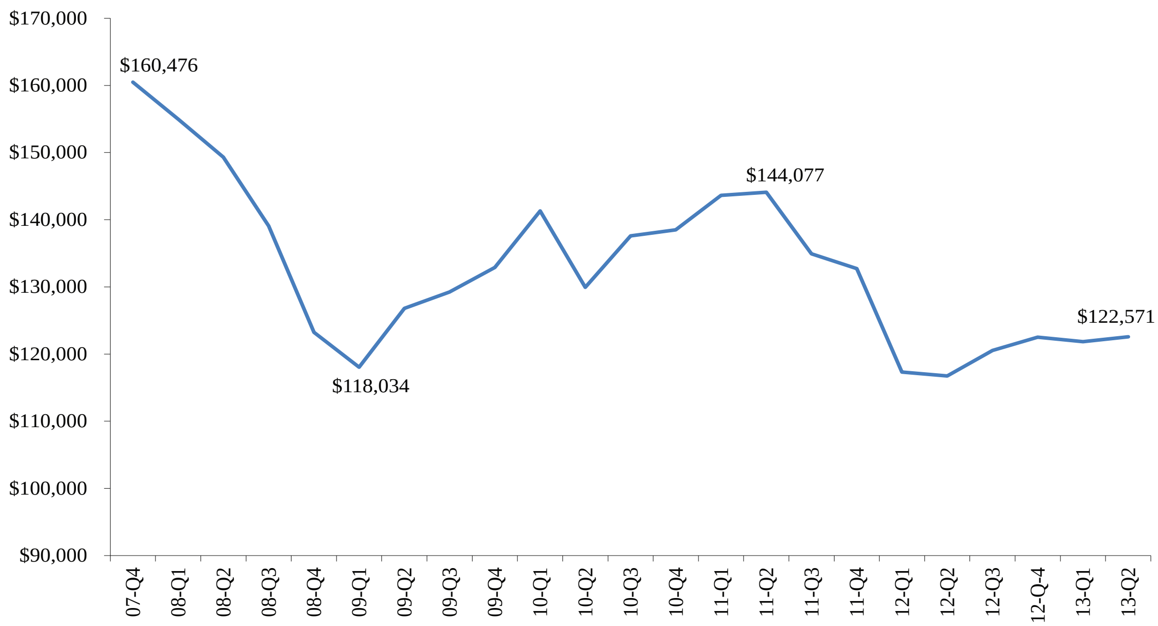


ADDITIONS AND REMODELS

Average Permit Value of Additions on Single-Family Homes

Figure 5 shows the average value of additions to single family homes exceeding $50,000 in value. The average value has fluctuated. The peak was $160,476 in late 2007, but this figure dropped quickly at the onset of the recession in 2008. As of 13-Q2, the average value of additions was $122,571 over the past 12 months.

FIGURE 4 - AVERAGE VALUE OF SINGLE FAMILY HOME ADDITIONS EXCEEDING $50,000 ($2013) FIGURES BASED ON FOUR QUARTER AVERAGES



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

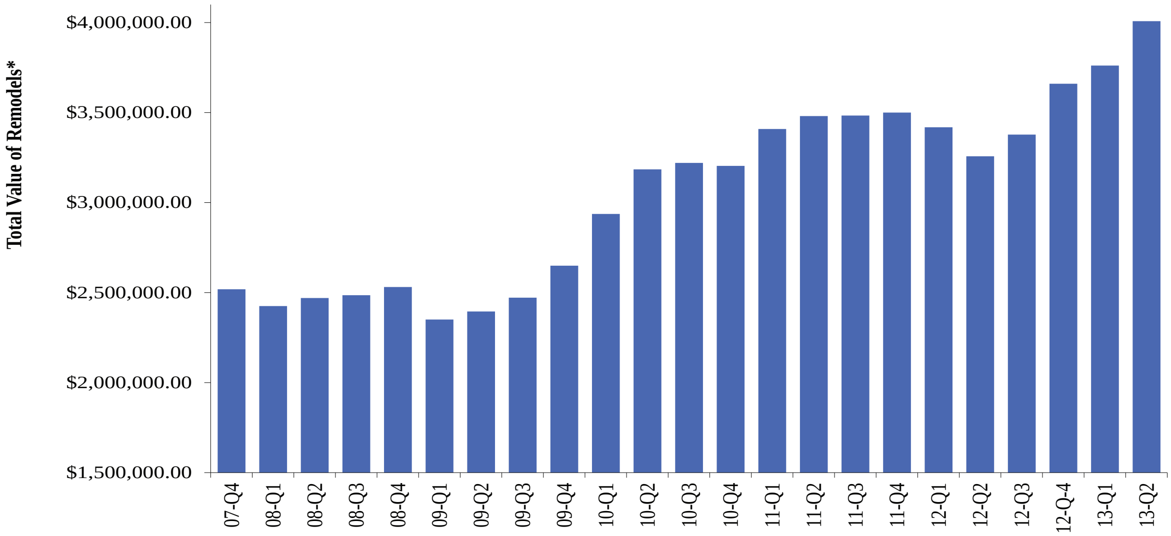
ADDITIONS AND REMODELS

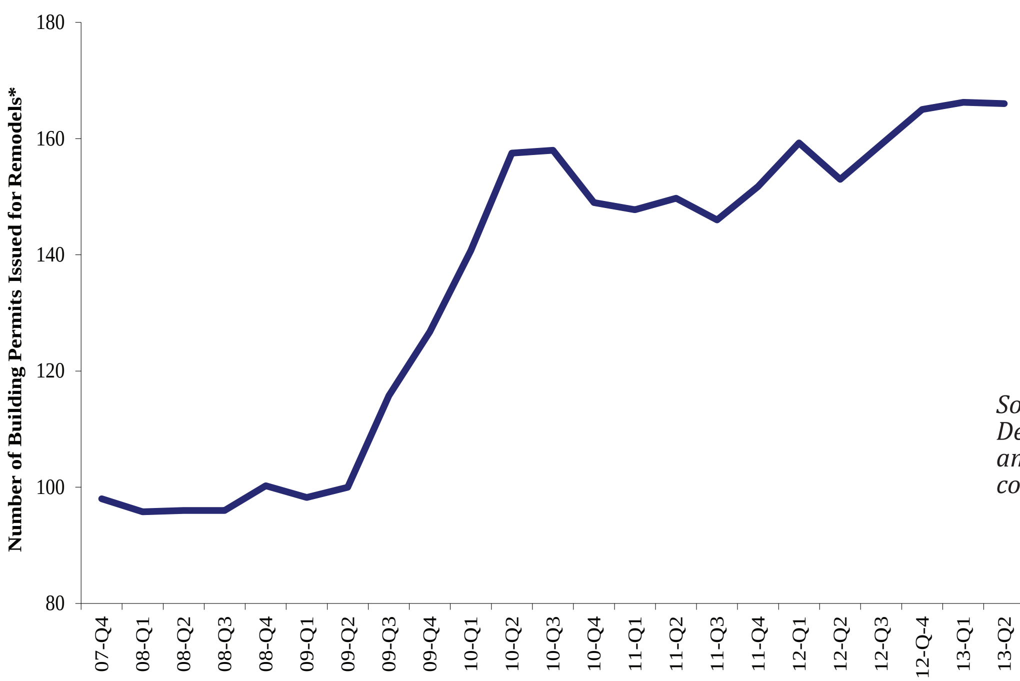
Remodel Projects on Single-Family Homes

Single family home remodeling continues to be on an upward trend through the first half of 2013. As of 13-Q2, an average of 170 permits were issued per quarter; 680 permits were issued over the past 12 months. The total value of these remodel projects increased from $2.4 million quarterly in 2008 to $3.6 million currently.

Permits issued for additions and remodels include activity undertaken through both private investment as well as government initiatives such as Inspiring Communities.

FIGURE 5 - TOTAL VALUE OF PERMITS FOR SINGLE FAMILY HOME REMODELS EXCEEDING $5,000 (2013 $), FIGURES BASED ON FOUR QUARTER AVERAGES*





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

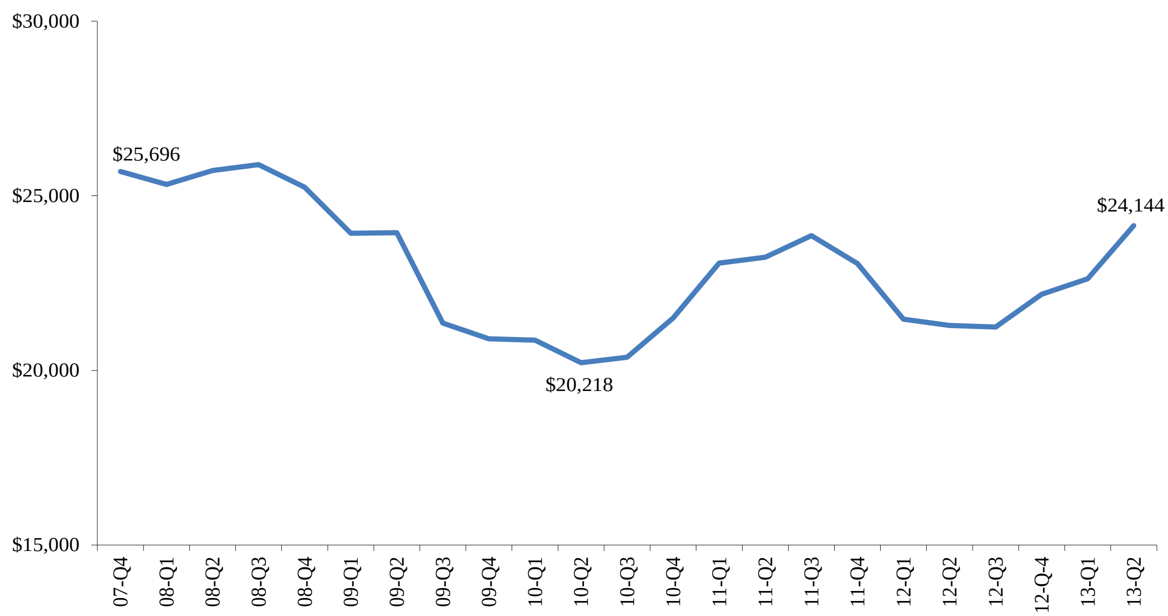
ADDITIONS AND REMODELS

Average Permit Values of Remodels on Single-Family Homes

The average value of remodeling projects increased over the past two quarters. As of 13-Q2, the four quarter average value was $24,144. The figure below shows that this is the highest average value since 2008, when a typical project was worth more than $26,000. This is an encouraging trend when coupled with an increase in the number of single family home remodels.

Permits issued for additions and remodels include activity undertaken through both private investment as well as government initiatives such as Inspiring Communities.

FIGURE 6 - AVERAGE VALUE OF SINGLE FAMILY HOME REMODELS EXCEEDING $5,000 (2013$), FIGURES BASED ON FOUR QUARTER AVERAGES



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

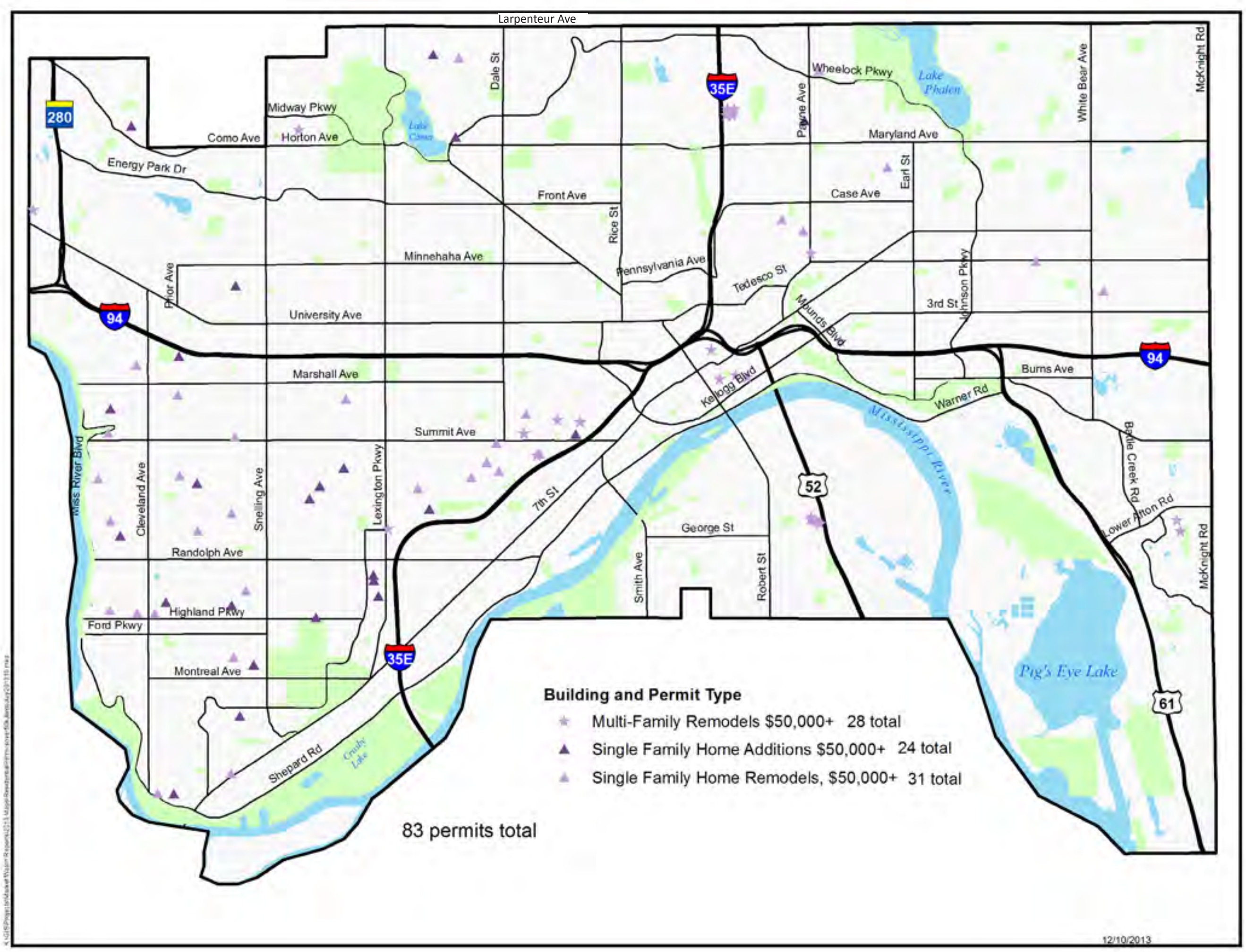
ADDITIONS AND REMODELS

Residential Permits Exceeding $50,000 in Value

This report includes two separate maps (Figures 7 and 8) indicating major investment in existing homes. Figure 7 below shows the locations of high value additions and remodels over $50,000. Figure 8 on the following page provides an alternate measure of investment, showing all renovations worth 10% or more of building value. As a result, significant renovations to lower value homes are likely to be shown in Figure 8, but not Figure 7.

