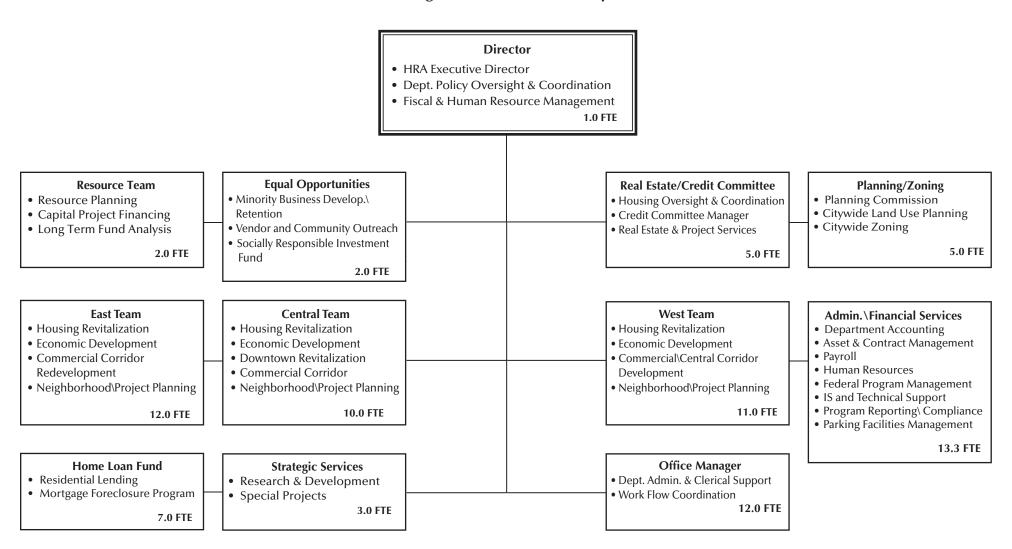
# **Planning and Economic Development**

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



# **About the Department of Planning and Economic Development**

# What We Do (Description of Services)

- PED's mission is to stimulate job creation and promote investment that maintains and expands the tax base. We accomplish this through the production of new housing, rehabilitation and preservation of existing housing, and strategic commercial and economic development investment. These actions are guided by careful planning, community collaboration and inclusiveness. By building on past accomplishments, PED will successfully define and implement its future vision.
- PED staff provides sound administration, oversight, coordination and fiscal management of more than \$164 million dollars, including over \$85 million in annual expenditures.
- PED administers a combined City/HRA loan portfolio in excess of 1,300 loans, with a value of \$122 million dollars.
- PED's annual operations budget is financed solely with non-general funds, and PED receives no general fund tax levy support.
- Staff manage more than 200 agreements with community organizations that provide neighborhood input and involvement, housing revitalization, economic development and crime prevention initiatives.
- The Minority Business Expansion and Retention Program and Vendor Outreach Program provide opportunities for both new start-up businesses and under-represented businesses to become active and successful in participating in City contracting opportunities.

## **Statistical Profile**

- PED administers over \$80 million in Federal, State and local resources.
- PED's 2007 operations budget is \$8.5 million, supporting 83.3 FTEs. The department receives no general fund tax levy support.
- PED provides overall coordination, management, contracting and oversight for more than 200 neighborhood, community, business and economic development activities.
- PED is a public lending institution, with a 1,300+ portfolio valued at \$122+ million.

# 2005-2006 Accomplishments

- FY2006 is a transition year for PED, completing the final construction activities begun as part of the Housing 5000 Initiative, and moving into a more strategic community revitalization focus. This includes analysis and assessment of our neighborhoods in the greatest need, including housing revitalization and economic development along the commercial corridors.
- The emergence of the Central Corridor as a major initiative will require significant PED human and fiscal resources.
   Following up on last years' highly successful survey of University Avenue businesses, PED staff are providing a lead in coordinating the community long range visioning process, in assessing development potential and options, and in structuring the multi year development framework.
- Continued success of the Minority Business Development and Retention Initiative, including the Socially Responsible Investment Program and creation of a network of community partnerships to increase technical and financial resources for women, minorities and small businesses. During 2006, the program has already established a new level of partnerships, including the first collaboration with Kaposia, Inc. to include handicapped artisans on a City sponsored housing construction project.
- Assisted in the financing and construction monitoring of the recently completed and opened Paul and Sheila Wellstone Neighborhood House, a \$25 million community center and recreation facility on the city's West Side.
- Provided strategic investment in public infrastructure and amenities, which in turn assisted private development in commercial corridors, including Mainstreet partnerships on Payne Avenue, Selby Avenue and District Del Sol.

