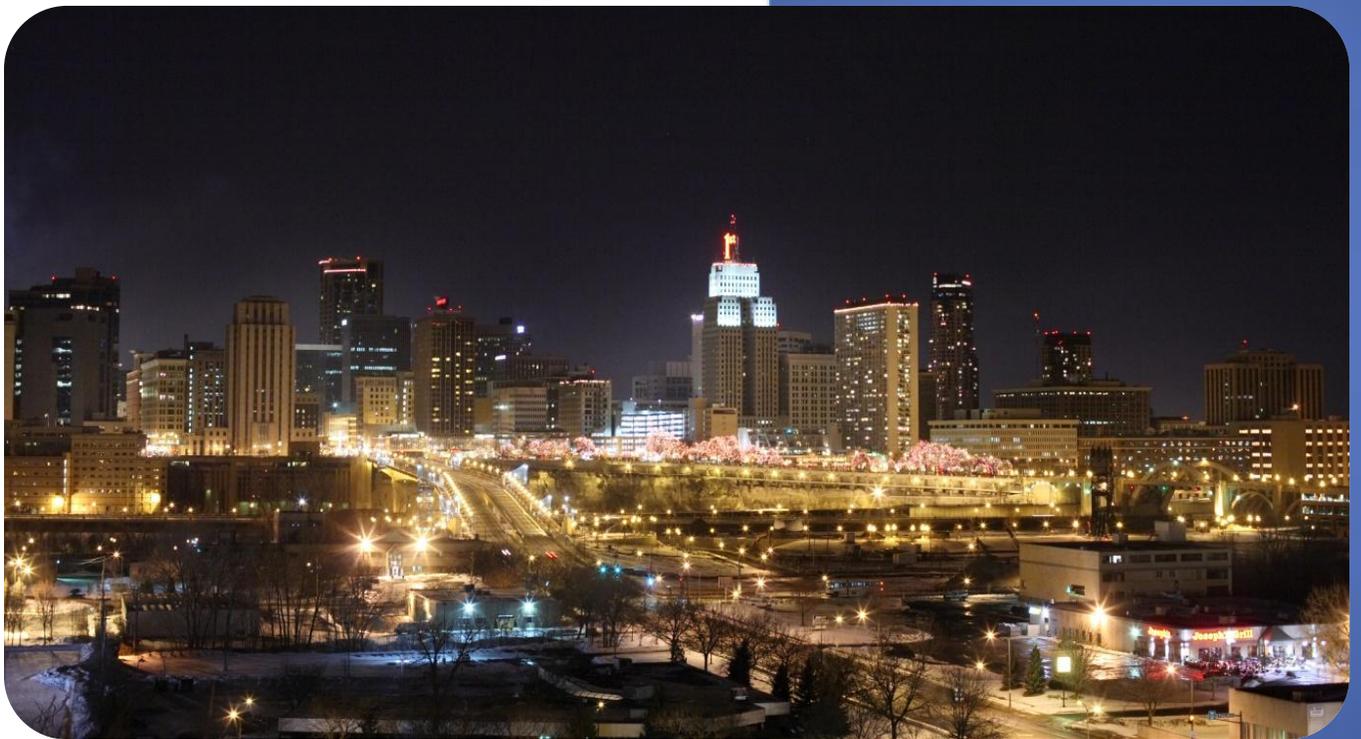


# 2011 Report

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



### Joint Debt Advisory Committee:

City of Saint Paul

Ramsey County

Saint Paul Public Schools

Saint Paul Port Authority

Ramsey County Regional Railroad Authority

# Acknowledgments

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## Joint Property Tax Advisory Committee

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Paul Williams, Deputy Mayor  
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Amy Brendmoen, Councilmember  
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## Executive Summary

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The Joint Debt Advisory Committee (JDAC) is an ad hoc sub-committee of the Joint Property Tax Advisory Committee (JPTAC). The 2011 JDAC report continues a longstanding tradition of cross-jurisdiction communication, planning and coordination. JDAC's goal is to coordinate and monitor the impact of general obligation, property tax supported bonds on the City of Saint Paul proper.

In achieving this goal, JDAC uses actual statistics from 2007 – 2011, as well as projections for 2012 – 2016, and reports the resulting actual and projected debt ratios. Projections have been provided by each of the underlying jurisdictions: Saint Paul, Ramsey County, Saint Paul Public Schools, Saint Paul Port Authority and the Ramsey County Regional Railroad Authority.

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

The actual and projected ratios show continued stability in our debt profile, with modest increases in some ratios. The increases in debt ratios are a function of two things: factors in our control (amount of debt outstanding) and factors outside our control (for example, the Indicated Market Value). Given the multi-year economic weakness nationally, property values have dropped. As property values declined, some debt ratios would appear higher even if no new debt was added. Over a ten-year period of time (2007 – projected 2016), the amount of total debt by all jurisdictions increased a manageable 2% per year. Ramsey County Regional Railroad Authority represents 24% of the increase in debt from 2007 – 2016, as they are issuing debt for the first time.

The target goals for the six debt ratios have been met. JDAC recommends the governing bodies of each jurisdiction: adopt the report as a management tool; expand current efforts at collaborative planning for joint use of current and future facilities, as well as opportunities to transfer facilities among them as facility needs change; meet every two years to update this analysis; JPTAC annually review proposed debt of all jurisdictions prior to setting levies; and examine the ratios to ensure they remain within the target ranges.

## Background

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The Joint Debt Advisory Committee (JDAC) is an ad hoc group of elected officials and professional staff of the City of Saint Paul, Independent School District 625 (Saint Paul Public Schools), Ramsey County (including the Ramsey County Regional Railroad Authority “RCRRA”) and the Saint Paul Port Authority, and has been active on a periodic basis since 1977. State legislation establishing the Truth in Taxation process spurred these jurisdictions to form the Joint Property Tax Advisory Committee (JPTAC) and initiate a number of cooperative ventures to control property taxes within the corporate limits of the City of Saint Paul. The JDAC serves as a subcommittee of the JPTAC to proactively manage the combined debt position of these entities. JDAC's *objective is to mitigate the costs of capital financing by coordinating efforts* as reflected in the mission statement.

## JDAC Mission Statement

*The City of Saint Paul, the Saint Paul Public Schools, the Saint Paul Port Authority, and Ramsey County (including the Ramsey County Regional Railroad Authority) agree to work together to: coordinate general obligation (G.O.) financing of the area's capital needs, keep such financing within agreed upon debt level targets, jointly plan for meeting the capital needs of each jurisdiction and monitor associated impacts on property taxes in Saint Paul.*

The JDAC's prudent work to improve financial planning and regularly publish a book to coordinate overlapping debt has not gone unnoticed. These efforts continue to contribute to the affirmation of the City's and County's AAA credit rating as ranked by Standard & Poor's and County's Aaa credit rating as ranked by Moody's. In 1989, the Government Finance Officers Association (GFOA) recognized the JDAC with its Louisville Award for innovation in financial management and the Award for Excellence for debt management. The Louisville Award is given rarely, and only in recognition of exceptional creativity in addressing public sector financial management issues. Finally, the committee's successful efforts have also inspired other major public jurisdictions to coordinate debt management.

## Achieving Goals

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

- Maintain overlapping G.O. debt ratios within a range approved by these jurisdictions for the five-year period of 2012 through 2016;
- Notify other jurisdictions when unanticipated capital needs require that the jurisdictions confer on recommendations for rescheduling of debt issuance plans to keep within the adopted target ranges;
- Identify annually both the immediate and long range debt-related conditions of these jurisdictions which would impact property taxes of Saint Paul residents, and take appropriate action to remain consistently within the debt levy ranges approved by the jurisdictions; and
- Exchange information and expertise during each jurisdiction's capital improvement budgeting process, such that the jurisdictions can eliminate duplication, share facilities where appropriate, and provide the taxpayers with the greatest return for the jurisdictions' capital improvements.

## JDAC's Standing Recommendations

The JDAC has established the following long-term recommendations:

- The governing boards of each JDAC member organization should adopt the report as a management tool for decision making regarding capital improvements and debt for the next five years;
- The City of Saint Paul, Saint Paul Public Schools, Ramsey County, RCRRA and the Saint Paul Port Authority expand current efforts at collaborative planning for joint use of current and future facilities, as well as opportunities to transfer facilities among them as facility needs change;
- The participating jurisdictions meet every two years to update this report and evaluate compliance within adopted target ranges;
- The Joint Property Tax Advisory Committee (JPTAC) annually reviews the proposed debt of all jurisdictions prior to setting the proposed levy; and
- The Joint Property Tax Advisory Committee (JPTAC) will examine the following ratio ratios to ensure that they stay within the recommended ranges for the term of this report.

## Debt Ratios

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

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

## Methodology

This report addresses the municipal debt profile within the corporate limits of the City of Saint Paul, and covers two distinct periods: historical (“Actual”) for the years 2007 through 2011, and future (“Projected”) for the years 2012 through 2016. These provide a long-term perspective for debt trends, occurring both within jurisdictions and combined among the jurisdictions. All figures, unless noted otherwise, are in nominal (current) dollars.

The impact of debt is best evaluated by a series of ratios. The JDAC reviewed a range of potentially affected areas and decided to monitor three: debt position, financial operations and ability to pay. Each indicator is profiled as to definition and purpose, and trend/summary. Where available, a benchmark is given.

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

The report covers certain types of general obligation debt, with general obligation debt being that for which the property taxing powers of the jurisdictions ultimately guarantee debt repayment. General obligation debt which is repaid with a non-levy revenue sources such as traditional municipal utilities (water and sewer), and for which payment is guaranteed by an outside party are excluded from this study. Debt that is included in this study will be referred to throughout the 2011 Report as Net G.O. Debt and is labeled as Total Debt Recognized for the JDAC Report. The appendix contains a detailed listing of each jurisdiction’s debt included in this study.

The City of Saint Paul, in particular, issues many types of debt which are secured solely from non-general property tax revenue sources. Revenue, tax increment (TIF), parking bonds, and certain facility and equipment leases are also excluded from the analysis. In general, capital items acquired through leasing are excluded from this analysis. However, lease payments for the Jimmy Lee facility are included in this study, since the primary source of repayment is general property taxes.

The Ramsey County debt includes two adjustments in the study. First, a portion of the 2000 CIP which financed the Lake Owasso Residence, a portion of the 2002 CIP which financed the Ponds Golf Course, a portion of the 2004 CIP is financed by the Mounds View ISD, a portion of the 2007 CIP issue which financed the Transitional Care Unit at the Care Center, the 2001 Minnesota Public Facilities Authority note for the River Centre Pedestrian Connection Project, and the 2002 Street Aid Bonds are supported by non-property tax revenues and have been excluded from this study. Second, the County’s remaining eligible debt is prorated based on the proportion of City property tax base (tax capacity) in the County, both historical and

projected, over the study period. For 2013, the City’s share of the Ramsey County tax base is 46.9%.

The Ramsey County Regional Railroad Authority (RCRRA) consists of the seven Ramsey County commissioners and is considered a component unit of Ramsey County. The RCRRA has the power to levy taxes, issue bonds and enter into contracts and agreements. The RCRRA is reported as a separate entity in this book. The RCRRA estimates it will be issuing \$20 million in debt from 2011 – 2015 for the Union Depot project.

The School District debt does include Certificates of Participation, which in the District's case are paid from tax levies and are secured by the full faith and credit of the District. The debt does not include four Alternative Facility Bond issues, each originally at \$11 million, because the 1997 Omnibus Tax Bill (Article I, sections 1, 2 and 3) provides a State grant that reimburses the District for the annual costs of these bond issues.

The Port Authority debt consists of four general obligation debt issuances: the first was originally issued in 1994 and refunded in 2003, the second was issued in 2008 for the Port Eastside Development Project, and the remaining two issues totaling \$8.13 million (split between taxable and tax exempt) were issued in 2009 to supplement the 2008 issue. An additional \$8 million is anticipated to be issued 2013 for Development Projects. The issues are payable solely from ad valorem taxes spread on all taxable property within the City. A pledge of the full faith and credit of the City backs the general obligation Port Authority issue, and tax levies by the Port Authority were certified upon the sale of the bonds. A bond issue which is payable from tax increments and project revenues is not included into the general obligation debt for Port Authority. All other outstanding debt of the Port Authority is payable solely from various revenue sources, including revenues generated by financed projects, tax increment and reserve funds, and is therefore excluded for the purposes of this report.

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

Each jurisdiction has maintained its high credit ratings for general obligation bonds. The ratings are as follows:

<b>Jurisdiction</b>	<b>Moody’s Investors Service</b>	<b>Standard &amp; Poor’s Ratings Services</b>
City of Saint Paul/Port Authority	Aa1	AAA
County of Ramsey	Aaa	AAA
Saint Paul Public Schools	Aa2	AA+

Note: The Saint Paul Port Authority general obligation bonds are secured by the general obligation pledge of the City of Saint Paul, and therefore carry the City’s ratings of Aa1 and AAA.

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

# JDAC Goals – Status Update

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## JDAC Report Results 2011: (Actual: 2007-2011 and Projected: 2012-2016)

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

## Report Results: 2008

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

## Report Results: 2005

Goal	Result
<ul style="list-style-type: none"> <li>• Combined debt to indicated market value not to exceed a range of 3% to 6%.</li> </ul>	<ul style="list-style-type: none"> <li>• Objective met.</li> </ul>
<ul style="list-style-type: none"> <li>• Net debt per capita shall not exceed a range of \$1,000 to \$2,500 through 2008.</li> </ul>	<ul style="list-style-type: none"> <li>• Objective met. Debt per capita values meet the target range through 2008.</li> </ul>
<ul style="list-style-type: none"> <li>• Net G.O. debt service levy per household not to exceed \$550.</li> </ul>	<ul style="list-style-type: none"> <li>• Objective met. Expected increase from 2004 to 2008 is \$437 to \$496.</li> </ul>
<ul style="list-style-type: none"> <li>• Net G.O. debt service levy per capita to per capita income not to exceed 1%.</li> </ul>	<ul style="list-style-type: none"> <li>• Objective met.</li> </ul>
<ul style="list-style-type: none"> <li>• Total effective tax rate for debt service on a median taxable value home in Saint Paul shall not exceed 0.5%.</li> </ul>	<ul style="list-style-type: none"> <li>• Objective met.</li> </ul>

# Overview of Debt

## Role of Debt

Jurisdictions have multiple ways to pay for long-term capital assets. Debt is one important source of funding. It represents a long-term commitment of resources to repay obligations for long-term assets. Debt can be a useful tool as the repayment stream matches the useful life of the asset, the people who are benefitting from the asset are paying for it and it smooths expenditures – avoiding material property tax spikes and drops. If debt levels become too high, leading to increasing annual draws on the community’s resources for debt service, local governments will be faced with critical choices as to their ability to fund operations and provide for future capital investment. Therefore, monitoring and managing the individual and combined levels of debt becomes central to assessing the overall financial health of the community.

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

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

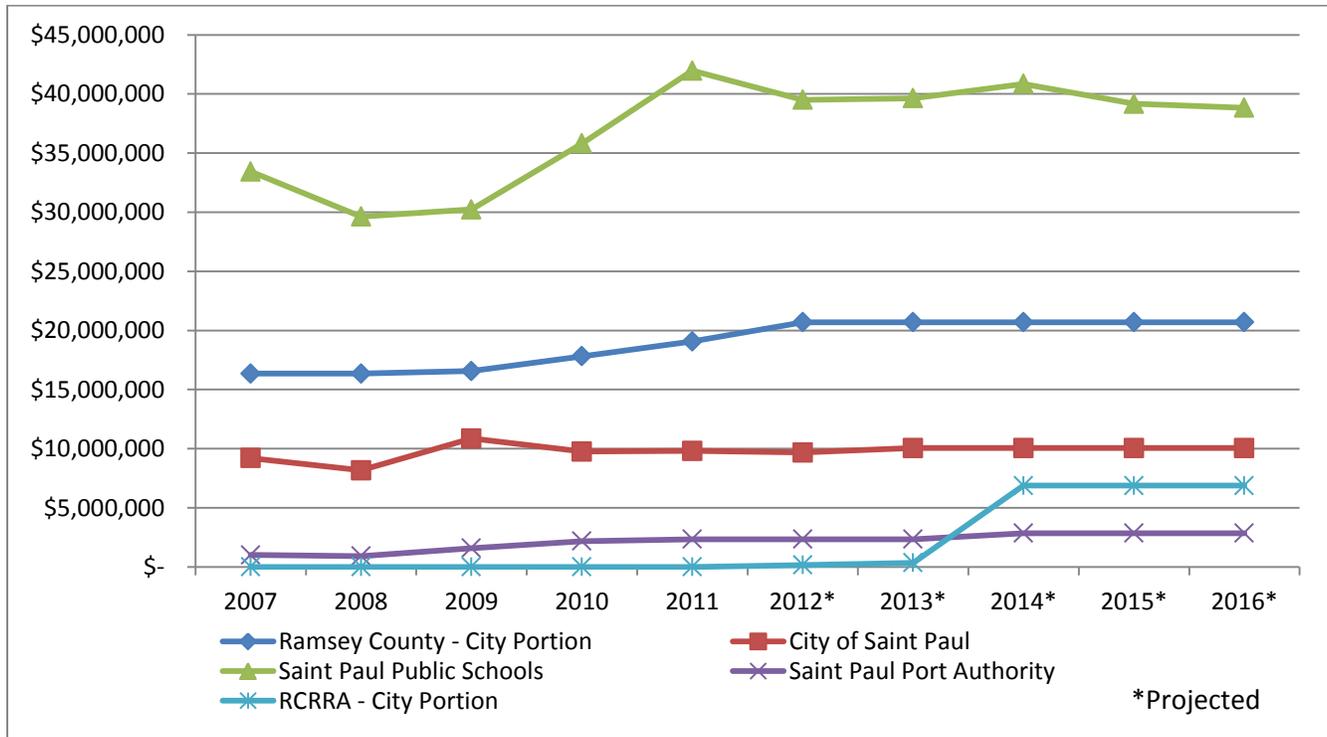
## 10 Year U.S. Treasury Yield - 20 Year History