Figure 7 shows that the vast majority of high value single family renovation projects are concentrated in the southwest quadrant of the city. This demonstrates significant investment in this area. It should be noted that relatively high housing and property values in southwest Saint Paul increases the likelihood and feasibility of high value renovations. In addition, the map shows a cluster of multi-family remodel projects in northern Saint Paul near I-35E, as well as several projects in downtown Saint Paul.

FIGURE 7 - 2013 LOCATIONS OF ADDITIONS AND REMODELS TO SINGLE FAMILY HOMES EXCEEDING $50,000 (2013$)



Source: Saint Paul Department of Safety and Inspections, map created by PED

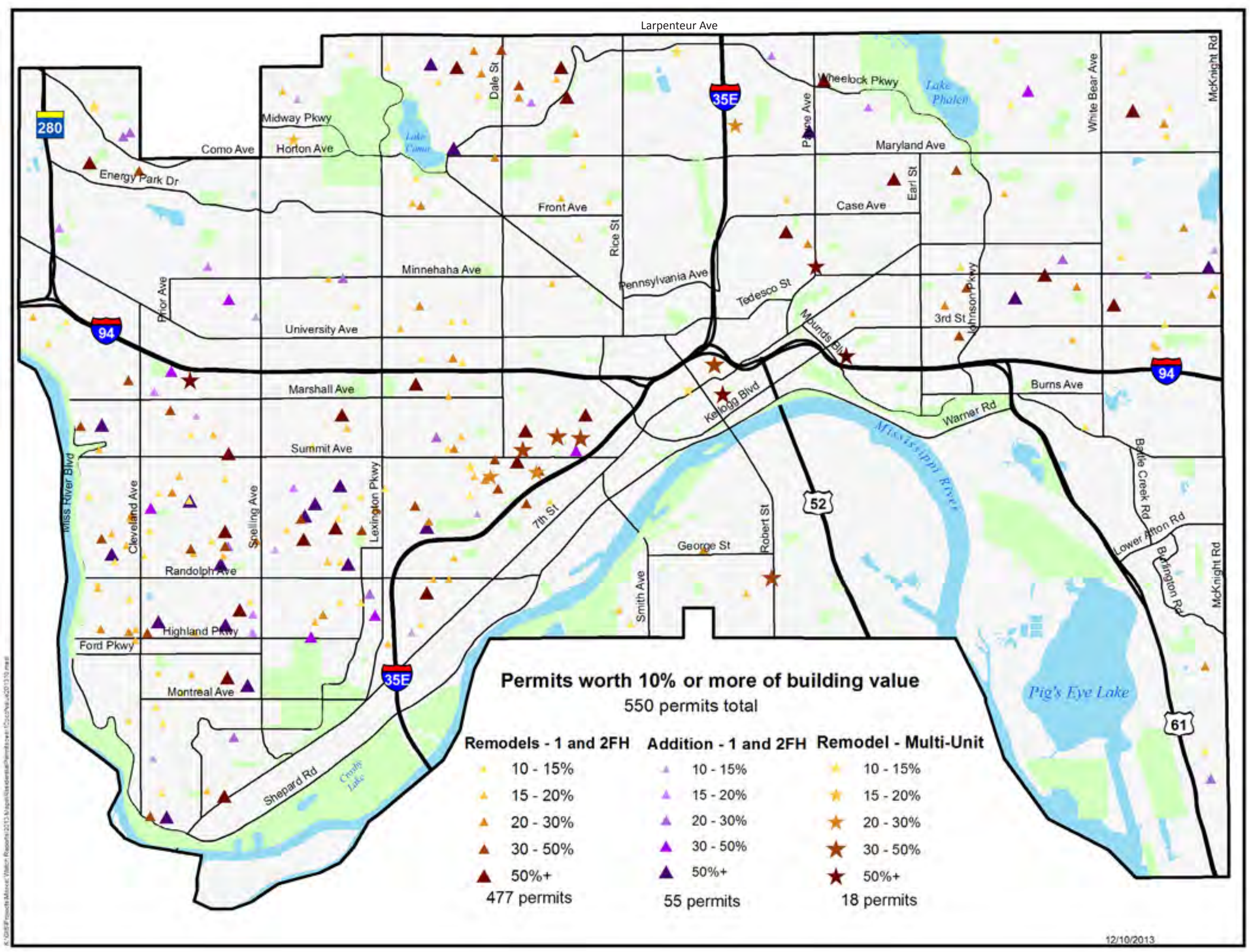
ADDITIONS AND REMODELS

Residential Permits Exceeding 10% of Building Value

Figure 8 below shows the value of residential permits relative to the value of the building, according to the Ramsey County Assessor's Office. This figure further 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. There is some clustering of larger projects northeast of Lake Como.

By focusing on percentage of building value rather than the dollar value of a renovation, this map provides a more comprehensive picture of city-wide investment in single family homes. For example, a permit for a $35,000 remodel of a $100,000 home would not be included on Figure 7. Figure 8 would include this remodel because it demonstrates a significant investment (35%) relative to the value of the building.

FIGURE 8 - 2013 LOCATIONS OF ADDITIONS AND REMODELS TO RESIDENTIAL PROPERTIES EXCEEDING 10% OF BUILDING VALUE



Source: Ramsey County Assessors Office, Saint Paul Department of Safety and Inspections, map created by PED

DEMOLITIONS

Building Demolitions

Throughout the first half of 2013, one commercial building and 21 residential buildings were demolished in Saint Paul. Figure 9 below shows the locations of these demolitions across the city for 2013. Most demolitions were in the north-central part of the city.

Table 6 highlights the number of demolitions across the city dating back to 2007. If demolition activity continues at a similar pace, there are likely to be fewer demolitions in 2013 than in any of the previous six years.

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

Note that permits issued for demolitions include permits issued for activity undertaken through government initiatives such as Inspiring Communities.

FIGURE 9 - LOCATIONS OF BUILDING DEMOLITIONS IN 2013

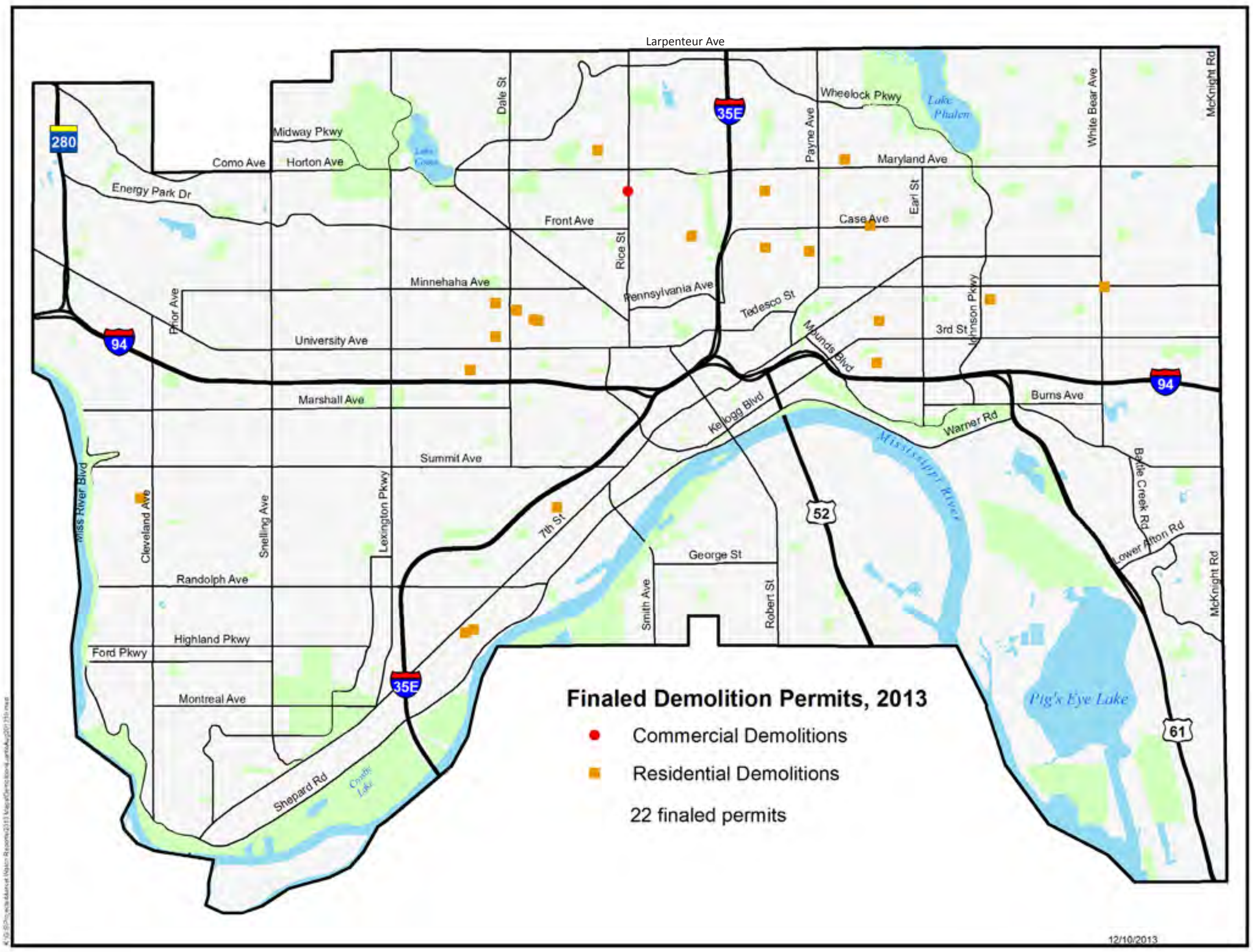


TABLE 6 - DEMOLITIONS PER YEAR - 2007 TO 2013

	2007	2008	2009	2010	2011	2012	2013
Commercial Demolitions	48	34	32	30	27	25	21
Residential Demolitions	83	108	124	75	95	101	1
Total Demolitions	131	142	156	55	122	126	22

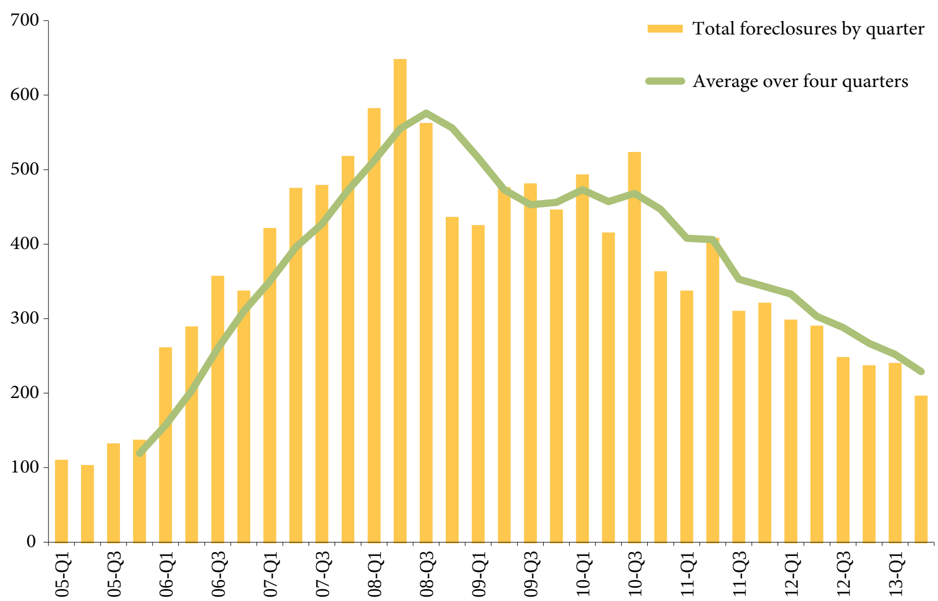
Does not include demolitions of accessory structures.

FORECLOSURES

Foreclosure Rate

The graph below shows that Saint Paul's foreclosure rate continued to decrease in 2013. It has been falling since mid-2010. As of the most recent count on December 12, there were 737 foreclosures this year. These numbers reflect a 28% reduction in the foreclosure rate from the same time one year ago. In all likelihood this will be the first year with fewer than 1,000 foreclosures since 2005.