# **Key Performance Measures**

**Performance Objective:** Complete a comprehensive analysis of PED operations, to ensure staffing level, staff capacity, organizational structure and allocation of resources are optimized to achieve the mission and goals of PED and to increase PED effectiveness within the city and with our community partners

Performance Indicator: Study completed by 12/31/06; Implementation of recommendations by 12/31/07

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Complete Department Analysis			12/31/06	
Implement Recommendations				12/31/07

Performance Objective: Produce or preserve 1,000 units of housing through new construction and rehabilitation, including supportive housing to end long term homelessness with 30% of the units affordable at 50% of the area median income

Performance Indicator: Verification of creation of housing units

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
New and substantially rehabilitated housing units	1,804	1,596	1,100	1,000

Performance Objective: Complete 15 significant planning projects in 2007

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

MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected
Completion of significant planning documents.	22	21	21	15

Performance Objective: Award at least 15% of the total development costs of department projects to MBE, WBE, and SBE companies Performance Indicator: Department contract awards represent at least 15% of the total costs to MBE, WBE, and SBE companies 2006 Estimated **MEASURES:** 2004 Actual 2005 Actual 2007 Projected Award 15% of TDC to MBE/WBE/SBE 15% Award 15% Award 15% Award companies Assistance to Start Up Businesses 120 100 100 Provision of technical services to minority. 200 150 200 women and small businesses Financial Assistance to MBE/WBE/SBE 10 20 20

Performance Objective: Review, revise, an	d update community based	subgrantee contract d	ocuments		
Performance Indicator: Review, revise, and meet with each contract recipient to discuss contract terms, performance objectives					
MEASURES:	2004 Actual	2005 Actual	2006 Estimated	2007 Projected	
Citizen Participation Agreements			4	15	
Neighborhood STAR Agreements			12	30	
Neighborhood Non Profit Human			25	50	
Service based Agreements					