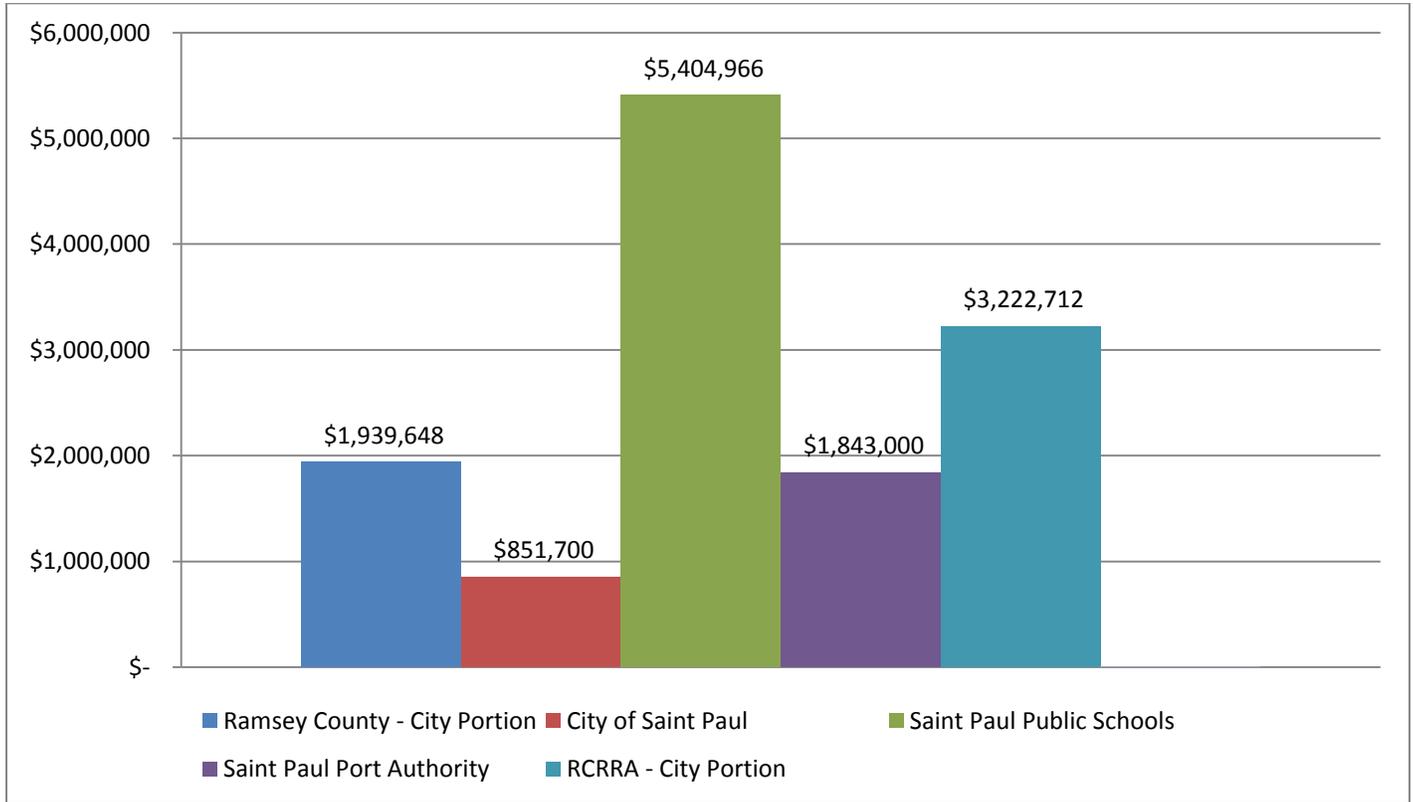
**Table 2. Total Debt Service Tax Levies (\$)**

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



Actual	Net Debt Service Tax Levies					Average
	2007	2008	2009	2010	2011	
Ramsey County - City Portion	\$ 7,768,652	\$ 7,768,652	\$ 7,803,828	\$ 8,463,853	\$ 8,943,191	\$ 8,149,635
City of Saint Paul	9,199,202	8,173,446	10,865,320	9,761,438	9,815,423	9,562,966
Saint Paul Schools	33,432,281	29,628,253	30,233,162	35,814,161	41,970,427	34,215,657
Saint Paul Port Authority	1,007,000	913,000	1,585,000	2,188,000	2,345,000	1,607,600
RCRRRA - City Portion	-	-	-	-	-	-
<b>Total</b>	<b>51,407,135</b>	<b>46,483,351</b>	<b>50,487,310</b>	<b>56,227,452</b>	<b>63,074,041</b>	<b>53,535,858</b>
	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County - City Portion	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300
City of Saint Paul	9,671,043	10,050,902	10,050,902	10,050,902	10,050,902	9,974,930
Saint Paul Schools	39,498,061	39,642,817	40,854,312	39,166,531	38,837,247	39,599,794
Saint Paul Port Authority	2,344,000	2,350,000	2,850,000	2,850,000	2,850,000	2,648,800
RCRRRA - City Portion	79,647	170,525	3,226,598	3,227,489	3,222,712	1,985,394
<b>Total</b>	<b>61,301,051</b>	<b>61,922,544</b>	<b>66,690,112</b>	<b>65,003,222</b>	<b>64,669,161</b>	<b>63,917,218</b>

**Table 3. Projected Change of Debt Service Tax Levies from 2007-2016**



Change in Debt Service Tax Levies			Projected	% Change	% of Total Change
	2007	2016	10 year Change		
Ramsey County - City Portion	\$ 7,768,652	\$ 9,708,300	\$ 1,939,648	19.98%	14.63%
City of Saint Paul	9,199,202	10,050,902	851,700	8.47%	6.42%
Saint Paul Schools	33,432,281	38,837,247	5,404,966	13.92%	40.76%
Saint Paul Port Authority	1,007,000	2,850,000	1,843,000	64.67%	13.90%
RCRRA - City Portion	-	3,222,712	3,222,712	100.00%	24.30%
<b>Total</b>	<b>\$ 51,407,135</b>	<b>\$ 64,669,161</b>	<b>13,262,027</b>	<b>20.51%</b>	<b>100.00%</b>

## Debt Ratios

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### Overview of Debt Ratios

Debt financing of public infrastructure affects the participating jurisdictions and their citizens in a variety of ways. The focus here is on the way in which the overlapping debt of participating jurisdictions affects property taxes paid by residents within the corporate limits of the City of Saint Paul and the credit ratings assigned to each jurisdiction. In order to examine such effects, the committee tracks several ratios: the first two ratios are industry standards used by the rating agencies and investors, while the remaining are designed to help the governing bodies understand the impact on the tax base.

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

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

Detailed information relating to the specifics of each indicator is given in the individual profiles on the following pages.

## Debt Ratios

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

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

**Factors:** Since the time of the last report, market values have dropped. Even if there was no change in the amount of debt, the debt burden would increase due to national economic impacts. For this reason, almost all communities have seen rises in their debt burdens, much as Saint Paul is witness to.

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

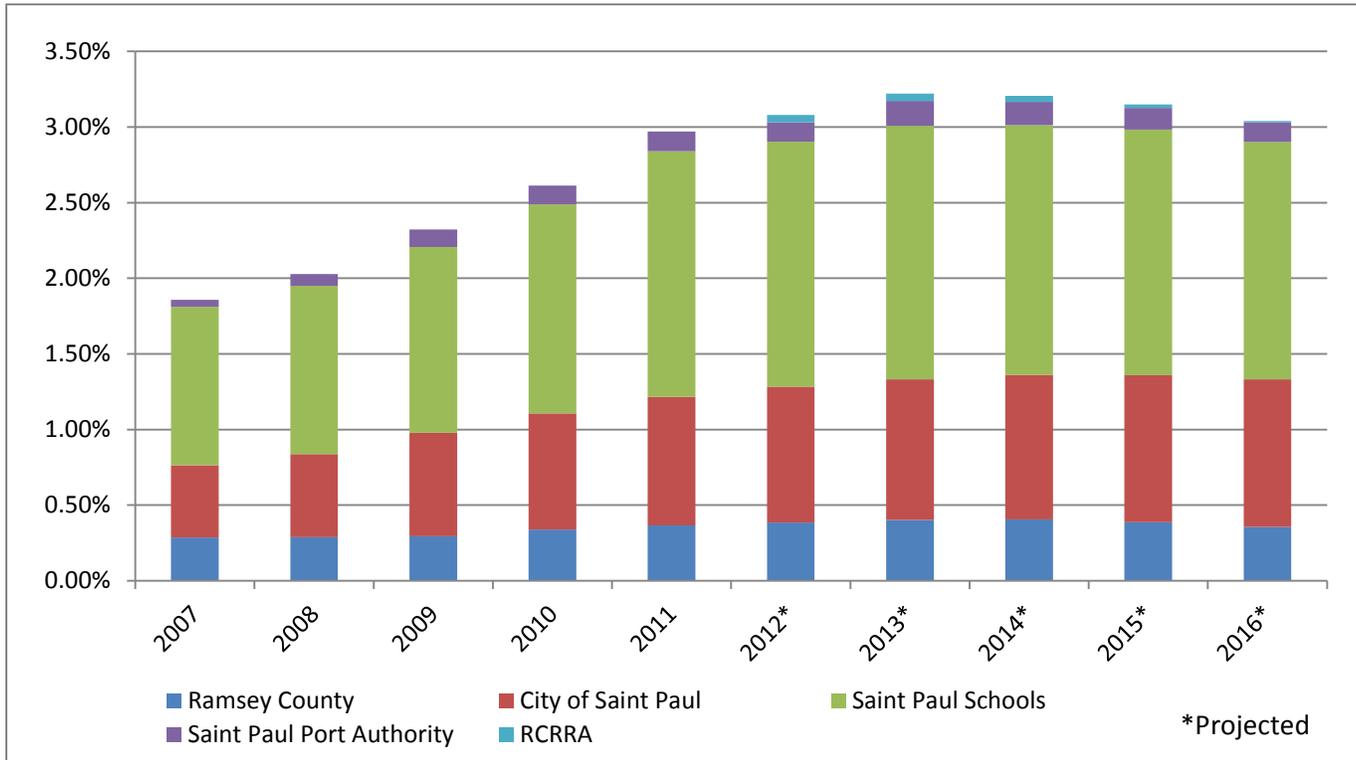
**Trend:** The combined Net G.O. Debt to Indicated Market Value fluctuated from 1.86% in 2007 to 2.97% in 2011. This indicator is projected to fall from 3.08% in 2012 to 3.04% in 2016. For the years 2012 through 2016, the estimated average is 3.14%. The projected ratio does not to exceed 3.25% for the next 5 years.

The target range is met.

<b>Standard &amp; Poor’s Ranges for Tax-Backed G.O. Ratios</b>	
<b>Debt Burden</b>	
Low	Below 3%
Moderate	3% - 6%
Moderately High	6% - 10%
High	Above 10%

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

The average for the previous ten year period has remained under the 3% goal. Despite the tax base decline of over 25% in the last five years, the debt burden remains extremely close to the target of 3%. The debt burden increase primarily reflects the tax base valuation decline, not new debt.



Net G.O. Debt to I.M.V.	Actual					Average
	2007	2008	2009	2010	2011	
Ramsey County	0.29%	0.29%	0.29%	0.34%	0.37%	0.31%
City of Saint Paul	0.48%	0.55%	0.68%	0.77%	0.85%	0.67%
Saint Paul Schools	1.05%	1.11%	1.23%	1.38%	1.62%	1.28%
Saint Paul Port Authority	0.05%	0.08%	0.12%	0.12%	0.13%	0.10%
RCRRA	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
<b>Total Debt to Market Value</b>	<b>1.86%</b>	<b>2.03%</b>	<b>2.32%</b>	<b>2.61%</b>	<b>2.97%</b>	<b>2.36%</b>
City I.M.V.	\$27,342,005,282	\$26,415,766,667	\$24,391,274,416	\$21,972,839,776	\$20,123,236,485	\$24,049,024,525
Net G.O. Debt to I.M.V.	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County	0.38%	0.40%	0.41%	0.39%	0.36%	0.39%
City of Saint Paul	0.90%	0.93%	0.95%	0.97%	0.98%	0.95%
Saint Paul Schools	1.62%	1.68%	1.65%	1.62%	1.57%	1.63%
Saint Paul Port Authority	0.13%	0.16%	0.15%	0.14%	0.13%	0.14%
RCRRA	0.05%	0.05%	0.04%	0.02%	0.01%	0.03%
<b>Total Debt to Market Value</b>	<b>3.08%</b>	<b>3.22%</b>	<b>3.21%</b>	<b>3.15%</b>	<b>3.04%</b>	<b>3.14%</b>
City I.M.V.	\$19,720,771,755	\$19,347,663,684	\$19,763,742,473	\$20,159,017,323	\$20,887,590,503	\$19,975,757,148

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

### History of Indicated Market Value

Indicated Market Value (IMV) is also known as the true or full market value. The IMV is based on the County Assessor's Estimated Market Value for the City divided by the sales ratio for each year. The ratio for pay years 2007-2011 was determined by the State Department of Revenue, and the ratio for pay years 2012-2016 was estimated by the County Assessor's Office. The sales ratio represents the overall relationship between the Estimated Market Value of property within the community and the actual arm's length selling price when the property changes hands.

Payable Year	Estimated Market Value	Indicated Market Value*	21 month Sales Ratios	Real or Projected Estimated Market Value Change	Change in Indicated Value
1997	\$7,573,546,000	\$8,396,392,461	90.20%		
1998	\$7,954,086,450	\$8,977,524,210	88.60%	5.02%	6.92%
1999	\$8,488,585,500	\$9,779,476,382	86.80%	6.72%	8.93%
2000	\$9,169,403,301	\$11,237,013,849	81.60%	8.02%	14.90%
2001	\$11,065,165,900	\$14,204,320,796	77.90%	20.67%	26.41%
2002	\$13,046,883,300	\$17,512,595,034	74.50%	17.91%	23.29%
2003	\$15,532,144,700	\$22,062,705,540	70.40%	19.05%	25.98%
2004	\$17,583,449,500	\$24,765,421,831	71.00%	13.21%	12.25%
2005	\$19,629,226,000	\$26,742,814,714	73.40%	11.63%	7.98%
2006	\$21,320,915,700	\$26,485,609,565	80.50%	8.62%	-0.96%
2007	\$23,295,388,500	\$27,342,005,282	85.20%	9.26%	3.23%
2008	\$23,923,671,700	\$26,415,766,667	90.60%	2.70%	-3.39%
2009	\$22,948,136,700	\$24,391,274,416	94.20%	-4.08%	-7.66%
2010	\$21,599,301,500	\$21,972,839,776	98.30%	-5.88%	-9.92%
2011	\$20,108,527,900	\$20,123,236,485	99.80%	-6.90%	-8.42%
2012	\$19,405,831,400	\$19,720,771,755	100.10%	-3.49%	-2.00%
2013	\$18,380,280,500	\$19,347,663,684	95.00%	-5.28%	-1.89%
2014	\$18,380,280,500	\$19,763,742,473	93.00%	0.00%	2.15%
2015	\$18,747,886,110	\$20,159,017,323	93.00%	2.00%	2.00%
2016	\$19,216,583,263	\$20,887,590,503	92.00%	2.50%	3.61%
2017	\$19,793,080,761	\$21,514,218,218	92.00%	3.00%	3.00%

**Trend/Summary:** The Indicated Market Value (IMV) during the actual and projected period from 2007-2016 decreased (23%) from \$27.342 million to \$20.888 million. IMV from 2007-2011 decreased by 26%. IMV projection for 2012-2016 increase by 6%.

\* Imputed by dividing total estimated market value by the MN DOR school aid ratio for the relevant year  
The data is actual through payable 2009 and projected for the years beyond

Source: Ramsey County Assessor\_SLB

## Debt Ratios

### B. Total Net G.O. Debt per Capita

**Definition:** Debt per capita is formulated by dividing the total Net G.O. debt by the total population. It depicts the overall debt burden placed on the citizens of Saint Paul, as both debt levels and populations change over time. While this is an industry standard used by rating agencies and investors, it can be skewed, minimizing its usefulness. Taxes to repay debt are levied on the tax base, not population. For example, take two identical community's with the same tax base, and same amount of debt. The bedroom community will have a lower debt per capita, while a well-diversified community with industrial, retail and residential will have a higher debt per capita. It is for this reason, that debt per capita, while helpful, can be skewed or misinterpreted. Thus, debt burden is relied upon more than debt per capita.