FIGURE 10 - TOTAL FORECLOSED PROPERTIES 2005-2013



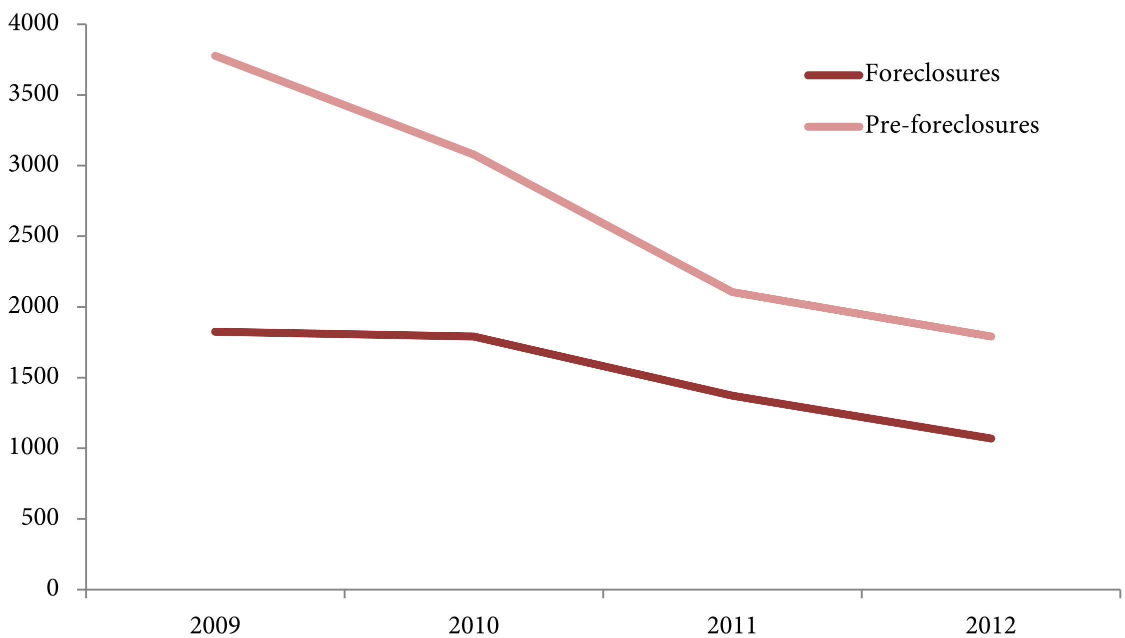
Source: Ramsey County Sheriff's Office. Graph includes data through 13-Q2.

FORECLOSURES

Pre-foreclosure Notices Sent

The graph below shows that Saint Paul's pre-foreclosure notice total peaked in 2009, when 3,776 notices were sent. In 2012, there were 1,790 notices which is less than half of the 2009 total. As of August 31 2013, there were 565 foreclosures and 1,033 households had received pre-foreclosure notices. The continued reduction in pre-foreclosure notices suggests that the city's foreclosure tally will continue falling in the near term future.

FIGURE 11 - FORECLOSURES AND HOUSEHOLDS RECEIVING PRE-FORECLOSURE NOTICES, 2008-2012



Source: Ramsey County Sheriff's Office. Each household receiving a foreclosure notice is counted once, so if a house receives multiple notices these are not included in the total.

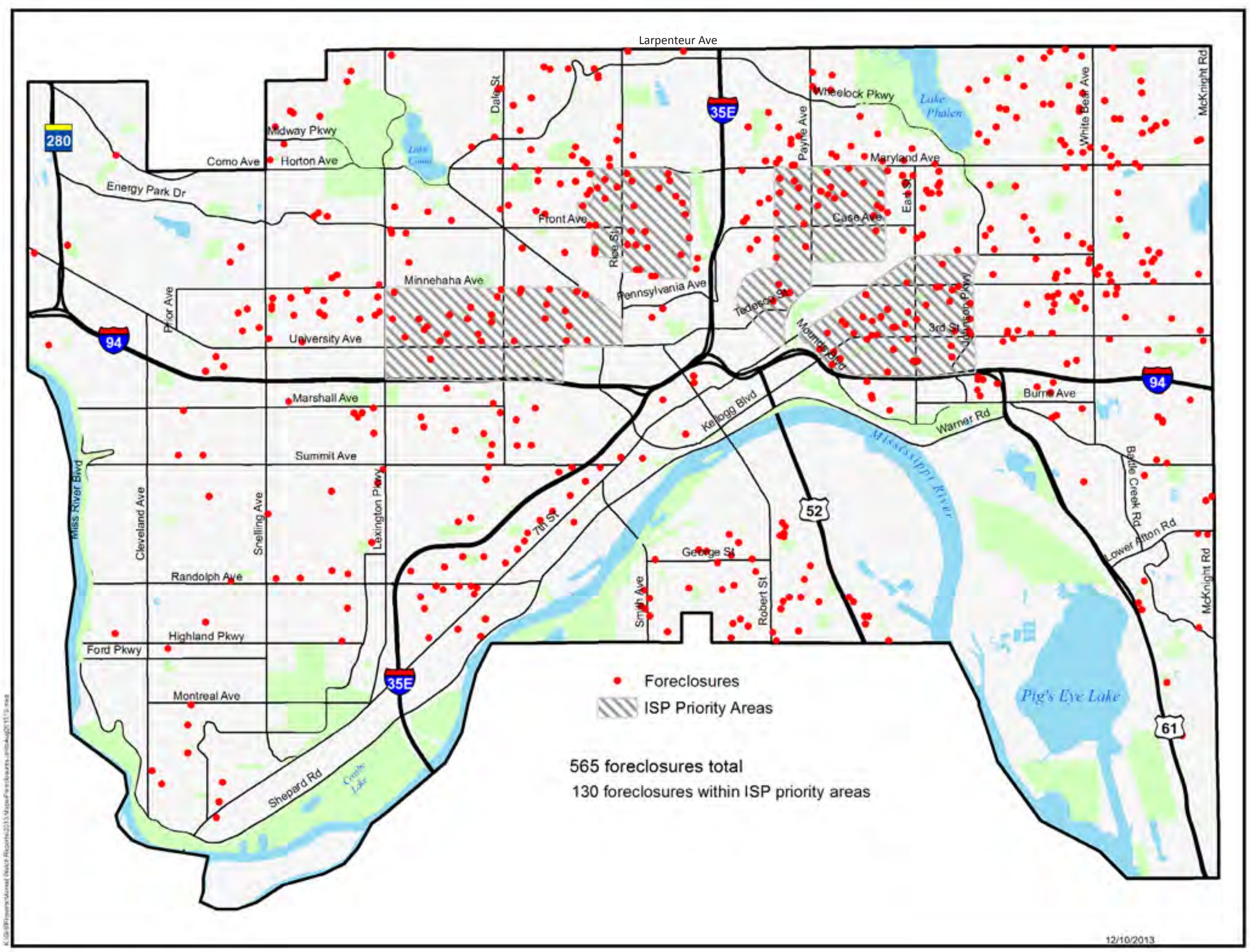
FORECLOSURES

Location of Foreclosures

The figure below 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 northern part of the West 7th Street corridor. Southwestern Saint Paul continues to experience a relatively low number of foreclosures.

FIGURE 12 - LOCATIONS OF FORECLOSED PROPERTIES, JAN-AUG 2013

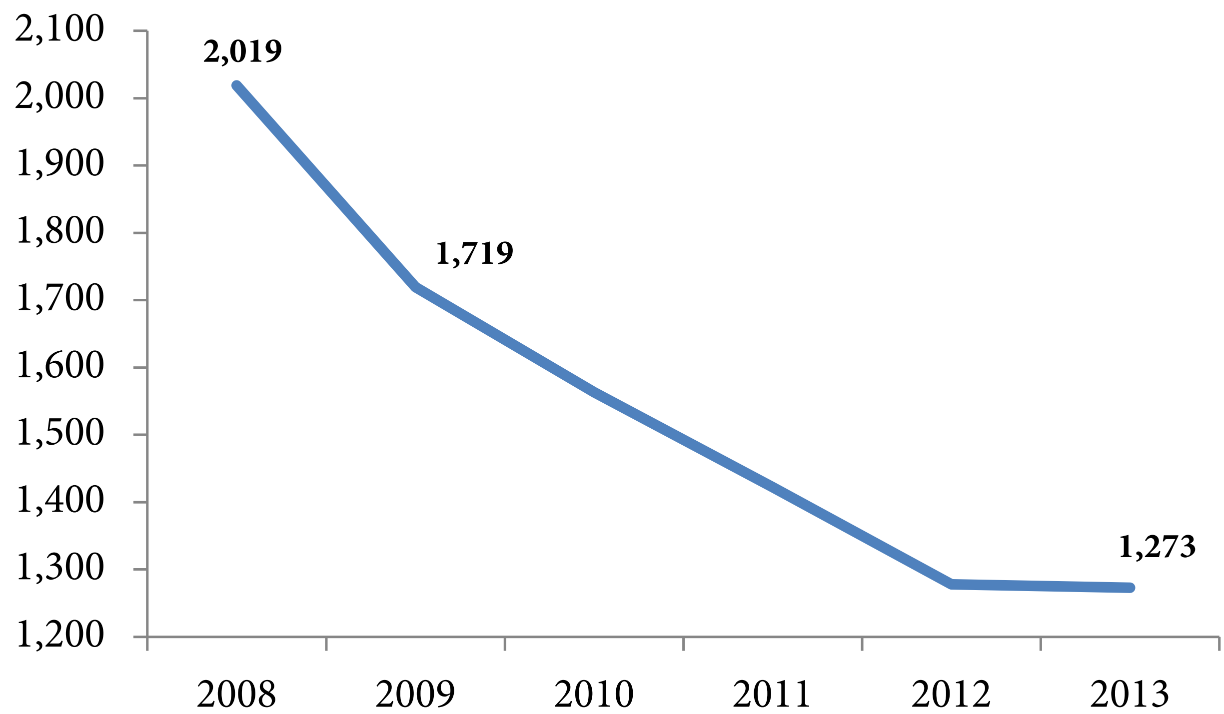


Source: Ramsey County Sheriff's Office, Ramsey County Assessor's Office

Number of Vacant Buildings

The figure below shows a 37% reduction in the total number of vacant buildings since 2008. The most significant improvement in the vacant building tally took place between 2008 and 2012. The 2013 vacant building tally is current as of June 30, 2013.

FIGURE 13 - NUMBER OF REGISTERED VACANT BUILDINGS



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

Please note the following regarding this data. 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.

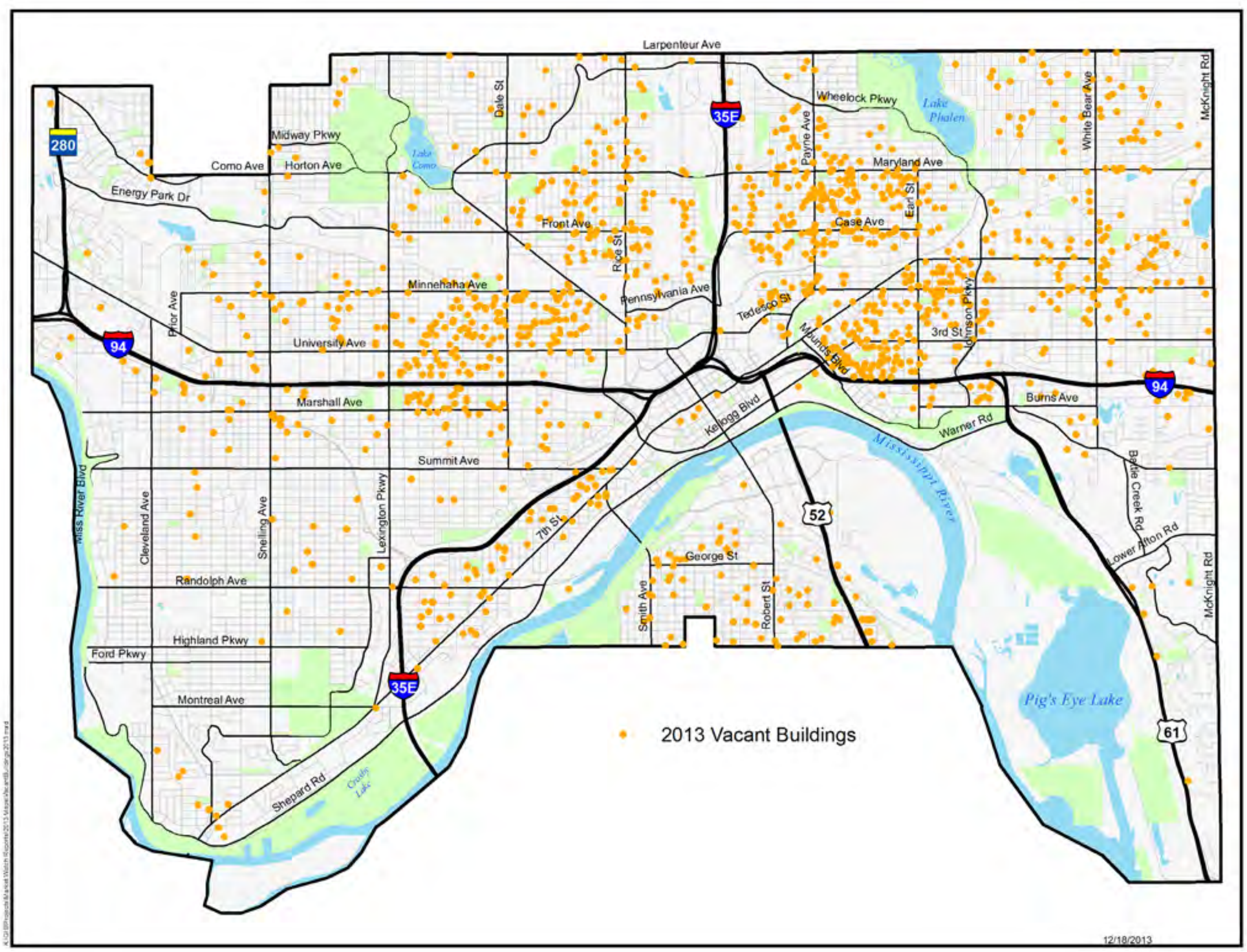
VACANT BUILDINGS

Location of Vacant Buildings

The figure below 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 aimed at reducing 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 14 - LOCATIONS OF VACANT BUILDINGS AS OF JUNE 30, 2013