# **Planning & Economic Development**

Department/Office Director: CECILE M BEDOR

	2004 2nd Prior Exp. & Enc.	2005 2006 Last Year Adopted Exp. & Enc.	2006	2007 Mayor's Proposed	2007 Council Adopted	Change from	
			Adopted			Mayor's Proposed	2006 Adopted
Spending By Unit	•						
001 GENERAL FUND	84,358	86,073					
100 COMMUNITY DEVELOPMENT BLOCK GRANT	6,703,285	8,038,361	11,350,000	10,348,000	10,348,000		-1,002,000
101 NEIGHBORHOOD REVITALIZATION PROG	1,483,278	1,686,606					
126 PED OPERATIONS FUND	7,690,464	7,950,040	8,771,419	8,553,013	8,553,013		-218,406
133 HOUSING INFO OFFICE - PED	-9						
149 CITY DWTN CAPT'L PROJS NOTE REPAY F	3,896,281	2,168,453					
925 CAPITAL IMPROVEMENT BOND FUND		8,585					
Total Spending by Unit	19,857,657	19,938,119	20,121,419	18,901,013	<u>18,901,013</u>		1,220,406
Spending By Major Object							
SALARIES	4,940,833	4,933,168	5,426,913	5,348,711	5,348,711		-78,202
SERVICES	4,445,372	5,268,085	1,489,473	1,317,796	1,163,430	-154,366	-326,043
MATERIALS AND SUPPLIES	42,634	60,235	75,411	74,600	74,600		-811
EMPLOYER FRINGE BENEFITS	1,609,433	1,565,574	1,668,203	1,674,332	1,674,332		6,129
MISC TRANSFER CONTINGENCY ETC	8,811,939	7,661,057	11,446,419	10,470,574	10,624,940	154,366	-821,479
DEBT	, ,		, -, -	-, -,-	-,- ,	,,,,,	, -
STREET SEWER BRIDGE ETC IMPROVEMENT							
	7,445	450,000	15,000	15,000	15,000		
EQUIPMENT LAND AND BUILDINGS							
Total Spending by Object	19,857,657	19,938,119	20,121,419_	18,901,013	18,901,013	0_	1,220,406
Percent Change from Previous Year		0.4%	0.9%	-6.1%	0.0%	0.0%	-6.1%
Financing By Major Object GENERAL FUND SPECIAL FUND TAYER	84,358	86,073					
TAXES LICENSES AND PERMITS							
INTERGOVERNMENTAL REVENUE	7,189,907	7,481,464	9,350,000	8,348,000	8,348,000		-1,002,000
	8,089,428	8,461,749	8,726,768	8,317,212	8,317,212		-409,556
FEES, SALES AND SERVICES ENTERPRISE AND UTILITY REVENUES	28,200	26,561	2,000,000	2,000,000	2,000,000		-409,550
MISCELLANEOUS REVENUE	561,493	569,170	2,000,000	2,000,000	2,000,000		
TRANSFERS	5,618,669	1,997,464					
FUND BALANCES	3,010,009	1,337,404	44,651	235,801	235,801		191,150
		40.000.464	20,121,419	<del>-</del>			. – – – – – – – .
Total Financing by Object	21,572,055	18,622,481	'	18,901,013	18,901,013	<u>_ 0</u> .	1,220,406
Percent Change from Previous Year		-13.7%	8.0%	-6.1%	0.0%	0.0%	-6.1%

# 2007 Budget Plan

#### 2007 Priorities

- Focus economic development activities on increasing investment, promoting partnerships, creating jobs and sustaining the tax base.
- More closely integrate city planning efforts with emerging development priorities.
- Ensure that scarce financial resources are utilized on activities which best support the goals and objectives of the Mayor and City Council.
- Produce and preserve 1,000 units of housing through new construction and rehabilitation including supportive housing to end long-term homelessness with 30% of the units affordable at 50% of the area median income (AMI).
- Continue development of key commercial/transportation corridors through concentration of private and public investment in transportation infrastructure, housing and commercial development, and public amenities. In the Mainstreet Program Corridors, complete 1,000 Business Retention, Expansion and Recruitment calls.
- Expand the efforts of the Minority Business Development and Retention Program and Small Business Expansion Programs, and increase participation in departmental vendor awards to 15% of total development costs.
- Complete professional planning work on 14 major plans and 7 smaller plans.
- Pursue federal, state and local funding opportunities and create new intergovernmental partnerships.
- Engage community and business groups, and encourage involvement by all sectors of the community to promote responsible decision making.

#### 2007 Budget Explanation

#### **Base Adjustments**

The 2006 adopted budget was adjusted to set the budget base for 2007. The base includes the anticipated growth in salaries and fringes for 2007 for employees related to the bargaining process. It also includes 2% inflation growth on goods and services.

# **Mayor's Recommendation**

The proposed budget for Planning and Economic Development for 2007 is \$18,901,013, compared to \$20,121,419 in 2006. This is a decrease of \$1,220,406. The department budget is entirely in special funds, PED receives no direct general fund resources. The department budget is split between the Operations Fund (\$8,553,013) and the Community Development Block Grant (\$10,348,000). The Operations Fund budget for 2007 is \$218,406 less than the 2006 adopted budget, and \$447,003 less than the 2007 base budget. The proposed 2007 PED staff complement is 83.3 FTEs, or 2.8 FTEs less than 2006. The 2007 budget for the Community Development Block Grant is down \$1,002,000 from the 2006 level, and reflects this loss of federal funding.

# **Council Actions**

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

 Added one-time financing of \$97,219 to recognize interest earned on an advance in prior years to the RiverCentre & Visitors Authority from Cultural and Neighborhood STAR funds.