**Target Range:** Not to exceed \$2,500

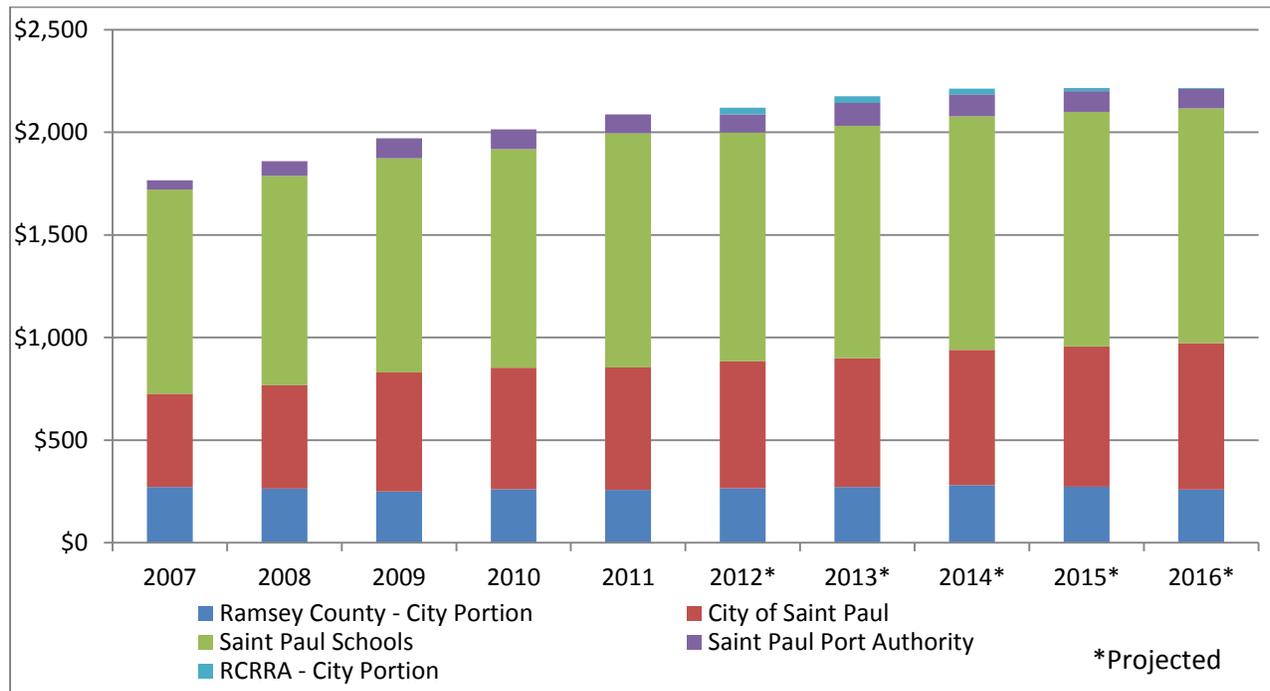
**Trend:** Net G.O. debt per capita increased from \$1,766 in 2007 to \$2,088 in 2011. Net G.O. debt per capita is projected to increase from \$2,120 in 2012 to \$2,217 in 2016. For the projected years 2012 through 2016, City population is assumed to have no growth.

The target range of low is met.

Standard & Poor's Ranges for Tax-Backed G.O. Ratios	
Overall Net Debt per Capita	
Very Low	Below \$1,000
Low	\$1,000 - \$2,000
Moderate	\$2,000 - \$5,000
High	Above \$5,000

## B. Total Net G.O. Debt per Capita

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



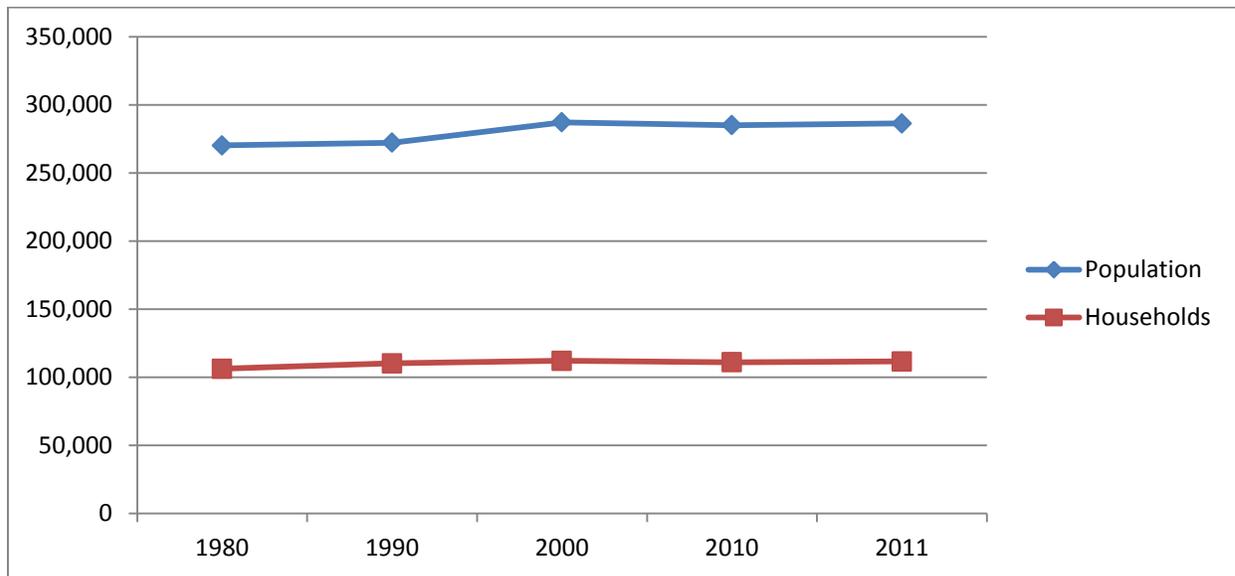
G.O. Debt per Capita	Actual					Average
	2007	2008	2009	2010	2011	
Ramsey County	\$272	\$263	\$249	\$261	\$258	\$261
City of Saint Paul	\$454	\$505	\$580	\$592	\$597	\$546
Saint Paul Schools	\$995	\$1,021	\$1,043	\$1,066	\$1,141	\$1,053
Saint Paul Port Authority	\$45	\$71	\$98	\$96	\$92	\$80
RCRRA	\$0	\$0	\$0	\$0	\$0	\$0
<b>Total Debt per Capita</b>	<b>\$1,766</b>	<b>\$1,860</b>	<b>\$1,971</b>	<b>\$2,014</b>	<b>\$2,088</b>	<b>\$1,940</b>
City Population	287,669	288,055	287,501	285,068	286,367	286,932

G.O. Debt per Capita	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County	\$265	\$271	\$280	\$272	\$259	\$270
City of Saint Paul	\$619	\$629	\$659	\$685	\$713	\$661
Saint Paul Schools	\$1,115	\$1,132	\$1,139	\$1,142	\$1,144	\$1,135
Saint Paul Port Authority	\$87	\$111	\$106	\$101	\$95	\$100
RCRRA	\$33	\$33	\$27	\$17	\$6	\$23
<b>Total Debt per Capita</b>	<b>\$2,120</b>	<b>\$2,176</b>	<b>\$2,212</b>	<b>\$2,217</b>	<b>\$2,217</b>	<b>\$2,188</b>
City Population	286,367	286,367	286,367	286,367	286,367	286,367

## B. Total Net G.O. Debt per Capita

### Population Trends



Year	Population		Households	
	Metro*	Saint Paul	Metro*	Saint Paul
2011	N/A	286,367	N/A	111,620
2010	3,229,833	285,068	1,272,677	111,001
2000	2,642,056	287,151	1,021,454	112,109
1990	2,228,729	272,235	875,504	110,249
1980	1,985,873	270,230	721,444	106,223

\*Seven-county metropolitan area

Source: U.S. Census 1980, 1990, 2000, 2010, Metropolitan Council Estimates for City of Saint Paul 2011

**Trend:** Population and households in the City of Saint Paul have remained relatively flat when compared to the recent growth in the 7 County Twin Cities Metropolitan area since 2000. This rate of growth would cause the debt per capita ratio to increase even with no new debt added. The total debt has increased by a manageable 2% per year minimizing the impact of slowing population growth on the debt per capita ratio.

## Debt Ratios

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

**Definition:** This ratio estimates the change in property tax rates for debt service for a residential property with the annual median value in Saint Paul. See page 23 for detailed explanation of the debt service levies, debt tax rates and median property values tables. This ratio is not used by rating agencies or investors – so there are no industry standards by which to compare.

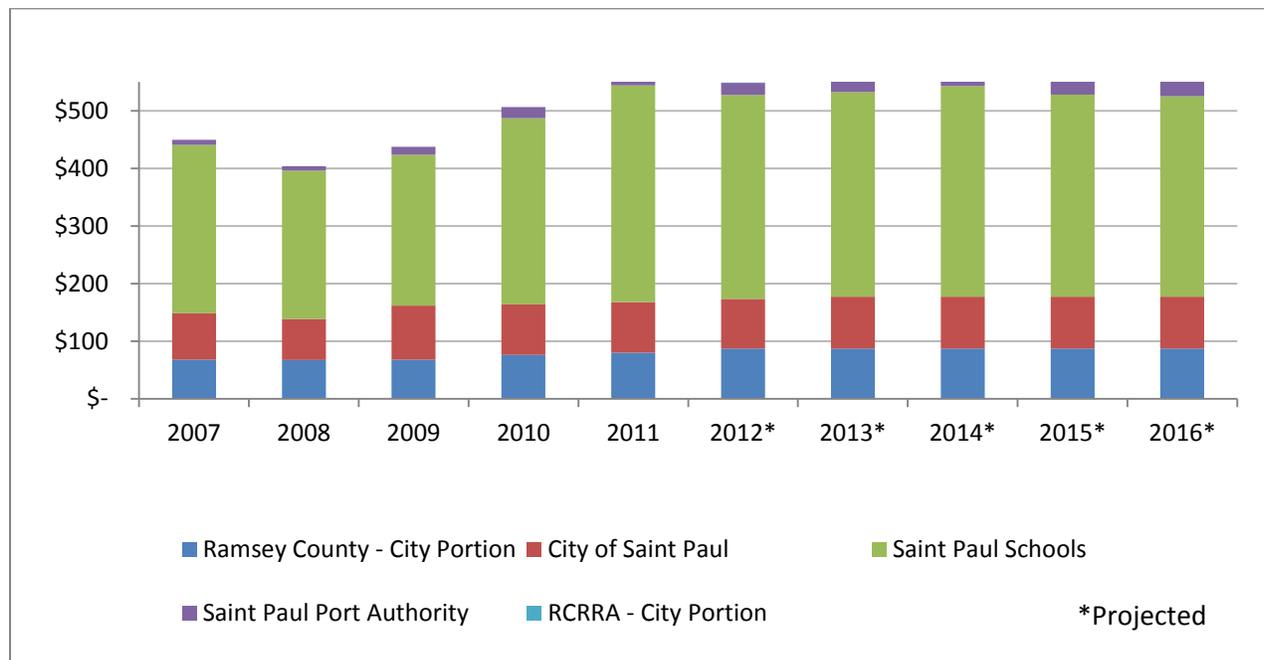
**Target Range:** Effective Tax Rate of less than 0.5%

**Trend:** Over the period from 2007 to 2011, the fluctuation in the debt service tax bill for a median priced house in Saint Paul reflected the recent fall in the Median Taxable Value and change in the debt service tax levies. The effective tax rate decreased from 0.326% to 0.269%. The five year average annual decrease is 4.26%. It is projected to increase from 0.364% to 0.376% for the years 2012 through 2016.

For the years 2012 through 2016, the median value home is assumed to increase from 133,700 to 137,800.

The target range is met.

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



	Actual					Average
	2007	2008	2009	2010	2011	
Median Value Home Taxable Value	\$ 199,500 132,200	\$ 184,300 157,800	\$ 168,100 178,400	\$ 155,500 191,900	\$ 149,300 183,200	\$ 171,340 168,700
Ramsey County - City Portion	\$ 65	\$ 63	\$ 63	\$ 67	\$ 63	\$ 64
City of Saint Paul	77	66	87	78	69	75
Saint Paul Schools	279	239	243	286	296	268
Saint Paul Port Authority	8	7	13	17	17	12
RCRRA - City Portion	1	3	55	55	48	33
Total Tax Bill	\$ 431	\$ 378	\$ 461	\$ 503	\$ 493	453
Effective Tax Rate for Debt	0.326%	0.239%	0.258%	0.262%	0.269%	0.271%

	Projected					Average
	2012	2013	2014	2015	2016	
Median Value Home Taxable Value	\$ 133,700 108,500	\$ 133,700 108,500	\$ 135,000 109,900	\$ 136,400 111,400	\$ 137,800 113,000	\$ 135,320 110,260
Ramsey County - City Portion	\$ 62	\$ 62	\$ 62	\$ 61	\$ 60	\$ 62
City of Saint Paul	62	65	64	64	63	63
Saint Paul Schools	254	255	261	247	242	252
Saint Paul Port Authority	15	15	18	18	18	17
RCRRA - City Portion	1	2	44	43	43	27
Total Tax Bill	\$ 395	\$ 400	\$ 449	\$ 434	\$ 425	421
Effective Tax Rate for Debt	0.364%	0.368%	0.409%	0.389%	0.376%	0.381%

## Debt Ratios

### D. Debt Service Levy per Household

**Definition:** The property tax can be viewed as the price government charges for its services. These services are broadly divided into operations (such as public safety, street maintenance, etc.) and infrastructure investment (such as pay-as-you-go capital and debt service). This ratio measures the annual debt service levy per household (annual price of debt). The purpose is to show how this price to the citizens for debt service changes over time with annual debt levies variations. This indicator is not a representation of the tax Rate for debt service (which is based on property values rather than income). Similar to debt per capita, this ratio is helpful, but can be incorrectly misconstrued and misleading. Nonetheless, it is another metric to assess how leveraged the tax base is.

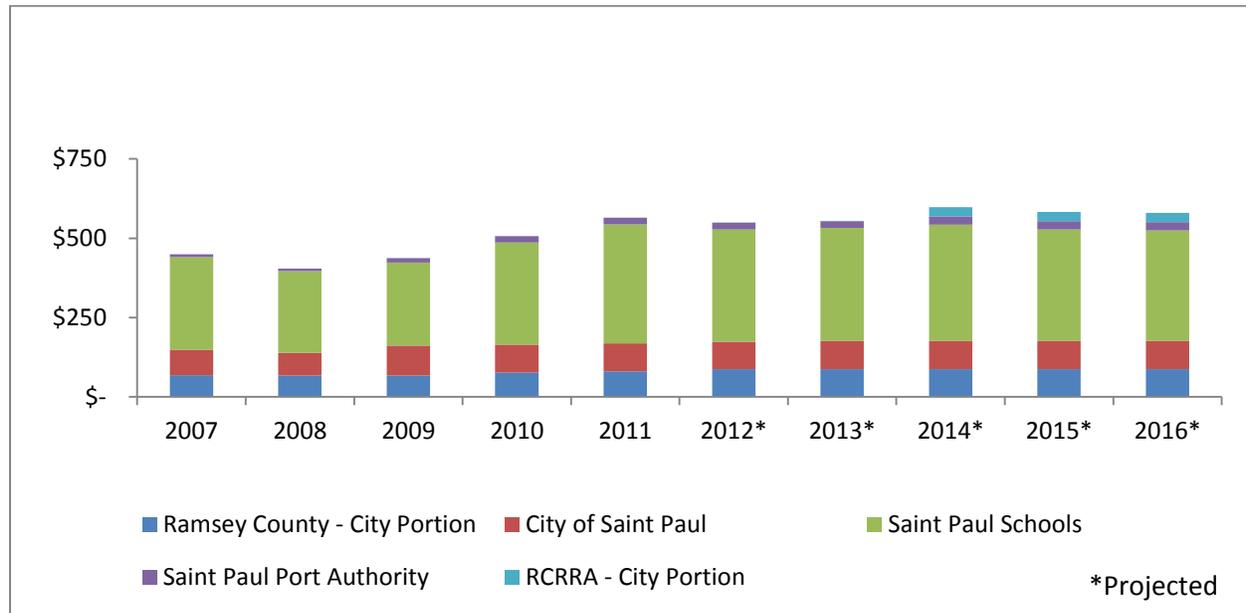
**Target Range:** Not to exceed \$600.

**Trend:** The combined debt service levy per Household increased from \$449 in 2007 to \$565 in 2011, a five year average of \$472. The combined debt service levy per household is expected to increase from \$549 to \$579 in the years 2012 to 2016 with a five year average of \$573.

The target is met.

For the years 2012 through 2016 the number of households assumes no growth.

## D. Debt Service Levy per Household



Debt Service Levy per Household	Actual					Average
	2007	2008	2009	2010	2011	
Ramsey County - City Portion	\$ 68	\$ 68	\$ 68	\$ 76	\$ 80	\$ 72
City of Saint Paul	80	71	94	88	88	84
Saint Paul Schools	292	257	262	323	376	302
Saint Paul Port Authority	9	8	14	20	21	14
RCRRA - City Portion	-	-	-	-	-	-
<b>Total</b>	<b>\$ 449</b>	<b>\$ 404</b>	<b>\$ 437</b>	<b>\$ 507</b>	<b>\$ 565</b>	<b>472</b>
Number of City Households	114,409	115,088	115,435	111,001	111,620	113,511

Debt Service Levy per Household	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County - City Portion	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87	\$ 87
City of Saint Paul	87	90	90	90	90	89
Saint Paul Schools	354	355	366	351	348	355
Saint Paul Port Authority	21	21	26	26	26	24
RCRRA - City Portion	1	2	29	29	29	18
<b>Total</b>	<b>\$ 549</b>	<b>\$ 555</b>	<b>\$ 597</b>	<b>\$ 582</b>	<b>\$ 579</b>	<b>573</b>
Number of City Households	111,620	111,620	111,620	111,620	111,620	111,620

## Debt Ratios

### E. Debt Service Levy per Capita to per Capita Income

**Definition:** This indicator is formulated by dividing the Debt Service Property Tax Levy per Capita by per Capita Income. It depicts the annual debt service property tax levy burden placed on the income capacity of Saint Paul citizens as both debt and income levels change over time. Low ratios are viewed as positive ratios.