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

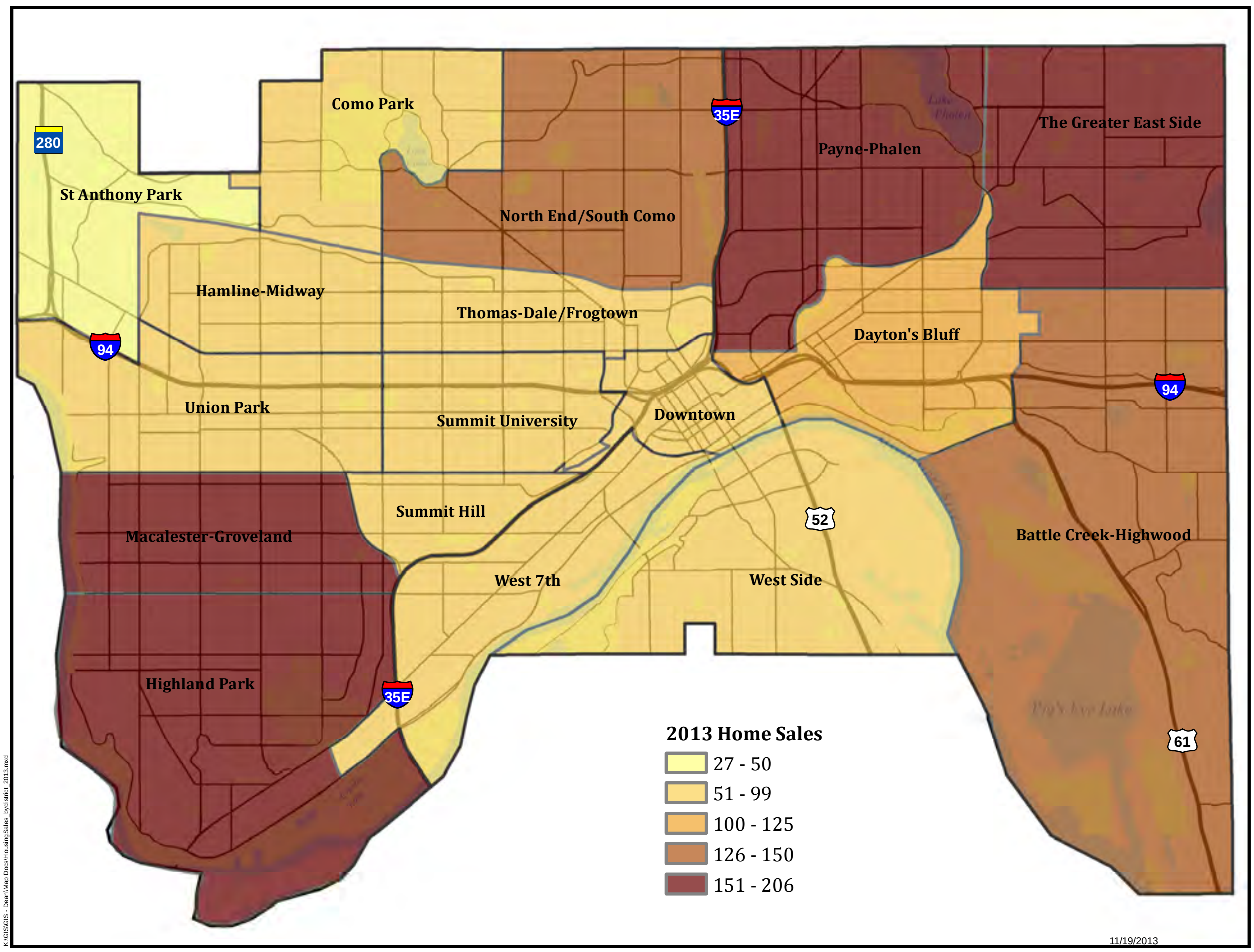
HOME SALES

Location of Home Sales, by District

Figure 15 shows the location of home sales by planning district in Saint Paul through July 15, 2013. Macalester Groveland, Highland Park, Payne-Phalen and Greater East Side neighborhoods had the highest numbers of sales.

Macalester-Groveland and Highland Park had high numbers of sales and low distressed sales rates, indicating particularly healthy real estate markets in both of these neighborhoods.

FIGURE 15 - 2013 HOME SALES BY PLANNING DISTRICT, AS OF JULY 15



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

HOME SALES

Closed Sales & Distressed Sales Rate

The figures below suggest that the home sales market is healthier than it was during the recession. The number of closed sales in the city was higher in 2012 than in the past two years.

The 2012 figure for closed sales is particularly encouraging when considering changes in the distressed sales rate. In 2009 there was a high number of closed sales, but the distressed sales rate had also peaked at 53%. The 2012 closed sales total was less than 2009. However, due to a lower distressed sales rate, the number of non-distressed sales in 2012 is actually about 9% higher than in 2009. As of July 2013, the distressed sales rate is lower than the previous five years. This is a positive sign for the housing market moving forward. With that said, the distressed sales rate is still elevated when compared with 2007.

FIGURE 16 - NUMBER OF CLOSED SALES

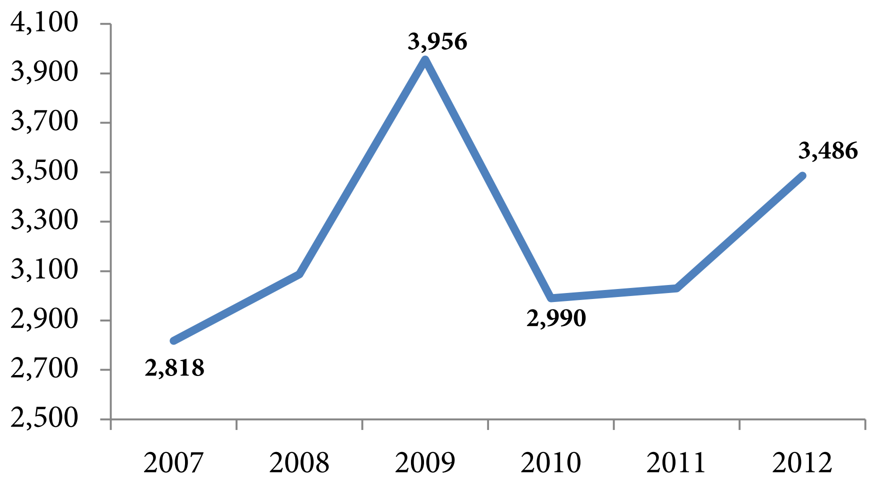
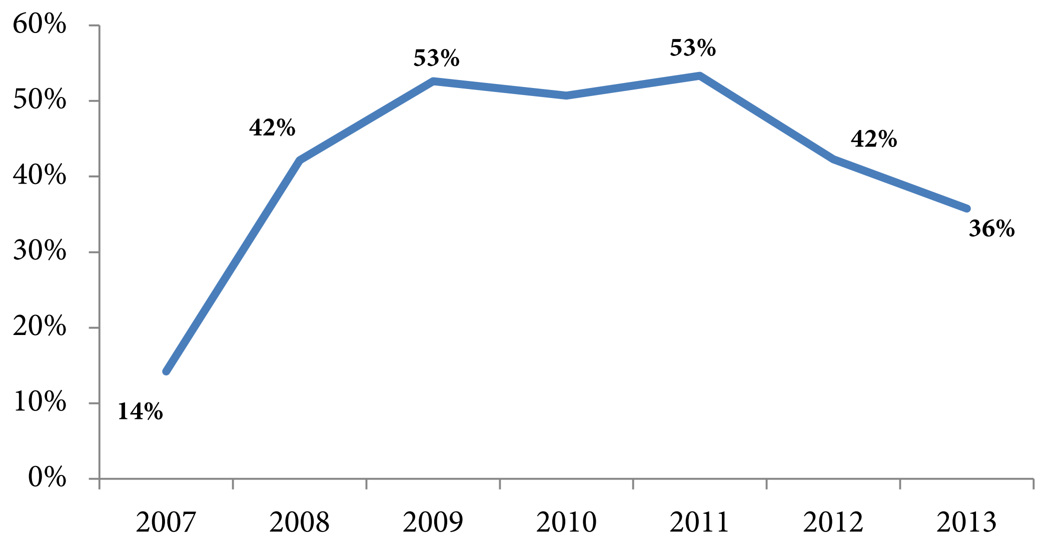


FIGURE 17 - DISTRESSED SALES RATE



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

HOME SALES

Median Sales Price & Days on the Market

Throughout the first half of 2013, the median home sales price was $137,500. This figure is a marked improvement from the depressed sales prices of the past three years, but as the graph below shows this is still less than in 2008, and much lower than before the recession in 2007.

Homes are also selling quickly, with the average time on the market at 101 days. This is less 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 18 - MEDIAN SALES PRICE

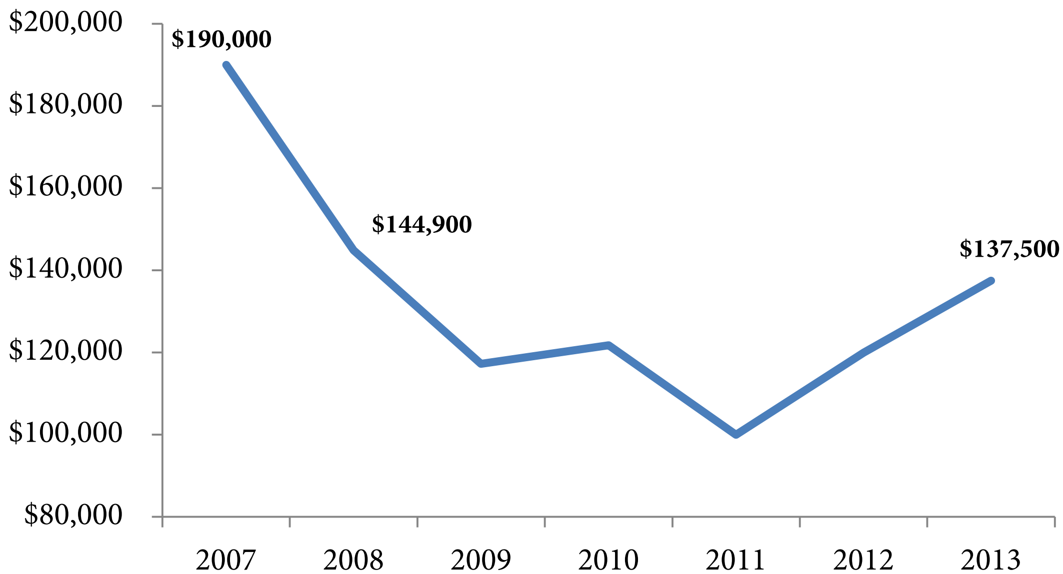
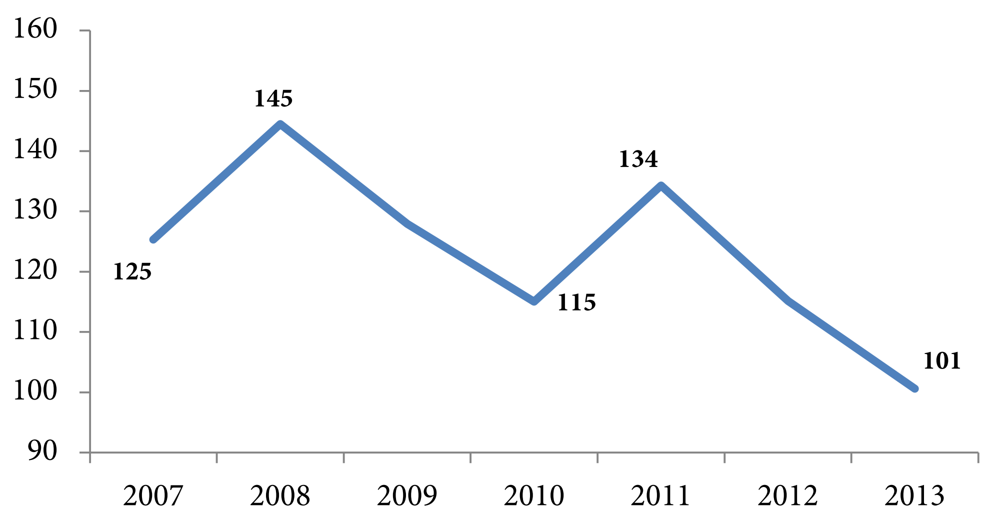


FIGURE 19 - DAYS ON THE MARKET



AFFORDABLE HOUSING

Production and Preservation Trends

The 2012 Minnesota Baseline Housing measures show an inventory of 13,216 publicly assisted affordable housing units in Saint Paul. The figure below shows the total number of affordable housing units that were built or preserved for the ten most recent years for which data is available. The data show relatively low production and preservation totals between 2007 and 2012 in comparison with the six prior years.

All of the housing preserved in 2012 is affordable at 30% of Area Median Income (AMI) and all of the housing produced is affordable at 50% of AMI. Affordable housing production in 2012 included 20 units created by Greater Frogtown CDC and BB Housing LLC assisted by Inspiring Communities and four owner-occupied Habitat for Humanity units. All 41 of the preserved affordable housing units for 2012 are rental units at St. Philips Gardens.

FIGURE 20 - PUBLICLY ASSISTED AFFORDABLE HOUSING PRODUCTION AND PRESERVATION, ANNUAL TOTALS 2002-2011

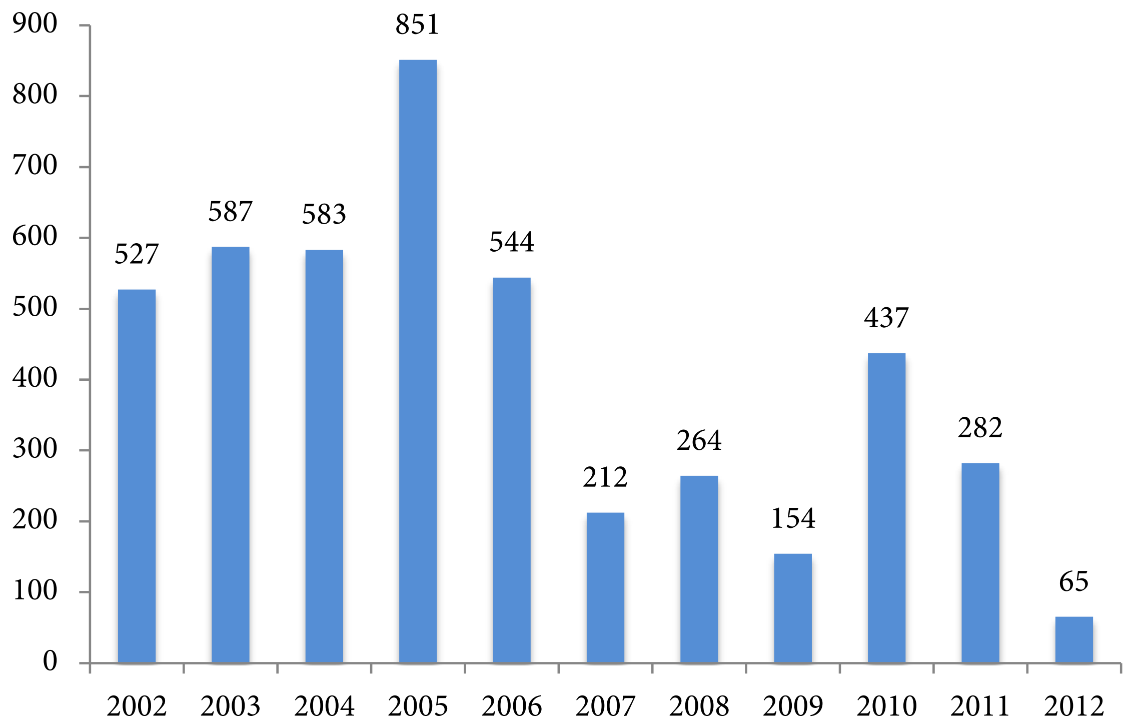


TABLE 7 - 2011 PRESERVATION AND PRODUCTION, BY AFFORDABILITY LEVEL

Affordability Level	Housing Preservation	Housing Production
30% AMI	41	0
50% AMI	0	24
60% AMI	0	0

Source: HousingLink data from the following two reports:
"2012 Minnesota Baseline Housing Measures" and "2002-2012 Housing Counts."

