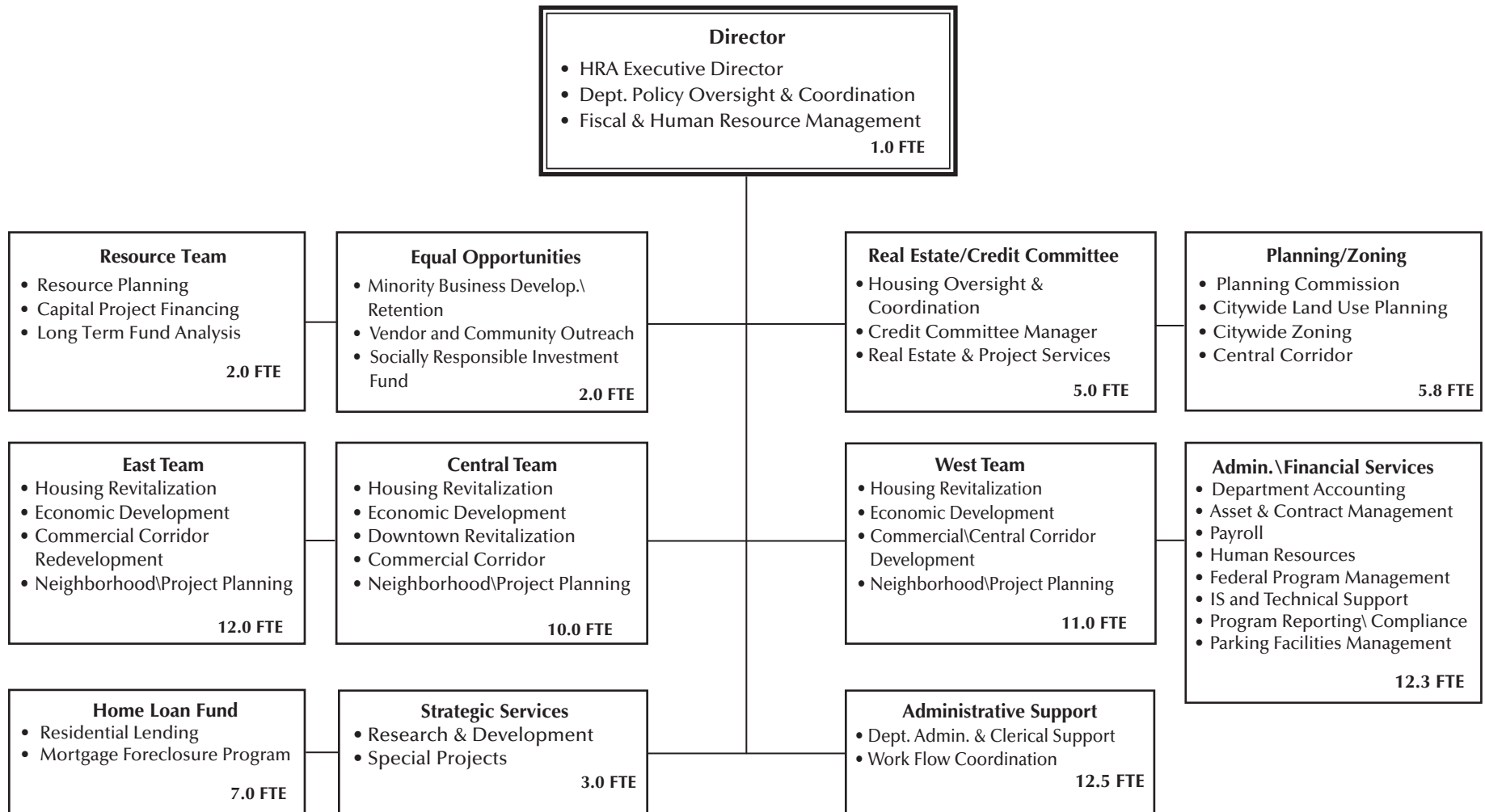


Planning and Economic Development

To actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, sustain, and grow the city's diverse neighborhoods.



(Total 83.6 FTEs)

8/13/07

About the Department of Planning and Economic Development

What We Do (Description of Services)

- PED's mission is "to actively create opportunities and encourage investment for the benefit of Saint Paul residents and businesses, which preserve, sustain, and grow the city's diverse neighborhoods." We accomplish this by assisting in the production of new housing, the rehabilitation and preservation of existing housing, and strategic commercial and economic development investment. These actions are guided by careful planning, community collaboration, and inclusiveness. PED continues to build upon its past accomplishments, while looking forward to help establish Saint Paul, Minnesota as the Most Livable City in America.
- Provides sound administration, oversight, coordination, and fiscal management in excess of \$160 million dollars, including an annual \$85 million budget.
- Administers a combined City/HRA loan portfolio in excess of 1,300 loans, with a value of \$125 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

- Administers in excess of \$80 million annually in Federal, State, and local resources.
- 2008 operations budget is \$8.9 million, supporting 83.6 FTE. The department receives no general fund tax levy support.
- 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.