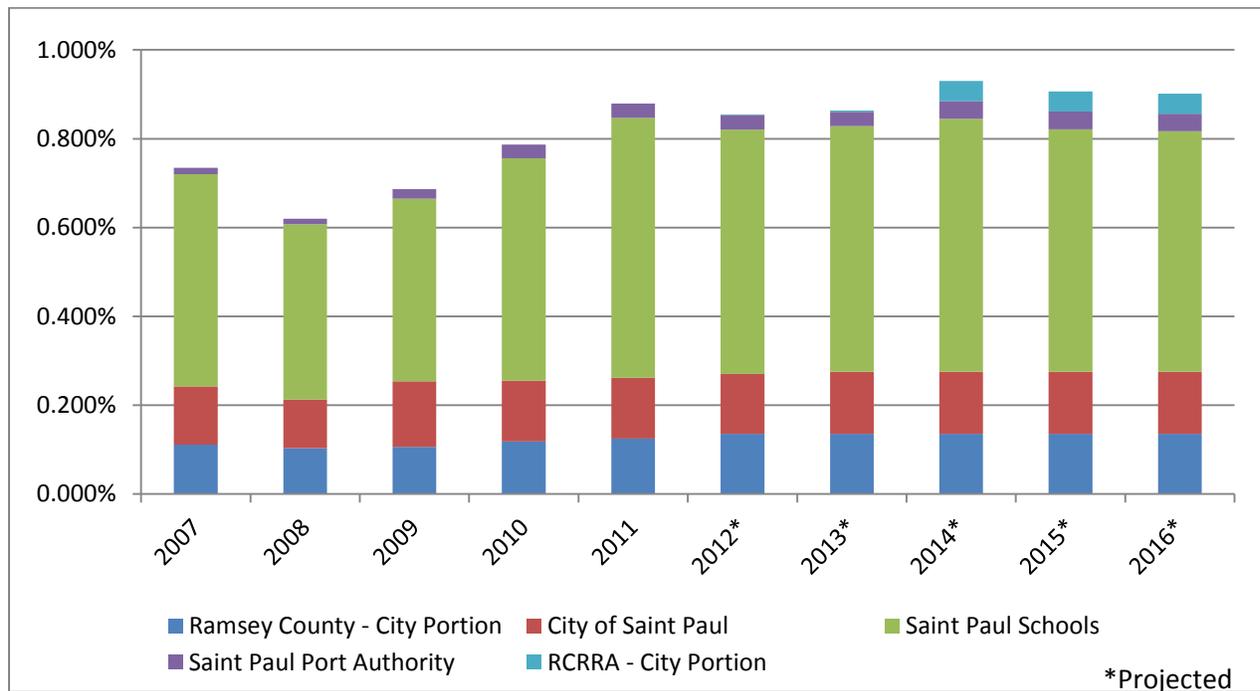
**Target Range:** Not to exceed 1%.

**Trend:** Net Debt Service Property Tax Levy per Capita to per Capita Income increased from 0.735% in 2007 to 0.879% in 2011, and the five year averages is 0.742%. For 2012 to 2016 the projected percent increases from 0.855% to 0.902%, with a five year projected average of 0.891%.

For the years 2012 through 2016, per capita income assumes no growth.

The target range is met.

## E. Debt Service Levy per Capita to per Capita Income



### Debt Service Tax Levy per Capita to per Capita Income

	2007	2008	2009	2010	2011	Average
Ramsey County - City Portion	0.111%	0.104%	0.106%	0.118%	0.125%	0.113%
City of Saint Paul	0.131%	0.109%	0.148%	0.137%	0.137%	0.132%
Saint Paul Schools	0.478%	0.395%	0.411%	0.501%	0.585%	0.474%
Saint Paul Port Authority	0.014%	0.012%	0.022%	0.031%	0.033%	0.022%
RCRRA - City Portion	0.000%	0.000%	0.000%	0.000%	0.000%	0.000%
<b>Total</b>	<b>0.735%</b>	<b>0.620%</b>	<b>0.686%</b>	<b>0.787%</b>	<b>0.879%</b>	<b>0.742%</b>
City per Capita Income	\$24,325	\$26,015	\$25,587	\$25,066	\$25,047	\$25,208

	2012	2013	Projected 2014	2015	2016	Average
Ramsey County - City Portion	0.135%	0.135%	0.135%	0.135%	0.135%	0.135%
City of Saint Paul	0.135%	0.140%	0.140%	0.140%	0.140%	0.139%
Saint Paul Schools	0.551%	0.553%	0.570%	0.546%	0.541%	0.552%
Saint Paul Port Authority	0.033%	0.033%	0.040%	0.040%	0.040%	0.037%
RCRRA - City Portion	0.001%	0.002%	0.045%	0.045%	0.045%	0.028%
<b>Total</b>	<b>0.855%</b>	<b>0.863%</b>	<b>0.930%</b>	<b>0.906%</b>	<b>0.902%</b>	<b>0.891%</b>
City per Capita Income	\$25,047	\$25,047	\$25,047	\$25,047	\$25,047	\$25,047

Figures reported are for the years taxes are payable.

## Debt Ratios

### F. Debt Service Tax Levy to Total Tax Levy

- Definition:** The total tax levy is comprised of an operating levy and a debt service levy. This indicator shows the proportional share that represents the debt service component and illustrates over time any pressure it may exert, either on the total levy or on the operational components. This indicator is specific to each jurisdiction and not applicable to the combined jurisdictions.
- Trend:** The County's ratio of debt service to total increased from 7.3% in 2007 to 7.4% in 2011. The five year average is 7.1%. For the period 2012-2016 the ratio is projected to decrease from 7.8% to 7.6%. The five year average is 7.7%.
- The City's ratio decreased from 16.5% in 2007 to 10.6% in 2011 for a five year average of 11.3%. For the Projected period 2012-2016 the total increases from 9.9% to 10.1%. The five year average is 10.1%.
- The School District's ratio increased from 33.7% in 2007 to 34.5% in 2011. The five year average is 31.5%. For the Projected period 2012-2016 the total decreases from 31.0 % to 27.1%. The five year average is 29.3%.
- The Port Authority's ratio of debt service to total decreased from 37.1% in 2007 to 52.6% in 2011. The five year average is 44.2%. For the Projected period 2012-2016 the total decreases from 60.8% to 48.7%. The five year average is 49.5%.
- In 2007, RCRRA began levying the maximum levy of \$19,939,000 annually to fund operations and capital budgets. RCRRA estimates it will issue \$20 million in 2012 – 2015.

## Debt Ratios

### F. Debt Service Tax Levy to Total Tax Levy

Actual	Net Debt Service Tax Levies					Average
	2007	2008	2009	2010	2011	
Ramsey County - City Portion	\$ 7,768,652	\$ 7,768,652	\$ 7,803,828	\$ 8,463,853	\$ 8,943,191	\$ 8,149,635
City of Saint Paul	9,199,202	8,173,446	10,865,320	9,761,438	9,815,423	9,562,966
Saint Paul Schools	33,432,281	29,628,253	30,233,162	35,814,161	41,970,427	34,215,657
Saint Paul Port Authority	1,007,000	913,000	1,585,000	2,188,000	2,345,000	1,607,600
RCRRA - City Portion	-	-	-	-	-	-
<b>Total</b>	<b>51,407,135</b>	<b>46,483,351</b>	<b>50,487,310</b>	<b>56,227,452</b>	<b>63,074,041</b>	<b>53,535,858</b>

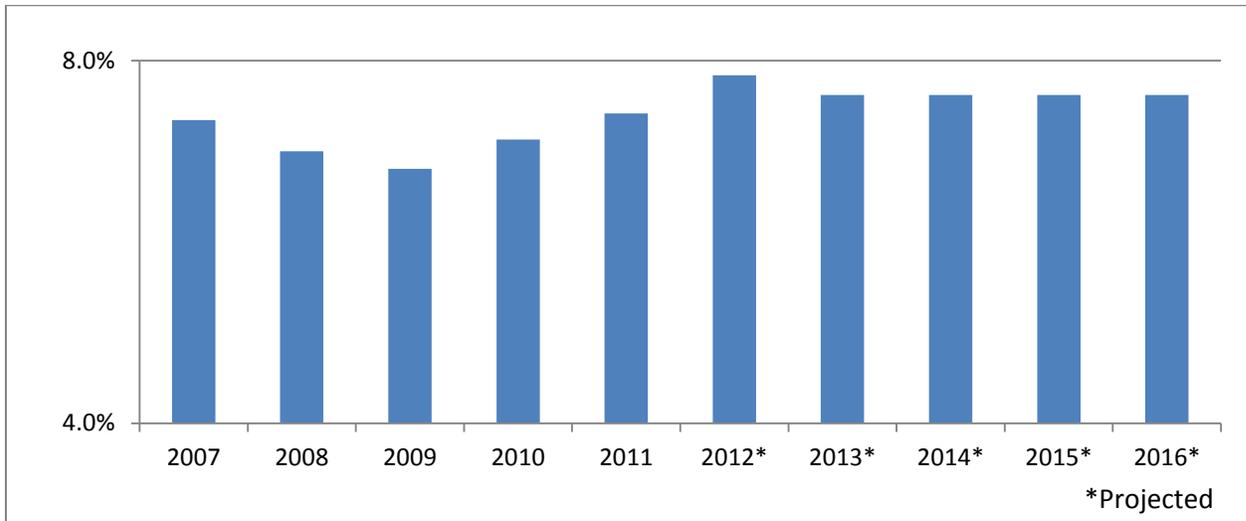
	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County - City Portion	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300	\$ 9,708,300
City of Saint Paul	9,671,043	10,050,902	10,050,902	10,050,902	10,050,902	9,974,930
Saint Paul Schools	39,498,061	39,642,817	40,854,312	39,166,531	38,837,247	39,599,794
Saint Paul Port Authority	2,344,000	2,350,000	2,850,000	2,850,000	2,850,000	2,648,800
RCRRA - City Portion	79,647	170,525	3,226,598	3,227,489	3,222,712	1,985,394
<b>Total</b>	<b>61,301,051</b>	<b>61,922,544</b>	<b>66,690,112</b>	<b>65,003,222</b>	<b>64,669,161</b>	<b>63,917,218</b>

Actual	Total Net Tax Levies					Average
	2007	2008	2009	2010	2011	
Ramsey County - City Portion	\$ 222,718,780	\$ 233,697,277	\$ 243,439,091	\$ 249,958,318	\$ 257,034,664	\$ 241,369,626
City of Saint Paul	70,062,561	80,530,837	87,142,264	92,497,521	92,497,520	84,546,141
Saint Paul Schools	99,153,940	102,927,399	106,979,636	111,692,236	121,744,538	108,499,550
Saint Paul Port Authority	2,716,050	3,025,000	3,697,000	4,299,700	4,456,700	3,638,890
RCRRA - City Portion	19,939,000	19,939,000	19,939,000	19,939,000	19,939,000	19,939,000
<b>Total</b>	<b>414,590,331</b>	<b>440,119,513</b>	<b>461,196,991</b>	<b>478,386,775</b>	<b>495,672,422</b>	<b>457,993,206</b>

	Projected					Average
	2012	2013	2014	2015	2016	
Ramsey County - City Portion	\$ 264,133,380	\$ 271,596,074	\$ 271,596,074	\$ 271,596,074	\$ 271,596,074	\$ 270,103,535
City of Saint Paul	97,809,058	99,396,152	99,396,152	99,396,152	99,396,152	99,078,733
Saint Paul Schools	127,498,831	131,323,796	135,263,510	139,321,415	143,501,058	135,381,722
Saint Paul Port Authority	3,855,700	5,350,000	5,850,000	5,850,000	5,850,000	5,351,140
RCRRA - City Portion	19,939,000	19,939,000	19,939,000	19,939,000	19,939,000	19,939,000
<b>Total</b>	<b>513,235,969</b>	<b>527,605,022</b>	<b>532,044,736</b>	<b>536,102,641</b>	<b>540,282,284</b>	<b>529,854,130</b>

## Debt Service Levy to Total Tax Levy

### Ramsey County



Ramsey County	Actual					Average
	2007	2008	2009	2010	2011	
Debt Service Tax Levies	\$ 16,355,056	\$ 16,355,056	\$ 16,568,638	\$ 17,818,638	\$ 19,068,638	\$ 17,233,205
Total Net Tax Levies	\$ 222,718,780	\$ 233,697,277	\$ 243,439,091	\$ 249,958,318	\$ 257,034,664	\$ 241,369,626
Debt Service Levy to Total	7.3%	7.0%	6.8%	7.1%	7.4%	7.1%

Ramsey County	Projected					Average
	2012	2013	2014	2015	2016	
Debt Service Tax Levies	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000	\$ 20,700,000
Total Net Tax Levies	\$ 264,133,380	\$ 271,596,074	\$ 271,596,074	\$ 271,596,074	\$ 271,596,074	\$ 270,103,535
Debt Service Levy to Total	7.8%	7.6%	7.6%	7.6%	7.6%	7.7%

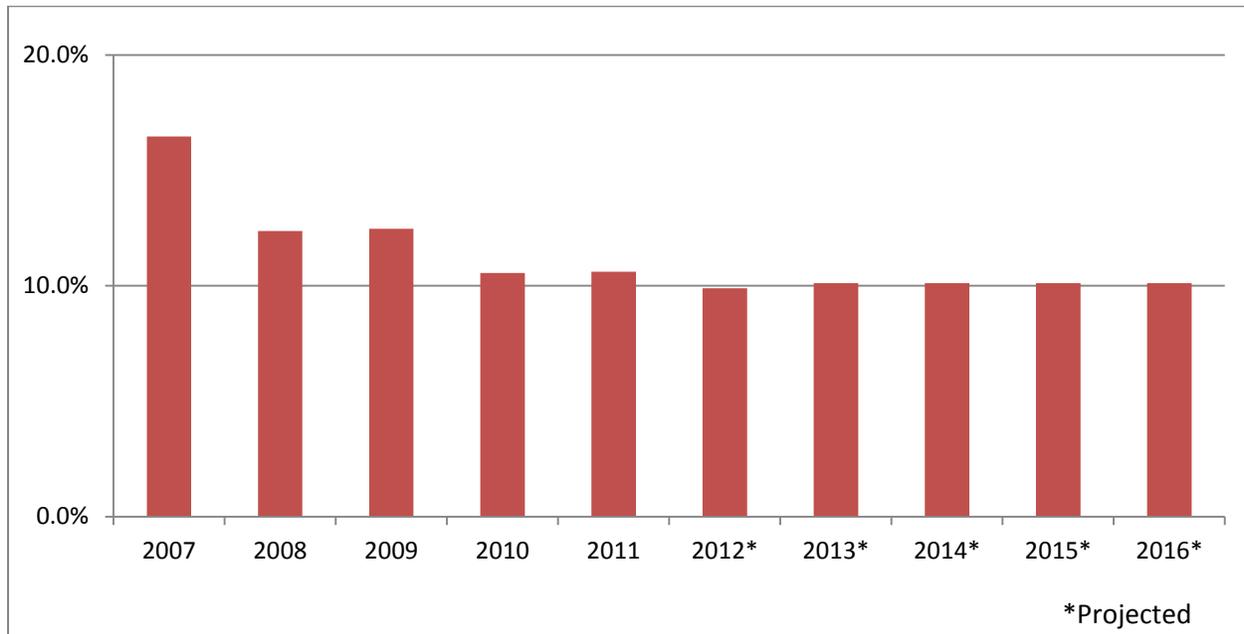
Note: The tax levy amounts shown above represent levies spread on all taxable property within Ramsey County, not just the portion attributable to the City of Saint Paul.

Figures reported are for the years taxes are payable.

Does not include library debt as this levy is suburban and attributes to Ramsey County only.

## Debt Service Levy to Total Tax Levy

### City of Saint Paul



City of Saint Paul	Actual					Average
	2007	2008	2009	2010	2011	
Debt Service Tax Levies	9,199,202	8,173,446	10,865,320	9,761,438	9,815,423	9,562,966
Total Net Tax Levies	70,062,561	80,530,837	87,142,264	92,497,521	92,497,520	84,546,141
Debt Service Levy to Total	16.5%	12.4%	12.5%	10.6%	10.6%	11.3%

	Projected					Average
	2012	2013	2014	2015	2016	
Debt Service Tax Levies	9,671,043	10,050,902	10,050,902	10,050,902	10,050,902	9,974,930
Total Net Tax Levies	97,809,058	99,396,152	99,396,152	99,396,152	99,396,152	99,078,733
Debt Service Levy to Total	9.9%	10.1%	10.1%	10.1%	10.1%	10.1%

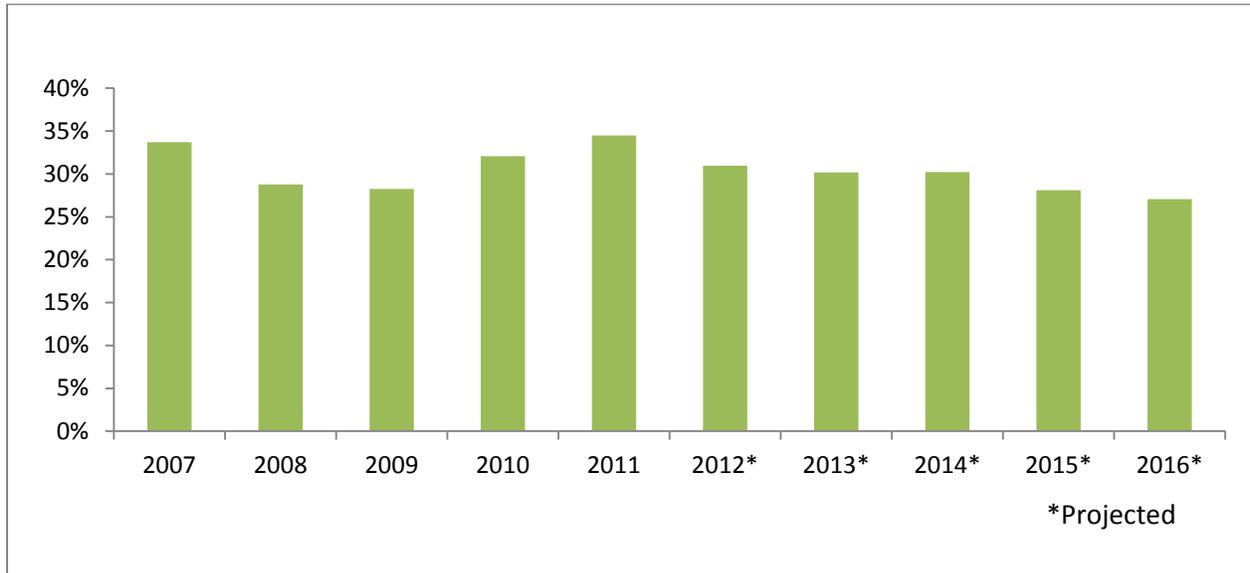
Note: Consistent with the City's debt fund policy we are using a combination of fund balance and levy to pay net GO debt.

In the past the Total Net Tax Levy has included the mandatory/discretionary levy imposed by the City on behalf of the Port Authority, this levy is now included in the Port Authority total on subsequent tables.

Figures reported are for the years taxes are payable.