EMPLOYMENT OF SAINT PAUL RESIDENTS

Employment and Labor Force Past Year

Employment is measured as the number of Saint Paul residents who are currently working (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 August 2013, Saint Paul's residents held 141,442 jobs. This is 2,822 more jobs than one year ago, representing employment growth of about 2%. Saint Paul's employment growth rate was similar to the seven-county metro, where the number of employed residents grew by 31,265, also about 2%.

TABLE 8 - LABOR FORCE, EMPLOYMENT, AND UNEMPLOYMENT

	12-Q3	12-Q4	13-Q1	13-Q2	13-Q3
Saint Paul - Not seasonally adjusted					
Labor Force	148,215	147,602	146,907	149,136	149,825
Employment	138,620	139,406	138,327	140,957	141,442
Unemployment Rate	6.5%	5.6%	5.8%	5.5%	5.6%
Metro - Not seasonally adjusted					
Labor Force	1,626,312	1,625,126	1,620,162	1,641,810	1,647,244
Employment	1,536,018	1,544,730	1,532,780	1,561,922	1,567,283
Unemployment Rate	5.6%	4.9%	5.4%	4.9%	4.9%
Saint Paul - Average of last 4 quarters*					
Labor Force	146,777	147,105	147,517	147,965	148,367
Employment	137,571	138,048	138,634	139,328	140,033
Unemployment Rate	6.3%	6.2%	6.0%	5.8%	5.6%
Metro - Average of last 4 quarters*					
Labor Force	1,613,739	1,617,344	1,622,447	1,628,353	1,633,586
Employment	1,524,400	1,529,685	1,536,179	1,543,863	1,551,679
Unemployment Rate	5.5%	5.4%	5.3%	5.2%	5.0%

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

**Although seasonally adjusted data is not available for Saint Paul, examining a four quarter average of employment data provides some indication of seasonal variation in employment activity*

EMPLOYMENT OF SAINT PAUL RESIDENTS

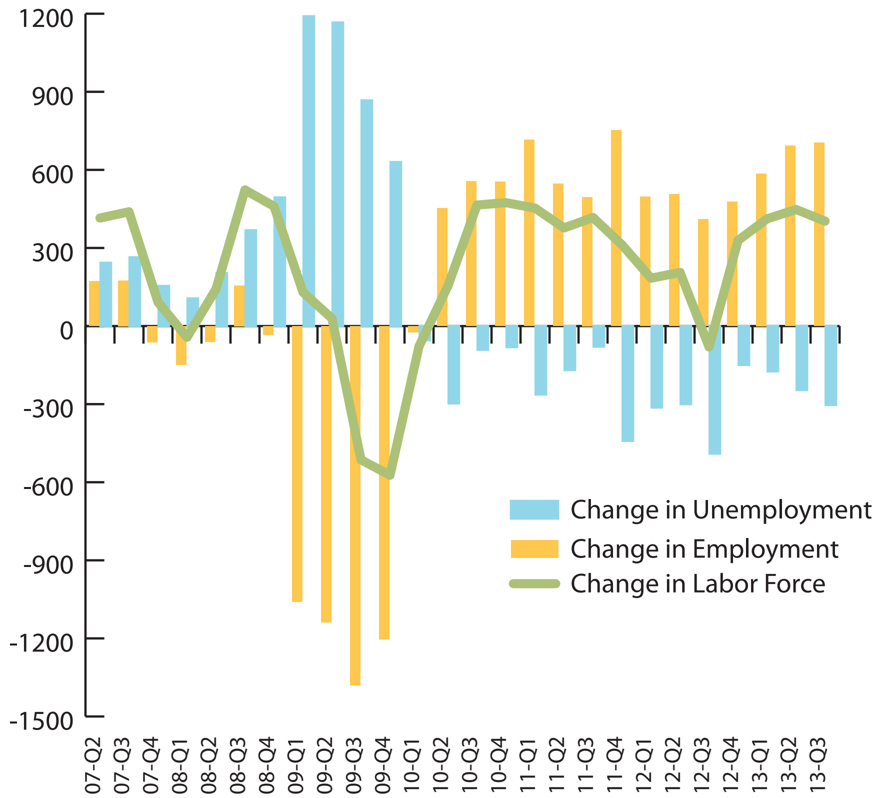
Employment and Labor Force Trend

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.

The graph below shows 14 straight quarters in employment growth, making up for a large losses experienced in 2009 and early 2010.

The graph also shows consistent growth in the labor force for 14 quarters, but faster employment growth for the past four quarters. These combined trends produce a lower unemployment rate which was 5.6% in August, and an average of 5.6% over the past year.

FIGURE 21 - CHANGES IN SAINT PAUL EMPLOYMENT, UNEMPLOYMENT AND LABOR FORCE (TREND LINE BASED ON FOUR QUARTER AVERAGE)



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

Unemployment Rate

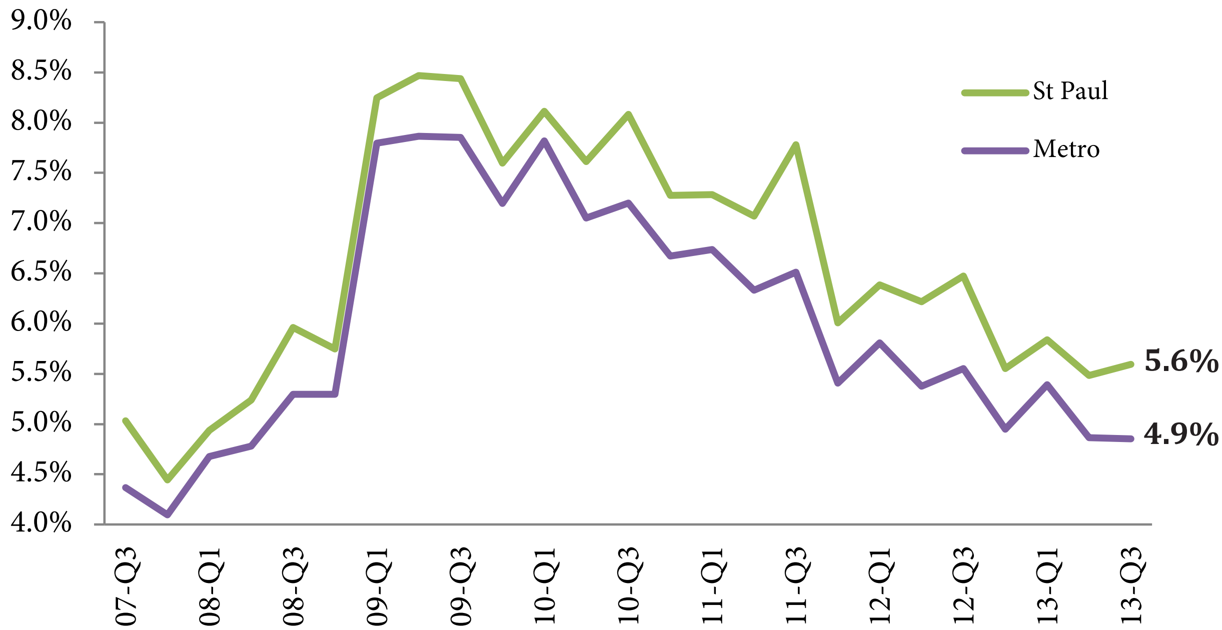
The unemployment rate measures the number of unemployed residents as a percent of the labor force.

As mentioned on the previous pages, Saint Paul's unemployment rate continues to improve steadily. The graph below shows an unemployment rate of 5.6% for the third quarter of 2013, compared with 6.5% one year ago for a percentage improvment of 0.9%.

The graph also shows that unemployment in the city has stayed below 6% for each of the the past four quarters, resulting in an average rate of 5.6% for that time period.

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 5.6% in 12-Q3 to 4.9% in 13-Q3, a percentage improvement of 0.7%.

FIGURE 22 - UNEMPLOYMENT RATE, NOT SEASONALLY ADJUSTED



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

JOBS IN SAINT PAUL

Public and Private Sector Jobs

The table below shows 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 addi¬tional 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 over the most recent year of data.

TABLE 9 - JOBS BY PUBLIC AND PRIVATE SECTOR, NOT SEASONALLY ADJUSTED

	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

	Change in Jobs, 12-Q1 to 13-Q1	
	Number	Percent
Total Jobs in Saint Paul	2,416	1.4%
Private	1,184	0.9%
Total Government Jobs	1,232	3.5%
Local Government Jobs	959	6.1%
State Government Jobs	324	1.9%
Federal Government Jobs	-51	-1.8%

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

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

JOBS IN SAINT PAUL

Sectors which gained the most jobs

Over the 12 month period from Q1-2012 to Q1-2013, **Utilities** benefited from 18.3% growth. **Educational Services** saw 6.2% job growth, and **Accomodation and Food Services** grew by 5.4%. **Health Care and Social Assistance** saw the greatest numerical growth, adding 1,276 jobs for 3.3% growth. Overall, 11 out of 18 sectors that reported data added jobs over the past 12 months.

Sectors which lost the most jobs

The two sectors with the greatest proportional losses included **Administrative and Waste Services** with a loss of 13.8% and **Management of Companies and Enterprises**, which shrunk by 10.6%. Overall, seven out of 18 sectors lost jobs over the past 12 months.

TABLE 10 - QUARTERLY EMPLOYMENT BY INDUSTRY

St Paul, Employment by Industry***	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1	Chg Q1 2012-13	% Chg Q1 2012-13
Total, All Industries	170,115	174,751	174,264	175,990	172,531	**2416**	1.4%
Utilities	832	877	903	969	984	**152**	18.3%
Educational Services	17,313	17,717	16,175	18,602	18,382	**1069**	6.2%
Accommodation and Food Services	9,888	10,230	10,257	10,332	10,425	**537**	5.4%
Information	5,162	5,215	5,183	NA	5,355	**193**	3.7%
Health Care and Social Assistance	38,567	38,915	38,949	39,299	39,843	**1276**	3.3%
Professional and Technical Services	6,988	7,090	7,074	7,138	7,159	**171**	2.4%
Retail Trade	9,217	9,302	9,454	9,845	9,442	**225**	2.4%
Public Administration	21,323	21,802	21,983	21,607	21,780	**457**	2.1%
Wholesale Trade	4,774	4,828	4,918	4,923	4,850	**76**	1.6%
Finance and Insurance	12,132	12,138	12,220	12,242	12,251	**119**	1.0%
Other Services (except Public Admin.)	6,460	6,675	6,954	6,732	6,462	**2**	0.0%
Transportation and Warehousing	3,771	3,859	3,748	3,765	3,755	**-16**	-0.4%
Construction	350	373	375	364	346	**-4**	-1.1%
Manufacturing	7,764	7,869	7,967	7,903	7,656	**-108**	-1.4%
Arts, Entertainment, and Recreation	3,977	4,191	4,244	3,588	3,880	**-97**	-2.4%
Real Estate and Rental and Leasing	2,410	2,505	2,513	2,397	2,305	**-105**	-4.4%
Management of Companies and Enterprises	4,608	4,665	4,603	4,490	4,120	**-488**	-10.6%
Administrative and Waste Services	10,736	11,423	12,155	12,267	9,254	**-1482**	-13.8%

Source: Minnesota Department of Employment and Economic Development - QCEW

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

Comparison of changes by sector

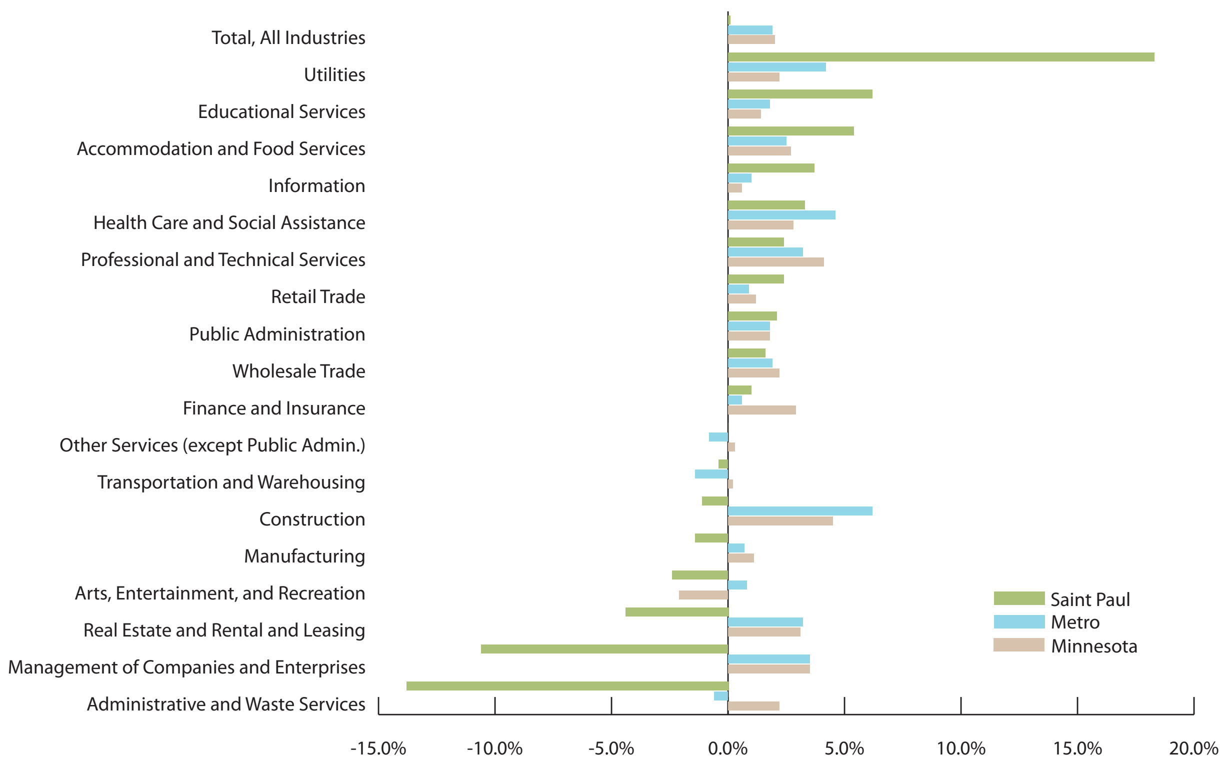
The figure below shows changes in employment in Saint Paul relative to changes in the seven-county metro area and the state, according to data for the most recent four quarters.