2006-2007 Accomplishments

- The end of FY2006 and early 2007 was a transition period for PED, completing the last of the Housing 5000 Initiative activities, and moving into a more strategic community revitalization focus.
- FY2007 has seen the emergence of the Invest Saint Paul Initiative. PED has been at the forefront of the city's efforts to date. By gathering and analyzing neighborhood statistical data, leading neighborhood focus groups, and compiling funding projections, PED has been a leader in the development of ISP.
- The hard work continues on the Central Corridor initiative as neighborhoods, businesses, the City, and all stakeholders work to move this major undertaking forward. The Central Corridor will continue to require significant PED human and fiscal resources. PED staff continues to provide the lead in coordinating the community long-range visioning process, assessing development potential and options, and structuring the multi-year development framework.
- The decision by the Ford Motor Company to close its Saint Paul manufacturing plant has required PED to lead all discussions on the future use of this site. As is the case with Central Corridor, PED staff is leading the effort to bring neighborhood residents, businesses, and all sectors of the community into a meaningful dialogue on the future of the site. We completed Phase I of the planning process, and have begun Phase II.
- The Minority Business Development and Retention Initiative successfully continued, including the Socially Responsible Investment Program. A network of community partnerships has been established to increase technical and financial resources for women, minorities, and small businesses. During 2007, the program increased the level of partnerships.
- 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: Implement PED portions of Invest Saint Paul Initiative				
Performance Indicator: Department provides administration & oversight of ISP housing & economic development initiatives				
MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Contract with CDC's for neighborhood engagement/technical assistance			6	6
Assist in Mortgage Foreclosure Prevention in ISP areas			50	100
Removal of blighting structures			18	14
Provision of rehabilitation assistance			123	129

Performance Objective: Implement as appropriate recommendations from the comprehensive assessment 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 other community partners.				
Performance Indicator: Implement appropriate recommendations by 12/31/07				
MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Complete Department analysis			09/01/07	
Analyze recommendations w/staff			12/31/07	
Implement recommendations				12/31/08

Performance Objective: Complete 15 significant planning projects in 2008				
Performance Indicator: Plans/projects will be completed by staff, forwarded to the Planning Commission, and the Mayor and City Council for review & approval.				
MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Adoption of 10 Year Citywide Comprehensive Plan				12/31/08
Completion of significant planning documents	21	21	15	15

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:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
New and substantially rehabilitated housing units	1,596	875	700	1,200

Performance Objective: Award at least 15% of the total development costs of department projects to MBE, WBE, and SBE companies.				
Performance Indicator: Department contract awards represent at least 15% of the total costs to MBE, WBE, and SBE companies.				
MEASURES:	2005 Actual	2006 Actual	2007 Estimated	2008 Projected
Awards 15% of TDC to MBE, WBE & SBE companies	15%	15%	15%	15%
Assistance to Start Up Businesses	100	120	100	144
Provision of technical services to minority, women and small businesses	150	200	200	240
Financial Assistance to MBE, WBE, SBE	10	20	20	10

2008 Budget Plan

2008 Priorities

- Administer the Invest Saint Paul program activities assigned to PED. Focus public, private and neighborhood resources on comprehensive neighborhood revitalization issues, including mortgage foreclosure prevention, removal of blight, single and multi-family rehabilitation, and economic development opportunities on key commercial corridors.
- Continue the development of the Central Corridor Initiative.
- Complete Phase II of Ford Site Redevelopment plan.
- Focus economic development activities on increasing investment, promoting partnerships, creating jobs, and sustaining the tax base.
- Integrate city planning efforts with emerging development priorities.
- Ensure that scarce financial resources are utilized on activities which best support the goals of the Mayor's Strategic Plan.
- Produce and preserve 1,200 units of housing through new construction and rehabilitation including supportive housing to end long term homelessness with 30% of the units affordable @ 50% of the area median income (AMI).
- Expand the efforts of the Minority Business Development and Retention Program and Small Business Expansion Programs, and continue participation in departmental vendor awards of at least 15% of total development costs.
- Complete professional planning work on the city's 10 Year Comprehensive Plan, and 15 significant planning documents.
- Pursue federal, state and local funding opportunities, create new intergovernmental partnerships.
- Engage community and business groups, to encourage involvement of all sectors of our community to promote responsible decision making.

2008 Budget Explanation

Base Adjustments

The 2007 adopted budget was adjusted to set the budget base for 2008. The base includes the anticipated growth in salaries and fringes for 2008 for employees related to the bargaining process. It also includes 2.5% inflation growth on services and 3% on goods and materials.

Mayor's Recommendation

The proposed budget for Planning and Economic Development for 2008 is \$19,314,585, compared to \$18,901,013 in 2007. This is an increase of \$413,572. The department budget is entirely in special funds, PED receives no direct general fund resources. The department budget is split between the Operations Fund (\$8,966,585) and the Community Development Block Grant (\$10,348,000). The Operations Fund budget for 2008 is \$413,572 more than the 2007 adopted budget. The proposed 2008 PED staff complement is 83.6 FTEs, or 0.3 FTEs more than 2007. This change in staffing includes work by other city staff as it relates to the Central Corridor, and whose costs are being covered by a portion of the Central Corridor grant. The 2008 budget for the Community Development Block Grant is proposed at the same 2007 level.

The proposed budget for Planning and Economic Development reflects the department\office's share of spending for the new Enterprise Technology Initiative (ETI) and includes costs associated with the revised Central Service Cost allocation methodology as described in the Special Fund Highlights for Fund 164.

2008 Budget Plan (continued)

2008 Budget Explanation (continued)

Council Actions

- The City Council adopted the Planning and Economic Development budget and recommendations as proposed by the Mayor.

The 2008 adopted budget is \$19,314,585 which is all special funds. This includes 83.6 FTEs all within the special funds as well.