## Debt Service Levy to Total Tax Levy

### Saint Paul Public Schools

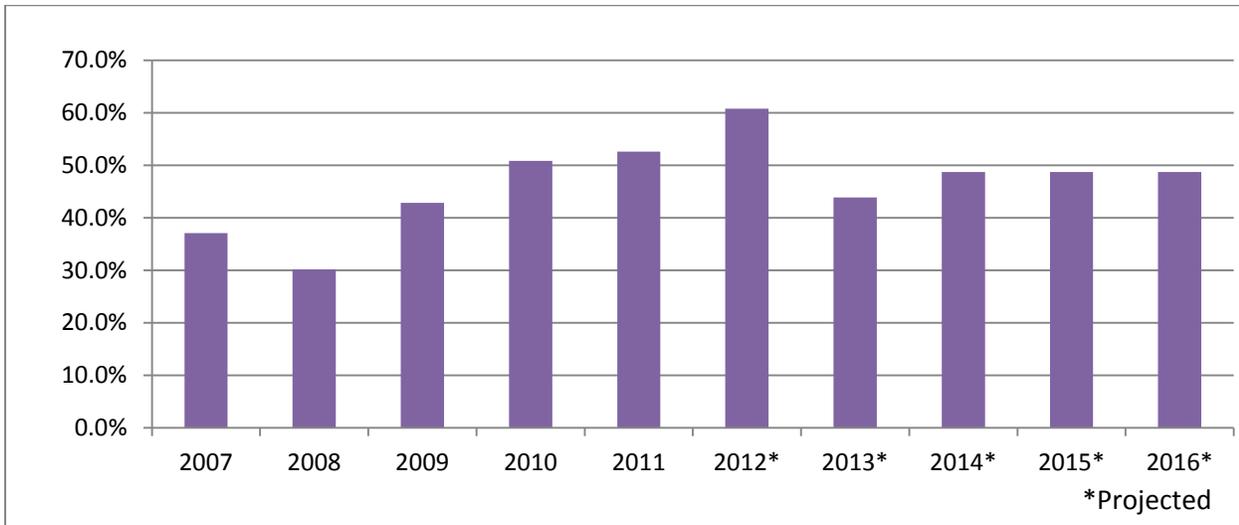


Saint Paul Schools	Actual					Average
	2007	2008	2009	2010	2011	
Debt Service Tax Levies	\$ 33,432,281	\$ 29,628,253	\$ 30,233,162	\$ 35,814,161	\$ 41,970,427	\$ 34,215,657
Total Net Tax Levies	\$ 99,153,940	\$ 102,927,399	\$ 106,979,636	\$ 111,692,236	\$ 121,744,538	\$ 108,499,550
Debt Service Levy to Total	33.7%	28.8%	28.3%	32.1%	34.5%	31.5%
Saint Paul Schools	Projected					Average
	2012	2013	2014	2015	2016	
Debt Service Tax Levies	\$ 39,498,061	\$ 39,642,817	\$ 40,854,312	\$ 39,166,531	\$ 38,837,247	39,599,794
Total Net Tax Levies	\$ 127,498,831	\$ 131,323,796	\$ 135,263,510	\$ 139,321,415	\$ 143,501,058	135,381,722
Debt Service Levy to Total	31.0%	30.2%	30.2%	28.1%	27.1%	29.3%

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

## Debt Service Levy to Total Tax Levy

### Saint Paul Port Authority



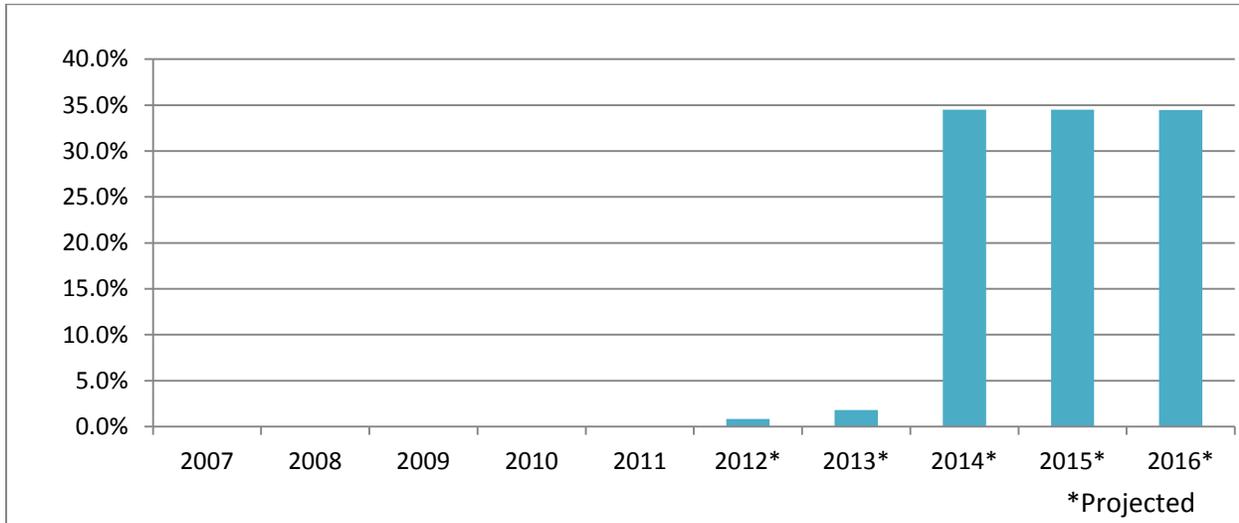
Saint Paul Port Authority	Actual					Average
	2007	2008	2009	2010	2011	
Debt Service Tax Levies	\$ 1,007,000	\$ 913,000	\$ 1,585,000	\$ 2,188,000	\$ 2,345,000	1,607,600
Total Net Tax Levies	\$2,716,050	\$3,025,000	\$3,697,000	\$4,299,700	\$4,456,700	3,638,890
Debt Service Levy to Total	37.1%	30.2%	42.9%	50.9%	52.6%	44.2%
Saint Paul Port Authority	Projected					Average
	2012	2013	2014	2015	2016	
Debt Service Tax Levies	\$ 2,344,000	\$ 2,350,000	\$ 2,850,000	\$ 2,850,000	\$ 2,850,000	2,648,800
Total Net Tax Levies	\$ 3,855,700	\$ 5,350,000	\$ 5,850,000	\$ 5,850,000	\$5,850,000	5,351,140
Debt Service Levy to Total	60.8%	43.9%	48.7%	48.7%	48.7%	49.5%

Note: The Total Net Tax Levy includes the mandatory/discretionary levy imposed by the City on behalf of the Port Authority.

Figures reported are for the years taxes are payable.

## Debt Service Levy to Total Tax Levy

### Ramsey County Regional Railroad Authority



#### Actual

Ramsey County Regional Rail Authority	2007	2008	2009	2010	2011	Average
Debt Service Tax Levies	\$ -	\$ -	\$ -	\$ -	\$ -	0
Total Net Tax Levies	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	19,939,000
D.S. Levy to Total	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

#### Projected

Ramsey County Regional Rail Authority	2012	2013	2014	2015	2016	Average
Debt Service Tax Levies	\$ 167,678	\$ 359,000	\$ 6,879,740	\$ 6,881,640	\$ 6,871,455	4,231,903
Total Net Tax Levies	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	\$ 19,939,000	19,939,000
Debt Service Levy to Total	0.8%	1.8%	34.5%	34.5%	34.5%	21.2%

Note: In 2006 and 2007, the \$19,939,000 levy in each year includes \$4,435,000 for debt service. If these dollars are not used for debt service, they will be used to fund capital projects. The RCRRA has buying down interest costs on any potential debt issues by paying for the capital projects in cash.

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

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

# Capital Investment Strategies and Initiatives by Jurisdiction

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Each participating jurisdiction is making infrastructure investments to accomplish its specific initiatives. These initiatives are based on the individual conditions and objectives of each jurisdiction. This section summarizes—by participant—these conditions, objectives and initiatives.

## Ramsey County

Ramsey County provides services to its residents in five major areas: Human Services, Public Safety and Justice, Public Health, Parks and Public Works and Central Administration. The County owns a large number of facilities and other infrastructure throughout the County necessary in providing these services. Ramsey County has a capital improvement program process and bonding authority to finance its capital needs of all of these facilities.



### Capital Improvement Plan

The Capital Improvement Plan is the County’s long-term plan for the management of its infrastructure assets. The Plan establishes the long-range projected financing levels needed to preserve and maintain the County’s investment in its infrastructure assets. The Plan prioritizes projects based on a ranking system and useful life, which provides for effective utilization of available outside funding sources (Federal, State, other) in addition to County funding. The County financing of projects include tax levy, debt issuance, rental revenues and outside sources.

The County Board established the Capital Improvement Plan process, including a citizens’ advisory committee, in 1987. The Capital Improvement Plan Advisory Committee (CIPAC) is made up of fourteen citizens appointed by the seven County Commissioners. Ramsey County’s Capital Improvement Plan (CIP) budget process begins with departments requesting projects for \$25,000 or more. CIP projects are currently divided into four categories: 1) Regular Projects, 2) Major Projects, 3) Equipment Replacement Schedule and 4) Building Improvements. Major Projects, Equipment Replacement Schedule Projects and Building Improvements are separated from what are generally considered more regular capital maintenance projects for discussion and recommendation purposes.

### Major Projects

Major Projects are defined as projects over \$1 million in size. Departments submit their project requests annually to the County Manager. The County manager then analyzes the requests and makes a recommendation to the County Board of which projects should be funded. The County Board, using the County Manager’s recommendations, prioritize which project(s), if any, will be included in the annual bond sale. Projects are considered for financing in future years, depending upon their priority and the County’s debt levels, as well as debt service compared to benchmarks.

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

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

The newly enlarged and renovated Roseville Library is the largest branch in the Ramsey County Library system. The 2009 design by MS&R Architects increased the square footage from 43,000 to 73,000, including a major expansion of space for the Children's and Teen collections, and added a second level to the existing building. An automated book handling system checks in and sorts materials returned by patrons, greatly reducing staff time to get books back out on the shelves. The Roseville Library also became one of the first libraries in the State of Minnesota to employ Radio Frequency Identification (RFID), a clear advancement over barcode technology, used to track books and other library materials. Property acquisition north of the building effectively doubled the on-site parking for the Roseville Library, making the city of Roseville a popular library destination in the north metropolitan area. Construction was completed in June 2010, and the Roseville Library was awarded the national LEED Gold certification for environmentally sensitive design and construction in March 2011.

### **Regular Projects (Between \$25,000 and \$1,000,000)**

The County Board established the following priorities for rating individual capital projects:

1) Protect Life/Safety, 2) Maintain Public Health, 3) Replace Facility, 4) Maintain Physical Property, 5) Reduce Operating Costs, 6) Protect Property, 7) Provide Public Service, 8) Provide Public Convenience and 9) Enhance County Image. CIPAC members individually rank requested regular projects. Staff from various County departments also individually rate the regular projects, and the two rankings are then combined. This combined rank is used to set overall regular CIP project request priorities for the Capital Improvement Program Five-Year Plan, and the annual amount to be financed from bonds. Most of the CIP regular projects are repair/replacement and maintenance projects that maintain capital facilities and infrastructure. These projects should help improve operating efficiencies and offset increased costs for operations and repairs.

The conditions of roads are evaluated, based on objective measurement criteria, with a pavement management system. The findings are reviewed by representatives of municipalities for project recommendations.

### **Equipment Replacement Schedule**

This program provides for scheduled replacement of equipment for Parks and Recreation, Public Works, Community Corrections and Sheriff's Departments from tax levy funds in the operating budget. Funds are used annually to purchase equipment such as squad cars, road construction, maintenance equipment and grounds maintenance equipment.

### **Building Improvements**

In 1996, the Capital Improvement Program (Citizens) Advisory Committee (CIPAC) recommended, and the County Board approved, the use of dedicated rental revenues from occupants in County-owned buildings to finance scheduled building improvements. A six-year plan is prepared annually to fund the building improvements/maintenance from the rental revenue. The pay-as-you-go financing method, from the rental revenues, is used for improvements/maintenance such as replacing carpet, roof repair and energy system upgrades.

The funding, operated as Internal Services Funds, is done for the Ramsey County Government Center-East and West buildings, the Juvenile and Family Justice Center, the Law Enforcement Center, the Public Works Facility, the Sheriff Patrol Station and the Suburban Court Facility.

### **Comprehensive Capital Assets Management and Preservation Plan (CCAMPP)**

The CCAMPP has been approved by the County Board. An inventory of capital assets is maintained to evaluate the condition of each asset and identify predictable life cycle requirements and/or replacement schedules for each class of asset. The classes of assets are buildings/grounds, mobile equipment and roads. This information is used to determine present and future needs that require capital infrastructure or equipment. The costs are calculated to preserve capital assets based on the present and future needs.

Also included in the Plan is a Building Condition Report, which provides life cycle cost analysis and is used in the long-range facility planning of the County.

### **Debt Strategy**

In November 1992, Ramsey County became the only Home Rule Charter County in the State of Minnesota. Most debt and building fund levy limits and other restrictions established under previous statutes no longer apply, giving Ramsey County the opportunity—and the responsibility—to establish realistic and affordable capital improvement levies for debt service and a Capital Improvement and Equipment Replacement levy (pay-as-you-go). The debt limit applies to all local governmental units in Minnesota. This limit is 3% of the market value of all taxable property in the County. With this in mind, the following policy was established:

- 1) A long-range finance plan (10 years) for regular capital maintenance projects and major building projects.
- 2) A responsible debt level in accordance with industry benchmarks.

In addition, the County participates with the City of Saint Paul, Saint Paul Public Schools and Saint Paul Port Authority to review overall general obligation debt on the Saint Paul tax base through the work of the JDAC of the Joint Property Tax Advisory Committee.

## **Ramsey County Regional Railroad Authority**

The Ramsey County Board of Commissioners organized the Ramsey County Regional Railroad Authority (RCRRA) in 1987 for the purpose of planning and providing transit services in Ramsey County. The RCRRA is a political subdivision of Minnesota. It is governed by the seven Ramsey County Commissioners and is considered a component unit of Ramsey County.



## Long Range Capital Plan

The RCRRA adopted a long-range capital plan in 2005. The plan extends through 2014 and includes construction of a light rail transit corridor between downtown Saint Paul and downtown Minneapolis, development of a multi modal transit hub at the historic Union Depot in downtown Saint Paul and purchase of rights of way to preserve options for rail transit corridors.

### Major Initiatives

Two major projects are underway and commonly known as: Central Corridor and Union Depot.

**The Central Corridor** is the primary east/west route between downtown Saint Paul and downtown Minneapolis. Construction of light rail transit (LRT) along the corridor will connect five major activity centers—the two downtowns, the University of Minnesota, the Midway area and the State Capitol complex. Nearly 120,000 people reside in the corridor and it is home to 280,000 jobs today, with an expected number of 345,000 by 2030. LRT ridership is anticipated to be 43,940 per day in 2030.

The Central Corridor LRT line will be part of the regional transit system and will connect to the Hiawatha LRT corridor at the current Metrodome and the future Vikings Stadium. The terminus will be at the proposed Minneapolis multimodal station, which will also serve the Northstar commuter rail line.

The Central Corridor is a \$956.9 million project that projects 50%, or \$478.5 million, is to be provided under a Full Funding Grant Agreement (FFGA) that was signed with the Federal Transit Administration (FTA) in April, 2011. An FFGA is the process that FTA has used for years to provide funding for large projects that stretch over several years. It provides a cash flow projection for the projects receipt of federal funds and commits the recipient to delivering the project on time and with no additional federal funding requests. The RCRRA is expected to pay 7% or up to \$67 million of the total project costs.

**The Union Depot** is an historic building located in downtown Saint Paul's Lowertown neighborhood, a vibrant community along the Mississippi River just one mile south of the State Capitol. Built from 1918 to 1923 as a hub for passenger and freight rail service for the upper Midwest, the Union Depot at its peak served more than 200 passenger trains daily. The structure is a combination of the "Headhouse" that once greeted passengers, a beautiful arched waiting room and the concourse.

In 2007, the RCRRA reached an agreement to purchase the waiting room, concourse and adjacent rail track from the U.S. Postal Service. In June 2009, the RCRRA purchased the Headhouse. With all portions of the building and site under its control, the RCRAA has proceeded to redevelop the facilities for use as a transit hub with associated commercial uses. By the end of 2012, the redevelopment will be complete and the Depot will serve many modes of transit including Amtrak passenger rail to Chicago and the Pacific Northwest, Greyhound and Jefferson Lines intercity buses, Metro Transit and other regional buses, bicycle and pedestrian traffic. The Central Corridor Light Rail Line will begin service in 2014. Upon its completion, the Depot will also be able to accommodate high-speed rail to Chicago.

The Federal government has identified the Depot as a Project of National and Regional Significance in the last Federal Transportation Act and has authorized over \$124 million in federal funds.

The total cost of the project is \$217 million with funding of \$124 million from the Federal government, \$13.7 million from the State of Minnesota (allocated state bond funds) and \$79.3 million from RCRRA. As of September 2011, project construction and renovation is approximately 25% complete and on

schedule to open in late 2012. The Headhouse will reopen in November 2011, providing a preview of the historical renovation.

Peak on-site workforce is 300, and more than 95% of the on-site jobs are local trade people. Over two years, the project will create 3,000 jobs for companies involved in the project on and off-site.

## City of Saint Paul

Saint Paul is the State Capital and Minnesota's second largest city. The City covers an area of 56 square miles, and is situated wholly in Ramsey County.

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



**Preserving the City's Infrastructure:** The City maintains its facilities through a Capital Improvement Budget (CIB) process that involves citizens in ranking and recommending projects through an open and competitive process. The CIB process is built on the philosophy that the City must preserve the fiscal integrity of its operating, debt service and capital improvement budgets by engaging in careful and thorough analysis of each capital improvement proposal, including the long-range impact on operating costs and revenue generation.