Saint Paul **grew at a greater rate** than the state and the metro in **six sectors**: **Utilities, Educational Services, Accomodation and Food Serivces, and Information, Retail Trade,** and **Public Administration**.

The city saw growth in five additional sectors, but was outpaced by the state in four sectors, and by the metro in three sectors.

On the other end, the city **experienced losses** in seven sectors, compared with losses in only three sectors for the metro and one sector for Minnesota. The greatest disparities between Saint Paul and the metro and Minnesota were in: **Administrative and Waste Service, Management of Companies and Enterprises, Real Estate and Rental and Leasing**, and in **Construction.**

FIGURE 23 - PERCENT CHANGE IN EMPLOYMENT, BY INDUSTRY, 12-Q1 TO 13-Q1



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 $1,073, which is only $7 less than one year prior. This figure indicates that wages in the city are relatively stable.

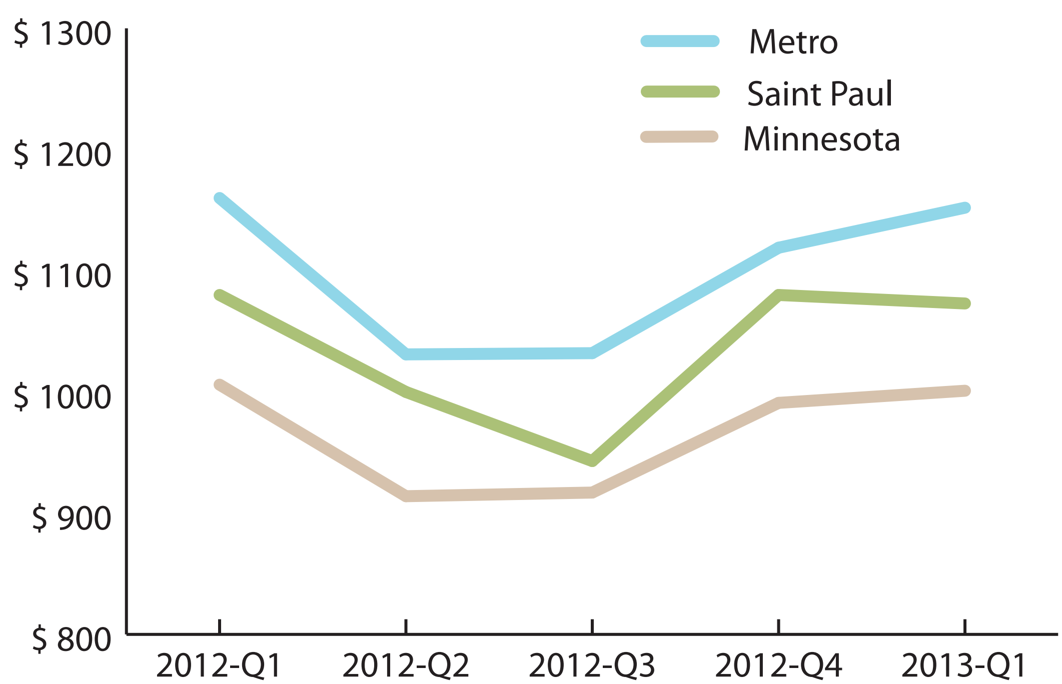
The graph shows that this trend is relatively consistent with state and metro level changes over the past year. Fluctuations in wages are most likely due to seasonality. Saint Paul's average wage is slightly lower than the metropolitan area but higher than the state average.

TABLE 11 - AVERAGE WEEKLY WAGES BY QUARTER (NOT SEASONALLY ADJUSTED)

	Average Weekly Wages (2013 $)					Change Q1-12 to Q1-13	
	2012-Q1	2012-Q2	2012-Q3	2012-Q4	2013-Q1	$	%
Saint Paul	$1,080	$1,000	$943	$1,080	$1,073	-$7	-0.6%
Metro	$1,160	$1,031	$1,032	$1,119	$1,152	-$8	-0.7%
Minnesota	$1,006	$914	$917	$991	$1,001	-$5	-0.5%

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

FIGURE 24 - AVERAGE WEEKLY WAGES, BY QUARTER (2013 $)



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

WAGES

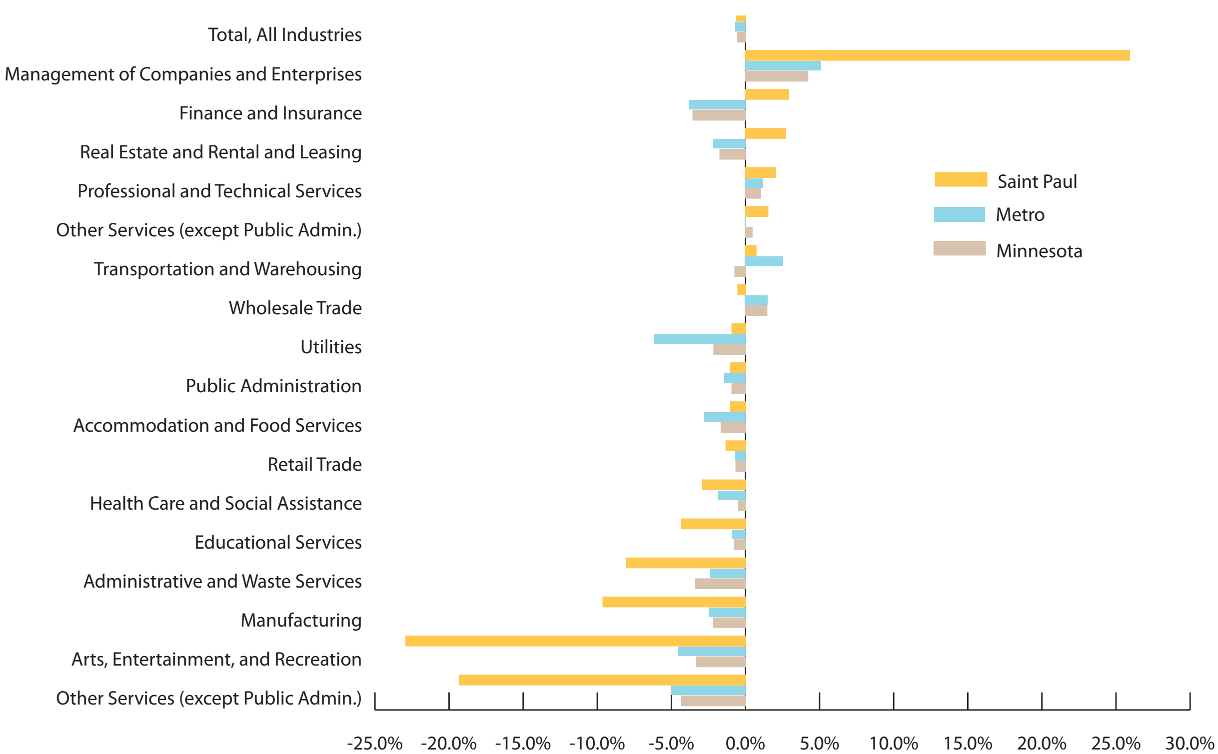
Wage Changes by Industry

Saint Paul saw increased wages in six sectors, and falling wages in eleven sectors. Major changes according to industry sector are summarized below. Figure 26 on the following page compares changes in each industry among the city, the seven-county metro area and Minnesota.

Management of Companies and Enterprises experienced 25.9% wage growth in the city. The sector also saw wage growth at metro and state-wide levels, but at a much lower rate than in the city. Wages for **Finance and Insurance**, and **Real Estate and Rental and Leasing** also grew in Saint Paul despite metro and statewide losses.

Wages in Saint Paul saw steeper declines than the metro and state in the seven sectors, which also saw losses in these areas. **Other Services; Arts, Entertainment and Recreation; Manufacturing** and **Administrative and Waste Services** experienced the greatest disparity in wage losses when compared with the state and the metro.

FIGURE 25 - PERCENT CHANGE IN WAGES, BY INDUSTRY, 12-Q1 TO 13-Q1 (2012 $)



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

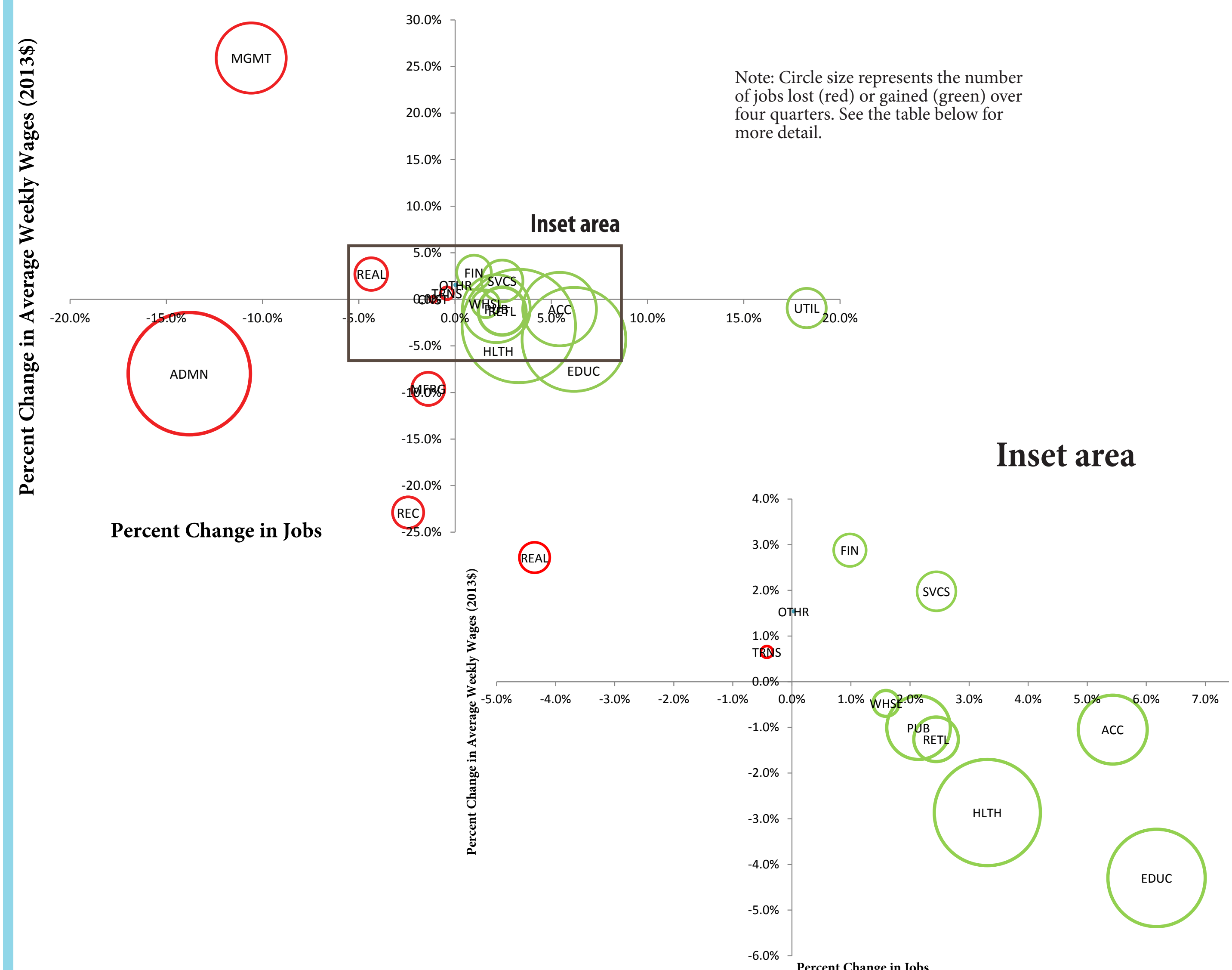
CHANGES IN WAGES AND JOBS

Comparing Changes in Industry Sectors

As shown in the figure below, plotting the yearly percent changes in average weekly wages and jobs with the total change in jobs by sector reveals some interesting details about the local economy. The size of the circle represents jobs lost or gained for 15 industry sectors that reported both wage and jobs data in Saint Paul between 12-Q1 and 13-Q1.

Only three sectors saw growth in both employment and wages. Six sectors that added jobs (on the right of the axis) saw a counter-trend of decreased weekly wages. Three sectors saw losses in jobs and wages, with **Administrative and Waste Services** experiencing large losses for both indicators. Three additional sectors saw job losses but experienced stable or growing wages. **Management of Companies and Enterprises** had particularly high wage growth despite losing jobs.