**Capital Improvement Budget Process:** City departments, District councils and other parties annually submit proposals for capital projects. These proposals are evaluated and prioritized by the Saint Paul Long-Range Capital Improvement Budget Committee (CIB Committee) and its task forces. Based on the recommendations of the CIB Committee, the City Council adopts an annual capital budget and a five-year *Tentative Program of Commitments*, which estimates future appropriations needed to complete initiated projects. Projects are categorized with one of eleven capital functions: Streets, Street Lighting, Traffic Engineering, Bridges, Sewers, Parks and Open Spaces, Libraries, Housing and Economic Development, Police, Fire and Safety, and Special Facility Support. The City received State approval to extend the issue of CIB Bonds from 10 up to 30 years. The purpose of the extension was to better match the asset life to the term of the CIB debt.

### Highlights

- 1. Central Corridor Light Rail Transit:** The transit corridor project will successfully link Saint Paul's neighborhoods with both downtowns, the University of Minnesota, the airport and other destinations throughout the region. The revitalization impact of the LRT is proven on the existing Hiawatha line, and the ancillary development is expected to benefit the eight miles of track that go through Saint Paul.
- 2. Ford Site Planning:** The Ford plant closure was announced in 2006, with final closure occurring at the end of 2011. Demolition is expected to begin soon. While the closure impacted regional jobs, it also presents a redevelopment opportunity in a prime location and neighborhood.

**3. Regional Ballpark:** In July 2012, the City acquired two properties in Lowertown, in anticipation of construction of a new Regional Ballpark. The ballpark will replace the existing Midway stadium. In addition to the economic development benefits of the new ballpark in Lowertown, the Port Authority will be able to market the old ballpark site for industrial development.

**4. Lowertown:** The Lowertown neighborhood in downtown Saint Paul is experiencing a renaissance, with a vibrant arts and entertainment community developing. This is being bolstered by the Central Corridor and proximity of the Depot, as well as the expected new regional ballpark.

**5. Various other projects / updates:** The City has also successfully brought forward various housing projects such as the Penfield Housing lofts with a new downtown upscale grocery, Market Lofts, and Frogtown Square; expansion to local downtown businesses (for example, Cossetta’s and J&J Distributing) with Ecolab recently renewing their lease and Greentree expanding operations; and new or improved improvements to the Highland and Como aquatic centers.

### Saint Paul Public Schools

With approximately 39,000 students Saint Paul Public Schools (SPPS) is Minnesota's second largest school district in the state. Through highly trained and deeply dedicated staff, innovative education programs, and the support of our community we offer students and families a world of opportunities.



We are lucky to be located in Saint Paul, Minnesota's capital city and one of the state's most dynamic and caring communities. Our location provides students with the opportunity to learn through partnerships and collaborations, including those with the Office of the Mayor, and many businesses and organizations.

Our student population is diverse. Students hail from countries throughout the world, speak more than 70 languages and dialects, and come to the District with an array of educational experiences and skills. Their experiences help us create a multicultural education energy that supplements classroom lessons and helps all students and staff develop a better understanding of the world in which they live.

#### Student Demographics (2010-2011)

##### Student Enrollment

• Early Childhood Special Education	843
• Pre-Kindergarten	1,135
• Kindergarten	3,170
• Elementary (1-6)	17,397
• Secondary (7-12 and Area Learning Centers)	<u>16,370</u>
• Enrollment Grand Total	38,915

**Saint Paul's students are:**

- Asian American (30.4%)
- African American (29.6%)
- White American (24.4%)
- Latino/Hispanic American (13.9%)
- American Indian (1.7%)

*Percentages are rounded to the nearest tenth*

Our District is located in Minnesota's capital city--a diverse urban center that provides students and schools with opportunities beyond the classroom. All of our schools and programs have partnerships with business, arts and cultural organizations that provide valuable enrichment opportunities.

Saint Paul also provides the district with a talented pool of education professionals.

**Employees**

• K-12 Teachers	3,450
• Principals & Other Administration	172
• Paraprofessionals	1,170
• Support Staff	<u>700</u>
• TOTAL EMPLOYEES	5,492

People choose to work in our district because they are committed to helping all students learn to the best of their abilities. By employing a highly skilled, highly dedicated team of professionals, we increase our students' chances of turning educational challenges into opportunities.

Families choose from neighborhood schools, magnet/specialty schools and extended day programs. All Saint Paul Public Schools offer rigorous curriculum and specialized programs targeted at a variety of student groups, such as English language learner (ELL) curriculum, gifted services and International Baccalaureate pre-college programs. All of these are designed to challenge every student to reach his or her fullest potential and succeed in school and in life.

**Schools and Buildings**

To serve its diverse student population, the District operates schools located throughout the City of Saint Paul that function not only as educational hubs, but also as community gathering spots where meetings, elections, and celebrations are held throughout the year.

Saint Paul Public Schools operates forty-three elementary schools (K-6, K-8 or 1-8), six junior/middle schools (6-8), six senior high schools (9-12), a special education school, an Open School (K-12), a variety of alternative learning centers, and administrative facilities. In all, the School District owns 71 facilities and leases 3, comprising a total of 7.3 million square feet. Approximately 50 percent of the buildings owned by Saint Paul Public Schools are more than 50 years old.

When school is not in session, District buildings become community gathering spots. Each November, thousands of Saint Paul residents visit their neighborhood schools to vote. Thousands more visit schools for Community Education activities, including personal growth programs, family education, employment training, adult literacy programs and more. Schools are also used for community gatherings and non-district sporting events.

## Facilities Management and Funding

To ensure that the schools and facilities are meeting the needs of students and the community, Operations Department manages buildings and their operating and construction funds. In the 2011-2012 school year, revenue from bond sales totaled \$26 million. Saint Paul Public Schools continues to sell \$15 million per year through 2016 in capital bonding to finance improvements to its buildings and another \$11 million per year in alternative bonding to finance deferred maintenance projects throughout the School District.

### Construction Projects recently completed or currently underway

- Construction of Gordon Parks High School
- Office Remodel and Miscellaneous Site Improvements at Saint Paul Music Academy
- Construction of New Main Entry and Various Improvements at Como Park Elementary School
- Remodeling and Renovation of Interior of Former Creative Arts Building to Accommodate the AGAPE Program
- Renovation and Remodeling of 65 Kellogg Boulevard Building to Accommodate the Open World Learning Community and Creative Arts High School
- Conversion of pneumatic controls to Direct Digital Controls at Various District Buildings
- Various Improvements at Central Senior High School

### Deferred maintenance projects recently completed or currently underway include

- Roof replacement projects at Ramsey Junior High, Farnsworth Aerospace Upper Campus, Eastern Heights Elementary School, Adams Elementary, AGAPE High School
- Paving replacements and repairs at Como Park Senior High, Chelsea Heights Elementary, Eastern Heights Elementary, Linwood Monroe Arts Plus School, Barack and Michelle Obama Service Learning Elementary, EXPO at Harriet Bishop
- Ventilation Improvements and Entry Remodeling at Chelsea Heights Elementary School
- Piping Replacements at Battle Creek Middle School, Farnsworth Aerospace Upper Campus, Journeys Secondary, Homecroft, 65 Kellogg Boulevard
- Flooring Replacements at Groveland Park, Riverview, Nokomis, Highland Park Junior and Senior High Schools
- Lighting Replacements at Various Schools
- Boiler Replacements at Journeys Secondary, Battle Creek Elementary, Highland Park Junior and Senior High Schools

## Saint Paul Port Authority

The Saint Paul Port Authority, authorized by the Minnesota Legislature and organized in 1932, contributes to the Twin Cities East Metro area growth and prosperity by providing businesses with clean land on which to expand, space on the Mississippi River to receive and ship commodities efficiently, loans for real estate and equipment purchases and workforce development programs for businesses.



A seven-member Board of Commissioners governs the Port Authority. The Mayor, with the approval and consent of the Saint Paul City Council, appoints the Board to overlapping six-year terms. Two Board members must also be City Council members.

The Port Authority provides four primary business lines for its industrial customers: Brownfield redevelopment, asset-based financing, workforce development and harbor management. The Port Authority also is active in East Metro economic development through partnerships with neighboring communities and regional organizations.

The Port Authority may, after holding a public hearing, create development districts within its area of jurisdiction, make public improvements, and acquire and lease or sell land and buildings for industrial uses. The Port Authority also may acquire, construct, lease and sell industrial commercial and other revenue-producing projects, enter into revenue agreements for the financing thereof, and issue bonds payable from revenues derived from such agreements. State-delegated Port Authority powers include: (1) Acquiring property by condemnation and (2) Levying ad valorem taxes to pay debt service on general obligation bonds. City Council consent is required prior to the issuance of general obligation bonds, or the creation of development districts.

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

	<b>Acres</b>	<b>Developed</b>	<b>Jobs</b>	<b>Taxes (a)</b>
<b>Beacon Bluff</b>	46.5	9%	130	\$200
<b>Arlington</b>	20	100%	510	\$675
<b>Chatsworth</b>	4	100%	50	\$50
<b>Crosby Lake</b>	27	100%	500	\$800
<b>Energy Lane</b>	4	100%	260	\$475
<b>Great Northern North &amp; South</b>	29	100%	600	\$1,225
<b>Griffin</b>	8	100%	80	\$400
<b>River Bend</b>	22	75%	300	\$500
<b>Westminster Junction</b>	24	100%	750	\$2,100
<b>Williams Hill</b>	27	100%	475	\$775

(a) In thousands.

## Appendix

This Appendix contains statistical data, sources and detailed footnotes that support the analysis contained in this report, as well as recent additional information on the Economy in Saint Paul.

### I. Projected Annual General Obligation Bonding Assumptions

#### Projected Annual General Obligation Bonding Assumptions (in millions)

<b>Ramsey County</b>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Regular Projects	2.500	2.500	3.500	3.500	3.500
Major Building Projects	16.000	16.000	16.850	6.500	6.500
<b>SUBTOTAL</b>	\$18.500	\$18.500	\$20.350	\$10.000	\$10.000
<b>City of Saint Paul</b>					
Property Tax Financed					
- Capital Improvement	14.686	6.860	11.000	11.000	11.000
- Street Improvement Assessment	11.375	12.500	12.500	12.500	12.500
- Public Safety Bonds	0.000	0.000	0.000	0.000	0.000
- Parks / Library Agency Bonds	0.000	7.000	0.000	0.000	0.000
<b>SUBTOTAL</b>	\$26.061	\$26.360	\$23.500	\$23.500	\$23.500
<b>Saint Paul Public Schools</b>					
Property Tax Financed					
- Deferred Maintenance	11.000	11.000	11.000	11.000	11.000
- Capital Improvement	15.000	15.000	15.000	15.000	15.000
<b>SUBTOTAL</b>	\$26.000	\$26.000	\$26.000	\$26.000	\$26.000
<b>Saint Paul Port Authority</b>					
	0.000	8.000	0.000	0.000	0.000
<b>SUBTOTAL</b>	\$0.000	\$8.000	\$0.000	\$0.000	\$0.000
<b>Ramsey County Regional Railroad Authority</b>					
	20.000	0.000	0.000	0.000	0.000
<b>SUBTOTAL</b>	<u>\$20.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>	<u>\$0.000</u>
<b>TOTAL</b>	\$90.561	\$78.860	\$69.850	\$59.500	\$59.500

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

### A. Ramsey County

The following table consists of all County general obligation debt outstanding as of December 31, 2011, with the exception of library bonds paid by taxes collected outside Saint Paul. Certificates of Participation issued in April 1996, which are not backed by the full faith and credit of the County, are also excluded. Also excluded are a portion of the 2000 CIP issue which financed the Lake Owasso Residence, the 2001 Minnesota Public Facilities Authority loan for the RiverCentre Pedestrian Connection Project, a portion of the 2002 CIP issue which financed the Ponds Golf Course, a portion of the 2004 CIP issue which is financed by the Mounds View ISD, a portion of the 2007 CIP issue which financed the Transitional Care Unit at the Care Center, the 2002 Street Aid Bonds and the 2003 Public Facility Lease Revenue Series A issue for the Griffin Building. All of these issues have outside revenue which is used to pay the debt. Four of these issues are general obligation debt. In addition, the amount of general obligation debt shown is the net amount applicable to just the City's property value as a percent of the entire County value in taxable net tax capacity. The full debt amount and applicable Saint Paul share is as follows:

Ramsey County					
Payable Year	Existing Countywide Net G.O. Debt	Projected New G.O. Debt	Total County Net G.O. Debt	% Applicable to St. Paul	St. Paul Portion of County Net G.O. Debt
2007	164,665,000	0	164,665,000	47.500%	78,215,875
2008	159,700,000	0	159,700,000	47.500%	75,857,500
2009	152,105,000	0	152,105,000	47.100%	71,641,455
2010	156,385,000	0	156,385,000	47.500%	74,282,875
2011	157,425,000	0	157,425,000	46.900%	73,832,325
2012	143,265,000	18,500,000	161,765,000	46.900%	75,867,785
2013	147,075,000	18,500,000	165,575,000	46.900%	77,654,675
2014	150,845,000	20,350,000	171,195,000	46.900%	80,290,455
2015	156,358,000	10,000,000	166,358,000	46.900%	78,021,902
2016	148,411,000	10,000,000	158,411,000	46.900%	74,294,759

Note: Projections for the percent applicable to Saint Paul in 2012 through 2016 assume a stabilized share of the County's total debt to be applicable to the City of Saint Paul.

## II. Table 1 (Continued)

### A. Ramsey County

The following table lists general obligation debt included and excluded for Ramsey County for the year ending December 31, 2011.

#### Ramsey County General Obligation Debt Outstanding - 12/31/2011

<u>Issue</u>	<u>Principal</u>	<u>Debt Service Payment Source</u>
2002 Capital Improvement Plan Series A	\$ 530,000	Property Taxes
2002 CIP Refunding Series 2002B	\$ 2,995,000	Property Taxes
2003 Capital Improvement Plan Series A	\$ 18,385,000	Property Taxes
2004 CIP Refunding Series 2004A	\$ 1,185,000	Property Taxes
2004 Capital Improvement Plan Series 2004D	\$ 15,480,000	Property Taxes
2005 Capital Improvement Plan Series 2005A	\$ 1,115,000	Property Taxes
2005 CIP Refunding Series 2005B	\$ 9,635,000	Property Taxes
2006 Capital Improvement Plan Series 2006A	\$ 4,790,000	Property Taxes
2007 Capital Improvement Plan Series 2007A	\$ 15,560,000	Property Taxes
2008 Capital Improvement Plan Series 2008A	\$ 4,955,000	Property Taxes
2009 Capital Improvement Plan Series 2009A (B	\$ 5,310,000	Property Taxes
2010 CIP Refunding Series 2010A	\$ 5,995,000	Property Taxes
2010 CIP Improvement Plan Series 2010B (BAB)	\$ 7,455,000	Property Taxes
2010 CIP Improvement Plan Series 2010C (RZED)	\$ 7,770,000	Property Taxes
2011 Capital Improvement Plan Series 2011A	\$ 18,500,000	Property Taxes
2011 CIP Refunding Series 2011A	\$ 37,765,000	Property Taxes
<b>Total Debt Recognized for JDAC Report</b>	<b>\$ 157,425,000</b>	
2001 General Obligation Notes (Pedestrian Cor	\$ 5,327,000	Lease Payments
2002 Street Aid Bonds Series 2002C	\$ 3,440,000	State Aid
2003 Public Facility Lease Revenue Series 2003/	\$ 10,235,000	Lease Payments
2004 Mounds View ISD Lease	\$ 450,000	Revenue
2005 CIP Refunding: Lake Owasso Portion	\$ 2,335,000	State Medicaid
2007 CIP Series 2007A (Nursing Home)	\$ 1,905,000	
Total Debt Excluded (Other Revenue Sources)	\$ 23,692,000	
<b>Total G.O. Debt</b>	<b>\$ 181,117,000</b>	

## II. Table 1 (Continued)

### B. City of Saint Paul

Consists of general obligation debt as of December 31, 2011

The following types of debt are included in this report:

- Capital Improvement (CIB)
- Special assessment street improvement (levy portion)
- Public Safety
- Leases payable from property tax

The following types of debt are excluded from this report:

- Debt which is not secured by the City's G.O. pledge
- Water and sewer revenue debt
- Debt supported by other sources (parking and tax increment)
- Special assessment street improvement (assessment portion)

The following table lists general obligation debt included and excluded for the City of Saint Paul for the year ending December 31, 2011.

#### City of Saint Paul General Obligation Debt Outstanding - 12/31/2011

Issue	Principal	Debt Service Payment Source
Capital Improvements	\$ 60,930,000	Property Taxes
Street Improvements	\$ 49,060,009	Property Taxes
Library Agency Bonds	\$ 14,980,000	Property Taxes
Public Safety Bonds	\$ 38,920,000	Property Taxes
Recreational Facilities	\$ 7,020,000	Property Taxes
<b>Total Debt Recognized for JDAC Report</b>	<b>\$ 170,910,009</b>	
Street Improvements (Assessments)	\$ 23,549,991	Street Assessments
DSI Note	\$ 722,969	Permit and Licence Fees
COMET	\$ 12,735,000	Departmental Surcharge
Block 39/Lawson	\$ 20,695,000	Parking Revenues
Block 39/Lawson	\$ 5,785,000	Tax Increments
Koch Mobil	\$ 2,520,000	Tax Increments
Midway Marketplace	\$ 2,880,000	Tax Increments
Riverfront Development	\$ 1,295,000	Tax Increments
U.S. Bank Operations Center	\$ 11,930,000	Tax Increments
City Hall Annex Lease	\$ 1,718,955	Rent Payments
Water Loan (PFA)	\$ 1,426,671	Water Utility Revenues
Sewer Loan (PFA)	\$ 9,844,620	Sewer Utility Revenues
Total Debt Excluded (Other Revenue Sources)	\$ 95,103,206	
<b>Total G.O. Debt</b>	<b>\$ 266,013,215</b>	

## **II. Table 1 (Continued)**

### **C. Saint Paul Public Schools**

Saint Paul Public Schools debt consists of all the School District general obligation debt outstanding as of June 30, 2011, including Certificates of Participation, which are secured by the full faith, credit and taxing power of the District. These figures increased over the past years due to several major factors impacting the need for capital funding. Some of these factors will continue into the future, and others are no longer an issue for the District.