FIGURE 26 - SAINT PAUL CHANGE IN JOBS AND PERCENT CHANGE IN JOBS AND WAGES, BY INDUSTRY, 2012-Q1 TO 2013-Q1



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

Comparing Changes in Industry Sectors, continued

As the chart below shows, and is demonstrated on the previous page, six sectors are experiencing employment growth but lost wages. **Finance and Insurance and Professional and Technical Services** experienced both wage gains and job gains.

For sectors that lost jobs, the following trends were particularly striking. **Management of Companies and Enterprises** lost 488 jobs (10.6%) but saw a 25.9% increase in wages.

Administrative and Waste Services lost 1,482 jobs and saw an 8% drop in wages.

TABLE 12 - PERCENT CHANGE IN WAGES, IN SAINT PAUL BY INDUSTRY, 2012-Q1 TO 2013-Q1

	Change from 2012-Q1 to 2013-Q1		
	# of Jobs %	Employment %	Wkly Wages %
Total, All Industries	2416	0.1	-0.6
Health Care and Social Assistance	1276	3.3	-2.9
Educational Services	1069	6.2	-4.3
Accommodation and Food Services	537	5.4	-1.0
Public Administration	457	2.1	-1.0
Retail Trade	225	2.4	-1.3
Information	193	3.7	NA
Professional and Technical Services	171	2.4	2.0
Utilities	152	18.3	-0.9
Finance and Insurance	119	1.0	2.9
Wholesale Trade	76	1.6	-0.5
Other Services (except Public Admin.)	2	0.0	1.5
Construction	-4	-1.1	NA
Transportation and Warehousing	-16	-0.4	0.7
Arts, Entertainment, and Recreation	-97	-2.4	-22.9
Real Estate and Rental and Leasing	-105	-4.4	2.7
Manufacturing	-108	-1.4	-9.6
Management of Companies and Enterprises	-488	-10.6	25.9
Administrative and Waste Services	-1482	-13.8	-8.0

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 population and employment 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 27 - SAINT PAUL POPULATION AND FORECASTED CHANGE

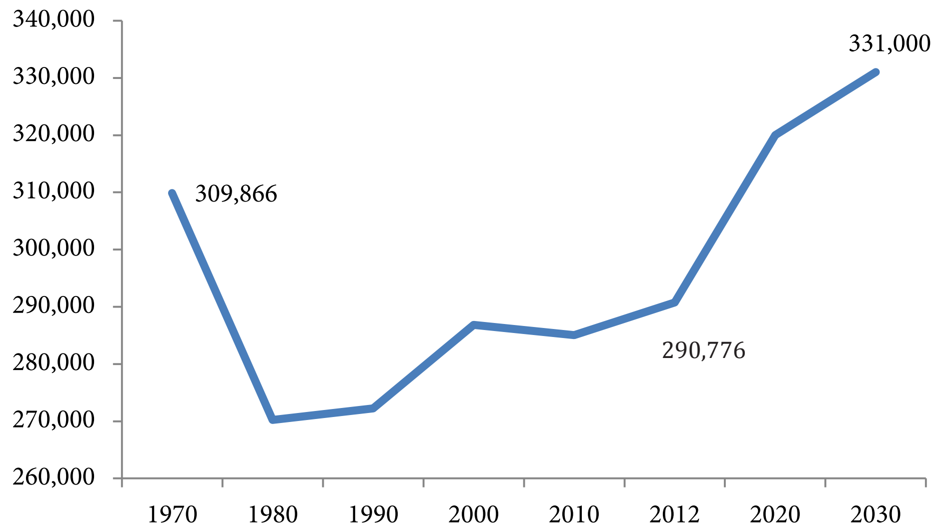
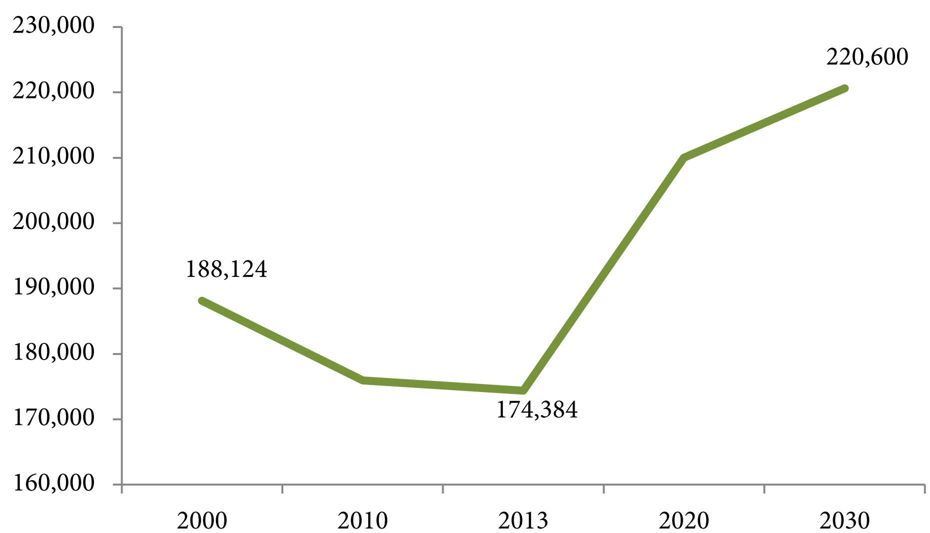


FIGURE 28 - SAINT PAUL EMPLOYMENT AND FORECASTED CHANGE



Source: Historic and forecasted population data from the Metroplitan Council's 2030 adopted forecasts. Estimated 2012 population estimate from the 2012 1-year ACS. 2013 employment data is an average of the most recent four quarters based on DEED QCEW estimates.

2012 POPULATION IN SAINT PAUL

Population by Age and Gender

Based on the 2010-2012 ACS estimates, there were 141,444 male and 146,903 female residents in Saint Paul. For every 100 males in 2010-2012, there were 103.9 females. Compared with a ratio of 100/104.6 for 2009-2011, there is now slightly more gender balance in the city.

The table below shows the total population of the city broken down by age range and gender.

TABLE 13 - POPULATION BY AGE AND GENDER, SAINT PAUL, 2010-2012

Age	Male	Female
< 5 years	11,069	10,936
5 to 9 years	10,328	9,677
10 to 14 years	9,571	9,132
15 to 17 years	5,693	5,724
18 and 19 years	5,502	5,447
20 years	2,762	3,395
21 years	3,336	2,348
22 to 24 years	8,421	9,087
25 to 29 years	12,958	13,695
30 to 34 years	11,019	11,501
35 to 39 years	9,215	9,094
40 to 44 years	8,761	8,684
45 to 49 years	8,724	8,436
50 to 54 years	9,068	9,594
55 to 59 years	7,910	8,306
60 and 61 years	2,739	2,642
62 to 64 years	3,721	3,993
65 and 66 years	1,771	1,679
67 to 69 years	1,981	2,304
70 to 74 years	2,409	3,355
75 to 79 years	1,903	2,734
80 to 84 years	1,422	2,309
85 years +	1,161	2,831

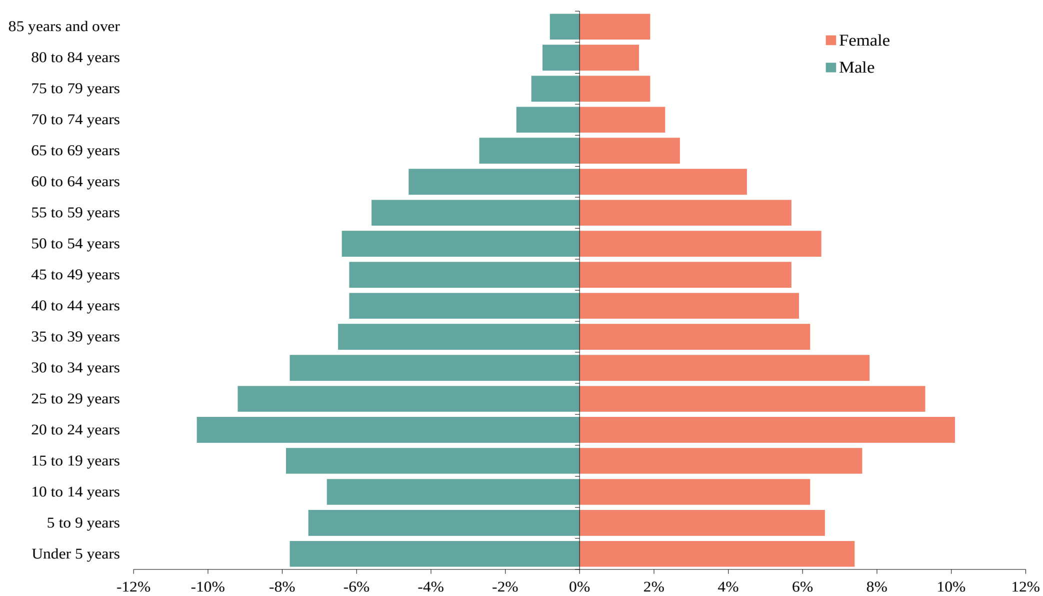
Source: 2010-2012 ACS 3-Year Estimates, Table B01001. Note that the 3-Year estimate data yields a somewhat lower population total than the 1-year estimate of population on the previous page. This is due to population growth in the city over the last three years.

2012 POPULATION IN SAINT PAUL

Population by Age and Gender

The figure below shows the largest age groups for both genders include residents 20-34 years old. In addition, there are significantly more females than males for all age groups above 70 years of age. The median age for all residents is 30.9; 30.4 for male and 31.5 for female residents.

FIGURE 29 - POPULATION BY AGE AND GENDER, SAINT PAUL, 2010-2012



Source: 2010-2012 ACS 3-Year Estimates, Table S0101

Race and Ethnicity

The figure and table below show the racial and ethnic makeup of the city by population and as a percent of the total population.

Residents who identify as white alone make up 55.5% of Saint Paul's population. The remaining 44.5% of the city's population identifies as non-white, Hispanic, or a combination of white and another race. Nearly 15% of the population identifies as African-American, and nearly 15% as Asian. Almost 10% of the population identifies as Hispanic (all races).

FIGURE 30 - RACE AND ETHNICITY OF SAINT PAUL RESIDENTS, 2010-2012

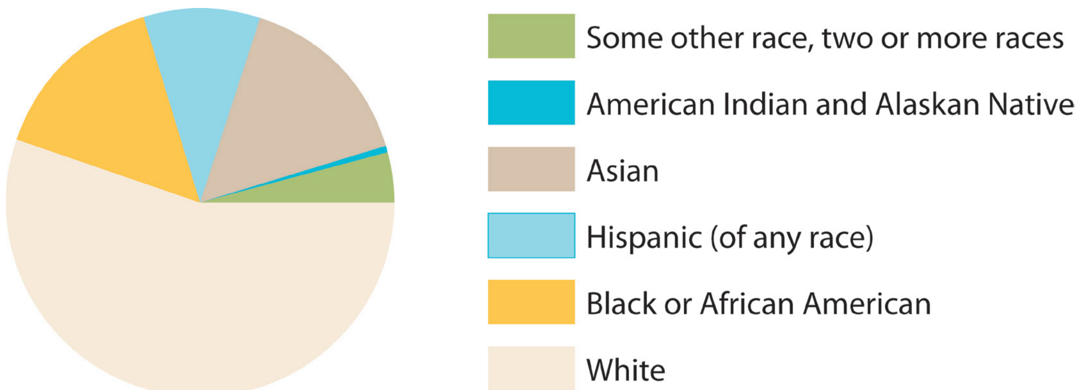


TABLE 14 - RACE AND ETHNICITY OF SAINT PAUL RESIDENTS

Race or Ethnicity	2009-2011 ACS	% of Total	2010-2012 ACS	% of Total
White alone	158,902	55.1%	159,927	55.5%
Asian alone	44,016	15.3%	44,545	15.4%
Black or African American alone	43,272	15.0%	43,115	15.0%
American Indian and Alaska Native alone	2,279	0.8%	1,728	0.6%
Hispanic or Latino (of any race)	28,203	9.8%	27,816	9.6%
Two or more races, some other race	9,263	3.2%	11,216	3.9%

2009-2011 and 2010-2012 ACS Demographic and Housing Estimates - Table DP-05

Language Spoken at Home

The figures below show the languages Saint Paul residents older than five years of age speak at home. English is most commonly spoken, but a sizeable 27% of residents (approximately 72,000 people) in the city speak a language other than English. This figure is somewhat higher than last year's estimates, when the number was estimated at just under 70,000.

Asian languages are the most common language other than English, followed by Spanish and other languages (including African languages).

FIGURE 31 - LANGUAGE SPOKEN AT HOME (OF RESIDENTS 5 YEARS AND OLDER), 2010-2012

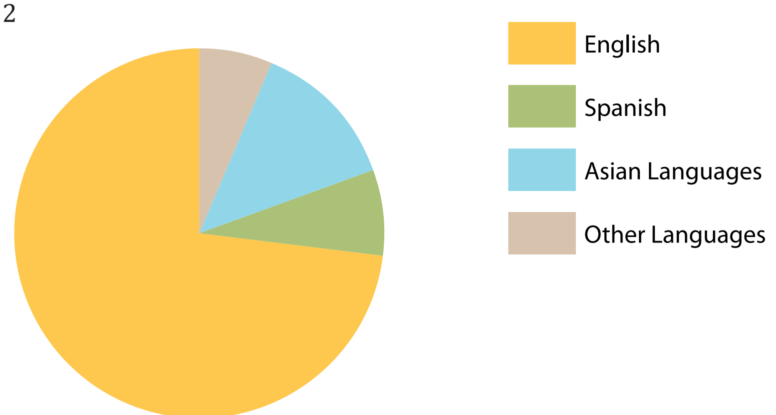


TABLE 15 - LANGUAGE SPOKEN AT HOME (OF RESIDENTS 5 YEARS AND OLDER)

	2009-2011	% of Total	2010-2012	% of Total
English	193,701	73.5%	194,094	72.9%
Asian Languages	34,090	12.9%	35,247	13.2%
Spanish	19,870	7.5%	19,832	7.4%
Other languages	15,916	6.0%	17,169	6.4%
Total	263,577		266,342	

Source: 2009-2011 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02

Place of Birth

The figures and tables below break down the place of birth of Saint Paul's residents. Fifty-six percent of Saint Paul's residents were born in Minnesota. The remainder were born elsewhere in the United States (26.2%) or were foreign-born (18.1%). The 2010-2012 estimates show a small increase in the number of Saint Paul residents from other U.S. states, with other categories remaining stable.

FIGURE 32 - PLACE OF BIRTH OF SAINT PAUL RESIDENTS, 2010-2012

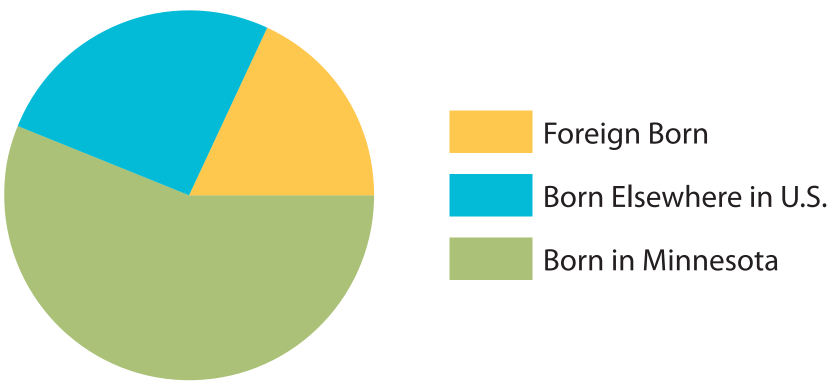


TABLE 16 - PLACE OF BIRTH OF SAINT PAUL RESIDENTS

	2009-2011	% of Total	2010-2012	% of Total
Born in Minnesota	160,779	56.2%	160,563	55.7%
Born Elsewhere in US	73,857	25.8%	75,539	26.2%
Foreign Born	51,299	17.9%	52,245	18.1%
Total	285,935		288,347	

2009-2011 and 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02

2012 POPULATION IN SAINT PAUL

Foreign Born Residents, Place of Birth

Of the 52,245 residents born abroad, approximately half (50.2%) were born in Asia and Oceania, more than one-fifth (20.9%) were born in Africa, and nearly a quarter (22.7%) from Latin America. The remaining foreign-born residents were born elsewhere in North America or in Europe. With some margin of error in mind, these estimates suggest a small drop in the number of Latin American residents and a small increase in the number of Asian and African residents.

FIGURE 33 - PLACE OF BIRTH OF FOREIGN-BORN SAINT PAUL RESIDENTS, 2010-2012

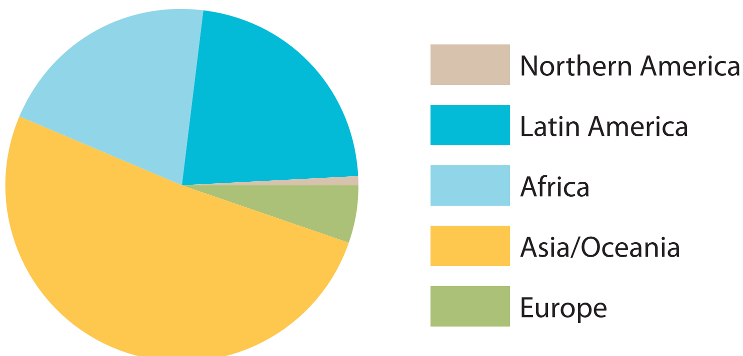


TABLE 17 - PLACE OF BIRTH OF FOREIGN BORN SAINT PAUL RESIDENTS

	2009-2011	% of Total	2010-2012	% of Total
Asia & Oceania	25,627	50.0%	26,243	50.2%
Latin America	12,265	23.9%	11,878	22.7%
Africa	10,410	20.3%	10,944	20.9%
Europe	2,682	5.2%	2,805	5.4%
Northern America	315	0.6%	375	0.7%
Total Foreign Born	51,299	100.0%	52,245	100.0%

2009-2011 and 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02

Mobility

The tables and figures below highlight where Saint Paul residents lived one year prior. For example, for a resident that was counted in 2012, this statistic considers their place of residence in 2011.

According to the 2010-2012 ACS most residents (76.2%) lived in the same house for one year or more. However, this number is somewhat lower than the 2009-2011 ACS. This estimate suggests a slight increase in the mobility of Saint Paul residents.

FIGURE 34 - PLACE OF RESIDENCE 1 YEAR AGO (FOR RESIDENTS 1 YEAR & OLDER), 2010-2012

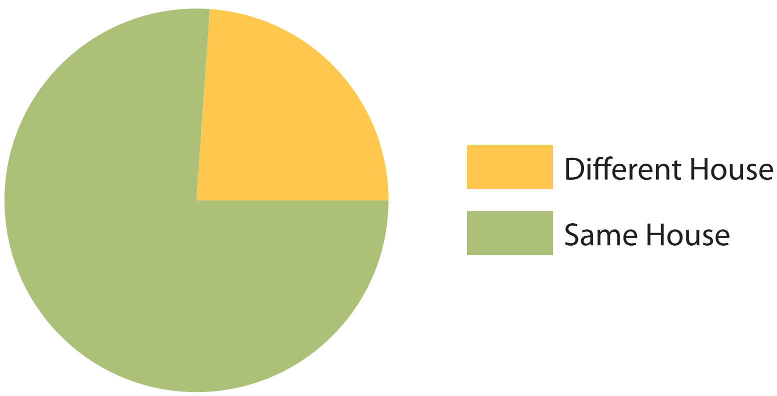


TABLE 18 - PLACE OF RESIDENCE 1 YEAR AGO (FOR RESIDENTS 1 YEAR & OLDER)

	2009-2011	% of Total	2010-2012	% of Total
Same House	218,138	77.5%	216,486	76.2%
Different House	63,275	22.5%	67,720	23.8%
Total	281,413		284,206	

2009-2011 and 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02

Mobility

Of the 67,720 residents who moved between 2010 and 2012, nearly 83% relocated from elsewhere in Ramsey County or from elsewhere in Minnesota. A smaller, yet substantial percentage (16.4%), relocated from another state or another country. This data shows that the small increase in mobility is due to residents moving within Ramsey County, rather than due to in-migration from other areas.

FIGURE 35 - PLACE OF RESIDENCE 1 YEAR AGO, RESIDENTS WHO MOVED

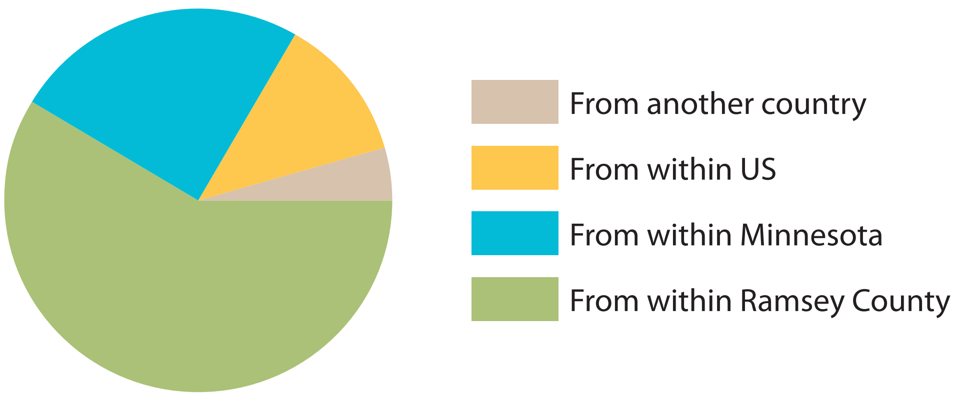


TABLE 19 - PLACE OF RESIDENCE 1 YEAR AGO, NEW RESIDENTS

	2009-2011	% of Total	2010-2012	% of Total
Residence Different than 1 year ago	63,275		67,720	
Within Ramsey County	35,578	56.2%	39,799	58.8%
Another County in Minnesota	16,876	26.7%	16,779	24.8%
Another US State	7,704	12.2%	8,203	12.1%
Another Country	3,117	4.9%	2,939	4.3%

2009-2011 and 2010-2012 American Community Survey - Selected Social Characteristics - Table DP-02

2012 POPULATION IN SAINT PAUL

Poverty Status

The latest three year estimates show a 23.7% poverty rate for Saint Paul, with 66,535 residents in poverty. This rate is more than double the state of Minnesota rate of 11.7%. With that said, the figure and table below shows significantly higher poverty rates for non-white residents in Saint Paul. This suggests a significant wealth disparity between non-white and white residents. The poverty rate for Saint Paul's white residents is much closer to the statewide average.

In addition, the latest three year-estimates do not show significant improvement over the previous (2009-2011) estimates. This is because the estimated improvement of 0.7% is less than the margin of error for these estimates.

FIGURE 36 - COMPARING SAINT PAUL POVERTY RATES BY RACE

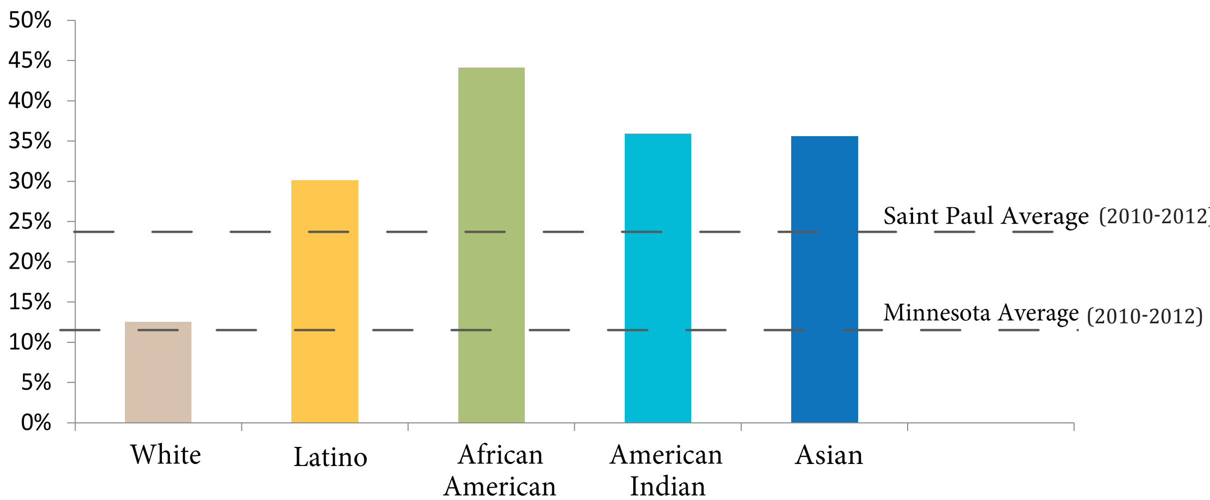


TABLE 20 - SAINT PAUL POVERTY RATES BY RACE

Saint Paul	2009-11	2010-12
Population, poverty status determined	277,487	280,578
Percent of residents below poverty level	24.30%	23.7%
White, not Hispanic	12.6%	12.5%
Hispanic or Latino	29.4%	30.1%
Black or African American	45.8%	44.1%
American Indian and Alaska Native	39.9%	35.9%
Asian	38.2%	35.6%

2009-2011 and 2010-2012 American Community Survey, Table S1701

Educational Attainment

The figure and table below shows that a relatively high percentage of Saint Paul residents (37.3%) hold bachelor's, graduate, or professional degrees according to the latest ACS estimates. The percentage is 32.5% for the Minnesota, indicating a concentration of highly-educated residents in Saint Paul. However, the city also has a significantly higher percentage of residents with less than a high school diploma (14%), when compared to 8% statewide.

FIGURE 37 - EDUCATIONAL ATTAINMENT IN SAINT PAUL, 2010-2012 ESTIMATES

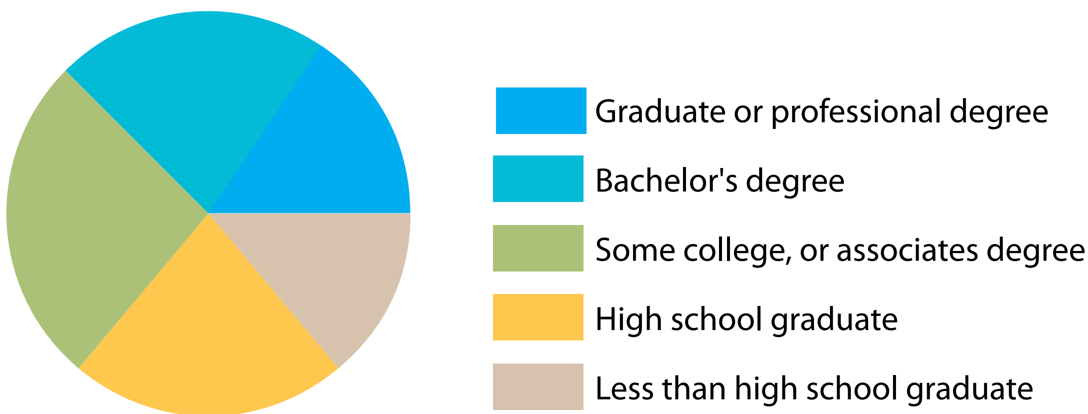


TABLE 21 - SAINT PAUL AND MINNESOTA EDUCATIONAL ATTAINMENT

Saint Paul	**2009-11**	**2010-12**
Population 25 years and older	173,862	175,919
Less than high school graduate	14.8%	14.0%
High school graduate	23.3%	22.3%
Some college, or associate's degree	25.4%	26.4%
Bachelor's degree	21.5%	21.8%
Graduate or professional degree	15.0%	15.5%

State of Minnesota	**2009-11**	**2010-12**
Population 25 years and older	3,527,629	3,562,974
Less than high school graduate	8.3%	7.9%
High school graduate	27.3%	26.9%
Some college, or associate's degree	32.5%	32.7%
Bachelor's degree	21.5%	22.0%
Graduate or professional degree	10.4%	10.5%

2009-2011 and 2010-2012 American Community Survey, Table S1501

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.