In the mid-80's through the late 90's, rapid enrollment growth was a significant factor in capital funding. This growth fueled the need for construction of one new high school and two new elementary schools funded from the proceeds of the sale of Certificates of Participation. In 2006 the District constructed a new alternative high school which now houses programs formerly housed in leased facilities. The District has significantly reduced leased space in recent years and anticipates further reduction in the future. District enrollment has been declining in recent years and therefore, new debt for the construction of new buildings is not anticipated in the near future.

A second factor has been the changing demographics of the District and the changing needs of the new students coming into the schools. The District has faced a need to remodel space and make smaller learning environments to accommodate the needs of these students. Other issues related to changing student needs for facilities have arisen due to changes in technology use in schools and the growth of early education programs requiring new and different types of spaces in schools. The District has sold \$15 million in general obligation bonds, known as capital bonds, for the past eleven years to fund these improvements and will continue to do so for the next eight years.

In addition, the age of the District's buildings and the growing need to deal with deferred maintenance, code requirements and environmental safety mandates that arise in older buildings is a major factor contributing to the District's capital funding needs. Approximately 50 percent of District buildings are more than 50 years old. Major areas of expenditure include roof repair, tuck-pointing, architectural barrier removal, painting, piping replacement, paving replacement and repair, HVAC system repair and modification, etc. The District has issued \$11 million in general obligation bonds, known as alternative bonds, for the past fifteen years to address these issues in District buildings and will continue to do so for the foreseeable future.

In February 2009, the District completed a Facilities Condition and Educational Adequacy Assessment (FCA/EAA), a comprehensive district-wide assessment of its facilities. This assessment included a capacity analysis, an educational adequacy assessment, a building condition assessment, and review of all site and building systems with a life cycle renewal forecast. This assessment identified approximately \$208.9 million in facility condition deficiencies and \$108.8 million in correctable educational adequacy deficiencies. Correction of these identified deficiencies will guide the District's capital expenditures in future years.

## II. Table 1 (Continued)

### C. Saint Paul Public Schools

The following table lists general obligation debt included and excluded for the Saint Paul Public Schools for the year ending June 30, 2011.

#### Saint Paul Public Schools General Obligation Debt Outstanding - 06/30/2011

Issue	Principal	Debt Service Payment Source
2001B School Building Bonds	\$ 230,000	Property Taxes
2001C School Building Bonds	\$ 710,000	Property Taxes
2002A School Building Bonds	\$ 7,760,000	Property Taxes
2002B School Building Bonds	\$ 10,655,000	Property Taxes
2003B School Building Bonds	\$ 8,045,000	Property Taxes
2003C School Building Bonds	\$ 10,980,000	Property Taxes
2004B School Building Bonds	\$ 19,770,000	Property Taxes
2004C School Building Bonds	\$ 8,482,205	Property Taxes
2005A School Building Bonds	\$ 20,760,000	Property Taxes
2005B Ref Bonds (99C, 00A, 00B)	\$ 37,130,000	Property Taxes
2006A School Building Bonds	\$ 21,620,000	Property Taxes
2007A School Building Bonds	\$ 23,270,000	Property Taxes
2008A School Building Bonds	\$ 24,300,000	Property Taxes
2008B Refunding Bonds (96C,99B)	\$ 6,825,000	Property Taxes
2009B School Building Bonds	\$ 9,460,000	Property Taxes
2009C Refunding Bonds (02C, 02D)	\$ 6,425,000	Property Taxes
2009D Qualified School Construction Bonds	\$ 16,115,000	Property Taxes
2010A Refunding Bonds (01B, 01C))	\$ 10,355,000	Property Taxes
2010B School Building Bonds	\$ 7,750,000	Property Taxes
2010C Qualified School Construction Bonds	\$ 18,250,000	Property Taxes
2011A School Building Bonds	\$ 26,000,000	Property Taxes
1990B Certificates of Participation	\$ 1,551,557	Property Taxes
1993A Certificates of Participation	\$ 650,000	Property Taxes
1993C Certificates of Participation	\$ 1,304,661	Property Taxes
2006B Refunding Certificate (95C COP)	\$ 8,785,000	Property Taxes
2006C Refunding Certificate (97B COP)	\$ 6,535,000	Property Taxes
2009A Refunding Certificate (99A COP)	\$ 7,215,000	Property Taxes
2011B Refunding Certificate (02E COP)	\$ 5,885,000	Property Taxes
<b>Total Debt Recognized for JDAC Report</b>	<b><u>\$ 326,818,423</u></b>	
2010A Ref in escrow (01B, 01C)	\$ 10,845,000	
State Aid 1994-1997 Alt Bonds (2004C)	<u>\$ 6,372,795</u>	State Aid
<b>Total G.O. Debt</b>	<b><u>\$ 344,036,218</u></b>	
<b>Total G.O. Debt</b>	<b><u>\$ 344,036,218</u></b>	

## II. Table 1 (Continued)

### D. Saint Paul Port Authority

Saint Paul Port Authority debt consists of all Port Authority general obligation debt outstanding as of December 31, 20011 and excludes all revenue debt.

**Port Authority of Saint Paul  
General Obligation Debt Outstanding - 12/31/2011**

<u>Issue</u>	<u>Principal</u>	<u>Debt Service Payment Source</u>
2003 Crosby/Jackson Refunding	\$10,590,000	G.O Debt Levy
2008-6 3M Plant acquisition	\$7,685,000	G.O Debt Levy
2009-15 3M Plant Redevelopment	\$5,930,000	G.O Debt Levy
2009-16 3M Plant Redevelopment	\$2,055,000	G.O Debt Levy
<b>Total Debt Recognized for JDAC Report</b>	<b><u>\$ 26,260,000</u></b>	
2002-4 Williams Hill Business Center	\$3,940,000	Tax Increments/G.O. Credit Enhancement
Total Debt Excluded	<u>\$ 3,940,000</u>	
<b>Total G.O. Debt</b>	<b>\$ 30,200,000</b>	

### E. Ramsey County Regional Railroad Authority

The Ramsey County Regional Railroad Authority (RCRRA) was organized in 1987 for the purpose of planning and providing transit services in Ramsey County. The RCRRA is a political subdivision of Minnesota and governed by the seven Ramsey County Commissioners. Any debt issued will be independent of Ramsey County's debt and need not have the County's rating but it will overlap Saint Paul.

RCRRA estimates it will be issuing \$20 million in debt from 2012-2016. The Union Depot project is considered one of national or regional significance which could provide significant Federal funding or other Federal dollars. The RCRRA will issue debt if sufficient federal funds are not provided.

## VIII. 2012 Economic Update for Saint Paul (May 2012)

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

Saint Paul is characterized by its:

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

The diverse local economy is evidenced by the 2011 NAICS Super Sector data.

<b>NAICS Super Sector</b>	<b>Employment</b>	<b>% of Total Employment by NACIS Super-Sector</b>
Education and Health Services	55,874	31.9%
Professional and Business Services	22,335	12.8%
Public Administration	21,850	12.5%
Trade, Transportation and Utilities	18,549	10.6%
Leisure and Hospitality	15,529	8.9%
Financial Activities	14,867	8.5%
Manufacturing	8,390	4.8%
Other Services	6,503	3.7%
Industries Not Reported *	11,000	6.3%
<b>Total</b>	<b>174,897</b>	<b>100.0%</b>

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

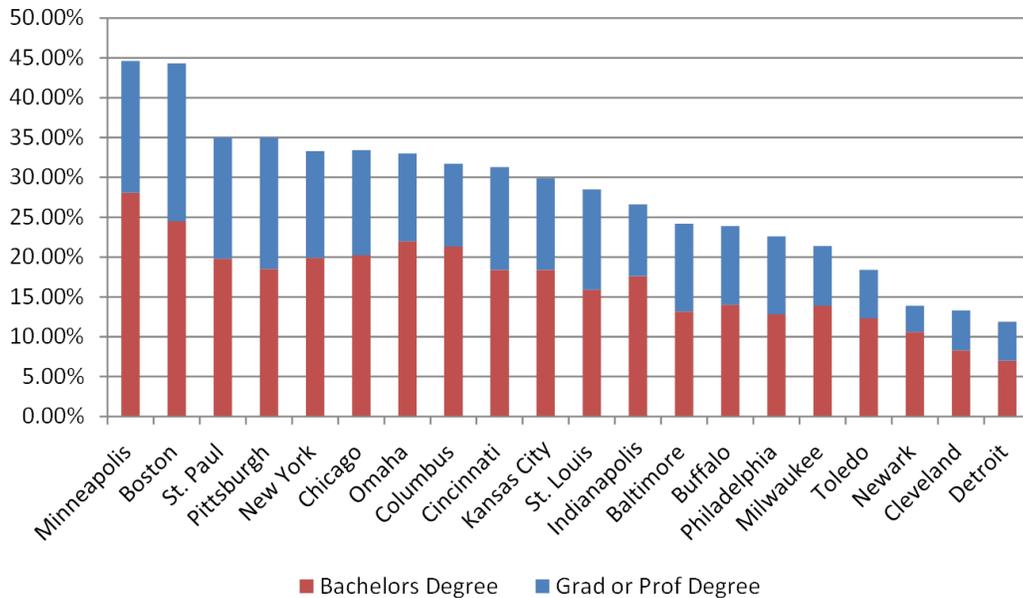
Saint Paul benefits from its strong private partners and employers.

Employer	Product / Service	Approximate Employment
3M Company	Industrial and consumer products	10,000
U.S. Bancorp	Financial Services	3,545
Securian Financial Group	Insurance and annuities	2,400
The Traveler's Companies, Inc.	Insurance	2,350
Marsden	Janitorial services	1,553
Ecolab Inc.	Chemical products and cleaning systems	1,500
Lawson Software	Computer consulting/software development	1,143
Deluxe Corporation	Paper and electronic payment protection	1,100
Target Corporation <sup>(a)</sup>	Retail	1,077
Ford Motor Company <sup>(b)</sup>	Truck assembly	806
St. Paul Pioneer Press	Newspaper	615

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

(b) Ford Motor Company closed its Highland Park plant in December 2011. It is anticipated that Ford Motor Company will begin the decommissioning and demolition of this plant site in 2012 and will start the environmental clean up in 2012 for possible future redevelopment.

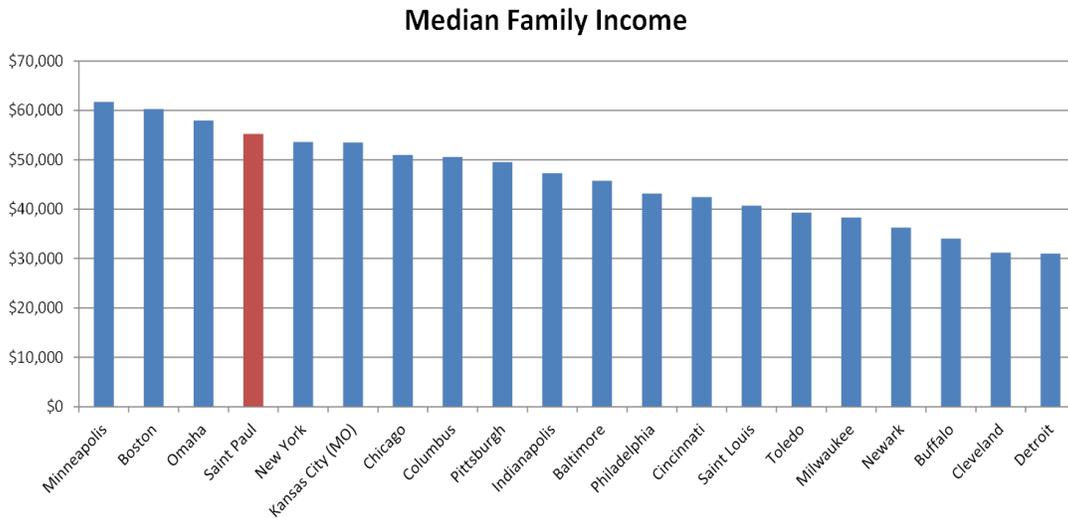
Saint Paul has a well educated population compared to its peer group, positioning the City and the Twin Cities region for future economic strength, as well as research and development initiatives.



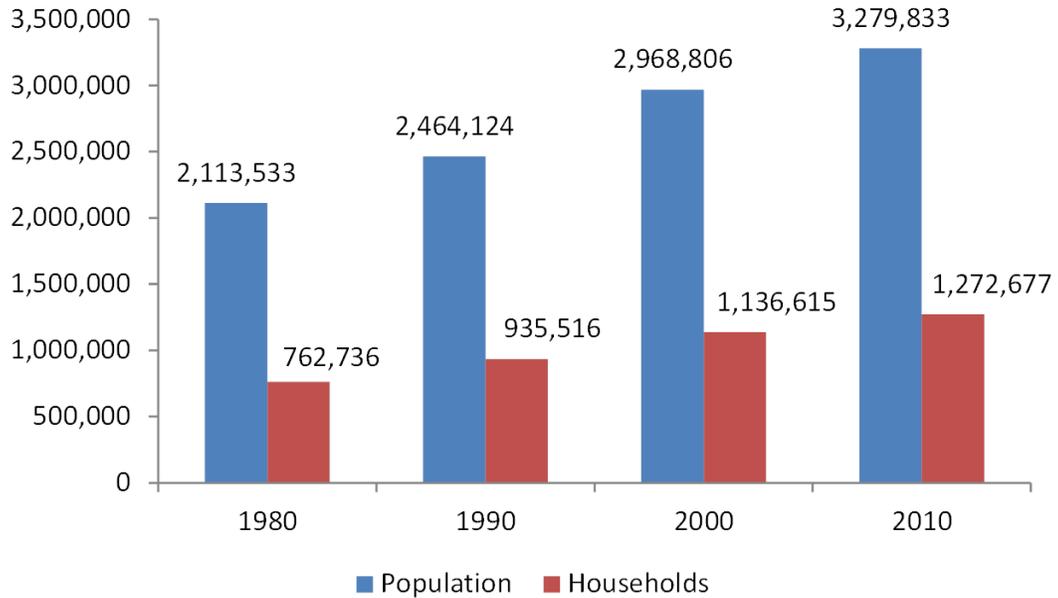
College/University	Enrollment (Fall 2010)
University of Minnesota (metro campuses)	51,721
University of St. Thomas*	10,839
Metropolitan State University	7,869
College of St. Catherine*	5,328
Hamline University	5,022
Saint Paul College	6,166
Concordia College	2,906
Macalaster College	2,033
William Mitchell College of Law	1,010
College of Visual Arts	209
<b>Total</b>	<b>93,103</b>

*\*Includes both Minneapolis and Saint Paul campuses. Main campuses for the University of St. Thomas and the College of St. Catherine are located in Saint Paul.*

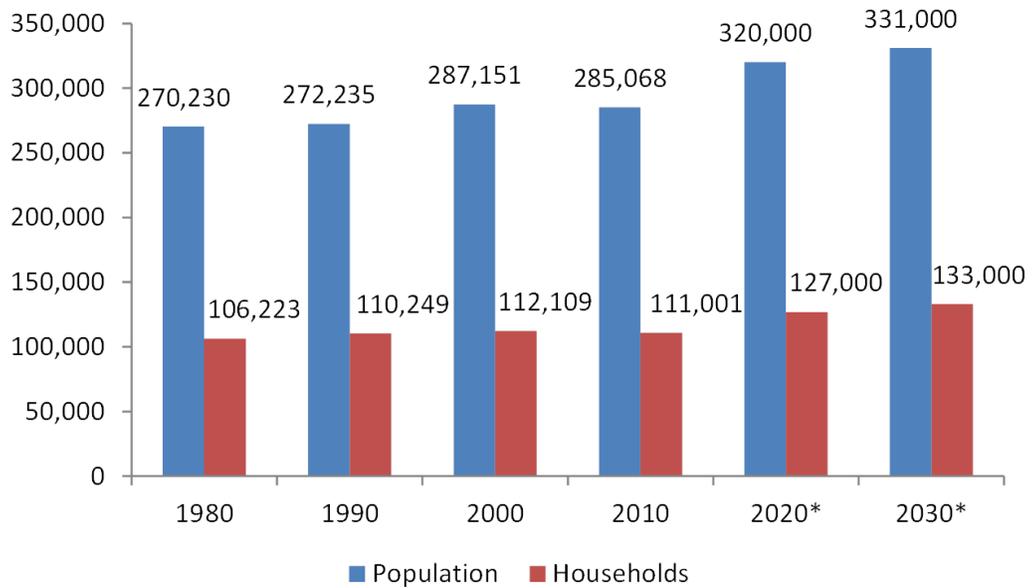
Compared to our peer group, the Twin Cities, and Saint Paul has strong wealth indices.



The Twin Cities have grown since 1980, with growth in both population as well as households.



As a fully mature City, Saint Paul’s population remains stable as expected. The Metropolitan Council projects steady and manageable population growth for Saint Paul through 2030.

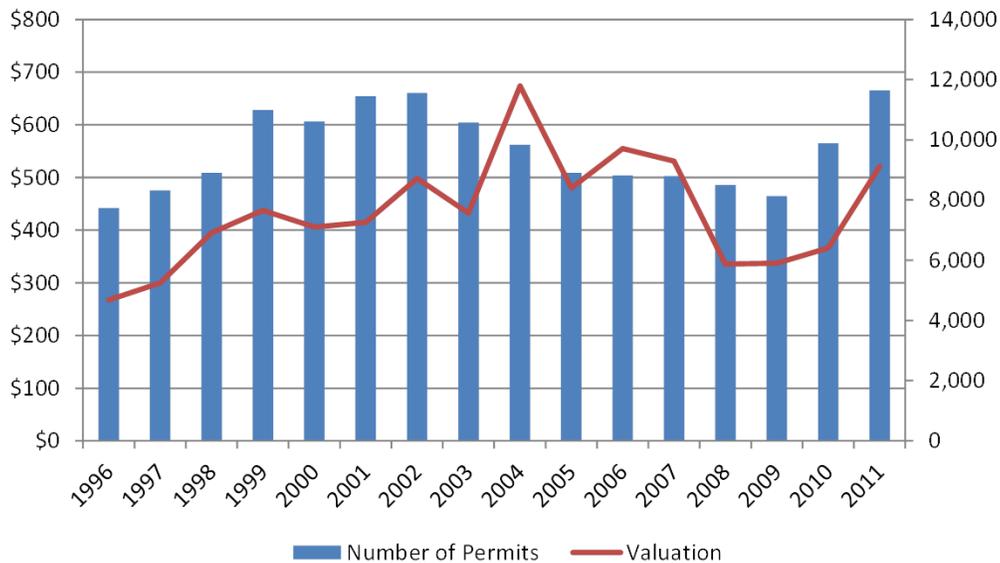


\* Metropolitan Council projections. 2030 Regional Development Framework. Updated 1/1/2012.

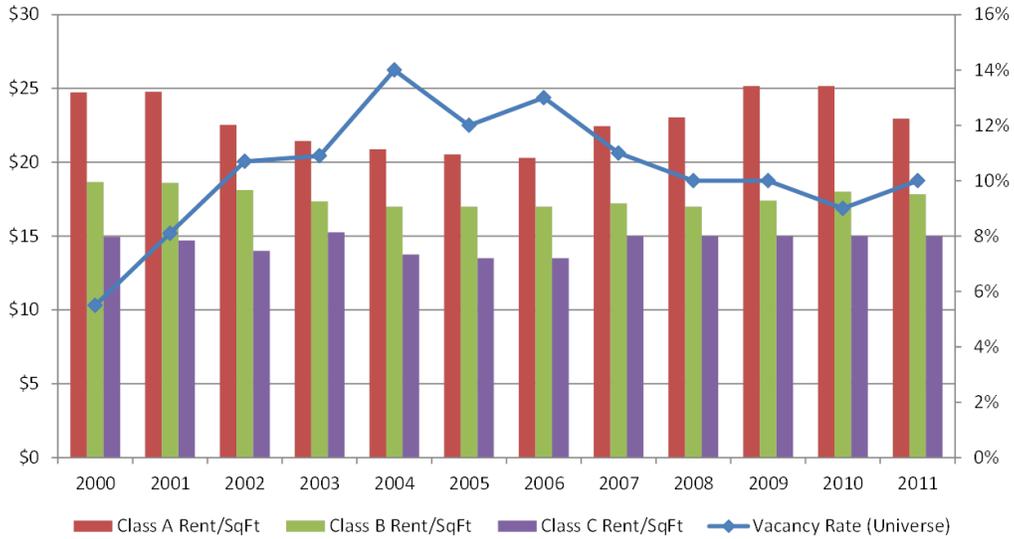
The challenges in the national housing market have not left Saint Paul untouched. Following years of strong housing value appreciation, median values for homes in Saint Paul declined every year since 2008.

	Median	
	Assessed Value	% Change
2004	169,700	-
2005	184,500	8.7%
2006	198,500	7.6%
2007	199,500	0.5%
2008	184,300	-7.6%
2009	167,400	-9.2%
2010	154,400	-7.8%
2011	146,600	-5.1%

In addition to valuation declines, the national housing crisis also resulted in a slowing in the number and valuation of permits. In the City, permits peaked in 2002, with permits bottoming out in 2009. Since then, permit growth (both number and valuation) increased in each of the last two years.

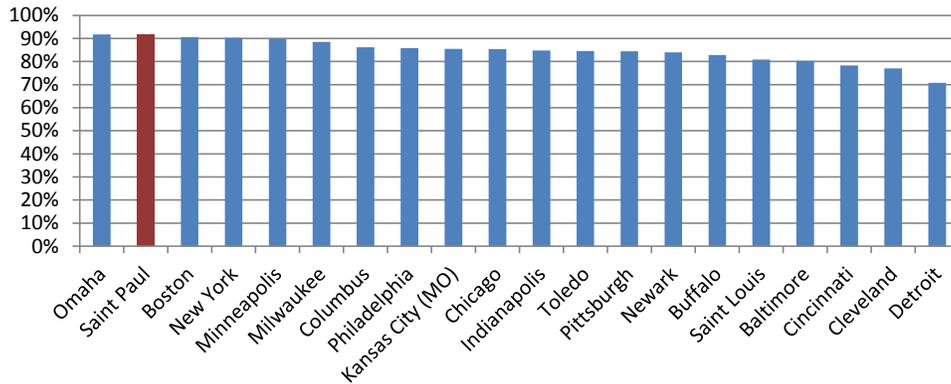


In addition to the housing market, downtown office rents have proven resilient during the economic recession, while vacancy rates have been relatively stable.



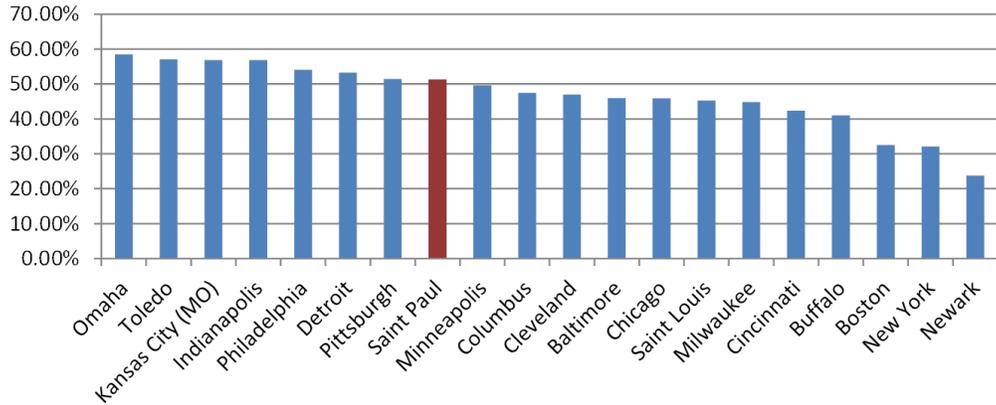
While vacant housing threatens many communities nationally, Saint Paul fares very well compared to our peer group, topping 90%.

### Percent of occupied housing units



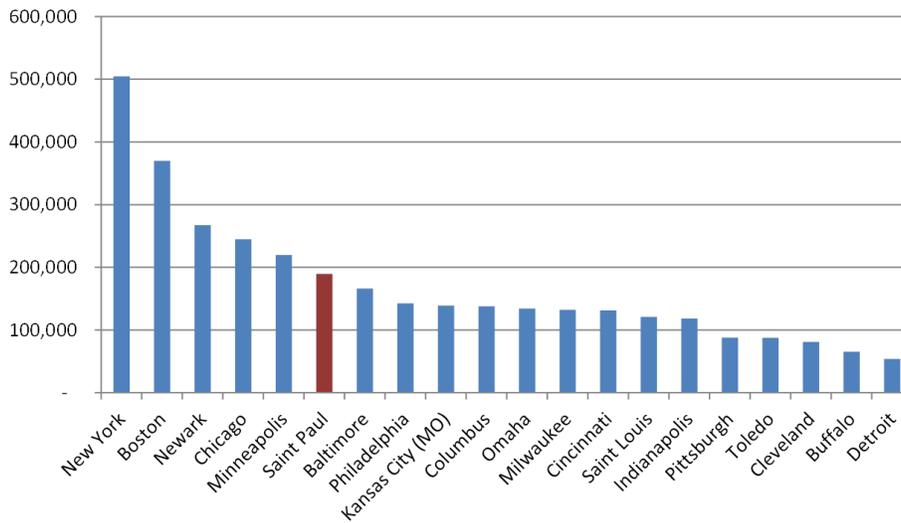
Additionally, Saint Paul's housing stock represents a nice mix of owner-occupied and rental units.

### Percent of owner-occupied housing units



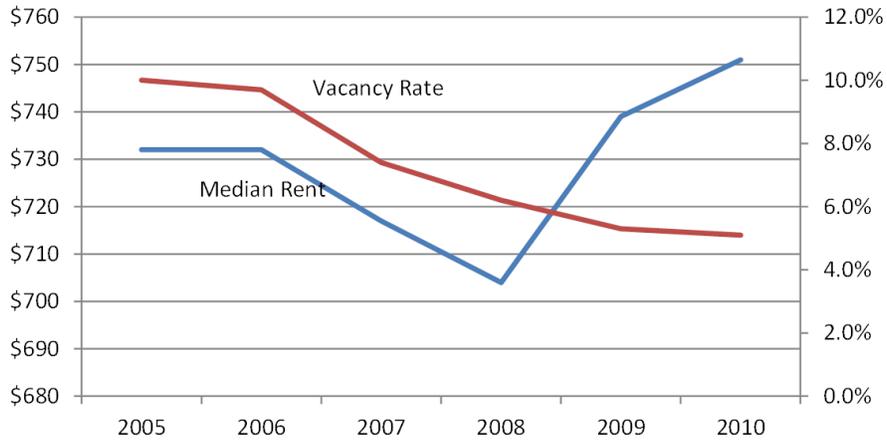
Despite our higher wealth indices, Saint Paul remains relatively affordable as evidenced by our median value of owner-occupied housing units.

### Owner-occupied units, median value



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

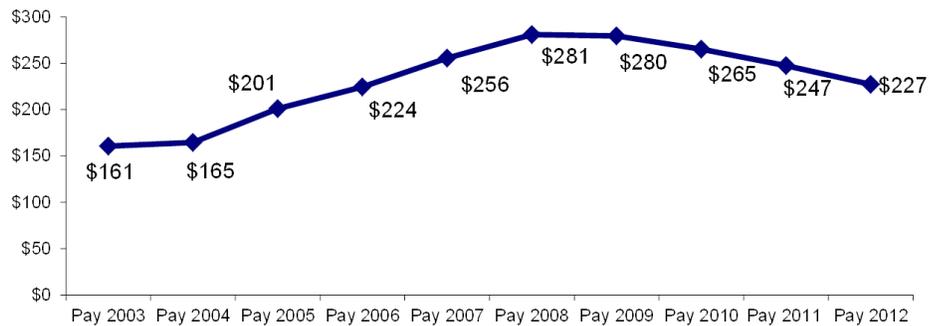
## St. Paul Apartments Vacancy Rates and Median Rent



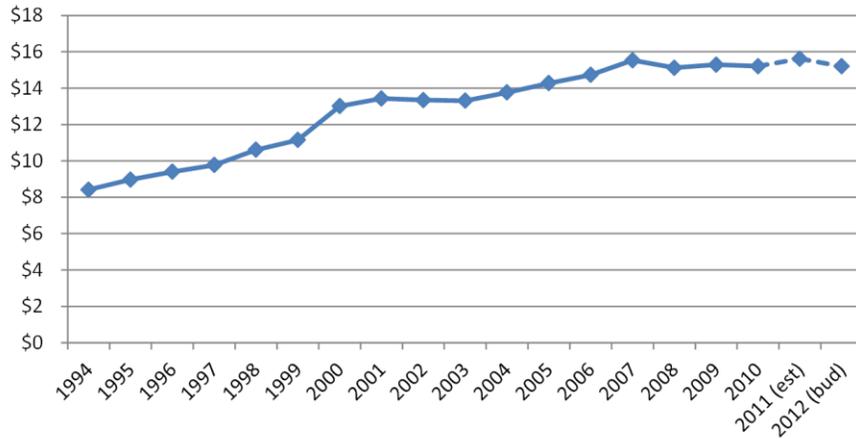
Since the peak of the financial crisis, foreclosures in the City have trended down.

	Foreclosures	Change
2007	1,888	-
2008	2,289	21.2%
2009	1,824	-20.3%
2010	1,791	-1.8%
2011	1,372	-23.4%

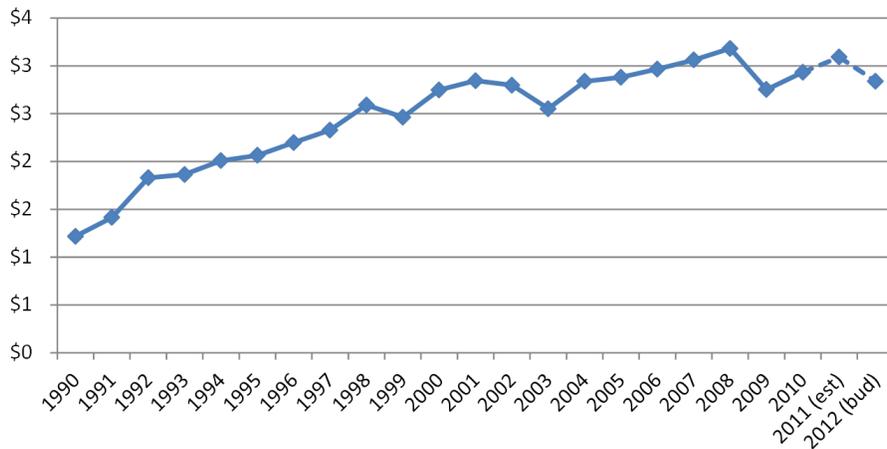
As a result of the national economic recession and the housing depreciation, the City's overall tax base (noted below in billions) has declined similar to most regions of the country.



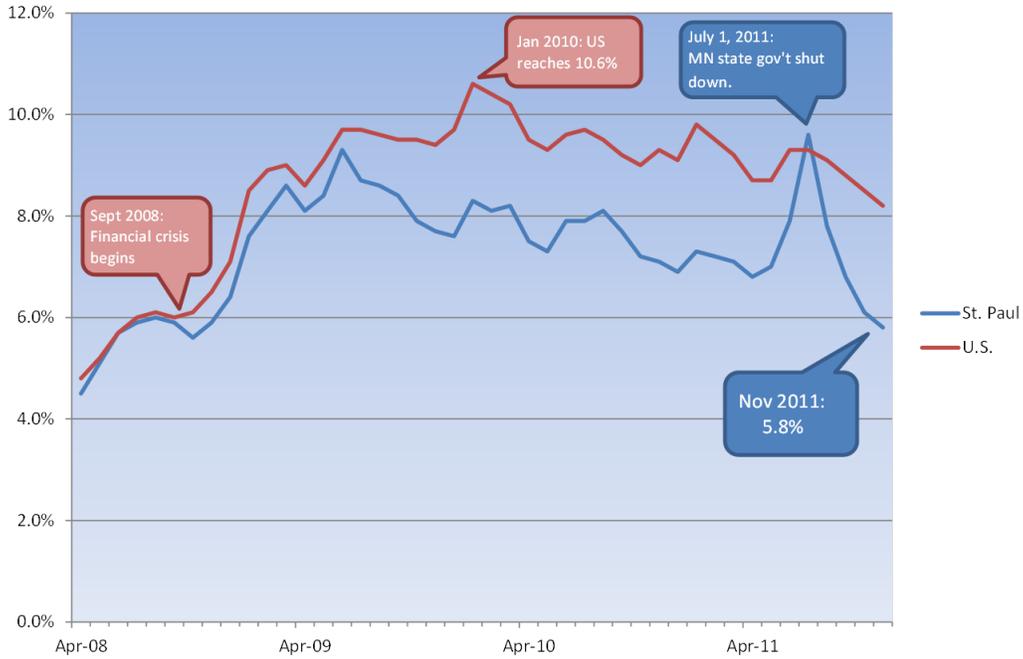
Despite the national economic crisis, Saint Paul's Sales and Use Tax receipts have remained relatively stable.



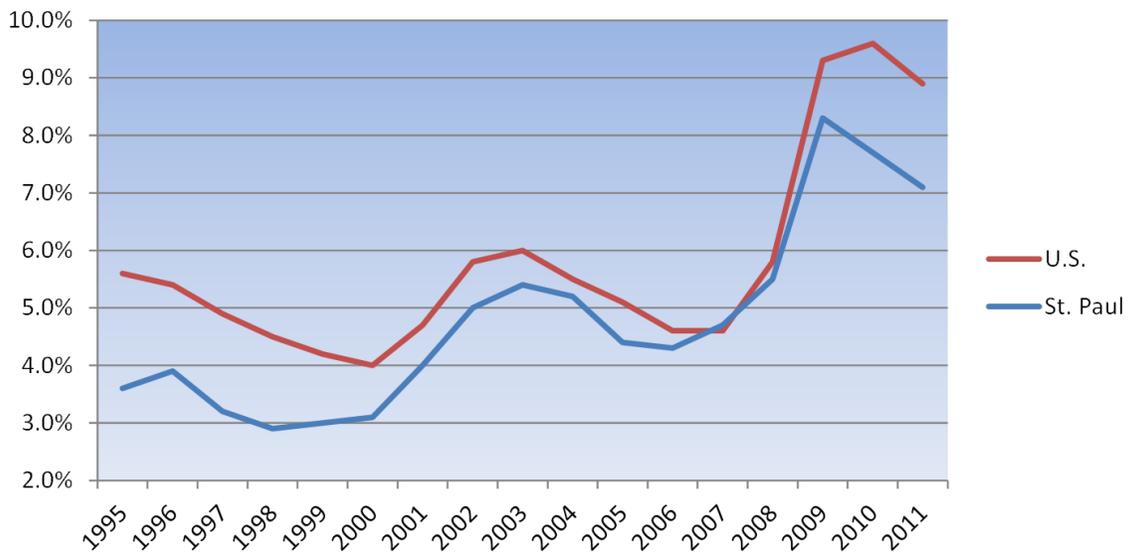
As has the city's Hotel and Motel tax receipts.



A final indicator of Saint Paul's economic condition is the unemployment rates. During the financial crisis, the City's unemployment rate was consistently below national averages. The one caveat was in July 2011, when during the Minnesota state government shut down. But even during that event-incident, the City's rate approximated the national average, evidencing the City's economic diversity.



Taking a longer view (15 years), Saint Paul’s unemployment history compares very favorable compared to national averages. With the exception of a few years in the late 2000’s, the City has always posted better employment statistics.



## **IX. Other Acknowledgments**

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